

NETOIL CAPITAL LTD
(FORMALLY KNOWN AS J.P KENNY PETROLEUM LTD)
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

Contents

	Page
Company Information	2
Chairman's statement and chief executive officers report	3–4
Strategic report and corporate governance	5–8
Directors' report	9–10
Independent auditors' report	11–13
Statement of comprehensive income	14
Statement of financial position	15
Statement of changes in equity	16
Statement of cash flows	17
Notes to the financial statements	18–21

Netoil Capital Ltd
Company Information

Directors

Mr John Kenny
Mr Marc Jean-Louis D’Hombres (appointed 23 March 2021)
Mr Nils Trulsvik
Mrs Tahereh Amirzadehardahael (appointed 23 March 2021)
Mr Michel Fayad (appointed 23 March 2021)

Company Number

08494564

Registered Office

20-22 Wenlock Road
London
N1 7GU

Accountants

Redwood Accountancy Ltd

Chartered Management Accountant
4th Floor
18 St Cross Street
London
EC1N 8UN

Independent auditors

Kingly Brookes LLP
Chartered Accountants and Statutory Auditors
415 Linen Hall
162-168 Regent Street
London
W1B 5TE

Netoil Capital Ltd
Chairman's Statement and Chief Executive Officers Report
For The Year Ended 31 December 2020

The chairman presents his statement for the year.

Dear Shareholder,

Since our last annual report, there has been a number of developments to report.

Since our listing on Merkur Market (now Euronext Growth) in November 2017, the company focused on the acquisition of projects in Colombia, which remained our main target for opportunities.

During 2020, the company worked on completing the gas project identified in 2019. Extensive efforts were mobilized to secure funding for this project. This work was assisted by external financial advisors both in the United Kingdom and Norway, and resulted in a Share Purchase Agreement with the Seller in Colombia as well as an interested funding party.

Due diligence (DD) work was then completed and the company and its advisors used most of the remaining part of 2020 to complete this task. Additional DD work was done by the prospective financial partner, but was halted due to the Covid-19 pandemic, and little further work was done in 2020.

The funding partner decided to withdraw early 2021 and the company then needed to focus on bringing in other investors in order to continue operation. This was successfully done in March 2021, when we signed an agreement with Netoil Ltd.

A brief discussion of post-balance sheet events is contained in the Chief Executives' report.

John P.Kenny
Chairman

Date 27th May 2021

The chief executive officer presents his statement for the year.

As with the previous year, the focus of your company in 2020, and in the first months of 2021, has been to identify and acquire oil and gas projects in Colombia. This was severely hampered in 2020 due to the pandemic.

The industry gained momentum during second half of 2020, on the back of increasingly stable oil prices.

The gas project in Colombia which we progressed steadily in 2020 suffered a setback when funding party withdrew from the project. We were then forced to look for alternatives and an opportunity was made available to us early 2021. After a period of discussion, we agreed to have a large asset in Iraq assigned to us against the issuance of 30 million ordinary shares to the assigning party which was completed in March 2021.

We are at present planning on raising funds for this project and are continuing our activities in Colombia.

However, more opportunities have now appeared and we are still pursuing strategy established in 2017 as well as expanding our horizon for other opportunities.

Netoil Capital Ltd
Chairman's Statement and Chief Executive Officers Report
For The Year Ended 31 December 2020

Financial Review

The company's total operating loss for the period was \$558,192 (2019 – loss \$550,263).

All costs relate to the project organization in Colombia and the preparations of financial annual report for 2019, semi-annual report for 2020 and relevant management fees and travel expense.

Outlook

At the end of 2020, the equity of the company is negative. Based on the assignment of the asset in Iraq, the Company plans on raising funds to develop this asset. Once this is done, the equity will be restored.

The company will be now pursue various sources of funding, including equity and project funding. It is also possible to "farm out" a certain percentage of the project in order to raise funds for the development of this project in a position to pursue The Board has an optimistic view on the future but will exercise necessary caution.



Nils N. Trulsvik
Chief Executive Officer

**Netoil Capital Ltd
Strategic Report**

For The Year Ended 31 December 2020

Introduction

Netoil Capital Ltd (formally known as P. Kenny Petroleum Ltd) was established in order to invest in oil & gas opportunities internationally with focus on South America, mainly targeting development/production opportunities with exploration upside. Colombia is an attractive area both from a financial perspective and opportunity perspective.

