



Jadestone Energy 

CONDENSATE STORAGE TANK 16-T
CAP. 546 m³

Jadestone Energy 

2023
Annual Report

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COMPANIES HOUSE

2023 business performance

2P reserves (mmboe):

68.0

2022: 64.8

Production (boe/d):

13,813

2022: 11,487

Realised oil price (US\$/boe):

87.3

2022: 103.9

Revenue (US\$ million):

309.2

2022: 421.6

Production costs (US\$ million):

232.8

2022: 250.3

Adjusted EBITDAX² (US\$ million):

90.6

2022: 162.3

Profit/(loss) after tax (US\$ million):

(91.3)

2022: 9.2

Capital expenditure (US\$ million):

115.9

2022: 82.9

Net cash/(debt) (US\$ million):

(3.6)

2022: 123.3

Our corporate purpose

We are an upstream company operating in the Asia-Pacific region. We aim to deliver value for our stakeholders by acquiring and maximising the life of fields which are already in production, as well as developing discovered and fully appraised gas resources which can help satisfy domestic energy demand and support regional economic growth.

We believe this strategy is fit for the energy transition, as global hydrocarbon demand should be fulfilled from existing fields and discoveries where possible. By investing to increase production and improve asset integrity, we are well-positioned to be the steward of these assets through to the end of field life, in turn contributing to our interim GHG emission reduction targets on the path to Net Zero Scope 1 and 2 GHG emissions¹ from our operated assets by 2040.

Our strategy is predicated on our values of respect, integrity, safety, results-oriented, sustainability and passion.

¹ Jadestone defines Net Zero Scope 1 and 2 greenhouse gas ("GHG") emissions as the state reached when its emissions are reduced in line with the goals of the Paris Agreement, and any remaining emissions that cannot be further reduced are fully neutralised by like-for-like permanent removals.

² Alternative performance measure – please see Financial Review on pages 38 to 45 for calculation.



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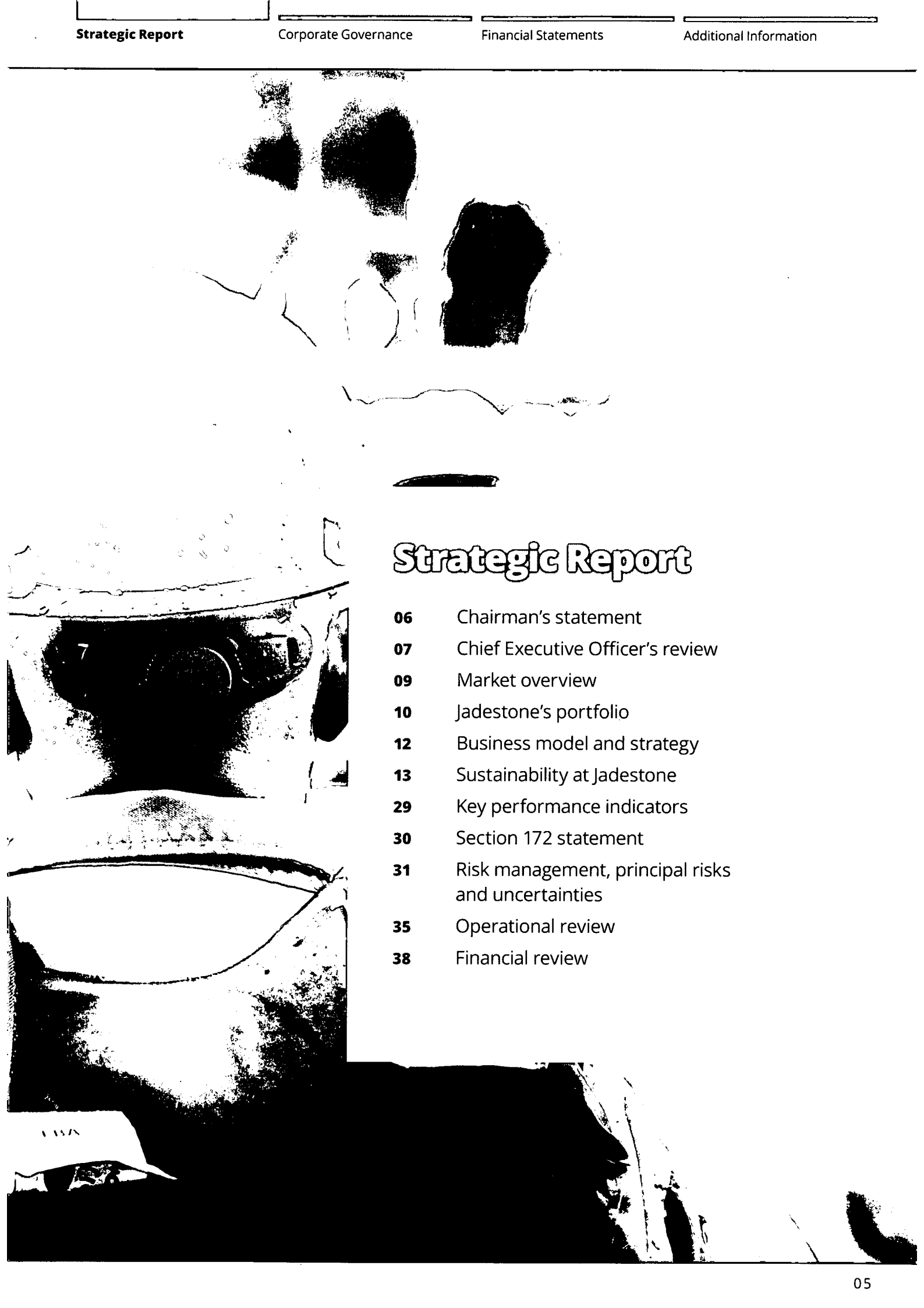
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Adel Chaouch

CHAIRMAN OF THE BOARD



Chairman's statement

Dear shareholder,

Welcome to Jadestone's 2023 Annual Report and my first as Chairman of the Board. As recently appointed Chairman, I am confident that Jadestone's strategic aim of establishing itself as a leading independent upstream company in the Asia-Pacific region remains an attractive one despite the challenges of recent years. I look forward to working with the Board, executive management and our employees to execute on this strategy and deliver value for our shareholders.

2023 was a difficult year, with the Montara shutdown extending through the first quarter and challenging the Group's operational and financial delivery. Notwithstanding the successful closing of a reserves-based lending facility in May 2023, the erosion of our balance sheet strength, coupled with the necessity of funding our growth projects and maintaining stakeholder confidence, resulted in an equity placing, issue of warrants, arrangement of a working capital facility and a suspension of dividend payments in June 2023. This was the right course of action at the time, but has weighed on market confidence in the Group. While we have seen positive momentum elsewhere in the portfolio, noticeably the progress towards first gas at Akatara, positive drilling results in Malaysia and the increase in our CWLH stake, we are very committed to restoring and retaining credibility. This remains a key focus for the Board and management.

The first step is to ensure Montara's operational stability. The Board's Montara Technical Committee continued to provide oversight, guidance and, where appropriate, challenge, to the management team during 2023. The Montara Technical Committee's key objective is ensuring that the best interests of all stakeholders are considered as we continue our efforts to improve Montara's uptime and operational performance, which led to a reappraisal of and increase in the future repair and maintenance requirements for the field. We continue to develop a longer-term plan which ensures that the Montara facilities are maintained in a safe and appropriate condition while cash flow and value are maximised. The Board commends the efforts of Jadestone's employees at Montara for managing a significant amount of activity in a safe and environmentally sound manner.

In parallel with improving Montara's performance, Jadestone reduced its reliance on the asset through further production diversification of the Group. Since the beginning of 2023, we acquired an interest in the Sinphuhorm gas field onshore Thailand, drilled successful wells in Malaysia, invested in the development of the Akatara gas field, acquired an additional interest in the CWLH fields and advanced the commercialisation of our Vietnam discoveries.

During 2023, Jadestone committed to refresh its Board and enhance the executive management structure. Following the June 2023 financing transactions, a series of meetings were held with Jadestone's largest shareholders to hear their concerns and, as a result, changes were implemented to the Group's management and governance structure. The Board decided, due to the significant expansion of the Group's operating footprint in recent years, to create the position of Chief Operating Officer ("COO"). The search for a COO is ongoing.

In November 2023, Gunter Waldner joined the Board as a NED and appointee of our largest shareholder, Tyrus. Joanne Williams joined the Board as an independent NED in January 2024, bringing a

strong technical background and significant upstream experience. I joined the Board in March 2024 as an independent NED and was elected Chairman in March 2024. Over the same time frame, Dennis McShane, Lisa Stewart and Robert Lambert all stepped down from the Board – we sincerely thank them for their efforts on behalf of the Group and wish them well for the future. Iain McLaren will also step down as a NED following completion of the 2023 audit and appointment of his successor as Chair of the Audit Committee.

Overall Group production for 2023 of 13,813 boe/d represented 20% growth on 2022 and an annual record for Jadestone. However, a decrease in liftings and a fall in oil prices year-on-year, were the primary drivers of a loss of US\$91.3 million for 2023 (2022: US\$9.2 million profit). A year of record investment, both organic and inorganic, was funded by the draw down of the RBL Facility closed during the year and the proceeds of the June 2023 equity raise, resulting in a small net debt position of US\$3.6 million at year-end, compared with a net cash position of US\$123 million at end-2022. In line with our dividend policy, no interim or final dividends were payable in respect of 2023, and we will continue to focus on strengthening Jadestone's balance sheet before reinstituting shareholder returns.

We expect growth to accelerate in 2024, primarily due to first gas from the Akatara gas development onshore Indonesia, with this project having made great progress since project sanction in mid-June 2022. Credit is due to everyone who has played a part in maintaining the Akatara project on budget and schedule for first gas by the end of the second quarter of 2024. Equally, if not more important, the Akatara development has delivered an excellent health and safety record during the construction phase, with over 5 million safe man hours worked by mid-March 2024. We wish Jadestone's Indonesia team well in the final stages of the construction and commissioning process.

We doubled our interest in the CWLH fields in early 2024 and strengthened Jadestone's medium-term growth potential through signature in early 2024 of a heads of agreement for gas sales from the Nam Du/U Minh fields offshore Vietnam. This reinvigorated the commercialisation of these assets and potentially unlocks significant value for Jadestone.

Late in 2023, we delivered on a promise to set out the pathway to Jadestone's pledge of Net Zero Scope 1 and 2 GHG emissions from our operated assets by 2040. We have committed to reduce the combined Scope 1 and 2 GHG emissions from our operated assets by 20% and 45% by 2026 and 2030 respectively, relative to 2021 levels. We continue to identify, screen and implement new GHG reduction measures in an effort to further reduce direct emissions from our assets and the impact of our operations on the environment.

Your Board still has strong conviction in the Group's strategy, and that the energy needs of the Asia-Pacific region will continue to generate accretive growth opportunities for a responsible operator in support of a just and effective energy transition. Operational challenges, such as those experienced at Montara in recent years, are not uncommon in our industry and I support the portfolio diversification that is underway to insulate the business from such impacts. Our priorities are strengthening the balance sheet, where we successfully concluded the recent scheduled redetermination of the Group's RBL Facility, and delivery of first gas from the Akatara project, which remains on schedule for the second quarter of 2024. I believe a successful outcome on both these fronts will restore much of the trust eroded recently.

Jadestone's employees, management and directors will continue to focus their time and efforts on ensuring safe and effective operations across the portfolio. The Board would like to recognise their efforts towards this goal and thank all employees for their commitment and resolve to build an exceptional business for our shareholders.

Adel Chaouch

Chairman of the Board and Independent Non-Executive Director
27 April 2024

A. Paul Blakeley OBEEXECUTIVE DIRECTOR, PRESIDENT
AND CHIEF EXECUTIVE OFFICER

Chief Executive Officer's review

The excellent results of the Malaysian drilling programme, significant progress towards first gas at Akatara and increasing our interest in the outperforming CWLH fields were all strategic successes during 2023. While these positive developments were overshadowed by a disappointing performance at Montara in the first half of the year, we have since seen steady and improving uptime at the asset. Through our diversification efforts, the impact of our two legacy Australia assets is reducing – part of a deliberate transition towards higher-quality and higher-margin assets. Commercial progress on Nam Du/U Minh in early-2024 provides greater confidence in our medium-term outlook, as we look to rebuild momentum in a year of transition and significant growth for Jadestone.

Strategic progress made, despite Montara challenges

2023 provided a mixture of success and frustration for Jadestone and its shareholders. We delivered record annual production of 13,813 boe/d, underpinned by the Sinphuhorm acquisition, a full-year of the initial CWLH stake and higher Stag production following the 2022 drilling programme. Strong performance from the PenMal Assets and Montara into the year-end supported an annual exit rate of c.20,000 boe/d.

The shut-in of Montara from August 2022 to March 2023 was the primary driver of an erosion in our financial strength. This resulted in the June 2023 financing transactions, which provided Jadestone with the balance sheet resilience and financial flexibility needed to progress both organic and M&A led projects to underpin growth and diversification, in turn creating longer-term shareholder value. However, we acknowledge the frustrations of our shareholders at Jadestone's performance through this period. We have listened carefully to the feedback we have received and implemented changes to both our governance and communication strategy accordingly (see the Governance and Nomination Committee Report on pages 70-71 for more detail). Restoring operational performance and strengthening our financial position are key goals for the Group in 2024, which I hope will help to restore shareholder confidence.

Significant progress towards first gas at Akatara

One of the most pleasing aspects of 2023's performance was the significant progress towards first gas at the Akatara project, maintaining both schedule and budget through 2023. All aspects of the project have been extremely well managed, expediting critical long lead items, the successful well test in July 2023, construction of the sales gas pipeline and the well workover campaign. We have been supported by key stakeholders at both the local and national level, and we are strengthening community relations through a series of local initiatives. I wish to thank the Jadestone Indonesia team for what has been achieved in little over 22 months since the original sanction decision.

This progress has been maintained into early 2024, with up to 2,000 people on site at times. Commissioning activity is continuing at pace to ensure that the Akatara facilities are ready to deliver sales gas by the end of the second quarter of 2024.

We are also increasingly confident of the upside potential at Akatara, underpinned by the pressure data obtained during the successful well test in July 2023 and subsequent technical analysis. Consequently, we booked an additional 3mmboe of Akatara 2P reserves at year-end, based on a second gas sales contract which is expected to commence deliveries in 2026.

Akatara showcases Jadestone's commercial and development capabilities, which we will look to leverage into future projects, such as the proposed Nam Du/U Minh development offshore Vietnam.

Malaysia drilling – far surpassing original aims

A key pillar of our corporate strategy is to acquire assets with upside potential, which can be unlocked through a differentiated subsurface interpretation and capital investment. The first four well infill drilling campaign at the East Belumut field on the PM323 PSC offshore Malaysia during the second half of 2023 was an excellent example of this strategy at work.

All four wells were drilled successfully, producing at an aggregate gross rate of c.7,000 bbls/d once all were onstream towards the end of 2023. This was double the targeted pre-drill rate, and provided strong evidence that there is much more opportunity in the field, especially a large, undrained feature in the southwest. We are also maturing targets for a potential infill drilling campaign on the PM329 licence in 2025; as well as expanding our position offshore Peninsular Malaysia with the recent award of the PM428 licence. This was a tactical move by Jadestone in the context of our ongoing application for the Puteri Cluster (previously the non-operated PenMal Assets acquired in 2021), where a decision is expected around mid 2024.

CWLH: Rapidly becoming a defining asset for Jadestone

In November 2023, we announced the acquisition of an additional 16.67% stake in the CWLH fields offshore Australia, which increased our overall interest in the asset to 33.33% when the transaction completed in February 2024. Since acquiring our original CWLH interest in November 2022, the subsurface performance of the fields has exceeded expectations, validating our work and de-risking the significant upside potential we see across the asset.

This incremental interest was acquired at an attractive 2P acquisition cost of US\$1.70/bbl, or less than US\$1/bbl on a 2P + 2C basis, and provides Jadestone with greater influence over investment decisions.

Based on recent field outperformance, we now believe that production can be extended by four years to 2035 without the requirement for infill drilling. This will result in additional reserves, longer-term production, cashflow and significant value to our shareholders – another example of Jadestone's strategy to uncover hidden upside on fields where existing owners have ceased to look.

Montara – changing our operating philosophy

Montara has been an important asset in building Jadestone's operating capability and providing the foundation for subsequent successful value and growth initiatives. However, the reliability of the Montara Venture FPSO in recent years has been disappointing. While Montara is still an important asset to us, with safety, integrity and uptime performance at the forefront of our minds, going forward we will adjust our operating philosophy to ensure that operational and capital expenditure targets near-term value maximisation, including how to crystallise the significant potential that we see in the Montara fields' associated gas resource.

Since the restart from the eight month shutdown in March 2023, we have seen better than anticipated performance from the Montara field wells, due to a lower gas oil ratio allowing higher production rates while remaining within gas handling limits. Towards the end of 2023, we experienced a casing integrity issue inside the Skua-11 well, which was immediately shut in. Since then, the Skua-11 well has been continually monitored, while plans have been developed to restore production through the re-drill of Skua-11 commencing in late 2024, which is also being designed to efficiently capture the reserves that had previously been associated with a future well location.

A pathway to Net Zero

As we set out in the Sustainability Review of this report, we have provided greater clarity on our journey to Net Zero Scope 1 & 2 GHG emissions from our operated assets, through setting out interim reduction targets in 2026 and 2030. We will continue to ensure that the environmental impact of our operations is at the forefront of decision making throughout the business.

Our 2023 Scope 1 & 2 GHG emissions, totalled 469,563 tonnes of CO₂ equivalent, a 4% absolute reduction year-on-year. Please refer to pages 17-18 of the Strategic Report for a detailed review of our GHG emissions performance during 2023.

2P reserve replacement of 164% in 2023

Jadestone's independently evaluated 2P reserves at end 2023 totalled 68.0 mmbbl, compared to 64.8 mmbbl at year-end 2023. The Group delivered reserves replacement of 164% during 2023, with reserve additions at Sinphuhorm, Akatara, CWLH and PM323 offset by production during the year and reserves reductions at Montara and PM329. These figures do not include the impact of the CWLH 2 acquisition, which completed in February 2024.

Lower revenues impact financial performance

While we successfully delivered production, operating costs and capital expenditures within the revised guidance framework set out in September 2023, lower oil prices and liftings during the year, negatively impacted our financial performance during 2023 compared to 2022.

Lower revenues were the primary driver of a 44% decline in adjusted EBITDAX during the year to US\$90.6 million (2022: US\$162.3 million), and a net loss of US\$91.3 million, compared to a US\$9.2 million profit in 2022. The 2023 net loss included a US\$17.4 million impairment of the Stag asset.

The trends highlighted above led to an operating cashflow (before working capital movements) of US\$36.4 million in 2023, an 77% decrease year-on-year from the US\$158.5 million in 2022.

Capital expenditures totalled US\$115.9 million, (2022: US\$82.9 million) and reflected a record year of investment for Jadestone, primarily due to a full year of spend on the Akatara gas development.

Other notable cash movements during the year were the final abandonment funding payments for the original CWLH deal of US\$41 million, the drawdown and subsequent repayment of the US\$50 million Interim Facility, a drawdown of US\$157 million of debt under the Group's reserve-based lending facility after successfully closing the loan in May 2023, and a US\$51 million inflow from the equity raise in June 2023.

Recent events and outlook: 2024 is a year of transition

Our primary focus in 2024 is re-establishing the confidence of our shareholders in Jadestone's operational and financial execution.

In April 2024, we narrowed the 2024 production guidance range from 20-23,000boe/d to 20-22,000 boe/d. The change to the upper end of guidance reflects average first quarter Group production performance of c.17,200 boe/d, which was impacted by both planned and unplanned downtime across the portfolio, particularly at the offshore Australia assets relating to the recent cyclone season.

Current internal forecasts point to an outcome at the lower end of the revised 20-22,000boe/d guidance range, based on first commercial gas sales from Akatara in June 2024, albeit there remains a wide range of possible outcomes for 2024 production, principally based on the timing and nature of Akatara's ramp up, as well as initiatives underway to optimise production at the Group's current producing assets. Production guidance will be kept under review, particularly in relation to the first gas schedule at Akatara, and further updates will be provided when appropriate.

Our operating cost and capex guidance of US\$240-290 million (excluding forecast royalties and carbon taxes) and US\$80-110 million respectively are reiterated. Other cash expenditure is still expected to total c.US\$77 million on a net basis, primarily reflecting the CWLH 2 abandonment funding payments.

In January 2024, we signed a Heads of Agreement for gas sales from the Nam Du and U Minh fields offshore Vietnam, which is a key milestone as we restart the commercialisation of our Vietnam discoveries, and regain momentum for the development of this material asset within our portfolio. In February we completed the acquisition of a further 16.67% interest in the CLWH fields offshore Australia.

In April 2024, we successfully concluded the scheduled redetermination of the RBL Facility borrowing base, setting a US\$200 million lending capacity for the six month period ending 30 September 2024. This will underpin our near-term activity and investment programme.

The issues we have experienced at Montara in 2022 and 2023 have proved to be a considerable challenge to us, impacting our financial resources, our growth trajectory and your confidence in us. However, I firmly believe that we have righted the ship, taken several steps to broaden and strengthen the portfolio and re-established strong production growth for 2024 and beyond. The strategic transition of the business towards higher-margin and higher-value barrels is well underway, strengthening Jadestone's investment thesis and making it more robust to a wider range of commodity and operational scenarios - in turn creating a platform for the resumption of shareholder returns in the future.

There is much more organic upside in Malaysia, at CWLH, Akatara and Num Du/U Minh. While our recent participation in Woodside's process to sell its interests in the producing Pyrenees Area and Macedon fields offshore Australia did not bear fruit, we continue to see an exciting set of inorganic opportunities across the Asia Pacific region.

Finally, I would like to thank everyone at Jadestone for their tremendous efforts in a very challenging year, as we look forward to new momentum and a successful year ahead.

A Paul Blakeley  Digitally signed by
A Paul Blakeley

A. Paul Blakeley

Executive Director, President and Chief Executive Officer
27 April 2024

Market overview

Oil markets and pricing

The majority of Jadestone's current production is crude oil. Realised oil prices are based on global benchmark prices at the time of sale, adjusted for a differential which varies depending on demand for crude grades with certain characteristics. The impact of volatility in near-term oil prices is offset by the Group's oil price hedging (see below).

Brent oil prices averaged US\$82.45/bbl in 2023, an 18% decrease on 2022 (US\$100.79/bbl), when oil prices had risen to multi-year highs in the immediate aftermath of Russia's invasion of Ukraine.

Brent oil prices traded in a US\$71-97/bbl range during 2023, as oil markets contended with conflicting supply and demand signals. Global oil demand, as assessed by the International Energy Agency ("IEA"), is expected to set an annual record in 2023 of 101.7 mmbbls/d, driven, in part, by post-COVID-19 recovery in economic activity, particularly in China. The IEA expects demand to set another high of 103.0 mmbbls/d in 2024, led by China where the country's petrochemical sector continues to grow and gain market share.

Global oil supply is estimated by the IEA at 102.0 mmbbls/d in 2023, an annual record. Supply has generally exceeded the IEA's expectations, driven by increased production from the United States, Brazil and Guyana, as well as higher Iranian exports. Supply is expected to increase to another annual record in 2024 of 103.5 mmbbls/d, again driven by non-OPEC. Increasing non-OPEC supply and an uncertain demand outlook prompted further cuts in OPEC's supply quotas during 2023, and the extent to which these cuts are relaxed will have a major bearing on oil market balances during 2024 and beyond.

The factors discussed above, as well as increased instability in the Middle East potentially impacting established shipping routes for oil and oil products, are likely to underpin volatility in oil prices during 2024 and beyond. Currently, futures prices forecast a modest decline in oil prices in the near-term, albeit staying above US\$78/bbl throughout 2024 and 2025.

Jadestone's average premium to Brent for its oil sales in 2023 was US\$5.58/bbl in 2023 (2022: US\$7.81/bbl). The decline year-on-year can be primarily explained by a reduction in the average premium for Stag liftings during the year, due to changing supply and demand dynamics for heavy sweet crudes for use as bunker fuel in the maritime industry.

In connection with the RBL facility closed during 2023, the Group hedged a proportion of its future production as a risk mitigation measure at a weighted average price of US\$70.57/bbl over the life of the hedges. At the time of implementation, the volumes hedged were approximately 50% of the forecast oil production in the RBL banking model.

Supply chain inflation and equipment lead times

A key pillar of Jadestone's strategy is exploiting the remaining value in maturing oil assets which are no longer core to their previous owners. The ability to deliver this value partly depends on controlling and optimising operating costs at these oil assets, as well as timely access to drilling rigs and associated equipment.

During 2023, inflation in oil industry capital and operating costs declined from the very high levels seen during 2022, mirroring the wider reduction in inflation throughout the global economy. S&P Global, whose broad-based indices track changes in upstream costs, estimates that as of Q4 2023, upstream capital costs increased by 3% year-on-year (Q4 2022: 11%), while upstream operating costs also rose by 3% year-on-year (Q4 2022: 12%).

In 2023, Jadestone experienced some cost increases across its operations, driven primarily by the rising cost of logistical support (helicopters and supply vessels), in turn caused by rising fuel costs on the back of higher oil prices. Tanker costs also increased, primarily due to higher demand in the global tanker fleet as trade flows were rerouted on the back of Russia-related sanctions.

In Malaysia, Indonesia and Vietnam, the impact of cost inflation is substantially offset by the cost recovery mechanism embedded within the PSC structure which is the standard upstream fiscal framework in these countries. The Akatara field development has additional protection from cost inflation due to the fixed price nature of the EPCI contract.

In 2024, we expect to see further inflation impacts, particularly the cost of offloading tankers, revised logistics contracts and the potential for higher day rates for the hire of drilling rigs. Industry inflation was a contributing factor to the impairment of the Stag asset recorded in the Group's 2023 financial accounts.

Regional M&A activity

Jadestone aims to become a leading Asia-Pacific independent upstream company primarily through identifying, acquiring, developing and operating assets throughout the Asia-Pacific region. As a result, the Group's growth trajectory will be influenced, to a large extent, by broader trends in M&A activity within the Asia-Pacific region.

Overall, there was a consistent level of deal flow in the Asia-Pacific region during 2023, with Jadestone actively bidding on several opportunities. The Group acquired an interest in the Sinphorm field onshore Thailand in February 2023 and announced the acquisition of a further 16.67% stake in the CWLH fields offshore Australia in November 2023.

Jadestone continues to believe that there is likely to be a healthy upstream M&A market in the Asia-Pacific region in the near-to-medium term, underpinned by the sell-down of mid-life/mature oil assets by larger companies to support energy transition strategies and/or to high-grade their portfolios. In particular, Jadestone expects to benefit from diminishing competition for opportunities in Australia, where the Group is well-placed to leverage its established operating capabilities.

Asia-Pacific energy Markets

The Asia-Pacific region continues to consume significantly more oil and gas than it produces. According to the IEA, the Asia-Pacific region produced 22% of its own oil needs in 2022, and 73% of its gas consumption. This import dependency is likely to remain in the future, with the IEA forecasting, under different climate scenarios, that the Asia-Pacific region will produce 9-16% of its oil demand and 56-64% of its gas demand over the 2030-2050 period.

Despite the growth in the global liquefied natural gas market in recent years, Asia-Pacific regional demand for gas is expected to stay robust as countries look to monetise their indigenous resources, deliver economic growth, jobs, taxes and reduce the cost of, and emissions from, imported gas.

Similarly, while crude oil is a global commodity, security of supply is an increasingly important factor for oil markets in light of ongoing geopolitical turmoil, particularly in the strategically important Middle East region, with consumers in the Asia-Pacific region spreading their imports over several countries to avoid dependency on any particular producer.

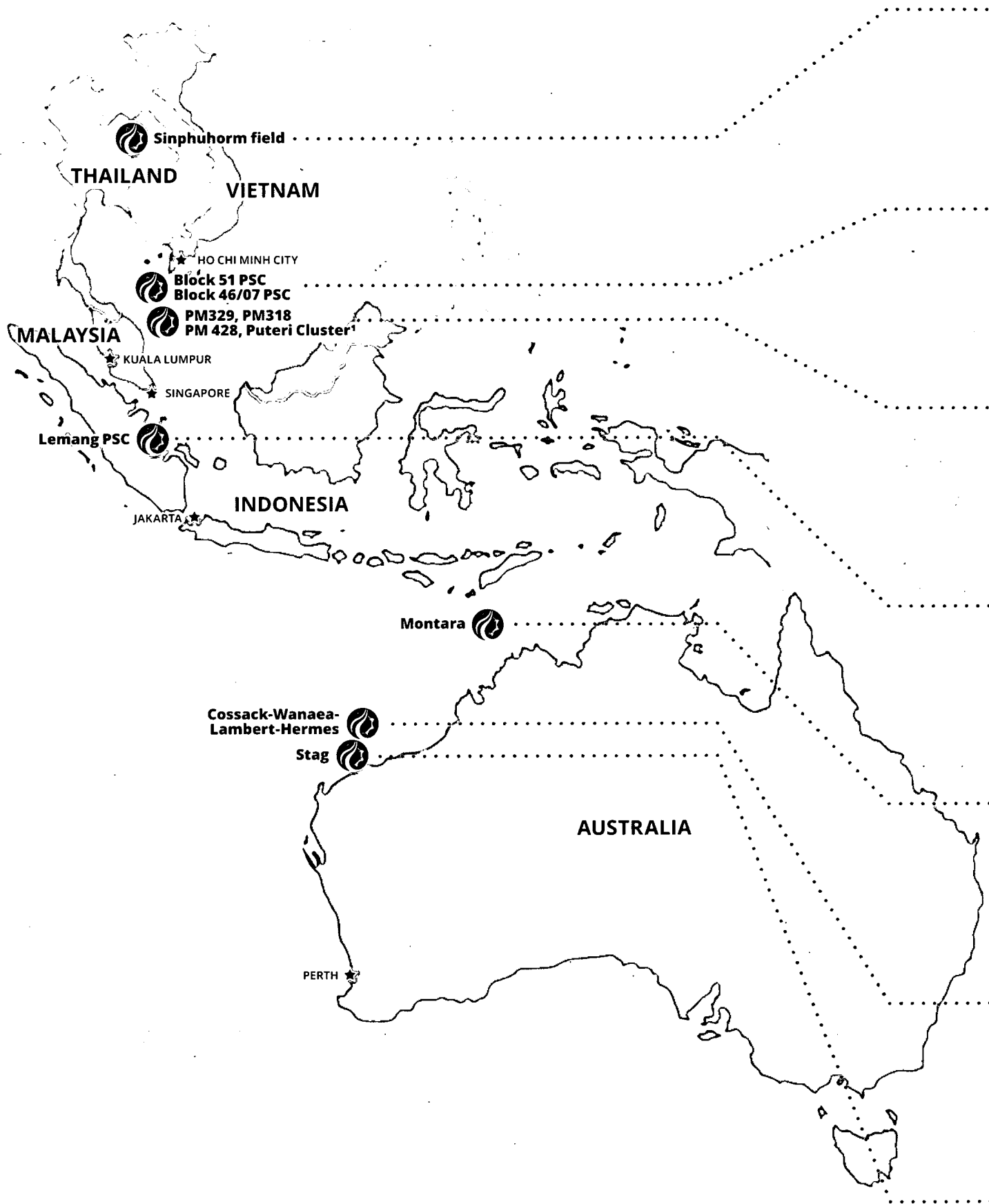
In this context and to maximise economic output, Jadestone anticipates that many countries in the Asia-Pacific region will continue to promote and support their domestic upstream industries, underpinning Jadestone's strategy of maximising the output from existing oil fields.

Availability of finance

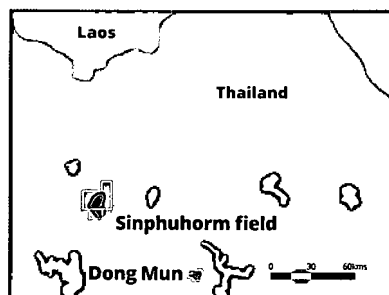
Upstream companies require continuous access to funding to develop, produce and maximise the value of their assets.

In recent years, traditional providers of finance to the upstream industry, particularly large banks, have come under pressure from their own stakeholders to cut back and/or restrict lending to the upstream sector as part of their own Net Zero ambitions.

Notwithstanding, Jadestone continued to see support and provision of finance from both lending banks and shareholders during 2023, including the addition of another bank to its lending syndicate in the second half of the year. In the most recent redetermination of the Group's banking facilities, Jadestone secured a borrowing base of US\$200 million for the six month period ending 30 September 2024. The Group continually reviews its financial framework and funding sources, both respect to ongoing operations but also evolving its financial framework as the Group grows by acquisition.



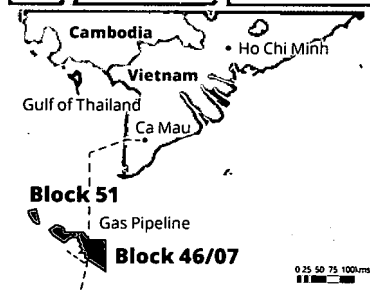
Star denotes Jadestone office ★



Sinphuhorm, Thailand

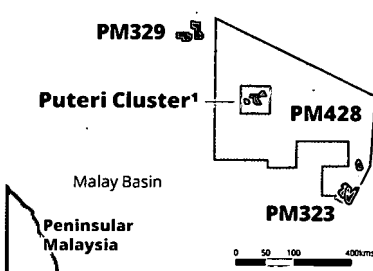
Field: Sinphuhorm
Status: Producing
Working interest: 9.52%, non-operated
Gross acreage: 232km²
Location: Khorat Basin

Discovery: Dong Mun
Status: Pre-development
Working interest: 27.2%, operated (through APICO)
Gross acreage: 32km²
Location: Khorat Basin



Block 51 and Block 46/07 PSCs, Vietnam

Discoveries: Nam Du, U Minh and Tho Chu
Status: Pre-development
Working interest: 100%, operated
Gross acreage: Block 51 – 887km², Block 46/07 – 2,622km²
Location: Malay-Tho Chu Basin
Water depth: Block 51 – 64 metres, Block 46/07 – 48 metres

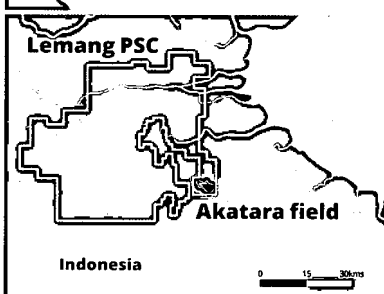


Offshore Peninsular Malaysia assets

Fields: East Belumut, West Belumut and Chermingat (PM323 PSC) East Piatu (PM329 PSC)
Status: Producing
Working interest: PM323 - 60%, operated, PM329 - 70%, operated
Gross acreage: PM323 & PM329 - 1,691km²
Water depth: 63-72 metres

Licence: PM428
Status: Non-producing
Working interest: 60%
Gross acreage: 6,695km²
Water depth: 40-80 metres

1 Pending outcome of Jadestone's application in ongoing Malaysia Bid Round Plus.

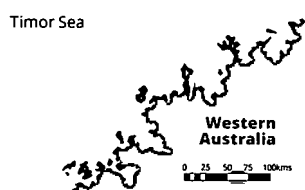


Lemang PSC, Indonesia

Field: Akatara
Status: In development
Working interest: 100%*, operated
Gross acreage: 743km²
Location: South Sumatra Basin

* Pre local government back-in right of up to 10%

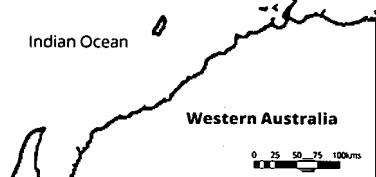
Montara



Montara Project

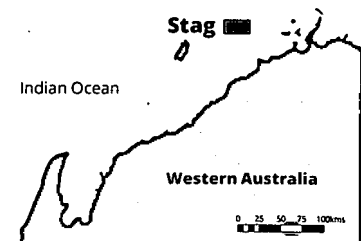
Fields: Montara, Swift/ Swallow, Skua
Status: Producing
Working interest: 100%, operated
Gross acreage: 672km²
Location: Timor Sea, offshore Western Australia
Water depth: 77 metres

Cossack-Wanaea-Lambert-Hermes



Cossack, Wanaea, Lambert, Hermes

Fields: Cossack, Wanaea, Lambert, Hermes
Status: Producing
Working interest: 33.33%, non-operated (16.67% as at 31 December 2023)
Gross acreage: 160km²
Location: North Carnarvon Basin, offshore Western Australia
Water depth: 157 metres

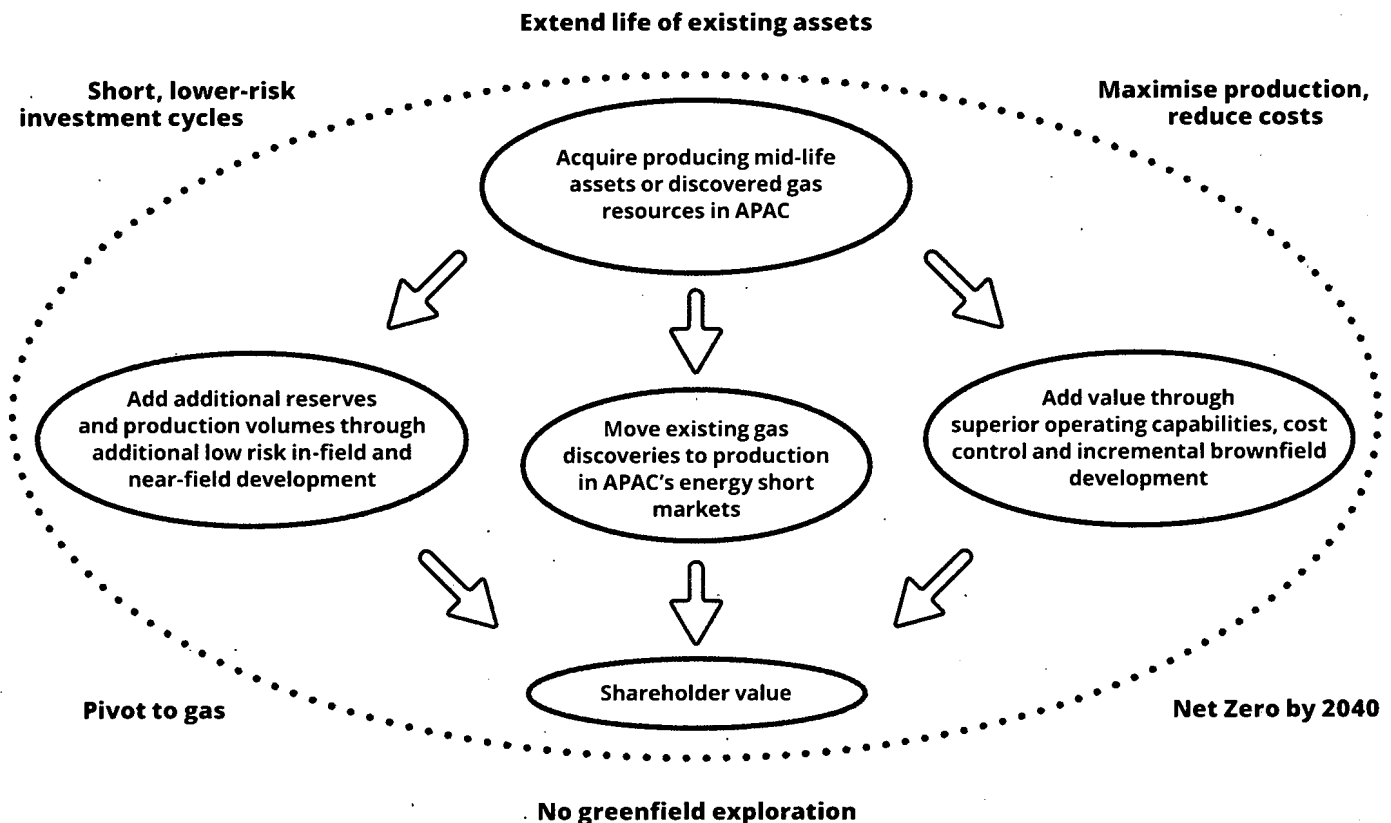


Stag

Field: Stag
Status: Producing
Working interest: 100%, operator
Gross acreage: 160km²
Location: Carnarvon Basin, offshore Western Australia
Water depth: 47 metres

Business model and strategy

Jadestone pursues an acquisition-led growth strategy with a focus on mid-life and maturing upstream assets and/or discovered gas resource capable of being commercialised within a short time frame. The geographic focus is the Asia-Pacific ("APAC") region, where Jadestone's management team has significant experience, and which is expected to provide a positive investment climate for upstream companies, given the region is currently a net importer of oil and gas against a backdrop of an increasing focus on energy security.



The assets Jadestone targets for acquisition are those where the Group believes it can create value through additional capital investment across commodity price cycles to unlock reserves upside and improve operating performance. This is complemented by organic growth activity, principally through infill drilling on the Group's oil assets and development of its gas discoveries in Indonesia and Vietnam.

Jadestone believes that with the application of its deep knowledge of the Asia-Pacific upstream oil and gas industry, a rigorous technical approach, proven operating capabilities and reduced competition for target assets, it can execute this strategy successfully and deliver benefits to all stakeholders.

The typical profile of Jadestone's counterparties in asset transactions are larger upstream companies for whom mid-life producing assets are no longer core.

Jadestone recognises that the upstream industry is a key source of GHG emissions, the main cause of climate change, which in turn has a negative effect on the planet and its people. However, the energy transition is likely to be one where oil and gas will remain important in the global energy mix until a low carbon energy system is sufficiently developed, to ensure basic energy needs are met in as an efficient way as possible.

The Group's strategy for maximising reserves from existing producing oil and gas fields explicitly precludes frontier exploration, which Jadestone believes is unnecessary in the scenario where oil and gas demand is declining as low-carbon energy takes a greater share of the primary energy mix. This position is in line with the IEA's Net Zero scenario, which emphasises that continued investment in existing upstream supply is necessary to meet energy demand.

Moreover, Jadestone believes that the energy transition should be just and orderly, with developing and vibrant economies in Asia-Pacific not being disadvantaged relative to their developed peers. Through employment, significant expenditure with suppliers, payments to host governments and community outreach programmes, Jadestone contributes directly to increasing prosperity and economic growth in its core areas of operations.

Jadestone believes that it can continue to execute its growth strategy for the benefit of all stakeholders, while minimising the impact on the environment through careful asset stewardship and efficient operations.

Sustainability at Jadestone

As a responsible operator, Jadestone contributes to an orderly energy transition by helping to meet regional energy demand, whilst bringing positive social and economic benefits for its stakeholders, local communities and the people associated with its operations.

Jadestone takes a strategic approach to embedding sustainability throughout its business, which is overseen by the Board and supporting sub-committees. ESG related KPIs contributed 25% to the 2023 Group KPIs.

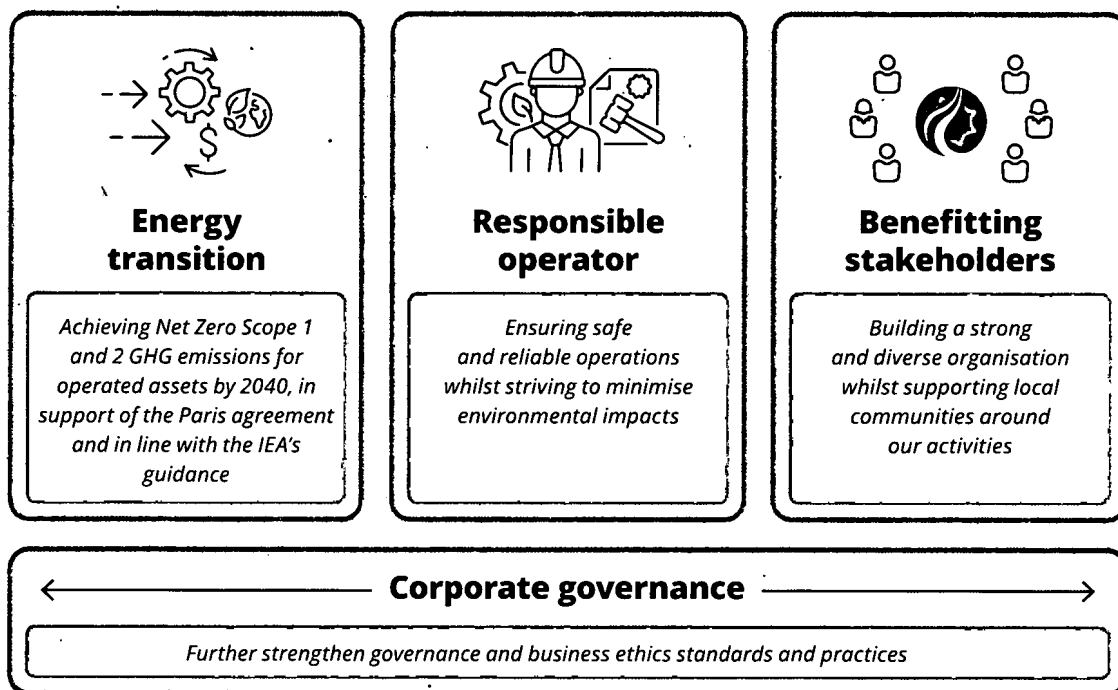
Jadestone's ESG framework represents priority areas that are most relevant to its business, and where it believes it can make the biggest contribution. The framework includes consideration of the United Nations Sustainable Development Goals ("UN SDGs") and IPIECA's¹ SDG Roadmap for the oil and gas sector.

This section provides a high-level overview of Jadestone's approach to managing its ESG impacts. The detail of Jadestone's ESG performance is reported in the 2023 Sustainability Report, which will be published in the second quarter of 2024.



ESG framework

Strategic pillars



2024 ESG aspirations and targets

- Progress towards intermediate Net Zero targets
- Continue to enhance climate disclosures, informed by the TCFD framework²
- Ensure robust GHG and ESG data systems and processes across assets
- Ensure safe operations, targeting zero life altering events and zero Tier 1 process safety events
- Continue to minimise negative impacts on the environment
- Maintain support from regulators and target zero material³ enforcement notices
- Strive for improved employee engagement and alignment with Group values
- Deliver community development programmes in areas where we operate

UN SDGs



1 IPIECA, formerly known as the International Petroleum Industry Environmental Conservation Association.
 2 Task Force on Climate-Related Financial Disclosures.
 3 That result in activity cessation.

2023 ESG highlights



Net Zero
interim targets announced



Local economies
supported via taxes, royalties and
community programmes



TRIR¹ year on year reduction
at 0.86 on par with IOGP² benchmark



CDP³
reporting on climate initiated



94%
local nationals employed



86%
employee participation in the 2023
engagement survey



Zero violations
of anti-bribery and anti-corruption
laws



Zero LTIs⁴
across operations



Biodiversity plan
developed for the Akatara site



Governance, business ethics and human rights

Corporate governance involves an effective system of policies and procedures to promote and support individual and group accountability, ethical and responsible decision-making and effective risk management. Jadestone has embedded appropriate governance systems to ensure that the Board and Jadestone's leadership team have oversight of critical ESG issues and enterprise-level risks, such as climate change, safety, incident preparedness and community impacts. Jadestone's ESG governance is discussed in more detail in the section on climate-related financial disclosures on pages 19-25.

Jadestone continuously seeks to improve its corporate governance practices in alignment with the Quoted Companies Alliance ("QCA") Corporate Governance Code. Its latest compliance statement can be accessed in the Corporate Governance section of this report.

The Group's Code of Conduct Policy is a representation of its core values and outlines expectations for ethical behavior, with a focus on anti-bribery, human rights, safety, and environmental sustainability. All new employees receive induction on the Code of Conduct and a refresher is offered to employees annually. Further, a standalone Anti-Bribery and Anti-Corruption Policy emphasises a commitment to professionalism and integrity.

Jadestone is committed to protecting and respecting the human rights of its employees, the communities where it operates and those individuals and businesses working within its supply chain. This commitment is evident through its Group-wide Human Rights Policy, which condemns any form of human rights violations, including child and forced labour, and discrimination within its business operations and supply chain. Jadestone issues an annual statement that sets out its approach to ensuring no modern slavery or human trafficking occurs within its supply chains or business. The statement is made pursuant to the UK Modern Slavery Act 2015 and a joint statement under the Australian Modern Slavery Act 2018, with the most recent statement for the financial year ending 31 December 2023 available from Jadestone's website.

¹ Total recordable injury rate.

² The International Association of Oil & Gas Producers.

³ Climate Disclosure Project.

⁴ Lost time injury ("LTI").



Strategic fit in the energy transition

Jadestone recognises that combustion of fossil fuels is the main cause of climate change and, consequently, the world needs to transition away from fossil fuels to a low-carbon economy. This transition needs to be just, orderly and equitable¹, where any phasing down of oil and gas output is met by an adequate scaling up of clean energy sources to ensure that basic energy needs are met in a reliable and affordable manner. These objectives are particularly pressing in Southeast (“SE”) Asia. As this region undergoes rapid urbanisation and economic development, it is expected to depend on fossil fuels at least in the medium term². Natural gas is likely to play a significant role as a transition fuel for some coal-dependent economies, at least in the medium term³.

With its focus on acquiring and maximising the life of fields already in production, as well as developing already discovered gas resources for supply to domestic markets in SE Asia, Jadestone is well-positioned to play an important role in energy transition. As oil and gas peers divest their mid-life and maturing upstream assets, Jadestone is well-placed to be the steward of those assets through to the end of field life, committed to reducing GHG emissions and upholding climate targets. Jadestone’s Akatara gas development, when operational, will contribute up to 1,630

GWh/year to a regional power plant, most likely displacing more emissions-intensive coal power. Similarly, its Nam Du/U Minh (“NDUM”) gas development project offshore southern Vietnam is of strategic importance to the country as a sole option to prolong supply to the Ca Mau power station, with an estimated 20% of output supporting local fertiliser production. These domestic gas supply projects will help to pivot the Group towards a significant gas-weighting within the portfolio from 2025 onwards⁴, whilst demonstrating its alignment with the countries’ energy policies and climate aspirations.

Jadestone’s strategy for maximising reserves from existing producing oil and gas fields explicitly precludes frontier exploration and new greenfield development, a position that is in line with the IEA’s Net Zero Emissions by 2050 Scenario. This strategy is fit for the energy transition, as global hydrocarbon demand should be fulfilled from existing fields and discoveries where possible.

The three pillars of Jadestone’s approach to climate action, illustrated below and informed by the Transition Plan Taskforce’s Disclosure Framework⁵, represent a rounded and strategic approach to energy transition:

Jadestone’s approach to climate action

1 Decarbonising operations:

By progressing its Net Zero by 2040 pledge, including interim GHG reduction targets for its own operations.

1 Decarbonising operations

2 Responding to climate risk and opportunity:

Jadestone’s business strategy and Net Zero plan are designed to enhance its resilience to risks arising from the transition to a low-carbon economy whilst capturing opportunities.

Jadestone’s climate action

3 Pivot to gas:

Jadestone’s positioning as a responsible oil and gas operator sees a gradual shift towards gas weighting as a bridging fuel for the energy transition particularly in its core markets of SE Asia.

3 Portfolio pivot towards gas

2 Increasing climate-resilency of the business

¹ As per COP28 agreement reached between delegate countries in Dubai, December 2023.

² Source: Renewable Energy Outlook for ASEAN by ASEAN Centre for Energy (ACE) and International Renewable Energy Agency (IRENA).

³ Source: Singapore-Asia Taxonomy for Sustainable Finance, 2023 Edition.

⁴ Gas is projected to have an increasing weighting in Jadestone’s sales mix by 2028, due to the contribution of Akatara from 2024 and the expectation of the NDUM development offshore Vietnam being online by this point.

⁵ Source: <https://transitiontaskforce.net/disclosure-framework/>.

IEA's World Energy Outlook 2023 – oil and gas demand in its climate scenarios¹

The IEA's recently updated scenarios (2023 World Energy Outlook) propose three alternative outlooks for global oil demand:

- **Stated Policies Scenario ("STEPS"):** global oil demand increases from 97 mmbbls/d in 2022 throughout the 2020s but the peak is brought forward by approximately five years to the late 2020s at 120 mmbbls/d per day. The reduced demand is driven by the uptake of electric vehicles for road transport, despite an increased demand in the petrochemical feedstock and aviation sectors. Prices remain flat around US\$80/bbl. Investment levels in upstream oil and gas fields (both new and existing) are expected to remain steady (at just over US\$500 billion per annum) to 2030.
- **Announced Pledges Scenario ("APS"):** incorporating industry pledges and advancements in technology means oil demand never returns to the 2019 peak and global oil demand reduces from 97 mmbbls/d in 2022 to 93 mmbbls/d in 2030 and to 55 mmbbls/d in 2050. Prices fall gradually to US\$74/bbl by 2030 and US\$60/bbl by 2050. Demand reduces more sharply than in STEPS due to a much larger uptake of electric vehicles and an increase in low emission fuels in shipping. Whilst oil demand is lower than in STEPS, there is still a need for new conventional projects, and approximately US\$470 billion is invested annually, on average to 2030.

- **Net Zero Emissions by 2050 Scenario ("NZE"):** global oil demand falls from 97 mmbbls/d in 2022 to 78 mmbbls/d by 2030 and 24 mmbbls/d by 2050. The reduced demand is driven by the electrification of road transport and the use of low emission fuels in shipping and aviation. Prices fall to US\$40/bbl in 2030, trending lower thereafter (US\$25/bbl by 2050). Declining fossil fuel demand can be met without the need for the development of new oil fields, but with continued investment in existing assets (e.g., for example through the use of infill drilling), and this requires US\$260 billion of annual average upstream investment to 2030.

Considering gas demand in SE Asia, it is set to increase through to 2050 in STEPS (from 158 billion cubic meters ("bcm") in 2022 to 254 bcm in 2050). In APS, it increases into 2030 but decreases to 122 bcm by 2050. No regional breakdown for gas demand is available in the NZE scenario, but observing the trend in emerging market and developing economies, a gradual decline is observed from late 2020s with a steeper drop between 2030 and 2050.

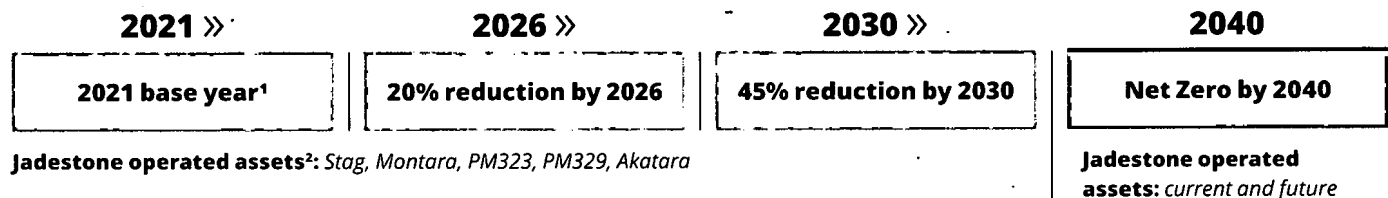
Furthermore, the IEA reflects on the repercussions of Russia's war in Ukraine and recent instability in the Middle East leading to disruption of energy markets and prices. The IEA emphasises the benefits of energy security and the importance of affordable, reliable and resilient supply, especially in price-sensitive developing economies, during the shift to a more sustainable energy system.

Jadestone's business strategy is informed by the IEA's insights. The Group continues to test its portfolio resilience in the above scenarios as outlined on pages 23-24.

¹ IEA's oil price forecasts for each of the climate scenarios are in 2022 real terms.

Net Zero roadmap

Net Zero interim reduction targets¹



¹ Representing total Scope 1 & 2 GHG emissions in tonnes of CO₂-e for operated assets

² Future acquisitions – Jadestone will make best endeavours to retain GHG reduction levels when integrating future acquisitions into the interim targets, subject to reviews of GHG abatement opportunities (see page 17). This approach will also apply to the NDUM gas development project.

In June 2022, Jadestone pledged to achieve Net Zero on its Scope 1 and 2 emissions from its operated assets by 2040. This pledge covers Scope 1 and 2 emissions from the Group's existing operated assets as well as emissions from future acquisitions and developments, where Jadestone becomes operator. The Group partnered with a reputable consultancy and initiated workstreams to deliver interim reduction targets to 2030 as part of its Net Zero by 2040 pledge. This involved development of robust GHG forecasts for Jadestone's current asset base and reviewing potential GHG reduction options, as outlined in the diagram on page 17.

As per the previously communicated timeline and following an over 18 month-long effort, Jadestone announced its interim GHG emissions reduction targets in December 2023.

Net Zero implementation plan

The Group is committing to reduce its Scope 1 and 2 GHG emissions from its operated assets by 20% by 2026 and by 45% by 2030 (from 2021 levels). Jadestone elected 2021 as its base year as neither 2022 nor 2023 were representative of the anticipated levels of activity due to a prolonged outage of the Montara asset (approximately five months in 2022 and three and a half months in 2023). Interim targets represent an absolute Scope 1 and 2 metric (as opposed to intensity-based metric).

The interim 2026 and 2030 targets will be achieved through a combination of measures, ranging from operational GHG reductions, including minimising flaring, methane quantification, monitoring and reduction as well as reliance on some carbon credits within the regulatory schemes of Jadestone regions, as outlined in the following section. As an operator of mid-life assets, field decline with eventual production cessation forms a natural part of its Net Zero strategy, where safe and responsible phasing down of assets, including decommissioning, is carefully planned.

Jadestone will provide an annual update on the progress made towards achieving its interim targets.

Net Zero roadmap development

1. Business-as-usual inventory baseline

- Asset-level forecasts of GHG drivers
- GHG forecast methodology

2. GHG emission reduction options

- Screening matrix of generic reduction opportunities ranked
- Identification, assessment and prioritisation using marginal abatement cost curves

3. Feasibility studies of shortlisted options

- Techno-economic feasibility studies completed to shortlist GHG mitigations
- Cost-effective options included in work plans and budgets



Net Zero roadmap

- Alternative GHG forecast established
- Interim targets to 2030 announced

Regulatory scheme in Australia: Safeguard Mechanism

In Australia, the Montara asset falls under the scope of the Safeguard Mechanism, which is a framework that covers Australia's largest GHG emitters (over 100 kilo tonnes of CO₂-e) to measure, report and manage their emissions below an emissions limit (the "baseline"). Stag is not captured by this mechanism, as its emissions are well below the threshold. The Safeguard Mechanism was reformed and signed into law during 2023, resulting in a lower baseline for Montara from the Australian financial year 2024, ending June 30, 2024, in line with Australia's climate commitments. Jadestone can manage its excess emissions above the baseline by either purchasing and surrendering the Australian carbon credit units ("ACCUs") or by reducing its operational emissions.

These obligations will most likely be achieved through a combination of a step-change flare management and optimisation plan at Montara as well as purchase of ACCUs. Overall, whilst direct GHG reductions are prioritised, reliance on carbon credits and/or offsets will most likely be an inevitable component of any upstream oil and gas company's roadmap. Jadestone intends to employ ACCUs only for those GHGs that are technologically difficult or too cost-prohibitive to eliminate.

Jadestone's interest in the CWLH asset in Australia is also subject to the Safeguard Mechanism and Jadestone as a JV partner will be liable for its proportional share of the required reductions. The final outcome of the baseline application to CWLH, which includes the allocation of emissions between the oil and gas assets of North-West Shelf, is pending with the regulator, with Jadestone proportional share expected to be minimal¹.

Net Zero roadmap boundaries

GHG emission scopes

Scope 1 and 2 GHG emissions form the basis of Jadestone's Net Zero commitments, which exclude Scope 3 emissions. Jadestone has initiated reporting on its Scope 3 emissions across its most material categories and is committed to ongoing transparency across value chain impacts. Jadestone believes that it can exert some influence over its GHG emissions from its key suppliers. It is therefore taking steps to engage with its key suppliers in order to establish more accurate data on the GHG emissions in its supply chain and to progressively identify opportunities for reductions where possible.

Operational control

Jadestone has elected to ring-fence its Net Zero pledge, including interim targets, to operated assets only, as this is aligned with Jadestone's influence and ability to effect change. It is also in line with its core operational competencies and preferred positioning as an operator.

New operated assets

As Jadestone takes on operatorship of assets released by larger peers, it inherits the associated GHG emissions. It pledges to integrate any acquired assets into its Net Zero roadmap, in line with the Greenhouse Gas Protocol's guidance². Jadestone's approach to acquiring new assets is informed by the Environmental Defense Fund's report on transferred emissions, where real-world impact is prioritised³. The integration of operated acquisitions involves a preliminary screening step during the M&A due diligence phase, where historical and forecast GHG emissions are reviewed. GHG abatement opportunities are studied in detail after transfer of operatorship. Best endeavours will be made to integrate future operated sites into the interim targets and maintain the level of ambition across those targets. Due to the time-consuming nature of the GHG review process and uncertainty about the mitigation levels, Jadestone may need to adjust interim targets, should the desired reductions not be tenable.

With respect to new gas developments, Jadestone will embed lower carbon principles from the outset, identifying mitigations at the early design stage where feasible, including methane monitoring and reduction measures.

Streamlined Energy and Carbon Reporting

Jadestone reports and consolidates its GHG emissions on an operational control basis, reporting 100% of GHG emissions from operated sites, regardless of the working interest. Its Net Zero interim targets are consistent with this accounting approach. In 2023, the Group's Scope 1 GHG emissions were 469 kilo tonnes of CO₂-e, largely on par with the previous year (2022: 489 kilo tonnes of CO₂-e)⁴. Levels of GHG emissions are reflective of suspension of production at Montara during Q1 2023 as the site was gradually restoring activity (see case study page 26). Jadestone's indirect, Scope 2 GHG emissions from the consumption of purchased electricity across its offices and warehouses account for less than 1% of its total Scope 1 and 2 emissions combined. Jadestone does not consume any purchased electricity at any of its operated sites.

As detailed within the Directors' Report of this Annual Report, the Group has voluntarily elected to report Scope 1 and 2 GHG emissions from its operated assets and regional offices under the UK's Streamlined Energy and Carbon Reporting ("SECR") framework. The data in the following table represents 100% operational control of Jadestone's Australian and PenMal Assets. As Jadestone has no operations in the UK⁵, its emissions and energy use are practically nil.

The GHG emissions section of the 2023 Sustainability Report details Jadestone's approach to managing energy use and GHG emissions.

GHG emissions for Jadestone's business are defined and calculated using methodologies consistent with the GHG Protocol: A Corporate Accounting and Reporting Standard. For Australia operations, Jadestone continues to calculate its GHG emissions in accordance with the Australian National Greenhouse and Energy Reporting (Measurement) Determination 2008. In Malaysia, GHG data for the operated PenMal Assets is prepared in accordance with the requirements of the local industry regulator, which is aligned with the API⁶ Compendium.

¹ CWLH's total 2022 GHG emissions were approximately 140 kt of CO₂-e.

² Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, published by the World Resources Institute and the World Business Council on Sustainable Development.

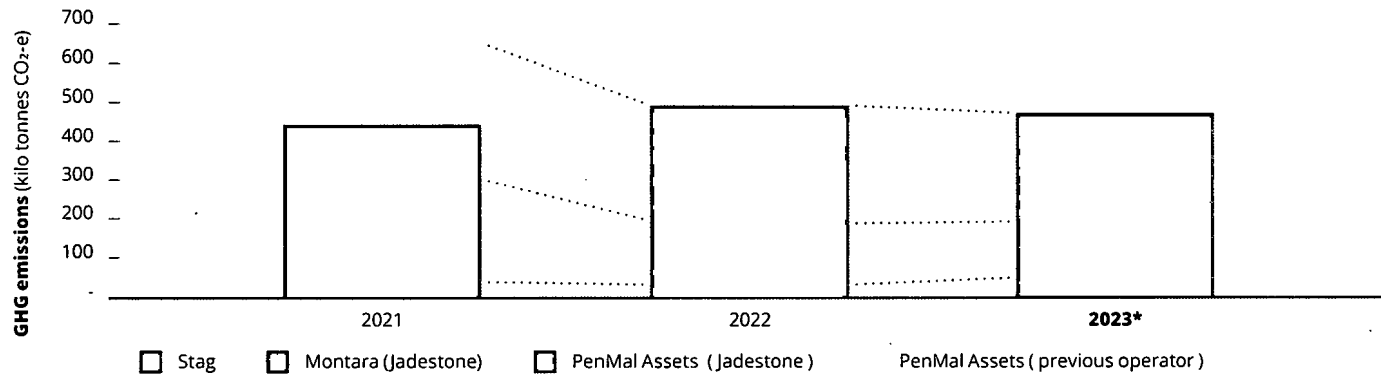
³ Source: <https://business.edf.org/insights/transferred-emissions-risks-in-oil-gas-ma-could-hamper-the-energy-transition/>.

⁴ An increased flaring trend was observed at Stag operations for 2023 during the year. A subsequent internal investigation identified that a faulty flare meter configuration led to historical flaring volumes and resulting GHG emissions being understated. Jadestone is reviewing historical data and the potential impacts prior to applying any adjustment.

⁵ With the exception of one employee working in home office mode.

⁶ American Petroleum Institute.

Scope 1 GHG emissions, 2021–2023 (100% operational control), including emissions prior to transfer of PenMal Assets operatorship under previous operator in 2021



* An increased flaring trend was observed at Stag operations for 2023 during the year. A subsequent internal investigation identified that a faulty flare meter configuration led to historical flaring volumes and resulting GHG emissions being understated. Jadestone is reviewing historical data and the potential impacts prior to applying any adjustment.

