

**Sequa Petroleum N.V.**

**Preliminary Group Financial  
Statements for the year ending 31  
December 2022**

## Sequa Petroleum N.V.

These preliminary financial statements for the year ending 31 December 2022 have been prepared to give stakeholders advance notice of results before the audit is completed. Publication of audited financials for 2022 is delayed while the audit of the 2021 financials remains underway. Delays are due to a change in auditor from FSV Accountants + Adviseurs B.V to PricewaterhouseCoopers Accountants N.V.

London, 28 August 2023

Management Board:



Jacob Broekhuijsen



Jim Luke



Derk ter Avest

**Sequa Petroleum N.V.**

**Consolidated statement of financial position**

		<b>Year to 31 December 2022 USD '000</b>	Year to 31 December 2021 USD '000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		2	7
		<hr/>	<hr/>
<b>Current assets</b>			
Other receivables	5	12,144	14,158
Cash and cash equivalents	5	32	9
		<hr/>	<hr/>
		12,176	14,167
		<hr/>	<hr/>
		12,178	14,174
		<hr/>	<hr/>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Called-up equity share capital		111,876	111,876
Share premium		207,627	207,627
Share based payment reserve		644	644
Retained deficit		(309,215)	(306,289)
		<hr/>	<hr/>
		10,932	13,858
<b>Current liabilities</b>			
Trade and other payables		1,246	316
		<hr/>	<hr/>
		12,178	14,174
		<hr/>	<hr/>

## Sequa Petroleum N.V.

### Consolidated statement of comprehensive income

	Year to 31 December 2022 USD '000	Year to 31 December 2021 USD '000
Other operating income	-	36
<b>Operating costs</b>		
Other costs	6 <u>(2,927)</u>	<u>(3,656)</u>
	(2,927)	(3,656)
Finance income	4	17
Finance expense	<u>(3)</u>	<u>(54)</u>
Net finance costs	<u>1</u>	<u>(37)</u>
<b>Loss before taxation</b>	<b>(2,926)</b>	<b>(3,657)</b>
Taxation	<u>-</u>	<u>-</u>
<b>Loss for the period attributable to equity shareholders</b>	<b>(2,926)</b>	<b>(3,657)</b>

**Sequa Petroleum N.V.**

**Consolidated statement of changes in equity**

	<b>Share capital USD '000</b>	<b>Share premium USD '000</b>	<b>Other reserve USD '000</b>	<b>Share based payments reserve USD '000</b>	<b>Retained deficit USD '000</b>	<b>Total USD '000</b>
As at 31 December 2020	111,876	207,627	(32)	462	(302,632)	17,301
Impact of change in accounting policy	–	–	32	–	–	32
Charge for Executive Participation Shares	–	–	–	182	–	–
Loss for the period	–	–	–	–	(3,657)	(3,657)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2021	<b>111,876</b>	<b>207,627</b>	–	<b>644</b>	<b>(306,289)</b>	<b>13,858</b>
Loss for the period	–	–	–	–	(2,926)	(2,926)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2022	<b>111,876</b>	<b>207,627</b>	–	<b>644</b>	<b>(309,215)</b>	<b>10,932</b>
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## Sequa Petroleum N.V.

### Consolidated statement of cash flows

	<b>Year to 31 December 2022 USD '000</b>	Year to 31 December 2021 USD '000
<b>Loss after taxation</b>	<b>(2,926)</b>	<b>(3,657)</b>
Adjustments for:		
Depreciation and amortisation	5	52
Finance income	-	(17)
Finance expense	3	20
Unrealised exchange differences	(4)	34
Non-cash employee benefit cost – share-based payments	-	182
(Increase)/decrease in other receivables	2,014	3,499
(Decrease)/increase in trade payables	930	(245)
Decrease in contract assets	-	228
Decrease in contract liabilities	-	(291)
	<b>2,948</b>	<b>3,462</b>
Cash used in operations	22	(195)
Part of lease payment that represents interest portion	-	(16)
Tax recovered/(paid)	-	-
<b>Net cash flows used in operating activities</b>	<b>22</b>	<b>(211)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	(2)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(2)</b>
<b>Cash flows from financing activities</b>		
Part of lease payment that represents principal portion	-	(49)
<b>Net cash outflow from financing activities</b>	<b>-</b>	<b>(49)</b>
<b>(Decrease)/increase in cash and cash equivalents in the period</b>	<b>22</b>	<b>(262)</b>
Cash and cash equivalents at start of the period	9	258
Effect of movements in exchange rates on cash held	1	13
<b>Cash and cash equivalents as at 31 December</b>	<b>32</b>	<b>9</b>

## Notes to the unaudited consolidated interim financial statements

### 1 Reporting entity

Sequa Petroleum N.V. (the ‘Company’) is a company domiciled in The Netherlands, having its statutory seat in Amsterdam. The address of the Company’s registered office is 23 Savile Row, London W1S 2ET, United Kingdom. The financial statements of the Company as at, and for the year ended, 31 December 2022 comprise the Company and its subsidiaries (together referred to as the ‘Group’ and individually as ‘Group entities’). The Group is involved in the business of oil and gas exploration, appraisal, development and production.