Business review

During the year, focus was to finalise the acquisition of the gas field reported last year. Further due diligence was undertaken and a Share Purchase Agreement (SPA) was agreed. This process lasted until end of the year where a Share Purchase Agreement (SPA) was agreed and presented to investment group. The investment group were in the final stages of their internal review when Covid-19 epidemic started and caused completion delay and introduced further funding risk into the project.

The company's total loss for the period was \$558,192, reflecting the work done in order to secure the project referred to above. The company continues to work on completing this project and hence restore the deficit. There is still a funding risk related to the company.

Substantial Shareholdings

Shareholder	No.of shares	% shareholding
N51 (I) Ltd	3,556,000	30.75%
J.P.Kenny	1,990,000	17.21%
Heritage Legal Advisors	1,000,000	8.65%
Fortuna Investment Fund	916,667	7.94%
Nils N.Trulsvik	900,000	7.78%
Sidsel O.Trulsvik	890,000	7.70%
Elliot Rogers	500,000	4.32%

Director's Interests

The interest in the Company at the Balance Sheet date of all Directors who held office on the Board of the Company at year end as stated below:

Shareholder	No.of shares	% shareholding
J.P.Kenny	1,990,000	17.21%
Jon Wiggen	236,000	2.04%
Nils N.Trulsvik	900,000	7.78%
Tracey Peverell	300,000	2.59%

Netoil Capital Ltd
Strategic Report (Continued)

For The Year Ended 31 December 2020

Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulation, legal and ethical standards is a high priority for the Company and the board and management team take on an important oversight role in this regard.

The Company has developed a framework for identifying the risks that each business sector, and the Company as a whole, is exposed to and their impact on the company's financial position. This process is managed by the Company Finance Department to establish our capital requirements and to ensure we have the financial strength, capital adequacy and liquidity to support the growth of the business.

The principal risks to our business arise from inaccurate job costing, exchange rate fluctuations and the very competitive nature of the industry.

Corporate Governance Policy

Netoil Capital Ltd ("the Company") and its Board of Directors and senior management consider good corporate governance to be central to the effective and efficient operation of the Company.

The Company's Corporate Governance Policy addresses issues that arise as a result of the Company's growth and emerging governance best practices. We are committed to ensuring our professionalism and acceptance of how we manage sustainability throughout our business activities. Our Corporate Governance Policy addresses the aspects which are of utmost importance to us, namely:

- compliance to applicable laws,
- human rights,
- a safe workplace for our employees,
- the protection of the environment,
- the well-being of all business associates and partners, and
- ensuring our operations is for the good of the surrounding communities.

Our aim is for continuous improvement of our performance in all areas and this forms an essential part of how we conduct business. Our Policy includes supporting policies and implementation programs to ensure compliance and we are prepared to meet internationally accepted standards, as they develop, which are applicable to our business.

How will we achieve our Corporate Governance aims?

The Company has established a Committee of not less than two directors of the Company who are independent of management and free from any interest and any business or other relationship which could, or could reasonably be perceived to be, materially interfere with the director's ability to act with a view to the best interests of the Company. The Committee may periodically ask appropriately qualified persons (who may include persons from management of the Company) or retain persons having special expertise to assist the Committee in fulfilling its responsibilities. These responsibilities will include:

- Preparing the Company's response to governance disclosure requirements and explaining to required or appropriate parties any differences between the Company's governance system and policies and those recommended by applicable regulatory bodies;
- Developing and monitoring the Company's general approach to corporate governance issues as they may arise;
- Proposing changes as necessary from time to time to respond to particular governance recommendations or guidelines from regulatory authorities and ensuring that all appropriate or necessary governance systems remain in place and are periodically reviewed for effectiveness.
- Ensuring that all members of the Board of Directors have been informed of and are aware of their duties and responsibilities as a Director of the Company.
- Ensuring that the Company has in effect adequate policies and procedures to allow the Company to meet all of its continuous disclosure requirements.

Netoil Capital Ltd
Strategic Report (Continued)
For The Year Ended 31 December 2020

- Ensuring that the Company has in effect adequate policies and procedures to identify and manage the principal risks of the Company's business.
- Ensuring the Board of Directors annually reviews organizational structure and succession planning matters including the monitoring of senior management.
- Ensuring the Board of Directors annually review areas of potential personal liability of Directors and ensuring reasonable protective measures are in place.
- Regularly considering the need for special policies of the Company, initiated by the Board of Directors in unique or emerging policy areas for example corporate ethics or environmental practices.