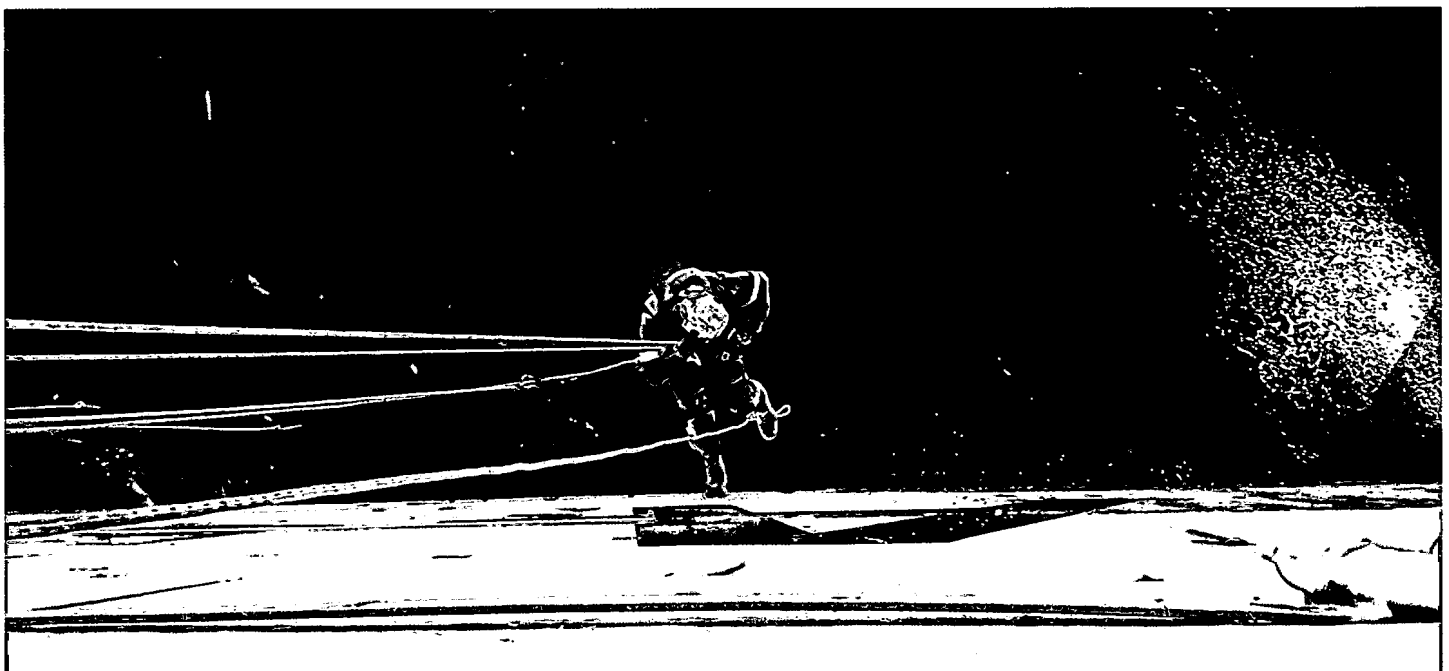
Streamlined Energy and Carbon Reporting (100% operational control)

Metrics	Units	2023	2022	2021 ³
Total Scope 1 and 2 GHG emissions from operated entities, offices and warehouses				
Total Scope 1 GHG emissions	tCO ₂ -e	469,310	488,951	440,987 (649,770)
Total Scope 2 GHG emissions	tCO ₂ -e	253 ¹	175	185
Total Scope 1 and 2 GHG emissions	tCO ₂ -e	469,563	489,126	441,172 (649,955)
Upstream GHG intensity (Scope 1)	kgCO ₂ -e/boe	99	99	92 (100)
Energy use by operated entities, offices and warehouses²				
Direct energy: Fuel consumption	MWh	1,096,465	1,119,973	772,248 (1,240,456)
Indirect energy: Electricity consumption (offices and warehouses)	MWh	359 ¹	299	303
Total direct and indirect energy consumption	MWh	1,096,824	1,120,272	772,551 (1,240,759)

1 2023 amount is higher than 2022 due to the inclusion of electricity consumption at storage and supply warehouses, which had not been included in prior years.

2 Direct energy is energy generated onsite by the facility. Indirect energy is defined as energy that is generated offsite and purchased for Jadestone office use only and excludes consideration of home offices.

3 2021 figures incorporate data from the PenMal Assets where operational control commenced in August 2021. Data in parentheses represents a full year (including emissions under the previous operator) to allow comparisons on a like-for-like basis.



Climate-related financial disclosures

Jadestone consulted the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD") to inform its approach to managing and disclosing climate-related risks and opportunities, as outlined in this section. As Jadestone is not currently subject to the Financial Conduct Authority Listing Rules, it is not required to make disclosures consistent with the TCFD recommendations or report against the TCFD recommendations on a "comply or explain" basis. In anticipation that these rules may apply to it in due course, the Group continues to develop and enhance its climate-related disclosures as outlined in the following section.

Governance

Disclose the organisation's governance around climate-related risks and opportunities.

TCFD recommendation	Summary of approach	Reference
a. Describe the Board's oversight of climate-related risks and opportunities.	The Board and its committees have oversight of climate-related risks and opportunities, as per terms of reference.	Annual Report Strategic report, Climate-related financial disclosures, pages 20 to 21.
b. Describe management's role in assessing and managing climate-related risks and opportunities.	- The Board delegates day-to-day management of the business to the CEO, who, supported by the CFO, directs the management team to manage climate-related issues. - Management-level governance was strengthened during 2023 by establishing a Climate Change Steering Committee, providing oversight over country Climate Working Groups.	

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	- Jadestone has identified transition risks across reputation/stakeholder, policy/legal and technology/market areas, as well as energy transition-related opportunities. - Risk impacts have been assessed using the Group risk framework, with impacts quantified, where feasible. - Jadestone undertook a Group climate scenario analysis for its whole portfolio of assets, reflecting the IEA's scenarios as per the 2023 WEO, that represent temperature outcomes of 1.7 and 1.5°C.	Annual Report Strategic report, Climate-related financial disclosures, pages 21 to 24.
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.		
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		

Risk management

Disclose how the organisation identifies, assesses, and manages climate-related risks.

a. Describe the organisation's processes for identifying and assessing climate-related risks.	- Jadestone takes a bottom-up approach to climate risk identification, ensuring that regulatory developments, as well as physical manifestations of climate change across regions, are well understood before informing a view of the Group's exposure. - Climate-related transition risks and physical impacts of climate change are identified, evaluated and managed within the Group risk register framework, supported by regional risk reviews. - Climate-related risks that have the potential to impact the business materially are identified as principal climate change transition risks.	Annual Report Strategic report, Climate-related financial disclosures, pages 25; Strategic report, Risk management, principal risks and uncertainties, page 25.
b. Describe the organisation's processes for managing climate-related risks.		
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.		

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics used to monitor risk exposure and effectiveness of mitigating actions are identified for all relevant risks.	Annual Report Strategic report, Climate-related financial disclosures, pages 25. Strategic report, Net Zero roadmap, pages 16 to 17. Sustainability Report Energy transition, and GHG emissions sections.
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	Jadestone reports its Scope 1 and 2 GHG emissions on an operational control basis; Scope 3 emissions are quantified for key categories.	
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	In December 2023, Jadestone announced its interim Scope 1 and 2 GHG emissions targets by 2026 and 2030 vs. 2021 baseline.	

Governance

Board oversight of climate-related risks and opportunities

Jadestone's Board of Directors holds a primary responsibility for fostering the short, medium and long-term success of the Group. The Board and its committees have oversight of climate-related risks and opportunities, as they pertain to the Group's ability to deliver shareholder value. The responsibilities of the Board committees in relation to climate are summarised below with further detail included in the Corporate Governance report.

The Health, Safety, Environment and Climate ("HSEC") Committee assists the Board in meeting its oversight responsibilities relating to the management of ESG impacts, risks and opportunities across the Group. Its role is to ensure that management has designed and implemented effective health, safety, social, environmental, and climate risk systems and controls. The HSEC committee supports the Board and the Audit Committee in the oversight over the Group's ESG disclosures.

The Governance and Nomination Committee oversees corporate governance practices, reviews membership and nominations to the Board and ensures continued development programmes are in place for all Directors, including in relation to the ESG agenda.

The Audit Committee ensures proper and timely disclosure of material financial information and reviews all material matters affecting the risks and financial position of the Group. The latter includes monitoring of the Group's responses to climate risk and ESG disclosures generally. The Audit Committee reviews the Group's climate scenario analysis and the ESG disclosures forming part of the Annual Report.

The Remuneration Committee determines executive remuneration including approval of executive incentive schemes, which incorporate ESG performance objectives. In 2023, ESG performance objectives, which form part of the CEO's performance contract, had a weighting of 25%, and included objectives relating to Net Zero interim targets.

The Disclosure Committee oversees timely and accurate disclosures as required to meet the Group's legal and regulatory obligations, including sustainability and climate-related disclosures.

Jadestone's ESG and climate governance structure: Board level

Board of Directors

Retains overall accountability for the strategic direction and performance of the Group and in doing so acts on behalf of its stakeholders

ESG remit: overseeing control and accountability systems designed to ensure appropriate standards are met in relation to health, safety, environment, and climate-related impacts as well as social responsibility and governance of the Group.



Board Committees

Assists the Board to discharge its responsibilities across:

HSEC Committee	Governance and Nomination Committee	Audit Committee	Remuneration Committee	Disclosure Committee
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How the Board considered climate-related matters in 2023

Climate-related risks and opportunities are a standing agenda item at every Board meeting, with four regular board meetings held in 2023. The Board delegates its responsibilities over ESG matters to the HSEC Committee. The following decisions and activities were considered during 2023:

Net Zero strategy

- Following the announcement of the Net Zero by 2040 pledge, the progress of the Net Zero roadmap development was reviewed by the each quarter, with a more detailed oversight by the HSEC Committee.
- This led to an approval of the interim GHG reduction targets to 2030 as part of the Net Zero roadmap, including the communications and stakeholder engagement strategy in the December 2023 Board meeting.
- The Board endorsed the Group's first CDP climate submission and reviewed its first scope 3 GHG data for 2022 in the June 2023 meeting.
- Engagements with the lending banks and investors on ESG requirements were relayed to the Board, informing the Net Zero roadmap endorsed by the Board.

Expenditure and investments

- Analysis of the GHG emissions performance of all prospective M&A opportunities was presented to the Board as part of the acquisition due diligence process.

Climate risk and disclosures

- The sustainability section of the Annual Report, including climate risk assessments and climate scenario analysis, was reviewed by the HSEC Committee and subsequently approved by the Audit Committee.

Performance

- Group GHG performance dashboards were reviewed quarterly in the HSEC Committee and Board meetings.
- Review of ESG performance on a quarterly basis, including climate mitigations and the progress made in the development of the Net Zero roadmap.

Governance

- Approved the establishment of the Climate Change Steering Committee and its terms of reference, for the purpose of assisting the Board and leadership in fulfilling their oversight responsibilities with respect to the implementation of Jadestone's Climate Policy.

Management's role in assessing and managing climate-related risks and opportunities

Day-to-day management of the business is delegated by the Board to the CEO. The CEO is responsible for the identification and assessment of climate risks and opportunities, defining the strategy and approving action plans suitable to control and mitigate identified risks. The CEO is supported by the CFO in establishing climate risks through the lens of financial materiality. The CEO and CFO engage the Board on the strategic aspects of climate change and the energy transition.

Jadestone's senior management team is led by the CEO in delivering the Group's strategy and annual work plan and budget. The progression of the climate agenda is facilitated by both Group and regional resources, including ESG, HSE, legal, subsurface, operations, commercial, investor relations and supply chain functions as well as country management. Expert resources are called upon when required to support the wide array of climate change issues. The Group has taken further steps to ensure greater integration of climate-related issues across the business as well as strengthening of governance. The Climate Change Steering Committee ("CCSC") was established during 2023 to assist the Board and leadership in fulfilling its oversight responsibilities with respect to the implementation of Jadestone's Climate Policy.

The CCSC acts as a decision-making senior management forum reporting into the Board's HSEC Committee. The CCSC formally reports to the Board three times a year during the Board's HSEC Committee meeting or more often as required. This includes making any relevant recommendations on all matters relating to Jadestone's climate strategy.

Country-level Climate Change Working Groups ("CCWG") support the CCSC in progressing country-specific elements of its remit. The outputs of the country-level CCWG are reported to the CCSC.

Climate governance tiers

Board level

Health Safety Environment Climate Committee



Management level

Climate Change Steering Committee



Country level

Climate Change Working Groups



How management considered climate-related matters in 2023

The CCSC includes senior leaders from Jadestone's management team, including the CEO and CFO, representatives of finance, business development, risk & strategy, HSE, investor relations, subsurface, operations and ESG functions. Supporting members are invited as required. Management via formal CCSC meetings and targeted forums, supported the following activities throughout 2023:

Net Zero strategy

- Ongoing review of the Net Zero roadmap progress, ensuring its alignment with Jadestone's business strategy, regional imperatives, whilst being on par with peer practice.
- Oversight over development of GHG forecasts in line with the work plan and budget.
- Decisions on GHG reduction-related business cases.

Climate risk and disclosures

- The sustainability section of the Annual Report, including climate risk assessments and the climate scenario analysis, was reviewed by the management, before the Audit and HSEC Committee's approval.
- Results of physical and transition climate risk workshops were communicated to management.

Performance

- Group GHG performance dashboards were reviewed monthly. Improvements to data coverage were introduced during 2023.
- The ESG/GHG digital tool business case was approved by management.

Strategy

Climate-related risks and opportunities

Transition risks

In monitoring the delivery of its strategy, the Board and the management team consider climate-related risks and opportunities across three time horizons: **Short-term (ST)**: up to 2025, **Medium term (MT)**: 2026 - 2030 and **Long-term (LT)**: beyond 2030. Building on the experience of the past few years, in 2023 Jadestone performed a detailed review of the potential transition risks the Group may be exposed to across the reputation, policy/legal, market and technology areas in the short term, applying the Group risk assessment framework. The analysis was supported by policy and market review of the operating regions. The short-term timeframe was selected as a starting point for narrowing down risks with highest potential for material implications for the business over longer timeframes. Analysis of risk impacts over longer timeframes requires assumptions to be made, for example the pace of climate policy implementation or adoption of low carbon technologies. These projections are best addressed via a climate scenario exercise, referencing acceptable scenarios as a backdrop to evaluating risks to the business. Jadestone has been undertaking an annual climate scenario analysis since 2021, investigating how accelerated climate action via more aggressive government policies, in turn introducing carbon pricing mechanisms and low carbon technology adoption, may impact the resiliency of its business. For the 2023 exercise, please refer to pages 23-24.

A shortlist of transition-related risks, with potential impact likely to increase over the medium to long term, are summarised in the table below. Whilst these risks have not necessarily materialised in practice, they have the potential to impact Jadestone's business and are therefore subject to management's attention, with ongoing mitigations assigned to minimise potential exposure to levels that are acceptable by the Board and the management.

Similarly, Jadestone sees opportunities emerging from the energy transition dynamics in the Asia-Pacific region, such as serving major Asian growth markets from existing mid-life assets.

Summary of climate transition risks and opportunities

Transition risk	Potential impact	Mitigations	Risk metric
Reputation and stakeholder risks			
Access to finance Change in year <<>>	- Restricted availability of debt financing and/ or equity impacting the ability to execute Jadestone's growth strategy; potentially leading to higher interest rates and/or higher cost of equity. Short-term outlook: Whilst the trend of retrenching from the industry continues within lending banks, a diverse landscape is observed, with continued options for lending (Jadestone was able to add an additional bank to its RBL lending syndicate in 2023).	- Transparent, robust climate disclosures that communicate Jadestone's strategic positioning; - Announcement of Net Zero interim targets and progress updates; - Proactive engagement with financial institutions; - Prudent financial management.	Debt availability Cost of capital
Shareholder action Change in year <<>>	- Shareholder activism and/or divestment on the grounds of the Group climate strategy not being in step with shareholder expectations may result in downward pressure on the share price. Short-term outlook: Whilst shareholders continue to integrate ESG factors when making investment decisions, there has been no sign of investor selling solely on climate grounds, hence no increase in this risk during 2023.	- Transparent, robust climate disclosures that communicate Jadestone's strategic position; - Announcement of Net Zero interim targets and progress updates; and - Proactive engagement with the investment community.	Shareholder monitoring Share price performance
Policy and regulatory risks			
Carbon pricing and more stringent GHG reduction standards enacted by governments* Change in year <<>>	- Increased operating costs and/or capex for GHG reduction options may impact asset profitability; whilst providing further incentive to reduce emissions; in extreme cases may lead to curtailed field life. Short-term outlook: Regulatory developments within Australia and their impacts have been included in the workplan and budgets and are managed accordingly. No increase in risk exposure is anticipated in the other operating regions.	- Monitor policy changes in core jurisdictions/regions as well as carbon market developments – Australia (please see page 17, regarding recent regulatory developments in Australia); - Deliver emission reductions projects to reduce exposure as per Net Zero plan; - Annual climate scenario analysis that models carbon pricing impacts over all timeframes.	Carbon cost per barrel Capex to decarbonise assets Scope 1 GHGs (actual vs. forecast), cost of ACCUS
Increasing climate action and reporting obligations – UK NEW	- Increasing expectations of larger UK entities from the UK regulators, e.g. regarding ambitious climate action, leading to higher costs of compliance as well as potential reputational and stakeholder impacts if failure to comply. Short-term outlook: This risk currently exists solely in the context of Jadestone's stock market listing as UK law or policy has no direct climate impact on Jadestone at present. More stringent reporting frameworks applying to Jadestone in due course. New guidance and frameworks regarding transition planning are reviewed periodically, providing an indication of the regulatory focus.	- Monitor policy changes within UK; - Progressive enhancement of climate disclosures in anticipation of more stringent regulations applying to Jadestone.	Policy monitoring (e.g. Financial Reporting Council ("FRC"))
Technology and market risks			
Limited cost-effective GHG reduction measures NEW	- Cost-effective technologies to decarbonise operations for late-life assets are limited, due to, amongst others, site design, structural integrity and space; leading to a very limited pool of feasible direct options. Short-term outlook: Opportunities continue to be evaluated and matured by applying business case rigour, factoring in regulatory developments and changing business circumstances.	- Net Zero plan to focus on operational efficiencies and/or measures that have robust economics; - Continued pivot towards gas, with new, optimised developments.	GHG abatement potential Payback / IRR
Low carbon solutions and new technologies* NEW	- Alternative low carbon solutions that displace conventional fuels become economic and are adopted faster, leading to lower demand for fossil fuels and consequently, depressed oil prices. Short-term outlook: Whilst there is recognition that, for example, EV sales are increasing, there is little evidence to suggest that such developments will affect near-term oil demand in the Asia-Pacific region.	- Focus on SE Asia market, where energy demand is projected to increase according to most forecasts (with continued heavy reliance on coal and delayed uptake of low carbon fuels or EVs in the region); - Monitor policy and technological developments in core regions.	Policy monitoring
Transition opportunity	Potential impact	Management actions	Opportunity metric
Opportunity to serve major Asian growth markets from existing mid-life assets Change in year <<>>	- Increasing M&A opportunity set of mid-life assets allows Jadestone to position itself as a preferred buyer, committed to upholding climate targets; and - Asian markets receive crude oil and natural gas from existing fields, as opposed to large-scale greenfield developments, in line with IEA's Net Zero by 2050 roadmap. Natural gas is likely to play a significant role as a transition fuel for some coal-heavy economies in Southeast Asia. Short-term outlook: Larger energy companies continue to high-grade their own portfolios, leading to an active M&A market in which Jadestone continues to participate. There is no sign of this changing in the near-term.	- Clearly defined business strategy that is centred around mid-life assets; - Focus on improving emissions performance of fields compared to previous operators; - Progress towards Net Zero interim targets.	M&A opportunity set

⌘ Risk has increased during the year

<<>> No change in the risk over the year

* risks examined over short, medium and long term in a climate scenario exercise

In 2023, the Group has made the following progress with regard to implementing risk mitigations:

☑ Achieved ↻ Ongoing

Climate risk mitigations	Progress in 2023
Transparent, robust climate disclosures that communicate Jadestone's strategic positioning ☑	Jadestone reviewed its strategic positioning in the energy transition context, as described in on pages 15 to 16.
Announcement of Net Zero interim targets and delivery of the Net Zero plan ↻	Net Zero interim targets have been announced in December 2023. For status as of 2023, see pages 16 to 17.
Proactive engagement with financial institutions and shareholders ☑	- Jadestone maintains close relationships with several international lending banks, which resulted in the arrangement and closing of an RBL in May 2023, with another bank joining the RBL syndicate during the year. GHG-related reporting forms part of RBL obligations. - Frequent direct and indirect dialogue is maintained via the Head of Investor Relations or at the CEO and CFO level, where energy transition is a standing topic.
Financial Management ☑	Despite combined capital and operational expenditure of over US\$340 million, Jadestone ended the year in a small net debt position.
Monitor policy changes in core jurisdictions/ regions ☑	Regulatory developments are monitored within the countries and new changes reviewed in the regional CCWG meetings; At Group level, relevant developments are monitored by the ESG function and reported to CCSC.
Annual climate scenario analysis that includes carbon impacts ☑	Climate scenario analysis undertaken since 2021. See pages 23 to 24.
Progressive enhancement of climate disclosures ↻	Further improvements as far as corporate risk framework alignment, e.g. inclusion of physical impacts of climate change, see page 23.
Focus on SE Asia market and continued pivot towards gas ☑	- Clear focus of the business strategy as evidenced by current portfolio and recent acquisitions. - As evidenced by the progression of the Akatara gas development and signing of Heads of Agreement for gas sales from the NDUM development in Vietnam.

Physical risks

As global average temperatures rise, climate science finds that acute hazards such as heat waves and floods grow in frequency and severity, and chronic hazards, such as drought and rising sea levels, intensify. The physical manifestation of climate change is anticipated to affect geographic regions differently and therefore require a location-specific analysis.

During 2023, physical risk workshops were held with each operating region, facilitated by an external consultant, and including interdisciplinary representation from operations, engineering, HSE and supply chain. Jadestone's corporate risk matrix was applied when assessing risks, with an attempt to quantify impacts where possible. The purpose of the workshops was to:

- determine how the physical hazards in each region were projected to change over time in different temperature outcome scenarios;
- how these hazards may affect operations, supply chains and export routes;
- collect information relating to how each operation and associated value chain is currently exposed to physical risks, what mitigations are currently in place and whether further mitigations might be required to adapt to a changing climate.

Climate projections from World Bank Country profiles for each country of operation was used to inform this process and risks were considered over the lifetime of each facility.

Generally, countries already experience adverse weather events and as such have mitigations and plans in place to manage these hazards. This exercise has increased understanding of the specific impacts that climatic hazards may have on everyday operations, identifying such hazards as e.g., increase in heatwaves, increase in intensity of rainfall, flood events and tropical storms, depending on the location of operations. In order to further improve the integration of physical climate risk into business operations and planning, physical risks rated as moderate and/or higher will be incorporated into the country corporate risk registers, undergoing periodic reviews throughout the year.

Testing climate resiliency of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Climate scenario approach

Whilst some impacts of climate change are apparent in the short-term, the most significant effects of climate change are likely to emerge over the medium to long-term and their timing and magnitude are uncertain. Jadestone has been performing climate scenario analysis that explores a range of external policy, economic, market and technological conditions that may lead to different temperature outcomes, depending on the pace of the energy transition. Jadestone has focused its analysis on transition risks including the possible changes to oil prices as a result of the energy transition's impact on oil demand as well as the potential impact of tighter carbon-related regulations through additional carbon costs.

Scenarios developed by the IEA in its 2023 World Energy Outlook formed the basis for the analysis, representing the "gold standard" among financiers, policymakers and industry peers:

- Stated Policies Scenario (STEPS)**, reflects a detailed sector-by-sector review of the policies and measures that are in place or that have been announced, but that there is no further policy development on climate change beyond them, which results in an average temperature rise of 2.4°C above pre-industrial levels by 2100;
- Announced Pledges Scenario (APS)**, which assumes that all aspirational targets announced by governments are met on time and in full, and estimates an average temperature rise of 1.7°C by 2100; and
- Net Zero Emissions Scenario (NZE)**, which maps out a trajectory consistent with limiting the temperature increase to less than 1.5 °C in 2100, alongside universal access to modern energy by 2030.

The STEPS scenario is underpinned by policies and targets already announced by governments, and therefore in Jadestone's view represents the current base case outlook for the impact on energy demand. Consequently, it is utilised as Jadestone's base case for the purposes of modelling the impact of the APS and NZE scenarios on the Group's portfolio, which forecast faster declines (vs. STEPS) in demand for oil as part of the energy transition.

The oil prices modelled for each of the three climate scenarios are based on the IEA 2023 WEO, which forecasts the price of oil (in 2022 real terms) in 2030 and 2050 for each scenario. Between 2024 and 2026, Jadestone models an oil price assumption based on external forecasts, including futures and consensus oil prices, as well as third-party consultants. A linear interpolation is then applied to establish oil price forecasts between 2027-2030 and 2030-2050.

As far as estimating carbon costs in each of the three scenarios, Jadestone has undertaken a review of climate-related policy developments in its operating regions to inform the analysis. Carbon prices for the three climate scenarios in 2030 and 2040 from the IEA WEO 2023 were applied, unless country-specific climate policy developments were mature and well-understood, as was the case with Australia. The analysis now assumes that carbon costs (based on third-party pricing forecasts) apply to its Australian assets that are in scope for the Safeguard Mechanism reforms, which were passed into law in July 2023. It should be noted that a significant number of assumptions around carbon costs, and how these may develop over time within the various jurisdictions, formed part of the analysis. The scenarios are by no means a prediction of the future and the results of the climate scenario analysis should not be interpreted as such.

Discussion of results

Jadestone defines financial resilience as the ability to fund planned activity across its existing portfolio in periods of lower oil prices without compromising the Group's financial strength. In practice, this means generating sufficient cash flows from its assets to fund, along with existing cash resources and external sources of finance, planned operating costs, capital investment and abandonment spend while delivering acceptable returns on investment.

Jadestone adopts a flexible financial framework, assessing planned activity over a multi-year period and the associated funding requirement. As a result, and in the context of the climate scenario analysis, Jadestone believes that operating cash flow ("OCF") is the most appropriate metric on which to judge resilience, as this will directly impact its ability to fund planned activity.

The impact on operating cash flow of the climate scenarios against the base case of the STEPS scenario is displayed in the table below, split out over the short-term, medium-term and long-term time periods (as defined on page 21).

Climate scenario results - operating cash flow impacts versus base case STEPS scenario

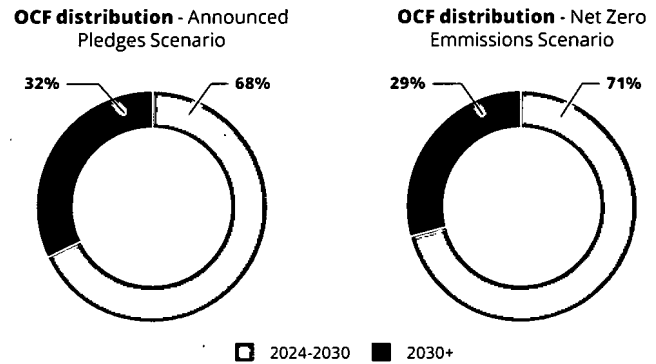
	S-T (2024-25)	M-T (2026-2030)	L-T (2030+)
Announced Pledges Scenario			
Net Zero Emmissions			

☐ ≤10% Low impact
 ☐ 10-25% Moderate impact
 ☐ ≥25% High impact

The scenario analysis suggests that Jadestone would see a negative impact on operating cash flow in most scenarios, although the impact is only significant in the NZE climate scenario over the long-term time horizon.

Furthermore, it should also be noted that the majority of the operating cash flows assessed in this analysis were in the short-term and medium-term time horizons, as illustrated in the following chart; mitigating the overall impact of the NZE scenario on Jadestone's business. Jadestone's business model is geared towards having most impact in the short to medium term as an operator of mid-life assets.

Distribution of climate scenario analysis operating cash flows across time horizons



The carbon tax assumptions in the scenario analysis were applied to Jadestone's GHG emissions profile as per its Net Zero roadmap, that takes into account committed mitigating initiatives. We recognise that these profiles will be updated periodically as new GHG mitigations mature and business plans evolve. Furthermore, lower oil price scenarios may result in a deflationary environment for Jadestone's purchased goods and services, which is not reflected in the scenario analysis, and which may also offset the impact of reduced cash flows.

Over the time periods assessed in the scenario analysis, natural gas, both through domestic production and imports, is likely to play an increasingly important role as a transition fuel in several Asia-Pacific energy markets. This trend underpins Jadestone's strategic aim to increase the share of gas in its portfolio by acquiring and/or developing regional gas assets. In early 2023, Jadestone started to deliver on this objective by acquiring an interest in the Sinphuhorm field onshore Thailand in early 2023, where operations have a Scope 1 and 2 GHG intensity estimated at 7.5kg of CO₂-e per boe, significantly lower than the global upstream average. In addition, the Group is developing the Akatara gas field onshore Indonesia with first production expected in the second quarter of 2024, and an expected upstream intensity of approximately 20kg of CO₂-e/boe.

Jadestone's growing gas portfolio will also increase portfolio diversification and will reduce the sensitivity of the Group's financial performance to oil prices. Finally, the Group is taking proactive steps to manage its exposure to climate-related risks, as outlined in its Net Zero approach on page 16. Jadestone is a nimble business that is able to adapt its strategic approach in response to external changes in the business environment, which is carefully monitored through the Group's risk management process.

To provide context and linkage between Jadestone's climate scenario analysis and its financial statements, the value of the Group's oil and gas properties was calculated using the NZE oil pricing, as set out above. The resulting impact on the Group's cashflows would lead to an impairment of the carrying value of the Group's oil and gas properties as of 31 December 2023. Please refer to Note 3b of the Notes to the Financial Statements on page 105 for further detail.

The assumptions under the NZE scenario do not reflect market conditions at present and are dependent on various factors in the future covering supply, demand, economic and geopolitical events and legislative outcomes, and therefore are inherently uncertain and subject to significant volatility.

Risk management

Process of identifying, assessing and managing climate related risks

The Group's risk register is established in line with its Risk Management Policy, and includes a systematic process for the identification, assessment and management of significant risks, including definition of accountability. The Risk Management Policy is owned by the CEO, who delegates responsibility to the CFO, country managers, and functional heads including the Group Operations Manager.

The Board regularly reviews the principal risks and defines the key performance indicators based on acceptable risk levels.

Jadestone takes a bottom-up approach to climate risk identification, ensuring that geographical nuances to the energy transition context, including regulatory developments, as well as physical manifestations of climate change, are well understood before informing a view of the Group's exposure. Specifically in relation to physical risk, an expert climate risk consultant was engaged in 2023 to help establish climate projections in a range of scenarios for the operating regions prior to facilitating an interdisciplinary risk workshop. Risks were assessed using Jadestone's risk framework with mitigations identified for medium rated risks. Based on this initial assessment no major climate vulnerabilities were identified, as discussed on page 23. Jadestone is planning to integrate the results of the workshop into its in country risk registers over the course of 2024 and will continue to refine its understanding of potential impacts to its business operations.

With regard to energy transition risks, building on the experience of regional workshops over the past few years, Jadestone has expanded the potential risk areas in line with the TCFD and reviewed their potential impact applying its corporate risk matrix. Assessment was supported by country-specific policy analysis and market insights, with assessment results compared and calibrated by the process owner. Identified mitigation actions are assigned ownership across key functions and progress and effectiveness is tested during the risk register review.

"Climate change – transition risks" is one of the principal risks identified within Jadestone's strategic risk profile, reflective of the challenge faced by the industry, governments and society at large.

Metrics and targets

Quantifiable metrics are elected where feasible to help monitor progress on the climate risk mitigations, as summarised on page 23. Qualitative actions are perceived to be of equal importance, particularly in relation to the Net Zero roadmap delivery.

The Group has committed to reduce Scope 1 and 2 GHG emissions from its operated assets by 20% by 2026 and by 45% by 2030 (from 2021 levels) as detailed on pages 16 to 17.

Both absolute and intensity-based Scope 1 and 2 GHG emissions are disclosed on page 18 of this report. A detailed GHG performance overview of Scope 1, 2 and 3 GHG emissions will be included in the 2023 Sustainability Report.

As far as internal carbon pricing, GHG emissions and carbon liabilities as per regulatory schemes inform Jadestone's cost-benefit analysis of potential acquisitions during M&A due diligence. Further, climate scenario analysis of plausible implied carbon prices affords a range of estimates on forward-looking carbon prices.

Responsible operator

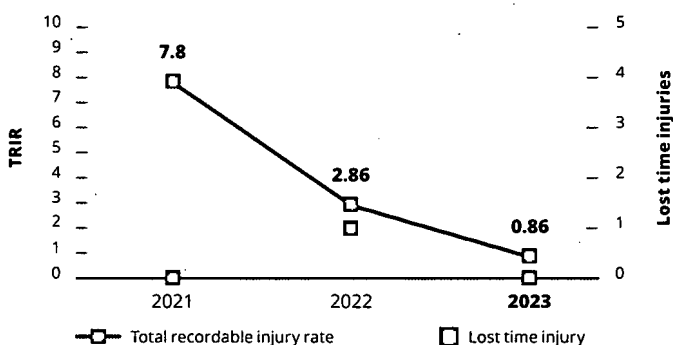
Ensuring safe and reliable operations whilst safeguarding the environment is at the center of Jadestone's business strategy, as depicted in its ESG framework. Responsible operatorship is about putting safety first to create a safe workplace for all employees and contractors, striving to minimise any negative impacts on the environment from all activities, whilst working closely with the regulators and engaging with its key stakeholders. Jadestone is committed to complying with all regulatory requirements underpinning safe operations and is working tirelessly to instil a culture of strong health and safety performance throughout all its operations and activities. This section provides an update on how the Group performed in 2023 across health, safety and environment, including regulatory management and asset integrity.

HSE performance

The Group maintained strong safety performance despite elevated levels of activity and numerous and often challenging work fronts over the course of 2023. Jadestone worked over 4.6 million man hours (2022: 1.7), with the year on year increase reflective of the ramp-up in construction activity at the Akatara gas development. Consequently, the total recordable injury rate ("TRIR") of 0.86 is significantly lower than in previous years, and on par with 2022 IOGP average of 0.90. Overall, the Group had zero lost time injuries, as well as no material environmental incidents¹.

Strong performance is the result of continuous reinforcement of our safety leadership, culture and practices amongst employees and contractors, and recognition that there is no room for complacency when it comes to safety of staff. Six high-potential events were recorded across the Group in 2023, with dropped objects identified as a recurring theme (5 out of 6), which will be the focus for 2024. The Group ensures that such events are thoroughly investigated and corrective actions shared to ensure learning and to minimise the probability of reoccurrence.

Occupational health and safety performance, 2021 – 2023



¹ Those incidents rated as leading to minor effect, recovery in weeks to months or higher as per the Group's risk matrix.

One Tier 1 process safety event was recorded at the PM323 offshore unmanned platform in Malaysia, where a gas release from a dislodged electronic flow meter, estimated at 3,382.5 kg/hr, occurred. An emergency shut down was activated immediately upon discovery of the leak and a root cause investigation was carried out by a third-party, determining contributing factors and nine recommendations, all implemented as per the agreed timeframes.

Overall, the Malaysia business unit has achieved cumulative 1.1 million safe manhours since taking over operatorship in August 2021, with zero LTIs. Of note is the safe delivery of a drilling campaign in Q4 2023, which involved at least 12 contractor companies. The campaign continued throughout the monsoon season with additional safety precautions taken and resulted in safe and successful drilling operations without any injuries.

At the Akatara gas development project site on the Lemang PSC, Indonesia, over 90% completion was achieved by year end 2023, whilst undertaking higher risk activities such as major foundation works, pipe rack and storage tanks construction and well workovers with over 3.28 million manhours worked without an LTI. Jadestone has continued to engage with the Akatara EPCI contractor to ensure that robust HSE management practices are implemented and monitored.

Regulatory management

As an upstream operator in the APAC region, Jadestone is subject to various HSE-related regulations in an often rapidly changing regulatory environment and compliance is facilitated within the countries of operations through experienced local HSE professionals, supported by other functions, to ensure compliance with operational requirements.

During the 2023 reporting period, the Group received zero regulatory enforcement notices. Existing regulatory enforcement in Australia, issued in 2022 in relation to the Montara oil leak, was methodically addressed throughout the year, resulting in NOPSEMA's General Direction being lifted (see case study below).

In Australia, consultation requirements were clarified following the Federal Court appeal decision of Santos NA Barossa Pty Ltd v Tipakalippa [2022]¹, which represents the law regarding requirements for consultation in accordance with the Environment Regulations. The court decision has had wide-ranging implications on how energy and mining companies approach negotiations with indigenous groups, representing a considerable shift in consultation expectations within the regulatory context. Jadestone has continued to develop relationships with indigenous groups and the wider community through meetings with Directors and Elders of the traditional owner groups in Western Australia and Northern Territory, and reaching out to communities adjacent to areas in which it operates. Open public sessions, local and national advertisements, social media advertising and direct communication have all resulted in an increased awareness of Jadestone's operations in Australia and ensured transparent and open consultation feedback. This has all been undertaken in accordance with the industry regulator's expectations and legislation and continues as part of Jadestone's ongoing consultation strategy for all its operating assets.

Of note is a pending review of consultation guidance by the Australian federal Department of Industry, Science and Resources ("DISR") with the aim to provide greater certainty to operators about the consultation requirements under the Offshore Environment Regulations while maintaining the obligation of industry to consult genuinely.

Remedial work at the Montara site to ensure asset integrity

About the incident

As reported previously, between three to five cubic metres of crude oil was released to sea during a routine oil transfer between tanks at the Montara venture in June 2022. This loss of primary containment ("LOPC") was promptly stopped, the released oil fully dispersing naturally within days, resulting in negligible impact on environment. The industry regulator, NOPSEMA issued a Prohibition Notice in June 2022 and a General Direction in September after communications between two tanks was observed. Production was shut-in for the larger part of the second half of 2022 and into Q1 2023, whilst extensive inspection and repairs work scopes were undertaken to ensure the structural integrity of the facility's hull and tanks on the FPSO. All activities on the Montara tank integrity repair programme were executed with no recordable injuries.

Jadestone's response in 2023

Following the completion of an independent review of Jadestone's remediation plans and operational readiness for the Montara Venture FPSO, the regulator lifted the General Direction in early February 2023, which enabled production to re-commence gradually in March 2023. Independent consultants conducted a 90 day post start up review and confirmed all actions were implemented effectively.

Future outlook

The Prohibition Notice issued in June 2022 remains open until each tank that can contain oil has been inspected and a technical file note demonstrating this has been issued to NOPSEMA and accepted. Jadestone is currently methodically executing a tank restoration program, which resulted in 6 centre, 5 centre, 5 port, 5 starboard and both slops tanks being removed from the Prohibition Notice during 2023. Work is ongoing on the remaining tanks and once all are completed, the Prohibition Notice will be lifted. Jadestone continues to engage closely and transparently with the regulator about the progress of the inspection work. There have been no further loss of containment events to the environment from the Montara Venture post the June 2022 event. The NOPSEMA Level 4 investigation into the 2C loss of containment, is ongoing.

¹ FCAFC 193 on 2 December 2022.

Benefitting stakeholders

Jadestone recognises that its success relies on positive contributions from its employees, business partners, communities and, more broadly, society and the environment in order to operate effectively and create value. Jadestone strives to deliver positive socio-economic outcomes for local communities in operating countries and regions, and to provide productive employment while maintaining high standards of worker health, safety and well-being.

Workforce management and diversity continues to be a key focus for Jadestone. During 2023, the Group continued to grow its asset base which is reflected in an 8% increase in total workforce numbers¹ year on year. In 2022 and 2023, 94% of permanent employees represented local nationals, reflective of the deliberate effort to bring employment opportunities to communities where Jadestone operates.

In terms of gender balance, female representation in the workforce increased by 3%. 21% of the Jadestone employees are now female, in comparison to 18% from 2022. Overall, however, workforce gender statistics reflect the common challenge of gender diversity for most oil and gas operators. During 2023, Jadestone recorded no incidents of discrimination.

Jadestone's projects continue to be an important source of investment and income for local communities and the region, with approximately US\$44 million contributed in payments to governments (including fees, taxes and royalties) in the countries in which we operate.

In 2023 the Group has continued to develop targeted community activities, with a needs-driven initiative undertaken in each country of operations.

During the year, as construction of the Akatara gas development in Indonesia progressed, Jadestone was able to stimulate business activity within the local region through direct engagement of local manpower and its procurement decisions. Through its small business development initiative, Jadestone continued to create opportunities for local suppliers, with 23 contracts awarded to local suppliers. Over 500 contractors from nearby villages were engaged during the year on the site, representing 38% of all workers on site.

Restoration of a local canal was undertaken by the Jadestone Indonesia team in partnership with the local authorities during the year to help sustain agriculture activities in a village close to the Akatara gas development. A stretch of 5.4 km canal was revitalised through dredging and cleaning, not only enhancing farming productivity but also improving the environmental for the local community.

In Australia, Jadestone continued its support for the Clontarf Foundation, helping create eight student placements in the Broome Academy in Western Australia. In Malaysia, the team organised a community-wide mangrove replanting day nearby its PenMal operations, involving a local orphanage, business partners and local NGOs. For a more detailed coverage of Jadestone's community initiatives, please refer to 2023 Sustainability Report.

¹ Includes permanent employees, contractors and consultants.





Key performance indicators

Each year, Jadestone's Board agrees a performance contract with the Group's CEO, which contains key objectives aligned to the Group's strategic aims, and key performance indicators which measure the degree of success in achieving these objectives.

These key objectives and KPIs are cascaded down through the business, ensuring there is a clear understanding, accountability and alignment among all employees, how they are measured, how each business area contributes and how the outcome will impact annual compensation.

The outcome of the CEO's 2023 performance contract is summarised in the Remuneration Committee report on pages 62 to 68.

The following table provides an overview of the outcomes of the 2023 performance measures.

Performance measure	Commentary
Achieve 2023 operations targets	- Group production in 2023 was in the lower half of the target range, primarily due to reduced uptime at Montara during the year offsetting a full-year of production from the original CWLH interest, an increase at Stag following the 2022 infill campaign and strong production from the PenMal Assets towards the end of the year following the successful 2023 drilling campaign on the East Belumut field. 2023 exit production (based on the December 2023 average) was in the upper half of the target range, as strong year-end production from the PenMal Assets was partially offset by planned maintenance at Montara. - Total Group operating costs were at the upper end of the target range, primarily due to higher workover activity at Stag compared to plan, shuttle tanker operations at Montara lasting longer than planned and charges related to decommissioning activity on the Group's formerly non-operated interests offshore Malaysia. - Capital expenditure and outcomes were delivered in line with target.
Deliver continuous improvement in ESG performance	- HSE performance was good, with zero life altering events and zero regulatory enforcement notices during 2023. There were four minor recordable injuries during the year, a reduction of 20% on 2022 levels. - There was one Tier 1 loss of primary containment event at one of the Group's assets offshore Malaysia. - Absolute greenhouse gas emissions of c.469 kt of CO₂-e were significantly below target, primarily due to reduced uptime at Montara during the year and lower emissions at the PM323 field offshore Malaysia. - The Group announced interim greenhouse gas emissions reduction targets as part of its Net Zero pledge by 2040.
Deliver per share accretive growth	The targets for reserve additions and production growth through acquisitions were partially met, with only the Sinphuhorm transaction completing in the year. However, the value creation target was met based on the terms of the Sinphuhorm acquisition.
Create sustainable shareholder value	- The objective of delivering a significant increase in the share price was not met. - The target of closing a reserves based loan during Q2 2023 was met, with the size of the RBL facility exceeding the target. - The sustainable leverage target (Net Debt/EBITDA) was met. - The minimum liquidity target at 31 December 2023 was met. - The targets for share trading liquidity and interactions with shareholders were met.

Section 172 statement

Under the Companies Act 2006, Jadestone is required to include in its Strategic Report a statement reporting how the Directors have had regard to the matters set out in section 172 (1)(a) to (f) when performing their duties.

Section 172 of the Companies Act 2006 ("section 172", or "s172")

A director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

Jadestone's Board of Directors has a primary responsibility to foster the short and long-term success of the Group and be accountable to its shareholders. These responsibilities are set out in detail in the Board of Directors Charter (the "Charter") which can be viewed on Jadestone's website. The Charter explicitly recognises and incorporates the section 172 duties required of Jadestone's Directors. The Charter includes, inter alia, the following responsibilities:

- adopting and periodically reviewing the Group's long-term objectives and a commercial strategic planning process for the Group (s172 (a));
- considering the balance of interests between shareholders, employees, other stakeholders and the community (s172 (a) – (f));
- ensuring that workforce policies and practices are consistent with the Group's values and support the long-term sustainable success of the Group (s172 (a) and (b));
- approving and acting as the guardian of the Group's corporate values, including the implementation of a Code of Conduct Policy for the Group (s172 (c) and (e));
- overseeing control and accountability systems designed to ensure appropriate standards are met in relation to health, safety, environmental (including climate), social responsibility and governance of the Group (s172 (d)); and
- receiving reports on views of shareholders and ensuring effective communication with shareholders and key stakeholders (s172 (c) and (f)).

In support of exercising their section 172 duties, the Directors receive:

- a detailed monthly financial report;
- detailed briefings in advance of regular Board meetings and also prior to key decisions (for example business development opportunities);
- an annual briefing from the Company's Nominated Adviser on the AIM Rules for Companies 2021; and
- where appropriate, external legal advice.

The Group has adopted the Quoted Companies Alliance Corporate Governance Code 2018, with the annual compliance statement to the QCA Code principles contained on pages 49 to 53 of this report. The Group intends to apply the recent revisions to the QCA Code in reporting for the financial period ending 31 December 2024.

Detailed information on how Jadestone's Board assesses, monitors and mitigates the environmental footprint of its business, as well as the Group's approach to responsible operatorship and community engagement, can be found within the Sustainability Review on pages 13 to 26 and the HSEC Committee Report on pages 72 to 73.

The following summarises key activities and decisions made by Jadestone's Directors in 2023 in support of their s172 duties:

Board engagement on Montara

During 2023, the Board continued to focus on the Montara fields, particularly the condition of the Montara Venture FPSO, following the shut-in of the Montara fields from August 2022 to March 2023 and then for a further month in August 2023. Notwithstanding the successful diversification efforts of the Group in recent years, the Board's focus on Montara was in recognition of the importance of the asset to operational and financial performance, but also an obligation to all stakeholders to ensure the safety and integrity of Montara operations (s(172) (a), (b), (d)-(f)).

The Board's engagement on Montara was primarily through the Montara Technical Committee, which was established in September 2022 to provide additional support, advice and challenge to management during the Montara Venture FPSO hull and tank remediation work.

During 2023, the Montara Technical Committee received frequent updates from senior management on the ongoing work programme at Montara. These were formally considered and discussed at Technical Committee meetings, of which 10 were held during 2023, which were then reported back to the full Board.

In addition to the general condition of the Montara fields and the ongoing FPSO tank remediation work, the Montara Technical Committee was also involved in activity to assess the best longer-term options for the Montara fields. This project investigated all possible scenarios for the Montara fields, including replacing or dry-docking the Montara Venture FPSO. The most viable option was deemed to be the existing mode of operations with increased long-term repair and maintenance activity. As a result and incorporating general industry inflation, it was assessed that Montara would require a higher level of costs than previously assessed in order to maintain the assets in an appropriate condition throughout their remaining life, which was disclosed publicly in early 2024. Through this process, the directors considered the likely consequences of longer-term decisions on the business including asset impairments, as well as maintaining a safe and appropriate level of condition of the Montara Venture FPSO.

June 2023 equity fundraising

Following the decision of the Group to conduct a financing transaction in June 2023, which included an equity placing and open offer, the then Chairman of the Board met with the Group's major shareholders to explain the reasons for the equity raising and understand their feedback on the equity fundraising and the Group's recent performance more generally. (s(172) (e), (f))

This engagement allowed the Board to fully understand the dissatisfaction amongst certain shareholders with the Group's recent operational performance and clearly outline the sequence of events which led to the June 2023 financing transactions. The feedback from shareholders was formally considered and discussed by the Board, which decided to implement several changes to the management and governance structure of the Group.

Given the significant growth and diversification of the Group's operations in recent years, it was deemed appropriate to strengthen the senior management team and enhance internal succession planning options by creating the role of Chief Operating Officer, with a search currently ongoing. Furthermore, it was established that the Board needed to be refreshed, with Dennis McShane, Lisa Stewart and Robert Lambert stepping down, and Gunter Waldner, Joanne Williams and Adel Chaouch appointed. Adel Chaouch was elected Chairman in March 2024. Iain McLaren has also signalled his intention to step down as a Non-Executive Director and Chairman of the Audit Committee following completion of the 2023 audit process and appointment of his successor as Chair of the Audit Committee.

Risk management, principal risks and uncertainties

The Board continues to be responsible for the Group's risk appetite and monitoring the principal risks to which it is exposed. Due to the diversification of the Group in recent years, the development of the Akatara project and further anticipated growth, the Board commissioned the development of an enterprise risk register ("ERR") during 2023.

The ERR is comprised of country level risks (operations, HSE/ ESG, supply chain and contracts, engineering, HR, IT, drilling and subsurface) as well as business development, commercial, finance and legal.

A tiered approach to risk management and mitigation is now in place across the Group, with quarterly reviews at three levels. Countries and groups review their top 20 risks at a leadership level, with the top 10 combined risks review by the CEO leadership team

and the top 10 business risks by the Board. At these meetings, the outcomes will be to either avoid, accept, mitigate or transfer the risk.

To help ensure consistency of risk assessment across the Group, the risk management framework risk matrix was reviewed and is now used consistently across the Group.

The complete ERR will be a regular agenda item at Board meetings.

The principal risks currently recognised, and their mitigating actions, are detailed below. There may be additional risks unknown to the Group and/or other risks that have currently been assessed as not material, but which may develop into material risks in the future.

⧗ Risk has increased during the year ⧘ Risk has decreased over the year ⧚⧚ No change in the risk over the year

Risk	Risk description	Select mitigations
Availability of capital to fund business activities and investment in organic and inorganic growth Risk Owner: CFO Change in year ⧗	The Group's business model requires access to capital (debt and/or equity) to fund the Group's business activities, including investment in development assets and acquisition related investments. A change in sentiment towards funding of upstream oil and gas production and development could impact the Group's ability to access capital, the cost of this capital and any other terms under which capital is obtained.	The risk that availability of capital may decline increased during the year, primarily due to the extended Montara downtime impacting on the attractiveness of the Group as a lending or investment proposition. The Group uses debt funding in support of strategic acquisitions and organic development opportunities. In general, the availability of debt is dependent on investors' and lenders' changing sentiment towards oil and gas companies, especially in light of sustainability trends. The Group has pledged to achieve Net Zero Scope 1 and 2 greenhouse gas emissions from its operated assets by 2040, in late 2023 announced interim GHG reduction targets in support of this Net Zero pledge. Jadestone's strategy as a responsible operator of mid-life field assets is informed by the IEA's position that future oil and gas supply should come from maximising the recovery from existing fields, rather than through exploration and subsequent greenfield development. The Board and management deploy a disciplined approach to the allocation of capital across the portfolio. Jadestone seeks to establish and maintain long-term relationships with both major international financial institutions lending to upstream oil and gas companies and leading institutions investing in the equity of the same companies.
Oil price risk Risk Owner: CFO Change in year ⧚⧚	The Group's earnings and cashflow are dependent on oil prices, which are subject to global supply and demand trends. These movements can be impacted by global events such as the war in Ukraine and escalating tensions in the Middle East, as well as decisions made by major oil-producing nations and organisations like OPEC. Predicting oil prices is challenging due to the complexity of various factors involved. A prolonged period of low oil prices would adversely impact the Group's liquidity, investment, and expansion plans. Additionally, forecasts of sustained low oil prices could result in lower forecast asset cashflows, reserves and asset valuations.	The oil price risk remains the same as the prior year, as the war in Ukraine and the tensions in the Middle East continue to generate volatility in oil prices. During 2023, oil prices traded in a US\$71-97/bbl range. During the formulation of the annual work plan and budget and three-year plan, different scenarios are considered which include a range of oil price outcomes to understand the sensitivity of revenues, earnings and cashflows to movements in oil prices. In conjunction with the reserve based lending agreement executed in May 2023, the Group hedged approximately 50% of forecast production over the next two years at an average price of US\$70.57/bbl to underpin the cash generation of the business. The PSC environments in Malaysia and Indonesia provide assurance of cost recovery, subject to regulatory frameworks, ensuring that operating costs for each location are recovered from current or future revenues. The Group remains committed to diversifying its asset portfolio as a part of its strategy to mitigate exposure to commodity price fluctuations. This includes securing fixed gas price contracts, such as the gas sales from the Akatara project, which are priced at US\$5.60/MMBtu with a 90% take-or-pay arrangement. Additionally, the Group has entered into a Heads of Agreement in Vietnam for gas sales from the Nam Du/U Minh gas development, based on a fixed gas price with inflation escalation.

Risk	Risk description	Select mitigations
Business development opportunities Risk Owner: EVP Business Development Change in year <<>>	The Group seeks to acquire producing (or near production) assets that complement its current portfolio. If there are limited business development opportunities that fit the Group's strict acquisition criteria, this may restrict the ability to grow the business. A business development opportunity may be negatively viewed by investors if it is considered dilutive. Poor due diligence or unfavourable transaction terms may add low quality assets or unexpected liabilities to the Group.	The Group is committed to grow via acquisitions, so the risk remains a principal risk for the group. The risk remains unchanged compared to prior year as controls remain in place to ensure only appropriate opportunities are pursued. The Group reviews a significant number of business development opportunities within its core region on an annual basis. In addition to the auction processes that are available to the market, the Group actively pursues bi-lateral transactions to expand the business development opportunity set. If an opportunity complements the portfolio and supports the achievement of business objectives, it will be progressed to a formal due diligence review. The Group's senior management team has extensive knowledge and experience in the region with the necessary skills and experience to evaluate potential business opportunities that align with the Group's strategic focus. Additional third-party expertise is sought for select key disciplines, if required. Acquisition opportunities are only progressed if they create shareholder value by generating returns in excess of the Group's hurdle rate, and accretive on all metrics. The Group rigorously reviews acquisition and funding structures to ensure there is no dilution to shareholders.
Climate change transition risks Risk Owner: ESG and Sustainability Manager Change in year <<>>	As the energy systems in operating regions and markets undergo a transition towards lower carbon energy sources, the Group is subject to energy transition risks including reputational and stakeholder pressures, policy changes through carbon pricing mechanisms or GHG emissions standards and technology and market changes through, for example, the increased uptake of low-carbon alternatives (see page 22).	Overall, Jadestone has not seen a year-on-year change in terms of risk exposure, due to proactively managing its lending counterparties and monitoring/mitigating transition risks. With a strategy of acquiring and maximising the life of fields already in production, as well as developing discovered gas resources, Jadestone is well positioned to play an important role in energy transition as larger upstream companies divest their mid-life assets. Jadestone's strategic positioning as a responsible operator of existing assets is informed by the IEA's Net Zero by 2050 Roadmap. Jadestone monitors the developments impacting its exposure to transition risks in a structured approach and manages the key transition risks through targeted mitigations including: • Transparent, robust GHG emissions and climate-related disclosures that communicate Jadestone's strategic positioning; • Net Zero roadmap with interim targets, announced in December 2023; • Proactive engagement with financial stakeholders and the investment community; and • Possible prepurchase of ACCU options. Energy transition-related policy developments are monitored in core regions and the potential implications on the business are evaluated and reflected in the Group's financial modelling. Please refer to pages 21 to 23 for more details on how Jadestone identifies, monitors and manages climate-related risks.
Oil spill risk Risk Owner: Country Managers Change in year <<>>	Due to the nature of the upstream industry and with a focus on mature assets, Jadestone operates with the inherent risk of a loss of containment, including oil spills. A release of gas or liquids from an integrity breach could result in a prolonged production outage and potentially significant environmental damage. Any environmental or loss of production incident could negatively impact business performance and cashflows through fines, penalties, remediation and business disruption. Whilst the small oil spill (3-5 cubic meters) at Montara in 2022 did not have a negative impact on the environment, and there have been no fines or penalties to date, a NOPSEMA investigation is ongoing, and there was significant business interruption whilst repairs to the FPSO's tanks took place.	The oil spill risk has not changed during the year, with both preventative and mitigative controls in place. The Group maintains detailed policies, strategies, and programmes covering asset integrity management, emergency response and various maintenance programs to ensure the integrity of its assets. Assets are maintained to industry standards and floating facilities maintain certification with the relevant class society. There is scheduled maintenance on all safety critical equipment, that either helps prevent a loss of containment event, or mitigates the consequence. Periodic planned shutdowns are conducted to carry out required inspections, maintenance, repairs and modifications to ensure and protect Jadestone's assets. Assurance and compliance is managed through various key performance indicators and deviations are risk assessed to ensure safe operation is achievable. Senior management visits and inspections of operated offshore assets are undertaken regularly to demonstrate commitment and adherence to policy and procedures. Independently verified safety cases that are accepted by the regulator are in place on operated assets to ensure risks are managed to as low as reasonably practicable. Detailed crisis management and emergency response processes are also in place and regularly tested.
Health, safety, and environment ("HSE") risks Risk Owner: Group HSE Manager Change in year <<>>	Occupational, process safety and environmental risks due to the nature of producing hydrocarbons and managing these risks to as low as reasonably practical is a key priority for the Board and senior management team. Any unsafe work practices, human error, equipment failure, asset integrity and / or loss of containment could result in personal injury, fatality, environmental harm and/or reputational damage. The consequence of a failure to manage HSE risk could result in penalties, increased costs and the potential loss of the Group's licence to operate.	There has been no change in the potential impact or likelihood of the HSE risks due to the nature of Jadestone's operations and the environments in which the Group operates. Occupational safety is governed by standards, procedures, life saving rules and competency training where required. A behavioural base culture, allied with health and wellbeing and fitness for work programmes all aid in the safe execution of work. Learning from incidents and near misses is also key to the prevention of unwanted events. Excellence in process safety is key to prevention of major accident events. A safety case for each field is a regulatory requirement, which helps to ensure there is no loss of containment with asset integrity programs, safety critical element maintenance, management of change, deviation and permitted operations tools. The Board's HSEC committee oversees and sets standards for the Group, and drives accountability and commitment throughout the organisation. The Group targets zero lost time incidents and uses key performance indicators to track progress. The Group's HSE management system includes environmental impact statements, environmental plans, stakeholder consultation plans, oil spill response and other emergency plans.

Risk	Risk description	Select mitigations
Development and recovery of reserves Risk Owner: Country Managers Change in year <<>>	The Group is currently dependent on a small number of producing assets. A reserve write down may impact business performance and corporate reputation. The Group operates mid to late life assets and low oil prices, unexpected loss of well(s) or prolonged field shutdowns requiring high cost remediation could accelerate the end of field life impacting recoverable reserves.	There has been no material change in the likelihood or business impact and potential reserve write downs continue to be a principal risk. The majority of the Group's reserves are in late-life production phase. Reserves are assessed by reference to short and long-term performance data, reducing the uncertainty range and risk of a write down. Internal technical reserves reviews ensure a robust assessment process, taking into account any recent one-off events and long-term trends that act as guides for the asset portfolio. All assets are audited to SPE-PRMS guidelines on an annual basis by a competent person of international repute and competence. The Group places a strong emphasis on subsurface analysis twinned with knowledge of mature infrastructure, and has centralised its subsurface teams in Kuala Lumpur in order to develop excellence, competence and knowledge sharing in order to manage the asset portfolio and evaluate new opportunities across the region.
Regulatory infringement risk Risk Owner: Country Managers Change in year <<>>	The Group's key assets are located in politically stable countries, but there is an inherent possibility of governmental or regulatory changes which could negatively impact Jadestone's business. There is also the threat of regulatory enforcement actions as a result of Jadestone's activities in the event of a loss of containment event to the sea, failing to comply with regulations or as a result of, or potential for, a significant workplace injury or environmental harm.	The risk to regulatory infringement remains unchanged, as does the potential impact from government legislative changes. The Group maintains positive relationships with governments and key stakeholders, and actively monitors the political and regulatory environment within each of the countries and regions in which it operates. In 2023, the Australian Federal Court ruled that NOPSEMA had approved certain oil and gas operators' environmental plans ("EP") without ensuring that the required stakeholder consultation had occurred. The EP's were rescinded, causing significant delays to the relevant projects. The upstream industry, industry bodies, affected stakeholders and NOPSEMA worked collaboratively throughout 2023 on a revised consultation framework. In late 2023, EP's that had met the new consultation hurdles began to be approved. New assets, like Akatara, are assessed for political risk, and the potential negative impacts that could arise on the Group.
Decommissioning regulatory risk Risk Owner: Regional Operations Manager Change in year <<>>	Currently, the Group's approach to decommissioning is to leave subsea pipelines in situ at both Stag and Montara. NOPSEMA's base case is full removal of subsea infrastructure, unless it can be proven there is a net environmental benefit to leave the infrastructure in place. There is a risk that Jadestone would be required to remove subsea pipelines if the Group cannot prove a net environmental benefit of leaving them in situ.	There have been no changes to the decommissioning risks associated with government policy in the regions in which the Group operates. The Group will accelerate studies to assess whether there would be a net environmental benefit from leaving subsea pipelines at Montara and Stag in situ. The Group will continually update its knowledge and understanding of decommissioning practices to ensure that decommissioning cost estimates can be reduced and risks eliminated.
IT resiliency, continuity and security risk Risk Owner: Group IT Manager Change in year <>	The reliance on IT systems, networks and processes continues to evolve as technology becomes increasingly embedded in every day business needs. As the Group grows and develops, the connectivity of networks and systems becomes more complex while resiliency from disruptions and outages are essential. Cyber security threats continue to increase in sophistication and a cyber security breach could impact operations resulting in business interruption and/or the disclosure of confidential information resulting in financial loss, corporate reputational damage and/or legal exposure for the Group.	This risk increased in likelihood during the year due to an increase in cyber security risks globally, leading to several instances of large data breaches. Extensive data and server backups are performed regularly ensuring minimal data loss and fast recovery should restoration be needed. The Group's IT redundancy strategy is applied to critical systems and networks. The most up to date security solutions are deployed and maintained while training is provided to all staff to minimise the exposure of security threats. Periodic security assessments and penetration tests on networks and critical systems are also performed to measure and ensure an appropriate level of protection. Multi-Factor Authentication ("MFA") has been enabled for all IT systems with the required functionality. Plus, hard disk encryption was rolled out across the Group as a further preventative control to improve data protection and minimise data loss. The Group continues to enhance its security systems with the implementation of mobile device management, while a security operation centre has been established and other data protection solutions are scheduled for near-term implementation.
Inflationary pressures and timeline risk Risk Owner: CFO Change in year <<>>	The Group's financial performance may be adversely impacted by uncertain macroeconomic conditions including inflation and supply chain disruptions. These factors could result to additional costs and delays in the delivery of key projects for the Group. This could lead to cost inflation impacting financial performance and long lead times for key materials and equipment. In a high inflationary environment, key decision-making may be adversely impacted, and there is an increase in uncertainty surrounding judgements and estimations. Management is required to make assessments, estimates, and assumptions regarding future activities. If these predictions prove incorrect, it could affect financial performance and cash balances, thereby impacting the ability to finance investments and expansion efforts.	The risk remains consistent with last year, due to the challenges created by the evolving global macroeconomic environment. The Group maintains a focus on its cost structure and operating efficiency. Through a system of robust financial controls across the business, management effectively monitors cost trends and project schedules and implements mitigations as necessary. This approach provides flexibility to respond to a changing business environment in order to safeguard the Group's financial position. Regular forecasts including various scenarios and potential mitigations are performed by management and reviewed by the Board. This structured process allows management to continually reassess future predictions and forecasts to ensure the business responds to a changing environment. The Audit Committee regularly reviews liquidity, funding, and financial performance.

Risk	Risk description	Select mitigations
Operating performance risk Risk Owner: Regional Operations Manager Change in year <<>>	The Group is focused on producing assets and bringing discovered hydrocarbons into production rapidly. In the case of mid-life and/or mature producing assets, there is a risk that operational performance will decline through lower production, increased costs and/or deteriorating infrastructure reliability/uptime reducing uptime.	There was no change in operating performance risk during the year - the downtime at Montara was balanced by the successful Malaysian drilling program in the fourth quarter of 2023. The Group continues to manage its mature assets and is focused on growth by acquiring assets in the earlier years of their production life and developing gas reserves. This builds a diverse and valuable portfolio thereby reducing the risk of over exposure to the performance of individual assets. In 2022 the Group acquired 16.67% stake in CWLH fields, with a further 16.67% interest closed in Q1 2024. This, with the planned start up of the Akatara gas field in the second quarter of 2024, is expected to further de-risk Jadestone's operating performance. The Group operates a continuous improvement mindset, designed to identify cost saving opportunities that lower the cost base across operations and offices. The risk of declining production, increased costs and deteriorating infrastructure reliability and uptime, can be offset by infield drilling campaigns. The PM323 drilling campaign in Malaysia in 2023 has delivered strong production growth and reserve additions. Developing late life operating and maintenance strategies is key to managing costs in declining fields, whilst ensuring the facilities are maintained to prevent major accident events. These strategies are regularly reviewed and updated. The Group also uses its enterprise risk register to constantly understand the key operational risks and how these risks are accepted, mitigated or eliminated.
Capital execution activity risk Risk Owner: Country Managers Change in year <<>>	The Group is dependent on the successful execution of strategic projects including the Akatara development in Indonesia and the proposed development of the Group's discoveries offshore Vietnam. Developing large capital projects in complex business environments presents multiple challenges for engineering, technology and skilled labour availability. Cost over-runs or project delays could negatively impact business performance and the achievement of objectives and targets. The Akatara project is in the development phase with first gas anticipated in the second quarter of 2024. Any significant cost over-runs or delays to first production would negatively impact the project economics and financial returns of the project to the Group. The Nam Du/U Minh project is subject to government approval and FID but remains a material opportunity for the Group, and significant delays or inflationary pressures could impact the economics of the project.	There has been no material change in the likelihood or impact of the risk, and project economics and execution of capital activity are a key feature of the long-term strategy for the Group. The Board and management seek out regular dialogue with national upstream companies, regulators, and other government bodies to ensure acceptance and approvals are obtained as soon as possible. Projects are tailored to local market conditions, including with regard to supply and price. Project economics are assessed with multiple sensitivities to identify critical challenges, including contingency planning for potential project failures. In certain countries this includes PSCs, which help mitigate the impact of any significant capital or operating cost overruns. Management regularly provides strategic updates and project status to shareholders and other stakeholders.

Operational review

Producing assets

Australia

Montara Project

The Montara Project, in production licences AC/L7 and AC/L8, is located 254 km offshore Western Australia, in water depth of approximately 77 metres. The Montara Project comprises three separate fields being Montara, Skua and Swift/Swallow, which are produced through an owned FPSO, the Montara Venture.

As at 31 December 2023, the Montara assets had proven plus probable reserves of 13.6 mmbbls (31 December 2022: 18.5 mmbbls), 100% net to Jadestone. The year-on-year change in reserves at Montara is explained by production in the year (1.3 mmbbls) and a 3.5 mmbbls downgrade to reflect revisions to well performance, timing and nature of future infill drilling activity, and higher anticipated operating costs over life of field.

The fields produce light sweet crude (42° API, 0.067% mass sulphur), which typically sells for average Dated Brent plus the average Tapis differential in the month of lifting. The premium in 2023 ranged between US\$1.36/bbl to US\$6.59/bbl, with an average premium of US\$3.82/bbl. The most recent lifting in March 2024 was agreed at a premium of US\$3.88/bbl.

Production from the Montara fields was shut in between August 2022 to March 2023 for storage tank inspection, maintenance and repair work following a small release of oil to sea in June 2022 and a further tank defect encountered in August 2022.

Following lifting of the General Direction issued by NOPSEMA in September 2022 and the completion of tank inspection and repair activities, as well as scheduled four-yearly maintenance activities, a phased production restart campaign commenced late in March 2023.

