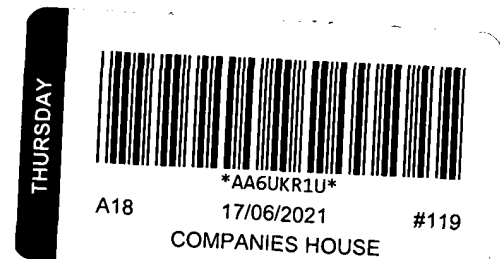


Jadestone Energy plc
(Company Number: 13152520)

INTERIM
FINANCIAL STATEMENTS
for the period 22 January 2021 (date of
incorporation) to 1 June 2021



Jadestone Energy plc
FINANCIAL STATEMENTS
for the period 22 January 2021 (date of incorporation) to 1 June 2021


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Jadestone Energy plc
FINANCIAL STATEMENTS
for the period 22 January 2021 (date of incorporation) to 1 June 2021

MANAGEMENT'S REPORT

The accompanying financial statements are the responsibility of management. The financial statements were prepared by management, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and with IFRS Interpretations Committee interpretations.

The financial statements were approved by the board of directors, authorised for issue on 10 June 2021, and signed on behalf by:

A Paul
Blakeley  Digitally signed
by A Paul
Blakeley
A. Paul Blakeley
Director
10 June 2021

Digitally
Dan Young signed by
Dan Young
Daniel Young
Director
10 June 2021

Jadestone Energy plc

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF JADESTONE ENERGY PLC

REPORT OF THE INDEPENDENT AUDITOR TO THE DIRECTORS OF JADESTONE ENERGY PLC UNDER SECTION 839(5) OF THE COMPANIES ACT 2006

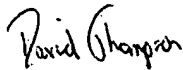
We have examined the initial accounts of Jadestone Energy plc for the period from 22 January 2021 (date of incorporation) to 1 June 2021, which comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, statement of cash flows and the related notes. The initial accounts have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the signed engagement letter, the directors are responsible for the preparation of the initial accounts in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. Our responsibility is to report to you our opinion as to whether the initial accounts have been properly prepared within the meaning of section 839(4) of the Companies Act 2006.

Opinion

In our opinion the initial accounts for the period from 22 January 2021 (date of incorporation) to 1 June 2021 have been properly prepared within the meaning of section 839(4) of the Companies Act 2006.



David Thompson (Senior Statutory Auditor)

for and on behalf of PKF Littlejohn LLP

15 Westferry Circus

London E14 4HD

United Kingdom

10 June 2021

Jadestone Energy plc
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the period 22 January 2021 (date of incorporation) to 1 June 2021

	Note	USD
Statement of profit or loss		
Unrealised foreign exchange gains		8,886,118
Administrative expenses	4	<u>(79,981)</u>
Profit before tax		8,806,137
Income tax	5	<u>-</u>
Profit and total comprehensive income for the period		<u>8,806,137</u>
Earnings per ordinary share		
Basic and diluted (US\$)	6	<u>0.06</u>

The accompanying notes are an integral part of the financial statements.

Jadestone Energy plc
STATEMENT OF FINANCIAL POSITION
as at 1 June 2021

	Notes	USD
Assets		
Non-current asset		
Investment in subsidiary	7	1
Total non-current asset		1
Current assets		
Loan to a subsidiary	8	391,441,372
Amount owing by a subsidiary	8	34,764
Cash and cash equivalents		5,100,000
Total current assets		396,576,136
Total assets		396,576,137
Equity and liabilities		
Liabilities		
Current liabilities		
Other payables and accruals	11	80,659
Amount owing to subsidiaries	8	5,100,001
Total current liabilities		5,180,660
Total liabilities		5,180,660
Net assets		391,395,477
Equity		
Capital and reserve		
Share capital	9	391,944
Merger reserve	10	61,080,196
Retained earnings		329,923,337
Total equity		391,395,477

The financial statements were approved by the board of directors authorised for issue on 10 June 2021, and signed on behalf by:

A Paul
Blakeley
Digitally signed
by A Paul
Blakeley
A. Paul Blakeley
Director
10 June 2021

Digitally
Dan Young signed by
Dan Young
Daniel Young
Director
10 June 2021

The accompanying notes are an integral part of the financial statements.