The Committee will regularly report its findings and recommendations to the Board of Directors.

Supporting Policies

Client Commitment

We aim to maintain high standards of service, wherever we operate, honour all business obligations undertaken and develop long term relationships with commercial partners based on trust and integrity.

We will carry out management policies and programmes to ensure our products meet regulatory requirements and provide documentation to allow safe transport, handling and use.

Investor Commitment

With respect to current and future investors, within the broad framework that economic considerations are not to take priority over important environmental, health, safety and community standards, we aim to realise the maximum potential from existing revenue streams, as well as securing new ones on competitive terms. The respective risks we take are managed by strict internal governance, approvals and controls.

Compliance Commitment

As a listed company on the Merkur Market, Oslo Stock Exchange, we will comply with the laws and rules applicable to our operations and products, and the laws and best practice guidelines in the jurisdictions in which we operate. Our employees and contractors are required to act in strict adherence to these principles to ensure the satisfaction of our business practices and the quality and safety of our products.

We will not assist any third party in violating the law in any country, nor pay or receive bribes, nor participate in any other criminal, fraudulent or corrupt practice. We seek to prevent such misconduct through strong leadership, internal policies and procedures.

The Company's employees and contractors are obliged to comply with applicable law and applicable corporate policies. It is the obligation of our managers and supervisors to ensure employees and contractors act accordingly as well as acting to prevent, detect and report any violations of the law or our corporate policies.

Commitment to the Environment

We acknowledge that our global operations, including exploration, production, reclamation, processing, transportation or marketing of natural resources, could have a direct, indirect or cumulative impact on the environment. The impact on the environment is often complex and specific to each product group or production site. This requires our environmental programmes to be tailored to each specific need and to manage and limit the environmental impact of our activities.

To achieve effective short- and long-term management, we develop, implement and monitor management systems and programmes in order to meet international best practice standards and ensure regulatory compliance. We aim to continually improve our performance in this area

We aim to promote environmental awareness and to partner with our customers, suppliers and service providers to limit the overall impact with respect to our operations.

**Netoil Capital Ltd
Strategic Report (Continued)**

For The Year Ended 31 December 2020

Commitment to our People

Hiring and retaining skilled and motivated employees is important to our continued success. We are committed to fair remuneration by the provision of competitive wages and benefits. We do not tolerate any kind of harassment or discrimination and support the United Nations' Universal Declaration of Human Rights which prohibits forced, compulsory or child labour. One of our ultimate goals is to ensure the health and safety of our employees and contractors. In order to meet this goal, we develop, implement and maintain health and safety management systems and programmes which meet international standards. These are tailored to the specific needs of our different operations and activities.

Commitment to the Community

Netoil Capital Ltd global presence and economic strength aims to have a positive impact on the communities in which we operate. We provide employment, training and educational opportunities and other benefits contributing directly and indirectly to the prosperity and development in local communities where we operate. We carry out assessments to define appropriate measures to prevent or mitigate possible adverse effects on the communities in which we operate. We are in regular contact with affected parties and have systems in place to ensure that all requests and concerns are brought to the attention of our local representatives.

This report was approved by the board and signed on its behalf.



Nils N. Trulsvik

Director

Date: 27th May 2021

**Netoil Capital Ltd
Directors' Report**

For The Year Ended 31 December 2020

The directors present their report and the financial statements for The Year Ended 31 December 2020.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the 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 applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure of Information to Auditors

The directors of the company who held office at the date of approval of this annual report confirm that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Principal Activity

The company is reviewing and looking to acquire oil & gas development and/or production assets with exploration upside in Colombia. The company has now expanded its activity to include other areas in worldwide but focussing on development and/or production with exploration upside

Future Developments

The directors do not consider there to be any future developments that require specific disclosure.

Dividends

The loss for the period, after taxation amounted to \$558,192 (2019 – loss \$550,263)

The directors do not recommend the payment of a final dividend in respect of The Year Ended 31 December 2020 (2019 - \$Nil).

**Netoil Capital Ltd
Directors' Report (continued)**

For The Year Ended 31 December 2020

Directors

The directors who held office during the year were as follows:

Mr John Kenny
Mrs Tracy Peverell (resigned on 22 March 2021)
Mr Nils Trulsvik
Mr Jon Wiggen (resigned on 22 March 2021)

The directors remuneration is provided in note 3 to the financial statements.

Post Balance Sheet Events

There have been significant events affecting the Company since the year end and disclosed in note 12 to the financial statements.