On 29 July 2023, production at Montara was temporarily shut in following a hydrocarbon gas alarm in ballast water tank 4S. Production restarted on 1 September 2023 with tank 6C. Inspections identified the location of a small defect between tank 4S and oil cargo tank 5C, with the repairs of both tanks completed in Q1 2024 and returned to service thereafter.

On 4 October 2023, pressure was lost from the A annulus in the Skua-11 well, likely as a result of gas in the annulus escaping from a shallow leak point. The well was immediately shut in. A replacement operation, which includes a sidetrack to target volumes associated with Skua-11 and additional reserves in the vicinity is currently being planned and is expected to commence in Q4 2024.

Montara production averaged 3,655 bbls/d in 2023 (2022: 4,227 bbls/d), lower compared to previous year due to facility constraints caused by the separator limitations from March to July 2023 and the limited storage tank capacity on the FPSO due to the repair and maintenance activities referenced above.

There were five liftings in 2023, resulting in total sales of 1.2 mmbbls of crude oil compared to 1.7 mmbbls from the same number of liftings in 2022.

Stag oilfield

The Stag oilfield, in production licence WA-15-L, is located 60 km offshore Western Australia in a water depth of approximately 47 metres.

As at 31 December 2023, the field contained total proved plus probable reserves of 11.1 mmbbls (31 December 2022: 12.1 mmbbls), 100% net to Jadestone. The majority of the year-on-year change in reserves was explained by production during the year.

The Stag oilfield produces heavy sweet crude (18° API, 0.14% mass sulphur), which historically sells at a premium to Dated Brent. The premium in 2023 ranged between US\$10.10/bbl and US\$19.10/bbl with an average premium of US\$ 13.03/bbl. The most recent lifting in March 2024 was agreed at a premium of US\$15.88/bbl.

Production was 2,672 bbls/d in 2023 compared to 2,176 bbls/d in 2022. This increase was predominately due to the completion of the Stag 50H and 51H drilling campaign in November 2022.

There were four liftings in 2023 for total sales of 1.0 mmbbls, compared to 0.8 mmbbls in 2022 from the same number of liftings.

The Group made an impairment charge of US\$17.4 million to Stag's oil and gas properties as at 31 December 2023, following an annual impairment assessment performed and identified that the VIU of the operating asset is lower than the carrying amount (see Financial Review section in this document).

North West Shelf Project

The Cossack, Wanaea, Lambert and Hermes oil fields (the "CWLH Assets") are located 115km offshore Western Australia in production licences WA-3-L, WA-9-L, WA-11-L and WA-16-L situated in a water depth of approximately 80 metres.

As at 31 December 2023, the CWLH Assets contained total proved plus probable reserves of 6.8 mmbbls (31 December 2022: 5.1 mmbbls, net to Jadestone. The year-on-year increase reflects the outperformance of the CWLH assets during 2023, with higher uptime and lower decline rates incorporated into the end-2023 reserves assessment, with asset life now extending to 2035 (from 2031) as a result. The end-2023 CWLH Assets reserves figure above does not include the recent doubling of the Group's interest, which is described below.

On 14 November 2023, the Group executed a sale and purchase agreement with Japan Australia LNG (MIMI) Pty Ltd (the "Seller"), to acquire the Seller's non-operated 16.67% working interest in the CWLH Assets, for a total initial cash consideration of US\$9 million, and certain subsequent Abandonment Trust Payments (the "Acquisition").

The Acquisition was completed on 14 February 2024, with a net receipt to the Group from the Seller of US\$6.3 million, reflecting the accumulated economic benefits of the CWLH assets for the period from the effective date of 1 July 2022 to completion. As a result, the Group's non-operated working interest in the CWLH assets increased to 33.33%, from 16.67%.

On 9 February 2024, the US\$6.3 million net receipt from the Seller and US\$35.7 million from Jadestone were paid into the CWLH abandonment trust fund, in aggregate satisfying the initial US\$42.0 million abandonment funding requirement required under the terms of the Acquisition. The second US\$23.0 million instalment into the abandonment trust fund is payable on NOPTA's approval of the accession documents, which is expected in Q2 2024. The final instalment of up to US\$37.0 million will be paid into the abandonment trust fund by 31 December 2024.

Contribution to Group production was 1,896 bbls/d in 2023 compared to 383 bbls/d in 2022 on an annualised basis, due to the timing of the acquisition. The average production from the completion date of 1 November 2022 to 31 December 2022 was 2,290 bbls/d, net to Jadestone's working interest.

Jadestone lifted one cargo in 2023 for total sales of 0.7 mmbbls, compared to 0.7 mmbbls in 2022, also from one lifting.

Malaysia

Operated: PM 323 and PM 329 PSCs & Non-operated: PM 318 and AAKBNLP PSCs

The PenMal Assets consist of two operated PSCs, which comprise a 70% interest in PM329 PSC, containing the East Piatu field, and a 60% interest in PM323 PSC, which contains the East Belumut, West Belumut and Chermingat fields.

Additionally, the Group assumed 100% working interests in PM318 and AAKBNLP PSCs (the "PNLP Assets") after taking over operatorship in April 2023 following the decision of the previous operator to withdraw from the licences. As a result, the Group acquired the rights over the 50% of abandonment cess fund and assumed the remaining 50% of asset restoration obligations under the PNLN Assets. As part of the takeover, the previous operator paid the Group for a sum representing its share of future wells preservation activities and decommissioning costs. The Group believes that the PNLN Assets have significant reserve and resource potential. Jadestone is currently overseeing operations and maintenance in shut-in mode. In June 2023, the Group submitted a business value proposition to PETRONAS outlining plans to redevelop the PNLN Assets and resume production. The PNLN Assets were included in the Malaysia Bid Round Plus ("MBR+") process in October 2023 and renamed as the "Puteri Cluster". The reinstatement of production and further development of the Puteri Cluster by the Group is subject to retaining the licence as part of the MBR+ process. The Group has submitted a bid for the Puteri Cluster, with the results of the MBR+ process anticipated in mid-2024.

All four PSCs are located approximately 230km northeast of Terengganu in shallow water.

As at 31 December 2023, PM323 and PM329 PSCs contained total proved plus probable reserves of 9.2 mmbbl (2022: 8.9 mmbbl), net to Jadestone. The year-on-year increase can be primarily explained by a reserve upgrade at PM323 PSC following the successful infill drilling campaign in late 2023 and offset by production during the year.

The PenMal Assets produce light sweet crude that is blended to Tapis grade (43° API, 0.04% mass sulphur). The premium in 2023 ranged between US\$2.72/bbl to US\$5.63/bbl with an average premium realised of US\$4.38/bbl. The most recent lifting in March 2024 was agreed at a premium of US\$4.16/bbl.

Production in 2023 was 3,664 bbls/d of oil and 3,744 mscf/d of gas, or 4,288 boe/d, net to Jadestone's working interest, compared to 3,884 bbls/d of oil and 4,908 mscf/d of gas, or 4,702 boe/d in 2022. The year-on-year decrease is due to natural production decline at the PM329 PSC only being partly offset by the initial contribution of the new PM323 infill wells drilled in late 2023, and no production from the PNLN Assets reflecting the current shut-in mode.

The East Belumut (PM323 PSC) infill campaign, which commenced in August 2023, was very successful, with first oil achieved two months earlier than expected. By adding four new horizontal oil producers, field production was quadrupled and exceeded target, with incremental gross oil production of c.8,000 bbl/d. The infill campaign delivered incremental gross reserves of 4.2 mmbbls, including 1.3 mmbbls from the existing wells on the field after the economic limit was extended by c.3 years.

There were nine liftings from the PenMal Assets in 2023, resulting in total oil sales of 0.8 mmbbls and total gas sales of 1.4 mmscf, compared to total oil sales of 0.8 mmbbl and total gas sales of 1.8 mmscf from 13 liftings in 2022.

Thailand

APICO LLC (Sinphuhorm gas field and Dong Mun gas discovery)

On 23 February 2023, the Group closed the acquisition of interests in three legal entities, which collectively own a 9.52% non-operated interest in the producing Sinphuhorm gas field and a 27.2% interest in Dong Mun gas discovery onshore north-east Thailand. The acquisition included a 27.2% interest in APICO LLC, which operates the Sinphuhorm concessions (E5N and EU1) and Dong Mun (L27/43). The cash consideration was US\$27.8 million, based on an effective date of 1 January 2022.

As at 31 December 2023, the Sinphuhorm Assets contained proved plus probable reserves of 3.9 mmboe, net to Jadestone.

The Group's 9.52% non-operated working interest in the Sinphuhorm Assets enable the Group to exercise significant, being the power to participate in the financial and operating policy decisions but not control or joint control over the assets' day-to-day operations. Therefore, the Group does not recognise its share of revenues and production costs, instead recognising dividend income when receive. The Group received US\$3.7 million of dividends in 2023.

Average production since the date of acquisition was 1,450 boe/d, contributing 1,303 boe/d to Group annual production in 2023.

Pre-production assets

Indonesia

Lemang PSC

The Lemang PSC is located onshore Sumatra, Indonesia. The PSC contains the Akatara field, which has been de-risked with 11 wells drilled into the structure, plus three years of oil production history, up until the field ceased oil production in December 2019. Jadestone is redeveloping Akatara to supply gas, condensate and LPGs for local and regional use.

The Akatara gas field has been independently estimated to contain 2P gross reserves (pre local government back-in rights) of 81.4 bscf of sales gas, 2.8 mmbbls of condensate and 9.5 mmbbl of LPG, equating to a combined 25.9 mmbbl of reserves. Jadestone has a 100% interest in the Lemang PSC, with the local government retaining a back-in right for a 10% participating interest. The Group expects the local government to take the 10% interest from its back-in rights, a process which is currently going through a due diligence phase.

During 2023, the Group primarily focus was on the civil foundation works, control and electrical buildings, erection of the LPG, condensate and fire water tanks, and the main pipe-rack. This was followed by installation of the static and rotating equipment, installation of piping, and electrical/instrumentation cables, including the sales gas pipeline, flowlines modification and the gas metering station. By the end of December 2023, all of the key long-lead items had arrived on site.

Currently, the Group is focused on testing all equipment, testing, cleaning and reinstatement of interconnecting pipe, electrical and instrument testing at both the gas plant and metering station, and the hydrotesting of the gas pipeline. Overall progress of the project has reached 95.72% completion at the end of March 2024. Pre-commissioning and commissioning activities commenced in November 2023 and continued into early Q1 2024 for utility systems, with further progression towards commissioning for the process system. Commercial production remains on track to start in Q2 2024.

In June 2023, the Group successfully reactivated two wells from the prior oil development on the Akatara field. During testing, one well achieved a maximum flow rate of approximately 9 million cubic feet per day (mmcf/d), with data from the well test supporting the current Akatara 2P reserves estimate. The well is designated to supply pre-commissioning and commissioning gas for the AGPF, while the second well is intended for use as an injector/disposal well.

A campaign with a 550 HP rig to work-over the planned five wells commenced in Q1 2024. Currently, four out of five well workovers have been completed and tested at an aggregate stabilised rate of c.30 mmcf/d, ready to deliver the gas production required to fulfil the daily contract quantity under the gas sales agreement.

Vietnam

Block 51 and Block 46/07 PSCs

Jadestone holds a 100% operated working interest in the Block 46/07 and Block 51 PSCs, both in shallow water in the Malay Basin, offshore southwest Vietnam.

The two contiguous blocks hold three discoveries: the Nam Du gas field in Block 46/07 and the U Minh and Tho Chu gas/condensate fields in Block 51, with aggregate 2C contingent resources of 93.9 mmboe.

Throughout 2023, the Group negotiated a gas sales heads of agreement ("HoA") with Petrovietnam Gas Joint Stock Corporation ('PV Gas'). The key terms were finalised after receiving approval from PV Gas, Petrovietnam, and Jadestone, with the HoA signed on 25 January 2024.

The HoA enables the submission of an updated Nam Du/U Minh Field Development Plan for approval, which is required before a final investment decision can be taken and commercialisation of this potential resource advanced.

Exploration phase two of the Block 46/07 PSC includes a commitment to drill one exploration well. Jadestone proposes to drill this well in conjunction with drilling the gas production wells for the Nam Du field development and to utilise the well as a future gas producer via the Nam Du/U Minh processing facilities. Exploration phase two is due to expire on 29 June 2024. The Group has submitted a request to Petrovietnam to extend the drilling deadline to align the timing of the commitment well with the Nam Du/U Minh project schedule. This approach is consistent with previous extensions granted for the PSC exploration phase two.

The Tho Chu discovery in Block 51 was under a suspended development area status. The Company is working with Petrovietnam and other government entities to obtain a suspension of the relinquishment obligation for Block 51.



Financial review

The following table provides select financial information of the Group, which was derived from, and should be read in conjunction with, the consolidated financial statements for the year ended 31 December 2023.

USD*000 except where indicated	2023	2022 Restated*
Sales volume, barrels of oil equivalent (boe)	3,862,741	4,326,770
Production, boe/day ¹	13,813	11,487
Realised oil price per barrel of oil equivalent (US\$/boe) ²	87.34	103.85
Realised gas price per thousand standard cubic feet (US\$/mscf)	1.53	1.63
Revenue ³	309,200	421,602
Production costs	(232,772)	(250,300)
Adjusted unit operating costs per barrel of oil equivalent (US\$/boe) ⁴	37.24	37.49
Adjusted EBITDAX ⁴	90,647	162,329
Unit depletion, depreciation & amortisation (US\$/boe)	14.14	10.74
Impairment of assets	(29,681)	(13,534)
(Loss)/Profit before tax	(102,766)	63,193
(Loss)/Profit after tax	(91,274)	9,237
(Loss)/Earnings per ordinary share: basic & diluted (US\$)	(0.18)	0.02
Operating cash flows before movement in working capital	36,499	158,548
Capital expenditure	115,882	82,876
Net (debt)/cash ⁴	(3,596)	123,329

Benchmark commodity price and realised price

The actual average realised price in 2023 decreased in line with the benchmark price, which decreased by 16% to US\$87.34/bbl, from US\$103.85/bbl in 2022. The primary factor was the downturn in the benchmark Brent price, which fell by 18% to US\$82.64/bbl compared to US\$101.32/bbl in 2022. The average realised premium for the year was US\$5.58/bbl, compared to US\$7.81/bbl in 2022, generally following the lower average Brent price. The Stag premium averaged US\$13.03/bbl (2022: 22.78/bbl), Montara premium was US\$3.82/bbl (2022: US\$4.70/bbl) and PenMal operated assets premium came in at US\$4.38/bbl (2022: US\$6.67/bbl).

Production and liftings

The Group achieved average production of 13,813 boe/d in 2023, an increase from 11,487 boe/d in 2022. The overall increase was as a result of the following key factors:

- Higher annualised production at the CWLH Assets of 1,896 bbls/d for the full year in 2023 compared to two months in 2022 of 383 bbls/d;
- Acquisition of the Sinphuhorm Assets in February 2023 contributing to annualised production of 1,303 boe/d; and
- Stag production increased by 496 bbls/d attributable to the additional output from the successful drilling and completion of 50H and 51H wells in November 2022.

The increase was partly offset by:

- Lower production from Montara by 572 bbls/d as a result of the facility constraints caused by the separator limitations from March to July and tank tops arising from the limited storage tank capacity on the FPSO; and

- Reduced production from the PenMal Assets by 414 bbls/d due to higher unplanned downtime of the Chermingat platform combined with natural field decline.

Throughout the year, the Group executed 19 liftings, a decrease from the 22 liftings in 2022, leading to oil sales totaling 3.6 million barrels (mmbbls), down from 4.0 mmbbls in 2022. This reduction in lifted volumes was caused by lower production levels at the Montara and PenMal Assets.

The Group recorded a sale of 1,366.5 mmscf of gas from the PenMal Assets, compared to 1,791.1 mmscf of gas in 2022.

Revenue

The Group generated net revenue after the effect of hedging of US\$309.2 million in 2023, a decrease of 24% compared to 2022 of US\$421.6 million. The decrease of US\$112.4 million was predominately due to:

- Lower average realised prices in 2023 of US\$87.34/bbl (2022: US\$103.85/bbl), resulting in decreased revenue of US\$66.6 million;
- A hedging loss of US\$10.3 million incurred from the commodity swap contracts entered into following the execution of the RBL facility;
- A reduction in lifted volumes by 0.4 mmbbl year-on-year resulting in decreased revenue of US\$34.4 million; and
- PenMal Assets generating lower gas revenue of US\$2.0 million compared to US\$3.1 million in 2022.

* Restatements explained in Note 50 of the Group's consolidated financial statements.

1 Production includes the Sinphuhorm Asset gas production in accordance with Petroleum Resource Management Systems guidelines, however in accordance with IAS 28 the investment is accounted for as an associated undertaking and the Group only recognises dividends received. Accordingly, the revenue and production costs from the Sinphuhorm Assets are excluded from the Group's financial results.

2 Realised oil price represents the actual selling price inclusive of premiums.

3 Revenue in 2023 of US\$309.2 million consist of a hedging loss of US\$10.3 million from the commodity swap contracts entered into in support of the RBL facility.

4 Adjusted unit operating cost per boe, adjusted EBITDAX and net cash are non-IFRS measures and are explained in further detail on the Non-IFRS Measures section in this document.

Production costs

Production costs decreased by 7% in 2023 to US\$232.8 million, from US\$250.7 million in 2022, amounting to a decrease of US\$17.5 million. The reduction was predominately due to the following factors:

	2023 USD'000	2022 Restated* USD'000	Variance USD'000	Note
Operating costs	98,723	74,283	24,440	(i)
Supplementary payments and royalties	16,056	26,381	(10,323)	(ii)
Workovers	17,562	10,190	7,372	(iii)
Logistics	34,109	31,895	2,214	(iv)
Repairs and maintenance	55,572	60,174	(4,602)	(v)
Decommissioning expenses	12,545	-	12,545	(vi)
Underlift, overlift and crude inventories movement	(9,267)	39,036	(48,333)	(vii)
Tariffs and transportation costs	7,502	8,341	(839)	(viii)
	232,772	250,300	(17,526)	

- (i) Overall operating costs increased by US\$24.4 million to US\$98.7 million in 2023, compared to US\$74.3 million in 2022, due to:
- Operating costs at Montara and Stag increased by US\$20.8 million (2023: US\$77.0 million; 2022: US\$56.2 million), primarily due to US\$14.3 million related to the hire of a crude tanker to compensate for reduced Montara FPSO tank capacity and US\$1.0 million incurred for the non-recurring disposal of NORMs (naturally occurring radioactive material). Stag tanker costs increased by US\$5.8 million compared to 2022 reflecting higher tanker rates in 2023;
 - A full year of operations at the CWLH Assets, compared to two months in 2022, resulted in an increase in operating costs by US\$13.6 million;
 - Operating costs at the PenMal Assets decreased by US\$10.0 million to US\$5.2 million in 2023, down from US\$15.2 million in 2022. This reduction was primarily due to reduced chemical consumption at the operated assets. Additionally, the decrease was associated with the continued suspended production at the PNL Assets in 2023;
- (ii) Supplementary payments and royalties decreased by US\$10.3 million in 2023 totalling US\$16.0 million, compared to US\$26.4 million in 2022. The supplementary payments at the PenMal Assets decreased by US\$14.0 million to US\$10.5 million (2022: US\$24.5 million) due to lower realised price compared to 2022, as the payments are based on the differential between the realised price and the escalated PSC base price. The decrease was partly offset by higher royalties paid by the CWLH Assets for the levy on the wellhead value for a primary production licence in 2023 of US\$3.5 million (2022: US\$0.8 million);
- (iii) Workover costs rose by US\$7.4 million to US\$17.6 million compared to US\$10.2 million in 2022. The increase was mainly due to the completion of 10 workovers at Stag in 2023, including nine standard routine workovers and one complex well integrity repair, compared to four standard routine workovers in 2022. The increase was partially mitigated by a decrease in workover costs of US\$2.4 million at Montara;
- (iv) The increase of US\$2.2 million in logistical costs was mainly driven by the PenMal Assets, which was attributable to cargo handling charges resulting from a higher charge rate and higher frequency of personnel mobilisation/demobilisation and material/equipment costs at the operated assets;
- (v) Repair and maintenance ("R&M") costs decreased by US\$4.6 million to US\$55.6 million in 2023 compared to US\$60.2 million in 2022. Montara and Stag incurred higher R&M in 2022 by US\$5.8 million mainly for Skua-11 repair works, solar engine change out and emergency tank repairs. The year-on-year reduction at Montara and Stag was partly offset by higher R&M at the PenMal Assets of US\$1.2 million in 2023 for the repair of a gas turbine generator at the PM329 PSC;
- (vi) The PenMal Assets incurred US\$12.5 million cost, net to Jadestone's share, for decommissioning work scope performed by the previous operator of the PNL Assets on the Bunga Kertas FPSO;
- (vii) The variance of US\$48.3 million is mainly driven by the first time recognition of the overlift position (US\$34.0 million) in 2022. The overlift at the CWLH Assets as at the end of 2023 generated a credit to production costs of US\$0.4 million compared to a charge of US\$33.6 million in 2022 reflecting the first time recognition of overlift at acquisition in November 2022.
- Montara and Stag ended the year with a combined increase in crude inventories of 120,580 bbls compared to the beginning of 2023, generating a credit of US\$6.2 million. In comparison, at the end of 2022, Montara and Stag had a lower combined inventories on hand, resulting in a decrease of 183,422 bbls compared to beginning of 2022, generating a charge of US\$3.4 million.
- The underlift at the PenMal Assets created a credit to production cost of US\$2.7 million compared to a charge of US\$2.0 million as a result of the overlift position at 2022 year end; and
- (viii) Tariffs and transportation costs were incurred at Montara, Stag and the PenMal Assets. The year-on-year movement is not significant.

Unit operating costs per barrel of oil equivalent (boe) at US\$37.24/boe were largely unchanged in 2023 compared to US\$37.49/boe in 2022 (refer to the Non-IFRS measures section below in this document).

* Restatements explained in Note 50 of the Group's consolidated financial statements.

Depletion, depreciation and amortisation ("DD&A")

DD&A charges were US\$76.1 million during the year, compared to US\$61.6 million in 2022, with the increase predominately due to the higher production at Stag and a full year production at the CWLH Assets, resulting in an increase of US\$8.1 million and US\$3.0 million, respectively. Additionally, the PenMal Assets recorded a higher DD&A charge by US\$7.0 million compared to 2022 due to the drilling campaign undertaken at PM323 PSC during the second half of 2023, resulting in an increase of production during Q4 2023. These increases were partly offset by a crude inventory credit of US\$4.2 million (2022: charge of US\$2.9 million) as both Montara and Stag ended the year with higher crude inventories on hand compared to beginning of 2023, whereas both assets had a lower crude inventory on hand at the end of 2022 compared to beginning of year.

Depreciation of the Group's right-of-use assets increased to US\$15.3 million in 2023 from US\$13.0 million in 2022, primarily due to the extension of the Group's helicopter lease and Montara warehouse lease for three years and two years, respectively, plus a two-year lease for a Montara support vessel replacing an expired lease.

The depletion cost on a unit basis was US\$14.14/boe in 2023 (2022: US\$10.74/boe), due to higher combined depletion costs per unit at both Montara and Stag in 2023 at US\$21.68/bbl (2022: US\$17.35/bbl), due to an increase in the asset retirement obligations ("ARO") and the addition of capital expenditure from drilling of the 50H and 51H wells at Stag in Q4 2022. The unit depletion costs in 2023 for the PenMal Assets was US\$6.40/boe compared to US\$1.76 /boe in 2022, due to the drilling campaign undertaken at PM323 PSC during H2 2023.

Staff costs

Total staff costs in 2023 were US\$56.2 million, comprising US\$26.0 million (2022: US\$26.1 million) in relation to offshore employees, recorded under production costs, and US\$30.2 million (2022: US\$29.2 million) for office-based employees. The average number of employees during the year was 409 (2022: 369), with the additional staff costs and headcount year-on-year mainly at Indonesia for the ramp up of activities at the Akatara development project. The remaining increase come from the operations in Australia and Malaysia, which have seen marginal expansion across the assets.

Other expenses

Other expenses decreased in 2023 to US\$22.1 million (2022: US\$22.3 million). The variance of US\$0.2 million was predominately due to:

	2023 USD'000	2022 USD'000	Variance USD'000	Note
Non-recurring corporate costs	3,602	1,119	2,483	(i)
Recurring corporate costs and other expenses	11,742	9,431	2,311	(ii)
Change in provision – Lemang PSC contingent payments	-	7,333	(7,333)	(iii)
Allowance for slow moving inventories	655	3,768	(3,113)	(iv)
Assets written off	5,114	212	4,902	(v)
Net foreign exchange loss	1,728	442	1,286	(vi)
	22,841	22,305	536	

- (i) An increase in non-recurring costs by US\$2.5 million compared to 2022. In 2023, the Group incurred non-recurring costs including advisory and consulting fees for business development of US\$2.2 million, an internal re-organisation for US\$0.8 million, US\$0.4 million for the equity fundraise in June 2023 and an aggregate of US\$0.2 million for the Interim Facility, RBL facility and commodity swap contracts. In comparison, the Group incurred total non-recurring costs of US\$1.1 million in 2022 related to the acquisition of CWLH Assets, business development and other one-off projects;
- (ii) An increase in corporate costs and other expenses by US\$2.3 million to US\$11.7 million in 2023 (2022: US\$9.4 million) across all operating countries;
- (iii) The 2022 costs included the recognition of additional contingent payments related to the future Dated Brent prices and Saudi CP prices associated with the Lemang PSC of US\$7.3 million. Following the 2023 year-end assessment, these contingent payments were derecognised with the associated credit booked in other income (see 'Other Income' on following page). The Group did not recognise new contingent payments in 2023;
- (iv) The Group provided an allowance for slow moving inventories of US\$0.7 million during the year, compared to US\$3.8 million in 2022, following the assessment performed.
- (v) Assets written off amounted to US\$5.1 million in 2023 (2022: US\$0.2 million), which included the write-off of the non-depletable oil and gas properties at Montara for US\$3.1 million following the cancellation of a capital project for the preparation of Skua-12 well, and the write-off of obsolete material and spares for US\$2.0 million. In 2022, the Group wrote off US\$0.2 million for plant and equipment associated with its New Zealand operations following the withdrawal from Maari acquisition; and
- (vi) Net foreign exchange loss of US\$1.7 million in 2023 (2022: US\$0.4 million) mainly arising from the Group's receivables denominated in Malaysian Ringgit ("MYR") due to the volatility of MYR against USD towards the end of 2023.

Finance costs

Finance costs in 2023 were US\$41.8 million (2022: US\$11.4 million), an increase of US\$30.4 million, predominately due to:

- Warrants expense of US\$3.5 million arose from the warrants for 30 million ordinary shares received by Tyrus in connection with the underwriting debt facility in support of the June 2023 equity placing;
- ARO accretion expense increased by US\$11.9 million to US\$20.2 million compared to US\$8.3 million in 2022, resulting from an increase in the ARO at Stag and Montara as assessed at year-end 2022;
- Upfront fees of US\$2.7 million (2022: nil) and interest of US\$1.0 million (2022: nil) were incurred in association with the equity underwrite debt facility and committed standby working capital facility executed with Tyrus Capital Events S.a.r.l.;
- RBL accretion expense of US\$5.5 million (2022: nil) reflecting the time value of money and RBL commitment fees of US\$0.3 million (2022: nil);
- Interest expense and other finance costs increased by US\$3.6 million to US\$3.7 million compared to US\$0.1 million in 2022, mainly due to the interest expense and fees associated with the US\$50.0 million Interim Facility (US\$1.3 million) and relating to the RBL facility (US\$1.2 million). Additionally, the Group incurred accretion expense of US\$0.6 million generated from an Australian Tax Office repayment plan for corporate tax payments;
- Interest on lease liabilities increased by US\$2.0 million to US\$2.8 million compared to US\$0.8 million in 2022, following the lease extensions for helicopters, vessel and warehouse at Montara; and
- Changes in fair value of contingent payments in 2023 of US\$0.9 million, a US\$1.0 million decrease compared to US\$1.9 million in 2022.

Other income

The Group generated US\$18.9 million of other income during 2023 compared to US\$28.0 million in 2022, predominately due to:

- Interest income from the CWLH Assets decommissioning trust fund of US\$2.9 million (2022: US\$0.1 million) and US\$1.0 million (2022: nil) from the placement of fixed deposits;
- Reversal of provisions associated with the Lemang PSC's contingent payments in 2023 of US\$7.7 million being the derecognition of contingent payments associated with the Saudi CP and Dated Brent prices, as the trigger events are not expected to occur; and
- In 2022, other income included insurance claim receipts of US\$18.0 million compensating for the loss of production at Montara related to drilling activities at the Skua-10/11 wells in 2021.

Share of result of associates

Since the acquisition of the Sinphuhorm Assets in February 2023, the Group recognised its share of profits amounting to US\$2.6 million for the period up to 31 December 2023.

Impairment

During the year, the Group made an impairment to the Stag's oil and gas properties carrying value of US\$17.4 million following the annual impairment assessment, which identified that the recoverable amount of the operating asset is lower than its carrying amount.

Additionally, the Group recorded an impairment related to the PNLP Assets' oil and gas properties of US\$12.3 million resulting from a revision of ARO estimates. The revised ARO is capitalised but immediately impaired because management does not currently anticipate future economic inflows from the PNLP Assets, given the uncertainty regarding a potential restart of production. The Group fully impaired the PNLP Assets' oil and gas properties in 2022.

Taxation

The tax credit of US\$11.5 million in 2023 (2022: US\$54.0 million of tax charge) includes a current tax charge of US\$10.8 million (2022: US\$27.1 million) and a deferred tax credit of US\$22.3 million (2022: deferred tax charge of US\$26.9 million).

During the year, tax payments comprised US\$5.3 million (2022: US\$18.5 million) for Australian corporate taxes and US\$1.7 million (US\$1.1 million) for PRRT payments. Additionally, there were US\$7.5 million (2022: US\$15.7 million) in Malaysian petroleum income tax ("PITA") payments.

The weighted average effective tax rate for operating jurisdictions in Australia and Malaysia was negative 54% in 2023, reflecting losses incurred during the period, compared to 56% in 2022, which was attributable to profits generated during that year. There was an increase in the deferred tax asset during 2023, resulting from income tax credits as the trading losses are carried forward for offset against future taxable profits.

USD'000	2023	2022 Restated*
(Loss)/Profit before tax	(102,766)	63,193
Expected effective tax rate	54%	56%
Tax at the country level effective rate	(55,494)	35,388
Effect of different tax rates in loss making jurisdictions	13,975	13,934
Malaysia PITA tax losses on non-operated PSCs	10,060	8,742
Utilisation of PRRT credits	17,795	(21,661)
PRRT tax refund	1,735	(1,121)
Capital gain tax from acquisition of CWLH Assets	-	1,486
Australian decommissioning levy	-	336
Non-deductible expenses	399	938
Deferred tax permanent differences	2,155	9,217
PRRT permanent differences	(4,269)	7,032
Adjustment in respect to prior years	2,152	(335)
Tax (credit)/ expense for the year	(11,492)	53,956

Australia taxes

The Australian corporate income tax rate is 30% and PRRT is 40%, with the latter being cash based and income tax deductible. The combined standard effective tax rate is 58%, with the actual effective tax rate of 42% in 2023 (2022: 46%) being lower predominately due to the utilisation of PRRT credits brought forward at Montara. Montara and the CWLH Assets have approximately US\$3.8 billion (2022: US\$3.5 billion) and US\$493.4 million (2022: US\$535.5 million) of unutilised PRRT credits, respectively. Both assets are not expected to incur any PRRT over their economic lives. There was an increase in the deferred tax asset during 2023, resulting from income tax credits as the trading losses are carried forward for offset against future taxable profits.

Malaysia taxes

Malaysian PITA is a PSC based tax on petroleum operations at the rate of 38%. There are no other material taxes in Malaysia.

* Restatements explained in Note 50 of the Group's consolidated financial statements.

Reconciliation of cash

US\$'000	2023		2022 Restated*
Cash and cash equivalents at the beginning of year		123,329	117,865
Revenue	309,200		421,602
Other operating income	6,574		26,485
Production costs	(232,772)		(250,300)
Staff costs	(29,431)		(28,247)
General and administrative expenses	(17,072)		(10,992)
Operating cash flows before movements in working capital		36,499	158,548
Movement in working capital		6,837	36,819
Placement of decommissioning trust fund for CWLH Assets		(41,000)	(41,000)
Net tax paid		(14,461)	(33,130)
Investing activities			
Purchases of intangible exploration assets, oil and gas properties, and plant and equipment ¹		(109,524)	(82,628)
Cash paid on acquisition of Sinphuhorm Assets		(27,853)	-
Dividends received from associate		3,842	-
Cash received on acquisition of CWLH Assets		-	5,750
Cash paid for acquisition of 10% interest of Lemang PSC		-	(500)
Other investing activities		4,451	881
Financing activities			
Net proceeds from issuance of shares		50,964	784
Shares repurchased		(2,084)	(16,070)
Repayment of lease liabilities		(14,400)	(13,914)
Total drawdown of borrowings		232,000	-
Repayment of borrowings		(75,000)	-
Repayment of costs and interests of borrowings		(13,260)	-
Other financing activities		(6,936)	(860)
Dividends paid		-	(9,216)
Total cash and cash equivalent at the end of year		153,404	123,329

* Restatements explained in Note 50 of the Group's consolidated financial statements.

¹ Total capital expenditure was US\$115.9 million (2022: US\$82.9 million), comprising total capital expenditure paid of US\$109.5 million (2022: US\$82.6 million), accrued capital expenditure of US\$4.0 million (2022: US\$0.3 million) and capitalisation of borrowing costs of US\$2.4 million (2022: nil).

Non-IFRS measures

The Group uses certain performance measures that are not specifically defined under IFRS, or other generally accepted accounting principles. These non-IFRS measures comprise adjusted unit operating cost per barrel of oil equivalent (adjusted opex/boe), adjusted EBITDAX, outstanding debt, and net cash.

The following notes describe why the Group has selected these non-IFRS measures.

Adjusted unit operating costs per barrel of oil equivalent (Adjusted opex/boe)

Adjusted opex/boe is a non-IFRS measure used to monitor the Group's operating cost efficiency, as it measures operating costs to extract hydrocarbons from the Group's producing reservoirs on a unit basis.

Adjusted opex/boe is based on total production cost and incorporates lease payments linked to operational activities, net of any income derived from those right-of-use assets involved in production. The calculation excludes factors such as oil inventories movement, underlift/overlift adjustments, inventory write-downs, workovers, and non-recurring repair and maintenance expenses, transportation costs, supplementary payments associated with the PenMal Assets, expenses related to non-operating assets, and DD&A. This definition aims to ensure better comparability between periods.

The adjusted production costs are then divided by total produced barrels of oil equivalent for the prevailing period to determine the unit operating cost per barrel of oil equivalent.

USD'000 except where indicated	2023	2022 Restated*
Production costs (reported)	232,772	250,300
<i>Adjustments</i>		
Lease payments related to operating activity ¹	16,155	13,687
Underlift, overlift and crude inventories movement ²	9,297	(39,036)
Workover costs ³	(17,562)	(10,190)
Other income ⁴	(6,375)	(5,030)
Non-recurring operational costs ⁵	(19,654)	-
Non-recurring repair and maintenance ⁶	(1,773)	(13,761)
Transportation costs	(7,502)	(8,341)
PenMal Assets supplementary payments and Australian royalties ⁷	(16,056)	(26,381)
PenMal non-operated assets operational costs ⁸	(19,273)	(4,056)
Adjusted production costs	170,029	157,192
Total production (barrels of oil equivalent)	4,566,060	4,192,618
Adjusted unit operating costs per barrel of oil equivalent	37.24	37.49

* Restatements explained in Note 50 of the Group's consolidated financial statements.

1 Lease payments related to operating activities are lease payments considered to be operating costs in nature, including leased helicopters for transporting offshore crews. These lease payments are added back to reflect the true cost of production.

2 Underlift, overlift and crude inventories movement are added back to the calculation to match the full cost of production with the associated production volumes (i.e., numerator to match denominator).

3 Workover costs are excluded to enhance comparability. The frequency of workovers can vary significantly, across periods.

4 Other income represents the rental income from a helicopter rental contract (a right-of-use asset) to a third party.

5 Non-recurring operational costs mainly related to costs incurred at Montara being interim tanker storage temporarily employed as a result of the repair work relating to the storage tanks of the FPSO, diesel fuel consumption by the FPSO during production shutdown and to power the reinjection compressor during production start-up. The Group also incurred charges associated with short lifting a cargo and delivery delays.

6 Non-recurring repair and maintenance costs in 2023 predominately related to the repair of a gas turbine generator at the PenMal Assets PM329 PSC. The costs during 2022 predominately related to Montara Skua-11 repair works, gas compressor solar engine change out and tank repairs following the shut-in of Montara in August 2022.

7 The supplementary payments are required under the terms of PSCs based on Jadestone's profit oil after entitlements. The Australian royalties are related to local decommissioning cost recovery levy plus royalties payable to the local state government arising previously from the acquisition of the CWLH Assets.

8 PenMal non-operated assets operational costs in 2023 refer to the operating costs incurred at the PNL Assets, which are excluded as the costs incurred were mainly related to the preservation of facilities and subsea infrastructure and do not contribute to production. The costs in 2022 predominately related to the costs incurred to repair the FPSO BUK at the PNL Assets following the suspension of class in February 2022.

Adjusted EBITDAX

Adjusted EBITDAX is a non-IFRS measure which does not have a standardised meaning prescribed by IFRS. This non-IFRS measure is included because management uses the measure to analyse cash generation and financial performance of the Group.

Adjusted EBITDAX is defined as profit from continuing activities before income tax, finance costs, interest income, DD&A, other financial gains and non-recurring expenses.

The calculation of adjusted EBITDAX is as follow:

USD'000	2023	2022 Restated*
Revenue	309,200	421,602
Production cost	(232,772)	(250,300)
Administrative staff costs	(30,197)	(29,218)
Other expenses	(22,841)	(22,305)
Share of results of associate	2,640	-
Other income, excluding interest income	14,404	27,152
Other financial gains	-	1,904
Unadjusted EBITDAX	40,434	148,835
Non-recurring		
Net loss from oil price and foreign exchange derivatives	10,395	-
Non-recurring opex ¹	40,700	20,534
Oil and gas properties written off	3,067	-
Change in provision – Lemang PSC contingent payments	(7,653)	7,333
Insurance claim receipts ²	-	(17,977)
Fair value loss on contingent considerations	-	1,920
Others ³	3,704	1,684
	50,213	13,494
Adjusted EBITDAX	90,647	162,329

Net cash/debt

Net cash/debt is a non-IFRS measure which does not have a standardised definition prescribed by IFRS. Management uses this measure to analyse the net borrowing position of the Group.

USD'000	2023	2022
Borrowings (principal sum)	157,000	-
Cash and cash equivalents	(153,404)	(123,329)
Net debt/(cash)	3,596	(123,329)

Net cash/debt is defined as the sum of cash and cash equivalents and restricted cash, less the outstanding principal sum of borrowings.

On behalf of the Board

Bert-Jaap Dijkstra

Director

27 April 2024

* Restatements explained in Note 50 of the Group's consolidated financial statements.

1 Non-recurring opex in 2023 includes PenMal Assets' PNLP operational costs and Montara interim tanker storage costs which was temporarily employed as a result of the repair work relating to the storage tanks of the FPSO, diesel fuel consumption by the FPSO during production shutdown and to power the reinjection compressor during production start-up. The Group also incurred charges associated with short lifting a cargo and delivery delays. Non-recurring opex in 2023 also includes repair and maintenance costs in 2023 predominately related to the repair of a gas turbine generator at the PenMal Assets PM329 PSC. The costs in 2022 included one-off major maintenance/well intervention activities, in particular the Montara Skua-11 repair works, gas compressor solar engine change out and storage tank repairs after the Montara production shut-in since mid-August 2022.

2 Represents proceeds of an insurance claim compensating for the loss of production from the Montara Skua-11 well in 2020. The 2021 insurance claim proceeds related to a well control claim for the Montara Skua-11 well workover.

3 Includes business development costs, external funding sourcing costs, costs related to the termination of the Maari acquisition and internal reorganisation costs.





Corporate Governance Report

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Chairman's corporate governance statement

In my role as the Chairman of Jadestone, I will collaborate with my fellow Directors to instill a commitment to strong corporate governance within the Group, always striving for the highest standards. Robust corporate governance forms the foundation of a stable and thriving business, and the Board endeavours to integrate these principles seamlessly across all aspects of the Group's business, from executive leadership to in-country operations.

Jadestone is dedicated to maintaining high standards of governance and practicing responsible, social and ethical behaviour. The Group has implemented a Code of Conduct Policy applicable to all employees and contractors, outlining principles for conducting business, interaction with colleagues, clients and suppliers. The Code of Conduct Policy reflects Jadestone's commitment to fostering a culture rooted in honesty, integrity and accountability. Jadestone has a set of core values: respect, integrity, safety, results-orientated, sustainability and passion. Each employee is expected to commit to these values, actively contributing to safeguarding and elevating the Group's reputation. These core values not only guide Jadestone's activities, but also serve as the foundation for its Code of Conduct Policy.

The Group's key governance documents, such as the Code of Conduct Policy, other policies, and the Articles of Association, can be accessed on Jadestone's website at www.jadestone-energy.com

Consistent with the AIM Rules, Jadestone adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code") in 2020. As a UK company, Jadestone Energy plc adheres to the QCA Code. The Board acknowledges the value and importance of maintaining high standards of corporate governance and believes that the QCA Code offers a suitable framework for a company of Jadestone's size and stage of development. The Group recognises that the QCA Code was updated in 2023. The Group's position on adopting and implementing the updated principles in the QCA Code (2023) will be articulated in the 2024 annual report.

As described in the previous annual report, the Board demonstrated its commitment to high corporate governance standards, by initiating an independent effectiveness review in 2022. Conducted by Socia Ltd ("Socia"), the assessment encompassed the evaluation of the Board's performance, its committees, and each Director individually. Socia's review involved participating in Board and committee meetings, scrutinising corporate governance policies and procedures, conducting one-on-one interviews with all Directors and selected senior management. Socia concluded that the Board earnestly upholds its governance responsibilities, operates professionally, and aligns with the principles of the QCA Code applicable to the business. The review was completed in late 2022, since which point my predecessor and members of the Governance and Nomination Committee commenced the implementation of Socia's recommendations. The recent changes to the Board composition are one example. The Board has proven effective in governing the organisation and actively seeks to enhance its governance structures. The Board, through the Governance and Nomination Committee, has advanced other recommendations such as leadership succession

planning and reviewing the Group's approach to staff diversity and inclusion. Additional details regarding the steps the Governance and Nomination Committee has taken based on Socia's recommendations can be found on pages 70 to 71.

The Group constantly endeavors to enhance its corporate governance practices, aligning with the QCA Code. This commitment is exemplified by the Board's sustained emphasis throughout 2023 on various ESG issues, covering key areas to ensure appropriate standards are met in relation to health, safety, environmental (including climate), social responsibility and governance. The Board of Directors' Charter acknowledges the Board's accountability for ESG-related matters. Committee mandates, in particular related to HSEC Committee, Governance and Nomination Committee and Audit Committee, include the oversight and assurance of performance in climate-related and social responsibilities.

The Board is responsible to Jadestone's shareholders for the leadership, control and management of the Group. The Board is responsible for the long-term success of the Group and overseeing its effective management and operation in pursuit of its objectives. The Board maintains constant communication and meets regularly. The Directors' details, along with a summary of their current and past experiences and skills, can be found on pages 58 to 59. Whilst there is a formal schedule of matters specifically reserved for Board consideration, as identified on page 52, the Executive Directors bear specific responsibilities for functional aspects of the Group's affairs. Presently, the Board consists of nine Directors, with two serving as executive and seven as non-executive. Gunter Waldner assumed the role of a Non-Executive Director from 18 October 2023, while Joanne Williams was appointed as a Non-Executive Director effective from 25 January 2024. Lisa Stewart and Robert Lambert stepped down as Non-Executive Directors on 25 March 2024, while Dennis McShane stepped down as a Non-Executive Director and Board Chairman on 27 March 2024.

The Board has established various committees, namely the Audit, HSEC, Governance and Nomination, Remuneration and Disclosure Committees, as set out on page 50. The terms of reference for each committee are available on Jadestone's website. In September 2022, the Board formed the Montara Technical Committee to offer extra support and oversight to management during the Montara Venture FPSO hull and tank remediation efforts. The Montara Technical Committee remains operational. Refer to page 30 (Section 172 statement) for additional details.

The following report provides a high-level overview of how the Group has applied the principles of the QCA Code throughout 2023. I am pleased to report that the Group complies with the disclosure requirements outlined in the QCA Code.

Jadestone regularly measures its corporate governance culture against the QCA Code, and will communicate updates and modifications to shareholders.

Jadestone publishes a joint Modern Slavery Statement on its website, complying with both Section 54 of the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018. The statement outlines the measures Jadestone has taken and continues to take, to prevent modern slavery or human trafficking within its supply chains or business.

As we reflect on the achievements and challenges of 2023, 2024 will be a busy year for the Board and management as we continue to review and improve our governance framework and operational practices. I look forward to building upon our existing values, ensuring our robust corporate governance remains grounded in principles of respect and integrity.

Adel Chaouch
Chairman of the Board
27 April 2024

Principles of corporate governance

The Board fully endorses the importance of effective corporate governance and applies the corporate governance code in the form issued by the QCA in April 2018. The Board views the QCA Code as an appropriate and recognised governance framework for a company of Jadestone's size, structure and AIM listing.

The QCA Code identifies ten principles of corporate governance for companies to apply and against which companies must publish certain specified disclosures. The Group has committed to apply these ten principles within its business. These principles are:

- 1 Establish a strategy and business model which promote long-term value for shareholders.
- 2 Seek to understand and meet shareholder needs and expectations.
- 3 Take into account wider stakeholder and social responsibilities and their implications for long-term success.
- 4 Embed effective risk management, considering both opportunities and threats, throughout the organisation.
- 5 Maintain the Board as a well-functioning, balanced team led by the Chair.
- 6 Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.
- 7 Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.
- 8 Promote a corporate culture that is based on ethical values and behaviours.
- 9 Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.
- 10 Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

Application of QCA Code principles

PRINCIPLE ONE

Establish a strategy and business model which promote long-term value for shareholders

Jadestone stands out as a leading independent company in the Asia-Pacific region, focusing on upstream oil and gas production and development. The Group aims to grow primarily through strategic acquisitions and is focused on creating value through identifying, acquiring, developing and operating assets within select areas of the Asia-Pacific region. Leveraging the extensive experience and successful track record of its management team, Jadestone seeks to maximise the value of its existing asset base through production and cost optimisation. Additionally, the Group aims to identify acquisitions that offer substantial value, both at the time of purchase and through potential organic development and reinvestment.

The Board is confident that this strategic approach aligns with the energy transition and positions Jadestone as a responsible operator. The Group can play a role in supplying oil and gas demand from existing oil fields and gas discoveries during the transition to a low-carbon energy system.

The Board is confident this strategy can generate, over time, significant shareholder returns, primarily through capital growth. Detailed information about the Group's strategy and business model (including key challenges in execution) can be found in the Strategic Report on page 12. The Board regularly reviews the Group's strategy, assessing annual work plans, budgets, and potential acquisitions in accordance with the strategic framework.

PRINCIPLE TWO

Seek to understand and meet shareholder needs and expectations

Jadestone is committed to fostering effective communication and engaging in constructive dialogue with its shareholders and the investment community. Jadestone actively strives to understand and meet the needs and expectations of its shareholders. Jadestone endeavours to ensure members of the Board and the executive team are highly accessible to shareholders. Direct lines of access to the Chief Executive Officer and Chief Financial Officer are provided. When required, shareholders can also reach out to the Chairman and other Non-Executive Directors.

Moreover, Jadestone has designated spokespersons for investors, which include an Investor Relations Manager, along with two corporate brokers retained for specific mandates. These mandates include coordinating corporate access for shareholders and gathering feedback from the investment community regarding corporate developments and news updates. The Investor Relations Manager takes an active role in managing and enhancing the shareholder communications plan, with guidance from the CEO, CFO and Chairman.

In 2023, webcast presentations were incorporated into the unveiling of financial results, the announcement of acquiring a further interest in the CWLH oil fields development, details about the RBL facility, and the disclosure of capital raising activities. These webcast presentations featured live question and answer sessions, providing participants with the opportunity to directly interact with the CEO and CFO. A dedicated webcast presentation for retail investors was also held during the year.

The contact details of Jadestone's Investor Relations Manager and public relations adviser can be found on the Group's website at the following link: www.jadestone-energy.com/contact/.

Shareholder feedback

Jadestone regularly engages with shareholders and potential investors through, roadshows, and spontaneous individual meetings. Through these interactions, comprising both one-on-one and group sessions, the Board and executive team establish and maintain relationships with investors. They also enable the collection of valuable feedback from shareholders regarding the Group's strategy, execution and performance. Furthermore, with two of the Non-Executive Directors directly connected to significant shareholders, the Board regularly receives feedback on strategy and performance from the shareholder perspective.

Information

Jadestone ensures consistent communication with shareholders through the issuance of guidance announcements, operational updates, and the publication of half-yearly and annual financial and operating results. These updates aim to guide expectations and allow for an assessment of performance in relation to those expectations. In accordance with its continuous disclosure obligations, Jadestone will provide updates when internal forecasts differ materially from publicly disclosed expectations as well announce price-sensitive business developments without delay.

Shareholder advisory bodies

Jadestone maintains continuous engagement with various shareholder advisory bodies. This engagement facilitates the exchange of feedback on proposals either presented to shareholders or intended for submission to shareholders for voting at annual meetings.

Annual general meeting

The annual general meeting ("AGM") serves as the primary platform for communication between the Board and the Company's shareholders, and all shareholders are encouraged to attend and participate. The 2023 AGM was attended by the CEO, the Chairman, the CFO, several other NEDs and senior management.

PRINCIPLE THREE

Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board acknowledges that the long-term success of the Group is reliant upon the efforts of its employees, shareholders, contractors, suppliers, regulators and other stakeholders. While expanding its presence in the Asia-Pacific region, Jadestone recognises the significance of implementing a robust stakeholder management strategy to navigate and operate considerably within a diverse range of countries.

Moreover, the Group interacts with its key stakeholders through diverse channels tailored to the nature of each relationship, and values the feedback received from these stakeholders. For example, in 2023, Jadestone conducted an employee engagement survey with 86% participation which assisted the Group with gauging employee attitudes towards several matters. The Group takes every opportunity to ensure that, whenever feasible, the opinions of its stakeholders are taken into account and acted upon, especially when believed to bring material advantages for the success and integrity of the Group's business activities.

Jadestone has published a combined Modern Slavery Statement on its website, complying with Section 54 of the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018. This statement outlines the measures Jadestone has implemented and continues to undertake to prevent modern slavery or human trafficking within its supply chains or business. A copy of Jadestone's Modern Slavery Statement can be found at <https://www.jadestone-energy.com/wp-content/uploads/2024/03/20240318-Jadestone-Group-Modern-Slavery-Statement.pdf>.

For disclosure on Jadestone's key stakeholder consultation and engagement activities in 2023, please refer to the Stakeholder Management section in the 2023 Sustainability Report, which will be published in mid-2024. The Section 172 statement contained within the Strategic Report sets out how Jadestone's Directors considered stakeholders' interests while fulfilling their statutory obligation to enhance the Group's success throughout 2023. Additionally, the Sustainability Review within the Strategic Report sets out the Group's governance approach concerning climate risks and opportunities.

PRINCIPLE FOUR

Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board holds the ultimate responsibility for overseeing Jadestone's risk appetite and exposure, and delegates to management, the task of identifying, managing and monitoring the risks faced by the business. Jadestone has an enterprise risk register (ERR) and risk management framework which assists the Board in understanding risks and either deciding to avoid, accept, mitigate or transfer the risks faced by the Group to an acceptable level. This framework undergoes continuous review, and necessary actions are taken to reduce the risks to an acceptable level when required. The Board undertakes regular assessments of the risks and their potential impact on the existing business plan and the long-term operational strategy.

Jadestone's risk management processes address risk management at three levels: business, facility and task. The Group's risks are detailed in the Audit Committee report and the "Risk management, principal risks and uncertainties" section of the Strategic Report on pages 31 to 34.

The Board holds at least one formal strategy review each year. Furthermore, the Board regularly identifies opportunities for growth, both organic and inorganic, in the form of possible acquisitions.

PRINCIPLE FIVE

Maintain the Board as a well-functioning, balanced team led by the Chairman

Board composition and independence

The composition of the Board underwent changes in 2023 and early 2024. Gunter Waldner assumed the role of a Non-Executive Director effective 18 October 2023. As at 31 December 2023, the Board comprised of eleven Directors of which seven were independent Non-Executive Directors.

Joanne Williams assumed the role of a Non-Executive Director effective 25 January 2024. Effective 25 March 2024, Robert Lambert and Lisa Stewart stepped down as Non-Executive Directors. Also on 25 March 2024, Adel Chaouch was appointed as a Non-Executive Director. On 27 March 2024, Dennis McShane stepped down as a Non-Executive Director and Board Chairman, and was replaced as Board Chairman by Adel Chaouch. Following these actions, the Board comprised nine Directors.

As of March 2024, The Board comprised the Non-Executive Chairman, the Group's President and CEO, the Group's CFO and six additional Non-Executive Directors. In 2023, both A. Paul Blakeley and Bert-Jaap Dijkstra were Executive Directors and considered to be full time employees. A. Paul Blakeley was not considered to be independent due to his role as President and CEO, and Bert-Jaap Dijkstra was not considered to be independent due to his role as CFO.

According to Board's assessment, five out of the seven Non-Executive Directors, (Adel Chaouch (Chairman), Jenifer Thien, Iain McLaren, Cedric Fontenit and Joanne Williams) are deemed independent. The remaining two Non-Executive Directors, Gunter Waldner and David Neuhauser, are not considered to be independent due to their managerial responsibilities with material shareholders of the Company, specifically Tyrus Capital S.A.M. and Livermore Partners LLC, respectively. As a result, a majority of the Board is deemed independent, considering the independence of the Non-Executive Chairman and four further independent Non-Executive Directors.

The Non-Executive Directors bring diverse skills and experience from various disciplines, contributing to the Board's independent oversight of the Group's business. Detailed information about the Directors' relevant skills and experience can be found in their biographies on pages 58 to 59.

Effective procedures are in place within the Group to monitor and address conflicts of interest. The Board is aware of the external commitments and interests of its Directors, and changes to those commitments and interests are reported to and, where appropriate, agreed with the rest of the Board. All the Directors have access to independent legal advice, in addition to consulting the Company Secretary. Furthermore, any Director may take independent professional advice at the Group's expense in the furtherance of their duties.

The Board is supported by its committees, namely Audit, Governance and Nomination, Remuneration, Health, Safety, Environment and Climate, Montara Technical and Disclosure. The Montara Technical Committee, established in 2022, remains in existence to provide support, advice and challenge to management with regard to the Montara Venture FPSO tank remediation work.

Both the Audit Committee and the Remuneration Committee consist entirely of independent members. The Directors are all individuals of high-calibre, with the majority possessing extensive experience in the oil and gas industry. Details of Board and committee meetings in 2023, along with Director attendance, are disclosed in the Directors' Report and the subsequent committee reports.

The Board believes it possesses sufficient resources to fulfill its statutory duties and comply with the QCA Code. Regular reviews on the Board's composition are conducted to ensure it maintains the necessary skills and experience, especially in light of the Group's ongoing expansion. The appointment of Joanne Williams in January 2024 not only increased the Board's gender diversity, but also enhanced its technical expertise. Adel Chaouch has led upstream businesses globally, including in C-suite positions, as well as having significant experience of project management, particularly major projects in the oil and gas sector.

The Non-Executive Directors are informed that, at the time of their appointment, they are expected to allocate sufficient time, given their individual circumstances, to ensure the effective performance of their duties. This commitment is expected to be no less than three days per month, and includes preparation for and attendance at:

- Scheduled Board meetings;
- The Annual General Meeting;
- Site visits;
- Meetings of Non-Executive Directors;
- Meetings with shareholders;
- Director education/training; and
- Meetings as part of the Board evaluation process.

Non-Executive Directors are further advised that this time commitment may increase if they take on committee roles or chair positions, or if additional responsibilities are assigned to them.

PRINCIPLE SIX

Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board covers a wide range of experience and skills necessary for an independent upstream oil and gas production and development company. These competencies include expertise in financial, legal, operational, technical and sustainability matters, as well as experience in risk management and growth within both the independent E&P sector and public capital markets. Specifically, starting from 2022, the Board strengthened its skills, capability and knowledge in the area of ESG and sustainability through the appointment of Jenifer Thien as a Non-Executive Director. In January 2024, Joanne Williams was appointed to the Board. Ms Williams brings strong a technical background and significant upstream experience to Jadestone's Board. In March 2024, Adel Chaouch was appointed to the Board. Dr Chaouch brings international experience, having led upstream businesses globally, and will provide strong technical insight in support of Board decisions going forward.

The Board believes that its current mix of skills represents a comprehensive range of commercial and professional expertise across geographies and industries. Further, each Director possesses experience in public markets, with detailed information about their backgrounds and areas of expertise outlined on pages 58 to 59.

The Board considers and reviews the requirement for continued professional development. The Board undertakes to ensure that its awareness of developments in corporate governance and regulatory frameworks is current, as well as remaining knowledgeable of any industry-specific updates. The Company's Nominated Adviser and other external advisers, including legal counsel, also support this development by providing guidance and updates as required.

Each Director, whether executive or non-executive, brings substantial experience and demonstrates skills that are complementary and independent to sufficiently to cover the requirements of the Board. As the Group continues to grow its asset base, the Governance and Nomination Committee will continue to assess the composition of the Board to ensure that it maintains an appropriate mix of experience, skills, personal qualities and capabilities. This includes a commitment to diversity where possible. As at 31 December 2023, the female representation on the Board was 20%. As at the date of this report, as Joanne Williams has joined the Board and Lisa Stewart has left, the female representation on the Board was 22%.

Jadestone has a highly qualified effective Board made up of diverse and experienced members. The nine Board members comprise of seven different nationalities, bringing a wide range of perspectives.

The Company Secretary is responsible for ensuring that Board procedures are complied with, and that governance matters are addressed by the Group. All Directors have direct access to the Company Secretary and the option to receive independent legal advice. The Board has considered the guidelines under the QCA Code with regard to the essential responsibilities of a Senior Independent Director ("SID"). This consideration takes into account various factors, including the role of the Board Chairman, the Board's size, the number of independent Non-Executive Directors, and the communication channels among the Company's Executive, Non-Executive Directors and shareholders. In light of these considerations, the Board has concluded that the appointing a SID is currently unnecessary, though the matter is subject to regular review.

PRINCIPLE SEVEN

Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board utilises a matrix to guide the assessment of the Directors' skills and diversity, identifying potential skill gaps for resolution. The Board recognises the importance of its effectiveness and the individual performance of Directors in achieving the Group's success. The Board conducts an annual internal review led by the Governance and Nomination Committee. The Board conducts internal reviews led by the Governance and Nomination Committee to review leadership succession planning, contingency planning for critical roles in the business and the Board's composition. Recent appointments to the Board reflect findings from internal reviews, such as an increased focus on sustainability as well as feedback from shareholders". In 2022, an external Board review was conducted by an independent expert as further described below. Further details on the Board and Committee performance evaluation are outlined in the Governance and Nomination Committee Report on pages 70 to 71.

Directors are re-appointed by shareholders at the Company's AGM pursuant to the Company's Articles of Association, while taking into consideration the provisions of the QCA Code, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to Directors serving beyond a nine-year term).

Both internal and external reviews indicated that the Board's governance aligns with the principles outlined in the QCA Code as it applies to the specific responsibilities of the Board. Additionally, the external review acknowledged the Board's proactive involvement in enhancing its corporate governance structures to align with the needs of Jadestone's evolving business. Notably, no significant areas of concern related to compliance were identified during the external review.

PRINCIPLE EIGHT**Promote a corporate culture that is based on ethical values and behaviours**

The Board is responsible for the management, or for supervising the management, of the Group's business and affairs. In supervising the conduct of the business, the Board, through the CEO, sets the standards of conduct for the Group. The application of details of the Group's corporate governance, including business ethics and integrity, are set out on page 14 of this report and the 2023 Sustainability Report, which will be published in mid-2024.

The Group's values of respect, integrity, safety, results-oriented, sustainability and passion foster a culture that prioritises accountability, efficiency and innovation. This culture aligns with the Group's mission and promotes a corporate culture based on ethical behaviours and conduct. These values are explicitly outlined in written policies and operation procedures, including the Code of Conduct Policy, which is applied by all Group employees. The Code of Conduct Policy provides a framework of principles for conducting business, dealing with other employees, clients and suppliers, and reflects the Group's commitment to a culture characterised by honesty, integrity and accountability. Following a review by subject matter specialists, both internal and external, the Code of Conduct Policy and other governance related policies were reviewed and updated in 2022. These included the Anti-Bribery and Anti-Corruption, Human Rights and Whistleblower policies, which can be accessed through Jadestone's website. Further details on this review can be found under Principle Nine below.

A culture of openness is actively promoted throughout the Group, with regular communications to staff regarding progress. The senior management team regularly monitors the Group's cultural environment and seeks to address any concerns that may arise, escalating them to the Board when necessary. The Board receives regular written updates from the senior management team, which include workforce related matters.

As stipulated in the Code of Conduct Policy, employees are encouraged to talk to their supervisor, line manager or other appropriate personnel should they have concerns over any ethical matters.

After the aforementioned policy review, the Group retained an independent service provider to establish a reporting mechanism for concerns or complaints related to ethical matters (i.e., a whistleblower line). This offers a further avenue for employees to communicate concerns, with an ability to ensure confidentiality of the information shared. No issues were reported during 2023.

PRINCIPLE NINE**Maintain governance structures and processes that are fit for purpose and support good decision making by the Board**

The Board has a primary responsibility to foster the short and long-term success of the Group and is accountable to its shareholders.

Reserved matters for the Board

The Board is responsible for the direction and overall performance of the Group with an emphasis on strategy, policy, financial results, compliance matters and good governance. The matters reserved for the Board include, amongst others:

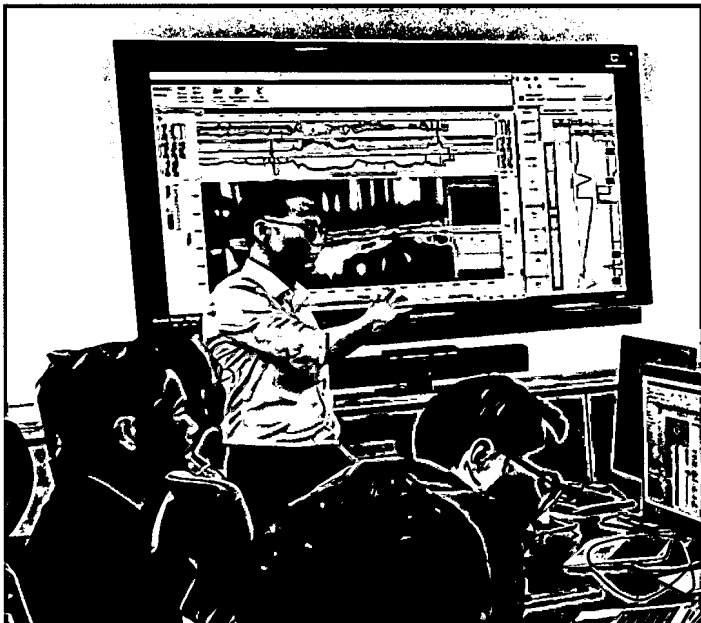
- setting the Group's purpose, values and standards;
- reviewing and approving the Group's strategy and annual plans for achievement;
- monitoring compliance with significant policies and procedures, including health and safety;
- oversight of communications and timely disclosure;
- ensuring the integrity of internal controls and management of risks, including regular risk reviews;
- approving the Group's annual and interim reports and accounts; and
- overseeing control and accountability systems designed to ensure appropriate standards are met in relation to health, safety, environmental (including climate), social responsibility and governance of the Group.

In addition to the above mentioned aspects, the Board has approved a set of financial delegations of authority to ensure clarity across the business concerning the distinction between financial matters which require Board approval and those that can be delegated to senior management.

Board committees

The Board delegates specific responsibilities to the Board committees. Each committee operates under Board-approved terms of reference which describe the committee's responsibilities and the framework for fulfilling those responsibilities. The terms of reference for each committee were last reviewed and updated in 2023 to align with the QCA Code. Throughout the calendar year 2023, the Board maintained the following committees: Audit, Governance and Nomination, Remuneration, Health, Safety, Environment, and Climate, Montara Technical and Disclosure. A summary of the roles, responsibilities, composition and 2023 activities of each of these committees can be found at pages 60 to 75.

The Board establishes temporary committees on ad-hoc basis. The Montara Technical Committee, which was established in Q3 2022, remains active throughout 2023 (please refer to page 74 for the committee report). This committee was primarily mandated to ensure the allocation of adequate resources for the safe completion of repairs and other essential activities to resume production at Montara. The committee received weekly updates from, and met up to two times per month with, personnel managing the activities. The committee subsequently reported back to the Board on the progress of repairs and other activities at Montara.



Governance Processes

In 2022, the Group engaged Control Risks, an external specialist firm, to conduct a review of Jadestone's business ethics and compliance policies. The primary focus was to identify gaps and areas for improvement, particularly from a UK market perspective. The Group implemented a majority of the recommendations including, amongst others, updating the Code of Conduct Policy and the Whistleblower Policy, and adopting a new Investigation Policy and new External Grievance Procedure to provide clear distinction between the handling of internal and external complaints. Consequently, Jadestone engaged Safecall, an independent services provider, to receive whistleblower complaints on a confidential and, if applicable, anonymous basis. Effective January 2023, the Audit Committee's mandate was expanded to include specific provisions related to the Whistleblower Policy and the Investigation Policy. The Audit Committee now explicitly retains responsibility for supervising relevant investigations and appropriate follow up action.

Furthermore, in 2023 the Group has improved its approach in identifying and assessing risks of modern slavery by engaging a third-party to conduct a human rights risk assessment and strengthen the Group's supply chain due diligence. The Group subsequently updated its annual modern slavery statement for 2023 to comply with UK and Australia legislation requirements.