Jadestone Energy plc
STATEMENT OF CHANGES IN EQUITY
for the period 22 January 2021 (date of incorporation) to 1 June 2021

	Share capital USD	Merger reserve USD	Retained earnings USD	Total USD
As at incorporation date, 22 January 2021	68,202	-	-	68,202
Return of capital	(68,202)	-	-	(68,202)
Common shares issued	321,509,144	61,080,196	-	382,589,340
Capital reduction	(321,117,200)	-	321,117,200	-
Total transactions with owners	391,944	61,080,196	321,117,200	382,589,340
Profit and total comprehensive income for the period	-	-	8,806,137	8,806,137
Balance as at 1 June 2021	391,944	61,080,196	329,923,337	391,395,477

The accompanying notes are an integral part of the financial statements.

Jadestone Energy plc
STATEMENT OF CASH FLOWS
for the period 22 January 2021 (date of incorporation) to 1 June 2021

	Notes	USD
Operating activities		
Profit before tax		8,806,137
Adjustment for:		
Unrealised foreign exchange gains		<u>(8,886,118)</u>
Operating cash flows before movement in working capital		(79,981)
Change in working capital:		
Increase in other payables and accruals	11	<u>79,981</u>
Net cash from/(used in) operating activities		<u>-</u>
Investing activity		
Subscription of share in subsidiary	7	<u>(1)</u>
Net cash used in investing activity		<u>(1)</u>
Financing activity		
Advance received from subsidiaries	8	<u>5,100,001</u>
Net cash generated from financing activity		<u>5,100,001</u>
Net increase in cash and cash equivalents		5,100,000
Cash and cash equivalents at date of incorporation		<u>-</u>
Cash and cash equivalents at end of the period		<u>5,100,000</u>

The accompanying notes are an integral part of the financial statements.

Jadestone Energy plc
NOTES TO THE FINANCIAL STATEMENTS
for the period 22 January 2021 (date of incorporation) to 1 June 2021

1. CORPORATE INFORMATION

The Company was incorporated on 22 January 2021 in England and Wales. Its registered office is Suite 1, 3rd Floor, 11 - 12 St James's Square, London SW1Y 4LB.

The Company's ordinary shares are listed on AIM, a market by the London Stock Exchange plc.

The principal activity of the Company is that of investment holding. The financial statements cover the period 22 January 2021 (date of incorporation) to 1 June 2021.

2. BASIS OF PREPARATION

Jadestone Energy Inc., the former ultimate holding company of the Jadestone group of companies, now being the subsidiary of the Company, had announced its intention to pay a dividend of US\$1.08/share (US\$0.0108/share), or a distribution of US\$5.0 million. This interim dividend is to be paid by the Company in July 2021, following the completion of the internal reorganisation, and the planned capital reduction.

The financial statements of the Company have been prepared under sections 836 and 839 of the Companies Act 2006 ("the Act"), and in accordance with International Financial Reporting Standards ("IFRS"), for the purposes of confirming that the Company has sufficient distributable reserve to support the recommended dividend.

These initial accounts have been properly prepared under section 839 of the Act, except for certain exemptions for initial accounts as permitted under section 839 of the Act, which the directors have considered are not material for determining whether the recommended dividend is permitted by sections 830 and 831 of the Act.

The financial statements are presented in United States Dollar ("USD"), which is the functional currency and presentational currency of the Company. The financial statements have been prepared under the historical cost convention.

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value adjustments are categorised into level 1, 2 or 3, based on the degree to which the inputs to the fair value adjustments are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Jadestone Energy plc
NOTES TO THE FINANCIAL STATEMENTS
for the period 22 January 2021 (date of incorporation) to 1 June 2021

GOING CONCERN

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Adoption of new and revised standards

New and amended IFRS standards that are effective for the current period ended 1 June 2021

In the current period, the Company has adopted all new and revised IFRSs and Interpretations of IFRS ("INT IFRS") that are effective from that date and are relevant to its operations. The adoption of these new and revised IFRSs and INT IFRS does not result in changes to the Company's accounting policies.

