

Half-Year Financial Report RAK Petroleum plc

30 June 2022



For further information on RAK Petroleum plc
please visit our website at www.rakpetroleum.uk

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Chairman's Interim Report

Dear Shareholders:

On behalf of the Board of Directors of RAK Petroleum plc ("RAK Petroleum", the "Company" or the "Parent"), I am pleased to present the Half-Year Financial Report for the period ended 30 June 2022.

The Company currently holds interests in two oil and gas companies (the "Investment Entities"): DNO ASA ("DNO") and Foxtrot International LDC ("Foxtrot International"). At 30 June 2022, the Company indirectly owned 44.94 percent of the total outstanding shares of DNO (including treasury shares) and indirectly owned 33.33 percent of Foxtrot International.

The Company and its wholly-owned subsidiaries have no direct production or expenditure in oil and gas assets. All production and expenditure in oil and gas assets is carried out through the Investment Entities.

DNO

DNO is a Norwegian exploration and production company listed on the Oslo Børs (or Oslo Stock Exchange) and focused on the Middle East and North Sea regions. It has interests in oil and gas blocks in various stages of exploration, development and production, both onshore and offshore. DNO's growth comes through smart exploration, cost effective and fast track development, efficient operations and strategic acquisitions.

In the Kurdistan region of Iraq ("Kurdistan"), DNO maintains its position as the largest oil producer among the international oil companies, with gross operated production from the Tawke licence containing the Tawke and Peshkibir fields averaging 106,823 barrels of oil per day ("bopd") in the first half of 2022, of which 80,105 bopd was net to DNO's interest. North Sea assets (DNO has production across 11 fields, of which eight are in Norway and three in the United Kingdom) contributed another 12,136 barrels of oil equivalent per day ("boepd") bringing total net DNO production across its portfolio to 92,241 boepd in the first half of the year.

DNO remained profitable during the first half of 2022, reporting operating profit of USD 317.0 million for the half-year to 30 June 2022 compared to operating profit of USD 127.3 million in the same period a year earlier. DNO's revenues of USD 700.0 million for the half-year 2022 (of which USD 448.1 million were from Kurdistan and USD 251.9 million from the North Sea) were up 98 percent from the same period a year earlier due mainly to the increase in world oil and gas prices and regular payments from Kurdistan of current invoices and arrears.

DNO exited the half-year with a cash balance of USD 800.6 million; partial bond redemptions brought its interest-bearing debt to USD 658.0 million at midyear, giving DNO a net positive cash position.

DNO held interests in 87 licences across its portfolio at 30 June 2022, of which two are in Kurdistan, 74 in Norway, 10 in the United Kingdom, two in the Netherlands and one in Yemen.

Further details on DNO's operations and its second quarter 2022 Interim Results are available on its website. www.dno.no

Foxtrot International

Foxtrot International is a privately held exploration and production company active in West Africa. www.foxtrot-international.com

Foxtrot International operates Block CI-27 offshore Côte d'Ivoire containing the country's largest reserves of gas produced from four offshore fields tied back to two fixed platforms; sales averaged 200.6 million standard cubic feet per day ("mmscf/d") of gas in the first half of 2022 in addition to 1,504.5 bopd of oil and condensate.

Foxtrot International also operates an exploration licence offshore Côte d'Ivoire, Block CI-12, in which it holds a 24 percent interest.

In connection with the signature of amendments and extensions in early 2020 to the Block CI-27 gas sales and purchase agreement and the Production Sharing Contract, the Block CI-27 joint venture partnership has embarked on a two-year field development and onshore facilities construction project, now estimated to cost USD 350 million, to supply gas to new power stations. Cash flow from Foxtrot International is expected to fund these capital investments.

In the first half of 2022, the Company received USD 8.8 million in cash distributions from Foxtrot International, of which USD 9.0 million were reinvested towards maintenance, operating, capital and other expenditures.