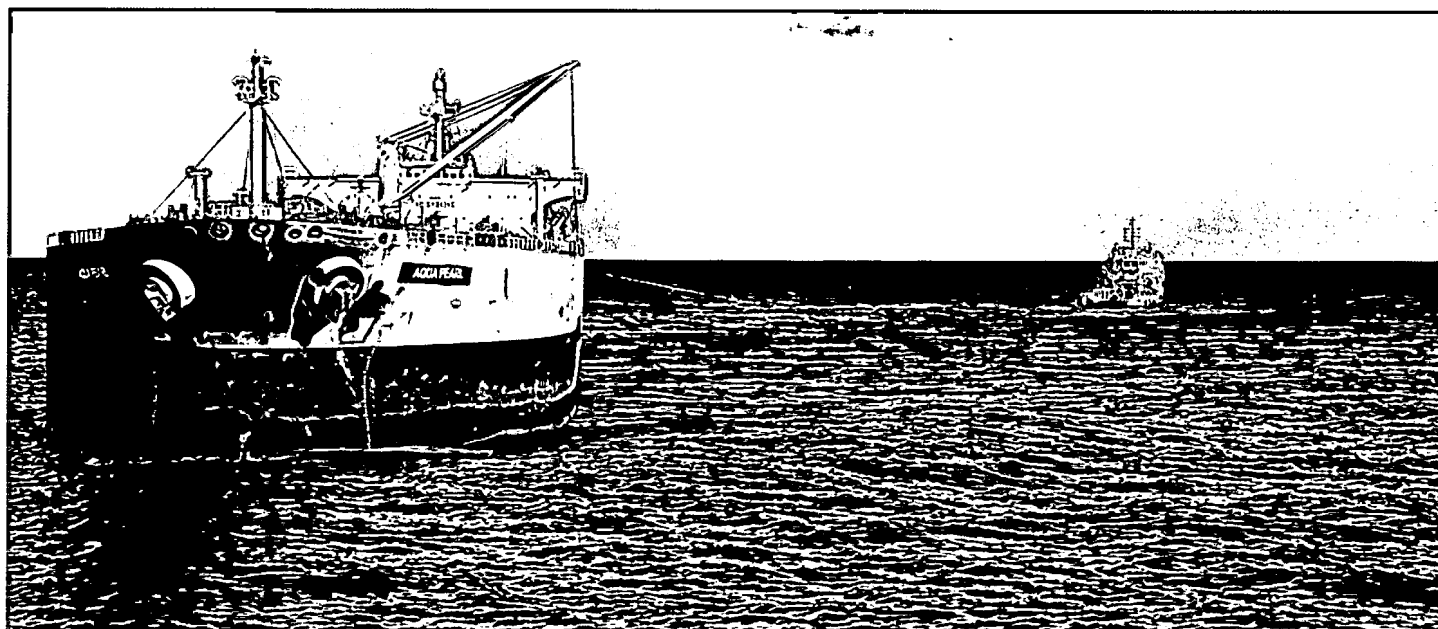
PRINCIPLE TEN

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to transparent and timely communication with shareholders and other stakeholders, emphasising the significance it attributes to the perspectives of all stakeholders. The Group's methods for maintaining a dialogue with shareholders and other relevant stakeholders is set out in Principles Two and Three above. The Group's annual financial and operational performance, in addition to reports from each of the Board committees, is summarised in this Annual Report.

Shareholders are encouraged to attend the AGM and pose questions. The outcomes of votes cast by shareholders at the AGM will be disclosed in a clear, transparent and timely manner. Shareholders vote to fix the number of Directors and elect Directors who will hold office until the next AGM or until their successors are elected or appointed. In addition, shareholders vote to appoint the Group's auditor, and to authorise the Board to determine the auditor's remuneration. The Group receives reports from shareholder advisory bodies, reviews their findings and engages in discussion with them about shareholders' concerns. The Board holds the perspective that, if there is a resolution passed at a general meeting of shareholders with 20% votes against, the Group will seek to understand the reasons behind the result and, where appropriate, take suitable action.

Moreover, the Company has set out its Section 172 disclosures in the Strategic Report on page 30. The Section 172 statement describes how the Directors, in line with their statutory duties, have taken into account the interests and potential impacts of decisions on the Group's employees, suppliers, customers, community and the environment.



Directors' report

The Directors present their Annual Report on the affairs of the Group and the audited Group consolidated financial statements of Jadestone Energy plc for the year ended 31 December 2023.

Incorporation and listing

Jadestone Energy plc was incorporated on 22 January 2021 under the Companies Act 2006, with its head office located in Singapore. The Company's shares were admitted to trading on AIM on 26 April 2021, as part of the corporate reorganisation by which the Company became the ultimate parent company of the Group (the "Reorganisation"). This Annual Report, including the Financial Statements, are prepared and presented with Jadestone Energy plc as the parent company of the Group for financial year 2023.

Adoption of QCA code

At the time of the Reorganisation, Jadestone Energy plc adopted the QCA Code and currently applies corporate governance practices to reflect the QCA Code. The Group prepares a corporate governance statement annually to explain the way in which it has applied the QCA Code and to identify any areas in which the Group's governance structures and practices differ from the expectations set by the QCA Code.

Principal activities

Jadestone is an independent oil and gas production and development company focused on the Asia-Pacific region. The Group has an acquisitive strategy and is focused on growth and creating value through identifying, acquiring, developing and operating assets throughout the Asia-Pacific region.

Jadestone currently has a portfolio of oil and gas production, development and exploration assets in Australia, Malaysia, Thailand, Indonesia and Vietnam. The Group is focused on creating value through leveraging the significant experience and track-record of its management team to maximise value from Jadestone's existing asset base through production and cost optimisation, and on identifying acquisitions that offer significant value both at the time of purchase and through potential organic development and/or reinvestment. The Directors' objective is to create a leading independent Asia-Pacific-focused upstream oil and gas company that generates significant value through share price appreciation and returns to shareholders.

Business review and future developments

A review of the business and the future developments of the Group is included in the Strategic Report (including the Chief Executive Officer's Statement, Business Model and Strategy, Financial Review and Operational Review) and Chairman's Statement (all of which, together with the Corporate Governance Statement, are incorporated by reference into this Directors' Report).

The Directors continue to review and evaluate strategic acquisition opportunities recommended by senior management, which align with the strategy and requirements of the Group.

Streamlined Energy and Carbon Reporting

Legislation introduced in 2018 requires UK companies to report on GHG emissions and energy use from 2019 onwards (Streamlined Energy and Carbon Reporting, or "SECR"). As Jadestone is listed on the AIM, the Group is only required to disclose its GHG emissions and energy use within the UK and its offshore areas. The Group has no operations within the UK or its offshore areas, and has only one employee located within the UK, hence its emissions and energy footprint within the country are immaterial.

However, given the strategic importance of the Group's GHG emissions and energy use to its stakeholders, Jadestone has elected to report in line with the SECR requirements for main market UK listed companies, which covers, *inter alia*, annual global

GHG emissions and underlying global energy use. These SECR disclosures for 2023 have been included within the Sustainability Review of the Strategic Report, on page 18.

Dividend

From 2020 until 2022, the Board of the Group parent company provided direct returns to shareholders by way of a dividend, on a biannual basis. The Board, recognises its duty to consider the financial position of the Group, including underlying cash flow generation, when weighing the declaration of a dividend.

With the Group's cash balances having declined significantly in the first quarter of 2023 due to the extended Montara shut-in during the period, and a need to manage obligations under the RBL facility signed in May 2023 and prioritise spending on the Akatara development and Malaysia infill drilling later in 2023, the Board decided not to recommend any dividend, interim or final, for 2023.

The dividend policy reflects the Group's current and expected future cash flow generation potential. The Board may further revise the Group's dividend policy from time to time in line with the actual results and financial position of the Group.

Share buyback

On 2 August 2022, the Company launched its first share buyback programme (the "Programme") in accordance with authority granted by shareholders at the Company's Annual General Meeting on 30 June 2022 (the "2022 AGM"). Stifel Nicolaus Europe Limited conducted the Programme and repurchased the Company's ordinary shares of £0.001 each on the Company's behalf. Shares were last repurchased under the Programme on 18 January 2023 by which point 20.2 million ordinary shares had been purchased for an aggregate consideration of US\$17.9 million. The authority to repurchase ordinary shares was initially included on the agenda of the Company's 2023 Annual General Meeting ("2023 AGM"). However, the Board decided to withdraw the matter from the agenda prior to the 2023 AGM. As such, the Company does not currently hold the authority to repurchase its ordinary shares.

Equity fundraise

The Company raised gross proceeds of US\$53.0 million in June 2023 pursuant to (i) a placing of new ordinary shares to existing and new institutional shareholders (including entities affiliated to certain directors); and (ii) a subscription of new ordinary shares by certain directors (and affiliated entities) and certain other parties. This equity fundraise was underwritten by a US\$50 million equity underwrite facility provided by Tyrus Capital S.A.M. and funds managed by it ("Tyrus"). In consideration of the support provided to the Company under the equity underwrite facility, Tyrus was granted 36 month warrants representing 30 million ordinary shares at an exercise price of 50 pence per share.

The equity fundraise also included an open offer up to €8 million, primarily to allow non-institutional shareholders to participate in the equity fundraise.

Share capital

Details of shares issued by the Company during the period are set out in note 31 to the Consolidated Financial Statements.

Suspension of trading

On 13 February 2024, the ordinary shares of the Company were suspended from trading following media reports of the Company's involvement in the proposed sale by Woodside Energy Group Ltd. ("Woodside") of its participating interests in the Macedon and Greater Pyrenees Projects offshore Western Australia (the "Proposed Acquisition"). Had Jadestone been selected as the preferred bidder and reached agreement with Woodside on acquisition terms, the Proposed Acquisition would have been classified as a reverse takeover transaction in accordance with AIM Rule 14, and accordingly, the Company's ordinary shares were suspended from trading on AIM on 13 February 2024. On 11 April 2024, Woodside cancelled the sale of its participating interests in those assets. With the possibility of the Proposed Acquisition ceasing, the Company's ordinary shares resumed trading on AIM on 11 April 2024.

Financial instruments

The Group entered into a US\$50.0 million debt facility on 17 February 2023. The Group signed a US\$200.0 million reserve based lending facility on 19 May 2023. The Interim Facility was repaid in full on 1 June 2023 from the RBL Facility. On 6 June 2023, the Group entered into a committed standby working capital facility with Tyrus of up to US\$35.0 million ("the Working Capital Facility"). The Working Capital Facility was finalised at US\$31.9 million after deductions from the total gross funds from the equity placing and open offer described above. Further details on the Interim Facility, the RBL Facility and the Working Capital Facility can be found at Note 38 to the Consolidated Financial Statements.

The Group's financial risk management objectives and policies are discussed in Note 44 to the consolidated financial statements.

2023 Board and committee attendance

The table below summarises the Directors' attendance at Board and committee meetings for the period from 1 January 2023 to 31 December 2023.

Name and positions held in the Company	Board	Audit Committee	Governance and Nomination Committee	Remuneration Committee	HSEC Committee	Disclosure Committee	Montara Technical Committee
A. Paul Blakeley Director, President and CEO	12 of 12	N/A	1 of 1	N/A	3 of 3	1 of 1	10 of 10
Bert-Jaap Dijkstra Director and CFO	12 of 12	N/A	N/A	N/A	N/A	1 of 1	7 of 10
Dennis McShane Director and Chairman	12 of 12	N/A	1 of 1	6 of 7	N/A	N/A	10 of 10
Robert Lambert Director and Deputy Chairman	12 of 12	6 of 6	N/A	N/A	3 of 3	N/A	8 of 10
Iain McLaren Director	12 of 12	6 of 6	1 of 1	7 of 7	N/A	N/A	N/A
David Neuhauser Director	12 of 12	N/A	N/A	N/A	N/A	N/A	N/A
Cedric Fontenit Director	12 of 12	N/A	1 of 1	7 of 7	N/A	N/A	N/A
Lisa A. Stewart Director	12 of 12	6 of 6	N/A	N/A	3 of 3	N/A	10 of 10
Jenifer Thien Director	12 of 12	N/A	1 of 1	7 of 7	3 of 3	N/A	8 of 10
Gunter Waldner¹ Director	2 of 2	N/A	N/A	N/A	N/A	N/A	N/A

Directors and their interests

The Directors, who served throughout the year and up to the date of this report, except as noted, were as follows:

- **Dennis McShane** (Independent Non-Executive Chairman)¹
- **A. Paul Blakeley** (Executive Director, President and CEO)
- **Bert-Jaap Dijkstra** (Executive Director and CFO)
- **Robert Lambert** (Independent Non-Executive Deputy Chairman)²
- **Cedric Fontenit** (Independent Non-Executive Director)
- **Iain McLaren** (Independent Non-Executive Director)
- **Lisa A. Stewart** (Independent Non-Executive Director)³
- **Jenifer Thien** (Independent Non-Executive Director)
- **David Neuhauser** (Non-Executive Director)
- **Gunter Waldner** (Non-Executive Director)
- **Joanne Williams** (Independent Non-Executive Director)⁴
- **Adel Chaouch** (Independent Non-Executive Chairman)⁵

- 1 Stepped down as Non-Executive Chairman on 27 March 2024.
- 2 Stepped down as Non-Executive Director on 25 March 2024.
- 3 Stepped down as Non-Executive Director on 25 March 2024.
- 4 Appointed as a Non-Executive Director on 25 January 2024.
- 5 Appointed as Non-Executive Director on 25 March 2024, and elected as Non-Executive Chairman on 27 March 2024.

No rights to subscribe for shares in or debentures of Group companies were granted to any of the Non-Executive Directors or their immediate families, or exercised by them, during the financial year.

During calendar year 2023, no Directors, including Executive Directors, received any awards under the Group's long-term incentive plans.

The Directors who held office at the end of the 2023 financial year had the following interests in the ordinary shares of the Company:

Director	Interest at 1 January 2023 or date of appointment	Interest as at 31 December 2023
A. Paul Blakeley	4,232,798	4,893,422
Bert-Jaap Dijkstra	Nil	71,556
Dennis McShane	453,651	732,540
Robert Lambert	153,919	265,188
Iain McLaren	169,564	191,786
David Neuhauser	31,393,094 ^(a)	32,040,316 ^(a)
Cedric Fontenit	200,000 ^(b)	533,333 ^(b)
Lisa A. Stewart	Nil	178,889
Jenifer Thien	Nil	89,444
Gunter Waldner	Nil	143,005,575 ^(c)

(a) Mr. Neuhauser does not own any ordinary shares of the Company directly but, as managing director of Livermore Partners LLC, exercises control or direction over the ordinary shares beneficially owned by Livermore Partners LLC.

(b) Mr. Fontenit owns 200,000 ordinary shares of the Company directly and 333,333 ordinary shares of the Company are held under an externally managed pension vehicle. In addition, Mr. Fontenit holds indirect beneficial interests in the Company through his interest in 424,6337 units of a fund managed by Tyrus Capital S.A.M. (the "Tyrus Fund"). However, Mr. Fontenit does not exercise control or direction over the shares of the Company held by the Tyrus Fund.

(c) Mr. Waldner does not own any ordinary shares of the Company directly but, as Co-Chief Investment Officer of Tyrus Capital S.A.M. ("Tyrus"), the Company's largest shareholder, exercises control or direction over the ordinary shares beneficially owned by Tyrus. He also holds indirect beneficial interests in the Company through his interest in 2,276.04 units of a fund managed by Tyrus holding an interest in the ordinary shares of the Company.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity, which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity is currently in force. The indemnity, which was updated in 2023, reflects terms consistent with those granted by peer companies. The Group also purchased and maintained throughout the financial period directors' and officers' liability insurance in respect of itself and its Directors.

Political donations

The Group did not make any political donations nor incur any political expenditures to candidates or political campaigns during the period.

Conflicts of interest

There are no potential conflicts of interest between any duties owed by the Directors to the Company and their private interests and/or other duties, nor any arrangements or understandings with any of the shareholders of the Company, customers, suppliers or others pursuant to which any Director was selected to be a Director. The Company tests regularly to ensure awareness of any future potential conflicts of interest and related party transactions. Directors are required to declare any additional or changed interests as they arise. In the event a conflict should arise, the relevant Director does not take part in decision making related to the conflict.

Related party transactions

The Company executed a US\$50.0 million equity underwrite facility with Tyrus on 6 June 2023 ("Equity Underwrite Facility"). However, the Equity Underwrite Facility was extinguished because the associated June 2023 equity fundraise raised in excess of US\$50.0 million. As part of the underwritten placing of additional ordinary shares, the Company also entered into a warrant instrument with Tyrus for 30 million ordinary shares at an exercise price of 50 pence per share ("Warrants"), see Note 49 to the financial statements.

Also on 6 June 2023, the Company entered into the Working Capital Facility. Further details on the Equity Underwrite Facility, the Warrants and the Working Capital Facility can be found at Note 49 to the consolidated financial statements. Apart from the Equity Underwrite Facility, the Warrants and the Working Capital Facility, there were no related party transactions to which the Group was a party during the period, save for compensation to key management personnel and directors, the details of such as disclosed in Note 49 of the Consolidated Financial Statements.

Substantial shareholders

The following table sets out, to the best of the Group's knowledge, its significant shareholders as at 29 February 2024.

Shareholder	Number of ordinary shares as at 29 February 2024	% interest as at 29 February 2024
Tyrus Capital	143,005,575	26.44
Fidelity International	52,529,526	9.71
Baillie Gifford	38,780,919	7.17
Livermore Partners	32,040,316	5.92
Hargreaves Lansdown, stockbrokers	19,159,049	3.54
Canaccord Genuity Wealth Management	17,900,000	3.31
Premier Miton Investors	17,840,069	3.30

Share dealing code

The Company adopted a code for share dealings (the "Dealing Code") appropriate for an AIM company, in compliance with Rule 21 of the AIM Rules and with the Market Abuse Regulation. The Dealing Code applies to the Directors, members of the senior management team and other relevant employees of the Group.

Corporate governance policies

The Board reviewed and updated several key governance policies in 2022, including the Code of Conduct, Anti-Bribery and Anti-Corruption, Whistleblower, Climate, ESG and Human Rights policies. The Group's key governance policies are available on the Group's website. The Board, assisted by senior management, reviews and refines Group policies on a regular schedule.

Risk management

Risk management is integral to all of the Group's activities. Each member of senior management is responsible for continuously monitoring and managing risk within the relevant business areas. Every material decision is preceded by an evaluation of applicable business risks. Reports on the Group's risk exposure and reviews of its risk management are regularly undertaken and presented to the Board. The Directors conduct a review of the Group's risk register bi-annually. Additional details regarding the Group's risk management can be found on page 31 to 34 of this report.

Stakeholder engagement

Please see the section 172 statement on page 30 of this report for how the Company's Directors had regard to the interests of employees, suppliers, customers and other stakeholders during the year.

Annual general meeting

The Company's AGM will be held in London, England on 13 June 2024. Full details of the proposals to be addressed at the AGM will be set out in a separate Notice of the AGM. Shareholders are invited to complete the proxy form received either by post or vote electronically in accordance with the notes contained within the Notice of the AGM. The Notice of the AGM and the Proxy Form will be available on the Group's website at <https://www.jadestone-energy.com/aim/notices/>.

Registrar

Jadestone Energy plc's share registrar in respect of its ordinary shares traded on AIM is Computershare Investor Services plc. Contact details can be found at the end of this report and on the Group's website.

Independent auditor

Having reviewed the independence and effectiveness of the auditor, the Audit Committee has recommended to the Board that Deloitte Ireland LLP ("Deloitte") be re-appointed. Deloitte has expressed its willingness to be re-appointed as auditor. A resolution to re-appoint Deloitte, as auditor of Jadestone Energy plc, will be put to the shareholders at the AGM.

Additional disclosures

Supporting information that is relevant to the Directors' Report, which is incorporated by reference into this Directors' Report, can be found throughout this Annual Report. For considerations of post balance sheet events, please refer to note 48 in the Consolidated Financial Statements within this Annual Report.

Going concern

The Consolidated Financial Statements have been prepared under the going concern assumption, which presumes the Group will be able to meet its obligations as they fall due during the going concern period up to 31 December 2025. The financial position of the Group, its cash flow, liquidity position and borrowing facilities are described in the Financial Review on pages 38 to 45. In addition, Note 44 to the financial statements on page 128 includes: the Group's objectives and processes for managing its capital, its financial risk management mitigants; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Group's assessment of the going concern assumption and viability has considered the Group's financial position, available facilities and forecast compliance with covenants, and capital expenditure commitments. These are underpinned by the Group's 2024 work plan and budget and three year plan. The Board regularly reviews the updated liquidity projections of the Group. The detailed going concern and viability analysis, including sensitivity analysis and stress testing, was presented

to the Audit Committee and the Board in April 2024. After appropriate consideration, including the analysis referenced here and in Note 2 to the financial statements, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence over the going concern period.

Director confirmations

Each of the Directors, whose name and functions are listed in the Directors' Report, confirms that, to the best of their knowledge:

- The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with the requirements of the Companies Act 2006; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties that it faces.

Corporate governance statement

The Group currently complies with the QCA Code and a more detailed compliance statement is provided at pages 49 to 53.

Disclosure of information to auditors

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

This Annual Report was approved by the Board of Directors and authorised for issue on 27 April 2024.

On behalf of the Board

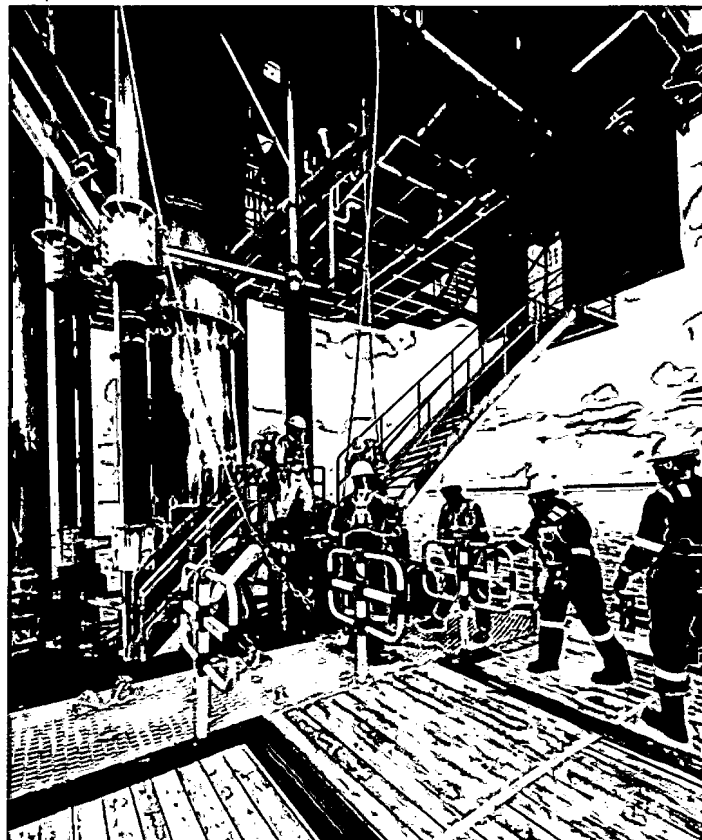
A Paul Blakeley Digitally signed by A Paul Blakeley

A. Paul Blakeley

Executive Director

President and Chief Executive Officer

27 April 2024



Board meetings:

1.	14-15	March	2023
2.	23	May	2023
3.	28	May	2023
4.	21	June	2023
5.	4	July	2023
6.	12	July	2023
7.	31	July	2023
8.	14	September	2023
9.	27	September	2023
10.	2	October	2023
11.	10	November	2023
12.	7	December	2023

Audit Committee meetings:

1.	6	February	2023
2.	3	April	2023
3.	17	April	2023
4.	22	May	2023
5.	11	September	2023
6.	14	November	2023

Governance and Nomination Committee meetings:

1.	23	November	2023
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Remuneration Committee meetings:

1.	9	February	2023
2.	14	March	2023
3.	3	April	2023
4.	16	June	2023
5.	19	July	2023
6.	11	September	2023
7.	23	November	2023

HSEC Committee meetings:

1.	3	March	2023
2.	28	August	2023
3.	30	November	2023

Montara Technical Committee meetings:

1.	20	January	2023
2.	2	February	2023
3.	16	February	2023
4.	24	July	2023
5.	9	August	2023
6.	16	August	2023
7.	23	August	2023
8.	30	August	2023
9.	12	October	2023
10.	30	November	2023

Disclosure Committee meeting:

1.	29	November	2023
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Board of Directors

Adel Chaouch

INDEPENDENT CHAIRMAN OF THE BOARD



APPOINTED: NON-EXECUTIVE DIRECTOR ON 25 MARCH 2024 | ELECTED: NON-EXECUTIVE CHAIRMAN ON 27 MARCH 2024

COMMITTEE MEMBERSHIPS: GOVERNANCE AND NOMINATION COMMITTEE, REMUNERATION COMMITTEE AND HSEC COMMITTEE

Dr Chaouch has 30 years of experience in the energy and infrastructure sectors internationally, inclusive of South-East Asia. He presided over sizeable oil and gas assets in challenging geopolitical environments, and successfully conducted several M&A transactions as well as capital raises in complex settings.

Dr Chaouch was Executive Director and Chief Executive Officer of ShaMaran Petroleum Corp., part of the Lundin Group of Companies, operating in the Kurdistan Region of Iraq, and prior to that he led Marathon Oil Company's interests in the Middle East and North Africa. He was also responsible for the creation of a gas hub in Equatorial Guinea.

Prior to working for Marathon, Dr Chaouch held positions of increasing responsibility for Raytheon E&C company, primarily on major projects largely in the oil and gas sector. He holds a Masters and a Ph.D. in Engineering from Texas A&M University.

CURRENT EXTERNAL ROLES: BILATERAL CHAMBER OF COMMERCE | BLUE CREST VENTURES, LLC

Bert-Jaap Dijkstra

EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER



APPOINTED: EXECUTIVE DIRECTOR AND CFO 22 AUGUST 2022 BY THE COMPANY

COMMITTEE MEMBERSHIPS: DISCLOSURE COMMITTEE (CHAIR)

Bert-Jaap joined Jadestone in August 2022. He has 25 years of experience in finance roles, most recently as Group Treasurer and Head of Investor Relations with SBM Offshore, where he built significant experience of equity and debt capital markets. Bert-Jaap was directly responsible for managing all financing activities for SBM Offshore, including structuring c.US\$5 billion in project financings and managing financial risk, optimisation of funding sources and corporate finance. He was voted best investor relations professional for the energy services sector in the 2019 Exel and in the 2020 and 2021 Institutional Investor surveys.

Prior to his employment at SBM Offshore, Bert-Jaap held various finance roles in European commercial real estate and with Royal Dutch Shell, where he lived and worked for a period in Southeast Asia as Finance and Planning Manager. Bert-Jaap holds a MSc degree (with honours) from Wageningen University. He is a Chartered Management Accountant and completed an MBA in Financial Management from MIT Sloan School of Management.

CURRENT EXTERNAL ROLES: NONE.

A. Paul Blakeley OBE

EXECUTIVE DIRECTOR, PRESIDENT AND CHIEF EXECUTIVE OFFICER



APPOINTED: EXECUTIVE CHAIRMAN 7 JUNE 2016 / PRESIDENT AND CEO 15 JUNE 2017 BY JADESTONE ENERGY INC. | EXECUTIVE DIRECTOR, PRESIDENT AND CEO 22 JANUARY 2021 BY THE COMPANY

COMMITTEE MEMBERSHIPS: HSEC COMMITTEE, DISCLOSURE COMMITTEE AND GOVERNANCE AND NOMINATION COMMITTEE

Paul commenced a role at Jadestone in June 2016. Paul holds a BSc. from Bedford College, University of London. Paul has over 40 years' energy experience, including over 20 years at Talisman Energy Inc ('Talisman'). As Executive Vice President, Asia-Pacific & Middle East at Talisman, Paul led the building of Talisman's portfolio in Asia-Pacific to become the largest upstream independent in the region.

Paul has a long track record of acquiring production and managing commercial and operational risks, while overseeing investment to further enhancing value through follow-on development activity.

CURRENT EXTERNAL ROLES: NONE.

Jenifer Thien

INDEPENDENT NON-EXECUTIVE DIRECTOR



APPOINTED: 7 APRIL 2022 BY THE COMPANY

COMMITTEE MEMBERSHIPS: REMUNERATION COMMITTEE (CHAIR), GOVERNANCE AND NOMINATION COMMITTEE, AND HSEC COMMITTEE

Jenifer is the Founder and Principal of Grit and Pace, through which she advises corporations on Environmental, Social and Governance strategy and what it takes to drive change in supply chain, procurement and operational excellence. Currently Jenifer is an Independent Non-Executive Director of UEM Edgenta Berhad, AEON Co. (M) Berhad, Olam Agri Holdings Ltd, Malaysian Pacific Industries Berhad and Sime Darby Plantation Berhad. She has over 30 years of international senior executive experience in the consumer-packaged goods industry and had the opportunity to live and work in several countries across Asia and the US throughout her career. This includes 25 years with Mars, Incorporated, where she last served as the Global Chief Procurement Officer. Jenifer has successfully led complex business transformation and sustainability programs through her deep understanding of the business enterprise, the ability to mobilise required capabilities, as well as intensive stakeholder engagement.

CURRENT EXTERNAL ROLES: UEM EDGENTA BERHAD | AEON CO. (M) BERHAD | OLAM AGRI HOLDINGS LTD | MALAYSIAN PACIFIC INDUSTRIES BERHAD | SIME DARBY PLANTATION BERHAD

Iain McLaren

INDEPENDENT NON-EXECUTIVE DIRECTOR



APPOINTED: 21 APRIL 2015 BY JADESTONE ENERGY INC. | 23 APRIL 2021 BY THE COMPANY

COMMITTEE MEMBERSHIPS:

AUDIT COMMITTEE (CHAIR), GOVERNANCE AND NOMINATION COMMITTEE, AND REMUNERATION COMMITTEE

Iain McLaren has signalled his intention to step down as a Non-Executive Director and Chair of the Audit Committee at the completion of the 2023 audit process.

Iain has significant experience in the oil and gas sector and is currently a Director of Ecofin Global Utilities and Infrastructure Trust Plc. Iain is a past Director of Wentworth Resources Plc, as well as past Senior Independent Director for Cairn Energy Plc and a number of other companies. Iain was the President of the Institute of Chartered Accountants of Scotland, and was a partner in KPMG for 28 years until 2008, bringing extensive experience in public company audit, internal control and risk management.

CURRENT EXTERNAL ROLES: ECOFIN GLOBAL UTILITIES AND INFRASTRUCTURE TRUST PLC

Joanne Williams

INDEPENDENT NON-EXECUTIVE DIRECTOR



APPOINTED: 25 JANUARY 2024 BY THE COMPANY

COMMITTEE MEMBERSHIPS: HSEC COMMITTEE (CHAIR) AND AUDIT COMMITTEE

Joanne is a reservoir engineer with more than 25 years' experience in technical and executive roles with Woodside Petroleum, Newfield Exploration, Gulf Canada, Clyde Petroleum, Nido Petroleum and Blue Star Helium. Currently, Joanne is a Non-Executive Director of Buru Energy Limited, an Australian onshore explorer for oil, gas and natural hydrogen; a Non-Executive Director of 88 Energy Limited, an oil company with oil exploration and production assets in Alaska, Texas and Namibia, and a Non-Executive Director of Pinnacle Exploration Pte Ltd, which focusses on shallow water Gulf of Mexico oil opportunities. Previously, Joanne was Managing Director and Chief Executive Officer of Blue Star Helium Limited, an explorer for helium in the USA and a Director at Sacgasco Limited with oil and gas exploration and production assets in California, Canada and the Philippines.

CURRENT EXTERNAL ROLES: BURU ENERGY LTD | 88 ENERGY LTD | PINNACLE EXPLORATION PTE LTD

Cedric Fontenit

INDEPENDENT NON-EXECUTIVE DIRECTOR



APPOINTED: 7 JUNE 2016 BY JADESTONE ENERGY INC. | 23 APRIL 2021 BY THE COMPANY

COMMITTEE MEMBERSHIPS: REMUNERATION COMMITTEE, AUDIT COMMITTEE, AND GOVERNANCE AND NOMINATION COMMITTEE

Cedric has extensive experience in advising on M&A, financing and structuring investments gained from his 20-year career in the investment banking and hedge fund industries. Cedric is co-founder and currently managing partner of Amavia Capital, a private investment firm and the President of Tall Mount SAS. He was previously a senior member of the investment team at Tyrus Capital S.A.M., where he acquired significant investment experience in the oil and gas and mining industries, among others.

CURRENT EXTERNAL ROLES: AMAVIA CAPITAL | TALL MOUNT SAS

David Neuhauser

NON-EXECUTIVE DIRECTOR



APPOINTED: 7 JUNE 2016 BY JADESTONE ENERGY INC. | 23 APRIL 2021 BY THE COMPANY

COMMITTEE MEMBERSHIPS: NONE

David has extensive capital markets and mergers and acquisitions experience and is founder and currently CIO of event-driven hedge fund Livermore Partners in Chicago. He is a Non-Executive Director of Amaroq Minerals Ltd. and the Chairman of the Board of Kolibri Global Energy Inc. He has invested in and advised global public companies for the past 21 years and has a strong track record of enhancing intrinsic value through restructuring and strategic initiatives.

CURRENT EXTERNAL ROLES: AMAROQ MINERALS LTD. | KOLIBRI GLOBAL ENERGY INC.

Gunter Waldner

NON-EXECUTIVE DIRECTOR



APPOINTED: 18 OCTOBER 2023 BY THE COMPANY

COMMITTEE MEMBERSHIPS: NONE

Gunter was nominated to Jadestone's Board as a non-executive director by the Company's largest shareholder, Tyrus Capital S.A.M. and funds managed by it ("Tyrus"), pursuant to the relationship agreement entered into by Jadestone and Tyrus in November 2018. An Austrian national, Gunter has over 25 years of corporate finance and investment management experience and is currently Head of Private Equity and Co-Chief Investment Officer of Tyrus having joined the firm in 2012. Prior to Tyrus Capital, Gunter spent five years in senior positions at Alpinvest Partners and 10 years in investment banking at Lehman Brothers. Gunter holds a Master's degree in Business Administration and Economics from the Vienna University of Economics and Business Administration.

CURRENT EXTERNAL ROLES: NONE.

Audit Committee report

Committee members and meeting attendance

In 2023 the Audit Committee comprised:

- **Iain McLaren*** (Chair)
- **Robert Lambert**
- **Lisa Stewart**

All of whom were independent.

Meeting attendance:

- | | |
|-------------------------|------------|
| • Iain McLaren | 6 out of 6 |
| • Robert Lambert | 6 out of 6 |
| • Lisa Stewart | 6 out of 6 |

Meetings:

6 February 2023 | 3 April 2023 | 17 April 2023 | 22 May 2023 |
11 September 2023 | 14 November 2023

Role of the Committee

The Audit Committee (the "Committee") has oversight of the Group's financial reporting including accompanying narrative, internal controls and risk management systems, compliance, whistleblowing and fraud, as well as external statutory financial audits and independent evaluations of the Group's reserves.

Letter from the Committee Chair

Welcome to the Audit Committee Report for the year ended 31 December 2023.

Governance

There were no changes in the composition of the Audit Committee during 2023. The Chief Financial Officer, the Head of Group Finance and the Australia Finance Manager are invited to attend the meetings of the Committee. The Head of Group Finance serves as the secretary to the Committee. Representatives of the external auditor are also invited to attend each regular meeting of the Committee. Additional ad-hoc (virtual) meetings may be organised with relevant Group representatives invited. Other Board and management representatives can attend meetings of the Committee by invitation. The external auditor has unrestricted access to the Committee Chairman.

In 2023, the Committee met on six occasions. Meetings are scheduled to allow sufficient time for full discussion of key topics and to enable early identification and resolution of risks and issues. Meetings are generally aligned with the Group's financial reporting calendar.

During 2023, additional meetings were organised to monitor and assess the Group's existing and forecasted liquidity position as it progressed towards closing its RBL Facility in parallel with the prolonged shut-down of Montara which negatively impacted the Group's liquidity position.

Summary of responsibilities

The Committee's detailed responsibilities are described in its terms of reference which are available on the Group's website and include:

- Monitoring the integrity of the Group's financial statements including its annual (both preliminary and final) and interim financial statements and reviewing significant financial reporting issues and judgments contained within them and reporting any issues to the Board;
- Overseeing the Group's accounting and financial reporting processes, the Group's internal controls and risk management systems and the resolution of any issues identified by the Group's external auditor;
- Meeting with the Group's external auditor, along with the Chief Financial Officer and select senior finance managers of the Group, to plan for and to subsequently review the annual audited and interim unaudited financial statements of the Group; and
- Supervising the Group's reporting of its oil and gas reserves including overseeing the work undertaken by the Group's independent third-party reserves evaluator.

Review of the financial statements

The Audit Committee monitors the integrity of the annual and interim financial statements and reviews the significant financial reporting matters and accounting policies and disclosures in the financial reports. The external auditor attended four of the six Audit Committee meetings during the year (17 April, 22 May, 11 September and 14 November 2023).

At the conclusion of the annual audit process, the external auditor provides a detailed final report to those charged with governance, including the results of their audit and other audit matters. The Audit Committee evaluates the overall performance of the auditor and recommends their continued appointment to the Board.

* Iain McLaren has signalled his intention to step down as a Non-Executive Director and Chair of the Audit Committee at the completion of the 2023 audit process.



Financial reporting

During 2023, the Audit Committee monitored and reviewed the preparation and issuance of the Group's consolidated audited financial statements and Company audited financial statements for the year ended 31 December 2023, along with the Group's unaudited condensed interim financial statements for the six-month period ended 30 June 2023.

The Audit Committee has remained focused on reviewing material matters affecting the risks and financial position of the Group. Specific focus continued to be given to the circumstances of the Montara shut-in from August 2022 to March 2023, and subsequently during August 2023, and the impact of these shut-ins on the Group's financial position. The Committee reviewed recommendations relating to the suspension of dividend payout in connection with the Company's equity raise in June 2023. The risks and financial impacts on the Group from the continued volatility in oil prices also continued to be assessed.

The Audit Committee also reviewed the external auditor's planning report for the 2023 full year audit, including consideration of the planned scope and audit approach, the materiality level, the auditor's identified items of significant risk and areas of audit focus and auditor independence.

The Committee oversaw the completion of the preparation and finalisation of the issuance of the Group's consolidated audited financial statements for the year ended 31 December 2023. This included review and challenge of the financial statements as well as the significant financial reporting issues and judgements, and a detailed discussion with the auditor of their final report to those charged with governance.

Reserves reporting

The Board has continued to delegate to the Audit Committee the oversight, monitoring and review of the Group's oil and gas reserves and resources disclosures. All members of the Audit Committee during 2023 had significant experience of reserves evaluation.

The Audit Committee has duly overseen the work conducted by management and by the Group's qualified third-party reserves evaluator culminating in the Group's disclosure of year end 2023 reserves on page 152.

Internal controls and risk management

The Audit Committee is responsible for the oversight of the Group's system of internal controls including the risk management framework. The Group's principal risks and uncertainties, which provide a framework for the Committee's focus, are discussed on pages 31 to 34.

Management identifies the key operational and financial processes that exist within the business and has developed an internal risk control framework. This is structured around Group policies and procedures and includes a delegated authority framework.

Compliance, whistleblowing and fraud

The Audit Committee reviews the Group's procedures, systems and controls, including for detecting fraud, for the prevention of bribery, money-laundering, and corporate criminal offence. The Committee receives reports on any non-compliance, of which there were [none] in 2023.

The Group has a whistleblowing policy in place and the Committee is responsible for overseeing the arrangements and the effectiveness of the processes for this. The policy exists to enable employees to raise any concerns in confidence about wrongdoing or impropriety within the Group. No concerns were raised during 2023. The Group continued to engage Safecall, an independent services provider, to receive whistleblower complaints on a confidential and, if applicable, anonymous basis.

ESG

Consistent with the evolving reporting requirements associated with climate risk, the Audit Committee has monitored the Group's responses to climate risk and ESG disclosures generally and reviewed the Group's climate-related scenarios, analysis and disclosure specifically.

Internal reorganisation

Following the introduction of Jadestone Energy plc as the new ultimate holding company of the Group in 2021, the Group completed the final phase of this reorganisation in 2023. The Group currently does not have business activity in Canada, and it is not planning to have activity in Canada in the future. As such, the Group moved its business activities from Canadian sub-holding entities to a Singapore registered entity. The Audit Committee endorsed the project's execution plan and reviewed the project's objectives and key elements. This internal reorganisation also resulted in a Group entity structure that supports the security arrangements under the Group's loan RBL facility. For more information see the Liquidity Risk disclosures on page 131 of this report.

The relevant transactions were executed at arm's length valuations using third-party expert advice.

External Auditor

Under cl. 8.6.2(b) of the Committee's Terms of Reference, the Company is required to tender out the Group's audit services contract at least once every ten years. This helps to ensure that the auditors are truly independent and the Group can compare the quality and effectiveness of the services provided by external auditors. Additionally, the external audit lead partner must be rotated after a maximum of five years, cl. 8.6.2(a).

As mentioned in the 2022 Annual Report, the Audit Committee has decided to postpone a formal tender until 2025, when the current auditor will have completed five years of service. At this time, the Committee will reappraise the audit market and expects to conduct a tender process.

Audit fees and non-audit services by the auditor Under the Audit Committee TOR

The Group is precluded from engaging Deloitte for any non-audit services across the business. Exceptions to this principle, on a one-off basis, may be considered, but in all cases subject to the Audit Committee's prior approval.

This policy is applied on a global basis to all member firms of the Group's auditors. This restriction has been complied with in 2023, as it was in prior years, with no non-audit services provided and no non-audit fees paid to the auditors. Total fees paid to the auditors were as follows:

US\$'000	Year ended 31 December 2022	Year ended 31 December 2023
Total audit fees	934	1,017
Non audit fees paid to auditors	-	-
Total fees paid to auditors	934	1,017

Internal audit

The Group currently does not have an internal audit function. The Committee continues to monitor the appropriateness of this as the Group evolves and grows.

Yours sincerely,

Iain McLaren

Non-Executive Director and Chair of the Audit Committee
27 April 2024

Remuneration Committee report

Committee members and meeting attendance

In 2023 the Remuneration Committee comprised:

- **Jenifer Thien** (Chair)
- **Cedric Fontenit**
- **Dennis McShane**
- **Iain McLaren**

Meeting attendance:

- | | |
|--------------------------|------------|
| • Jenifer Thien | 7 out of 7 |
| • Cedric Fontenit | 7 out of 7 |
| • Dennis McShane | 6 out of 7 |
| • Iain McLaren | 7 out of 7 |

Meetings:

9 February 2023 | 14 March 2023 | 3 April 2023 | 16 June 2023 |
19 July 2023 | 11 September 2023 | 23 November 2023 |

Role of the Committee

The Remuneration Committee (the "Committee") ensures that the remuneration of directors, employees and officers is set appropriately, based on industry data, with the goal of attracting, retaining, and motivating key personnel to ensure the long-term success of the Group.

Key roles and responsibilities

Responsibilities of the Remuneration Committee include (but are not limited to):

- Annually reviewing and making recommendations with respect to remuneration, including short-term and long-term incentives of the Executive Directors and other senior executives;
- Reviewing the appropriateness of, and approving any changes to, remuneration policies of the Group;
- Obtaining reliable and up-to-date information about remuneration in other companies of comparable size and scope; and
- Overseeing any major changes in employee benefits structures throughout the Group.

Responsibilities of the Remuneration Committee Chair include:

- Setting agendas, chairing Committee meetings and ensuring all tasks delegated to the Committee are dealt with;
- Where required, leading consultations with shareholders on the Group's remuneration policy; and
- Answering questions about remuneration more generally with shareholders.

Responsibilities of all members of the Remuneration Committee include:

- Be independent and willing to justify the decisions of the Remuneration Committee to Executive Directors and senior management;
- Be willing and able to resist inappropriate demands from Executive Directors and senior management;
- Be prepared to seek external advice when necessary;
- Be willing to seek and take into consideration the views of shareholders; committing sufficient time to the role to develop the necessary skills and knowledge (including, for example, current market practice, taxation and legal requirements), and to work as part of a small committee;
- Conduct an annual review of remuneration committee advisers, and the fees charged for remuneration committee advice and other services, including review of their independence and potential conflicts of interest; and
- Review the Group's legal obligations, including changes to employment and discrimination law, company law and relevant regulations as well as the effect of any changes to tax law or rates of tax.



Letter from the Committee Chair

Dear shareholder,

As we reflect on the events and milestones of the past financial year, it is both an honor and a responsibility to provide you with insights and perspective on our approach to executive remuneration and significant decisions undertaken by the Remuneration Committee.

The Remuneration Committee remains dedicated to ensuring that the level and framework of remuneration for both the Board and key management personnel are not only appropriate but also commensurate with the performance and value creation of the Group. Our primary goal is to attract and retain highly talented individuals, while ensuring alignment of interests with shareholders and the generation of shareholder value.

2023 was indeed a challenging year for the Group and the Remuneration Committee has worked to ensure the right balance between achieving annual targets and recognising performance, always mindful of the remuneration framework and philosophy of the Group as well as interests of shareholders. For the overall 2023 performance, we have approved an overall 35% achievement of set KPIs for the majority of employees. The CEO will receive a reduced performance bonus based on 15% achievement of set KPIs, payment of which will be subject to milestones defined over 2024/25.

The Remuneration Committee remained focused on ensuring that the Long Term Incentive ("LTI") programme aligns the interests of senior leaders of the organisation to the interests of shareholders, while at the same time is effective in retaining and incentivising top talent. In consultation with Mercer, we continue to review relevant LTI metrics as well as industry best practices to ensure that the LTI programme meets its objectives of performance and retention.

To this end, given the development of Jadestone's share price, the Remuneration Committee suspended Performance Share grants in 2023. Until conditions allow us to reinstate the Performance Share Plan, we have approved a Deferred Cash Plan (DCP) for the 2023 – 2026 LTI cycle (awarded in October 2023) as well as for the 2024 – 2027 LTI cycle (awarded in April 2024).

Selected senior and key personnel were included in the DCP LTI programme. The CEO did not receive the DCP LTI grant in 2023 and 2024; while the CFO was not included in the 2023 DCP LTI programme. The development of the interim DCP LTI programme (the framework is detailed further in section i) was supported by Mercer with the competitive peer set remaining largely unchanged, as well as the performance measure which is Total Shareholder Return (TSR).

The Remuneration Committee has also reviewed the 2021 – 2023 LTI Programme cycle, the outcome of which resulted in 0% vesting for the Performance Shares awarded in 2021.

Finally, we have reviewed and approved recommendations for salary adjustments for 2024, which considers the impact of inflation and market wage movements across the region.

In the course of our work, the Remuneration Committee was supported by Mercer and PwC; which provided independent advice on governance and tax framework, best practices, and external benchmarks.

Your feedback is invaluable to us, and I welcome any input from investors regarding our remuneration framework. Thank you for your continued trust in Jadestone Energy plc.

Yours sincerely

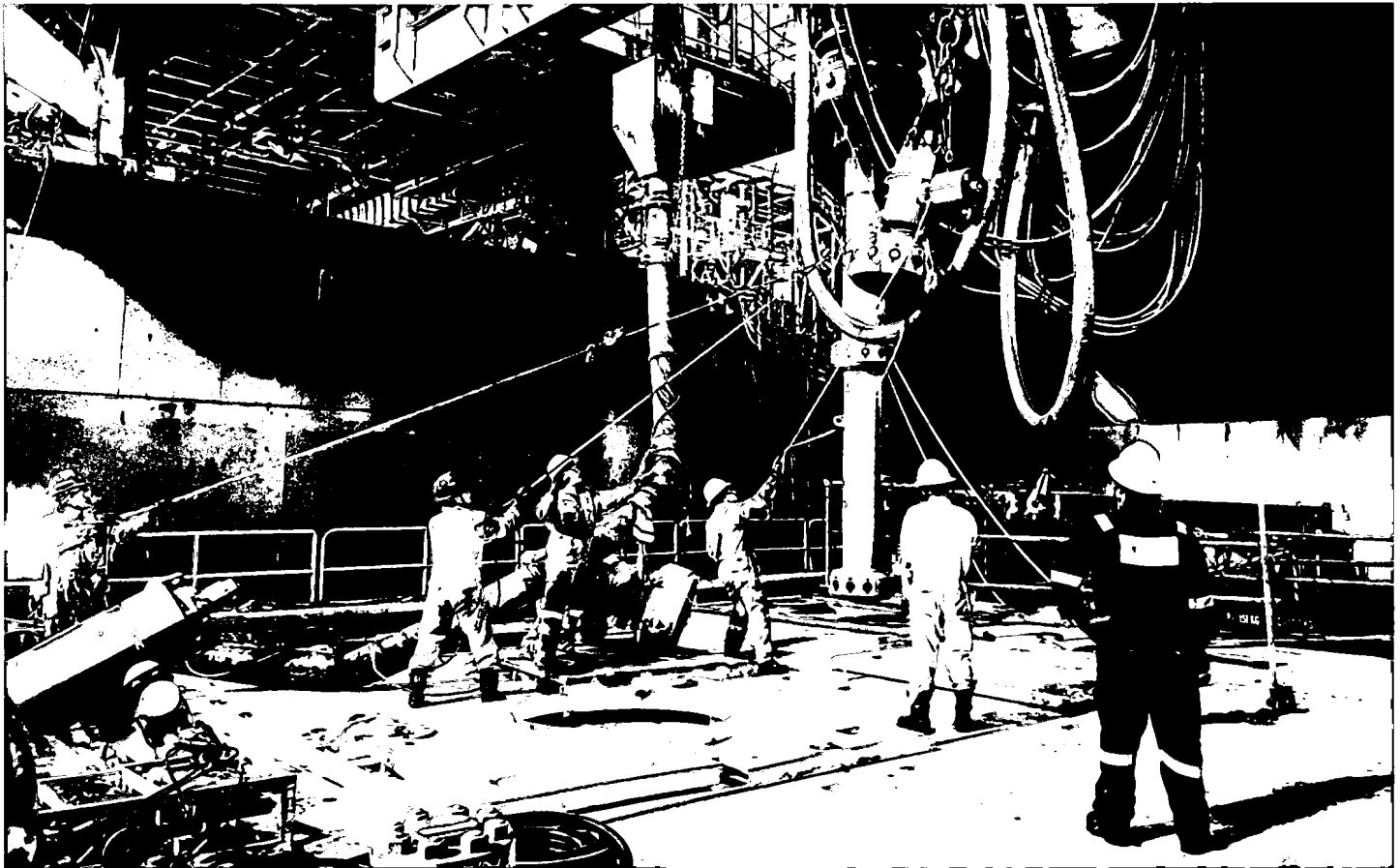
Jenifer Thien
Non-Executive Director and
Chair of the Remuneration Committee
27 April 2024

Total rewards structure

Jadestone's total rewards structure offers a competitive package aligned to the principles of performance and delivery. The Group believes its emphasis on performance pay and long-term incentives, with clear goal-setting, helps to deliver a results-oriented culture that maximises the likelihood of exceptional results, with visible recognition and rewards in the event of the delivery of agreed objectives.

a. Remuneration at a glance

Total reward component	Detail	Eligible employees
Base salary	To enable the recruitment and retention of individuals who possess the appropriate experience, knowledge, commercial acumen and capabilities required to deliver sustained long-term shareholder value.	All permanent employees
Pension	Aligned to pension standards in the country of jurisdiction.	All permanent employees
Performance pay	Annual performance pay target for eight job bands with performance pay ranging from 0-10% to 0-150%. Annual performance pay depends on both employee and Group performance against agreed KPIs.	All permanent employees
Long-term incentive	The Performance Share Plan is used to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to executive committee members and any other key roles of strategic significance who contribute to the growth of the Group.	Limited to permanent employees at a senior job band who can most influence corporate outcomes.



b. Executive employment agreements

As CEO, Mr. Blakeley is party to an executive employment agreement which provides that, in the event of a change of control of Jadestone and where notice of termination is given by Jadestone to Mr. Blakeley in connection with such change of control, Mr. Blakeley is entitled to payment in the amount of twenty-four (24) times his monthly salary and two (2) times the annual performance pay target. The annual performance pay target amount is based on the date of notice:

- If the date of notice precedes the date upon which such performance pay amount would have been paid, the Annual Performance Pay Target Amount is based on the year preceding the date of notice, and
- A pro-rata portion of the Annual Performance Pay Target Amount is based on current year until the date of notice

Mr. Blakeley is also entitled to an amount equivalent to US\$550,000¹ as compensation for the loss of foreign service allowances and all other benefits over the period of twenty-four (24) months.

Mr. Dijkstra is party to an executive employment agreement which provides that in the event of a change of control of Jadestone and where notice of termination is given by Jadestone to Mr. Dijkstra in connection with such change of control, Mr. Dijkstra is entitled to payment in the amount of twelve (12) times his monthly salary and one (1) times the annual performance pay target. The annual performance pay target amount is based on the date of notice:

- If the date of notice precedes the date upon which such performance pay amount would have been paid, the Annual Performance Pay Target Amount is based on the year preceding the date of notice, and
- A pro-rata portion of the Annual Performance Pay Target Amount is based on current year until the date of notice

Mr. Dijkstra is also entitled to an amount equivalent to US\$180,000 as compensation for the loss of foreign service allowances and all other benefits over the period of twelve (12) months.

c. Illustration of policy application

The following table presents the target and maximum possible for the main components of the total rewards structure for the CEO and CFO.

Reward component	Position	Detail
2023 base salary	CEO	Annual salary of US\$650,000 ²
	CFO	Annual salary of US\$400,000 ³
Pension allowance	CEO	10% of base salary
	CFO	10% of base salary
Performance pay	CEO	0 – 150%
	CFO	0 – 130%
Long-term incentive	CEO	95% of base salary
	CFO	80% of base salary ⁴

¹ Increased from US\$500,000 to US\$550,000 with effect from 1 January 2020.

² Mr. Blakeley waived his entitlement to the Restricted Share Units of approximately US\$50,000 in 2023, which is contractually part of his base salary. Starting 1 January 2024, the US\$50,000 Restricted Share Component in his base salary will cease and his annual base salary will be US\$650,000 in cash.

³ Effective 1 October 2023.

⁴ Mr. Blakeley voluntarily decided not to receive any LTIP grants in 2023 and 2024. Also, no LTIP grants were made to Mr. Dijkstra in 2023.

Letter from the Committee Chair

Dear shareholder,

As we reflect on the events and milestones of the past financial year, it is both an honor and a responsibility to provide you with insights and perspective on our approach to executive remuneration and significant decisions undertaken by the Remuneration Committee.

The Remuneration Committee remains dedicated to ensuring that the level and framework of remuneration for both the Board and key management personnel are not only appropriate but also commensurate with the performance and value creation of the Group. Our primary goal is to attract and retain highly talented individuals, while ensuring alignment of interests with shareholders and the generation of shareholder value.

2023 was indeed a challenging year for the Group and the Remuneration Committee has worked to ensure the right balance between achieving annual targets and recognising performance, always mindful of the remuneration framework and philosophy of the Group as well as interests of shareholders. For the overall 2023 performance, we have approved an overall 35% achievement of set KPIs for the majority of employees. The CEO will receive a reduced performance bonus based on 15% achievement of set KPIs, payment of which will be subject to milestones defined over 2024/25.

The Remuneration Committee remained focused on ensuring that the Long Term Incentive ("LTI") programme aligns the interests of senior leaders of the organisation to the interests of shareholders, while at the same time is effective in retaining and incentivising top talent. In consultation with Mercer, we continue to review relevant LTI metrics as well as industry best practices to ensure that the LTI programme meets its objectives of performance and retention.

To this end, given the development of Jadestone's share price, the Remuneration Committee suspended Performance Share grants in 2023. Until conditions allow us to reinstate the Performance Share Plan, we have approved a Deferred Cash Plan (DCP) for the 2023 – 2026 LTI cycle (awarded in October 2023) as well as for the 2024 – 2027 LTI cycle (awarded in April 2024).

Selected senior and key personnel were included in the DCP LTI programme. The CEO did not receive the DCP LTI grant in 2023 and 2024; while the CFO was not included in the 2023 DCP LTI programme. The development of the interim DCP LTI programme (the framework is detailed further in section i) was supported by Mercer with the competitive peer set remaining largely unchanged, as well as the performance measure which is Total Shareholder Return (TSR).

The Remuneration Committee has also reviewed the 2021 – 2023 LTI Programme cycle, the outcome of which resulted in 0% vesting for the Performance Shares awarded in 2021.

Finally, we have reviewed and approved recommendations for salary adjustments for 2024, which considers the impact of inflation and market wage movements across the region.

In the course of our work, the Remuneration Committee was supported by Mercer and PwC; which provided independent advice on governance and tax framework, best practices, and external benchmarks.

Your feedback is invaluable to us, and I welcome any input from investors regarding our remuneration framework. Thank you for your continued trust in Jadestone Energy plc.

Yours sincerely

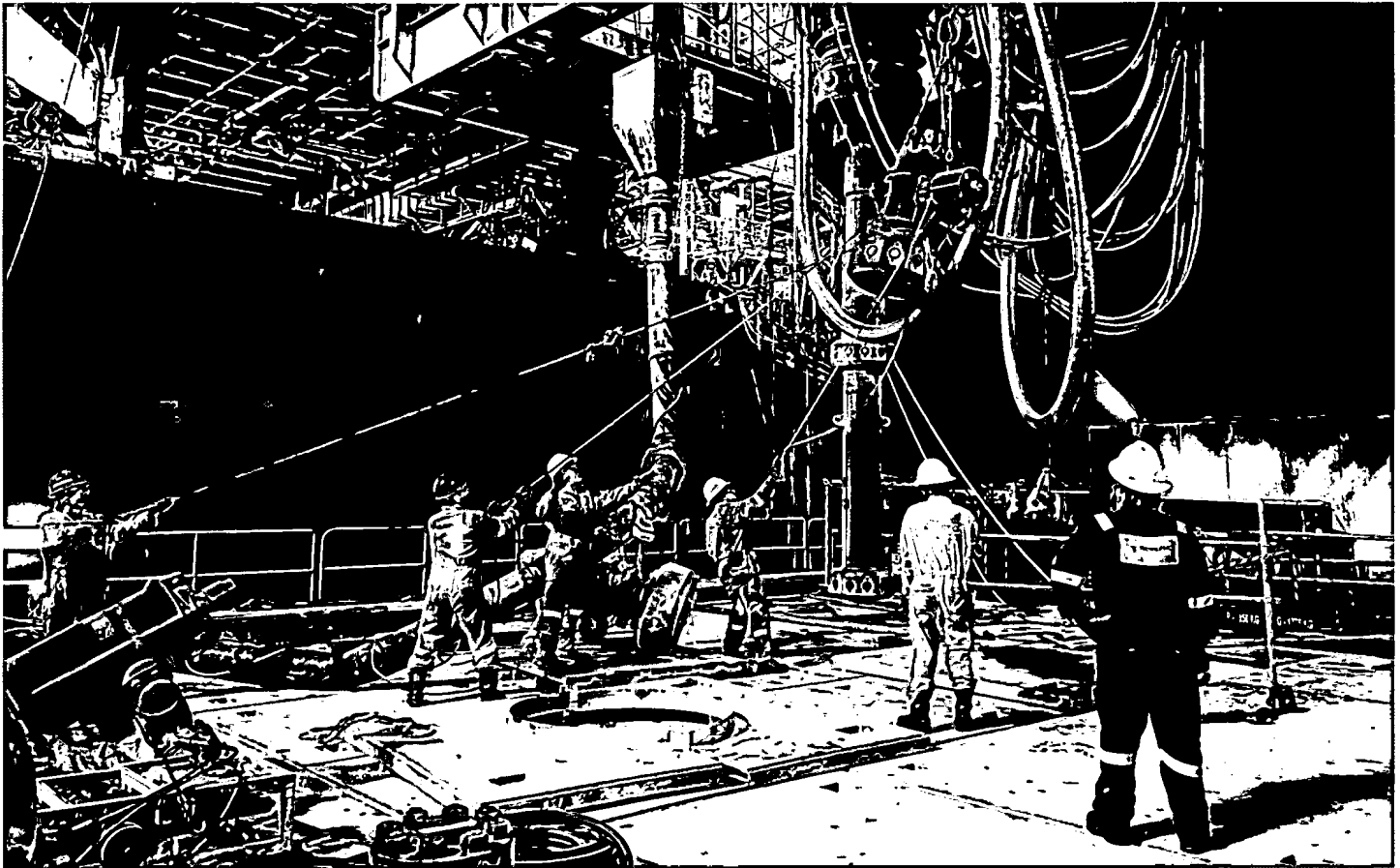
Jenifer Thien
Non-Executive Director and
Chair of the Remuneration Committee
27 April 2024

Total rewards structure

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a. Remuneration at a glance

Total reward component	Detail	Eligible employees
Base salary	To enable the recruitment and retention of individuals who possess the appropriate experience, knowledge, commercial acumen and capabilities required to deliver sustained long-term shareholder value.	All permanent employees
Pension	Aligned to pension standards in the country of jurisdiction.	All permanent employees
Performance pay	Annual performance pay target for eight job bands with performance pay ranging from 0-10% to 0-150%. Annual performance pay depends on both employee and Group performance against agreed KPIs.	All permanent employees
Long-term incentive	The Performance Share Plan is used to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to executive committee members and any other key roles of strategic significance who contribute to the growth of the Group.	Limited to permanent employees at a senior job band who can most influence corporate outcomes.



b. Executive employment agreements

As CEO, Mr. Blakeley is party to an executive employment agreement which provides that, in the event of a change of control of Jadestone and where notice of termination is given by Jadestone to Mr. Blakeley in connection with such change of control, Mr. Blakeley is entitled to payment in the amount of twenty-four (24) times his monthly salary and two (2) times the annual performance pay target. The annual performance pay target amount is based on the date of notice:

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- A pro-rata portion of the Annual Performance Pay Target Amount is based on current year until the date of notice

Mr. Blakeley is also entitled to an amount equivalent to US\$550,000¹ as compensation for the loss of foreign service allowances and all other benefits over the period of twenty-four (24) months.

Mr. Dijkstra is party to an executive employment agreement which provides that in the event of a change of control of Jadestone and where notice of termination is given by Jadestone to Mr. Dijkstra in connection with such change of control, Mr. Dijkstra is entitled to payment in the amount of twelve (12) times his monthly salary and one (1) times the annual performance pay target. The annual performance pay target amount is based on the date of notice:

- If the date of notice precedes the date upon which such performance pay amount would have been paid, the Annual Performance Pay Target Amount is based on the year preceding the date of notice, and
- A pro-rata portion of the Annual Performance Pay Target Amount is based on current year until the date of notice

Mr. Dijkstra is also entitled to an amount equivalent to US\$180,000 as compensation for the loss of foreign service allowances and all other benefits over the period of twelve (12) months.

c. Illustration of policy application

The following table presents the target and maximum possible for the main components of the total rewards structure for the CEO and CFO.

Reward component	Position	Detail
2023 base salary	CEO	Annual salary of US\$650,000 ²
	CFO	Annual salary of US\$400,000 ³
Pension allowance	CEO	10% of base salary
	CFO	10% of base salary
Performance pay	CEO	0 – 150%
	CFO	0 – 130%
Long-term incentive	CEO	95% of base salary
	CFO	80% of base salary ⁴

¹ Increased from US\$500,000 to US\$550,000 with effect from 1 January 2020.

² Mr. Blakeley waived his entitlement to the Restricted Share Units of approximately US\$50,000 in 2023, which is contractually part of his base salary. Starting 1 January 2024, the US\$50,000 Restricted Share Component in his base salary will cease and his annual base salary will be US\$650,000 in cash.

³ Effective 1 October 2023.

⁴ Mr. Blakeley voluntarily decided not to receive any LTIP grants in 2023 and 2024. Also, no LTIP grants were made to Mr. Dijkstra in 2023.

d. Total remuneration

The following table sets out the total remuneration, including the value of LTI awards, for both the Executive Directors and Non-Executive Directors for 2023, as compared to 2022 and 2021.

Name and position	Year	Salary or fees (US\$)	Pension allowance (10% of base salary)	Performance pay (US\$) ²	Committee or meeting fees (US\$)	Value of overseas allowance support ⁴ (US\$)	LTI ³ (US\$)	Other benefits ⁵	Total fixed remuneration	Total variable remuneration	Total remuneration
Executive Directors											
A. Paul Blakeley¹ President and Chief Executive Officer	2023	600,000	65,000	146,250 ⁷	Nil	280,000	Nil	36,635	981,635	146,250	1,117,885
	2022	650,000	65,000	341,250	Nil	280,000	502,254	34,470	1,029,470	843,504	1,872,974
	2021	625,000	62,500	492,375	Nil	356,708	347,763	29,219	1,073,427	840,138	1,913,565
Bert-Jaap Dijkstra⁶ Chief Financial Officer and Chairman of Disclosure Committee	2023	370,000	37,000	168,350	Nil	185,000	Nil	9,345	601,345	168,350	769,901
	2022	130,435	13,043	59,348	Nil	87,291	250,638	3,217	233,986	309,986	543,972
Non-Executive Directors											
Dennis McShane Board Chairman and Chairman of Governance and Nomination Committee	2023	150,000	Nil	Nil	5,000	Nil	Nil	Nil	155,000	Nil	155,000
	2022	150,000	Nil	Nil	5,000	Nil	Nil	Nil	155,000	Nil	155,000
	2021	150,000	Nil	Nil	5,000	Nil	Nil	Nil	155,000	Nil	155,000
Robert Lambert Deputy Board Chairman and Chairman of HSEC Committee	2023	80,000	Nil	Nil	15,000	Nil	Nil	Nil	95,000	Nil	95,000
	2022	80,000	Nil	Nil	15,000	Nil	Nil	Nil	95,000	Nil	95,000
	2021	80,000	Nil	Nil	15,000	Nil	Nil	Nil	95,000	Nil	95,000
Iain McLaren Chairman of Audit Committee	2023	80,000	Nil	Nil	25,000	Nil	Nil	Nil	105,000	Nil	105,000
	2022	80,000	Nil	Nil	25,000	Nil	Nil	Nil	105,000	Nil	105,000
	2021	80,000	Nil	Nil	25,000	Nil	Nil	Nil	105,000	Nil	105,000
Jenifer Thien Chairman of Remuneration Committee	2023	80,000	Nil	Nil	20,000	Nil	Nil	Nil	100,000	Nil	100,000
	2022	58,681	Nil	Nil	12,335	Nil	Nil	Nil	71,016	Nil	71,016
Lisa Stewart	2023	80,000	Nil	Nil	20,000	Nil	Nil	Nil	100,000	Nil	100,000
	2022	80,000	Nil	Nil	20,000	Nil	Nil	Nil	100,000	Nil	100,000
	2021	80,000	Nil	Nil	10,000	Nil	Nil	Nil	90,000	Nil	90,000
Cedric Fontenit	2023	80,000	Nil	Nil	5,000	Nil	Nil	Nil	85,000	Nil	85,000
	2022	80,000	Nil	Nil	10,000	Nil	Nil	Nil	90,000	Nil	90,000
	2021	80,000	Nil	Nil	15,000	Nil	Nil	Nil	95,000	Nil	95,000
David Neuhauser	2023	80,000	Nil	Nil	Nil	Nil	Nil	Nil	80,000	Nil	80,000
	2022	80,000	Nil	Nil	Nil	Nil	Nil	Nil	80,000	Nil	80,000
	2021	80,000	Nil	Nil	Nil	Nil	Nil	Nil	80,000	Nil	80,000
Gunter Waldner⁸	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

1 In 2023, an amount of US\$30,000 was paid out to Mr. Blakeley as part of the relocation expenses due from 2021/2022.

2 Performance pay is finalised and approved in March of the year following the prevailing year, based on the achievement of various corporate targets and objectives. The amounts shown in 2023 reflect performance pay paid in 2024 with respect to 2023 performance.