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following amendments to IFRS Standards relevant to the Company that have been issued but are not yet effective:

Amendments to IAS 1	Classification of Current or Non-current (effective from 1 January 2023).
Amendments to IFRSs	Annual Improvements to IFRS Standards 2018 – 2020 (Effective from 1 January 2022)

All amendments are effective for annual periods beginning on or after 1 January 2021 and generally require prospective application.

The Company is currently performing an assessment of the impact of these amendments but does not expect a material impact on the financial statements of the Company in future periods.

FOREIGN CURRENCY TRANSACTIONS

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

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items, are included in profit or loss for the period.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period, except for differences arising on the retranslation of non-monetary items in respect of which gains or losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Jadestone Energy plc
NOTES TO THE FINANCIAL STATEMENTS
for the period 22 January 2021 (date of incorporation) to 1 June 2021

IMPAIRMENT OF ASSETS

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal ("FVLCD") and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. FVLCD will be assessed where there is no readily available market price for the asset or where there are no recent market transactions. Assumptions relating to forecast capital expenditures that enhance the productive capacity can be included in the discounted cash flows model, but only to the extent that a typical market participant would take a consistent view. The post-tax discounted cash flows are compared against the carrying amount of the asset on an after-tax basis; that is, after deducting deferred tax liabilities relating to the asset or group of assets.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through the profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date basis, where the purchases or sales of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are measured subsequently in their entirety, at either amortised cost or fair value, depending on the classification of the financial assets.

Jadestone Energy plc
NOTES TO THE FINANCIAL STATEMENTS
for the period 22 January 2021 (date of incorporation) to 1 June 2021

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For all financial assets measured at amortised cost, exchange differences are recognised in profit or loss.

Impairment of financial assets

The Company's financial assets that are subject to the expected credit loss model comprise a loan to a subsidiary and amount owing by a subsidiary. While cash and bank balances are also subject to the impairment requirements of IFRS 9 *Financial Instruments*, the expected credit loss allowances are not expected to be significant.

The Company measures the loss allowance for the loan to a subsidiary and amount owing by a subsidiary at an amount equal to 12-months expected credit loss ("ECL"), as there is no significant increase in credit risk since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, based on consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available), or internal credit rating;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk, and revises them as appropriate, to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

Jadestone Energy plc
NOTES TO THE FINANCIAL STATEMENTS
for the period 22 January 2021 (date of incorporation) to 1 June 2021

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Measurement and recognition of expected credit losses

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default), and the exposure at default. The assessment of the probability of default, and loss given default, is based on historical data adjusted by forward looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, together with any additional amounts expected to be drawn down in the future by the default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract, and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership, and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all of the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivables, is recognised in the profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost, using the effective interest method or at fair value through profit or loss ("FVTPL").

Jadestone Energy plc
NOTES TO THE FINANCIAL STATEMENTS
for the period 22 January 2021 (date of incorporation) to 1 June 2021

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL.

Financial liabilities measured subsequently at amortised cost

Other financial liabilities are measured subsequently at amortised cost, using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability recognised, and the consideration paid and payable, is recognised in profit or loss.

Fair value estimation of financial assets and liabilities

The fair value of current financial assets and liabilities carried at amortised cost, approximate their carrying amounts, as the effect of discounting is immaterial.

EQUITY INSTRUMENTS

Ordinary shares are classified as equity and recorded at the value of consideration received. The cost of issuing shares is shown in share capital as a deduction, net of tax, from the proceeds.

INCOME TAX

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income, because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted, in countries where the Company operates, by the end of the reporting period.

Jadestone Energy plc
NOTES TO THE FINANCIAL STATEMENTS
for the period 22 January 2021 (date of incorporation) to 1 June 2021

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements, and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available, against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not utilised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiary, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests, are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences, and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised, based on the tax rates (and tax laws) that have been enacted or substantively enacted, by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank held by the Company with maturities of less than three months.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Jadestone Energy plc
NOTES TO THE FINANCIAL STATEMENTS
for the period 22 January 2021 (date of incorporation) to 1 June 2021

Critical judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 2 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Management believes that there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the period, that have a significant risk of causing a material judgement to the carrying amounts of liabilities within the next financial period.