Auditors

Kingly Brookes LLP were appointed as auditors by the board for the year ended 2020.



.....

Nils N. Trulsvik
Director
Date: 27th May 2021

Netoil Capital Ltd
Report of the Independent Auditors to the Members
For The Year Ended 31 December 2020

Opinion

We have audited the financial statements of Netoil Capital Ltd (formally known as J.P. Kenny Petroleum Limited) (the 'company') for The Year Ended 31 December 2020 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

The company incurred a net loss of \$558,192 during The Year Ended 31 December 2020 and, as of that date, the Company's current liabilities exceeded its total assets by \$2,794,268. As stated in note 12 the company has secured an agreement to fund the business strategy but at the date of the approval of the financial statements no issue of shares for cash had taken place. This gives rise to a material uncertainty regarding the company's ability to continue as a going concern.

Our opinion is not qualified in this respect.

Key audit matters

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. 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. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Our audit risk identified the ability of management to override the system of internal control which for a company of this size are elementary. Our audit approach included review to identify exceptional transactions or unusual accounting adjustments. We are satisfied the result of our testing.

Our application of materiality

For the purpose of our audit, materiality was assessed to be \$80,190 being the 2.97% of the balance sheet deficit.

An overview of the scope of our audit

We tailored the scope of our audit to ensure we performed enough work to be able to give an opinion on the financial statements taking into account the structure of the company, the accounting process and controls and the industry in which it operates. As part of that tailoring we determined materiality and assessed the risk of material misstatement in the financial statements and designed audit procedures accordingly.

Netoil Capital Ltd
Report of the Independent Auditors to the Members (Continued)

For The Year Ended 31 December 2020

Other information

The directors are responsible for the other information published with the financial statements. Other information includes the Chairman's Report, the Chief Executive Report, the Strategic Report and the Directors 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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 Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Netoil Capital Ltd
Report of the Independent Auditors to the Members (Continued)

For The Year Ended 31 December 2020

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page nine, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditors' 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 a Report of the Auditors 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.

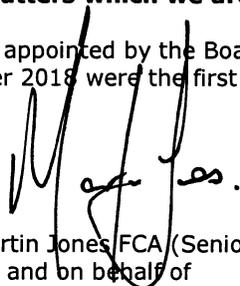
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Other matters which we are required to address

We were appointed by the Board of Directors in 2019 and the financial statements for the year ended 31st December 2019 were the first period for which we have acted as auditor.



Martin Jones FCA (Senior Statutory Auditor)
for and on behalf of
Kingly Brookes LLP
Chartered Accountants
and Statutory Auditors
415 Linen Hall
162-168 Regent Street
London
W1B 5TE

Date: 27 May 2021

Netoil Capital Ltd
Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 31 December 2020

	Notes	2020 \$	2019 \$
TURNOVER		-	200,000
GROSS PROFIT		-	200,000
Administrative expenses		(513,346)	(707,821)
Other operating income		-	-
OPERATING LOSS	2	(513,346)	(507,821)
Exceptional items		-	-
Finance costs	4	(44,846)	(42,422)
LOSS FOR THE FINANCIAL YEAR		(558,192)	(550,263)

There were no recognised gains and losses for 2020 other than those included in the statement of profit and loss and other comprehensive income.

The notes on pages 18 to 21 form part of these financial statements.

Netoil Capital Ltd
Statement of Financial Position

As at 31 December 2020

	Notes	2020 \$	2019 \$
CURRENT ASSETS			
Trade and other receivables	5	2,984	1,415
Cash and cash equivalents		338	30,672
TOTAL ASSETS		3,322	32,087
EQUITY AND LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	2,179,044	1,704,895
NON-CURRENT LIABILITIES			
Trade and other payables	7	618,546	563,268
TOTAL LIABILITIES		2,797,590	2,268,163
CAPITAL AND RESERVES			
Called up share capital	8	1,746	1,746
Share premium account		699,454	699,454
Retained earnings		(3,495,467)	(2,937,276)
TOTAL EQUITY		(2,794,268)	(2,236,076)
TOTAL EQUITY AND LIABILITIES		3,322	32,087

The financial statements were approved and authorised for issue by the board and were sign on its behalf on:

27th May 2021.



.....
Nils N. Trulsvik
Director



.....
Marc d'Hombres
Director

The notes on pages 18 to 21 form part of these financial statements.