3 LTI represents the market value of the share awards during the year. No LTI was awarded to the CEO and CFO in 2023. An LTI award, in the form of Restricted Share Units (RSUs), was granted to Mr. Dijkstra in 2022 on joining Jadestone as CFO.

4 Overseas allowance support includes international talent allowance, benefits in-kind (housing, schooling, home leave).

5 Other benefits comprise healthcare and life insurance plans.

6 Mr. Dijkstra's remuneration is pro-rated for the year 2022 as he commenced employment with Jadestone on 20 August 2022.

7 Mr. Blakeley's 2023 performance pay will be paid in two tranches, 50% in October 2024 and 50% in April 2025, subject to successful achievement of associated KPIs defined for 2024 and 2025.

8 Mr. Waldner was appointed on 18 October 2023 and he does not receive any fees.

e. Overseas allowance support

Overseas allowances are provided to individuals on assignment in a host location with the objective of providing market competitive benefits consistent with the role and location of the posting.

Jadestone is a company incorporated in the United Kingdom with shares listed on the AIM market, but the Group operates in Southeast Asia and Australia with offices in Singapore, Australia, Malaysia, Indonesia and Vietnam. The Group does not maintain staffed offices in the UK.

This unique approach, among its listed peers, of locating Jadestone's leadership close to its key assets, ensures management works closely with activities and operations in the Asia-Pacific region, as well as providing coherent and aligned thinking throughout the business. This has an advantage both in managing the day-to-day activities of the Group, as well as being able to interact directly with key regional and local external stakeholders. It also eliminates the cost of maintaining an office in the UK.

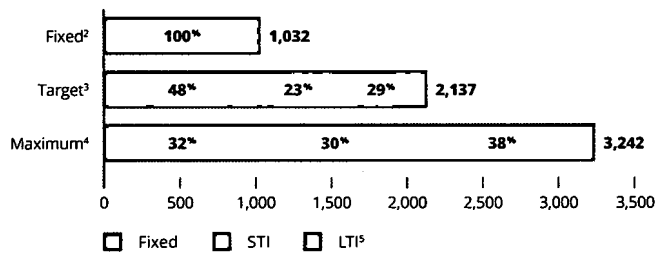
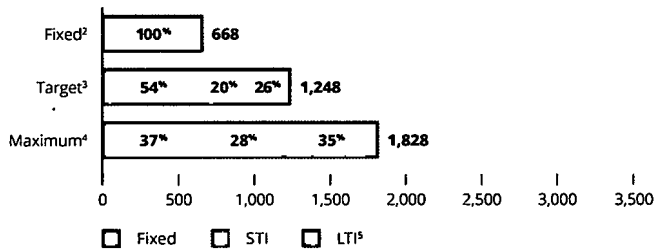
Because the CEO and CFO are foreigners working abroad, aligned with standard market practice, they receive support to recognise the extra costs arising from living in a host location.

f. Other benefits

The CEO and CFO are provided with private medical insurance and are covered under Group insurance plans (Group term life, long-term disability, personal accident and business travel).

g. Comparison of fixed and variable remuneration

The following charts illustrate the 2023 remuneration mix for the CEO and CFO, based on their prevailing total rewards plan and target outcomes. Note that variable pay, including performance pay and LTI, with respect to a calendar year compensation cycle, is normally determined and granted in the following year.

CEO – 2023 remuneration mix, at target (not actual), in thousands of US dollars¹**CFO – 2023 remuneration mix, at target (not actual), in thousands of US dollars¹****h. Performance pay**

Performance pay is tracked by the Remuneration Committee directly back to the achievement of KPIs set out in the CEO's performance contract. These KPIs are also distilled into the management team's performance evaluation.

The following table summarises the KPIs in the CEO's performance contract and were used to determine performance pay in respect of 2023 and paid in 2024.

Performance measure ⁶	Weighting	Assessed overall 2023 performance
Achieve 2023 operations targets	30%	29.5%
Deliver continuous improvement in ESG performance	25%	24.2%
Deliver per share accretive growth in the Asia-Pacific region	25%	8.5%
Create sustainable shareholder value	20%	7.8%
	100%	35%⁶

1 These charts illustrate annual remuneration mix at target value and does not reflect actual payout during the year.

2 Fixed pay comprises base salary (including US\$50,000 for CEO paid as RSUs), pension allowance, overseas allowance, and other benefits.

3 Target pay comprises fixed pay plus performance pay at target (CFO at 65% and CEO at 75%) and assumed LTI value.

4 Maximum pay comprises fixed pay plus performance pay at maximum pay-out (CFO at 130% and CEO at 150%) and assumed LTI value.

5 Values for performance shares and stock options are based on the independently verified values at the time of the grant. Maximum award to achieve 200% performance outcome requires Jadestone Energy to be at the 80th percentile or higher within Jadestone Energy's peer group for relative TSR and should achieve an absolute TSR of 40% or higher.

6 The outcome 35% is against 50% as on target.



i. LTI awards (Performance Shares)

LTI grants are subject to a three-year cliff vest. The LTI awards granted to Jadestone employees under the performance share plan are aligned to Group and individual performance and are subject to Board approval. Awards granted under the Group's performance share plan are subject to good/bad leaver, malus and clawback provisions.

LTI performance for the 2021-2023 performance cycle

The performance measures set by the Remuneration Committee have not changed since 2020. They incorporate a balance of relative and absolute total shareholder return ("TSR") to reward outperformance vs. peers (relative TSR) and alignment with shareholders (absolute TSR).

Jadestone continues to consider several other performance metrics, but in the context of volatility in the sector share price performance and the oil price, the Remuneration Committee considers that TSR-based metrics continue to offer the most transparent and efficient way to measure and reward long-term performance.

Performance measure 1: absolute TSR (weighting: 30%)

Share price plus dividends, to be set at the start of the performance period and assessed annually. The threshold share price plus dividend has to be equal to or greater than a 10% increase in absolute terms to earn any payout and must be 25% or greater for the target payout.

Performance measure 2: relative TSR (weighting: 70%)

Jadestone's TSR as measured against the TSR of its peer companies. The size of the payout is based on Jadestone's ranking against the TSR outcomes of its peer group.

Jadestone peer group for 2021-2023 performance cycle

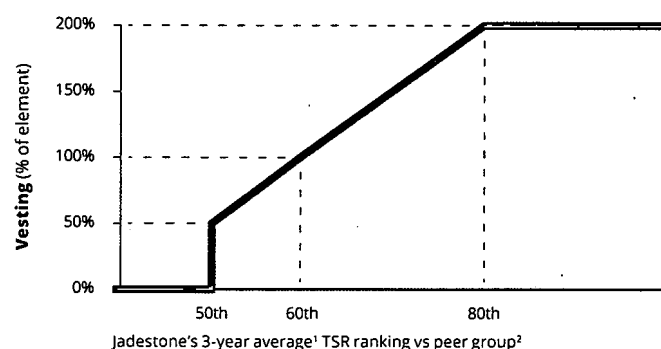
Horizon Oil	Gulf Keystone	Senex Energy
Energiean	Serica Energy	Transglobe Energy
EnQuest	Genel Energy	Tullow Oil
Pharos Energy	Premier Oil	Cooper Energy

Parameters for the final assessment of the 2021-2023 performance cycle

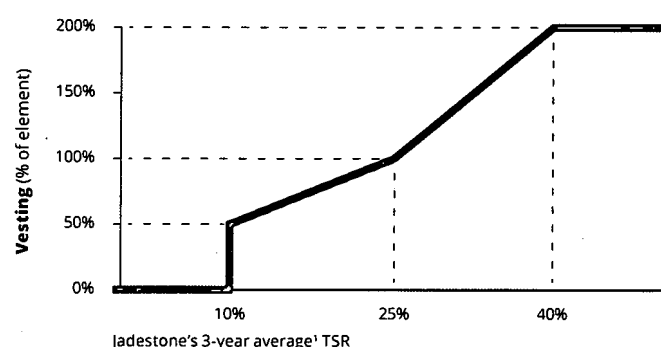
Full Performance Period	1 January 2021 to 31 December 2023
Performance Testing Date	31 December 2023
% of performance period elapsed	100%

The charts below illustrate the relationship between absolute and relative TSR and vesting outcome.

Relative TSR vs. peer group^{1,2} (70% of 2021 awards)



Absolute TSR¹ (30% of 2021 awards)



Mercer was commissioned to review Jadestone's relative and absolute TSR performance, in order to provide assessment of the 2021-2023 performance cycle LTI award.

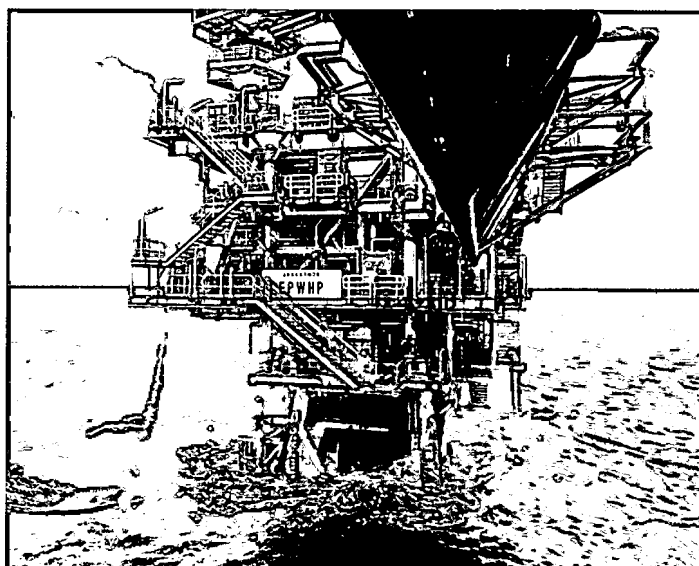
Final assessment: TSR calculation and outcome of the absolute performance measure

Company	TSR
TransGlobe Energy	135.5%
Horizon Oil	74.8%
Gulf Keystone	58.9%
Serica Energy	47.2%
Energiean	24.4%
EnQuest	23.7%
Tullow Oil	21.2%
Pharos Energy	19.6%
Senex Energy	17.6%
Jadestone Energy	-3.0%
Genel Energy	-3.9%
Premier Oil	-6.6%
Cooper Energy	-30.5%

Jadestone's 3-year average TSR was -3.0%, placing it below the 50th percentile of the peer group.

¹ 3-year average TSR is calculated as the average annual TSR over 3 years.

² Assumed vesting curve based on interpolation between threshold, target and superior performance.



Final assessment outcome

	Year 1 TSR (2021)	Year 2 TSR (2022)	Year 3 TSR (2023)	3-year average TSR	Absolute TSR vesting outcome	Absolute TSR vesting outcome
Actual performance to 31 December	57.5%	(12.2)%	(54.4)%	(3.0)%	Below threshold	0%

	Vesting outcome	Weight
Absolute TSR element	0.0%	30%
Relative TSR element	0.0%	70%
Overall result	0.0%	

LTI Programme: 2023 – 2025

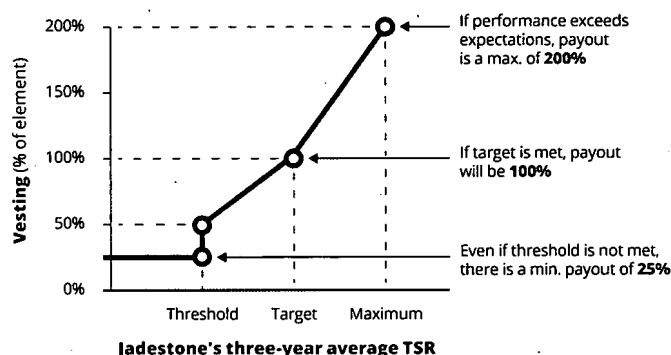
In view of the performance of the Group in 2023 and the resulting share price, the Remuneration Committee suspended Performance Share grants in 2023. In consultation with Mercer, the Board (as recommended by the Remuneration Committee) approved a Deferred Cash Plan (DCP) for the 2023 - 2026 LTI cycle (awarded in October 2023). This was done to ensure that the LTI programme aligns the interests of senior leaders of the organisation to the interests of shareholders, and is effective in retaining and incentivising top talent. As there are no shares granted under this LTI programme, the possibility of any windfall gains from the current share price is avoided.

A total of 42 eligible employees received a Deferred Cash grant, with a total grant amount of USD 2,337,084. No Executive Directors participated in the DCP. The DCP carries similar performance conditions to those of the Performance Share plan with the competitive peer set remaining largely unchanged, shown as table below, as well as the performance measure which is Total Shareholder Return (TSR).

Peer group set:

Horizon Oil	Gulf Keystone	Beach Energy
Enegean	Serica Energy	Hibiscus Petroleum
EnQuest	Genel Energy	Tullow Oil
Pharos Energy	Harbour Energy	Cooper Energy

The DCP has a vesting period of three years and will be vested in October 2026. The precondition for vesting to occur is for the volume weighted average price per share to be at least GBP 0.50 or above for each of the three consecutive months immediately prior to the vesting month (October 2026). The payout of the DCP ranges from 25% of grant to 200% of grant, based on the company's TSR performance, with a weighting of 70% from the Relative TSR and 30% weighting from the Absolute TSR. The below chart illustrates the relationship between TSR and vesting.



j. Statement of the Board's shareholding interests

Directors are encouraged to acquire a meaningful shareholding interest in the Company; however the Company does not impose mandatory share ownership guidelines. The Committee believes the total rewards policy is appropriate to ensure alignment of interests between the Board and shareholders.

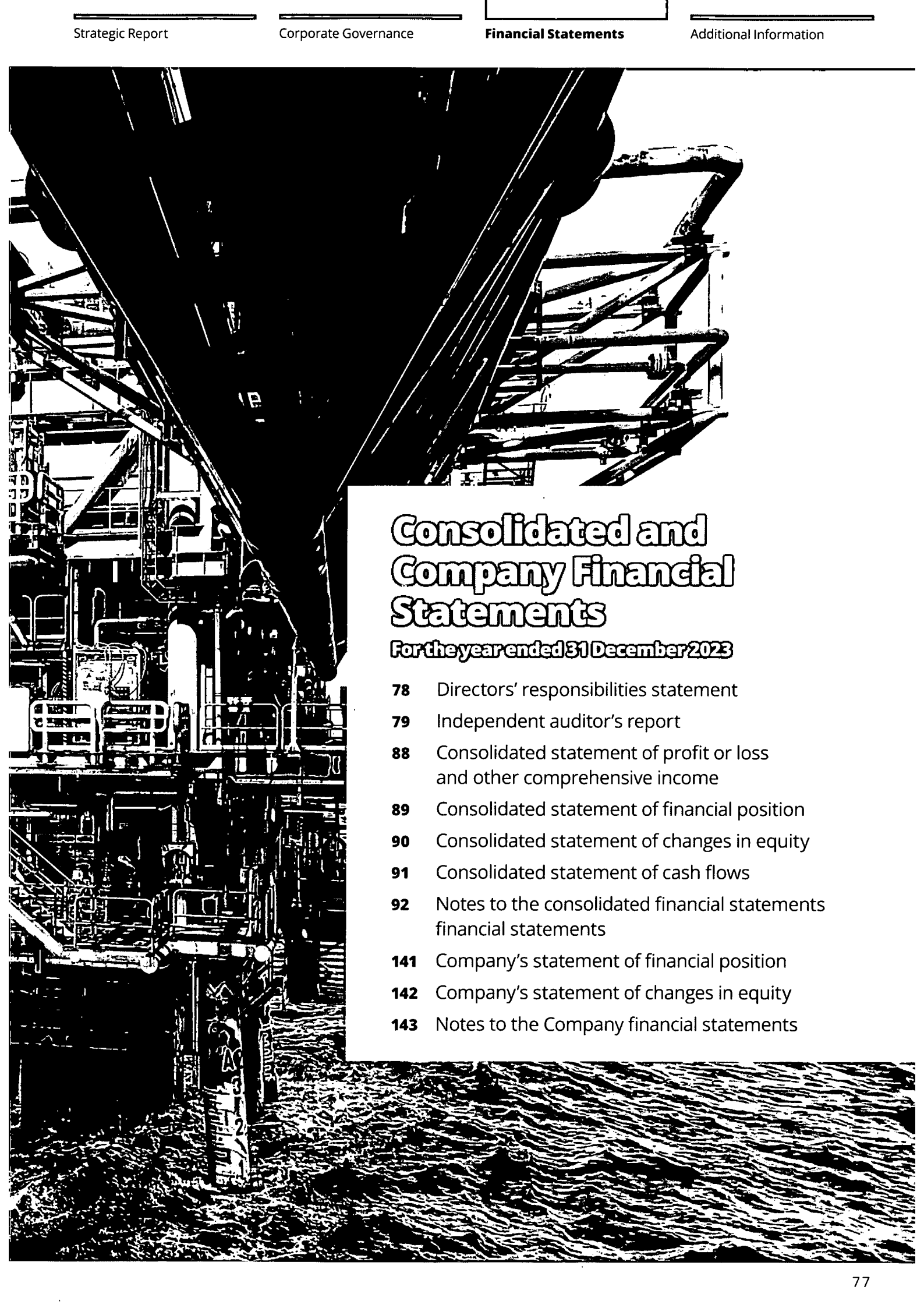
The number of shares held by Directors as at 31 December 2023 are set out in the table below. The number of shares held by Directors as at 1 January 2023 or at date of appointment are detailed in the Directors' report.

Director	Shares owned outright	Interests in share incentive schemes, subject to performance conditions
A. Paul Blakeley Director, President and Chief Executive Officer	4,893,422	5,999,521
Bert-Jaap Dijkstra Director and CFO	71,556	250,000 ¹
Dennis McShane Director and Chairman	732,540	420,000
Robert Lambert Director and Deputy Chairman	265,188	425,000
Iain McLaren Director	191,786	525,000
David Neuhauser Director	32,040,316 ²	275,000
Cedric Fontenit Director	533,333 ³	125,000
Lisa Stewart Director	178,889	125,000
Jenifer Thien Director	89,444	Nil
Gunter Waldner Director	143,005,575 ⁴	Nil

k. CEO's 2024 KPIs

The details of CEO's 2024 KPIs will be finalised in Q2 2024.

- Mr. Dijkstra was granted 250,000 Restricted Share Units on joining Jadestone. These RSUs are subject to a vesting period of three years.
- Mr. Neuhauser does not own any ordinary shares of the Company directly, but as Managing Director of Livermore Partners LLC, exercises control or direction over the ordinary shares beneficially owned by Livermore Partners LLC.
- Mr. Fontenit owns 200,000 ordinary shares of the Company directly and 333,333 ordinary shares of the Company are held under an externally managed pension vehicle. In addition, Mr. Fontenit holds indirect beneficial interests in the Company through his interest in 424.6337 units of a fund managed by Tyrus Capital S.A.M. (the "Tyrus Fund"). However, Mr. Fontenit does not exercise control or direction over the shares of the Company held by the Tyrus Fund.
- Mr. Waldner does not own any ordinary shares of the Company directly but, as Co-Chief Investment Officer of Tyrus Capital S.A.M. ("Tyrus"), the Company's largest shareholder, exercises control or direction over the ordinary shares beneficially owned by Tyrus. He also holds indirect beneficial interests in the Company through his interest in 2,276.04 units of a fund managed by Tyrus holding an interest in the ordinary shares of the Company.

A large offshore oil rig structure, likely a jack-up rig, is shown in the background. The rig's complex network of steel beams, ladders, and platforms is visible against a clear sky. The rig is positioned over a body of water, with the ocean's surface visible in the foreground. The overall scene conveys a sense of industrial scale and maritime operations.

Consolidated and Company Financial Statements

For the year ended 31 December 2023

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- 79** Independent auditor's report
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- 90** Consolidated statement of changes in equity
- 91** Consolidated statement of cash flows
- 92** Notes to the consolidated financial statements financial statements
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- 142** Company's statement of changes in equity
- 143** Notes to the Company financial statements

Directors' responsibilities statement

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 are required to prepare the Group's financial statements in accordance with International Accounting Standards ("IAS") in conformity with the requirements of the Companies Act 2006 and have elected to prepare the Company's financial statements in accordance with FRS 101 "Reduced Disclosure Framework" and applicable law. 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 assets, liabilities and financial position of the Company and the Group and of the profit or loss of the Group for the financial year.

In preparing the parent Company's financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether Financial Reporting Standard 101 *Reduced Disclosure Framework* has 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.

In preparing the Group's financial statements, IAS 1 requires that Directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the Group's ability to continue as a going concern.

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.

Confirmation statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

This confirmation statement was approved by the Board of Directors on 27 April 2024 and is signed on its behalf by:



Bert-Jaap Dijkstra
Director
27 April 2024

Independent auditor's report to the shareholders of Jadestone Energy plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Jadestone Energy plc (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

The Group financial statements:

- the consolidated statement of profit or loss and other comprehensive income;
- the consolidated statement of financial position;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 50, including the accounting policy information as set out in note 2 to the Group financial statements.

The parent company financial statements:

- the company statement of financial position;
- the company statement of changes in equity;
- the related notes 1 to 13, including the accounting policy information as set out in note 3 to the parent company financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. 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 Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, 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.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: ■ Impairment assessment of certain oil and gas properties ■ Impairment assessment of intangible exploration assets Within this report, key audit matters are identified as follows: ! Newly identified ⧻ Increased level of risk ⌌ Similar level of risk ⋈ Decreased level of risk
Materiality	The materiality that we used for the Group financial statements was US\$7,500,000 which was determined by using 1.4% of the total value of combined intangible exploration assets and oil and gas properties, which was then rounded up to the determined figure. The materiality that we used for the parent company financial statements was US\$2,362,500 which was determined on the basis of 1% of the selected benchmark being net assets which was capped at component materiality.
Scoping	We applied a risk-based approach to the audit and weighted the scope towards the revenue generating and asset holding components. The audit work was undertaken and performed by a group audit team based in Ireland and component teams based in Singapore, Australia, Malaysia and Vietnam. The audit work covered 26 components, of which 10 were deemed significant components. These were subject to full scope audits with the remaining components subject to analytical procedures, plus substantive testing of specific account balances to ensure appropriate coverage at an account balance and class of transaction level.
Significant changes in our approach	There has been a change in the components in scope in the current year to include Jadestone Energy (Malaysia) Pte Ltd, as this component met the characteristics of a significant component from our considerations in the current year. Key audit matters considered in the prior year were broadly aligned with the items identified above however the key audit matter in relation to the Cossack, Wanaea, Lambert, and Hermes (CWLH) acquisition has been removed in the current year as the acquisition was completed in the prior year.

4. 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.

Our evaluation of the Directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the relevant controls relating to the going concern assumption;
- reviewing the Group's financing arrangements including the nature of the facilities and whether the Directors have appropriately considered the repayment terms and financial covenants in place and incorporated them into the cash flow forecasts over the going concern period;
- performing an assessment of the cash resources available to the Group and parent company;
- challenging the forecasts in the Group cash flow forecast model, including:
 - checking the clerical accuracy of the cash flow forecast model;
 - completing an assessment of the consistency of the cash flow forecast model in line with other areas of our audit, such as key inputs relating to future costs, production to other financial and operational information.
 - challenging the Directors as to the reasonableness of commodity pricing assumptions applied to the cash flow forecast model, based on benchmarking to market data and considering the impact of climate change;
- performing a retrospective review of the historical accuracy of forecasts prepared by the Directors;
- assessing the results of the Group and parent company for the period after the reporting date, comparing to budget, in order to assess if there are any other indicators that the business may not be able to continue as a going concern;
- assessing any contradictory evidence as part of our audit work and the impact on the Directors' conclusion;
- assessing the appropriateness of the sensitivity analysis prepared by the Directors; and
- assessing the adequacy of the disclosures in the financial statements.

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 Group's and parent 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.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Impairment assessment of certain oil and gas properties <<>>

Key audit matter description	This key audit matter is in relation to the Group financial statements. As at 31 December 2023, oil and gas properties had a carrying value of US\$457,202k which represents approximately 42% of the Group's total assets. These assets relate to Montara, Stag, Peninsular Malaysia, Lemang PSC and the Cossack, Wanea, Lambert and Hermes oil field development ("CWLH assets"). A number of developments occurred in the year that impacted the assets: • At Montara, following an oil leak identified in June 2022, production resumed on 21 March 2023; • Also at Montara, on 29 July 2023, a gas alarm was triggered within ballast water tank 4S, indicating possible communication with one of the adjacent tanks within the FPSO. As a precautionary measure production ceased until 1 September 2023; • The project at Lemang PSC is progressing well and expected to derive first gas in the second quarter of 2024, subject to government approval; and • Management announced to the market on 15 January 2024 that life-of-field costs at Montara and Stag will be higher than previously expected, primarily due to increases in repair and maintenance costs to maintain both facilities in an appropriate condition. There is a risk of impairment in respect to the Montara oil and gas properties with a balance of US\$188,715k at the current year end owing to the commercial viability of the field including such matters as production outages experienced and increased forecast costs. There is a risk of impairment in respect to the Stag oil and gas properties with balances of US\$95,772k at the current year end as a result of increased forecasted costs. There is a risk of impairment in respect to the Lemang PSC oil and gas properties with balances of US\$122,623k at the current year end owing to the field not yet being brought into production at the current year end. We have identified a key audit matter related to the impairment of oil and gas properties as this is a key area of management estimation, particularly in relation to the key assumptions of the impairment assessment. This area also involved a significant allocation of audit resources, and directing effort, of the audit engagement team. Please refer to note 2 (Impairment of oil and gas properties, plant and equipment, right of use assets and intangible exploration assets), note 3 (Impairment of oil and gas properties) and note 22 to the Group financial statements for further information.
How the scope of our audit responded to the key audit matter	The procedures we performed, included: • Assessed the design and determined the implementation of management's relevant controls in respect to the accounting for oil and gas properties in line with the IFRSs. • Reviewed the internal and external factors set out in IAS 36 <i>Impairment of assets</i>, and used by management, to determine impairment indicators. • Obtained management's impairment assessment and performed the following procedures on the assessment: a) Assessed the competence, capability and objectivity of management's expert involved in the preparation of the reserve reports underlying management's impairment assessment; b) Challenged the assumptions used by management in the cash flow projections, including consistency with the cash flows included in the forecast model used in the assessment of going concern; c) Challenged the reserve reports prepared by management's expert relating to the Group's estimated oil reserves, including involvement of an internal reserves specialist as part of our engagement team, to determine whether there had been a significant change with an adverse effect on the recoverable amount; d) Challenged management's oil and gas price assumptions used in the cash flow projections against external data, including considering the impact of climate change, to determine whether there had been a significant change with an adverse effect on the recoverable amount; e) Challenged management's discount rate used to discount cash flows in the impairment assessment, including assignment of an internal valuation specialist; and f) Extended inquiries to individuals outside of the accounting department to corroborate management's ability and intent to carry out plans that were relevant to developing the estimate. • Reviewed the financial statements to ensure all relevant disclosures were appropriately included in relation to oil and gas properties.
Key observations	We are satisfied that the managements' assessment of no impairment of the Lemang PSC oil and gas properties is required, is appropriate, based on assessment of the impairment indicators. We are satisfied that the managements' assessment of no impairment of the Montara oil and gas properties is required, is appropriate, following the impairment assessment performed by management. We are satisfied that the managements' assessment of impairment of the Stag oil and gas properties of US\$17,409k is required, is appropriate, following the impairment assessment performed by management. We have identified that the discount rate initially used by management lay outside the reasonable range determined by our internal valuation specialists but was subsequently amended in the updated impairment assessments. We identified a control deficiency which we have separately reported to the Audit Committee on the precision of the management review controls in respect to the determination of the discount rate and the preparation of the impairment model.

5.2. Impairment assessment of intangible exploration assets <<>>

Key audit matter description	This key audit matter is in relation to the Group financial statements. As at 31 December 2023, the Group recorded US\$79,564k of intangible exploration assets, which represents approximately 7% of the Group's total assets. These assets relate to the Montara seismic study in Australia and two Vietnamese PSCs: Block 46/07 and Block 51. Development of the Vietnamese site is dependent on government approval and should approval not be granted these assets would be impaired and thus there is a significant risk of impairment. We have identified key audit matter related to the impairment of intangible exploration assets as this is a key area of management estimation and involved a significant allocation of audit resources, and directing effort, of the audit engagement team. Please refer to note 2 (Impairment of oil and gas properties, plant and equipment, right of use assets and intangible exploration assets), note 3 (Impairment of intangible exploration assets) and note 21 to the Group financial statements for further information.
How the scope of our audit responded to the key audit matter	The procedures we performed, included: - Assessed the design and determined the implementation of management's relevant controls in respect to the accounting for intangible exploration assets in line with the IFRSs. - Reviewed management's assessment of the potential impairment indicators set out in IFRS 6. - Assessed the competence, capability and objectivity of management's expert involved in the preparation of the reserve reports that support recognition of the intangible exploration assets. - Assigned an internal reserves specialist as part of our engagement team to challenge the resource reports prepared by management's expert relating to the Group's estimated oil reserves to determine whether they indicate the requirement for an impairment review. - Reviewed the Group's budget to evaluate whether management has a future plan for the assets, including the funding options for future capital expenditure to be able to realise the future cash flows. - Performed a retrospective review of the work budget for the current year and current year actual activity to determine the reliability of management's plan and budget for the purpose of assessing impairment indicators. - Extended inquiries to individuals outside of the finance department to corroborate management's ability and intent to carry out plans that are relevant to developing the estimate of the valuation of intangible exploration assets. - Reviewed correspondence with government agencies and held discussions with management to ensure no issues have been identified in respect to government approvals. - Reviewed the financial statements to ensure all relevant disclosures are appropriately included in relation to intangible exploration assets.
Key observations	We have no observations that impact on our audit in respect of the impairment assessment of intangible exploration assets.

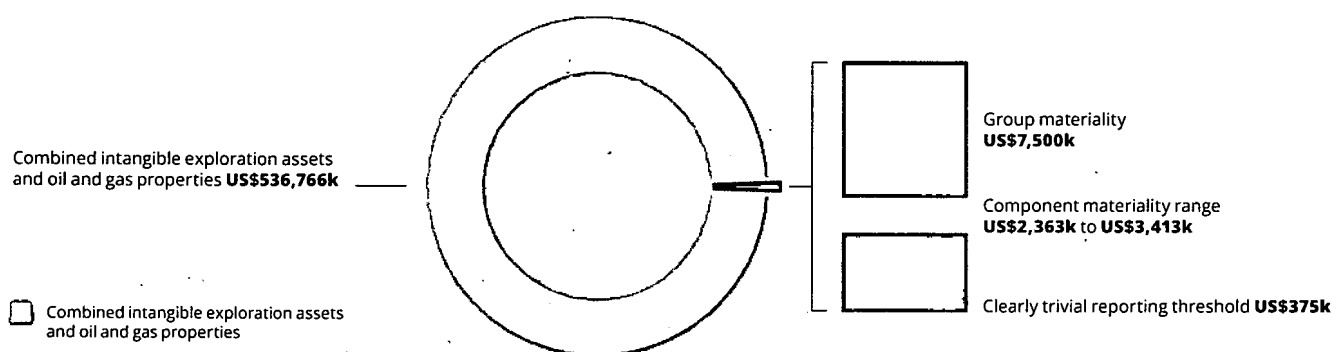
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	US\$7,500,000 (2022: US\$6,775,000)	US\$2,362,500 (2022: US\$2,134,125)
Basis for determining materiality	1.4% of the total value of intangible exploration assets and oil and gas properties, rounded up to the determined figure.	1% of net assets which was reduced to component materiality in order to reduce aggregation risk.
Rationale for the benchmark applied	The benchmark set out above is appropriate because there is a direct correlation between the future economic performance of the Group and total value of intangible exploration assets and oil and gas properties, which is a primary focus of the users of the financial statements. Key users of the financial statements include investors, shareholders and banking institutions. This benchmark also tends to be less volatile than other possible benchmarks.	The benchmark set out above is appropriate as it is stable and reflects the limited operations of the parent company given its purpose is to hold investments in subsidiaries which is a focus of users of the financial statements. Key users of the financial statements include investors, shareholders and banking institutions.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% (2022: 70%) of Group materiality	70% (2022: 70%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered of the following factors: a) our understanding of the entity and its environment and the impact of various macro-economic factors; b) the nature of the business, which has remained consistent to that of the prior year; c) the high degree of centralisation and common processes within the Group's finance function; d) new accounting issues that require significant judgement such as the reserve based lending, hedging and warrants; e) the nature, volume and size of corrected and uncorrected misstatements in the prior year audit; f) the likelihood of the prior year misstatements to reoccur in the current year audit, and g) our understanding of the Group's control environment including entity-level controls and consideration of control deficiencies identified.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of US\$375,000 (2022: US\$338,750), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

We determined the scope of our group audit by obtaining an understanding of the Group and its environment and assessing the risks of material misstatement at the Group level. The Group consists of 26 components with a presence in 10 jurisdictions. There has been a change in the components in scope in the current year to include Jadestone Energy (Malaysia) Pte Ltd. as the component met the characteristics of a significant component from our considerations in the current year.

Ten components were deemed significant components and subject to full scope audits based on financial significance by considering key benchmarks. The key benchmarks utilised were revenue, profit/loss before tax, net assets and total value of oil and gas properties and intangible exploration assets.

1. Jadestone Energy plc;
2. Jadestone Energy (Australia) Pty Ltd;
3. Jadestone Energy (Eagle) Pty Ltd;
4. Mitra Energy (Vietnam Nam Du) Ltd;
5. Mitra Energy (Vietnam Tho Chu) Ltd;
6. Jadestone Energy (Lemang) Pte Ltd;
7. Jadestone Energy (PM) Inc;
8. Jadestone Energy Holdings Limited;
9. Jadestone Energy (CWLH) Pty Ltd. and
10. Jadestone Energy (Malaysia) Pte Ltd.

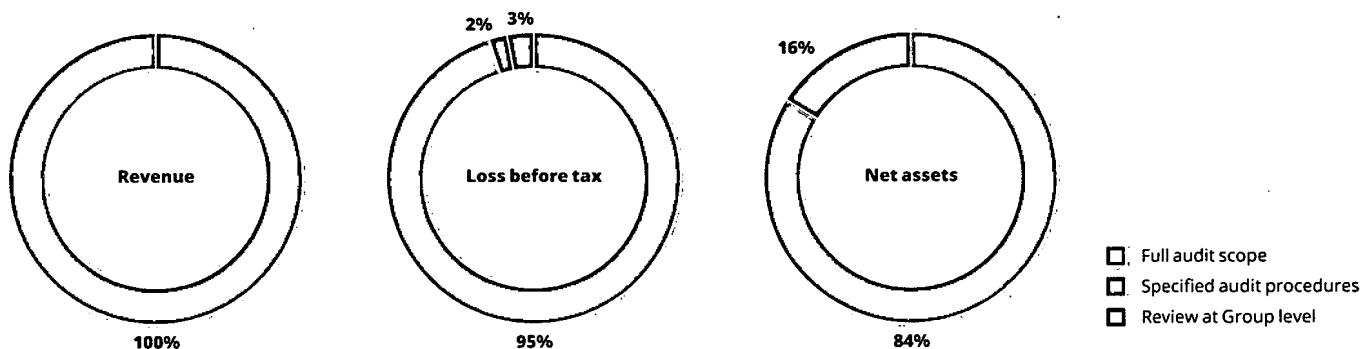
These significant components are located in the United Kingdom, Australia, Vietnam, Indonesia and Malaysia and the component materialities ranged from US\$2,362,500 to US\$3,412,500.

Four components were subject to an audit of specific account balances completed by the group audit team:

1. Jadestone Energy (Thailand) Pte Ltd;
2. Jadestone Energy Inc.;
3. Jadestone Energy Services Sdn Bhd; and
4. Jadestone Energy Pte Ltd.

The scope covered full scope audits of significant components and components subject to an audit of specific account balances completed by the group audit team and is 100% of the Group's revenue, 97% of the Group's loss before tax and 100% of the Group's net assets.

At the parent company level, we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specific account balances.



7.2. Our consideration of the control environment

We have not relied upon the General Information Technology Controls as part of our audit.

We developed an understanding of key relevant controls for the revenue business cycle. The operating effectiveness of controls was then tested through inquiries of management and staff responsible for the controls and a combination of inspection of documentation, reperformance of the control or observation of the control operating. Without providing an opinion on the effectiveness of the controls, we determined that it was appropriate to rely on the controls for this business cycle.

7.3. Our consideration of climate-related risks

The Group has set out its climate policy and net zero commitment in their sustainability review on pages 13 to 28. The Group have also identified climate change and resulting physical and transition risks as part of their principal risks and uncertainties in the strategic report on pages 31 to 34. There is a risk that the management's assessment of the impact of climate change is not complete and accurate and that appropriate financial statement disclosures are not included in the financial statements.

As part of our risk assessment process, we performed the following procedures:

- Obtained an understanding of management's process and relevant controls in considering the impact of climate risks; and
- Assessed whether the risks identified by management within their climate-related risk assessment and related documentation were complete

The Group considered the impact of climate change on assumptions used in disclosing critical judgements and key estimates recorded in the financial statements as part of their assessment of future cash flows as stated in note 3 to the Group financial statements. As part of our procedures in respect to the risk identified, we obtained management's climate related risk assessment and made inquiries of management to understand their process for considering the impact of climate-related risks. Our internal sustainability specialists were engaged to assess the climate-related disclosures and evaluate the consistency of these disclosures included in other information within the financial statements.

We have also read the Group's disclosure of climate-related information in the front half of the annual report, including the sustainability review on pages 13 to 28.

7.4. Working with other auditors

Appropriate direction and supervision was provided to the significant component auditors involved in the audit engagement through a combination of the following procedures:

- The issuance of group referral instructions;
- Organisation of meetings with all component teams including risk assessment discussions;
- Co-ordinating discussions with internal reserves and valuation specialists where relevant;
- Co-ordinating regular progress calls and involvement in the relevant responses to the significant risk areas;
- Organising visits to revenue-generating components and participation in meetings with management at significant components and the significant component auditors; and
- Completing detailed workpaper reviews.

8. 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 a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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 Group's and the parent 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. 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. This description forms part of our auditor's report.

11. 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.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Director remuneration, bonus levels and performance targets;
- results of our enquiries of management, the Directors and the audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including reserves specialists, valuation specialists and sustainability specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in respect to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group and parent company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, AIM Regulations and tax legislation in the jurisdictions in which the Group and parent company operates.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's or parent company's ability to operate or to avoid a material penalty. These included the Group's operating licences, health and safety legislation, anti-bribery legislation and environmental regulations in the locations in which the Group and parent company operates.

11.2. Audit Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant regulatory authorities including the National Offshore Petroleum Safety and Environmental Management Authority ("NOPSEMA");
- understanding the direct and indirect effects of identified areas of non-compliance including making enquiries of legal advisors;
- in addressing the risk of fraud in revenue recognition, obtaining an understanding of the process and related controls for ensuring appropriate recognition of revenue, evaluating the design and determining the implementation as well as operating effectiveness of the controls relating to revenue recognition and assessing the appropriateness of the revenue recognition criteria for each revenue stream with reference to IFRS 15 *Revenue from Contracts with Customers* and selected a statistical sample of sales transactions to ensure each performance obligation is satisfied before the allocated revenue is recognised with reference to relevant supporting documentation including evidence of shipment to ensure that they represented valid sales transactions; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. 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 Group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

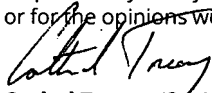
13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cathal Treacy (Senior statutory auditor)

For and on behalf of Deloitte Ireland LLP

Chartered Accountants and Statutory Auditor

Deloitte & Touche House, Charlotte Quay, Limerick, Ireland

27 April 2024

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2023

	Notes	2023 USD'000	2022 Restated* USD'000
Consolidated statement of profit or loss			
Continuing operations			
Revenue	4 & 45	309,200	421,602
Production costs	5	(232,772)	(250,300)
Depletion, depreciation and amortisation	6	(76,141)	(61,562)
Administrative staff costs	7	(30,197)	(29,218)
Other expenses	10	(22,841)	(22,305)
Impairment of oil and gas properties	12	(29,681)	(13,534)
Share of results of associate	25	2,640	-
Other income	13	18,855	28,033
Finance costs	14	(41,829)	(11,427)
Other financial gains	15	-	1,904
(Loss)/Profit before tax		(102,766)	63,193
Income tax credit/(expense)	16	11,492	(53,956)
(Loss)/Profit for the year		(91,274)	9,237
(Loss)/Profit per ordinary share			
Basic and diluted (US\$)	17	(0.18)	0.02
Consolidated statement of other comprehensive income			
(Loss)/Profit for the year		(91,274)	9,237
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss:			
Loss on unrealised cash flow hedges	36	(30,509)	-
Hedging loss reclassified to profit or loss	4 & 36	10,322	-
		(20,187)	-
Tax credit relating to components of other comprehensive loss	16	6,056	-
Other comprehensive loss		(14,131)	-
Total comprehensive (loss)/income for the year		(105,405)	9,237

* Certain 2022 comparative information has been restated. Please refer to Note 49.

All comprehensive income is attributable to the equity holders of the parent.

Consolidated statement of financial position

as at 31 December 2023

	Notes	31 December 2023 USD'000	31 December 2022 Restated* USD'000	1 January 2022 Restated* USD'000
Assets				
Non-current assets				
Intangible exploration assets	21	79,564	77,928	93,241
Oil and gas properties	22	457,202	433,645	353,592
Plant and equipment	23	10,462	7,318	8,963
Right-of-use assets	24	31,099	8,193	13,852
Investment in associate	25	26,651	-	-
Other receivables and prepayment	29	141,860	90,590	48,500
Deferred tax assets	27	26,774	22,843	23,866
Cash and cash equivalents	30	1,008	676	852
Total non-current assets		774,620	641,193	542,866
Current assets				
Inventories	28	33,654	19,644	23,299
Trade and other receivables	29	124,379	19,635	32,578
Tax recoverable	16	4,085	9,725	9,367
Cash and cash equivalents	30	152,396	122,653	117,013
Total current assets		314,514	171,657	182,257
Total assets		1,089,134	812,850	725,123
Equity and liabilities				
Equity				
Capital and reserves				
Share capital	31	456	339	358
Share premium account	31	51,827	983	201
Merger reserve	33	146,270	146,270	146,270
Share-based payments reserve	34	27,673	26,907	25,936
Capital redemption reserve	35	24	21	-
Hedging reserve	36	(14,131)	-	-
Accumulated losses		(158,349)	(64,991)	(48,942)
Total equity		53,770	109,529	123,823
Non-current liabilities				
Provisions	37	503,170	510,945	410,697
Borrowings	38	147,313	-	-
Lease liabilities	39	18,746	2,880	4,504
Other payables	41	16,966	-	-
Derivative financial instruments	42	6,708	-	-
Deferred tax liabilities	27	65,829	90,206	77,562
Total non-current liabilities		758,732	604,031	492,763
Current liabilities				
Borrowings	38	7,260	-	-
Lease liabilities	39	14,118	6,227	11,161
Trade and other payables	41	113,979	73,352	70,107
Derivative financial instruments	42	17,977	-	-
Warrants liability	43	3,469	-	-
Provisions	37	108,525	703	930
Tax liabilities		11,304	19,008	26,339
Total current liabilities		276,632	99,290	108,537
Total liabilities		1,035,364	703,321	601,300
Total equity and liabilities		1,089,134	812,850	725,123

* Certain 2022 and 2021 comparative information has been restated and reclassified between line items. Please refer to the affected notes to consolidated financial statements and Note 50.

The financial statements were approved by the Board of Directors and authorised for issue on 27 April 2024. They were signed on its behalf by:

Bert-Jaap Dijkstra
Director



Consolidated statement of changes in equity

for the year ended 31 December 2023

	Share capital USD'000	Share premium account USD'000	Merger reserve USD'000	Share-based payments reserve USD'000	Capital redemption reserve USD'000	Hedging reserve USD'000	Accumulated losses USD'000	Total USD'000
1 January 2022 (Restated)*	358	201	146,270	25,936	-	-	(48,942)	123,823
Profit for the year, representing total comprehensive income for the year	-	-	-	-	-	-	9,237	9,237
Dividends paid (Note 32)	-	-	-	-	-	-	(9,216)	(9,216)
Share-based payments (Note 8)	-	-	-	971	-	-	-	971
Shares issued (Note 31)	2	782	-	-	-	-	-	784
Share repurchased (Note 31)	(21)	-	-	-	21	-	(16,070)	(16,070)
Total transactions with owners, recognised directly in equity	(19)	782	-	971	21	-	(25,286)	(23,531)
As at 31 December 2022 (Restated)*	339	983	146,270	26,907	21	-	(64,991)	109,529
As at 1 January 2023 (Restated)*	339	983	146,270	26,907	21	-	(64,991)	109,529
Loss for the year	-	-	-	-	-	-	(91,274)	(91,274)
Other comprehensive loss for the year	-	-	-	-	-	(14,131)	-	(14,131)
Loss for the year, representing total comprehensive income for the year	-	-	-	-	-	(14,131)	(91,274)	(105,405)
Share-based payments (Note 8)	-	-	-	766	-	-	-	766
Shares issued (Note 31)	120	52,846	-	-	-	-	-	52,966
Transaction costs associated with issuance of shares (Note 31)	-	(2,002)	-	-	-	-	-	(2,002)
Share repurchased (Note 31)	(3)	-	-	-	3	-	(2,084)	(2,084)
Total transactions with owners, recognised directly in equity	117	50,844	-	766	3	-	(2,084)	49,646
As at 31 December 2023	456	51,827	146,270	27,673	24	(14,131)	(158,349)	53,770

* Certain 2022 and 2021 comparative information has been restated and reclassified between line items. Please refer to the affected notes to consolidated financial statements and Note 50.

Consolidated statement of cash flows

for the year ended 31 December 2023

	Notes	2023 USD'000	2022 Restated* USD'000
Operating activities			
(Loss)/Profit before tax		(102,766)	63,193
Adjustments for:			
Depletion, depreciation and amortisation	6	76,141	61,562
Finance costs	14	41,829	11,427
Impairment of oil and gas properties	12	29,681	13,534
Assets written off	10	5,114	212
Share-based payments	7	766	971
Allowance for slow moving inventories	10	655	3,768
(Reversal of)/Change in provision	10 / 13	(7,653)	7,333
Interest income	13	(4,451)	(881)
Share of results of associate	25	(2,640)	-
Unrealised foreign exchange (gain)/loss	10 / 13	(177)	245
Accretion income on Australian tax repayment plan	15	-	(1,904)
Reversal of impairment of amount due from joint arrangement partner	13	-	(912)
Operating cash flows before movements in working capital		36,499	158,548
(Increase)/Decrease in trade and other receivables		(80,900)	519
Increase in inventories		(15,655)	(1,829)
Increase/(Decrease) in trade and other payables		62,392	(2,871)
Cash generated from operations		2,336	154,367
Net tax paid		(14,461)	(33,130)
Net cash (used in)/generated from operating activities		(12,125)	121,237
Investing activities			
Cash paid for acquisition of Sinphuhorm Assets	25	(27,853)	-
Cash received from acquisition of CWLH Assets	19	-	5,750
Cash paid for acquisition of 10% interest of Lemang PSC	20	-	(500)
Payment for oil and gas properties	22	(107,500)	(78,938)
Payment for plant and equipment	23	(516)	(356)
Payment for intangible exploration assets	21	(1,508)	(3,334)
Dividends received from associate	25	3,842	-
Interest received	13	4,451	881
Net cash used in investing activities		(129,084)	(76,497)
Financing activities			
Net proceeds from issuance of shares	31	50,964	784
Shares repurchased	31	(2,084)	(16,070)
Dividends paid	32	-	(9,216)
Total drawdown of borrowings	40	232,000	-
Repayment of borrowings	40	(75,000)	-
Interest on borrowings paid	40	(5,007)	-
Borrowings costs paid	40	(7,595)	-
Commitment fees of borrowings paid	40	(658)	-
Repayment of lease liabilities	40	(14,400)	(13,914)
Interest on lease liabilities paid	40	(2,771)	(769)
Other interest and fees paid		(4,165)	(91)
Net cash generated from/(used in) financing activities		171,284	(39,276)
Net increase in cash and cash equivalents		30,075	5,464
Cash and cash equivalents at beginning of the year		123,329	117,865
Cash and cash equivalents at end of the year	30	153,404	123,329

* Certain 2022 comparative information has been restated and reclassified between line items. Please refer to Note 50.

Notes to the financial statements

for the year ended 31 December 2023

1 Corporate information

Jadestone Energy plc (the "Company" or "Jadestone") is an oil and gas company incorporated and registered in England and Wales. The Company's registration number is 13152520. The Company is the ultimate parent company of all Jadestone subsidiaries and an associate (the "Group"). These consolidated financial statements have been prepared for the Jadestone Group and reflect the full financial year ended 31 December 2023 in respect of the ultimate parent company in accordance with IFRS (see Note 2).

The Company's shares are traded on AIM under the symbol "JSE".

The financial statements are expressed in United States Dollars ("US\$" or "USD").

The Group is engaged in production, development, exploration and appraisal activities in Australia, Malaysia, Vietnam, Indonesia and Thailand. The Group's producing assets are in the Vulcan (Montara) basin, Carnarvon (Stag) basin and Cossack, Wanaea, Lambert, and Hermes oil fields, located in offshore of Western Australia, the East Piatu, East Belunmut, West Belunmut and Chermingat fields, located in shallow water in offshore Peninsular Malaysia, and in the Sinphuhorm gas field onshore north-east Thailand.

The Company's head office is located at 3 Anson Road, #13-01 Springleaf Tower, Singapore 079909. The registered office of the Company is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR United Kingdom.

2 Significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in conformity with the requirements of the Companies Act 2006 (the "Act").

The financial statements have been prepared on the historical cost convention basis, except as disclosed in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 Group 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. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories*, or value in use in IAS 36 *Impairment of Assets*.

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 Group 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.

Going concern

The Directors are required to assess the availability of financial resources to meet the Group's financial liabilities for the foreseeable future, which for the going concern assessment is the period up to 31 December 2025 (the "Review Period").

As at 31 December 2023, the Group had available liquidity of c.US\$220.0 million, consisting of cash and cash equivalents (excluding restricted cash) of US\$144.2 million, undrawn RBL facility capacity of US\$43.0 million and the undrawn committed standby working capital facility of US\$31.9 million (the "Working Capital Facility"), from Tyrus Capital Event S.à.r.l ("Tyrus"), the Group's largest shareholder, which expires on 31 December 2024.

From the period 1 January 2024 to 31 March 2024, the Group's available unrestricted cash has ranged from US\$81.5 million to US\$136.6 million, with a balance of US\$113.6 million as at 31 March 2024. Other than funding the Group's planned operational and capital expenditures during the first quarter of 2024, the Group also received a payment of US\$35.3 million from the previous operator of the PNL Assets for its share of future well preservation activities and decommissioning costs when it exited two PSCs during 2023, and made a net payment of US\$35.7 million for the acquisition of the second 16.67% interest in the CWLH Assets, which comprised of a placement of US\$42.0 million into the CWLH abandonment trust fund and a receipt of US\$6.3 million from the seller of the interest, reflecting the accumulated economic benefits of the CWLH assets for the period from the effective date of 1 July 2022 to completion.

The March 2024 RBL redetermination has been finalised, setting a borrowing base of US\$200.0 million for the six-month period ending 30 September 2024. The available borrowing base is projected at US\$200.0 million and US\$169.2 million for the six-month periods ending 31 March 2025 and 30 September 2025, respectively.

The Group closely monitors its cash, funding and liquidity position. Near-term cash projections are revised and underlying assumptions reviewed, generally monthly, and longer-term projections are also updated regularly.

The Group's latest cash and liquidity forecasts reflect the outcome of the March 2024 RBL redetermination and the availability of the Working Capital Facility for the period up to 31 December 2024. This represents a 'base case' which includes the Group's current financial position and reflects the expected trading performance of the Group's operations based on the current portfolio of assets, excluding any future business/asset acquisitions.

The Group's forecasts and scenario analyses are, among other factors, based on commodity prices per the current forward curve taking into account the downside risks and the associated impacts. Additionally, the Group's latest liquidity forecasts include the ongoing hedging arrangements entered into as required under the RBL facility.

Various risking scenarios, such as lower oil prices (US\$70/bbl flat nominal from July 2024 onwards), unplanned downtime at Montara and CWLH Assets and a potential delay to the Akatara project coming onstream have been modelled. Where liquidity over the Review Period is reduced under these scenarios, the Directors believe that several potential mitigating factors exist in order to increase liquidity, including but not limited to, i) an extension or refinancing of the Group's existing working capital facility, ii) RBL capacity increases from capex add-back or incremental hedging iii) shortening payment terms for liftings from the Group's Australian assets, iv) prepayments for the Group's oil sales and/or v) reducing or deferring the Group's planned capital expenditure.

The Directors have assessed that, based on the cash projections for the Review Period, the Group will have sufficient liquidity in place throughout the Review Period, and also after taking into consideration the various risking scenarios.

Having taken into consideration the above factors, the Directors have reasonable expectation that the Group will continue in operational existence for the Review Period. Accordingly, they adopted the going concern basis in preparing these audited consolidated financial statements.

Adoption of new and revised standards

New and amended IFRS standards that are effective for the current year

In the current year, the Group adopted the following amendments that are effective from the beginning of the year and is relevant to its operations. The adoption of these amendments has not resulted in changes to the Group's accounting policies, except as noted below.

Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 4	Extension of the Temporary Exemption from Applying IFRS 9

The Group's accounting policy has been changed as a result of the adoption of the Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. See Note 50 for further details on the prior year restatements resulting from the adoption of amendments to IAS 12.

New and revised IFRSs in issue but not yet effective

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

Amendments to IAS 1 ¹	Classification of Liabilities as Current or Non-current
Amendments to IAS 1 ¹	Classification of Liabilities as Current or Non-current – Deferral of Effective Date
Amendments to IAS 1 ¹	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7 ¹	Supplier Finance Arrangements
Amendments to IAS 21 ²	Lack of exchangeability
Amendments to IFRS 16 ²	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to IFRS 16 ¹	Lease Liability in a Sale and Leaseback

The Directors of the Group anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries made up to 31 December of each year. Control is achieved where the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

1 Effective from 1 January 2024.

2 To be announced by IASB.

Business combinations

Acquisitions of businesses, including joint operations which are assessed to be businesses, are accounted for using the acquisition method. The consideration for each acquisition is measured as the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Company to the former owners of the acquiree, and equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment transactions of the acquiree, or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer, in accordance with the method in IFRS 2 *Share-based Payment* at the acquisition date; and
- Assets, or disposal groups, that are classified as held for sale in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration, that do not qualify as measurement period adjustments, depends on how the contingent consideration is classified.

Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as a liability is remeasured at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as at that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as at the acquisition date and is subject to a maximum of one year from acquisition date.

Where an interest in a production sharing contract ("PSC") is acquired by way of a corporate acquisition, the interest in the PSC is treated as an asset purchase unless the acquisition of the corporate vehicle meets the definition of a business and the requirements to be treated as a business combination.

Accounting for transaction that is not a business combination

When a transaction or other event does not meet the definition of a business combination due to the asset or group of assets not meeting the definition of a business, it is termed an 'asset acquisition'. In such circumstances, the acquirer:

- Identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38) and liabilities assumed; and
- Allocates the cost of acquiring the group of assets and liabilities to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

Such a transaction or event does not give rise to goodwill or a gain on a bargain purchase.

Transaction costs in an asset acquisition are generally capitalised as part of the cost of the assets acquired in accordance with applicable standards.

Foreign currency transactions

The Group's consolidated financial statements are presented in USD, which is the parent's functional currency and presentation currency. The functional currencies of subsidiaries are determined based on the economic environment in which they operate.

In preparing the financial statements of each individual Group entity, 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. There is no foreign currency translation reserve created at the Group level as the functional currencies of all subsidiaries are denominated in USD.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS standards applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Changes to the Group's interest in a PSC usually require the approval of the appropriate regulatory authority. A change in interest is recognised when:

- Approval is considered highly likely; and
- All affected parties are effectively operating under the revised arrangement.

Where this is not the case, no change in interest is recognised and any funds received or paid are included in the statement of financial position as contractual deposits.

Investment in associates

An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting.

Under the equity method, an investment in an associate or a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

If there is objective evidence that the Group's net investment in an associate is impaired, the requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Exploration and evaluation costs

The costs of exploring for and evaluating oil and gas properties, including the costs of acquiring rights to explore, geological and geophysical studies, exploratory drilling and directly related overheads such as directly attributable employee remuneration, materials, fuel used, rig costs and payments made to contractors are capitalised and classified as intangible exploration assets ("E&E assets").

If no potentially commercial hydrocarbons are discovered, the E&E assets are written off through profit or loss as a dry hole. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g., the drilling of additional wells), it is probable that they can be commercially developed, the costs continue to be carried as intangible exploration costs, while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons.

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalised as E&E assets.

All such capitalised costs are subject to technical, commercial and management review, as well as review for indicators of impairment at the end of each reporting period. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When such intent no longer exists, or if there is a change in circumstances signifying an adverse change in initial judgment, the costs are written off.

When commercial reserves of hydrocarbons are determined and development is approved by management, the relevant expenditure is transferred to oil and gas properties. The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proved or probable reserves are determined to exist. The determination of proved or probable reserves is dependent on reserve evaluations which are subject to significant judgments and estimates.

Costs related to geological and geophysical studies that relate to blocks that have not yet been acquired, and costs related to blocks for which no commercially viable hydrocarbons are expected, are taken direct to the profit or loss and have been disclosed as exploration expenses.

Oil and gas properties

Producing assets

The Group recognises oil and gas properties at cost less accumulated depletion, depreciation and impairment losses. Directly attributable costs incurred for the drilling of development wells and for the construction of production facilities are capitalised, together with the discounted value of estimated future costs of decommissioning obligations. Workover expenses are recognised in profit or loss in the period in which they are incurred, unless it generates additional reserves or prolongs the economic life of the well, in which case it is capitalised. When components of oil and gas properties are replaced, disposed of, or no longer in use, they are derecognised.

Depletion and amortisation expense

Depletion of oil and gas properties is calculated using the units of production method for an asset or group of assets, from the date in which they are available for use. The costs of those assets are depleted based on proved and probable reserves.

Costs subject to depletion include expenditures to date, together with approved estimated future expenditure to be incurred in developing proved and probable reserves. Costs of major development projects are excluded from the costs subject to depletion until they are available for use.

The impact of changes in estimated reserves is dealt with prospectively by depleting the remaining carrying value of the asset over the remaining expected future production. If reserves estimates are revised downwards, earnings could be affected by higher depletion expense, or an immediate write-down of the property's carrying value.

Depletion amount calculated based on production during the year is adjusted based on the net movement of crude inventories at year end against beginning of the year, i.e., depletion cost for crudes produced but not lifted are capitalised as part of cost of inventories and recognised as depletion expense when lifting occurs.

Asset restoration obligations

The Group estimates the future removal and restoration costs of oil and gas production facilities, wells, pipelines and related assets at the time of installation or acquisition of the assets, and based on prevailing legal requirements and industry practice. In most instances, the removal of these assets will occur many years in the future. The estimates of future removal costs are made considering relevant legislation and industry practice and require management to make judgments regarding the removal date, the extent of restoration activities required, and future removal technologies.

Site restoration costs are capitalised within the cost of the associated assets, and the provision is stated in the statement of financial position at its total estimated present value. These costs are based on judgements and assumptions regarding removal dates, technologies, and industry practice. This estimate is evaluated on a periodic basis and any adjustment to the estimate is applied prospectively. Changes in the estimated liability resulting from revisions to estimated timing, amount of cash flows, or changes in the discount rate are recognised as a change in the asset restoration liability and related capitalised asset restoration cost within oil and gas properties.

The Malaysian and Indonesian regulators require upstream oil and gas companies to contribute to an abandonment cess fund, including making periodic cess payments, throughout the production life of the oil or gas field. The Malaysian cess payment amount is assessed based on the estimated future decommissioning expenditures on oil and gas facilities, excluding wells. The Indonesian cess payment amount is assessed based on the estimated future decommissioning expenditures of all facilities. For operated licences, the cess payment paid is classified as non-current receivables as the cess payment paid is reclaimable by the Group in the future following the commencement of decommissioning activities. For non-operated licences, the cess payment paid reduces the asset restoration liability.

An abandonment trust fund was set up as part of the acquisition of the CWLH Assets to ensure there are sufficient funds available for decommissioning activities at the end of field life. The payment paid into the trust fund is classified as non-current receivables as the amount is reclaimable by the Group in the future following the commencement of decommissioning activities.

The change in the net present value of future obligations, due to the passage of time, is expensed as an accretion expense within financing charges. Actual restoration obligations settled during the period reduce the decommissioning liability.

Capitalised asset restoration costs are depleted using the units of production method (see above accounting policy).

Borrowing costs

Borrowing costs are allocated to periods over the term of the related debt, at a constant rate on the carrying amount. Borrowings, as shown on the consolidated statement of financial position, are net of arrangement fees and issue costs, and the borrowing costs are amortised through to the statement of profit or loss and other comprehensive income as finance costs over the term of the debt.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets evenly over their estimated useful lives, on the following:

- Computer equipment: 3 years; and
- Fixtures and equipment: 3 years.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Materials and spares which are not expected to be consumed within the next twelve months from the year end are classified as plant and equipment.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If the ownership of the underlying asset in a lease is transferred, or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of oil and gas properties, plant and equipment, right-of-use assets and intangible exploration assets

At the end of each reporting period, the Group reviews the carrying amounts of its oil and gas properties, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, 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). The impairment is determined on each individual cash-generating unit basis (i.e., individual oil or gas field or individual PSC). Where there is common infrastructure that is not possible to measure the cash flows separately for each oil or gas field or PSC, then the impairment is determined based on the aggregate of the relevant oil or gas fields or the combination of two or more PSCs. 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 ("VIU"). In assessing VIU, 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 on a discounted cash flow basis where there is no readily available market price for the asset or where there are no recent market transactions.

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.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined as follows:

- Petroleum products, comprising primarily of extracted crude oil stored in tanks, pipeline systems and aboard vessels, and natural gas, are valued using weighted average costing, inclusive of depletion expense; and
- Materials, which include drilling and maintenance stocks, are valued at the weighted average cost of acquisition.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The Group uses its judgement to determine which costs are necessary to make the sale considering its specific facts and circumstances, including the nature of the inventories. If the carrying value exceeds net realisable value, a write-down is recognised. The write-down may be reversed in a subsequent period if the inventory is still on hand, but the circumstances which caused the write-down no longer to exist.

Provision for slow moving materials and spares are recognised in the "other expenses" (Note 10) line item in profit or loss as they are non-trade in nature.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group 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.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the financial asset, or, where appropriate, a shorter period, to the gross carrying amount of the financial instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and at fair value through other comprehensive income. For financial assets other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in "other income" (Note 13) line item.

Impairment of financial assets

The Group's financial assets that are subject to the expected credit loss model comprise trade and other receivables. 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 due to the banks have external credit ratings of 'investment grade' in accordance with the globally understood definition.

The Group's trade and other receivables are primarily with counterparties to oil and gas sales, joint arrangement partners and non-trade related parties.

The concentration of credit risk relates to the Group's single customer with respect to oil sales in Australia, and a different single customer for oil and gas sales in Malaysia. Both customers have an A2 credit rating (Moody's). All trade receivables are generally settled 30 days after the sale date. In the event that an invoice is issued on a provisional basis then the final reconciliation is paid within three days of the issuance of the final invoice, largely mitigating any credit risk.

The Group recognises lifetime expected credit loss ("ECL") for trade receivables. The expected credit losses on these financial assets are estimated based on days past due, applying expected non-recoveries for each group of receivables.

The Group measures the loss allowance for other receivables and amounts due from joint arrangement partners at an amount equal to 12 months 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 Group 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 Group 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 Group's debtors operate, based on consideration of various external sources of actual and forecast economic information plus environment impacts that relate to the Group'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;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- 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 Group 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 Group 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.

Definition of default

The Group considers the following as constituting an event of default, for internal credit risk management purposes, as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

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.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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 Group's understanding of the specific future financing needs of the debtors, and other relevant forward looking information.

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

If the Group 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 Group 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 Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership, and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all of the risks and rewards of ownership of a transferred financial asset, the Group 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 FVTPL.

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.

A financial liability other than a contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities classified as at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in either "other financial gains" (Note 15) or "finance costs" (Note 14) line item in profit or loss.

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 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 Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

The difference between the carrying amount of the financial liability derecognised, and the consideration paid and payable, is recognised in profit or loss.

Equity instruments

Ordinary shares issued by the Company are classified as equity and recorded at the par value in the share capital account and the fair value of the proceeds received recorded in the share premium account.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to commodity price and foreign exchange risks.

Derivatives are initially recognised at fair value on the date the contract is entered into, and are subsequently remeasured to fair value as at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

All hedges are classified as cash flow hedges, which hedges exposure to the variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability, or a component of a recognised asset or liability, or a highly probable forecasted transaction.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio, but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge), so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument, for all of its hedging relationships involving forward contracts. The Group designates only the intrinsic value of option contracts as a hedged item, i.e. excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time period related, then the amount accumulated in the cost of hedging reserve is reclassified to profit or loss on a rational basis; the Group applies straight line amortisation. Those reclassified amounts are recognised in profit or loss in the same line as the hedged item. If the hedged item is a non financial item, then the amount accumulated in the cost of hedging reserve is removed directly from equity and included in the initial carrying amount of the recognised non financial item. Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Note 42 sets out details of the fair values of the derivative instruments used for hedging purposes.

Movements in the hedging reserve in equity are detailed in Note 36.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss in either "other financial gains" (Note 15) or "finance costs" (Note 14) line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. If the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve, at that time, remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to 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.

Share-based payments

Share-based incentive arrangements are provided to employees, allowing them to acquire shares of the Company.

The fair value of equity-settled options granted is recognised as an employee expense, with a corresponding increase in equity.

Equity-settled share options are valued at the date of grant using the Black-Scholes pricing model, and are charged to operating costs over the vesting period of the award. The charge is modified to take account of options granted to employees who leave the Group during the vesting period and forfeit their rights to the share options. In the case of market-related performance conditions, the Group revises its estimates of the number of equity instruments expected to vest at the end of the reporting period. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date at which the entity obtains the goods or the counterparty renders the service.

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its estimated incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in substance fixed payments).