### 2 Basis of preparation

These preliminary financial statements for the year ended 31 December 2022 are unaudited.

These preliminary financial statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last financial statements.

When audited financials for the year to 31 December 2022 are finalised, they will be uploaded to the Company’s website.

These preliminary financial statements are presented in US dollars (USD), which is the functional currency of the Company. All financial information presented in USD has been rounded to the nearest thousand, except where otherwise indicated.

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively

### 3 Activities during the year

On 28 April 2022, the Company announced that it, together with partners, had reached an agreement to acquire 10% of Block 15/06 in Angola from Sonangol P&P through Sungara Energies Limited (“Sungara”), a new African entity. Sungara is a new company registered in the United Kingdom, under Company No. 13787438.

Sungara has entered into an agreement with Sonangol Pesquisa E Produção, S.A. (“Sonangol P&P”) to purchase a 10% participating interest in Block 15/06, 40% participating interest in Block 23 (with operatorship), and 35% participating interest in Block 27 (the “Transaction”). Sungara is jointly owned by three partners: the National Petroleum Corporation of Namibia’s subsidiary NAMCOR Exploration and Production (Proprietary) Limited (“Namcor”), Petrolog Energies Limited (“Petrolog”, a company affiliated with African multinational Petrolog Group), and SPNV’s subsidiary Sequa Petroleum UK Limited (“Sequa”).

Sungara is a new entity with a focus on Sub-Saharan African upstream oil and gas, combining world-class technical expertise with local capability and commitment, able to operate and develop oil and gas assets throughout the region in line with the highest standards of integrity, quality, governance and responsibility. Concurrent with the Transaction, NAMCOR, Petrolog and Sequa have signed a shareholder agreement relating to their interests in Sungara, with equal terms and shareholdings in Sungara for each partner.

## Sequa Petroleum N.V.

The Block 15/06 Joint Venture comprises Azule Energy (a bp and Eni company in Angola, operator, 36.84%), Sonangol P&P (36.84%) and SSI Fifteen Limited (26.32%). Block 15/06 is one of the most prolific blocks in deepwater offshore Angola with current oil production of more than 100,000 barrels per day through two large floating production and storage facilities. Following successful exploration and appraisal in the past several years, an ongoing development programme is forecasted to increase production in the medium term beyond 200,000 barrels per day. The block has further upside potential which may materialise following future exploration, appraisal and development activity.

Sungara's 10% participating interest in Block 15/06 provides it with current production of more than 10,000 barrels of oil per day, forecasted to grow beyond 20,000 barrels per day in the medium term, 75 million barrels reserves and resources, and further upside potential. Offshore exploration Blocks 23 and 27 also provide upside value. The consideration for the Transaction is ca. USD 500 million which includes a contingent payment of up to USD 50 million.

In August 2022, Sungara paid a 5% deposit on the consideration, being one of the conditions precedent to completion of the Transaction.

The Transaction is planned to be funded by Sungara through a combination of equity contributions from each of the Sungara partners and third-party debt. Sungara has entered into exclusivity with a 3<sup>rd</sup> party in relation to the debt financing of the Transaction. The economic effective date of the Transaction is April 2022 and completion, subject to customary conditions and approvals, is planned to occur in 2023. Currently, the Transaction is awaiting Angolan government approval.

## 4 Transfer of cash balances to debtor

During the audit process for the 2021 financial statements by the Company's new auditor, PricewaterhouseCoopers Accountants N.V., the decision was made to re-classify the Company's cash held at a financial institution from 'cash at hand' to 'debtors'. This decision was made due to the delays the Company has had in accessing the funds. At 31 December 2022 the amount transferred to debtors was USD 11.8 million (2021: USD 14.0 million). During 2023 the Company has successfully accessed USD 8.7 million, leaving a balance of \$3.1 million at the date of issue of these financials.

## 5 Other costs

Other costs encompass the following items:

	Year to 31 December 2022 USD '000	Year to 31 December 2021 USD '000
Depreciation and amortisation	5	52
Legal and other professional fees	598	372
Consulting costs	248	262
Staff costs	1,986	2,664
Other administration costs	90	306
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	2,927	3,656
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