Consolidated and Company Results

As the consequence of the results of its Investment Entities, the Group recorded a consolidated net comprehensive income attributable to equity holders of the Company of USD 76.3 million for the half-year to 30 June 2022 (net comprehensive income of USD 99.8 million for the full-year 2021).

The Company recorded a net comprehensive income of USD 16.4 million for the half-year to 30 June 2022 (USD 2.8 million for the full-year 2021) due to the movement of dividends to the Company from its wholly-owned subsidiaries.

Net equity at 30 June 2022 stood at USD 881.3 million compared with USD 797.0 million at 31 December 2021.

The Company

The principal risks and uncertainties facing the Company remain largely unchanged from those flagged in our 2021 Annual Report.

The recent increase in oil and gas prices has had a positive impact on the Investment Entities' operations and financial results and consequently on the Group's financial results to date in 2022, but the extent and duration of these higher prices and the impact of

the COVID pandemic and the war in Ukraine over the longer term remain largely uncertain. Future oil and gas price assumptions are key to the Group's financial statements and a change in these assumptions may impact the recoverable amount of the Group's oil and gas assets, reserve and resource estimates, operational spend levels, financial covenants and distribution of future dividends. Low oil prices reduce the Group's revenues and increase the credit risk related to the Group's trade receivables.

Correspondingly, there is also a risk of future impairments of the book value of the Group's assets.

The Company retains a small team of experienced operational, legal, commercial and financial professionals responsible for managing investments, screening new ventures, compliance with regulatory and listing requirements and shareholder relations.

In addition, the Company supports DNO and Foxtrot International through board positions and services agreements. I am privileged to serve as the Chairman of the Board of both Investment Entities.

On behalf of the Board of Directors, I wish to acknowledge executive management's and staff's diligence and continued commitment to the Company.

Finally, the members of the Board of Directors are grateful to our fellow RAK Petroleum shareholders for your continued support and confidence and invite you to visit our website (www.rakpetroleum.uk) for updates on our activities.

BIJAN MOSSAVAR-RAHMANI

Bijan Mossavar-Rahmani

Executive Chairman of the Board of Directors

15 August 2022

I. Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge:

- a) the Interim Consolidated and Parent Company Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting and give a fair view of the Group's assets, liabilities, financial position and results for the period viewed in their entirety;
- b) the half-year financial report includes a fair review of any important events that arose during the six-month period and their effect on the Group and a description of the principal risks and uncertainties for the remaining six months of the year.
- c) the half-year financial report includes a fair disclosure of related parties' transactions and changes therein.

For and on behalf of the Board of Directors

BIJAN MOSSAVAR-RAHMANI

Bijan Mossavar-Rahmani

Executive Chairman of the Board of Directors

15 August 2022

II. Interim Consolidated and Parent Company Financial Statements

At 30 June 2022

Interim Consolidated Statement of Comprehensive Income

| USD million | Notes | 1H 2022 | 1H 2021 |
|---|-------|---------------|--------------|
| Revenues | 4 | 700.0 | 354.1 |
| Cost of goods sold | 5 | (198.7) | (172.4) |
| Gross profit | | 501.3 | 181.7 |
| Share of profit of a Joint Venture | 10 | 8.0 | 7.4 |
| Other operating income | | 1.2 | - |
| General and administrative expenses | | (8.5) | (4.8) |
| Impairment of oil and gas assets | 8 | (127.2) | (12.6) |
| Exploration costs expensed | 6 | (53.5) | (37.4) |
| Profit/(loss) from operating activities | | 321.3 | 134.4 |
| Financial income | | 1.2 | 17.9 |
| Financial expenses | | (60.7) | (66.8) |
| Profit/(loss) before income tax | | 261.8 | 85.4 |
| Income tax expenses | 7 | (44.6) | 29.8 |
| Net profit/(loss) | | 217.2 | 115.2 |
| Other comprehensive income | | | |
| Currency translation differences | | (35.2) | (0.3) |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods | | (35.2) | (0.3) |
| Net fair value change from financial investments | | - | - |
| Other comprehensive income that will not be reclassified to profit or loss in subsequent periods | | - | - |
| Total comprehensive income, net of tax | | 182.0 | 114.9 |
| Net profit/(loss) attributable to: | | | |
| Equity holders of the parent | | 100.1 | 55.8 |
| Non-controlling interest | | 117.1 | 59.4 |
| Net profit/(loss) | | 217.2 | 115.2 |
| Comprehensive income attributable to: | | | |
| Equity holders of the parent | | 84.3 | 55.7 |
| Non-controlling interest | | 97.7 | 59.2 |
| Total comprehensive income, net of tax | | 182.0 | 114.9 |
| Earnings per share attributable to the equity holders of the parent during the half-year | | | |
| Earnings per share, basic | | 0.338 | 0.188 |
| Earnings per share, diluted | | 0.338 | 0.188 |