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method), and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

During the year, the Group did not make any such adjustments.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Impairment of Assets" policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate standalone price of the non-lease components.

Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, and where the effect of the time value of money is material. The provisions held by the Group are asset restoration obligations, contingent payments, employee benefits and incentive scheme, as set out in Note 37.

Retirement benefit obligations

Payments to defined contribution retirement benefit plans are charged as an expense as and when employees have tendered the services entitling them to the contributions. Payments made to state managed retirement benefit schemes, such as Malaysia's Employees Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan. The Group does not have any defined benefit plans.

Revenue

Revenue from contracts with customers is recognised in the profit or loss when performance obligations are considered met, which is when control of the hydrocarbons are transferred to the customer.

Revenue from the production of oil and gas, in which the Group has an interest with other producers, is recognised based on the Group's working interest and the terms of the relevant production sharing contracts.

Liquids production revenue is recognised when the Group gives up control of the unit of production at the delivery point agreed under the terms of the sale contract. This generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism. The amount of production revenue recognised is based on the agreed transaction price and volumes delivered. In line with the aforementioned, revenue is recognised at a point in time when deliveries of the liquids are transferred to customers.

Gas production revenue is meter measured based on the hydrocarbon volumes delivered. The volumes delivered over a calendar month are invoiced based on monthly meter readings. The price is either fixed (gas) or linked to an agreed benchmark (high sulphur fuel oil) in advance. This methodology is considered appropriate as it is normal business practice under such arrangements. In line with the aforementioned, revenue is recognised at a point in time when deliveries of the gas are transferred to the customer.

A receivable is recognised once transfer has occurred, as this represents the point in time at which the right to consideration becomes unconditional, and only the passage of time is required before the payment is due.

Under/Overlift

Offtake arrangements for oil and gas produced in certain of the Group's jointly owned operations may result in the Group not receiving and selling its precise share of the overall production in a period. The resulting imbalance between the Group's cumulative entitlement and share of cumulative production less stock gives rise to an underlift or overlift.

Entitlement imbalances in under/overlift positions and the movements in inventory are included in production costs (Note 5). An overlift liability is measured on the basis of the cost of production and represents a provision for production costs attributable to the volumes sold in excess of entitlement. The underlift asset is measured at the lower of cost and net realisable value, consistent with IAS 2, to represent a right to additional physical inventory. A underlift of production from a field is included in current receivables and an overlift of production from a field is included in current liabilities.

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 year. 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 years and it further excludes items that are not taxable or tax deductible. The Group'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 and its subsidiaries operate, by the end of the reporting period.

Petroleum resource rent tax (PRRT)

PRRT incurred in Australia is considered for accounting purposes to be a tax based on income. Accordingly, current and deferred PRRT expense is measured and disclosed on the same basis as income tax.

PRRT is calculated at the rate of 40% of sales revenues less certain permitted deductions and is tax deductible for income tax purposes. For Australian corporate tax purposes, PRRT payment is treated as a deductible expense, while PRRT refund is treated as an assessable income. Therefore, for the purposes of calculating deferred tax, the PRRT tax rate is combined with the Australian corporate tax rate of 30% to derive a combined effective tax rate of 28%.

Malaysia Petroleum Income Tax (PITA)

PITA incurred in Malaysia is considered for accounting purposes to be a tax based on income derived from petroleum operations. Accordingly, current and deferred PITA expense is measured and disclosed on the same basis as income tax.

PITA is calculated at the rate of 38% of sales revenues less certain permitted deductions and deferred tax is calculated at the same rate.

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 subsidiaries, except where the Group 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 Group 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 Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Other taxes

Revenue, expenses, assets, and liabilities are recognised net of the amount of goods and services tax ("GST") or value added tax ("VAT") except:

- When the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash and bank balances

Cash and bank balances comprise cash in hand and at bank, and other short-term deposits held by the Group with maturities of less than three months. Restricted cash and cash equivalents balances are those which meet the definition of cash and cash equivalents but are not available for use by the Group.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, Directors is required to make judgments, estimates and assumptions about the carrying amounts of assets and 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.

Critical accounting judgments

The following are the critical judgements, apart from those involving estimates (see below) that the Directors have made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

a) Acquisitions, divestitures and/or assignment of interests

The Group accounts for acquisitions and divestitures by considering if the acquired or transferred interest relates to that of an asset, or of a business as defined in IFRS 3 *Business Combinations* paragraph B7, B8 and Appendix A, in so far as those principles do not conflict with the guidance in IFRS 11 *Joint Arrangements* paragraph 21A. Accordingly, the Group considers if there is the existence of business elements as defined in IFRS 3 (e.g., inputs and substantive processes), or a group of assets that includes inputs and substantial processes that together significantly contribute to the ability to create outputs and providing a return to investors or other economic benefits. The justifications for this assessment on the acquisition of the CWLH Assets have been set out in Note 19.

b) Impairment of oil and gas properties

The Group assesses each asset or cash-generating unit ('CGU') (excluding goodwill, which is assessed annually regardless of indicators) in each reporting period to determine whether any indication of impairment exists. Assessment of indicators of impairment or impairment reversal and the determination of the appropriate grouping of assets into a CGU or the appropriate grouping of CGUs for impairment purposes require significant judgement. For example, individual oil and gas properties may form separate CGUs whilst certain oil and gas properties with shared infrastructure may be grouped together to form a single CGU. Alternative groupings of assets or CGUs may result in a different outcome from impairment testing. See Note 12 for details on how these groupings have been determined in relation to the impairment testing of oil and gas properties.

c) Impairment of intangible exploration assets

The Group takes into consideration the technical feasibility and commercial viability of extracting a mineral resource and whether there is any adverse information that will affect the final investment decision. Additionally, the Group performed recoverability assessment for the expenditures incurred based on their cost recoverability in accordance to the terms of the relevant production sharing contracts.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

a) Reserves estimates

The Group's estimated reserves are management assessments, and are independently assessed by an independent third party, which involves reviewing various assumptions, interpretations and assessments. These include assumptions regarding commodity prices, exchange rates, future production, transportation costs, climate related risks and interpretations of geological and geophysical models to make assessments of the quality of reservoirs and the anticipated recoveries. Changes in reported reserves can impact asset carrying amounts, the provision for restoration and the recognition of deferred tax assets, due to changes in expected future cash flows. Reserves are integral to the amount of depreciation, depletion and amortisation charged to the statement of profit or loss and other comprehensive income, and the calculation of inventory. Based on the analysis performed, a 5% decrease in the reserves estimates would result to a further impairment charge of US\$60.0 million and a 5% increase in the reserves estimates would reduce the impairment charge by US\$17.4 million. The Directors consider 5% movements to the existing reserves a reasonable assumption based on the historical technical adjustments during the annual reserves assessment performed by an independent third party and also in view of the mature assets that the Group owns with long production history and therefore less volatility in reserves estimates is anticipated.

b) Impairment of oil and gas properties and intangible exploration assets

For the impairment assessment of oil and gas properties, the Directors assess the recoverable amounts using the VIU approach. The post-tax estimated future cash flows are prepared based on estimated reserves, future production profiles, future hydrocarbon price assumptions and costs. The future hydrocarbon price assumptions used are highly judgemental and may be subject to increased uncertainty given climate change and the global energy transition. The post-tax estimated future cash flows also included the carbon costs estimates of each asset, where applicable. The inclusion of carbon cost estimates of each asset is based on the Directors' best estimate of any expected applicable carbon emission costs payable. This requires Directors' best estimate of how future changes to relevant carbon emission cost policies and/or legislation are likely to affect the future cash flows of the Group's applicable CGUs, whether enacted or not. Future potential carbon cost estimates of each asset were included to the extent the Directors have sufficient information to make such estimates.

The Directors further take into consideration the impact of climate change on estimated future commodity prices with the application of price assumptions based on economic modelling in scenarios in which the goals of the COP 21 Paris agreement are reached ("Paris aligned price assumptions", see below).

The carrying amounts of intangible exploration assets, oil and gas properties and right-of-use assets are disclosed in Notes 21, 22 and 24, respectively.

The Group recognises that climate change and the energy transition is likely to impact the demand for oil and gas, thus affecting the future prices of these commodities and the timing of decommissioning activities. This in turn may affect the recoverable amount of the Group's oil and gas properties and intangible exploration assets, and the carrying amount of the ARO provision. The Group acknowledges that there is a range of possible energy transition scenarios that may indicate different outcomes for oil prices. There are inherent limitations with scenario analysis and it is difficult to predict which, if any, of the scenarios might eventuate.

The Group has assessed the potential impacts of climate change and the transition to a lower carbon economy in preparing the consolidated financial statements, including the Group's current assumptions relating to demand for oil and gas and their impact on the Group's long-term price assumptions, and also taking into consideration the forecasted long-term prices and demand for oil and gas under the Paris aligned scenarios (IEA's NZE by 2050). The Group's current oil price assumption for internal planning purposes is broadly in line with the IEA's STEPS case, which in turn is underpinned by climate policies and targets already announced by governments. The Group has assessed the potential impacts of climate change and the transition to a lower carbon economy in preparing the consolidated financial statements. This is achieved by running the IEA's NZE scenario through the Group's financial models and assessing the impact on profitability, cash flow and asset values. The IEA's NZE by 2050 case predicts global oil demand will fall from US\$97 mb/d in 2022 to US\$78 mb/d by 2030 and US\$24/mb/d by 2050. Prices fall to US\$40/bbl in 2030 and trend lower thereafter. The oil price differential between STEPS and NZE becomes significant from 2030 onwards. The Group monitors energy transition risks and, through its annual risk reviews, challenges its base case assumptions on a regular basis.

The Directors will continue to review various global and regional energy transition developments and their impacts on price assumptions, including Paris aligned scenario price assumptions and demand in line with the scenarios based on decrease to emissions as the energy transition progresses and will continue to take these into consideration in the future impairment assessments. See further disclosures under the Sustainability Review section from pages 13 to 29.

Sensitivity analyses

The Directors assess the impact of a change in cash flows in impairment testing arising from a 10% reduction in price assumptions used at year end, sourced from independent third party, ERCE and approved by the Directors. The forecasted price assumptions are US\$78.5/bbl in 2024, US\$79.0/bbl in 2025, US\$79.7/bbl in 2026, US\$81.2/bbl in 2027 and an average of US\$89.8/bbl from 2028 onwards. The Directors are of the view that these price assumptions are aligned with the Group's latest internal forecasts, reflecting long-term views of global supply and demand. The price assumptions used are reviewed and approved by the Directors. Based on the analysis performed, the Directors concluded that a 10% price reduction in isolation under the various scenarios would result to a further impairment charge of US\$141.9 million and a 10% price increase in isolation would reduce the impairment charge by US\$17.4 million.

The oil price sensitivity analyses above do not, however, represent the Directors' best estimate of any impairments that might be recognised as they do not fully incorporate consequential changes that may arise, such as reductions in costs and changes to business plans, phasing of development, levels of reserves and resources, and production volumes. As an example, as price reduces, it is likely that costs would decrease across the industry. The oil price sensitivity analysis therefore does not reflect a linear relationship between price and value that can be extrapolated.

The Directors also tested the impact of a 5% (2022: 5%) change to the post-tax discount rate used of 10.50% (2022: 10%) for impairment testing of oil and gas properties, and concluded that a 5% increase in the post-tax discount rate would result to a further impairment charge of US\$3.4 million and a 5% decrease in the post-tax discount rate would reduce the impairment charge by US\$3.5 million.

The Directors assessed the impact of the change in cash flows used in impairment testing arising from the application of the oil price assumptions under the Net Zero Emissions by 2050 Scenario plus the inclusion of carbon cost estimates as disclosed below. The oil prices under the Net Zero Emissions by 2050 Scenario for each asset are as follows:

	2024 US\$/bbl	2025 US\$/bbl	2026 US\$/bbl	2027 US\$/bbl	2028 US\$/bbl	2029 onwards US\$/bbl
Montara	81.6	77.3	75.6	69.0	62.4	51.3
Stag	81.6	77.3	75.6	69.0	62.4	49.3
CWLH Assets	81.6	77.3	75.6	69.0	62.4	49.8
PenMal Assets – PM323 PSC	81.6	77.3	75.6	69.0	62.4	-
PenMal Assets – PM329 PSC	81.6	77.3	75.6	69.0	62.4	51.3
Lemang PSC	81.6	77.3	75.6	69.0	62.4	49.3

Based on the analysis performed, the reduction in operating cash flows under the Net Zero Emissions by 2050 Scenario would result to a further impairment charge of US\$196.8 million to the Group's oil and gas properties. The assumptions under the Net Zero Emissions by 2050 Scenario do not reflect the existing market conditions and are dependent on various factors in the future covering supply, demand, economic and geopolitical events and therefore are inherently uncertain and subject to significant volatility and hence unlikely to reflect the future outcome.

c) Asset restoration obligations

The Group estimates the future removal and restoration costs of oil and gas production facilities, wells, pipelines and related assets at the time of installation of the assets and reviewed subsequently at the end of each reporting period. In most instances the removal of these assets will occur many years in the future.

The estimate of future removal costs is made considering relevant legislation and industry practice and requires the Directors to make judgments regarding the removal date, the extent of restoration activities required and future costs and removal technologies.

The carrying amounts of the Group's ARO is disclosed in Note 37 to the financial statements.

Sensitivity analyses

Sensitivities have been run on the discount rate assumption, with a 1% change being considered a reasonable possible change for the purposes of sensitivity analysis. A 1% reduction in discount rate would increase the liability by US\$46.0 million and a 1% increase in discount rate would decrease the liability by US\$41.3 million. A 1% increase in the inflation rate would increase the liability by US\$46.3 million and a 1% decrease in inflation rate would decrease the liability by US\$42.3 million. A 10% increase in current estimated costs would increase the liability by US\$61.2 million and a 10% decrease in current estimated costs would decrease the liability by US\$61.2 million. A one year deferral to the estimated decommissioning year of each asset as disclosed in Note 37 would decrease the liability by US\$30.8 million and an acceleration of one year to the estimated decommissioning year as disclosed in Note 37 would increase the liability by US\$7.6 million. The Directors consider the 1% movement to the discount rate and inflation rate, 10% to the current estimated costs and one year movement to the estimated decommissioning year a reasonable assumption based on the historical adjustments to the risk-free rates, base decommissioning costs and estimated decommissioning year.

4 Revenue

The Group presently derives its revenue from contracts with customers for the sale of oil and gas products.

In line with the revenue accounting policies set out in Note 2, all revenue is recognised at a point in time.

	2023 USD'000	2022 USD'000
Liquids revenue	317,469	418,483
Hedging loss (Note 36)	(10,322)	-
	307,147	418,483
Gas revenue	2,053	3,119
	309,200	421,602

As part of the RBL, during the year, the Group entered into commodity swap contracts to hedge approximately 50% of its forecasted planned production from October 2023 to September 2025. The commodity swap contracts were measured using hedge accounting. See Note 42 for the details of the commodity swap contracts.

5 Production costs

	2023 USD'000	2022 Restated* USD'000
Operating costs	114,779	100,664
Workovers	17,562	10,190
Logistics	34,109	31,895
Repairs and maintenance	55,572	60,174
Tariffs and transportation costs	7,502	8,341
Decommissioning expenses	12,545	-
Underlift, overlift and crude inventories movement	(9,297)	39,036
	232,772	250,300

Operating costs predominately consists of offshore manpower costs of US\$26.0 million (2022: US\$26.1 million), chemicals, services, supplies and other production related costs for a total of US\$49.3 million (2022: US\$38.3 million), Malaysian supplementary payments totalled US\$10.1 million (2022: US\$24.5 million), insurance of US\$4.9 million (2022: US\$4.8 million) and non-operated assets production costs of US\$16.0 million (2022: US\$3.3 million). The Malaysian supplementary payments are payable under the terms of PSCs based on the Group's entitlement to profit from oil and gas. It is calculated at 70% of the excess revenue over the base price of the sale of oil as set out under the terms of PSCs. These supplementary payments are made to PETRONAS.

Underlift, overlift and crude inventories movement resulted in a credit of US\$9.3 million (2022: US\$39.0 million charge), mostly related to higher inventories on hand at Montara and Stag at year end compared to beginning of the year.

Workovers in 2023 and 2022 were recurring in nature. The Group carried out a higher number of workovers at Stag in comparison of 2022.

Repairs and maintenance in current year include Montara storage tank repairs, FPSO maintenance and fabric maintenance costs at both Montara and Stag. In 2022, the costs included Montara Skua-11 repairment works, solar engine change out and emergency tank repairs.

During the year, the previous operator of the PenMal Assets' non-operated PSCs (the "PNLP Assets") has completed the decommissioning works of the FPSO. The decommissioning costs were partially funded by the cess abandonment fund, with the remainder portion of US\$12.5 million, net to Jadestone, was funded by the Group's working capital and expensed to profit or loss when incurred.

6 Depletion, depreciation and amortisation ("DD&A")

	2023 USD'000	2022 Restated* USD'000
Depletion and amortisation (Note 22):	64,575	45,016
Depreciation of:		
Plant and equipment (Note 23)	494	616
Right-of-use assets (Note 24)	15,251	13,015
Crude inventories movement	(4,179)	2,915
	76,141	61,562

The crude inventories movement represents additional/reversal of depletion expense recognised during the year based on the net movement of crude inventories at year end against beginning of the year. For the purpose of the consolidated statement of cash flows, this amount has been excluded from the movement in working capital.

The depletion charge is calculated based on units of production and adjusted based on the net movement of crude inventories at year end against beginning of the year. In 2023, the adjustment was for 211,261 bbls of crude inventories at the end of 2023 compared to 90,681 bbls at the end of 2022, mostly due to the restart of production at Montara since March 2023, resulting in a total depletion credit of US\$8.2 million.

* Certain 2022 comparative information has been restated. Please refer to Note 50.

7 Administrative staff costs

	2023 USD'000	2022 USD'000
Wages, salaries and fees	24,729	24,825
Staff benefits in kind	4,702	3,422
Share-based compensation	766	971
	30,197	29,218

The compensations of Directors and key management personnel are included in the above and disclosed separately in Notes 9 and 48, respectively.

8 Staff numbers and costs

The average number of employees (including Executive Directors) was:

	2023 Number	2022 Number
Production	162	152
Technical	236	206
Administration	2	2
Management	9	9
	409	369

Staff costs are split between production costs (Note 5) for offshore personnel and administrative staff costs (Note 7) for onshore personnel.

Their aggregate remuneration comprised:

	2023 USD'000	2022 USD'000
Wages and salaries	47,940	45,548
Social security costs	212	199
Defined contribution pension costs	3,655	3,573
Share-based compensation	766	971
	52,573	50,291
Contractors and consultants costs	3,606	4,976
	56,179	55,267

9 Directors' remuneration and transactions

	2023 USD'000	2022 USD'000
Directors' remuneration		
Salaries, fees, bonuses and benefits in kind	2,496	2,805
Gains on exercise of options	-	-
Amounts receivable under long term incentive plans	300	341
Money purchase pension contributions	102	78
	2,898	3,224
Remuneration of the highest paid Director:		
Salaries, fees, bonuses and benefits in kind	1,028	1,236
Gains on exercise of options	-	-
Amounts receivable under long term incentive plans	210	271
Money purchase pension contributions	65	65
	1,303	1,572
	Number	Number
The number of Directors who:		
Are members of a defined benefit pension scheme	-	-
Are members of a money purchase pension scheme	2	2
Exercised options over shares in the Company	-	-
Had awards receivable in the form of shares under a long-term incentive scheme	2	2

The Non-Executive Directors were not granted any options/shares under the Company's long term incentive plans.

10 Other expenses

	2023 USD'000	2022 USD'000
Corporate costs	14,179	10,405
Change in provision – Lemang PSC contingent payments	-	7,333
Allowance for slow moving inventories	655	3,768
Assets written off	5,114	212
Net foreign exchange loss	1,728	442
Other expenses	1,165	145
	22,841	22,305

Corporate costs include recurring general and administration expenses such as professional fees, office and travelling costs of US\$10.5 million (2022: US\$8.8 million) and non-recurring costs such as business development costs of US\$2.2 million (2022: US\$0.8 million), professional fees in relation to internal reorganisation of US\$0.8 million (2022: US\$0.1 million), equity fundraising of US\$0.4 million (2022: nil) and external funding sourcing of US\$0.2 million (2022: US\$0.2 million).

The change in provision in 2022 was associated with the Lemang PSC contingent payments represents additional contingent payments related to the future Dated Brent prices and Saudi CP prices during the first and second years of production in the Lemang PSC. The provision for these contingent payments were reversed in 2023 (Note 13).

Assets written off in 2023 represents the write off of Montara non-depletable oil and gas properties of US\$3.1 million following the cancellation of a capital project for the preparation of Skua-12 well development and written off of obsolete material and spares for US\$2.0 million. In 2022, the Group has written off the office equipment located in the New Zealand office following the termination of the Maari acquisition in October 2022.

For the purpose of the consolidated statement of cash flows, the net foreign exchange loss reported above in 2022 included a net unrealised loss of US\$0.2 million.

11 Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	2023 USD'000	2022 USD'000
Fees payable to the Company's auditor for the audit of the parent company and Group's consolidated financial statements	600	544
Audit fees of the subsidiaries	417	390
	1,017	934

No fee was paid to the Group's auditor for non-audit services for either the Group or the Company in 2022 or 2023.

The audit fee in prior year represented the actual finalised fee agreed with the auditor.

12 Impairment of assets

	2023 USD'000	2022 USD'000
Impairment of oil and gas properties (Note 22)	29,681	13,534

The impairment expense in 2023 consists of US\$17.4 million for the impairment of Stag's oil and gas properties, which is treated as a single cash-generating unit. The impairment is made following the annual impairment assessment performed by the Directors and identified that the VIU of the operating asset, determined based on the post-tax discount rate used of 10.50% (2022: FVLCO approach was adopted, using post-tax discount rate of 8.99%), is lower than the carrying amount. The impairment was made to reduce the carrying amount of Stag's oil and gas properties to its recoverable amount of US\$95.8 million. The key assumptions used in determining the VIU are disclosed Note 3(b). The impairment is made in relation to the producing asset of the Group located in Australia as disclosed in Note 45.

Additionally, the Group also provided impairment of US\$12.3 million associated with the adjustment to the ARO estimates for the PNLP Assets (Note 37) that underwent retendering during the year after ceasing production in 2022, following the class suspension of the FPSO, as disclosed on page 36. The revision of ARO estimates reflects the change on assumptions used for the estimation of the decommissioning costs.

In 2022, the impairment expense was provided in full for the oil and gas properties of the PNLP Asset, which are treated as a single cash-generating unit. The impairment was made following the previous operator's decision to shut in production after FPSO class suspension in February 2022. Accordingly, the VIU of the non-operated PSCs is valued at nil as at the end of 2022.

The impairments for the PNLP Assets in 2023 and 2022 were made in relation to the producing asset of the Group located in Southeast Asia as disclosed in Note 45.

13 Other income

	2023 USD'000	2022 USD'000
Interest income	4,451	881
Reversal of provisions – Lemang PSC contingent payments	7,653	-
Net foreign exchange gain	322	341
Insurance claims	-	17,977
Other income	6,429	8,834
	18,855	28,033

Interest income consists of US\$2.9 million (2022: US\$0.1 million) generated from the CWLH Assets abandonment trust fund and US\$0.9 million (2022: nil) generated from the Group's fixed term deposits. The abandonment trust funds generates average interest rate of 4.5% (2022: 3.6%) and the fixed term deposits generate average interest rate of 4.5% (2022: nil).

The reversal of provisions associated with the contingent payments for Lemang PSC in 2023 represents the derecognition of contingent payments associated with the Saudi CP and Dated Brent prices due to the trigger events as disclosed on Note 37 are not expected to occur based on the specialist's consensus on Dated Brent prices and the historical correlation between Dated Brent prices and Saudi CP.

Other income mainly consists of rental income from a helicopter rental contract (a right-of-use asset) to a third party of US\$6.4 million (2022: US\$5.0 million). The other income in 2022 also consisted of an income of US\$0.9 million related to amount recognised for previously unrecognised amount due from a joint arrangement partner.

In 2022, insurance claims were made to compensate for loss of production following the drilling of two wells at the Montara field wells in 2020. These claims were resolved and the cash was received in Q4 2022.

For the purpose of the consolidated statement of cash flows, the net foreign exchange gain reported above in 2023 included a net unrealised gain of US\$0.2 million (2022: nil).

14 Finance costs

	2023 USD'000	2022 Restated* USD'000
Interest expense	2,710	5
Accretion expense for:		
Asset restoration obligations (Note 37)	20,201	8,333
RBL (Note 38)	5,517	-
Non-current Lemang PSC VAT receivables	1,182	314
Interest expense on lease liabilities	2,771	769
Warrants expense	3,469	-
Upfront fees on financing facilities	2,656	-
Interest expense on financing facilities	953	-
Changes in fair value of:		
Lemang PSC contingent payments (Note 37)	868	349
CWLH Assets contingent payment (Note 37)	60	-
PenMal Assets contingent payment (Note 37)	-	1,571
RBL commitment fees	349	-
Fair value loss on derivative liability (Note 42)	73	-
Other finance costs	1,020	86
	41,829	11,427

The interest expense primarily consists of US\$1.3 million (2022: nil) from the US\$50.0 million debt facility ("Interim Facility") obtained and repaid during the year and US\$1.2 million (2022: nil) from the RBL facility (Note 38).

Warrants expense represents the fair value of the warrant instrument entered into by the Group with Tyrus Capital S.A.M. and funds managed by it, in June 2023.

The Group incurred upfront fees of US\$2.7 million (2022: nil) and interest of US\$1.0 million (2022: nil) in relation to the equity underwrite debt facility and committed standby working capital facility executed with Tyrus Capital Events S.a.r.l. during the year, see Notes 38 and 49 for further details.

The changes in fair value of the provision associated with the contingent payments for Lemang PSC of US\$0.9 million (2022: US\$0.3 million) represents fair value adjustments reflecting the effect of the time value of money.

In 2022, the second contingent payment arising from the acquisition of the PenMal Assets was recognised in full for US\$3.0 million as at 31 December 2022 (Note 37), resulted in an increase in the provision of US\$1.6 million. The amount was recognised as an accrual as at 2022 year end, paid in January 2023.

Other finance costs includes accretion expense of US\$0.6 million (2022: nil) generated from an Australian Tax Office ("ATO") repayment plan for corporate tax payments. The repayment schedule is between September 2023 to October 2024.

* Certain 2022 comparative information has been restated. Please refer to Note 50.

15 Other financial gains

	2023 USD'000	2022 USD'000
Accretion income from Australian tax repayment plan	-	1,904

Accretion income in 2022 was generated from the ATO 2019 repayment plan due to early settlement by the Group in May 2022.

16 Income tax (credit)/expense

	2023 USD'000	2022 Restated* USD'000
Current tax		
Corporate tax (credit)/charge	(3,403)	15,656
Underprovision in prior years	2,051	666
	(1,352)	16,322
Australian petroleum resource rent tax ("PRRT")	1,735	(1,121)
Malaysian petroleum income tax ("PITA")	10,377	11,899
	10,760	27,100
Deferred tax		
Corporate tax	(20,138)	14,087
PRRT	(4,269)	7,032
PITA	2,155	5,737
	(22,252)	26,856
	(11,492)	53,956

Jadestone Energy plc's tax domicile is Singapore and is subjected to Singapore's domestic corporate tax rate of 17%. Subsidiaries are resident for tax purposes in the territories in which they operate.

The Australian corporate income tax rate is applied at 30% of Australian corporate taxable income. PRRT is calculated at 40% of sales revenue less certain permitted deductions and is tax deductible for Australian corporate income tax purposes.

As at year end, Montara and the CWLH Assets have US\$3.8 billion (2022: US\$3.5 billion) and US\$493.4 million (2022: US\$535.5 million) of unutilised carried forward PRRT credits, respectively. Based on Directors' latest forecasts, the historic accumulated PRRT net losses are larger than cumulative future expected PRRT taxable profits. Accordingly, Montara and the CWLH Assets are not anticipated to incur any PRRT expense in the future of the asset.

During the year, Stag recorded a net PRRT credit of US\$2.5 million (2022: US\$5.9 million of PRRT expense).

The Malaysian corporate income tax is applied at 24% on non-petroleum taxable income. PITA is calculated at 38% of sales revenue less certain permitted deductions and is tax deductible for Malaysian corporate income tax purposes.

PenMal Assets recorded PITA expense of US\$12.5 million during the year (2022: US\$17.6 million).

The tax recoverable of US\$4.1 million as at year end includes of a PITA receivable of US\$3.3 million which arose from pre-economic effective date of the PenMal Assets acquisition which will be payable to SapuraOMV following the receipt of a tax refund. The Group has recognised the payable to SapuraOMV as at year end.

The tax expense on the Group's (loss)/profit differs from the amount that would arise using the standard rate of income tax applicable in the countries of operation as explained below:

	2023 USD'000	2022 Restated* USD'000
(Loss)/Profit before tax	(102,750)	63,193
Tax calculated at the domestic tax rates applicable to the profit/loss in the respective countries (Australia 30%, Malaysia 24% & 38%, Canada 27% and Singapore 17%)	(27,543)	20,488
Effects of non-deductible expenses	4,003	9,255
Effect of PRRT/PITA tax expense	12,112	10,778
Deferred PRRT/PITA tax (credit)/expense	(2,115)	12,769
Underprovision in prior year	2,051	666
Tax (credit)/expense for the year	(11,492)	53,956

In addition to the amount charged to the profit or loss, the following amounts relating to tax have been recognised in other comprehensive income.

	2023 USD'000	2022 USD'000
Other comprehensive income - deferred tax		
Income tax credit related to carrying amount of hedged item	(6,056)	-

* Certain 2022 comparative information has been restated. Please refer to Note 50.

17 (Loss)/Profit per ordinary share

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

	2023 USD'000	2022 Restated* USD'000
(Loss)/Profit for the purposes of basic and diluted per share, being the net (loss)/profit for the year attributable to equity holders of the Company	(91,258)	9,237
	2023 Number	2022 Number
Weighted average number of ordinary shares for the purposes of basic EPS	499,480,437	461,959,228
Effect of diluted potential ordinary shares – share options	-	3,876,548
Effect of diluted potential ordinary shares – performance shares	-	334,163
Effect of diluted potential ordinary shares – restricted shares	-	202,823
Weighted average number of ordinary shares for the purposes of dilutive EPS	499,480,437	466,372,762

In 2023, 2,493,421 of weighted average potentially dilutive ordinary shares available for exercise from in the money vested options, associated with share options were excluded from the calculation of diluted EPS, as they are anti-dilutive in view of the loss for the year.

In 2023, 79,326 of weighted average contingently issuable shares associated under the Company's performance share plan based on the respective performance measures up to year end were excluded from the calculation of diluted EPS, as they are anti-dilutive in view of the loss for the year.

In 2023, 344,225 of weighted average contingently issuable shares under the Company's restricted share plan were excluded from the calculation of diluted EPS, as they are anti-dilutive in view of the loss for the year.

In 2023, 17,095,890 of weighted average contingently issuable shares under the Company's warrants instrument were excluded from the calculation of diluted EPS, as they are anti-dilutive in view of the loss for the year.

(Loss)/Profit per share (US\$)	2023	2022
Basic and diluted	(0.18)	0.02

18 Acquisition of the remaining 50% interest in the PNLP assets

18.1 Effective Date and Acquisition date

On 14 April 2023, Jadestone assumed operatorship of the PNLP Assets following the decision of the previous operator to withdraw from the licences. As part of the takeover, the previous operator paid the Group a sum representing its share of future wells preservation activities and decommissioning costs. The effective date of the takeover is 14 April 2023.

18.2 Asset acquisition

The Directors have concluded that the acquisition of the remaining 50% interest in the PNLP Assets is an asset acquisition as the PNLP Assets does not come with an organised workforce due to the PNLP Assets being shut-in since February 2022 as a result of the class suspension of the Bunga Kertas FPSO which served the PNLP Assets. Additionally, the Group does not take over any process in the form of a system, protocol or standards to contribute to the creation of outputs. Hence, the acquisition does not fall within the definition of a business acquisition under IFRS 3. The value of the assets acquired and liabilities assumed in the acquisition of the remaining 50% interest in the PNLP Assets were allocated on the basis of their relative fair values at the date of acquisition based on sum received from the previous operator.

18.3 Assets acquired and liabilities assumed at the date of acquisition

The value of the identifiable assets and liabilities, acquired and assumed as at the date of acquisition, were allocated on the basis of their relative fair values as follows:

	USD'000
Asset	
Non-current asset	
Other receivables (Note 29)	28,176
	28,176
Liability	
Non-current liability	
Provision for asset retirement obligations (Note 37)	48,430
	48,430
Net identifiable liability acquired	(20,254)

* Certain 2022 comparative information has been restated. Please refer to Note 50.

19 Acquisition of interest in CWLH joint operation

19.1 Effective Date and Acquisition Date

On 28 July 2022, the Group executed a sale and purchase agreement ("SPA") with BP Developments Australia Pty Ltd ("BP") to acquire BP's non-operated 16.67% working interest in the Cossack, Wanaea, Lambert and Hermes oil field development (the "North West Shelf Project" or "CWLH Assets"), offshore Australia. The initial cash consideration was US\$20.0 million plus two contingent payments of US\$2.0 million each if the annual average Dated Brent price is equal to or above US\$50/bbl in 2022 and US\$60/bbl in 2023. Both contingent payment materialised and were paid in January 2023 and 2024, respectively. The second contingent payment was recognised as a payable at 2023 year end.

In addition to the total consideration and as part of this transaction, the Group was required to pay a total of US\$82.0 million into a decommissioning trust fund administered by the operator of the CWLH Assets. The first tranche of US\$41.0 million was paid immediately prior to closing of the acquisition in November 2022 and two further payments of US\$20.5 million each were paid after approval by the Offshore Petroleum & Greenhouse Gas Storage Act (2006) title registration during 2023.

The acquisition completed on 1 November 2022. The acquisition has an economic effective date of 1 January 2020, which meant the Group was entitled to net cash generated since effective date to completion date, resulting in net cash receipts of US\$6.9 million at completion on 1 November 2022. On 17 May 2023, the Group received approval from the National Offshore Petroleum Titles Administrator ("NOPTA") for the title transfer.

The legal transfer of ownership and control of the non-operated 16.67% working interest in the CWLH Assets occurred on the date of completion, 1 November 2022 (the "Acquisition Date"). Therefore, for the purpose of calculating the purchase price allocation, the Directors have assessed the fair value of the assets and liabilities associated with the CWLH Assets as at the Acquisition Date.

On 14 November 2023, the Group executed a sale and purchase agreement with Japan Australia LNG (MIMI) Pty Ltd, to acquire additional interests of 16.67% in the CWLH Assets. See Note 48 for further details.

19.2 Acquisition of a 16.67% non-operated working interest

The CWLH Assets contain inputs (working interest in the CWLH Assets) and processes (existing organised workforce and onshore and offshore infrastructures managed by the operator), which when combined has the ability to contribute to the creation of outputs (oil). Accordingly, the CWLH Assets constitute a business and as a consequence, we have accounted for our acquisition of a 16.67% working interest in those assets using the accounting principles of business combinations accounting as set out in IFRS 3, and other IFRSs as required by the guidance in IFRS 11 paragraph 21A.

A purchase price allocation exercise was performed to identify, and measure at fair value, the assets acquired and liabilities assumed in the business combination. The consideration transferred was measured at fair value. The Group has adopted the definition of fair value under IFRS 13 *Fair Value Measurement* to determine the fair values, by applying Level 3 of the fair value measurement hierarchy.

19.3 Fair value of consideration

After taking into account various adjustments the net consideration for the CWLH Assets resulted in a cash receipt of US\$6.9 million, as set out below:

	USD'000
Asset purchase price	20,000
Closing statement adjustments	(26,953)
Net cash receipts from the acquisition	(6,953)*
	USD'000
Asset purchase price	20,000
Closing statement adjustments	(26,953)
Net cash receipts from the acquisition	(6,953)*
Deferred contingent consideration	3,940
Fair value of purchase consideration	(3,013)

* For the purpose of the consolidated statement of cash flows, the Group received US\$5.8 million from BP on the Acquisition Date, with the remaining US\$1.2 million recognised as a receivable as at 2022 year end. This cash amount was received in February 2023.

The Group considers that the purchase consideration and the transaction terms to be reflective of fair value for the following reasons:

- Open and unrestricted market: there were no restrictions in place preventing other potential buyers from negotiating with BP during the sales process period and there were a number of other interested parties in the formal sale process;
- Knowledgeable, willing and non-distressed parties: both the Group and BP are experienced oil and gas operators under no duress to buy or sell. The process was conducted over several months which gave both parties sufficient time to conduct due diligence and prepare analysis to support the transaction; and
- Arm's length nature: the Group is not a related party to BP. Both parties had engaged their own professional advisors. There is no reason to conclude that the transaction was not transacted at arm's length.

19.4 Assets acquired and liabilities assumed at the date of acquisition

During the year, the Group has completed the purchase price assessment ("PPA") to determine the fair values of the net assets acquired within 12 months from the Acquisition Date. A PPA adjustment was made in relation to the ARO provision and recognition of deferred tax asset associated with the provision for asset restoration obligations following additional information obtained subsequent to the acquisition of the CWLH Assets. The adjusted fair values of the identifiable assets and liabilities have been reflected in the consolidated statement of financial position as at 31 December 2022.

Below are the effects of the final PPA adjustments in accordance with IFRS 3:

	Provisional PPA USD'000	Adjustments USD'000	Final PPA USD'000
Asset			
<i>Non-current asset</i>			
Oil and gas properties (Note 22)	41,976	(21,307)	20,669
Deferred tax assets	-	19,390	19,390
<i>Current asset</i>			
Trade and other receivables	27,870	-	27,870*
	69,846	(1,917)	67,929
Liabilities			
<i>Non-current liabilities</i>			
Provision for asset restoration obligations (Note 37)	60,158	4,475	64,633
Deferred tax liabilities	12,593	(6,392)	6,201
<i>Current liability</i>			
Trade and other payables	108	-	108
	72,859	(1,917)	70,942
Net identifiable liabilities assumed	(3,013)	-	(3,013)

* Trade and other receivables consisted of a gross underlift position of 314,078 bbls acquired by the Group, with a fair value of US\$27.3 million, measured at the prevailing market price of US\$86.68/bbl. The underlift position was recognised as an expense following a lifting which occurred in the middle of November 2022. The balance also included a gross cash overcall position owing by the operator of US\$0.6 million as at the acquisition date. The overcall position will be unwound in the future based on the joint arrangement expenditures claim raised by the operator. No loss allowances have been recognised in respect to trade and other receivables.

Please refer to Note 50 for a summary of the adjustment of comparative figures.

19.5 Impact of acquisition on the results of the Group

The Group's 2022 results included US\$56.6 million of revenue and US\$9.3 million of after tax profit attributable to the CWLH Assets.

Acquisition-related costs amounting to US\$0.5 million have been excluded from the consideration transferred and have been recognised as an expense in the prior year, within "other expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

Had the business combination been effected at 1 January 2022, and based on the performance of the business during 2022 under BP, the Group would have generated revenues of US\$109.6 million and an estimated net profit after tax of US\$29.5 million.

20 Acquisition of 10% interest in Lemang PSC

20.1 Acquisition date

On 23 November 2022, the Group completed the acquisition of the remaining 10% interest in the Lemang PSC. As a result, Jadestone's interest (pre local government back-in rights) in the Lemang PSC has increased to 100%.

The 10% interest was acquired through the execution of a Settlement and Transfer Agreement ("STA") between the Group and PT Hexindo Gemilang Jaya ("Hexindo"). In return for the transfer of Hexindo's 10% stake, the Group released Hexindo from unpaid amounts of US\$1.4 million relating to Hexindo's interest in the Lemang PSC, which consisted of US\$0.4 million (Note 29) generated since 11 December 2020 when the Group first acquired the 90% working interest in the Lemang PSC up to the STA date of 23 November 2021, plus US\$1.0 million which arose prior to 11 December 2020. Additionally, the Group paid a cash consideration of US\$0.5 million (inclusive of transfer taxes, which the Group has remitted directly to the Indonesian government).

20.2 Assets acquired and liabilities assumed at the date of acquisition

The assets and liabilities associated with the 10% interest in the Lemang PSC, acquired and assumed as at the date of acquisition, were:

	USD'000
Asset	
<i>Non-current asset</i>	
Oil and gas properties (Note 22)	1,414
VAT receivables	1,338
<i>Current asset</i>	
Trade and other receivables	15
Inventories	26
	2,793
Liabilities	
<i>Non-current liabilities</i>	
Provision for asset restoration obligations (Note 37)	337
<i>Current liability</i>	
Trade and other payables	598
	935
Net identifiable liabilities assumed	1,858

The provision for ARO assumed by the Group is associated with historical oil production by Mandala Energy that ceased in 2016, prior to the acquisition of the 90% operated interest by the Group in December 2020. The obligation was assumed following the acquisition, and the decommissioning expenditure is expected to be incurred from 2036, at the end of the life of the planned gas development.

21 Intangible exploration assets

	USD'000
Cost	
As at 1 January 2022	93,241
Additions	3,582 ^(a)
Transfer	(18,895) ^(b)
As at 31 December 2022	77,928
Additions	1,636 ^(a)
As at 31 December 2023	79,564
Impairment	
As at 1 January 2022 and 1 January 2023	-
Additions (Note 12)	-
As at 31 December 2023	-
Carrying amount	
As at 1 January 2022	93,241
As at 31 December 2022	77,928
As at 31 December 2023	79,564

(a) For the purpose of the consolidated statement of cash flows, current year expenditure on intangible exploration assets of US\$0.1 million remained unpaid as at 31 December 2023 (2022: US\$0.3 million).

(b) The transfer relates to the Lemang PSC in Indonesia. In June 2022, the final investment decision was taken following regulatory approval to award the engineering, procurement, construction and installation ("EPCI") contract which established commercial viability. The capitalised cost of US\$18.9 million was transferred to development assets as disclosed in Note 22.

22 Oil and gas properties

	Production assets USD'000	Development assets USD'000	Total USD'000
Cost			
As at 1 January 2022	595,494	-	595,494
Changes in asset restoration obligations (Note 37)	18,680	7	18,687
Acquisition of CWLH Assets (Note 19)	20,669	-	20,669
Acquisition of 10% interest in Lemang PSC (Note 20)	-	1,414	1,414
Additions	62,319	16,619	78,938*
Written off	(3,704)	-	(3,704)**
Transfer	-	18,895	18,895
As at 31 December 2022 (Restated)*	693,458	36,935	730,393
Changes in asset restoration obligations (Note 37)	7,150	-	7,150 ^(a)
Additions	32,058	81,672	113,730 ^{(b)(e)}
Transfer of 50% interest in PNLP Assets	48,430	-	48,430 ^(d)
Written off	(3,067)	-	(3,067)
As at 31 December 2023	778,029	118,607	896,636
Accumulated depletion, amortisation and impairment			
As at 1 January 2022	241,902	-	241,902
Charge for the year	45,016	-	45,016
Impairment	13,534	-	13,534
Written off	(3,704)	-	(3,704) ^(c)
As at 31 December 2022 (Restated)*	296,748	-	296,748
Charge for the year	64,575	-	64,575
Impairment	78,111	-	78,111 ^(d)
As at 31 December 2023	439,434	-	439,434
Carrying amount			
As at 1 January 2022	353,592	-	353,592
As at 31 December 2022	396,710	36,935	433,645
As at 31 December 2023	338,595	118,607	457,202

- (a) The changes in ARO in Note 37 of US\$19.4 million includes the increase in ARO of the PNLP Assets of US\$24.5 million while the changes in ARO of US\$7.2 million in this note includes the increase in ARO of the PNLP Assets of US\$12.3 million, being 50% of the working interests owned by the Group. The remaining 50% for the increase in ARO of the PNLP Assets of US\$12.3 million is offset against the non-current other payable (Note 41) due to the costs are to be funded from the cash advances receivable from the Malaysian joint arrangement partner for its share future decommissioning costs on the PNLP Assets when it withdrew from the licences in 2023.
- (b) The additions in 2023 and 2022 represents cash paid for the Group's capital expenditure projects. The additions in 2023 includes the capitalisation of borrowing costs of US\$2.4 million.
- (c) The written off amount in 2022 represented the fully depreciated oil and gas properties associated with the Indonesian Ogan Komering PSC of which the PSC had expired in 2018.
- (d) On 14 April 2023, Jadestone assumed operatorship of the PNLP Assets following the decision of the previous operator to withdraw. Accordingly, the Group has assumed the previous operator's share of decommissioning liabilities of US\$48.4 million following the transfer of operatorship, with a corresponding increase to the oil and gas properties balance. The Directors have assessed the recoverable amount of the oil and gas properties acquired following the takeover to be zero using the VIU approach. Accordingly, the oil and gas properties were fully impaired and offset against the non-current other payable (Note 41) for the reason as explained in (a) above, due to the uncertainty in respect to a potential restart date for production under the PSCs and as a result there is no certainty of future cash flows from the oil and gas properties. On 31 October 2023, MPM invited Jadestone to participate in the bidding for the renamed PNLP assets, which is now referred to as the "Puteri Cluster PSC," through Malaysia Bid Round Plus ("MBR+"). The Group submitted its bid in January 2024, with results of the bidding anticipated in May 2024. The Directors are reasonably confident that the bid will be successful but there is no certainty of success and future cash flows from the assets.
- The remaining impairment amount consists of the impairment of Stag's oil and gas properties for US\$17.4 million and PNLP Assets' oil and gas properties for US\$12.3 million as further disclosed in Note 12.
- (e) For the purpose of the consolidated statement of cash flows, current year expenditure on oil and gas properties of US\$3.8 million remained unpaid as at 31 December 2023 (2022: nil).

* Certain 2022 comparative information has been restated. Please refer to Note 50.

1 Malaysia Petroleum Management ("MPM") is entrusted to act for and on behalf of PETRONAS in the overall management of Malaysia's petroleum resources.

23 Plant and equipment

	Computer equipment USD'000	Fixtures and fittings USD'000	Materials and spares USD'000	Total USD'000
Cost				
As at 1 January 2022	3,554	1,571	7,209	12,334
Additions	204	152	-	356
Written off	(313)	(14)	-	(327)
Transfer	-	-	(1,173) ^(a)	(1,173) ^(a)
As at 31 December 2022	3,445	1,709	6,036	11,190
Additions	280	236	-	516
Transfer	-	-	3,122	3,122 ^(a)
As at 31 December 2023	3,725	1,945	9,158	14,828
Accumulated depreciation				
As at 1 January 2022	1,959	1,412	-	3,371
Charge for the year	450	166	-	616
Written off	(101)	(14)	-	(115)
As at 31 December 2022	2,308	1,564	-	3,872
Charge for the year	347	147	-	494
As at 31 December 2023	2,655	1,711	-	4,366
Carrying amount				
As at 1 January 2022	1,595	159	7,209	8,963
As at 31 December 2022	1,137	145	6,036	7,318
As at 31 December 2023	1,070	235	9,158	10,462

(a) The transfer represents the material and spares that are not expected to be consumed within the next 12 months from the year end. The reclassification amount is net of allowance of slow moving items of US\$1.7 million (2022: US\$2.7 million).

24 Right-of-use assets

	Transportation and logistics USD'000	Buildings USD'000	Total USD'000
Cost			
As at 1 January 2022	43,545	4,823	48,368
Additions	6,701	655	7,356
Written off*	(4,146)	(1,835)	(5,981)
As at 31 December 2022	46,100	3,643	49,743
Additions	36,926	1,231	38,157
Written off*	(39,673)	-	(39,673)
As at 31 December 2023	43,353	4,874	48,227
Accumulated depreciation			
As at 1 January 2022	31,408	3,108	34,516
Charge for the year	12,224	791	13,015
Written off*	(4,146)	(1,835)	(5,981)
As at 31 December 2022	39,486	2,064	41,550
Charge for the year	14,390	861	15,251
Written off*	(39,673)	-	(39,673)
As at 31 December 2023	14,203	2,925	17,128
Carrying amount			
As at 1 January 2022	12,137	1,707	13,852
As at 31 December 2022	6,614	1,579	8,193
As at 31 December 2023	29,150	1,948	31,099

* This represents the write off of expired leases.

Most of the Group's right-of-use assets are contracts to lease assets including helicopters, a supply boat, logistic facilities for the Montara field and buildings. The average lease term is 2.7 years. The additions to right-of-use assets during the year mainly consist of the extension of the Group's helicopter lease and Montara warehouse lease for three years and two years, respectively, plus a two-year lease for Montara vessel to replace an expired lease.

The maturity analysis of lease liabilities is presented in Note 39.

	2023 USD'000	2022 USD'000
Amount recognised in profit or loss		
Depreciation expense on right-of-use assets	15,252	13,015
Interest expense on lease liabilities	2,771	769
Expenses relating to short-term leases	36,680	16,028
Expense relating to leases of low value assets	44	68

As at 31 December 2023, the Group is committed to US\$3.9 million of short-term leases (2022: US\$3.0 million).

The total cash outflow in 2023 relating to leases was US\$53.9 million (2022: US\$30.8 million).

25 Investment in associate

	2023 USD'000	2022 USD'000
At beginning of year	-	-
Acquisition of 9.52% non-operated interest in Sinphuhorm Assets	27,853	-
Dividends received during the year	(3,842)	-
Share of profit of the associate	2,640	-
At end of year	26,651	-

On 19 January 2023, the Group executed a sale and purchase agreement with Salamander Energy (S.E. Asia) Limited, an affiliate of PT Medco Energi Internasional Tbk, to acquire its interest in three legal entities, which collectively own a 9.52% non-operated interest in the producing Sinphuhorm gas field and a 27.2% interest in the Dong Mun gas discovery onshore north-east Thailand. The acquisition included a 27.2% interest in APICO LLC, which operates the Sinphuhorm concessions (E5N and EU1) and Dong Mun (L27/43). The acquisition was completed on 23 February 2023, for a cash consideration of US\$27.9 million. The acquisition has an economic effective date of 1 January 2022, which meant the Group was entitled to net cash generated since effective date to completion date.

APICO LLC is limited liability company incorporated in the State of Delaware, United States of America. Its primary business purpose is the acquisition, exploration, development and production of petroleum interests in the Kingdom of Thailand. Its principal activities are currently exploration in operated concessions and gas production in non-operated concessions.

The Group has applied equity accounting for the investment in associate. The summarised financial information in respect of the associate, APICO LLC, since the date of acquisition of 23 February 2023 is set out below. The summarised financial information below represents amounts in associates' financial statements which holds a 35% interest in the Sinphuhorm gas field. The APICO LLC's financial statements are prepared in accordance with IFRS Accounting Standards.

	2023 USD'000
Current assets	39,027
Non-current assets	133,037
Current liabilities	27,048
Non-current liabilities	6,902
Revenue	59,504
Profit before tax	26,412
Profit after tax, representing total comprehensive income for the year	9,705
Proportion of the Group's ownership interest in the associate	27.2%
Share of profit of the associate	2,640
Dividends received from the associate during the year	(3,842)

26 Interests in operations

Details of the operations, of which all are in production except for 46/07 and 51 which are in the exploration stage while the Lemang PSC is in the development stage, are as follows:

Contract Area	Date of expiry	Held by	Place of operations	Group effective working interest % as at 31 December	
				2023	2022
Montara oilfield	Indefinite	Jadestone Energy (Eagle) Pty Ltd	Australia	100	100
Stag Oilfield	25 August 2039	Jadestone Energy (Australia) Pty Ltd	Australia	100	100
PM329	8 December 2031	Jadestone Energy (Malaysia) Pte Ltd	Malaysia	70	70
PM323	14 June 2028	Jadestone Energy (Malaysia) Pte Ltd	Malaysia	60	60
PM318	24 May 2034	Jadestone Energy (PM) Inc.	Malaysia	100	50
AAKBNLP	24 May 2024	Jadestone Energy (PM) Inc.	Malaysia	100	50
WA-3-L	Indefinite	Jadestone Energy (CWLH) Pty Ltd	Australia	17	17
WA-9-L	15 July 2033	Jadestone Energy (CWLH) Pty Ltd	Australia	17	17
WA-11-L	4 September 2035	Jadestone Energy (CWLH) Pty Ltd	Australia	17	17
WA-16-L	11 September 2039	Jadestone Energy (CWLH) Pty Ltd	Australia	17	17
46/07	29 June 2035	Mitra Energy (Vietnam Nam Du) Pte Ltd	Vietnam	100	100
51	10 June 2040	Mitra Energy (Vietnam Tho Chu) Pte Ltd	Vietnam	100	100
Lemang	17 January 2037	Jadestone Energy (Lemang) Pte Ltd	Indonesia	100	100
Sinphuhorm concessions (E5N)	15 March 2031	Jadestone Energy (Thailand) Pte Ltd	Thailand	10	-
Sinphuhorm concessions (EU1)	2 June 2029	Jadestone Energy (Thailand) Pte Ltd	Thailand	10	-
Dong Mun (L27/43)	24 September 2017 ¹	Jadestone Energy (Thailand) Pte Ltd	Singapore	27	-

27 Deferred tax

The following are the deferred tax liabilities and assets recognised by the Group and movements thereon.

	Australian PRRT USD'000	Malaysian PITA USD'000	Tax depreciation USD'000	Derivative financial instruments USD'000	Total USD'000
As at 1 January 2022 (Restated)*	14,546	7,342	(75,584)	-	(53,696)
Charged to profit or loss (Note 16)	(7,032)	(5,737)	(14,087)	-	(26,856)
Acquisition of CWLH Assets (Note 19)	(6,201)	-	19,390	-	13,189
As at 31 December 2022 (Restated)*	1,313	1,605	(70,281)	-	(67,363)
Charged to profit or loss (Note 16)	4,269	(2,155)	20,138	-	22,252
Credited to OCI	-	-	-	6,056	6,056
As at 31 December 2023	5,582	(550)	(50,143)	6,056	(39,055)

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	31 December 2023 USD'000	31 December 2022 Restated* USD'000	1 January 2022 Restated* USD'000
Deferred tax liabilities	(65,829)	(76,481)	(77,562)
Deferred tax assets	26,774	9,118	23,866
	(39,055)	(67,363)	(53,696)

The Group's deferred tax assets predominately arising from its Australian operations and PenMal Assets. Deferred tax assets are recognised as the Directors believe there will be sufficient taxable profits from its Australian and Malaysian producing assets to offset against the available future deductions based on the estimated future cash flows prepared.

The Group has unutilised PRRT credits of approximately US\$3.8 billion (2022: US\$3.5 billion; 2021: US\$3.4 billion) and US\$493.4 million (2022: US\$535.5 million; 2021: nil) available for offset against future PRRT taxable profits in respect of the Montara field and the CWLH Assets, respectively. The PRRT credits remain effective throughout the production licence of Montara and the CWLH Assets. No deferred tax asset has been recognised in respect of these PRRT credits, due to the Directors' projections that the historic accumulated PRRT net losses are larger than cumulative future expected PRRT taxable profits. As PRRT credits are utilised based on a last-in-first-out basis, the unutilised PRRT credits of approximately US\$3.8 billion (2022: US\$3.5 billion; 2021: US\$3.4 billion) and US\$493.4 million (2022: US\$535.5 million; 2021: nil) with respect to Montara and the CWLH Assets are not expected to be utilised and are therefore not recognised as a deferred tax asset.

¹ The application for the extension to the license is currently ongoing and managed by the associate, APICO LLC.

* Certain 2022 comparative information has been restated. Please refer to Note 50.

28 Inventories

	2023 USD'000	2022 Reclassified* USD'000
Materials and spares	23,242	18,969
Less: allowance for slow moving (Note 10)	(7,010)	(6,334)
	16,232	12,635
Crude oil inventories	17,422	7,009
	33,654	19,644

The cost of inventories recognised as an expense during the year for lifted volumes, is calculated by including production costs excluding workovers, Malaysian supplementary payments and tariffs and transportation costs, plus depletion expense of oil & gas properties, and plus depreciation of right-of-use assets deployed for operational use. In 2023, this cost totalled US\$274.4 million (2022: US\$260.4 million).

29 Trade and other receivables

	2023 USD'000	2022 Reclassified* USD'000
Current assets		
Trade receivables	12,533	6,332
Prepayments	5,947	3,119
Other receivables and deposits	88,005	4,126
Amount due from joint arrangement partners (net)	12,911	4,268
Underlift crude oil inventories	3,539	107
GST/VAT receivables	1,444	1,683
	124,379	19,635
Non-current assets		
Other receivables	127,730	83,192
VAT receivables	14,130	7,398
	141,860	90,590
	266,239	110,225

Trade receivables arise from revenues generated from the Group's respective sole customer in Australia and Malaysia. The average credit period is 30 days (2022: 30 days). All outstanding receivables as at 31 December 2023 and 2022 have been recovered in full in 2024 and 2023, respectively.

The current other receivables as at 31 December 2023 mainly represent the accumulated cess payment paid to the Malaysian regulator for the PenMal PNLP Assets and an amount due from a joint arrangement partner for its share of future wells preservation activities and decommissioning costs when it exited two PSC licences during 2023. The receivable was received in January 2024.

Amount due from joint arrangement partners represents cash calls receivable from the Malaysian joint arrangement partner, net of joint arrangement expenditures. The amount is unsecured, with a credit period of 15 days. A notice of default will be served to the joint arrangement partner if the credit period is exceeded, which will become effective seven days after service of such notice if the outstanding amount remains unpaid. Interest of 3% per annum will be imposed on the outstanding amount, starting from the effective date of default. The outstanding receivable was received in January 2024.

The underlift crude oil inventories represent entitlement imbalances at year end of 54,079 bbls at the PenMal operated assets. The underlift position is measured at cost of US\$18.75/bbl. The 2023 underlift position will unwind in 2024 based on the subsequent net productions entitled to the Group. The Group was in overlift position at 2022 year end which unwound in 2023 based on actual production entitlement during the year. The underlift crude oil inventories also consist of 32,411 bbls at the PNLP Assets being the underlift position inherited by the Group following the assumption of operatorship of the PNLP Assets from the previous operator. The underlift position is measured at fair value of US\$77.91/bbl in view of there was no production at the PNLP Assets during the year.

Non-current other receivables represent the accumulated cess payment paid to the Malaysian and Indonesian regulators for the operated licences and an abandonment trust fund set up following the acquisition of the CWLH Assets. The Malaysian PSCs and Lemang PSC require upstream operators to contribute periodic cess payments to a cess abandonment fund throughout the production life of the upstream oil and gas assets, while the abandonment trust fund was set up as part of the acquisition of the CWLH Assets. The payments made were to ensure there are sufficient funds available for decommissioning expenditures activities at the end of the fields' life. The cess payment amount is assessed based on the estimated future decommissioning expenditures.

The increase of non-current other receivables during the period represents additional payments of US\$41.0 million into the CWLH abandonment trust fund. Additionally, the total accumulated cess payment paid to the Malaysian regulator and the ARO provision for the PNLP Assets are now presented on a gross basis following the reallocation of the CESS funds when the licenses and operatorship were transferred to the Group in April 2023, in line with the Group's accounting policies. In 2022, the total accumulated cess payment paid and the ARO provision was presented on a net basis to reflect the PSCs were non-operated, in line with the Group's accounting policies. See Note 37 for further details.

The non-current VAT receivables are associated with the Lemang PSC. It is classified as a non-current asset as the recovery of the VAT receivables is dependent on the share of revenue entitlement by the Indonesian government after the commencement of gas production, which is expected to occur in the first half of 2024.

There are no trade receivables older than 30 days. The credit risk associated with the trade receivables is disclosed in Note 44.

* Certain 2022 comparative information has been reclassified between line items. Please refer to Note 50.

30 Cash and bank balances

	2023 USD'000	2022 USD'000
Cash and bank balances, representing cash and cash equivalents in the consolidated statement of cash flows, presented as:		
Non-current	1,008	676
Current	152,396	122,653
	153,404	123,329

The non-current cash and cash equivalents represents the restricted cash balance of US\$0.7 million (2022: US\$0.4 million) and US\$0.3 million (2022: US\$0.3 million) in relation to a deposit placed for bank guarantee with respect to the PenMal Assets and Australian office building, respectively. These bank guarantees are expected to be in place for a period of more than twelve months.

Current cash and cash equivalents include a bank guarantee of US\$0.5 million placed by the Group during the year with respect to the construction of the Lemang PSC gas pipeline facilities. This bank guarantee expired in February 2024.

As part of the RBL facility, the Group must retain an aggregate amount of principal, interest, fees and costs payable for the next two quarters in the debt service reserve account ("DSRA"). An amount of US\$8.2 million was deposited into the DSRA during 2023 and it is classified as a current asset.

31 Share capital and share premium account

	No. of shares	Share capital USD'000	Share premium account USD'000
Issued and fully paid			
As at 1 January 2022, at £0.001 each	465,081,238	358	201
Issued during the year	1,446,108	2	782
Share repurchased	(18,173,683)	(21)	-
As at 31 December 2022	448,353,663	339	983
Issued during the year	94,463,933	120	50,844
Share repurchased	(2,051,022)	(3)	-
As at 31 December 2023	540,766,574	456	51,827

On 2 August 2022, the Company announced the launch of a share buyback programme (the "Programme") in accordance with the authority granted by the shareholders at the Company's annual general meeting on 30 June 2022. The maximum amount of the Programme was US\$25.0 million, and the Programme will not exceed 46,574,528 ordinary shares.

On 19 January 2023, the Company suspended its share buyback programme. For the year ended 31 December 2023, the Company had acquired 2.3 million shares at a weighted average cost of GB£0.75 per share, resulting in total expenditure of US\$2.1 million. The total nominal value of the shares repurchased was US\$2,485. All shares repurchased were cancelled. Since the launch of the share buyback programme, a total of 20.4 million shares had been acquired for a total accumulated expenditure of US\$18.1 million, with total nominal value of the shares repurchased was US\$23,778.

As at 31 December 2022, the Company did not have a liability in respect to the remaining unutilised amount of US\$8.9 million under the Programme as the Company had full discretion over the number of shares to be repurchased. The Programme expired on 30 June 2023 in conjunction with the Company's 2023 annual general meeting ("AGM") and was not renewed at the 2023 AGM.

On 6 June 2023, the Company completed an equity fundraising, creating an additional 94,081,826 ordinary shares at GB£0.45 per share, which comprised of a placing and subscription of 92,312,691 new ordinary shares to existing and new institutional shareholders and a placing and subscription of 1,769,135 new ordinary shares to the Directors of the Company. Total gross proceeds were US\$53.0 million, with net proceeds of US\$51.0 million. The Group incurred total costs of US\$2.0 million associated with the equity fundraising and these costs were accounted as a deduction to the equity.

On 9 June 2023, the Company launched an open offer of up to 14,887,039 new ordinary shares, at GB£0.45 per share, to raise additional proceeds of up to EUR8.0 million¹ (up to US\$8.6 million). The open offer closed on 28 June 2023, raising a total gross and net proceeds of US\$42,009 by issuing 73,557 new shares.

During the year, employee share options of 128,160 were exercised and issued at an average price of GB£ 0.56 per share (2022: 1,446,108; GB£0.42 per share). Additionally, 79,327 shares were issued during the year to satisfy the Company's obligations with regards to the performance shares and 101,063 shares were issued to meet the obligations with regards to the restricted shares.

The Company has one class of ordinary share. Fully paid ordinary shares with par value of GB£0.001 per share carry one vote per share without restriction, and carry a right to dividends as and when declared by the Company.

¹ The open offer was quoted in Euro of 8.0 million to meet the applicable regulation issued by the European Union regarding to the quantum of open offer.

32 Dividends

The parent company has sufficient distributable reserves to declare dividends. The distributable reserves were created through the reduction of share capital of the Company in May 2021. The dividends declared in 2022 were in compliance with the Act.

The Company did not declare any dividend during the year.

On 20 September 2022, the Directors declared a 2022 interim dividend of 0.65 US cents/share, equivalent to a total distribution of US\$3.0 million. The dividend was paid on 11 October 2022.

On 6 June 2022, the Directors recommended a final 2021 dividend of 1.34 US cents/share, equivalent to a total distribution of US\$6.2 million, or US\$9.0 million in respect of total 2021 dividends. The dividend was approved by shareholders on 30 June 2022 and paid on 5 July 2022.

33 Merger reserve

The merger reserve arose from the difference between the carrying value and the nominal value of the shares of the Company, following completion of the internal reorganisation in 2021.

34 Share-based payments reserve

The total expense arising from share-based payments of US\$0.8 million (2022: US\$1.0 million) was recognised as 'administrative staff costs' (Note 7) in profit or loss for the year ended 31 December 2023. The share-based payment expense arise from share options, performance shares and restricted shares awarded from 2020 to 2022. In view of the performance of the Group in 2023, the Remuneration Committee suspended performance share grants in 2023. In consultation with an external advisor, the Remuneration Committee approved a Deferred Cash Plan ("DCP") for the 2023 - 2026 Long-Term Incentive ("LTI") cycle, which was awarded in October 2023 (Note 41). This was done to ensure that the LTI programme aligns the interests of the senior leaders of the Group to the interests of shareholders, and is effective in retaining and incentivising our top talents.

On 15 May 2019, the Company adopted, as approved by the shareholders, the amended and restated stock option plan, the performance share plan, and the restricted share plan (together, the "LTI Plans"), which establishes a rolling number of shares issuable under the LTI Plans up to a maximum of 10% of the Company's issued and outstanding ordinary shares at any given time. Options under the stock option plan will be exercisable over periods of up to 10 years as determined by the Board.

34.1 Share options

The Directors have applied the Black-Scholes option-pricing model, with the following assumptions, to estimate the fair value of the options at the date of grant:

	Options granted on 9 March 2022
Risk-free rate	1.34% to 1.38%
Expected life	5.5 to 6.5 years
Expected volatility ¹	63.0% to 66.7%
Share price	GB£ 1.01
Exercise price	GB£ 0.92
Expected dividends	1.96%

34.2 Performance shares

The performance measures for performance shares incorporate both a relative and absolute total shareholder return ("TSR") calculation on a 70:30 basis to compare performance vs. peers (relative TSR) and to ensure alignment with shareholders (absolute TSR).

Relative TSR: measured against the TSR of peer companies; the size of the payout is based on Jadestone's ranking against the TSR outcomes of peer companies.

Absolute TSR: share price target plus dividend to be set at the start of the performance period and assessed annually; the threshold share price plus dividend has to be equal to or greater than a 10% increase in absolute terms to earn any pay out at all, and must be 25% or greater for target pay out.

A Monte Carlo simulation model was used by an external specialist, with the following assumptions to estimate the fair value of the performance shares at the date of grant:

	Performance shares granted on 9 March 2022
Risk-free rate	1.39%
Expected volatility ¹	53.1%
Share price	GB£ 1.01
Exercise price	N/A
Expected dividends	1.71%
Post-vesting withdrawal date	N/A
Early exercise assumption	N/A

¹ Expected volatility was determined by calculating the average historical volatility of the daily share price returns over a period commensurate with the expected life of the awards for a group of ten peer companies.