Netoil Capital Ltd
Statement of Changes in Equity

For The Year Ended 31 December 2020

	Share Capital	Share Premium	Profit and Loss Account	Total
	\$	\$	\$	\$
As at 1 January 2019	1,746	699,454	(2,387,014)	(1,685,814)
Loss for the year and total comprehensive income	-	-	(550,262)	(550,262)
Arising on shares issued during the period	-	-	-	-
As at 31 December 2019 and 1 January 2020	1,746	699,454	(2,937,276)	(2,236,076)
Loss for the year and total comprehensive income	-	-	(558,192)	(558,192)
As at 31 December 2020	1,746	699,454	(3,495,468)	(2,794,268)

Netoil Capital Ltd
Statement of Cash Flows

For The Year Ended 31 December 2020

Cash flows from operating activities	2020	2019
	\$	\$
Loss for the financial period	(558,192)	(550,263)
Adjustments for:		
Net foreign exchange (gains)/losses	10,321	14,989
Finance costs	44,846	42,442
Interest received	-	-
Decrease/(Increase) in debtors	(1,569)	786
(Decrease)/Increase in creditors	474,260	515,537
Exceptional operating costs	-	-
Corporation tax (paid)/received	-	-
	<hr/>	<hr/>
Net cash provided from operating activities	(30,334)	23,491
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of current asset investments	-	-
Sale of current investments	-	-
Income from investments	-	-
	<hr/>	<hr/>
Net cash from investment activities	-	-
	<hr/>	<hr/>
Cashflow from financing activities		
Proceeds from issue of financial instruments of the company	-	-
Purchase of debenture loans	-	-
Repayment of debenture loans	-	-
Repayment of borrowings	-	-
	<hr/>	<hr/>
Net cash used in financing activities	-	-
	<hr/>	<hr/>
Net increase/(decrease) in cash at the end of the period	(30,334)	23,491
Cash and cash equivalents at the beginning of the period	30,672	7,181
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	338	30,672

Netoil Capital Ltd
Notes to the Financial Statements

For The Year Ended 31 December 2020

1. Accounting Policies

1.11. Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRSs. The financial statements have been prepared under the historical cost convention.

1.12. Going Concern Disclosure

The company has continued to be in a loss-making position during the current and subsequent financial periods and was unable to secure additional investment during the period as previously anticipated.

However, the directors are in agreement that it is appropriate to prepare accounts on a going concern basis as they will continue to support the company for the foreseeable future and they understand that the trade creditors (primarily controlled and run by the directors as related parties) will not seek repayment of the amounts due to them until the company can fund those payments.

1.13. Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.14. Foreign Currencies

The Company's functional and presentational currency is USD.

1.15. Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss and other comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income within 'other operating income'.

Netoil Capital Ltd
Notes to the Financial Statements (continued)

For The Year Ended 31 December 2020

1.16. Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities can be classified as FVTPL or other financial liabilities. All financial liabilities currently held are classified as other financial liabilities.

Other financial liabilities (including borrowings and trade and other payables) are recognised and subsequently measured as detailed below.

1.17. Trade and other receivables

Trade and other receivables are stated at their original fair value, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. The carrying amount is considered to be a reasonable approximation of their fair value. Receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

1.18. Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the period in which they are incurred.

1.19. Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

1.2. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of 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.

1.21. New and revised IFRS's in issue.

The following is a list of potentially relevant new standards/interpretations that have been issued and are now effective for period on or after January 2020. Earlier application is permitted for all standards/interpretation's details below and which have an immaterial effect on the company:

- Covid-19 Related rent concession – Amended to IFRS16
- Other amendments – IFRS 3 – Definition of a Business
- Insurance contracts – IFRS 17
- Property, plant and equipment – IFRS16

2. Operating Loss

The operating loss is stated after charging:

	2020	2019
	\$	\$
Audit fees	9,276	3,539
Exchange (gains)/losses	10,321	14,989
Legal & professional fees	217,406	393,814

Netoil Capital Ltd
Notes to the Financial Statements (continued)

For The Year Ended 31 December 2020

3. Average Number of Employees

The Company has no employees other than the directors, who charged management fees to the company as disclosed in the accounts in note 10.