Interim Consolidated Statement of Financial Position

| USD million | Notes | 30 June 2022 | 31 December 2021 |
|---|-------|----------------|------------------|
| Assets | | | |
| Non-current assets | | | |
| Deferred income tax assets | 7 | 11.2 | 29.3 |
| Intangible assets | 8 | 373.8 | 543.7 |
| Property, plant and equipment | 8 | 1,314.1 | 1,284.9 |
| Investment in Joint Venture | 10 | 95.7 | 87.6 |
| Tax receivables | 7 | 14.3 | - |
| Other non-current assets | | 0.2 | 19.4 |
| Total non-current assets | | 1,809.3 | 1,964.9 |
| Current assets | | | |
| Inventories | 5 | 40.4 | 35.8 |
| Trade and other receivables | 12 | 450.5 | 484.2 |
| Tax receivables | 7 | 19.0 | 21.1 |
| Cash and cash equivalents | | 842.2 | 772.2 |
| Total current assets | | 1,352.0 | 1,313.3 |
| Total assets | | 3,161.3 | 3,278.2 |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 13 | 5.1 | 5.1 |
| Share premium | | 0.7 | 0.7 |
| General Reserve | | 740.5 | 756.3 |
| Retained earnings | | 135.0 | 35.0 |
| Attributable to equity holders of the parent | | 881.3 | 797.0 |
| Attributable to non-controlling interest | 9 | 637.7 | 552.0 |
| Total equity | | 1,519.0 | 1,349.0 |
| Non-current liabilities | | | |
| Interest-bearing liabilities | 14 | 658.0 | 873.4 |
| Deferred income tax liabilities | 7 | 221.4 | 267.3 |
| Provisions for other liabilities and charges | 15 | 393.8 | 402.5 |
| Total non-current liabilities | | 1,273.2 | 1,543.2 |
| Current liabilities | | | |
| Trade and other payables | 16 | 233.4 | 232.7 |
| Income taxes payable | 7 | 47.6 | 33.1 |
| Provisions for other liabilities and charges | 15 | 88.1 | 120.1 |
| Total current liabilities | | 369.1 | 385.9 |
| Total liabilities | | 1,642.3 | 1,929.1 |
| Total equity and liabilities | | 3,161.3 | 3,278.2 |

The Interim Consolidated and Parent Company Financial Statements in Section II were authorised for issue by the Board of Directors on 14 August 2022.