33.3 Restricted shares

Restricted shares are granted to certain senior management personnel as an alternative to cash under exceptional circumstances and to provide greater alignment with shareholder objectives. These are shares that vest three years after grant, assuming the employee has not left the Group. They are not eligible for dividends prior to vesting.

The following assumptions were used to estimate the fair value of the restricted shares at the date of grant, discounting back from the date they will vest and excluding the value of dividends during the intervening period:

	Restricted shares granted on	
	22 August 2022	9 March 2022
Risk-free rate	1.73%	1.39%
Share price	GB£ 0.90	GB£ 1.01
Expected dividends	1.73%	1.71%

The following table summarises the options/shares under the LTI plans outstanding and exercisable as at 31 December 2023:

	Performance shares	Restricted shares	Number of options	Shares Options Weighted average exercise price GB£	Weighted average remaining contract life	Number of options exercisable
As at 1 January 2022	1,486,893	151,633	21,166,802	0.45	7.15	11,409,854
New options/share awards issued	1,406,956	293,655	1,030,366	0.92	9.19	-
Vested during the year	-	-	-	0.50	6.27	2,010,007
Accelerated vesting during the year	-	-	-	0.46	6.45	1,354,702
Exercised during the year	-	-	(1,446,108)	0.42	-	(1,446,108)
Cancelled during the year	(147,906)	-	(1,012,124)	0.50	-	(1,012,124)
As at 31 December 2022	2,745,943	445,288	19,738,936	0.45	7.15	12,316,331
Vested during the year	(79,327)	(101,063)	-	0.44	6.32	4,665,000
Exercised during the year	-	-	(128,160)	0.56	-	(128,160)
Expired unexercised during the year	(449,513)	-	-	-	-	-
Cancelled during the year	-	-	(344,655)	0.60	-	(344,655)
As at 31 December 2023	2,217,103	344,225	19,266,121	0.48	5.37	16,508,516

The weighted average share price on the exercise date is GB£0.83 (2022: GB£0.86).

	Number of options	Range of exercise price GB£	Weighted average exercise price GB£	Weighted average remaining contract life
Share options exercisable as at 31 December 2022	12,316,331	0.26 - 0.99	0.41	5.46
Share options exercisable as at 31 December 2023	16,508,516	0.26 - 0.99	0.41	4.92

35 Capital redemption reserve

The capital redemption reserve arose from the Programme launched by the Company in August 2022. It represents the par value of the shares purchased and cancelled by the Company under the Programme (Note 31).

36 Hedging reserve

	2023 USD'000	2022 USD'000
At beginning of the year	-	-
Loss arising on changes in fair value of hedging instruments during the year	30,509	-
Income tax related to loss recognised in other comprehensive income	(9,153)	-
Net loss reclassified to profit or loss (Note 4)	(10,322)	-
Income tax related to amounts reclassified to profit or loss	3,097	-
At end of the year	14,131	-

The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction impacts the profit or loss. See Note 42 for further details on the hedging arrangements.

37 Provisions

	Asset restoration obligations (a) USD'000	Contingent payments (b) USD'000	Employees benefits (c) USD'000	Others USD'000	Total USD'000
As at 1 January 2022	404,401	6,179	844	202	411,626
Charged/(Credited) to profit or loss	-	-	122	(202)	(80)
Acquisition of CWLH Assets (Note 19)	64,633	1,940	-	-	66,573
Acquisition of 10% interest in Lemang PSC (Note 20)	337	-	-	-	337
Accretion expense (Note 14)	8,333	-	-	-	8,333
Changes in discount rate assumptions (Note 22)	18,687	-	-	-	18,687
Payment/Utilised	-	-	(81)	-	(81)
Change in provision (Note 10)	-	7,333	-	-	7,333
Fair value adjustment – Lemang PSC (Note 14)	-	349	-	-	349
Fair value adjustment – PenMal Assets (Note 14)	-	1,571	-	-	1,571
Reclassification	-	(3,000)	-	-	(3,000)
As at 31 December 2022 (Restated)*	496,391	14,372	885	-	511,648
Charged/(Credited) to profit or loss	-	(7,653)	149	1,112	(6,392)
Accretion expense (Note 14)	20,201	-	-	-	20,201
Changes in discount rate assumptions (Notes 12 and 22)	19,420	-	-	-	19,420
Payment/Utilised	(8,589)	-	-	-	(8,589)
Fair value adjustment – Lemang PSC (Note 14)	-	868	-	-	868
Fair value adjustment – CWLH Assets (Note 14)	-	60	-	-	60
Acquisition of 50% interest in PNL Assets	48,430	-	-	-	48,430
Gross Up (Note 29)	28,176	-	-	-	28,176
Reclassification	(127)	(2,000)	-	-	(2,127)
As at 31 December 2023	603,902	5,647	1,034	1,112	611,695
As at 31 December 2022					
Current	-	-	703	-	703
Non-current	496,391	14,372	182	-	510,945
	496,391	14,372	885	-	511,648
As at 31 December 2023					
Current	102,811	5,000	714	-	108,525
Non-current	501,091	647	320	1,112	503,170
	603,902	5,647	1,034	1,112	611,695

(a) The Group's ARO comprise the future estimated costs to decommission each of the Montara, Stag, Lemang PSC, PenMal Assets and CWLH Assets.

The carrying value of the provision represents the discounted present value of the estimated future costs. Current estimated costs of the ARO for each of the Montara, Stag, Lemang PSC, PenMal Assets and CWLH Assets have been escalated to the estimated date at which the expenditure would be incurred, at an assumed blended inflation rate. The estimates for each asset are a blend of assumed US and respective local inflation rates to reflect the underlying mix of US dollar and respective local dollar denominated expenditures. The present value of the future estimated ARO for each of the Montara, Stag, Lemang PSC, PenMal Assets and CWLH Assets has then been calculated based on a blended risk-free rate. The base estimate ARO for Montara, Stag, Lemang PSC, PenMal Assets and CWLH Assets remains largely unchanged from 2022. The blended inflation rates and risk-free rates used, plus the estimated decommissioning year of each asset are as follows:

No.	Asset	Blended inflation rate		Blended risk-free rate		Estimated decommissioning year
		2023	2022	2023	2022	
1.	Montara	2.55%	3.01%	3.99%	3.97%	2031
2.	Stag	2.30%	2.62%	4.08%	4.01%	2036
3.	Lemang PSC	2.24%	2.93%	6.09%	6.43%	2036
4.	PenMal Assets	2.09%	2.46% - 2.48%	3.52% - 3.80%	3.48% - 4.02%	2024 onwards
5.	CWLH Assets	2.58%	3.05%	4.03%	3.94%	2035

* Certain 2022 comparative information has been restated. Please refer to Note 50.

Following the enactment of the Offshore Petroleum and Greenhouse Gas Storage Amendment (Titles Administration and Other Measures) Act 2021 which, amongst other things, enhanced the decommissioning framework applying to offshore assets in Australia, on 29 March 2023 Jadestone Energy (Australia) Pty Ltd, Jadestone Energy (Eagle) Pty Ltd and Jadestone Energy (CWLH) Pty Ltd, each wholly owned subsidiaries of the Company, entered into a deed poll with the Australian Government with regard to the requirements of maintaining sufficient financial capacity to ensure that each of Montara's, Stag's and CWLH's asset restoration obligations can be met when due. The deed states that the Group is required to provide financial security in favour of the Australian Government when the aggregate remaining net after-tax cash flow of the Group is below 1.25 times of the Group's estimated decommissioning liabilities net of any residual value, tax benefits, and other financial assurance committed by the Group for such purposes. The Group does not expect to provide financial security under the deed poll this year based on the financial capacity assessment.

The Malaysian and Indonesian regulators require upstream oil and gas companies to contribute to an abandonment cess fund, including making monthly cess payments, throughout the production life of the oil or gas field. The cess payment amount is assessed based on the estimated future decommissioning expenditures. The cess payment paid for non-operated licences reduces the ARO liability. The Malaysian abandonment cess fund only covers the decommissioning costs related to the oil and gas facilities, excluding wells. The Indonesian cess fund covers the decommissioning costs related to all facilities. The Group has recognised ARO provisions for the estimated decommissioning costs of the wells in the PSCs.

An abandonment trust fund was set as part of the acquisition of the CWLH Assets to ensure there are sufficient funds available for decommissioning activities at the end of field life. The cash contribution paid into the trust fund is classified as non-current receivable as the amount is reclaimable by the Group in the future following the commencement of decommissioning activities.

- (b) The fair value of the contingent payments payable to Mandala Energy Lemang Pte Ltd for the Lemang PSC acquisition are valued at US\$5.6 million as at 31 December 2023 (2022: US\$12.4 million) for the trigger events as disclosed below. The decrease in provision represents the derecognition of contingent payments associated with the Saudi CP and Dated Brent prices due to the trigger events are not expected to occur based on the specialist's consensus on Dated Brent prices and the historical correlation between Dated Brent prices and Saudi CP.

No.	Trigger event	Consideration	Directors' rationale
1.	First gas date	US\$5.0 million	This contingent payment is virtually certain as it will be payable when gas production in the Lemang PSC is commenced.
2.	The accumulated VAT receivables reimbursements which are attributable to the unbilled VAT in the Lemang Block as at the Closing Date, exceeding an aggregate amount of US\$6.7 million on a gross basis.	US\$0.7 million	The Directors estimated that the accumulated receipts of VAT reimbursements received will exceed US\$6.7 million on a gross basis.
3.	First gas date on or before 31 March 2023.	US\$3.0 million	Not payable as the trigger event has expired. First gas is scheduled in first half of 2024.
4.	Total actual Akatara Gas Project "close out" costs set out in the AFE(s) approved pursuant to a joint audit by SKK MIGAS and BPPK is less than, or within 2% of the "close out" development costs set out in the approved revised plan of development for the Akatara Gas Project.	US\$3.0 million	Based on the status of the Akatara Gas Project as at 2023 year end, the actual "close out" costs set out in the AFE(s) has exceeded the "close out" development costs set out in the approved revised plan by more than 2%. As such, the consideration trigger will not be met.
5.	The average Saudi CP in the first year of operation is higher than US\$620/MT.	US\$3.0 million	The average Saudi CP is not expected to be above US\$620/MT in 2024, with the first gas is anticipated to be in H1 2024. The contingent payment will be due for payment within 15 business days of the occurrence of the trigger event if it falls due.
6.	The average Saudi CP in the second year of operation is higher than US\$620/MT.	US\$2.0 million	The average Saudi CP is not expected to be above US\$620/MT in 2025, the second year of production. The contingent payment will be due for payment within 15 business days of the occurrence of the trigger event if it falls due.
7.	The average Dated Brent price in the first year of operation is higher than US\$80/bbl.	US\$2.5 million	The average Dated Brent price is not expected to be above US\$80/bbl in 2024, with the first gas is anticipated to be in H1 2024. The contingent payment will be due for payment within 15 business days of the occurrence of the trigger event if it falls due.
8.	The average Dated Brent price in the second year of operation is higher than US\$80/bbl	US\$1.5 million	The average Dated Brent price is not expected to be above US\$80/bbl in 2025, the second year of production. The contingent payment will be due for payment within 15 business days of the occurrence of the trigger event if it falls due.
9.	A plan of development for the development of a new discovery made, as a result of the remaining exploration well commitment under the PSC, is approved by the relevant government entity.	US\$3.0 million	There are no prospects or leads presently selected for the exploration well commitment. As at year end, it is not probable that this contingent consideration trigger will be met.
10.	The plan of development described in item 9 above is approved by the relevant government entity and is based on reserves of no less than 8.4mm barrels (on a gross basis).	US\$8.0 million	There are no prospects or leads presently selected for the exploration well commitment. As at year end, it is not probable that this contingent consideration trigger will be met.

- (c) Included in the provision for employee benefits is provision for long service leave which is payable to employees on a pro-rata basis after 7 years of employment and is due in full after 10 years of employment.

38 Borrowings

	2023 USD'000	2022 USD'000
Non-current secured borrowings		
Reserve based lending facility	147,313	-
Current secured borrowings		
Reserve based lending facility	7,260	-
	154,573	-

On 17 February 2023, the Group closed a US\$50.0 million Interim Facility with two international banks to provide additional liquidity prior to closing the RBL facility in support of the acquisition of the Sinphuhorm Assets. In February 2023, US\$28.5 million was utilised to fund the acquisition of the Sinphuhorm Assets. A second drawdown of US\$21.5 million occurred in May 2023 primarily to fund the US\$20.5 million payment into the CWLH abandonment trust fund. The Interim Facility was repaid on 1 June 2023 from the RBL facility obtained by the Group in May 2023. The Group had incurred interest expense of US\$1.3 million from the Interim Facility, which was recorded as finance costs in Note 14.

On 19 May 2023, the Group signed a US\$200.0 million RBL facility with a group of four international banks ("the RBL Banks"). The facility tenor is four years, with the final maturity date being the earlier of 31 March 2027 and the projected reserves tail (which is expected later). As at 31 December 2023, the borrowing base is secured over the Group's main producing assets being Montara, Stag, CWLH, Sinphuhorm Assets, the PenMal Assets' PM323 and PM329 PSCs and the Group's development asset being the Lemang PSC. The borrowing base as at 31 December 2023 was US\$200.0 million. The facility incorporates standard terms and conditions, including a parent company financial covenant for a maximum total debt of 3.5 times annual EBITDAX, tested bi-annually on 30 June and 31 December, and to deliver the required information to the RBL Banks on a timely basis.

The RBL facility pays interest at 450 basis points over the secured overnight financing rate, plus the applicable credit spread. The Group also pays customary arrangement and commitment fees.

As at 31 December 2023, the Group has a net drawdown sum of US\$157.0 million. The loan incurred costs of US\$7.1 million and the fair value of the loans at drawdown had an amortised carrying value of US\$149.9 million. For the year ended 31 December 2023, the Group had incurred interest expense of US\$8.1 million and US\$0.3 million of commitment fees, which were recorded as finance costs in Note 14.

On 6 June 2023, the Company entered into a committed standby working capital facility with Tyrus Capital Events S.a.r.l. for a facility size of up to US\$35.0 million. The standby working capital facility was finalised at US\$31.9 million, after deduction of US\$3.1 million of excess funds from the total gross funds of US\$53.1 million raised from the equity placing and open offer (Note 31). The facility will mature on 31 December 2024. The facility bears interest of 15% on drawn amounts and 5% on undrawn amounts and can be repaid or cancelled without penalties. The standby working capital facility was not utilised during 2023 and remained undrawn as at 31 December 2023. See Note 49 for further details.

For the year ended 31 December 2023, the Group had incurred interest expense of US\$3.6 million, which was recorded as finance costs in Note 14.

39 Lease liabilities

	2023 USD'000	2022 USD'000
Presented as:		
Non-current	18,746	2,880
Current	14,118	6,227
	32,864	9,107
Maturity analysis of lease liabilities based on undiscounted gross cash flows:		
Year 1	17,357	6,649
Year 2	14,662	2,261
Year 3	3,674	426
Year 4	-	334
Year 5	-	-
Future interest charge	(2,829)	(563)
	32,864	9,107

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

¹ Reserves tail date refers to the last day of the quarter immediately preceding the quarter in which the remaining borrowing base reserves are forecast to be 25 per cent (or less) of the initial approved borrowing base reserves.

40 Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows, as cash flows from financing activities.

The cash flows represent the repayment of borrowings and lease liabilities, in the consolidated statement of cash flows.

	Borrowings USD'000	Lease liabilities USD'000
As at 1 January 2022	-	15,665
Financing cash flows	-	(13,914)
New lease liabilities	-	7,356
Interest paid	-	(769)
Non-cash changes - interest	-	769
As at 31 December 2022	-	9,107
Financing cash flows	(75,000)	(14,400)
New borrowings	232,000	-
New lease liabilities	-	38,157
Borrowings costs paid	(7,595)	-
Interest paid	(5,007)	(2,771)
RBL commitment fees paid	(658)	-
Interest expense	2,571	-
RBL commitment fees	349	-
Non-cash changes - interest	5,518	2,771
Capitalisation of borrowing costs	2,395	-
As at 31 December 2023	154,573	32,864

41 Trade and other payables

	2023 USD'000	2022 Restated* USD'000
Current		
Trade payables	36,056	13,606
Other payables	9,100	8,643
Accruals	56,534	36,757
Contingent payments	2,000	5,000
Malaysian supplementary payment payables	2,152	855
Amount due to joint arrangement partner	1,252	1,269
Overlift crude oil inventories	6,004	6,957
GST/VAT payables	881	265
	113,979	73,352
Non-current		
Other payable	16,917	-
Accrual	49	-
	16,966	-
	130,945	73,752

Trade payables, other payables and accruals principally comprise amounts outstanding for trade and non-trade related purchases and ongoing costs. The average credit period taken for purchases is 30 days (2022: 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 Group has financial risk management policies in place to ensure that all payables are settled within the pre-agreed credit terms.

The contingent payment in 2023 relates to the final contingent payment payable to BP which arose from the acquisition of the CWLH Assets (Note 19) as the annual average Brent crude price in 2023 exceeded US\$60/bbl. The payment was made in January 2024. The contingent payments in 2022 represented the final contingent payment of US\$3.0 million payable to SapuraOMV as the annual average Brent crude price in 2022 exceeded US\$70/bbl (Note 37). The payment was made in January 2023. In addition, the Group was obliged to pay to a contingent payment of US\$2.0 million to BP which arose from the acquisition of the CWLH Assets (Note 19) as the annual average Brent crude price in 2022 exceeded US\$50/bbl. The payment was made in January 2023.

The overlift crude oil inventories represent entitlement imbalances at year end of 195,698 bbls at the CWLH Assets (2022: CWLH Assets: 205,510 bbls; PenMal Assets: 31,076 bbls). The overlift liabilities are measured at cost of US\$30.68/bbl (2022: CWLH Assets: US\$32.92/bbl; PenMal Assets: US\$19.07/bbl). The PenMal Assets are in an underlift position as at 2023 year end (Note 29).

The non-current other payable represents future activities which are operational in nature for which cash advances are to be received from the Malaysian joint arrangement partner for its share of future wells preservation activities and decommissioning costs on the PNL Assets when it withdrew from the licences in 2023 (Note 29). The Group received the payment in January 2024.

* Certain 2022 comparative information has been restated. Please refer to Note 50.

The non-current accrual represents the DCP plan granted during the year as disclosed in Note 34. The DCP has a duration of three years and will be settled by cash on different payout rates at the end of three years subject to the performance of the Group. The performance measures for DCP is similar to the performance shares as disclosed in Note 34.2. The DCP is measured at fair value as at 31 December 2023.

42 Derivative financial instruments

	2023 USD'000	2022 USD'000
Derivative financial liabilities		
<i>Designated as cash flow hedges</i>		
Commodity swap	24,612	-
<i>Measured at fair value through profit or loss</i>		
Foreign exchange forward contracts	73	-
	24,685	-
Analysed as:		
Current	17,977	-
Non-current	6,708	-
	24,685	-

The following is a summary of the Group's outstanding derivative contracts:

Contract quantity	Type of contracts	Terms	Contract price	Hedge classification	Fair value asset at 31 December 2023 USD'000	Fair value asset at 31 December 2022 USD'000
Contracts designated as cash flow hedges						
50% of Group's planned 2PD production	Commodity swap: swap component	Oct 2023 - Sep 2025	Weighted average price of US\$70.57/bbl	Cash flow	(24,612)	-
Contracts that are not designated in hedge accounting relationships						
To hedge MYR162.5 million by selling MYR for USD	Foreign exchange forward contracts	Execution date: 2 February 2024	USD/MYR: 4.60	FVTPL	(73)	-

The Group's October 2023 to September 2025 commodity swap programme was designated as a cash flow hedge. Critical terms of the commodity swap (i.e., the notional amount, life and underlying oil price benchmark) and the corresponding Group's hedged sales are highly similar. The Group performed a qualitative assessment of the effectiveness of the commodity swap contracts and concluded that the commodity swap programme is highly effective as the value of the commodity swap and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying commodity prices.

In August 2023, the Group entered into a foreign exchange forward contract with a bank based in Malaysia to hedge MYR162.5 million (approximately US\$35.4 million), being the receivable sum at 2023 year end due from the joint arrangement partner of PNL Assets for its share of future decommissioning costs when it exited two PSC licences. The forward contract is to secure the receipts in USD in view of volatility of MYR against USD towards the end of 2023. The forward contract matured on 2 February 2024 following the receipts of the sum from the joint arrangement partner in January 2024.

The following tables detail the commodity swap contracts outstanding at the end of the year, as well as information regarding their related hedged items. Commodity swap contract assets are included in the "derivative financial instruments" line item in the consolidated statement of financial position.

Hedging instruments – outstanding contracts

	Oil volumes bbls	Notional value USD'000	Change in fair value used for calculating hedge ineffectiveness USD'000	Fair value USD'000
2023				
Cash flow hedges				
Commodity swap component	4,531,720	317,629	-	20,187

The following table details the effectiveness of the hedging relationships and the amounts reclassified from hedging reserve to profit or loss:

	Current period hedging gain/(loss) recognised in OCI USD'000	Amount of hedge ineffectiveness recognised in profit or loss USD'000	Line item in profit or loss in which hedge ineffectiveness is included	Amount reclassified to profit or loss due to hedged item affecting profit or loss USD'000	Line item in profit or loss in which reclassification adjustment is included
2023					
Cash flow hedges					
Forecast sales	(20,187)	-	Other expenses	(10,322)	Revenue

43 Warrants liability

On 6 June 2023, in consideration of the support provided to the Company under the equity underwrite debt facility and committed standby working capital facility, the Company entered into a warrant instrument with Tyrus Capital S.A.M. and funds managed by it, for 30 million ordinary shares at an exercise price of 50 pence sterling per share. The warrants are exercisable within 36 months from the date of issuance, with an expiry date of 5 June 2026.

The Directors have applied the Black-Scholes option-pricing model, with the following assumptions, to estimate the fair value of the warrants as at 31 December 2023:

Risk-free rate	3.77%
Expected life	2.5 years
Expected volatility ¹	54.5%
Share price	GB£ 0.37
Exercise price	GB£ 0.50
Expected dividends	0%

44 Financial instruments, financial risks and capital management

Financial assets and liabilities

Current assets and liabilities

The Directors consider that due to the short-term nature of the Group's current assets and liabilities, the carrying amounts equate to their fair value.

Non-current assets and liabilities

The carrying amount of non-current assets and liabilities approximates their fair values due to the carrying amount representing the actual cash paid.

	2023 USD'000	2022 Restated* USD'000
Financial assets		
At amortised cost		
Trade and other receivables, excluding prepayments, GST/VAT receivables and underlift crude oil inventories	241,179	97,918
Cash and bank balances	153,404	123,329
	394,583	221,247
Financial liabilities		
At amortised cost		
Trade and other payables, excluding GST/VAT payables and overlift crude oil inventories	122,060	61,130
Lease liabilities	32,864	9,107
Borrowings	154,573	-
Contingent consideration for Lemang PSC acquisition	5,647	12,432
Contingent consideration for CWLH Assets acquisition	2,000	3,940
Contingent consideration for PenMal Assets acquisition	-	3,000
Derivative financial instruments designated as cash flow hedges	24,612	-
Derivative financial instrument carried at FVTPL	73	-
	341,829	89,609

Fair values are based on the Directors' best estimates, after consideration of current market conditions. The estimates are subjective and involve judgment, and as such may deviate from the amounts that the Group realises in actual market transactions.

Commodity price risk

The Group's earnings are affected by changes in oil prices. As part of the RBL, the Group entered into commodity swap contracts to hedge 50% of its forecasted production from October 2023 to September 2025 (Note 42).

Commodity price sensitivity

The results of operations and cash flows from oil and gas production can vary significantly with fluctuations in the market prices of oil and/or natural gas. These are affected by factors outside the Group's control, including the market forces of supply and demand, regulatory and political actions of governments, and attempts of international cartels to control or influence prices, among a range of other factors.

The table below summarises the impact on (loss)/profit before tax, and on equity, from changes in commodity prices on the fair value of derivative financial instruments. The analysis is based on the assumption that the crude oil price moves 10%, with all other variables held constant. Reasonably possible movements in commodity prices were determined based on a review of recent historical prices and current economic forecasters' estimates.

* Certain 2022 comparative information has been restated. Please refer to Note 50.

¹ Expected volatility was determined by calculating the average historical volatility of the daily share price returns over a period commensurate with the expected life of the awards for a group of ten peer companies.

Gain or loss	Effect on the result before tax for the year ended 31 December 2023 USD'000	Effect on other comprehensive income before tax for the year ended 31 December 2023 USD'000	Effect on the result before tax for the year ended 31 December 2022 USD'000	Effect on other comprehensive income before tax for the year ended 31 December 2022 USD'000
Increase by 10%	-	(33,861)	-	-
Decrease by 10%	-	33,861	-	-

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between United States Dollars ("US Dollar") and foreign currencies will affect the fair value or future cash flows of the Group's financial assets or liabilities presented in the consolidated statement of financial position as at year end.

Cash and bank balances are generally held in the currency of likely future expenditures to minimise the impact of currency fluctuations. It is the Group's normal practice to hold the majority of funds in US Dollars, in order to match the Group's revenue and expenditures.

In addition to US Dollar, the Group transacts in various currencies, including Australian Dollar, Malaysian Ringgit, Vietnamese Dong, Indonesian Rupiah, Singapore Dollar and British Pound Sterling.

The Group manages its foreign currency risk by monitoring the fluctuations of material foreign currencies against USD and potentially entering into foreign currency forward contract to hedge against the currency fluctuations if and when considered appropriate.

In August 2023, the Group entered into a foreign exchange forward contract with a bank based in Malaysia to hedge MYR162.5 million (approximately US\$35.4 million), being the receivable sum at 2023 year end due from the joint arrangement partner of PNLP Assets for its share of future decommissioning costs when it exited two PSCs' licences. The forward contract was entered to secure the receipts in USD in view of volatility of MYR against USD towards the end of 2023. The forward contract was matured on 2 February 2024 following the receipts of the sum from the joint arrangement partner in January 2024.

Foreign currency sensitivity

Material foreign denominated balances were as follows:

	2023 USD'000	2022 Restated* USD'000
Cash and bank balances		
Australian Dollars	4,777	11,086
Malaysian Ringgit	8,533	5,336
Trade and other receivables		
Australian Dollars	250	1,966
Malaysian Ringgit	42,672	4,269
Trade and other payables		
Australian Dollars	33,250	34,036
Malaysian Ringgit	59,113	12,422

A strengthening/weakening of the Australian dollar and Malaysian Ringgit by 10%, against the functional currency of the Group, is estimated to result in the net carrying amount of Group's financial assets and financial liabilities as at year end decreasing/increasing by approximately US\$3.5 million (2022: US\$2.4 million), and which would be charged/credited to the consolidated statement of profit or loss.

Interest rate risk

The Group's interest rate exposure arises from its cash and bank balances, CWLH Assets abandonment trust fund and borrowings. The Group's other financial instruments are non-interest bearing or fixed rate, and are therefore not subject to interest rate risk. The Group continually monitors its cash position and places excess funds into fixed term deposits as necessary.

As at 31 December 2023, the Group held US\$82.0 million (2022: US\$41.0 million) in the CWLH Assets abandonment trust fund operated by the joint venture operating partner. The abandonment trust funds generates average annual interest rate of 4.5% (2022: 3.6%).

As at 31 December 2023, the Group held US\$55.0 million (2022: nil) in fixed term deposits. The fixed term deposits generate average annual interest rate of 4.5% (2022: nil).

On 19 May 2023, the Group signed a US\$200.0 million RBL facility with a group of four international banks ("the RBL Banks"). The facility tenor is four years, with the final maturity date being the earlier of 31 March 2027 and the projected reserves tail (which is expected later). The borrowing base is secured over the Group's main producing assets being Montara, Stag, CWLH, Sinphuorm Assets, the PenMal PM323 and PM329 PSCs and the Group's development asset being the Lemang PSC. The borrowing base as at 31 December 2023 was US\$200.0 million.

The RBL facility pays interest at 450 basis points over the secured overnight financing rate, plus the applicable credit spread. The Group also pays customary arrangement and commitment fees.

As at 31 December 2023, the Group has a net drawdown sum of US\$157.0 million. The loan incurred costs of US\$7.0 million.

Based on the carrying value of the CWLH Assets abandonment trust fund, fixed term deposits and RBL as at 31 December 2023, if interest rates had increased/decreased by 1% and all other variables remained constant, the Group's net loss before tax would be increased/decreased by US\$0.1 million (2022: profit before tax increased/decreased by US\$0.4 million).

* Certain 2022 comparative information has been restated. Please refer to Note 50.

1 Reserves tail date refers to the last day of the quarter immediately preceding the quarter in which the remaining borrowing base reserves are forecast to be 25 per cent (or less) of the initial approved borrowing base reserves.

Credit risk

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

The Group actively manages its exposure to credit risk, granting credit limits consistent with the financial strength of the Group's counterparties and respective sole customer in Australia and Malaysia, requiring financial assurances as deemed necessary, reducing the amount and duration of credit exposures, and close monitoring of relevant accounts.

The Group trades only with recognised, creditworthy third parties.

The Group'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 Group has no realistic prospect of recovery.	Amount is written off

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

	Note	External credit rating	Internal credit rating	12-month ("12m") or lifetime ECL	Gross carrying amount ⁽ⁱ⁾ Reclassified* USD'000	Loss allowance USD'000	Net carrying amount Reclassified* USD'000
2023							
Cash and bank balances	30	n.a	Performing	12m ECL	153,404	..**	153,404
Trade receivables	29	A2	(i)	Lifetime ECL	12,533	..**	12,533
Other receivables and deposits	29	n.a	(i)	12m ECL	88,005	..**	88,005
Amount due from joint arrangement partners (net)	29	n.a	(i)	12m ECL	12,911	..**	12,911
Non-current other receivables	29	n.a	(i)	12m ECL	127,730	..**	127,730
2022 (Reclassified)*							
Cash and bank balances	30	n.a	Performing	12m ECL	123,329	..**	123,329
Trade receivables	29	A2	(i)	Lifetime ECL	6,332	..**	6,332
Other receivables	29	n.a	(i)	12m ECL	4,126	..**	4,126
Amount due from joint arrangement partners (net)	29	n.a	(i)	12m ECL	4,268	..**	4,268
Non-current other receivables	29	n.a	(i)	12m ECL	83,192	..**	83,192

** The amount is negligible.

(i) For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using specific identification, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of specific identification.

As at 31 December 2023, total trade receivables amounted to US\$12.5 million (2022: US\$6.3 million). The balance in 2023 and 2022 had been fully recovered in 2024 and 2023, respectively.

The concentration of credit risk relates to the Group's single customer with respect to oil sales in Australia, and a different single customer for oil and gas sales in Malaysia. Both customers have an A2 credit rating (Moody's). All trade receivables are generally settled 30 days after sale date. In the event that an invoice is issued on a provisional basis, the final reconciliation is paid within 3 to 14 days from the issuance of the final invoice, largely mitigating any credit risk.

The Group recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated based on days past due, by applying a percentage of expected non-recoveries for each group of receivables. As at year end, ECL from trade receivables are expected to be insignificant.

The Group measures the loss allowance for other receivables and amount due from joint arrangement partners at an amount equal to 12-months ECL, as there is no significant increase in credit risk since initial recognition. ECL for other receivables are expected to be insignificant.

The credit risk on cash and bank balances and CWLH trust fund is limited because counterparties are banks with high credit ratings assigned by international credit rating agencies.

-* The amount is negligible.

* Certain 2022 comparative information has been reclassified between line items. Please refer to Note 50.

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

Liquidity risk

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

The Group manages its liquidity risk by optimising the positive free cash flow from its producing assets, on-going cost reduction initiatives, merger and acquisition strategies, bank balances on hand and in case appropriate, lending.

The Group's net loss after tax for the year was US\$91.3 million (2022: profit after tax of US\$9.2 million). Operating cash flows before movements in working capital and net cash used in operating activities for the year ended 31 December 2023 was US\$36.5 million and US\$12.1 million (2022: US\$158.5 million and net cash generated of US\$121.2 million) respectively. The Group's net current asset remained positive at US\$37.9 million as at 31 December 2023 (2022: US\$72.4 million).

On 19 May 2023, the Group signed a US\$200.0 million RBL facility with a group of four international banks ("the RBL Banks"). The facility tenor is four years, with the final maturity date being the earlier of 31 March 2027 and the projected reserves tail¹ (which is expected later). The borrowing base is secured over the Group's main producing assets being Montara, Stag, CWLH, Sinphuhorm Assets, the PenMal Assets' PM323 and PM329 PSCs and the Group's development asset being the Lemang PSC. The borrowing base as at 31 December 2023 was US\$200.0 million.

The Group is required to maintain a parent company financial covenant of consolidated net debt below 3.5 times annual EBITDAX and to deliver the required information to the RBL Banks on a timely basis. As at 31 December 2023, the Company's financial covenant was 0.14.

The RBL imposes restrictions on the ability of the Group to freely utilise the cashflows generated by the borrowing base assets for purposes that are not connected with the borrowing base assets or the RBL. It is therefore necessary of the Group to maintain two separate cash pools, a) cash balances within the RBL facility ("RBL Cash Pool") and b) cash balances outside the RBL facility, which comprise cash held by the entities that are not part of the RBL facility including the corporate G&A, Malaysia Technical Office and Singapore, the Vietnamese exploration assets and the previously non-operated PenMal Assets (PM318 and AAKBNLP PSCs) ("Corporate Cash Pool"). The distribution of cash out of the RBL Cash Pool is allowed provided that certain tests are met, such as (i) the maintenance of two quarters principal, interest and fees in a separate debt service reserve account and (ii) the maintenance of the minimum cash balance within the RBL Cash Pool.

On 6 June 2023, the Company completed an equity fundraising, creating an additional 94,081,826 ordinary shares at GB£0.45 per share, which comprised of a placing and subscription of 92,312,691 new ordinary shares to existing and new institutional shareholders and a placing and subscription of 1,769,135 new ordinary shares to the Directors of the Company. Total gross proceeds were US\$53.1 million, with net proceeds of US\$51.1 million.

On 9 June 2023, the Company launched an open offer of up to 14,887,039 new ordinary shares, at GB£0.45 per share, to raise additional proceeds of up to EUR8.0 million² (up to US\$8.6 million). The open offer closed on 28 June 2023, raising a total of US\$42,009 by issuing 73,557 new shares.

In support of the equity fundraising, the Company entered into an up to US\$50.0 million equity underwrite debt facility agreement with Tyrus. The equity underwrite facility was reduced to zero as funds raised from the equity fundraising exceeded US\$50.0 million.

In addition, the Company entered into a committed standby working capital facility with Tyrus for a facility size of up to US\$35.0 million. The standby working capital facility was finalised at US\$31.9 million, after deduction of US\$3.1 million, being the amount in excess of US\$50.0 million, following a total gross funds of US\$53.1 million raised from the equity placing and open offer. The facility will mature with a bullet repayment on 31 December 2024. The facility bears interest of 15% on drawn amounts and 5% on undrawn amounts and can be repaid or cancelled without penalties. The standby working capital facility was undrawn as at 31 December 2023.

Further details are disclosed in the Going Concern section in Note 2.

Derivative and non-derivative financial liabilities

The following table details the expected contractual maturity for derivative and non-derivative financial liabilities with agreed repayment periods. The table below is based on the undiscounted contractual maturities of the financial liabilities, including interest, that will be paid on those liabilities, except where the Group anticipates that the cash flow will occur in a different period.

¹ Reserves tail date refers to the last day of the quarter immediately preceding the quarter in which the remaining borrowing base reserves are forecast to be 25 per cent (or less) of the initial approved borrowing base reserves.

² The open offer was quoted in Euro of 8.0 million to meet the applicable regulation issued by the European Union regarding to the quantum of open offer.

	Weighted average effective interest rate %	On demand or within 1 year USD'000	Within 2 to 5 years USD'000	More than 5 years USD'000	Total USD'000
2023					
Non-interest bearing					
Trade and other payables, excluding contingent payments, GST/VAT payables and overlift crude oil inventories	-	105,094	16,966	-	122,060
Contingent consideration for Lemang PSC acquisition	-	5,000	647	-	5,647
Contingent consideration for CWLH Assets acquisition	-	2,000	-	-	2,000
Derivative financial instruments designated as cash flow hedges	-	17,904	6,708	-	24,612
Derivative financial instrument carried at FVTPL	-	73	-	-	73
Fixed interest rate Instrument					
Lease liabilities	9.660	14,118	18,746	-	32,864
Variable interest rate instrument					
Borrowings	11.084	7,260	147,313	-	154,573
		151,449	190,380	-	341,829
			190,380		341,829
2022					
Non-interest bearing					
Trade and other payables, excluding contingent payments, GST/VAT payables and overlift crude oil inventories	-	61,130	-	-	61,130
Contingent consideration for Lemang PSC acquisition	-	-	12,432	-	12,432
Contingent consideration for CWLH Assets acquisition	-	2,000	1,940	-	3,940
Contingent consideration for PenMal Assets acquisition	-	3,000	-	-	3,000
Fixed interest rate instruments					
Lease liabilities	6.031	6,227	2,880	-	9,107
		72,357	17,252	-	89,609

(a) US\$15.6 million of the total amount is within one year and US\$23.0 million is within two to five years.

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets assists in understanding the Group's liquidity position and phasing of net assets and liabilities, as the Group's liquidity risk is managed on a net asset and liability basis. The table is based on the undiscounted contractual maturities of the financial assets, including interest that will be earned on those assets, except where the Group anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate %	On demand or within 1 year Reclassified* USD'000	Within 2 to 5 years USD'000	More than 5 years USD'000	Total Reclassified USD'000
2023					
Non-interest bearing					
Trade and other receivables, excluding prepayments, GST/VAT receivables and underlift crude oil inventories	-	113,449	127,730	-	241,179
Variable interest rate instruments					
Cash and bank balances	-(a)	152,396	1,008	-	153,404
		265,845	128,738	-	394,583
2022 (Reclassified)*					
Non-interest bearing					
Trade and other receivables, excluding prepayments, GST/VAT receivables and underlift crude oil inventories	-	14,726	83,192	-	97,918
Variable interest rate instruments					
Cash and bank balances	-(a)	122,653	676	-	123,329
		137,379	83,868	-	221,247

(a) The effect of interest is not material.

* Certain 2022 comparative information has been reclassified between line items. Please refer to Note 50.

Capital management

The Group manages its capital structure and makes adjustments to it, based on funding requirements of the Group combined with sources of funding available to the Group, in order to support the acquisition, exploration and development of resource properties and the ongoing (investment in) operations of its producing assets. Given the nature of the Group's activities, the Board of Directors works with management to ensure that capital is managed effectively, and the business has a sustainable future.

The capital structure of the Group represents the equity of the Group, comprising share capital, merger reserve, share-based payment reserve, capital redemption reserve and hedging reserve, as disclosed in Notes 31, 33, 34, 35 and 36, respectively.

To carry-out planned asset acquisitions, exploration and development, and to pay for administrative costs, the Group may utilise excess cash generated from its ongoing operations and may utilise its existing working capital, position and will work to raise additional debt and/or equity funding should that be necessary.

The Directors review its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is reasonable. There were no changes in the Group's approach to capital management during the year ended 31 December 2023. The Group is not subject to externally imposed capital requirements.

	2023 USD'000	2022 USD'000
Gearing ratio		
Borrowings	154,573 ¹	-
Cash and cash equivalents	(153,404)	(123,329)
Net debt/(cash)	1,169	(123,329)
Equity	53,770	109,529
Net debt to equity ratio	2%	N/M

The Group's overall strategy towards its capital structure remained unchanged from 2022.

Fair value measurements

The Group discloses fair value measurements by level of the following fair value measurement hierarchy:

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

¹ The borrowings of US\$154.6 million represents the fair value of the balance. The gross outstanding balance as at 31 December 2023 is US\$157.0 million, which generates a net debt to equity ratio of 7%.

Financial assets/ financial liabilities	Fair value (USD'000) as at				Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	2023		2022					
	Assets	Liabilities	Assets	Liabilities				
Derivative financial instruments								
1) Commodity swap contracts (Note 42)	-	24,612	-	-	Level 2	Third party valuations based on market comparable information.	-	-
2) Foreign forward contracts (Note 42)	-	73	-	-	Level 2	Third party valuations based on market comparable information.	-	-
Others - contingent consideration from Lemang PSC acquisition								
3) Contingent consideration (Note 36)	-	5,647	-	12,432	Levels 1 and 3	Based on the nature and the likelihood of the occurrence of the trigger events. Fair value is estimated, taking into consideration the estimated future gas production schedule (H1 2024), forecasted Dated Brent oil prices of US\$76.00/bbl in 2024 and US\$74.45/bbl in 2025 and Saudi CP prices of US\$615.98/MT in 2024 and US\$603.42/MT in 2025, estimated future recoverability of VAT receivables as well as the effect of the time value of money.	Gas production schedule could be deferred depending on the on-going progress of the development activities. Expected future oil price volatility is based on an analysis of Dated Brent oil prices and Saudi CP prices movements.	A change in gas production schedule or significant decrease in Dated Brent oil prices and Saudi CP prices in the future would result to the reversal of the contingent payments recognised.
A one year deferral to the estimated gas production date would decrease the liability by US\$0.7 million.								
Others - contingent consideration from CWLH Assets acquisition								
4) Contingent consideration (Notes 19, 37 and 41)	-	2,000	-	3,940	Level 1	Based on the actual average Dated Brent prices in 2023 of US\$82.64/bbl.	-	-
Others - contingent consideration from PenMal Assets acquisition								
5) Contingent consideration (Note 41)	-	-	-	3,000	Level 1	Based on the actual average Dated Brent prices in 2022 of US\$101.32/bbl.	-	-

A one year deferral to the estimated gas production date would decrease the liability by US\$0.7 million. A 10% increase/decrease in the future VAT receivables will not affect the recognition of the Lemang contingent payment associated with the future reimbursements of VAT receivables.

45 Segment information

Information reported to the Group's Chief Executive Officer (the chief operating decision maker) for the purposes of resource allocation is focused on two reportable/business segments driven by different types of activities within the upstream oil and gas value chain, namely producing assets and secondly development and exploration assets. The geographic focus of the business is on Southeast Asia ("SEA") and Australia.

Revenue and non-current assets information based on the geographical location of assets respectively are as follows:

	Producing assets		Exploration/ development SEA	Corporate	Total
	Australia USD'000	SEA USD'000	USD'000	USD'000	USD'000
2023					
Revenue					
Liquids revenue	240,630	66,517	-	-	307,147
Gas revenue	-	2,053	-	-	2,053
	240,630	68,570	-	-	309,200
Production cost	(185,039)	(47,733)	-	-	(232,772)
DD&A	(65,204)	(10,397)	(248)	(292)	(76,141)
Administrative staff costs	(14,550)	(5,060)	(1,773)	(8,814)	(30,197)
Other expenses	(12,652)	(3,363)	(2,319)	(4,507)	(22,841)
Impairment of assets	(17,410)	(12,271)	-	-	(29,681)
Share of results of associate	-	2,640	-	-	2,640
Other income	9,990	192	7,684	989	18,855
Finance costs	(22,611)	(6,565)	(2,274)	(10,379)	(41,829)
Profit/(Loss) before tax	(66,846)	(13,987)	1,070	(23,003)	(102,766)
Additions to non-current assets	86,403	54,576	90,611	703	232,293
Non-current assets	346,281	191,550	209,373	642	747,846
2022 (Restated)*					
Revenue					
Liquids revenue	328,863	89,620	-	-	418,483
Gas revenue	-	3,119	-	-	3,119
	328,863	92,739	-	-	421,602
Production cost	(188,641)	(61,659)	-	-	(250,300)
DD&A	(57,563)	(3,405)	(235)	(359)	(61,562)
Administrative staff costs	(13,839)	(4,073)	(2,020)	(9,286)	(29,218)
Other expenses	(8,872)	(1,877)	(8,188)	(3,368)	(22,305)
Impairment	-	(13,534)	-	-	(13,534)
Other income	24,226	2,718	965	124	28,033
Finance costs	(6,717)	(2,033)	(903)	(1,774)	(11,427)
Other financial gains	1,904	-	-	-	1,904
Profit/(Loss) before tax	79,361	8,876	(10,381)	(14,663)	63,193
Additions to non-current assets	110,405	582	23,266	69	134,322
Non-current assets	400,894	101,835	115,390	231	618,350

Non-current assets as shown here comprises oil and gas properties, intangible exploration assets, right-of-use assets, other receivables and prepayment and plant and equipment used in corporate offices. Deferred tax assets are excluded from the segmental note but included in the Group's consolidated statement of financial position.

Revenue arising from producing assets relates to the Group's single customer with respect to oil sales in Australia, and a different single customer for oil and gas sales in Malaysia. There is an active market for the Group's oil and gas so they can be sold to other buyers, if required.

* Certain 2022 comparative information has been restated. Please refer to Note 50.

46 Financial capital commitments

Certain PSCs and service concessions have firm capital commitments. The Group has the following outstanding minimum commitments:

SEA portfolio PSC operational commitments

	2023 USD'000	2022 USD'000
Not later than one year	10,400	400
One to five years	9,284	19,284
More than 5 years	2,619	3,016
	22,303	22,700

The SEA portfolio PSC operational commitments as at 31 December 2023 amounted to US\$17.3 million (2022: US\$ 17.3 million), and relates to the minimum work commitment outstanding for the Block 46/07 PSC and the Lemang PSC. The operational commitments also include training commitment of US\$5.0 million (2022: US\$5.4 million), for the Block 46/07 PSC, Block 51 PSC and the PenMal Assets.

Work commitment

Under the terms of the Block 46/07 PSC, Jadestone is committed to drill one more appraisal well on the block. The Group plans to drill an appraisal well on the Nam Du field to facilitate transition of 3C resource to 2C status. This well would be retained for future use as a Nam Du gas producer. The current exploration phase expires on 29 June 2024. On 25 January 2024, the Group signed a gas sales heads of agreement ("HoA") with Petrovietnam Gas Joint Stock Corporation ('PV Gas'). The HoA enables the submission of an updated Nam Du/U Minh Field Development Plan for approval, which is required before a final investment decision and commercialisation of this potential resource. To align the timing of the commitment well with the Nam Du/U Minh project schedule, the Group submitted a request to Petrovietnam to extend the drilling deadline to June 2026.

As part of the acquisition under the terms of the Lemang PSC, the Group, as the operator, has inherited unfulfilled work commitments of US\$7.3 million (2022: US\$7.3 million) consisting of one exploration well and a 3D seismic programme. The work commitments should have been completed during the exploration phase of the PSC by the previous owner. It has been agreed with the Indonesian regulator that the work commitments can be completed after first gas in 2024 but before the end of 2026.

Training commitment

Under the terms of the Block 46/07 PSC and Block 51 PSC, the Group commits to pay an annual training commitment amount of US\$0.4 million to Petrovietnam until the expiration of the respective PSC licence. The training commitment amount is for the purpose of developing the local employees in the oil and gas industry.

As part of the acquisition under the terms of the PenMal Assets, the Group has inherited net training commitments of US\$0.3 million and US\$0.1 million for PM323 PSC and PM318 PSC, respectively. Funds provided with respect to this training commitment are applied to the development of local employees in the oil and gas industry. The training commitments are required to be completed before the expiration of the respective PSC.

Capital commitments

The Group has the following capital commitments for expenditure that were contracted for at the end of the reporting year but not recognised as liabilities:

	2023 USD'000	2022 USD'000
Not later than one year	28,489	67,487
One to five years	2,570	9,147
	31,059	76,634

The capital commitments of US\$31.1 million as at 2023 year end predominately arose from the Lemang PSC's engineering, procurement, construction and installation ("EPCI") contract awarded to design and build the gas processing facility. The project at the year end was approximately 91% complete with first gas scheduled for the first half of 2024. The gross contractual amount under the EPCI contract was US\$99.9 million. The Group is expected to spend US\$26.7 million in 2024.

The Group also contracted for US\$1.2 million which is associated with Stag drilling campaign being deferred to 2024 and US\$0.5 million for phase 2 subsea control system upgrade and Skua-11 satellite communication system upgrade at Montara. In 2022, the Group contracted for US\$0.3 million which was associated with the installation of produced water treatment unit and phase 1 subsea control system upgrade at Montara.

47 Contingent liabilities

Montara Venture FPSO investigation

On 17 June 2022, a loss of containment of between three and five cubic metres of oil occurred at the Montara Venture FPSO. The facility was shut-in immediately and the incident was reported to the local regulator. The local regulator has commenced an investigation into the incident for potential breach of the local regulations. The investigation is ongoing as at year end and is anticipated to continue throughout 2024. It is too early to reliably estimate the outcome of the investigation and if any prosecution will eventuate.

48 Events after the end of the reporting period

Acquisition of additional interest in the CWLH oil fields

On 14 November 2023, the Group has executed a sale and purchase agreement with Japan Australia LNG (MIMI) Pty Ltd (the "Seller"), to acquire the Seller's non-operated 16.67% working interest in the Cossack, Wanaea, Lambert, and Hermes ("CWLH") oil fields development, offshore Western Australia, for a total initial cash consideration of US\$9.0 million, and certain subsequent Abandonment Trust Payments (the "Acquisition").

The Acquisition was completed on 14 February 2024, with a net receipt to the Group from the Seller of US\$6.3 million, reflecting the accumulated economic benefits of the CWLH assets for the period from the effective date of 1 July 2022 to completion. As a result, the Group's non-operated working interest in the CWLH assets increased to 33.33%, from 16.67%.

Redetermination of the borrowing base under the reserves-based lending facility

On 26 April 2024, the RBL Banks finalised a routine redetermination of the borrowing base under the RBL, with the revised borrowing capacity of US\$200.0 million. Stag has been removed from the borrowing base assets and replaced with the second acquisition of 16.67% of the CWLH assets, acquired on 14 February 2024. The next scheduled redetermination is scheduled to complete by 30 September 2024.

Suspension and restoration of trading on AIM

On 13 February 2024, the ordinary shares of the Company were suspended from trading pursuant to a proposed sale by Woodside Energy Group Ltd. ("Woodside") of its participating interests in the Macedon and Greater Pyrenees Projects offshore Western Australia (the "Proposed Acquisition"). Had Jadestone been selected as the preferred bidder and reached agreement with Woodside on acquisition terms, the Proposed Acquisition would have been classified as a reverse takeover transaction in accordance with AIM Rule 14, and accordingly, the Company's ordinary shares were suspended from trading on AIM on 13 February 2024. On 11 April 2024, Woodside cancelled the sale of its participating interests in those assets. With the possibility of the Proposed Acquisition ceasing, the Company's shares resumed trading on AIM on 11 April 2024.

Change in Board of Directors

On 25 January 2024, the Company announced the appointment of Joanne Williams as an independent non-executive director. Ms. Williams is Chair of both the HSEC Committee and the Montara Technical Committee, and a member of the Audit Committee.

On 25 March 2024, the Company announced the appointment of Adel Chaouch as an independent non-executive director. On the same day, the Company announced the resignation of (i) Lisa Stewart as an independent non-executive director and (ii) Robert Lambert as an independent non-executive director.

On 27 March 2024, the Company announced the resignation of Dennis McShane as an independent non-executive director and Chair of the Board. On the same day, the Company announced the election of Adel Chaouch as Chair of the Board. Mr. Chaouch is Chair of the Governance and Nomination Committee, and a member of both the Remuneration Committee and the Montara Technical Committee.

49 Related party transactions

Placement of additional shares and issue of warrants

On 6 June 2023, the Company completed an equity fundraising, creating an additional 94,081,826 ordinary shares at GB£0.45 per share, which comprised of a placing and subscription of 92,312,691 new ordinary shares to existing and new institutional shareholders and a placing and subscription of 1,769,135 new ordinary shares to the Directors of the Company. Tyrus has subscribed to 24,883,387 of new ordinary shares under the equity fundraising for a consideration of US\$13.9 million.

The placing and subscription of 1,769,135 new ordinary shares to the Directors of the Company as follows:

	Number of shares	Consideration paid USD'000
A. Paul Blakeley	336,311	188
Bert-Jaap Dijkstra	71,556	40
Dennis McShane	178,889	100
Iain McLaren	22,222	12
Robert Lambert	111,269	62
Cedric Fontenit	333,333	186
Lisa Stewart	178,889	100
David Neuhauser	447,222	250
Jenifer Thien	89,444	50
	1,769,135	988

In support of the equity fundraising, the Company has entered into an up to US\$50.0 million equity underwrite debt facility agreement with Tyrus. The equity underwrite facility reduced to zero following the total funds raised from the equity fundraising and the open offer exceeded US\$50.0 million. The Group incurred upfront fee of US\$2.15 million and interest of US\$27,778 from the equity underwrite facility, which was recorded as finance costs in Note 14.

As part of the underwritten placing of additional ordinary shares, the Company has also entered into a warrant instrument with Tyrus for 30 million ordinary shares at an exercise price of 50 pence per share. The warrants are exercisable within 36 months from the date of issuance, with an expiry date of 5 June 2026.

Committed standby working capital facility

On 6 June 2023, the Company entered into a committed standby working capital facility with Tyrus for a facility size of up to US\$35.0 million. The standby working capital facility was finalised at US\$31.9 million, after deduction of US\$3.1 million of excess funds from the total gross funds of US\$53.1 million raised from the equity placing and open offer. The facility will mature on 31 December 2024. The facility bears interest of 15% on drawn amounts and 5% on undrawn amounts and can be repaid or cancelled without penalties. The standby working capital facility was not utilised during 2023 and remained undrawn as at 31 December 2023. For the year ended 31 December 2023, the Group had incurred interest expense of US\$3.6 million, which was recorded as finance costs in Note 14.

Compensation of key management personnel

	2023 USD'000	2022 USD'000
Short-term benefits	7,934	7,492
Other benefits	566	2,029
Share-based payments	556	810
	9,056	10,331

The total remuneration of key management members in 2023 (including salaries and benefits) was US\$9.1 million (2022: US\$10.3 million) and recognised as part of the Group's administrative staff costs as disclosed in Note 7.

Compensation of Directors

	Short-term benefits ^(a) USD'000	Other benefits ^(a) USD'000	Share-based payments USD'000	Total compensation USD'000
2023				
A. Paul Blakeley	1,093	-	210	1,303
Bert-Jaap Dijkstra	785	-	84	869
Dennis McShane	155	-	1	156
Iain McLaren	105	-	1	106
Robert Lambert	95	-	1	96
Cedric Fontenit	85	-	1	86
Lisa Stewart	100	-	1	101
David Neuhauser	80	-	1	81
Jenifer Thien	100	-	-	100
Gunter Waldner ^(b)	-	-	-	-
	2,598		300	2,898
2022				
A. Paul Blakeley	1,236	-	271	1,507
Bert-Jaap Dijkstra	268	23	35	326
Dennis McShane	155	-	6	161
Iain McLaren	105	-	4	109
Robert Lambert	95	-	4	99
Cedric Fontenit	90	-	4	94
Lisa Stewart	100	-	13	113
David Neuhauser	80	-	4	84
Jenifer Thien	71	-	-	71
Daniel Young	229	353	-	582
	2,429	376	341	3,146

(a) Short-term benefits comprise salary, director fee as applicable, performance pay, pension and other allowances. Other benefits comprise benefits-in-kind.

(b) Mr. Waldner was appointed as the Non-Executive Director of the Company as a direct obligation under a 2018 Relationship Agreement between Tyrus and the Company. Both parties agreed that Mr. Waldner will not receive director fee but is reimbursable for reasonable and documented expenses incurred in performing the Non-Executive Director duties.

50 Restatement and reclassification of comparative figures

Certain comparative figures in the consolidated financial statements of the Group have been restated arising from a change in accounting policy as well as reclassifications to conform to the presentation in the current year and to better reflect the nature of the respective items in the Group's consolidated financial statements.

As disclosed in Note 2, the prior year restatements were made following the adoption of Amendments to IAS 12 *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction* in 2023 which require the deferred tax assets and deferred tax liabilities to be presented separately in the balance sheet rather than offsetting against each other with additional exclusions have been added to the initial recognition exemption by the IASB. The adoption of Amendments to IAS 12 has impacted the Group's recognition of deferred tax assets and liabilities associated with the oil and gas properties and ARO provision. The restatements were also required to be made on the beginning of the preceding period as at 1 January 2022. The restatements had resulted to an increase in the accumulated losses and deferred tax liabilities by US\$13.9 million and reduced the net assets as at 1 January 2022 by US\$13.9 million. The third consolidated statement of financial position as at the beginning of the preceding period is not presented due to the restatements do not materially impact the information in the consolidated statement of financial position at the beginning of the preceding period.

Additionally, the finalisation of the PPA for the acquisition of the CWLH Assets in accordance with IFRS 3 (Note 19) generated associated impacts to the oil and gas properties, accumulated losses, ARO provision and overlift balances. The adjustments to the PPA values of the CWLH Assets' oil and gas properties and ARO provision on the acquisition date of 1 November 2022 resulted to the adjustment to the depletion charges and ARO accretion expense recognised in 2022 subsequent to the acquisition in the consolidated statement of profit or loss.

	As previously reported USD'000	Restatements USD'000	As restated USD'000
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022			
Production costs	(250,700)	400	(250,300)
Depletion, depreciation and amortisation	(61,834)	272	(61,562)
Finance costs	(11,408)	(19)	(11,427)
Income tax expense	(54,018)	62	(53,956)
Consolidated statement of financial position as at 31 December 2022			
Oil and gas properties	456,768	(23,123)	433,645
Deferred tax assets	9,118	13,725	22,843
Accumulated losses	(51,787)	(13,204)	(64,991)
Provisions – non-current	508,539	2,406	510,945
Deferred tax liabilities	88,406	1,800	90,206
Trade and other payables	73,752	(400)	73,352
Consolidated statement of financial position as at 1 January 2022			
Deferred tax assets	26,389	(2,523)	23,866
Accumulated losses	(35,023)	(13,919)	(48,942)
Deferred tax liabilities	(66,166)	(11,396)	(77,562)
Consolidated statement of cash flows for the year ended 31 December 2022			
Profit before tax	62,540	653	63,193
Depletion, depreciation and amortisation	61,834	(272)	61,562
Decrease in trade and other payables	(2,471)	(400)	(2,871)

The reclassification made in the consolidated statement of financial position is related to inventories in transit which are reclassified from trade and other receivables to inventories. The reclassification does not have impact on the net assets balance in the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income.

The reclassification impacts the following items:

	As previously reported USD'000	Reclassification USD'000	As reclassified USD'000
Consolidated statement of financial position as at 31 December 2022			
Inventories	18,911	733	19,644
Trade and other receivables	20,368	(733)	19,635
Consolidated statement of cash flows for the year ended 31 December 2022			
(Increase)/Decrease in trade and other receivables	(214)	733	519
Increase in inventories	(1,096)	(733)	(1,829)

As a result of the finalisation of the PPA for the acquisition of the CWLH Assets during the year in accordance with IFRS 3, certain line items have been amended in the statement of financial position and related notes to the financial statements:

The items were adjusted as follows:

	Provisional PPA USD'000	Adjustments USD'000	Final PPA USD'000
Oil and gas properties	41,976	(21,307)	20,669
Deferred tax assets	-	19,390	19,390
Provision for asset restoration obligations	60,158	4,475	64,633
Deferred tax liabilities	12,593	(6,392)	6,201

Company statement of financial position (Company Registration Number: 13152520)

as at 31 December 2023

	Notes	2023 USD'000	2022 USD'000
Assets			
Non-current assets			
Investment in subsidiaries	5	27,598	26,838
Loan to a subsidiary	7	217,112	252,485
Total non-current asset		244,710	279,323
Current assets			
Amount owing by subsidiaries		105,875	32,521
Prepayments		1,910	20
Cash and cash equivalents		56,588	18,814
Total current assets		164,373	51,355
Total assets		409,083	330,678
Equity and liabilities			
Equity			
Capital and reserves			
Share capital	8	456	339
Share premium account	8	51,827	983
Merger reserve		61,068	61,068
Share-based payment reserve	10	27,673	26,907
Capital redemption reserve		24	21
Retained earnings		235,842	232,984
Total equity		376,890	322,302
Liabilities			
Current liabilities			
Other payables and accruals	11	1,455	851
Amount owing to a subsidiary		27,269	7,525
Warrant liability	12	3,469	-
Total current liabilities		32,193	8,376
Total liabilities		32,193	8,376
Total equity and liabilities		409,083	343,563

During the year, the Company made a profit after tax of US\$4.9 million (2022: US\$48.1 million loss after tax).

The financial statements were approved by the Board of Directors and authorised for issue on 27 April 2024.
They were signed on its behalf by:

Bert-Jaap Dijkstra
Director



Company statement of changes in equity

for the year ended 31 December 2023

	Share capital USD'000	Share premium account USD'000	Capital redemption reserve USD'000	Share- based payments reserve USD'000	Merger reserve USD'000	Retained earnings USD'000	Total USD'000
As at 1 January 2022	358	201	-	25,936	61,068	306,408	393,971
Share-based compensation:							
Company	-	-	-	38	-	-	38
Subsidiaries	-	-	-	933	-	-	933
Dividend paid (Note 9)	-	-	-	-	-	(9,216)	(9,216)
Shares issued (Note 8)	2	782	-	-	-	-	784
Shares repurchased (Note 8)	(21)	-	21	-	-	(16,070)	(16,070)
Total transactions with owners	(19)	782	21	971	-	(25,286)	(23,531)
Loss and total comprehensive income for the year	-	-	-	-	-	(48,138)	(48,138)
As at 31 December 2022	339	983	21	26,907	61,068	232,984	322,302
Share-based compensation:							
Company	-	-	-	6	-	-	6
Subsidiaries	-	-	-	760	-	-	760
Shares issued (Note 8)	120	52,846	-	-	-	-	52,966
Transaction costs associated with issuance of shares (Note 31)	-	(2,002)	-	-	-	-	(2,002)
Shares repurchases	(3)	-	3	-	-	(2,084)	(2,084)
Total transactions with owners	117	50,844	3	766	-	(2,084)	49,646
Profit and total comprehensive income for the year	-	-	-	-	-	4,942	4,942
As at 31 December 2023	456	51,827	24	27,673	61,068	235,842	376,890

Notes to the financial statements

for the year ended 31 December 2023

1 Corporate information

The Company is incorporated and registered in England and Wales. The Company's head office is located at 3 Anson Road, #13-01 Springleaf Tower, Singapore 079909. The registered office of the Company 6th Floor, 60 Gracechurch Street, London, EC3V 0HR United Kingdom.

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

The principal activity of the Company is that of investment holding in the production and exploration of oil and gas.

2 Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100, and as such these financial statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101). The financial statements have been prepared under the historical cost convention.

As permitted by s408 of the Companies Act 2006 the Company has elected not to present its own statement of profit or loss and other comprehensive income for the period. The profit attributable to the Company is disclosed in the footnote to the Company's statement of financial position. The auditor's remuneration for the audit is disclosed in Note 11 of the consolidated financial statements. The Company has also applied the following disclosure exemptions under FRS 101:

- paragraphs 45(b) and 46 to 52 of IFRS 2 *Share-based Payment* (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined), as equivalent disclosures are included within the consolidated financial statements;
- all requirements of IFRS 7 *Financial Instruments: Disclosures*, as equivalent disclosures are included in the consolidated financial statements;
- 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);
- paragraph 38 of IAS 1 *Presentation of Financial Statements* - the requirement to disclose comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1 (a reconciliation of the number of shares outstanding at the beginning and end of the period); and
 - paragraph 73(e) of IAS 16 *Property, Plant and Equipment* (reconciliations between the carrying amount at the beginning and end of the period).
- IAS 7 *Statement of Cash Flows*;
- paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective); and
- paragraph 17 of IAS 24 *Related Party Disclosures* (key management compensation), and the other requirements of that standard to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

3 Accounting policies

The Company's accounting policies are aligned with the Group's accounting policies as set out within the consolidated financial statements, with the addition of the following:

Investment in subsidiaries

Investments in subsidiaries are held at cost less any accumulated allowance for impairment losses. Investment in subsidiaries also consist of capital contribution by the Company to its subsidiaries by assuming the ownership of the LTIP awards previously granted by the former parent company of the Group.

4. Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and 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.

The following is the critical judgement and estimate that the Directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

• Recoverability of the loan to a subsidiary, Jadestone Energy Holdings Ltd

The recoverability of the loan is based on the evaluation of expected credit loss. A considerable amount of estimation uncertainty exists in assessing the ultimate realisation of the loan, including the past collection history from Jadestone Energy Holdings Ltd ("JEHL") plus estimation of the future profitability of JEHL, with its sole source of income being dividend income to be received from JEHL's subsidiaries. Accordingly, the Directors exercised judgement in estimating the future profitability of the oil and gas operations held by the JEHL's subsidiaries.

In estimating the future profitability of the JEHL's subsidiaries, Directors estimated the available reserves owned by the subsidiaries and performed sensitivity analysis on the estimated reserves as disclosed in Note 3 of the consolidated financial statements. Directors concluded that the subsidiaries will be able to declare sufficient dividend income to JEHL based on the estimated reserves and also after taking into the account the sensitivity analysis as disclosed in Note 3 of the consolidated financial statements.

Directors also considered the future hydrocarbon prices in determining the future profitability of the JEHL's subsidiaries. The future hydrocarbon price assumptions used are highly judgemental and may be subject to increased uncertainty given climate change and the global energy transition. Directors further take into consideration the impact of climate change on estimated future commodity prices with the application of the Paris aligned price assumptions as disclosed in Note 3 of the consolidated financial statements. Based on the analysis performed, the potential future reduction on the hydrocarbon prices as impacted by the climate change and the global energy transition will not significantly impact the future operating cash flows of the subsidiaries. Accordingly, Directors estimate that the subsidiaries will be able to declare sufficient dividend income to JEHL.