4. ADMINISTRATIVE EXPENSES

	USD
Professional fees	54,655
Audit fee	25,326
	<u>79,981</u>

5. INCOME TAX

	USD
Current tax	
Current period	-

The Company's tax domicile is Singapore and therefore is subjected to Singapore's domestic corporate tax rate of 17%.

Tax reconciliation:

	USD
Profit before tax	<u>8,806,137</u>
Tax at statutory income tax rate of 17%	1,497,043
Tax effect of expenses not deductible for income tax purposes	13,597
Income not taxable	<u>(1,510,640)</u>
	<u>-</u>

No deferred tax asset has been recognised as it is not considered probable that there will be future taxable profits available.

Jadestone Energy plc
NOTES TO THE FINANCIAL STATEMENTS
for the period 22 January 2021 (date of incorporation) to 1 June 2021

6. EARNINGS PER ORDINARY SHARE

The calculation of the basic and diluted profit per share is based on the following data:

	USD
Profit for the purposes of basic and diluted per share, being the net profit for the period attributable to equity holders of the Company	8,806,137
	Number
Weighted average number of ordinary shares for the purposes of basic EPS	139,144,074
Effect of diluted potential ordinary shares - share options	6,233,555
Weighted average number of ordinary shares for the purposes of dilutive EPS	145,377,629
Earnings per share	USD
- Basic and diluted	0.06

The calculation of diluted EPS for the period includes 6,233,555 of weighted average dilutive ordinary shares available for exercise from in-the-money vested options.

7. INVESTMENT IN SUBSIDIARY

	USD
Unquoted share, at cost	1

The detail of the direct subsidiary is as follow:

Name of the company	Place of incorporation	% voting rights and shares held	Nature of business
Jadestone Energy Holdings Limited	England and Wales	100	Investment holdings

8. RELATED COMPANY TRANSACTIONS

During the period, the Company entered into a loan with its subsidiary, Jadestone Energy Holdings Limited, for the purpose of recovering the amount of the consideration shares issued by the Company to former Jadestone Energy Inc.'s shareholders as part of the internal reorganisation exercise which has been completed on 23 April 2021. The loan is non-interest bearing and repayable on demand or at any time, as agreed with the Company, before 21 April 2031.

The amount owing by a subsidiary is related to a receipt on behalf of the Company by the subsidiary for the proceeds from issuance of shares during the period. The amount owing by a subsidiary is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

Jadestone Energy plc
NOTES TO THE FINANCIAL STATEMENTS
for the period 22 January 2021 (date of incorporation) to 1 June 2021

The amount owing to subsidiaries are mainly related to advances received for the purpose of depositing the funds into the Company's bank account. The amount owing to subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

9. SHARE CAPITAL

	No. of shares	USD
Authorised ordinary shares		
Issued and fully paid		
As at incorporation date, 22 January 2021, at £1 each	50,000	68,202
Sub-division of shares, at £0.50 each	50,000	-
Return of capital	(100,000)	(68,202)
Common shares issued during the period, at £0.50 each	463,649,477	321,474,713
Capital reduction, at £0.499 each	-	(321,117,200)
Issued during the period	<u>50,000</u>	<u>34,431</u>
Ordinary shares at £0.001 each	<u>463,699,477</u>	<u>391,944</u>

On 6 April 2021, the Company sub-divided its ordinary shares into 100,000 units of share, at £0.50 each.

On 4 May 2021, the High Court of Justice, Business and Property Court, Companies Court in England and Wales approved the reduction of share capital of the Company pursuant to section 648 of the Act by cancelling the paid up capital of the Company to the extent of 49.9 pence on each ordinary share of £0.50 in the issued share capital of the Company. The effective date of the capital reduction was 6 May 2021.

The purpose of capital reduction is to restructure the issued share capital and reserves of the Company and to create distributable reserves to facilitate the payment of future dividends.

During the period, employee share options of 50,000 were exercised and issued at the price of GBE 0.49 per share.