For and on behalf of the Board of Directors

BIJAN MOSSAVAR-RAHMANI

Bijan Mossavar-Rahmani

Executive Chairman of the Board of Directors

15 August 2022

Interim Consolidated Statement of Cash Flows

| USD million | Notes | 1H 2022 | 1H 2021 |
|--|-------|----------------|----------------|
| OPERATING ACTIVITIES | | | |
| Profit/(loss) before income tax | | 261.8 | 85.6 |
| Adjustments to add/(deduct) non-cash items: | | | |
| Exploration cost capitalised in previous years carried to cost | 6 | 38.5 | - |
| Depreciation of property, plant and equipment | 5 | 99.5 | 101.7 |
| Impairment loss on oil and gas assets | 8 | 127.2 | 12.6 |
| Amortisation of borrowing issue costs | | 3.3 | 5.8 |
| Accretion expense on Asset Retirement Obligation provision | | 7.8 | 9.1 |
| Interest expense | | 33.1 | 37.4 |
| Interest income | | (1.0) | (0.6) |
| Share of (profit)/loss of a Joint Venture | 10 | (8.0) | (7.4) |
| Other | | 7.8 | (1.3) |
| Changes in working capital and provisions: | | | |
| - Inventories | 5 | (4.5) | 9.6 |
| - Trade and other receivables | 12 | 50.5 | (68.7) |
| - Trade and other payables | 16 | 0.6 | 42.3 |
| - Provisions for other liabilities and charges | 15 | (3.2) | 1.6 |
| Cash generated from operations | | 613.6 | 227.7 |
| Income taxes (paid)/received | 7 | (36.9) | 46.4 |
| Interest received | | 1.1 | 0.7 |
| Net interest paid | | (34.2) | (38.7) |
| Payments for decommissioning | | (33.6) | (44.6) |
| Net cash from/(used) in operating activities | | 510.0 | 191.5 |
| INVESTING ACTIVITIES | | | |
| Purchases of intangible assets | 8 | (50.9) | (16.0) |
| Purchases of tangible assets | 8 | (144.6) | (95.1) |
| Equity injection into Joint Venture | 10 | (9.0) | (4.9) |
| Dividends received from Joint Venture | 10 | 8.8 | 9.8 |
| Net cash from/(used) in investing activities | | (195.7) | (106.1) |
| FINANCING ACTIVITIES | | | |
| Proceeds from borrowings | 14 | - | - |
| Repayment of borrowings | 14 | (218.7) | (102.0) |
| Paid dividend (non-controlling interest) | | (12.3) | - |
| Payment of lease liabilities | | (5.3) | (3.4) |
| Net cash from/(used) in financing activities | | (236.3) | (105.4) |
| Net increase/(decrease) in cash and cash equivalents | | 77.8 | (20.0) |
| Cash and cash equivalents at beginning of the period | | 772.2 | 502.3 |
| Exchange rate losses on cash and cash equivalents | | (7.8) | 0.1 |
| Cash and cash equivalents at end of the period | | 842.2 | 482.2 |
| Of which restricted cash | | 21.6 | 12.9 |

Interim Consolidated Statement of Changes in Equity

| USD million | Share capital | Share premium | Treasury shares | Other reserves | Share-based payment reserve | Fair value reserve | Foreign currency translation reserve | Retained earnings | Total | Non-controlling interest | Total equity |
|--|---------------|---------------|-----------------|----------------|-----------------------------|--------------------|--------------------------------------|-------------------|--------------|--------------------------|----------------|
| Balance at 31 December 2021 | 5.1 | 0.7 | (22.4) | 813.5 | - | - | (34.8) | 35.0 | 797.0 | 552.0 | 1,349.1 |
| Profit/(loss) for the period | - | - | - | - | - | - | - | 100.1 | 100.1 | 117.1 | 217.2 |
| Other comprehensive income for the period | - | - | - | - | - | - | (15.8) | - | (15.8) | (19.4) | (35.2) |
| Total comprehensive income for the period | - | - | - | - | - | - | (15.8) | 100.1 | 84.3 | 97.7 | 182.0 |
| Transactions with owners, recognised directly as equity | | | | | | | | | | | |
| <i>Changes in ownership interests in subsidiaries that do not result in a loss of control:</i> | | | | | | | | | | | |
| Acquisition of non-controlling interest without change of control | - | - | - | - | - | - | - | - | - | - | - |
| Payment of dividend to non-controlling interest | - | - | - | - | - | - | - | - | - | (12.3) | (12.3) |
| Balance at 30 June 2022 | 5.1 | 0.7 | (22.4) | 813.5 | - | - | (50.7) | (135.0) | 881.3 | 637.7 | 1,519.0 |