4. Finance costs

	2020	2019
	\$	\$
Interest on loans from related parties	44,846	42,442

5. Trade and other receivables

	2020	2019
	\$	\$
Due within one year		
Other receivables	772	772
VAT	2,212	643
Called up share capital not paid	-	-
	2,984	1,415

6. Current liabilities: trade and other payables

	2020	2019
	\$	\$
Trade payables	809,397	806,818
Other creditors	-	-
Accruals and deferred income	1,369,647	898,077
	2,179,014	1,704,895

Total trade creditors and accruals include amounts payable to related parties amounting of \$1,353,147 (2019:\$1,089,919)

The related parties who are members of the board, have agreed to treat these amounts as subordinated debt until the equity is restored.

7. Non-current liabilities: trade and other payables

	2020	2019
	\$	\$
Debentures loans	198,588	176,742
Other borrowings	419,958	386,526
	618,546	563,268

The debenture loan above represents a secured loan carrying a coupon of 12% per annum.

Total fixed interest for the year amounted to the equivalent of \$21,846 (2019:\$19,442).

Other borrowings are due to J.P Kenny, a related party and consist of a loan of £307,077 (\$419,958) (2019:£291,289 (\$386,526)) denominated in GBP. Total interest for the year amounted to the equivalent of \$23,000 (2019:\$23,000).

The loan is secured to debenture loans by way of first fixed and floating charge over all the assets of the company.

Netoil Capital Ltd
Notes to the Financial Statements (continued)

For The Year Ended 31 December 2020

8. Share Capital

	2020	2019
Allotted, Called up and fully paid	1,746	1,746

The company did not issue any new shares during the year.

	Value	Number	2020	2019
Allotted and called up	\$		\$	\$
Ordinary shares	0.000151	11,564,727	1,746	1,746

9. Financial Instruments

	2020	2019
	\$	\$
Financial assets		
Financial assets measured at fair value through the profit or loss	3,322	32,087
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	2,794,267	2,268,163

10. Related Party Transactions

During the year Force Capital Partner AS (which is a company associated to the director Nils Trulsvik) provided management services for the amount \$195,000 (2019:\$157,500) and travel expenses \$4,093 (2019:\$24,606). In addition, Nils Trulsvik transferred \$5,229 to the company as a short term loan. The balance payable as at year end amounted to \$836,144 (2019:\$680,915).

During the year Jon Wiggen (a former director) provided management services for the amount \$48,000 (2019:\$48,000) and travel and other expenses \$NIL (2019 \$252). The balance payable as at year end amounted to \$252,004 (2019:\$204,004).

During the year Tracey Peverell (a director) provided management services for the amount of \$60,000 (2019:\$60,000) and travel expenses \$Nil (2019:NIL). The balance payable as at year end for management fees amounted to \$265,000 (2019:\$205,000).

11. General Information

Netoil Capital Ltd changed its name from J.P Kenny Petroleum Ltd by resolution on the 3 April 2021. The company is a private company, limited by shares, incorporated in England & Wales, registered number 08494564. The registered office is 20-22 Wenlock Road, London, N1 7GU.

12. Post balance sheet events.

On March 22, 2021, Netoil Capital Ltd reached an agreement with Netoil Ltd for the assignment of an interest in a production sharing agreement (PSA) in the Salah Aldeen license in Iraq against the issue of 30 million shares to Netoil. This is a license with significant potential that needs to be developed. The first step in this development is the ratification of the PSA by relevant Iraqi Government Authorities. A development plan then needs to be put in place for the many oil and gas discoveries already discovered.

Netoil Capital Ltd
Trading Profit and Loss Account
For The Year Ended 31 December 2020

	2020		2019	
	\$	\$	\$	\$
TURNOVER		-		200,000
GROSS PROFIT		-		200,000
Administrative Expenses				
Travel expenses	4,093		24,949	
IT services	2,911		3,949	
Courier fees	-		-	
Audit fees	9,276		3,539	
Accountancy fees	10,572		485	
Legal and professional fees	217,470		393,814	
Management fees	258,000		265,500	
Bank charges	703		596	
Foreign exchange gains/losses	10,321		14,989	
	<hr/>		<hr/>	
		(513,346)		(507,821)
Other Operating Income				
Other income - contributing to other operating income	-		-	
	<hr/>		<hr/>	
		-		-
OPERATING LOSS		(513,346)		(507,821)
Other exceptional operating costs	-		-	
	<hr/>		<hr/>	
		-		-
Interest payable and similar expenses				
Other interest payable	44,846		42,442	
	<hr/>		<hr/>	
		(44,846)		(42,442)
LOSS FOR THE FINANCIAL YEAR		(558,192)		(550,263)
		<hr/> <hr/>		<hr/> <hr/>