5 Investment in subsidiaries

	2023 USD'000	2022 USD'000
Unquoted share, at cost	—*	—*
Share-based payment:		
At beginning of year	26,838	25,905
Share-based compensation at subsidiaries during the year	760	933
At end of year	27,598	26,838
	27,598	26,838

Details of the direct and indirect investments the Company holds are as follows:

Name of the company	Place of incorporation	% voting rights and ordinary shares held 2023	% voting rights and ordinary shares held 2022	Nature of business
Direct				
Jadestone Energy Holdings Ltd ⁽¹⁾	England and Wales	100	100	Investment holdings
Indirect				
Jadestone Energy (Australia) Pty Ltd ⁽²⁾	Australia	100	100	Production of oil & gas
Jadestone Energy (Australia Holdings) Pty Ltd ⁽²⁾	Australia	100	100	Investment holdings
Jadestone Energy (CWLH) Pty Ltd ⁽²⁾	Australia	100	100	Production of oil & as
Jadestone Energy (Eagle) Pty Ltd ⁽²⁾	Australia	100	100	Production of oil & gas
Jadestone Energy Inc. ⁽³⁾	Canada	100	100	Investment holdings
Jadestone Energy International Holdings Inc. ^{(3)(a)}	Canada	-	100	Investment holdings
Jadestone Energy (Lemang) Pte Ltd ⁽⁴⁾	Singapore	100	100	Exploration
Jadestone Energy Ltd ⁽⁵⁾	Bermuda	100	100	Investment holdings
Jadestone Energy (Malaysia) Pte Ltd ^{(4)(b)}	Singapore	100	-	Production of oil & gas
Jadestone Energy (New Zealand) Ltd ^{(6)(c)}	New Zealand	-	100	Production of oil & gas
Jadestone Energy (New Zealand Holdings) Ltd ^{(6)(d)}	New Zealand	-	100	Investment holdings
Jadestone Energy (Ogan Komering) Ltd ^{(7)(e)}	Canada	-	100	Production of oil & gas
Jadestone Energy (PHT GP) Limited ^{(1)(f)}	England and Wales	100	-	Investment holdings
Jadestone Energy (PM) Inc. ⁽⁹⁾	Bahamas	100	100	Production of oil & gas
Jadestone Energy Pte Ltd ^{(4)(g)}	Singapore	100	-	Investment holdings
Jadestone Energy (Singapore) Pte Ltd ⁽⁴⁾	Singapore	100	100	Investment holdings
Jadestone Energy Sdn Bhd ⁽¹⁰⁾	Malaysia	100	100	Administration
Jadestone Energy (Thailand) Pte Ltd ^{(4)(h)}	Singapore	100	-	Investment holdings
Jadestone Energy UK Services Ltd ⁽¹⁾	England and Wales	100	100	Administration
Jadestone Energy (Vietnam) Pte Ltd ⁽⁴⁾⁽ⁱ⁾	Singapore	-	100	Exploration
Mitra Energy (Philippines SC- 56) Ltd ⁽⁵⁾	Bermuda	100	100	Exploration
Mitra Energy (Philippines SC- 57) Ltd ^{(8)(j)}	BVI	-	100	Exploration
Mitra Energy (Vietnam 05-1) Pte Ltd ^{(4)(k)}	Singapore	-	100	Exploration
Mitra Energy (Vietnam Nam Du) Pte Ltd ⁽⁴⁾	Singapore	100	100	Exploration
Mitra Energy (Vietnam Tho Chu) Pte Ltd ⁽⁴⁾	Singapore	100	100	Exploration
PHT Partners LP ^{(11)(l)}	Delaware	100	-	Investment holdings

* Rounded to the nearest thousand.

Registered office addresses:

- (1) 6th Floor, 60 Gracechurch Street, London, EC3V 0HR United Kingdom
- (2) Atrium Building Level 2, 168-170 St Georges Terrace, Perth WA 6000, Australia
- (3) 10th Floor, 595 Howe St., Vancouver BC, V6C 2T5, Canada
- (4) 3 Anson Road #13-01, Springleaf Tower, Singapore 079909
- (5) 3rd Floor - Par la Ville Place, 14 Par la Ville Road, Hamilton HM08, Bermuda
- (6) Bell Gully, 171 Featherston Street, Wellington Central, Wellington, 6011, New Zealand
- (7) 29 Tuscany Hills Bay NW, Calgary, Alberta, T3L2G5, Canada
- (8) TMF (BVI) Ltd, Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands
- (9) H&J Corporate Services Ltd, Ocean Centre, Montagu Foreshore, East bay Street, P.O. Box N-3247, Nassau, Bahamas
- (10) Level 15-2, Bangunan Imperial Court, Jalan Sultan Ismail, 50250, Kuala Lumpur, Malaysia
- (11) CT Corporation, 1209 Orange St, Wilmington, DE 19801, United States

- (a) Jadestone Energy International Holdings Inc. was amalgamated with Jadestone Energy Inc. on 16 May 2023 as part of the Company's internal reorganisation.
- (b) Jadestone Energy (Malaysia) Pte Ltd was incorporated on 19 January 2023 for production of oil and gas operations.
- (c) Jadestone Energy (New Zealand) Ltd was dissolved on 30 August 2023.
- (d) Jadestone Energy (New Zealand Holdings) Ltd was dissolved on 27 October 2023.
- (e) Jadestone Energy (Ogan Komering) Ltd was dissolved on 10 March 2023.
- (f) Jadestone Energy (PHT GP) Limited was acquired by the Group from the acquisition of interest in Sinphuhorm gas field.
- (g) Jadestone Energy Pte Ltd was incorporated on 16 January 2023 for investment holdings purposes.
- (h) Jadestone Energy (Thailand) Pte Ltd was incorporated on 19 January 2023 for investment holdings purposes.
- (i) Jadestone Energy (Vietnam) Pte Ltd was dissolved on 6 November 2023.
- (j) Mitra Energy (Philippines SC- 57) Ltd was dissolved on 30 October 2023.
- (k) Mitra Energy (Vietnam 05-1) Pte Ltd was dissolved on 9 March 2023.
- (l) PHT Partners LP was acquired by the Group from the acquisition of interest in Sinphuhorm gas field.

6 Staff number and costs

The Company had one employee at the beginning of the year. The employee was transferred to a subsidiary during the year. The Company had one employee in 2022.

The aggregate remuneration comprised:

	2023 USD'000	2022 USD'000
Wages and salaries	9	141
Social security costs	-	38
Defined contribution pension costs	-	-
	9	179

7 Related party transactions

The Company did not enter into new loan with its subsidiary during the year

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

Amount owing to a subsidiary is 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.

During the year, the Company entered into the following transactions with:

	2023 USD'000	2022 USD'000
Loan to a subsidiary		
At beginning of the year	252,485	365,598
Repayment during the year	(52,865)	(68,284)
Unrealised foreign exchange differences	17,492	(44,829)
At end of the year	217,112	252,485
Subsidiaries		
Advances	41,608	31,971
Repayment received	(33,583)	(4,200)
Payment on behalf by	65,328	(61)
Repayment made	7,525	-

Placement of additional shares and issue of warrants

On 6 June 2023, the Company completed an equity fundraising, creating an additional 94,081,826 ordinary shares at GB£0.45 per share, which comprised of a placing and subscription of 92,312,691 new ordinary shares to existing and new institutional shareholders and a placing and subscription of 1,769,135 new ordinary shares to the Directors of the Company. Tyrus has subscribed to 24,883,387 of new ordinary shares under the equity fundraising for a consideration of US\$13.9 million.

The placing and subscription of 1,769,135 new ordinary shares to the Directors of the Company as follows:

	Number of shares	Consideration paid USD'000
A. Paul Blakeley	336,311	188
Bert-Jaap Dijkstra	71,556	40
Dennis McShane	178,889	100
Iain McLaren	22,222	12
Robert Lambert	111,269	62
Cedric Fontenit	333,333	186
Lisa Stewart	178,889	100
David Neuhauser	447,222	250
Jenifer Thien	89,444	50
	1,769,135	988

In support of the equity fundraising, the Company has entered into an up to US\$50.0 million equity underwrite debt facility agreement with Tyrus. The equity underwrite facility reduced to zero following the total funds raised from the equity fundraising and the open offer exceeded US\$50.0 million. The Company incurred upfront fee of US\$2.15 million and interest of US\$27,778 from the equity underwrite facility, which was recorded as finance costs in Note 14 of the consolidated financial statements.

As part of the underwritten placing of additional ordinary shares, the Company has also entered into a warrant instrument with Tyrus for 30 million ordinary shares at an exercise price of 50 pence per share. The warrants are exercisable within 36 months from the date of issuance, with an expiry date of 5 June 2026.

Committed standby working capital facility

On 6 June 2023, the Company entered into a committed standby working capital facility with Tyrus for a facility size of up to US\$35.0 million. The standby working capital facility was finalised at US\$31.9 million, after deduction of US\$3.1 million of excess funds from the total gross funds of US\$53.1 million raised from the equity placing and open offer. The facility will mature on 31 December 2024. The facility bears interest of 15% on drawn amounts and 5% on undrawn amounts and can be repaid or cancelled without penalties. The standby working capital facility was not utilised during 2023 and remained undrawn as at 31 December 2023. For the year ended 31 December 2023, the Company had incurred interest expense of US\$3.6 million, which was recorded as finance costs in Note 14 of the consolidated financial statements.

8 Share capital and share premium account

	No. of shares	Share capital USD'000	Share premium account USD'000
Issued and fully paid			
As at 1 January 2022, at £0.001 each	465,081,238	358	201
Issued during the year	1,446,108	2	782
Share repurchases	(18,173,683)	(21)	-
As at 31 December 2022	448,363,663	339	983
Issued during the year	94,463,933	120	50,844
Share repurchases	(2,051,022)	(3)	-
As at 31 December 2023	540,766,574	456	51,827

On 2 August 2022, the Company announced the launch of a share buyback programme (the "Programme") in accordance with the authority granted by the shareholders at the Company's annual general meeting on 30 June 2022. The maximum amount of the Programme was US\$25.0 million, and the Programme was not to exceed 46,574,528 ordinary shares.

On 19 January 2023, the Company suspended its share buyback programme. For the year ended 31 December 2023, the Company had acquired 2.3 million shares at a weighted average cost of GB£0.75 per share, resulting in total expenditure of US\$2.1 million. The total nominal value of the shares repurchased was US\$2,485. All shares repurchased were cancelled. Since the launch of the share buyback programme, a total of 20.4 million shares had been acquired for a total accumulated expenditure of US\$18.1 million, total nominal value of the shares repurchased was US\$23,778.

As at 31 December 2022, the Company did not have a liability in respect to the remaining unutilised amount of US\$8.9 million under the Programme as the Company had full discretion over the number of shares to be repurchased. The Programme expired on 30 June 2023 in conjunction with the Company's 2023 annual general meeting ("AGM") and was not renewed at the 2023 AGM.

On 6 June 2023, the Company completed an equity fundraising, creating an additional 94,081,826 ordinary shares at GB£0.45 per share, which comprised of a placing and subscription of 92,312,691 new ordinary shares to existing and new institutional shareholders and a placing and subscription of 1,769,135 new ordinary shares to the Directors of the Company. Total gross proceeds were US\$53.0 million, with net proceeds of US\$51.0 million. The Group incurred total costs of US\$2.0 million associated with the equity fundraising and these costs were accounted as a deduction to the equity.

¹ The open offer was quoted in Euro of 8.0 million to meet the applicable regulation issued by the European Union regarding to the quantum of open offer.

On 9 June 2023, the Company launched an open offer of up to 14,887,039 new ordinary shares, at GB£0.45 per share, to raise additional proceeds of up to EUR8.0 million¹ (up to US\$8.6 million). The open offer closed on 28 June 2023, raising a total of US\$42,009 by issuing 73,557 new shares.

During the year, employee share options of 128,160 were exercised and issued at an average price of GB£ 0.56 per share (2022: 1,446,108; GB£0.42 per share). Additionally, 79,327 shares were issued during the year to satisfy the Company's obligations with regards to the performance shares and 101,063 shares were issued to meet the obligations with regards to the restricted shares.

The Company has one class of ordinary share. Fully paid ordinary shares with par value of GB£0.001 per share carry one vote per share without restriction, and carry a right to dividends as and when declared by the Company.

9 Dividends

The Company has sufficient distributable reserves to declare dividends. The distributable reserves were created through the reduction of share capital of the Company in May 2021. The dividends declared were in compliance with the Act.

The Company did not declare any dividend during the year.

On 20 September 2022, the Directors declared a 2022 interim dividend of 0.65 US cents/share, equivalent to a total distribution of US\$3.0 million. The dividend was paid on 11 October 2022.

On 6 June 2022, the Directors recommended a final 2021 dividend of 1.34 US cents/share, equivalent to a total distribution of US\$6.2 million, or US\$9.0 million in respect of total 2021 dividends. The dividend was approved by shareholders on 30 June 2022 and paid on 5 July 2022.

10 Share-based payments reserve

The total expense arising from share-based payments of US\$0.8 million (2022: US\$0.1 million) was recognised in profit or loss for the year ended 31 December 2023. The share-based payment expense arise from share options, performance shares and restricted shares awarded from 2020 to 2022. In view of the performance of the Group in 2023, the Remuneration Committee suspended performance share grants in 2023. In consultation with an external advisor, the Remuneration Committee approved a Deferred Cash Plan ("DCP") for the 2023 - 2026 Long-Term Incentive ("LTI") cycle, which was awarded in October 2023 (Note 40 to the consolidated financial statements). This was done to ensure that the LTI programme aligns the interests of the senior leaders of the Group to the interests of shareholders, and is effective in retaining and incentivising our top talents.

On 15 May 2019, the Company adopted, as approved by the shareholders, the amended and restated stock option plan, the performance share plan, and the restricted share plan (together, the "LTI Plans"), which establishes a rolling number of shares issuable under the LTI Plans up to a maximum of 10% of the Company's issued and outstanding ordinary shares at any given time. Options under the stock option plan will be exercisable over periods of up to 10 years as determined by the Board.

10.1 Share options

The Directors have applied the Black-Scholes option-pricing model, with the following assumptions, to estimate the fair value of the options at the date of grant:

	Options granted on 9 March 2022
Risk-free rate	1.34% to 1.38%
Expected life	5.5 to 6.5 years
Expected volatility ¹	63.0% to 66.7%
Share price	GB£ 1.01
Exercise price	GB£ 0.92
Expected dividends	1.96%

10.2 Performance shares

The performance measures for performance shares incorporate both a relative and absolute total shareholder return ("TSR") calculation on a 70:30 basis to compare performance vs. peers (relative TSR) and to ensure alignment with shareholders (absolute TSR).

Relative TSR: measured against the TSR of peer companies; the size of the payout is based on Jadestone's ranking against the TSR outcomes of peer companies.

Absolute TSR: share price target plus dividend to be set at the start of the performance period and assessed annually; the threshold share price plus dividend has to be equal to or greater than a 10% increase in absolute terms to earn any pay out at all, and must be 25% or greater for target pay out.

A Monte Carlo simulation model was used by an external specialist, with the following assumptions to estimate the fair value of the performance shares at the date of grant:

	Performance shares granted on 9 March 2022
Risk-free rate	1.39%
Expected volatility ¹	53.1%
Share price	GB£ 1.01
Exercise price	N/A
Expected dividends	1.71%
Post-vesting withdrawal date	N/A
Early exercise assumption	N/A

¹ Expected volatility was determined by calculating the average historical volatility of the daily share price returns over a period commensurate with the expected life of the awards for a group of ten peer companies.

10.3 Restricted shares

Restricted shares are granted to certain senior management personnel as an alternative to cash under exceptional circumstances and to provide greater alignment with shareholder objectives. These are shares that vest three years after grant, assuming the employee has not left the Group. They are not eligible for dividends prior to vesting.

The following assumptions were used to estimate the fair value of the restricted shares at the date of grant, discounting back from the date they will vest and excluding the value of dividends during the intervening period:

	Restricted shares granted on	
	22 August 2022	9 March 2022
Risk-free rate	1.73%	1.39%
Share price	GB£ 0.90	GB£ 1.01
Expected dividends	1.73%	1.71%

The following table summarises the options/shares under the LTI plans outstanding and exercisable as at 31 December 2023:

	Shares Options					
	Performance shares	Restricted shares	Number of options	Weighted average exercise price GB£	Weighted average remaining contract life	Number of options exercisable
As at 1 January 2022	1,486,893	151,633	21,166,802	0.45	7.15	11,409,854
New options/share awards issued	1,406,956	293,655	1,030,366	0.92	9.19	-
Vested during the year	-	-	-	0.50	6.27	2,010,007
Accelerated vesting during the year	-	-	-	0.46	6.45	1,354,702
Exercised during the year	-	-	(1,446,108)	0.42	-	(1,446,108)
Cancelled during the year	(147,906)	-	(1,012,124)	0.50	-	(1,012,124)
As at 31 December 2022	2,745,943	445,288	19,738,936	0.45	7.15	12,316,331
Vested during the year	(79,327)	(101,063)	-	0.44	6.32	4,665,000
Exercised during the year	-	-	(128,160)	0.56	-	(128,160)
Expired unexercised during the year	(449,513)	-	-	-	-	-
Cancelled during the year	-	-	(344,655)	0.60	-	(344,655)
As at 31 December 2023	2,217,103	344,225	19,266,121	0.48	5.37	16,508,516

The weighted average share price on the exercise date is GB£0.83 (2022: GB£0.86).

	Number of options	Range of exercise price GB£	Weighted average exercise price GB£	Weighted average remaining contract life
Share options exercisable as at 31 December 2022	12,316,331	0.26 - 0.99	0.41	5.46
Share options exercisable as at 31 December 2023	16,508,516	0.26 - 0.99	0.41	4.92

11 Other payables

	2023 USD'000	2022 USD'000
Other payables	563	456
Accruals	892	395
	1,455	851

Other payables and accruals principally comprise amounts outstanding for on-going 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 Warrants liability

On 6 June 2023, in consideration of the support provided to the Company under the equity underwrite debt facility and committed standby working capital facility, the Company entered into a warrant instrument with Tyrus Capital S.A.M. and funds managed by it, for 30 million ordinary shares at an exercise price of 50 pence sterling per share. The warrants are exercisable within 36 months from the date of issuance, with an expiry date of 5 June 2026.

The Directors have applied the Black-Scholes option-pricing model, with the following assumptions, to estimate the fair value of the warrants as at 31 December 2023:

Risk-free rate	3.77%
Expected life	2.5 years
Expected volatility ¹	54.5%
Share price	GB£ 0.37
Exercise price	GB£ 0.50
Expected dividends	0%

13 Events after the end of the reporting period

Acquisition of additional interest in the CWLH oil fields

On 14 November 2023, the Group has executed a sale and purchase agreement with Japan Australia LNG (MIMI) Pty Ltd (the "Seller"), to acquire the Seller's non-operated 16.67% working interest in the Cossack, Wanaea, Lambert, and Hermes ("CWLH") oil fields development, offshore Western Australia, for a total initial cash consideration of US\$9.0 million, and certain subsequent Abandonment Trust Payments (the "Acquisition").

The Acquisition was completed on 14 February 2024, with a net receipt to the Group from the Seller of US\$6.3 million, reflecting the accumulated economic benefits of the CWLH assets for the period from the effective date of 1 July 2022 to completion. As a result, the Group's non-operated working interest in the CWLH assets increased to 33.33%, from 16.67%.

Redetermination of the Borrowing Base under the Reserves-Based Lending Facility

On 26 April 2024, the RBL Banks finalised a routine redetermination of the borrowing base under the RBL, with the revised borrowing capacity of US\$200.0 million. Stag has been removed from the borrowing base assets and replaced with the second acquisition of 16.67% of the CWLH assets, acquired on 14 February 2024. The next scheduled redetermination is scheduled to complete by 30 September 2024.

Suspension and restoration of trading on AIM

On 13 February 2024, the ordinary shares of the Company were suspended from trading pursuant to a proposed sale by Woodside Energy Group Ltd. ("Woodside") of its participating interests in the Macedon and Greater Pyrenees Projects offshore Western Australia (the "Proposed Acquisition"). Had Jadestone been selected as the preferred bidder and reached agreement with Woodside on acquisition terms, the Proposed Acquisition would have been classified as a reverse takeover transaction in accordance with AIM Rule 14, and accordingly, the Company's ordinary shares were suspended from trading on AIM on 13 February 2024. On 11 April 2024, Woodside cancelled the sale of its participating interests in those assets. With the possibility of the Proposed Acquisition ceasing, the Company's shares resumed trading on AIM on 11 April 2024.

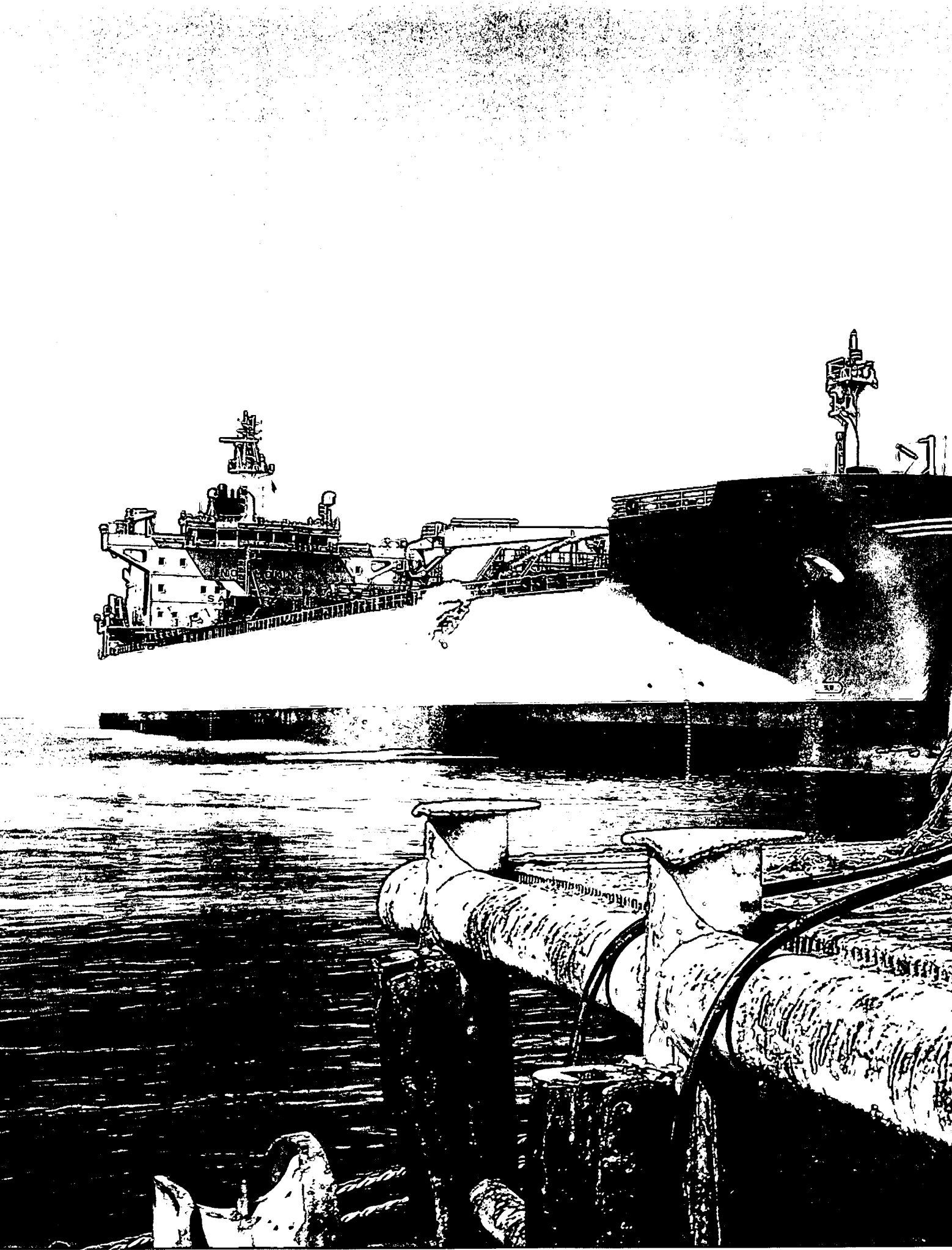
Change in Board of Directors

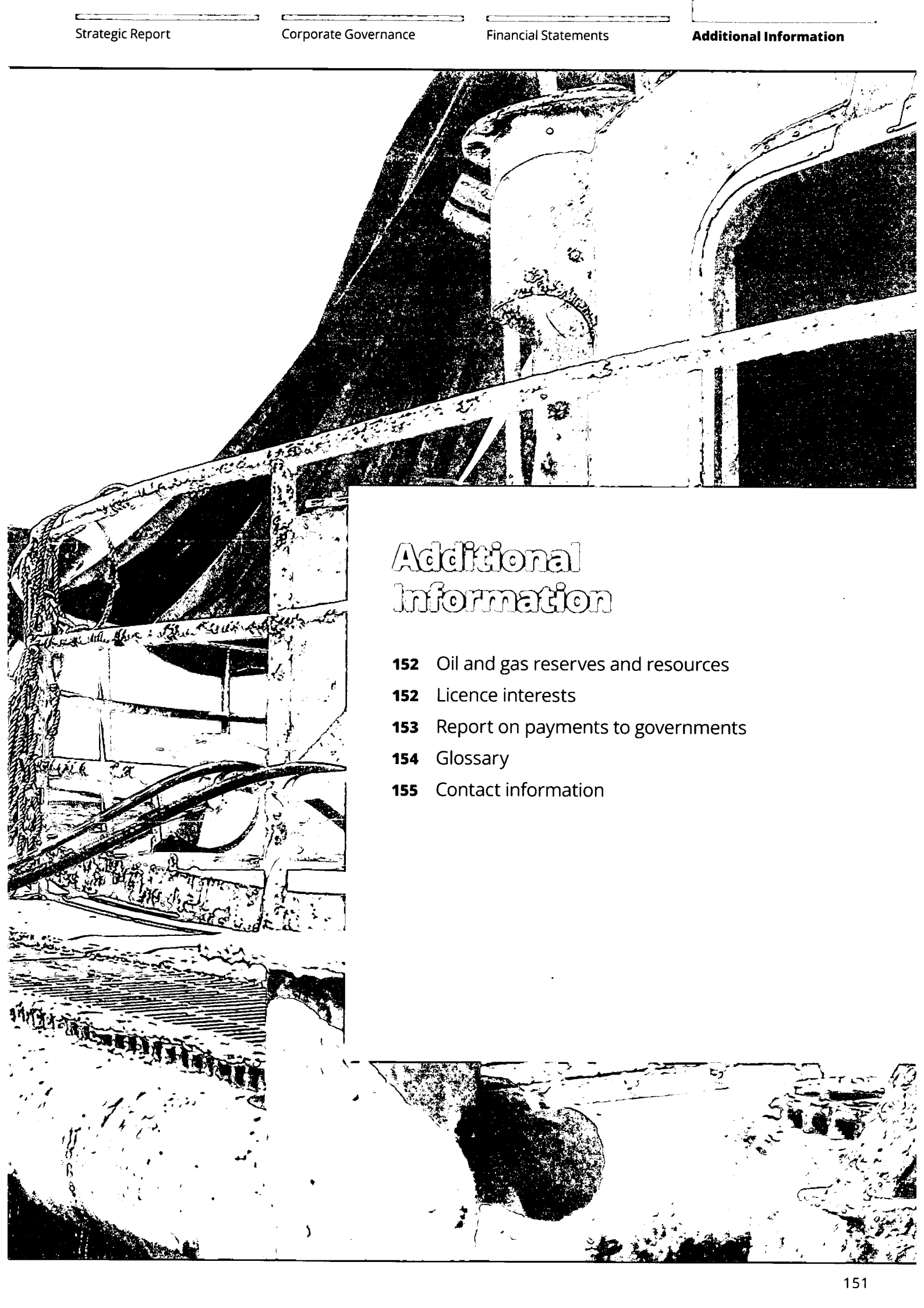
On 25 January 2024, the Company announced the appointment of Joanne Williams as an independent non-executive director. Ms. Williams is Chair of both the HSEC Committee and the Montara Technical Committee, and a member of the Audit Committee.

On 25 March 2024, the Company announced the appointment of Adel Chaouch as an independent non-executive director. On the same day, the Company announced the resignation of (i) Lisa Stewart as an independent non-executive director and (ii) Robert Lambert as an independent non-executive director.

On 27 March 2024, the Company announced the resignation of Dennis McShane as an independent non-executive director and Chair of the Board. On the same day, the Company announced the election of Adel Chaouch as Chair of the Board. Mr. Chaouch is Chair of the Governance and Nomination Committee, and a member of both the Remuneration Committee and the Montara Technical Committee.

¹ Expected volatility was determined by calculating the average historical volatility of the daily share price returns over a period commensurate with the expected life of the awards for a group of ten peer companies.





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Oil and gas reserves and resources

Total proved plus probable reserves¹ (net, mmboe)

	AUSTRALIA	MALAYSIA	INDONESIA ²	THAILAND ³	VIETNAM	TOTAL GROUP
Opening balance, 1 January 2023	35.6	8.9	20.3	0.0	0.0	64.8
Acquisitions	-	-	-	4.2	-	4.3
Transfer from 2C resources	2.4	-	3.0	-	-	5.4
Revisions	(3.4)	1.9	-	0.2	-	(1.4)
Production	(3.0)	(1.6)	-	(0.5)	-	(5.0)
Ending balance, 31 December 2023	31.6	9.2	23.3	3.9	0.0	68.0

As at 31 December 2023, the Group had proved plus probable oil reserves ("2P Reserves") of 68.0 mmboe, a 5% increase compared with 31 December 2022 and representing 164% 2P Reserves replacement during the year. 2P Reserves of 4.2 mmboe were booked on completion of the Sinphuhorm interest acquisition in February 2023. There was a positive reserve revision at the CWLH fields offshore Australia due to better than expected asset performance during the year, in turn extending asset life from 2031 to 2035. 2P Reserves also increased at the PM323 field offshore Malaysia on the back of the successful infill drilling campaign in the second half of 2023. A further 3.0 mmboe of 2P Reserves were booked at the Akatara field, representing the volumes committed under an additional gas sales agreement negotiated during the year. These positive moves were balanced by a 3.5 mmboe net reduction in 2P Reserves at Montara, due to forecast higher operating costs over the life of the field, and a small negative revision at the PM329 asset offshore Malaysia. Jadestone completed the acquisition of a further 16.67% interest in the CWLH fields, adding a further 6.7 mmboe of 2P Reserves at closing, after the period end and was therefore not included in end-2023 2P Reserves calculation.

ERCE independently evaluated the Group's year-end 2023 2P Reserves.

Total 2C contingent resources⁴ (net, mmboe)

	AUSTRALIA	MALAYSIA	INDONESIA	THAILAND	VIETNAM	TOTAL GROUP
Opening balance, 1 January 2023	6.5	0.0	3.9	0.0	93.9	104.3
Acquisitions	-	-	-	2.5	-	2.5
Transfer to 2P reserves	(1.4)	-	(3.0)	-	-	(5.4)
Technical revisions	1.1	1.2	-	1.9	-	4.2
Ending balance, 31 December 2023	5.1	1.2	0.9	4.4	93.9	105.6

The Group's best case Contingent Resources ("2C Resources") increased slightly from 104.3 mmboe at 31 December 2022 to 105.6 mmboe at 31 December 2023. The part reclassification of Akatara and CWLH contingent resources to 2P Reserves was offset by positive revisions associated with potential life extensions at CWLH and Sinphuhorm, potential infill wells in Malaysia and the Group's share of 2C Resources associated with the Dong Mun discovery onshore Thailand (acquired with the interest in the Sinphuhorm field).

Licence interests

Country/licences	Acreage	Field/discovery	Region	Location	Water depth	Operator	Working interest
AUSTRALIA							
AC/L7, ACL8	672km ²	Montara, Swift/Swallow, Skua	Timor Sea	Offshore	77 metres	Jadestone	100%
WA-15-L	160km ²	Stag	Carnarvon Basin	Offshore	47 metres	Jadestone	100%
WA-3-L, WA-9-L, WA-11-L, WA-16-L	160km ²	Cossack, Wanaea, Hermes, Lambert	North Carnarvon Basin	Offshore	157 metres	Woodside Energy	16.67% ⁵
MALAYSIA							
PM323 PSC	1,304km ²	East Belamut, Chermingat, West Belamut	Malay Basin	Offshore	72 metres	Jadestone	60%
PM329 PSC	387km ²	East Piatu	Malay Basin	Offshore	63 metres	Jadestone	70%
PNLP Assets ⁶	1,698km ²	North Lukut, Penara and Puteri	Malay Basin	Offshore	70 metres	Jadestone	100%
PM428	6,695km ²	-	Malay Basin	Offshore	40-80 metres	Jadestone	60%
INDONESIA							
Lemang PSC	743km ²	Akatara	South Sumatra	Onshore	n/a	Jadestone	100% ⁷
THAILAND							
EU5, EU-1	232km ²	Sinphuhorm	Khorat Basin	Onshore	n/a	PTTEP	9.52%
L27/43	32km ²	Dong Mun	Khorat Basin	Onshore	n/a	APICO	27.2%
VIETNAM							
Block 46/07 PSC	2,622km ²	Nam Du	Malay /Tho Chu Basin	Offshore	48 metres	Jadestone	100%
Block 51 PSC	887km ²	U Minh, Tho Chu	Malay /Tho Chu Basin	Offshore	64 metres	Jadestone	100%

¹ Proven and Probable Reserves for Jadestone's assets have been prepared in accordance with the June 2018 SPE/WPC/AAPG/ SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System ("PRMS") as the standard for classification and reporting.

² Assumes oil equivalent conversion factor of 6,000 scf/boe.

³ Assumes oil equivalent conversion factor of 5,740 scf/boe.

⁴ 2C Resources based on Jadestone estimates, ERCE reports dated 31 December 2022 and 31 December 2017 (for Vietnam).

⁵ Jadestone's interest in the CWLH fields was 16.67% at 31 December 2023 and increased to 33.33% on 14 February 2024, following the acquisition of a former joint venture partner's interest.

⁶ Jadestone is licensee and operator of the AAKBNLP and PM318 PSCs (i.e., the PNL Assets) while these licences are in 'shut-in' mode. Through the Malaysia Bid Round Plus ("MBR+"), Jadestone is currently applying for the Puteri Cluster PSC (the renamed PNL Assets). The results of the MBR+ are anticipated in May 2024.

⁷ Pre local government back-in right of up to 10%.

Report on payments to governments

This report sets out details of the payments made to governments by Jadestone Energy plc and its subsidiary undertakings for the year ended 31 December 2023.

This information is required under the Disclosure and Transparency Rules of the UK Financial Conduct Authority and is provided in accordance with Jadestone's interpretation of the Industry Guidance issued for the UK's Report on Payments to Governments Regulations 2014, as amended in December 2015 (the "Regulations").

The Regulations require payments to governments to be disclosed on the following basis:

- i. production entitlements;
- ii. taxes levied on the income, production or profits of companies (excluding taxes levied on consumption such as value added taxes, personal income taxes or sales taxes);
- iii. royalties;
- iv. dividends (other than where paid to the government as an ordinary shareholder which is paid on the same terms as the other ordinary shareholders);
- v. signature, discovery and production bonuses;
- vi. licence/rental fees; and
- vii. payments for infrastructure improvements.

- Single payments of less than GBP86,000 need not be disclosed in the report, nor does any payment forming part of a series of related payments within a financial year where the total amount is less than GBP86,000.
- Where payments in kind are made to a government, the report must state their value and, where applicable, the volume of those payments.
- 'government' means any national, regional or local authority of a country, and includes a department, agency or undertaking that is a subsidiary undertaking where the authority is the parent undertaking.

The following table sets out the Group's payments to governments for 2023 based on the principles above. All figures are in US dollars.

US\$		Fees	Taxes	Royalties	Totals
	Stag	632,291	280,714	-	913,005
	Montara	1,291,095	1,148,064	-	2,439,159
	CWLH	-	157,424	3,900,782	4,058,206
	Non-project related	-	6,571,006	-	6,571,006
Total AUSTRALIA		1,923,385	8,157,208	3,900,782	13,981,375
	PM323	-	651,810	2,454,537	3,106,346
	PM329	-	5,189,105	5,312,527	10,501,632
Total MALAYSIA		-	5,840,914	7,767,064	13,607,978
	Lemang PSC	200,215	-	-	200,215
Total INDONESIA		200,215	-	-	200,215
	Block 46/07	200,000	-	-	200,000
	Block 51	200,000	-	-	200,000
Total VIETNAM		400,000	-	-	400,000
Totals		2,523,600	13,998,122	11,667,846	28,189,569

Glossary

2C resources, 2C	best estimate contingent resource, being quantities of hydrocarbons which are estimated, on a given date, to be potentially recoverable from known accumulations but which are not currently considered to be commercially recoverable
2P reserves, 2P	the sum of proved and probable reserves, reflecting those reserves with 50% probability of quantities actually recovered being equal or greater to the sum of estimated proved plus probable reserves
AAKBNLP	Abu, Abu Kecil, Bubu, North Lukut, and Penara oilfields
ACCU	Australian carbon credit unit
AIM	Alternative Investment Market
the AIM Rules	the AIM Rules for Companies 2021
AGM	annual general meeting
APAC	Asia-Pacific
API	American Petroleum Institute gravity
APS	Announced Pledges Scenario
ARO	asset retirement obligation
bbl	barrel
bbls/d	barrels per day
bcm	billion cubic meters
the Board	the board of directors of Jadestone Energy plc
boe	barrel of oil equivalent
boe/d	barrels of oil equivalent per day
carbon dioxide equivalent (or CO₂-e)	standard unit used to compare and account for emissions from various GHGs based on their global warming potential
CCSC	Climate Change Steering Committee
CCWG	Climate Change Working Group
CEO	Chief Executive Officer
CFO	Chief Financial Officer
the Company	Jadestone Energy plc
COO	Chief Operating Officer
COVID-19	an infectious disease caused by the SARS-CoV-2 virus
CWLH	Cossack, Wanaea, Lambert, Hermes
DD&A	depletion, depreciation and amortisation
direct energy	energy generated onsite at Group facilities
the Directors	the directors of Jadestone Energy plc
E&P	exploration and production
EBITDAX	earnings before interest tax, depreciation, amortisation and exploration expense
emissions intensity	a measurement of GHG emissions intensity, commonly expressed as kilograms of CO ₂ -e emitted per boe
EPCI	engineering, procurement, construction and installation
ERCE	ERC Equipose Limited
ESG	environmental, social and governance
FID	final investment decision
FPSO	floating production storage and offloading vessel
fugitive emissions	losses, leaks and other releases of gases such as methane and carbon dioxide to the atmosphere that are associated with industries producing natural gas, oil and coal
FVLCD	Fair value less costs of disposal
GBP	British Pounds
GHG	Greenhouse gases, with three main gases including carbon dioxide (CO ₂), methane (CH ₄) and nitrous oxide N ₂ O.
the Group	Jadestone Energy plc and its subsidiaries
HoA	Heads of Agreement
HSE	health, safety and environment
HSEC	health, safety, environment and climate
HSSEC	health, safety, social, environmental and climate
IAS	International Accounting Standards
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
Indirect energy	energy generated offsite and purchased by the Group

Interim Facility	a US\$50 million debt facility closed in February 2023
IPIECA	originally the "International Petroleum Industry Environmental Conservation Association"
ISO	International Organisation for Standardisation
IT	information technology
Jadestone or Jadestone plc	Jadestone Energy plc
KPIs	key performance indicators
LPG	liquified petroleum gas
LTi	long-term incentive
LTIP	long-term incentive plan
MACC	marginal abatement cost curve
MAR	Market Abuse Regulation
MBR+	Malaysia Bid Round Plus
mmcf	million standard cubic feet of natural gas
M&A	mergers and acquisitions
mmbbls/d	million barrels per day
mmbbls	million barrels of oil
mmboe	millions of barrels of oil equivalent
mmscf/d	million standard cubic feet per day
MYR	Malaysian Ringgit
NED	Non-Executive Director
Net Zero	the state reached when an organisation's GHG emissions are reduced in line with the goals of the Paris Agreement, and any remaining emissions that cannot be further reduced are fully neutralised by like-for-like permanent removals.
NOPSEMA	The National Offshore Petroleum Safety and Environmental Management Authority
NZE	IEA Net Zero Emissions scenario
OCF	operating cash flow
OPEC	Organisation of Petroleum Exporting Countries
the Paris Agreement	a legally binding international treaty on climate change
PenMal Assets	collectively, the assets offshore Peninsular Malaysia acquired by Jadestone in 2021
PETRONAS	Petroleum Nasional Berhad
PITA	petroleum income tax (Malaysia)
produced water	water produced from the reservoir with crude oil
PRRT	Petroleum Resource Rent Tax
PSC	production sharing contract
PV Gas	Petrovietnam Gas Joint Stock Corporation
QCA	Quoted Companies Alliance
RBL Facility	a US\$200 million reserves based loan facility closed in May 2023
R&M	Repair and Maintenance
RSU	restricted stock unit
SapuraOMV	SapuraOMV Upstream Sdn. Bhd.
scf	standard cubic feet of gas
Scope 1, 2 and 3 GHG emissions	direct operational emissions (Scope 1), indirect emissions from purchased energy (Scope 2) and remaining indirect GHG emissions emitted across the value chain (Scope 3)
SECR	Streamlined Energy and Carbon Reporting
Section 172	Section 172 of the Companies Act 2006
SID	senior independent director
STEPS	IEA Stated Policies scenario
TCFD	Task Force on Climate-Related Financial Disclosures
TSR	total shareholder return
UN SDGs	UN Sustainable Development Goals
US\$	United States dollar
WEO	IEA World Energy Outlook





Governance and Nomination Committee report

Committee members and meeting attendance

In 2023 the Governance and Nomination Committee comprised:

- **Dennis McShane*** (Chair)
- **Cedric Fontenit**
- **Iain McLaren**
- **Jenifer Thien**
- **A. Paul Blakeley**

Meeting attendance:

- | | |
|---------------------------|------------|
| • Dennis McShane | 1 out of 1 |
| • Cedric Fontenit | 1 out of 1 |
| • Iain McLaren | 1 out of 1 |
| • Jenifer Thien | 1 out of 1 |
| • A. Paul Blakeley | 1 out of 1 |

Meeting:
23 November 2023

Note: Changes with respect to succession planning and recruitment were concentrated in the latter half of 2023. Consequently, it was decided that only one Governance and Nomination Committee meeting was required during the year, which took place in November 2023.

Role of the Committee

The Governance and Nomination Committee (the “Committee”) exercises general oversight with respect to the Group’s corporate governance practices. It ensures that the Board has a strong and responsible leadership together with a wide range of skills, knowledge and experience to support business success and generate long-term shareholder value. The Committee also reviews the qualifications of, and recommends to the Board, proposed nominees for appointment to the Board, and establishes the framework for assessment of the Board performance and evaluation.

Activities during the year

- The Committee discussed the Chief Operating Officer recruitment process, including the suitability of candidates.
- The Committee discussed the status of recruitment for two NEDs who would replace Iain McLaren and Robert Lambert, and the suitability of candidates in the process.
- The Committee continued to review leadership succession planning, contingency planning for critical roles in the business, and the overall Board composition.

* Effective 27 March 2024, Dennis McShane stepped down as a Non-Executive Director, Chair of the Board and Chair of the Governance and Nomination Committee. Adel Chaouch was appointed as Chair of the Governance and Nomination Committee effective 27 March 2024.

Letter from the Committee Chair

Dear shareholder,

It is my pleasure to present the Committee Report for the year ended 31 December 2023.

The report summarises the objectives and responsibilities of the Committee, the work carried out during 2023, and plans for 2024.

Principal responsibilities of the Committee

- Oversee the Group's corporate governance practices, including regular reviews of Board mandates and committees, develop and review the Group's corporate governance policies, and assess and prepare an annual statement on the compliance of the Group with the QCA Code;
- Considering succession planning for directors and senior executives, considering tenure on the Board, evolving challenges and opportunities facing the Group, and the skills and expertise required to manage these challenges and opportunities;
- Identifying and nominating candidates for appointment as directors, ensuring rigorous and transparent selection and appraisal procedures, with the ultimate appointment of directors made by the Board based on the recommendations of the Committee;
- Monitoring the structure, size, and composition of the Board as a whole and the committees, making recommendations for changes as may be necessary to achieve an appropriate balance of experience, independence and diversity; and
- Commissioning a Board performance evaluation process annually, reviewing the results and making recommendations.

The terms of reference for the Committee are reviewed annually and aligned with the QCA guidelines.

Governance

The Board Chairman's Corporate Governance Statement and Compliance Statement to the QCA Code Principles can be found on pages 48 to 53.

Board changes

Jadestone's Board saw a number of changes during 2023 and the first quarter of 2024, with the longer-term objective to ensure that the Board is sized appropriate to the Group's scale and ambition, while maintaining appropriate capabilities and adhering to corporate governance standards.

On 18 October 2023, the Company announced the appointment of Gunter Waldner as a Non-Executive Director. Mr. Waldner was nominated as a Non-Executive Director by the Company's largest shareholder, Tyrus, pursuant to the relationship agreement entered into by the Company and Tyrus in November 2018. Mr. Waldner will stand for election at the Company's 2024 Annual General Meeting, and brings significant knowledge of and experience in corporate finance and acquisition strategy.

On 25 January 2024, the Company announced the appointment of Joanne Williams as an independent Non-Executive Director. Ms. Williams is a reservoir engineer with more than 25 years' experience in technical and executive roles. Ms. Williams is Chair of both the HSEC Committee and the Montara Technical Committee, and a member of the Audit Committee.

On 25 March 2024, the Company announced the appointment of Adel Chaouch as an independent Non-Executive Director. Dr. Chaouch possesses significant upstream operations and executive experience. On 25 March 2024, the Company also announced the resignation of (i) Lisa Stewart as an independent Non-Executive Director and (ii) Robert Lamber as an independent Non-Executive Director.

On 27 March 2024, the Company announced the resignation of Dennis McShane as an independent Non-Executive Director and Chair of the Board.

Also on 27 March 2024, the Company announced the election of Adel Chaouch as Chairman of the Board. Dr. Chaouch is Chairman of the Governance and Nomination Committee, a member of the Remuneration Committee, the Montara Technical Committee, and a member of the HSEC Committee. Iain McLaren has signalled his intention to step down as a Non-Executive Director and Chair of the Audit Committee after the completion of the 2023 audit process.

Diversity and inclusion

The Committee recognises the importance of building a diverse Board and is focused on continuing to increase diversity at both the Board and senior leadership level within Jadestone.

The Board remains diverse in terms of its culture, nationality, and international experience. The Board's core expertise includes upstream oil and gas, ESG, technical, operational, financial, governance and commercial skills and experience. The Committee will continue to monitor and consider diversity in the context of future Board appointments.

The Board continues to support diversity across the organisation considering national origin, race, ethnicity, gender and sexual orientation to maintain an inclusive workplace. All appointments are made based on merit, experience and performance, whilst actively seeking diversity of skills, gender, and social and ethnic backgrounds. The Committee's oversight role includes ensuring that diversity and inclusion are integrated into the Group's human resources standards and recruitment processes.

The Committee maintains its current policy of embracing diversity in its broadest sense, including gender, ethnic and social diversity but without setting formal, measurable objectives. Further details can be found within the Group's Diversity Policy which is accessible at <https://www.jadestone-energy.com/wp-content/uploads/2023/11/20231122-Diversity-Policy.pdf>.

Succession planning

The Committee maintains a comprehensive succession plan for appointments to the Board ensuring there is an appropriate balance of skills and experience that aligns with its strategic aims. These considerations were evident in recent Board changes detailed above. The Group's succession plan also includes contingency plans for the sudden or unexpected departure of Executive Directors and other senior roles.

Consequently, the Board has a detailed understanding of talent management and succession planning across the Group, as well as the plan to continually recognise and develop internal talent.

Yours sincerely,

Adel Chaouch

Non-Executive Director, Chairman of the Board and
The Committee Chairman
27 April 2024

Health, Safety, Environment and Climate Committee report

Committee members and meeting attendance

In 2023, the Health, Safety, Environment and Climate Committee comprised:

- **Robert Lambert*** (Chair)
- **Lisa Stewart**
- **A. Paul Blakeley**
- **Jenifer Thien**

Meeting Attendance:

- | | |
|---------------------------|------------|
| • Robert Lambert | 3 out of 3 |
| • Lisa Stewart | 2 out of 3 |
| • A. Paul Blakeley | 2 out of 3 |
| • Jenifer Thien | 3 out of 3 |

Meeting:

3 March 2023 | 28 August 2023 | 30 November 2023

Role of the Committee

The Committee assists the Board in obtaining assurance that appropriate policies, controls and systems are in place to effectively manage the health, safety, social, environmental and climate ("HSSEC") risks in relation to the Group's operations and ensure that the Group's activities are planned and executed in a safe and responsible manner. The Committee reports to the Board regarding the Group's HSSEC performance, with the Board holding ultimate responsibility for HSSEC matters, including those related to climate change. The Committee meets at least three times per year and otherwise as required.

Responsibilities of the Committee include:

- formulating the Group's policies and systems for identifying and managing HSSEC risks within Jadestone's operations;
- evaluating the effectiveness of the Group's policies and systems for identifying and managing HSSEC risks within Jadestone operations;
- overseeing the development of the Net Zero roadmap and progress made as per external commitments;
- assessing the policies and systems within the Group for ensuring compliance with HSSEC regulatory requirements;
- assessing the performance of the Group with regard to the impact of HSSEC related decisions, and actions upon employees, communities and other third parties. The Committee also assesses the impact of such decisions and actions on the reputation of the Group;
- on behalf of the Board, receiving reports from management concerning all serious safety-related incidents within the Group and actions taken by management as a result of such incidents;
- evaluating and overseeing, on behalf of the Board, the quality and integrity of any reporting to external stakeholders concerning HSSEC issues;
- ensuring that the Group maintains an appropriate level of engagement in industry HSSEC initiatives;
- reviewing and recommending changes to the HSSEC framework management system annually; and
- reviewing the results of independent audits of the Group's performance in regard to HSSEC matters, and any strategies and action plans developed by management in response to issues raised, and where appropriate making recommendations to the Board concerning the same.

All Committee members were also members of the special Montara Technical Committee established in response to the Montara tank integrity program, with ten meetings held in 2023.

Letter from the Committee Chair

Dear shareholder,

I am pleased to present the Health, Safety, Environmental and Climate Committee Report for the year ended 31 December 2023.

When my appointment took effect on 25 January 2024, I assumed the role of Chair of the Committee. Consequently, I was not present at the Committee meeting in November 2023, but I am providing this report in my capacity as the current Chair of the Committee.

The Committee provides assurance to the Board on occupational health, safety, social, environmental and climate leadership. It is primarily focused on ensuring that the Group's policies related to HSSEC matters are adopted and applied across the Group, and the safety leadership within both management and the workforce is visible and impactful.

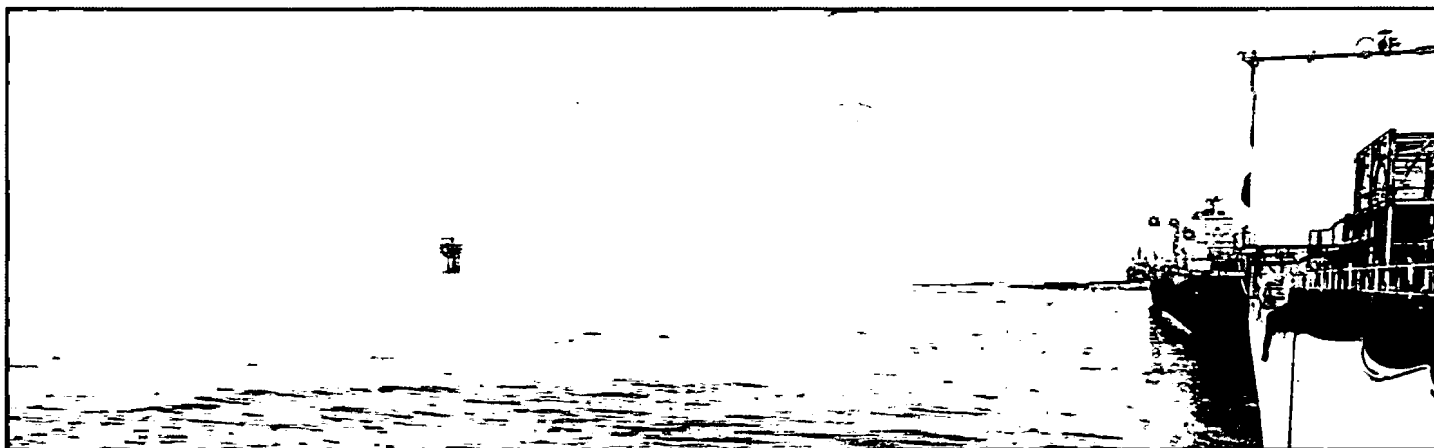
During 2023, the Committee held four formal meetings to review and discuss matters pertaining to HSSEC issues ensuring that adequate policies related to HSSEC are adopted and applied across the Group and the safety leadership of both management and the workforce is visible and impactful. The Group continually reinforces and implements safe working procedures such as risk identification and mitigation assessments, safe execution of work through permit-to-work applications, providing competency training and awareness sessions, asset integrity, management of change and assurance and verification checks to ensure risks are reduced as low as reasonably practicable.

All incidents during the year were investigated and lessons learned as appropriate, and actions to prevent recurrence were implemented. There were six high potential (HiPo) events during the year with five of the six associated with dropped objects. Dropped objects and the implementation of the International The International Association of Oil & Gas Producers (IOGP) life saving rules will be a focus in 2024. There was one Tier I process safety event on the Chermingat Alpha platform where gas was released at 3,000kg/hour for two hours due to a failure of a electronic flow meter. There were no injuries or property damage associated with this event. Pleasingly there were no lost workday cases in 2023 and we improved our recordable injury numbers by 20%, with only four separate events injuring workers, all of whom made a full recovery.

In February 2023, the General Direction associated Montara tank integrity program was closed by NOPSEMA. NOPSEMA's Prohibition Notice remains open until all tanks with the ability to hold hydrocarbons have been inspected and Technical File Notes issued to NOPSEMA. Currently six hydrocarbon tanks have successfully been removed from the Prohibition Notice. The NOPSEMA Level 4 investigation into the 2C loss of containment is ongoing.

At the Committee's meeting in June 2023, the Board approved enhancements to understanding and management of enterprise risk. A single enterprise risk register was created collating country, group, and functional risks in one location, ensuring a consistent approach to how risks are understood, accepted, mitigated or eliminated. Risks at the country, CEO / leadership team and HSEC Committee levels are reviewed quarterly. Heat maps have also been produced to ensure cumulative risks are known and understood. As part of this initiative the corporate risk matrix was also updated to align with IOGP and is now used consistently across Jadestone.

* Replaced by Joanne Williams as Chairman effective 27 March 2024.



The Group's management and workforce operate within both challenging onshore and offshore environments over multiple jurisdictions. In 2023, focus transitioned from COVID-19 response to health and wellbeing of the workforce. Programmes are being developed for each month of the year to address the physical, social, mental and spiritual well-being of our workforce. Ideas are being shared across locations such as the RuOK Day in September which is an Australian mental wellbeing programme that was adopted in Malaysia, Indonesia and Singapore. Australia also conducted a psychosocial safety survey with the results shared with the HSEC Committee.

Safe execution of construction activities at Akatara was a key focus for the HSEC Committee in 2023. Four of the six high potential events were associated with Akatara, with each one being investigated, and the results shared with the Board. A project health check was completed in November 2023 and shared at the November 2023 HSEC committee Meeting. Key focus areas before first gas are permit to work/energy isolation, emergency preparedness and simultaneous operations.

Jadestone continues to enhance its climate-related disclosures, which are informed by the TCFD recommendations. We recognise the value and importance of clear and consistent climate-related disclosures. In 2023, Jadestone made further improvements with regard to the adoption of interim GHG reduction targets as well as evaluation of physical impacts of climate on operations. These are set out in the "Sustainability at Jadestone" section of this report.

In summary, Jadestone remains committed to strong performance in safety management and high health, safety, social, environmental and climate standards.

Accomplishments during 2023

- No life altering events or lost workday cases;
- No major accident events;
- Achieved high standards of environmental performance with no major environmental harm;
- Evaluated HSSEC performance against industry standards;
- Assessed regulator feedback and monitored the implementation of recommendations to ensure that required actions are enacted, while also enabling the Board to reflect the latest regulatory views in their decisions;
- Reviewed serious and potential serious, incidents and near misses investigations, then followed up on lessons learned; and
- Provided oversight of Net Zero workstreams, resulting in the finalisation of the Net Zero roadmap and the announcement of interim GHG reduction targets in December 2023.

Key activities during the year

During 2023, the Committee reviewed and deliberated the Group's safe and responsible operations, measured against specific metrics, and compliance with regulatory requirements pertaining to health and safety and environment at each committee meeting.

The Committee also addressed several prioritised topics which included:

Stakeholder Consultation – Significant time and resources were directed to stakeholder consultation with relevant persons for both the Stag and Montara five year revisions of the respective Environmental Plans (EP). This was in response to the Australian Federal Court ruling in late 2022, where it was determined an operator did not effectively consult and as such approvals were not granted. During 2023, there was greater clarity on what constitutes an effective consultation, and as a result, the threat of the Stag or Montara five year EP submission being rejected was greatly reduced.

Australian Safeguard Mechanism - Changes were enacted into law and took effect 1 July 2023, introducing a reduction in emissions below baseline of 4.9% per annum through to 2030. This impacts Jadestone's Montara and CWLH operations (the latter albeit minimally, proportional to Jadestone's interest) and the HSEC Committee reviewed options to minimise the impacts whilst complying with the requirements. This will be further refined in 2024 when the reforms start impacting the sites directly.

Net Zero interim targets – Following the announcement of the Net Zero by 2040 pledge, progress of Net Zero roadmap development was reviewed by the HSEC Committee each quarter. This led to an approval of the interim GHG reduction targets to 2030 as part of the Net Zero roadmap, including the communications and stakeholder engagement strategy in the December Board meeting.

The 2023 Sustainability Report (available through the Group's website in mid-2024) will detail the Group's 2023 ESG performance, covering key areas of impact across environmental management, climate change and greenhouse gas emissions, occupational health and safety and critical incident risk management.

Planned enhancements for 2024

- Support the safe start up of the Akatara gas development
- Develop key Jadestone Energy HSE standards including Implementation of the IOGP Life Saving Rules focusing on critical controls
- Develop and implement a Jadestone HSE Culture – What Matters Most
- A continued review of the Group's process safety and personal safety performance;
- Evaluation of the processes and tools to manage the Group's HSE performance against internal metrics, regulatory requirements and industry standards; and
- Monitoring of the execution of the Net Zero implementation plan and tracking against interim targets.

Yours sincerely,

Joanne Williams

Non-Executive Director and Chair of the Health, Safety, Environment and Climate Committee
27 April 2024



Montara Technical Committee report

Committee members and meeting attendance

In 2023, the Montara Technical Committee comprised:

- **Lisa Stewart*** (Chair)
- **Dennis McShane**
- **Robert Lambert**
- **Jenifer Thien**
- **A. Paul Blakeley**
- **Bert-Jaap Dijkstra**

Meeting attendance:

- | | |
|-----------------------------|--------------|
| • Lisa Stewart | 10 out of 10 |
| • Dennis McShane | 10 out of 10 |
| • Robert Lambert | 8 out of 10 |
| • Jenifer Thien | 8 out of 10 |
| • A. Paul Blakeley | 10 out of 10 |
| • Bert-Jaap Dijkstra | 7 out of 10 |

Meetings:

20 January 2023 | 2 February 2023 | 16 February 2023 |
24 July 2023 | 9 August 2023 | 16 August 2023 | 23 August 2023 |
30 August 2023 | 12 October 2023 | 30 November 2023

Role of the Montara Technical Committee (the "Committee")

The primary responsibility of the Committee is to support the inspection and repair activities at the Montara FPSO. Additionally, the Committee coordinates with management to review events at the Montara FPSO, with the view to identifying corrective actions and appropriate changes to processes and organisational oversight.

* Replaced by Joanne Williams as Chairman effective 27 March 2024.

Letter from the Committee Chair

Dear shareholder,

I am pleased to present the Montara Technical Committee Report for the year ended 31 December 2023.

The Committee supervised the following actions throughout the year:

- Received regular reports from management with regard to the progress on the inspection and repair activities at Montara;
- Reviewed engagement plans with stakeholders, including regulators, and the timely disclosure of Montara restart, inspection and repair updates; and
- Assessed the organisational processes and structure to identify and implement improvements.

2024 Priorities

- Ongoing evaluation of the inspection and repair plan with a view to increasing the storage capacity of the Montara FPSO in a safe and efficient manner.
- Assessing longer term capital investments at the Montara FPSO.
- Productive engagement with stakeholders, including regulators and lenders, with respect to the management and performance of the Montara FPSO.

Yours sincerely,

Joanne Williams

Non-Executive Director and
Chair of the Montara Technical Committee
27 April 2024

Disclosure Committee report

Committee members and meeting attendance

In 2023 the Disclosure Committee comprised:

- **Bert-Jaap Dijkstra** (Chair)
- **A. Paul Blakeley**
- **Neil Prendergast**

Meeting attendance:

- | | |
|-----------------------------|------------|
| • Bert-Jaap Dijkstra | 1 out of 1 |
| • A. Paul Blakeley | 1 out of 1 |
| • Neil Prendergast | 1 out of 1 |

Meeting:

29 November 2023

Role of the Disclosure Committee (the "Committee")

The primary responsibility of the Committee is to ensure the maintenance of adequate disclosure procedures, systems, and controls. This is essential for the Group to effectively fulfill its legal and regulatory obligations concerning the timely and accurate identification and disclosure of information as outlined in the Market Abuse Regulation (EU) No. 596/2014 ("MAR") and the AIM Rules.

The Committee assists the Group in meeting the above requirements and has responsibility for, among other things, determining the disclosure of material information on a timely basis. Additionally, the Committee has responsibility for the identification of inside information for the purpose of maintaining the Group's insider lists.

The Committee also ensures the Group takes reasonable measures to establish and maintain adequate procedures, systems and controls. This is aimed at ensuring compliance with its obligations and oversees the appropriateness of disclosures within the Group's financial and non-financial reporting, which includes sustainability and climate-related disclosures.



Letter from the Committee Chair

Dear shareholder,

I am pleased to present the Disclosure Committee Report for the year ended 31 December 2023.

The Committee assumed responsibility for and supervised the following actions and evaluations throughout the year:

- Funding and capital updates including disclosure of the Interim Facility in February 2023, the RBL Facility in May 2023 and the June 2023 equity financing ("Financing Activities");
- Ensuring compliance with the timelines and obligations under MAR in connection with the Financing Activities, including the submission of necessary filings with UK Companies House and notification to the FCA;
- The maintenance of insider lists;
- The procedures to complete filings with FCA for the exercise of share options, vesting of performance shares and restricted shares, including disclosure of changes to total share capital issued;
- The process to ensure compliance with the timelines and obligations under the MAR / part B of the Group's Dealing Code;
- Communication protocols around closed periods;
- Submitting reports on AIM block listing for share options award, and the vesting of performance shares and restricted shares awards;
- Ensuring timely disclosure of Montara restart, inspection and repair updates; and
- Ensuring that all relevant policies and procedures remained in compliance and up-to-date with MAR, and the AIM Rules.

With respect to the 2024 reporting year, the Committee has identified the following priorities:

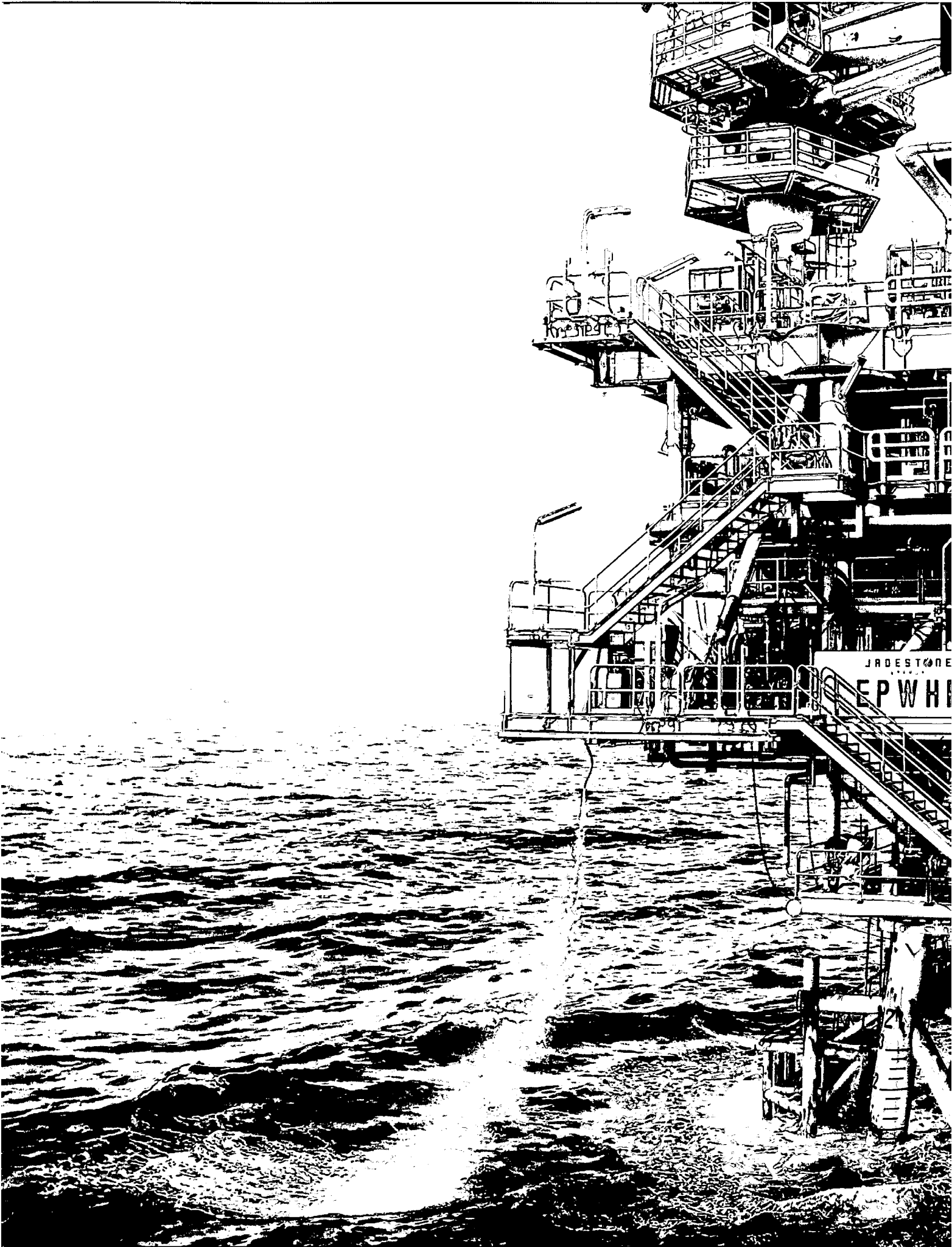
- Ongoing evaluation and guidance on controls and procedures related to the disclosure of ESG data, encompassing climate-related disclosures and the Modern Slavery Statement.
- Review of legislative changes and QCA Code updates, and modifications to internal procedures, systems and controls to maintain compliance.
- Productive engagement with stakeholders, including regulators and lenders, with regard to the Group's disclosure procedures.

On 13 February 2024, trading in the Company's shares was suspended following an announcement that Jadestone was participating in a bidding process that, if successfully closed, could have resulted in a reverse takeover transaction. The Company's shares were restored to trading on 11 April 2024 when Jadestone's participation in the bid process concluded. During this period of share suspension, the Group continued to follow its existing disclosure policy and managed public disclosures consistent with applicable law.

Yours sincerely,

Bert-Jaap Dijkstra

Executive Director and
Chair of the Disclosure Committee
27 April 2024



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