10. MERGER RESERVE

The merger reserve arose from the difference between the carrying value of the investment and the nominal value of the shares of the Company.

11. OTHER PAYABLES AND ACCRUALS

	USD
Other payables	55,118
Accruals	<u>25,541</u>
	<u>80,659</u>

Jadestone Energy plc
NOTES TO THE FINANCIAL STATEMENTS
for the period 22 January 2021 (date of incorporation) to 1 June 2021

Other payables and accruals principally comprise amounts outstanding for non-trade related business expenditures. The average credit period is less than 30 days. For most suppliers, no interest is charged on the payables in the first 30 days from the date of invoice. Thereafter, interest may be charged on outstanding balances at varying rates of interest. The Company has financial risk management policies in place to ensure that all payables are settled within the pre-agreed credit terms.

12. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

Financial assets and liabilities

Current assets and liabilities

Management considers that due to the short-term nature of the Company's current assets and liabilities, the carrying values equate to their fair value.

	USD
Financial assets	
Loan to a subsidiary	391,441,372
Amount owing by a subsidiary	34,764
Cash and cash equivalents	<u>5,100,000</u>
Financial liabilities	
Other payables and accruals	80,659
Amount owing to subsidiaries	<u>5,100,001</u>

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between USD and foreign currencies will affect the fair value or future cash flows of the Company's financial assets or liabilities presented in the statement of financial position as at period end.

In addition to USD, the Company transacts in British Pound Sterling.

Foreign currency sensitivity

Foreign denominated balances were as follows:

	USD
Loan to a subsidiary	<u>391,441,372</u>
Other payables and accruals	<u>80,659</u>

A strengthening/weakening of the British Pound Sterling by 10%, versus the functional currency of the Company, is estimated to result in the net carrying amount of Company's financial assets and financial liabilities as at period end increasing/decreasing by approximately US\$39.1 million, and which would be credited/charged to the statement of profit or loss.

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Credit risk

Credit risk represents the financial loss that the Company would suffer if a counterparty in a transaction fails to meet its obligations in accordance with the agreed terms.

The Company actively manages its exposure to credit risk, granting credit limits consistent with the financial strength of the Company's counterparties and customers, requiring financial assurances as deemed necessary, reducing the amount and duration of credit exposures, and close monitoring of relevant accounts.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses ("ECL")
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Company's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	External credit rating	Internal credit rating	12-month ("12m") or lifetime ECL	Gross carrying amount USD	Loss allowance USD	Net carrying amount USD
Loan to a subsidiary	n.a	Performing	12m ECL	391,441,372	-	391,441,372
Amount owing by a subsidiary	n.a	Performing	12m ECL	34,764	-	34,764
Cash and cash equivalents	n.a	Performing	12m ECL	5,100,000	-	5,100,000
				396,576,136	-	396,576,136

No credit period is set for the loan to a subsidiary and amount owing by a subsidiary. The receivables are considered to have low credit risk as the timing of payment is controlled by the Company. Management determines that there has been no significant increase in the risk of default since initial recognition.

Cash and cash equivalents are placed with reputable banks and financial institutions, which are regulated, and with no history of default.

The maximum credit risk exposure relating to financial assets is represented by their carrying value as at the reporting date.

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Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet all of its financial obligations as they become due. This includes the risk that the Company cannot generate sufficient cash flow from its ordinary course of business activities, or is unable to raise further capital in order to meet its obligations.

The Company manages its liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company believes it has sufficient liquidity to meet all reasonable scenarios of operating and financial performance for the next 18 months.

At the end of the reporting period, the Company has financial guarantee contracts on hand and assessed that it was not probable that the counterparties to the financial guarantee contracts will claim under the contracts.

Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its business expenditures. Given the nature of the Company's activities, management reviews its capital management approach on an ongoing basis to ensure that the capital is managed effectively.

Management believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

13. ULTIMATE CONTROLLING PARTY

The Company is an ultimate holding company to the Jadestone group of companies, therefore no ultimate controlling party disclosure is required.

14. EVENT AFTER THE END OF THE REPORTING PERIOD

There is no significant event after the reporting period to be disclosed.