| USD million | Share capital | Share premium | Treasury shares | Other reserves | Share-based payment reserve | Fair value reserve | Foreign currency translation reserve | Retained earnings | Total | Non-controlling interest | Total equity |
|--|---------------|---------------|-----------------|----------------|-----------------------------|--------------------|--------------------------------------|-------------------|--------------|--------------------------|----------------|
| Balance at 31 December 2020 | 5.1 | 0.7 | (22.4) | 813.5 | - | - | (29.2) | (70.6) | 697.3 | 458.6 | 1,155.9 |
| Profit/(loss) for the period | - | - | - | - | - | - | - | 55.8 | 55.8 | 59.4 | 115.2 |
| Other comprehensive income for the period | - | - | - | - | - | - | (0.1) | - | (0.1) | (0.2) | (0.3) |
| Total comprehensive income for the period | - | - | - | - | - | - | (0.1) | 55.8 | 55.7 | 59.2 | 114.9 |
| Transactions with owners, recognised directly as equity | | | | | | | | | | | |
| <i>Changes in ownership interests in subsidiaries that do not result in a loss of control:</i> | | | | | | | | | | | |
| Acquisition of non-controlling interest without change of control | - | - | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2021 | 5.1 | 0.7 | (22.4) | 813.5 | - | - | (29.4) | (14.6) | 753.1 | 518.0 | 1,271.1 |

Interim Parent Company Statement of Financial Position

| USD million | Notes | 30 June 2022 | 31 December 2021 |
|--------------------------------------|-------|--------------|------------------|
| Assets | | | |
| Non-current assets | | | |
| Investment in subsidiaries | | 670.1 | 670.1 |
| | | 670.1 | 670.1 |
| Current assets | | | |
| Other receivables | 12 | 0.7 | 0.5 |
| Cash and cash equivalents | | 20.2 | 4.2 |
| | | 20.9 | 4.6 |
| Total assets | | 691.0 | 674.7 |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 13 | 5.1 | 5.1 |
| Share premium | | 0.7 | 0.7 |
| Other reserves | | 637.3 | 637.3 |
| Accumulated profit/(losses) | | 47.8 | 31.4 |
| Total equity | | 690.8 | 674.4 |
| Non-current liabilities | | | |
| Employees' end of service benefits | | 0.1 | 0.1 |
| | | 0.1 | 0.1 |
| Current liabilities | | | |
| Trade and other payables | | 0.1 | 0.2 |
| Current interest-bearing liabilities | 14 | - | - |
| | | 0.1 | 0.2 |
| Total liabilities | | 0.2 | 0.3 |
| Total equity and liabilities | | 691.0 | 674.7 |

Consistent with the presentation of the full-year Parent Company Financial Statements, the Company has elected not to present the Company profit and loss account. The profit for the Company for the half-year 2022 was USD 16.4 million (USD 2.8 million profit for the full year 2021).

Interim Parent Company Statement of Cash Flow

| USD million | Notes | 1H 2022 | 1H 2021 |
|---|-------|-------------|--------------|
| Operating activities | | | |
| Profit/(loss) for the period | | 16.4 | (0.1) |
| Adjustments for: | | | |
| Depreciation of equipment | | 0.0 | 0.0 |
| Provision | | (0.0) | (0.0) |
| Operating profit before working capital changes | | 16.4 | (0.1) |
| Other receivables | | (0.2) | 0.1 |
| Trade and other payables | | (0.0) | (0.0) |
| Net cash flows from operating activities | | 16.1 | (0.0) |
| Investing activities | | | |
| Proceeds lent to subsidiary | 14 | - | - |
| Proceeds repaid by subsidiary | 14 | - | - |
| Net cash flows from investing activities | | - | - |
| Financing activities | | | |
| Proceeds obtained from subsidiary | 14 | - | - |
| Proceeds repaid to subsidiary | 14 | - | - |
| Proceeds from borrowings | 14 | - | - |
| Repayment of borrowings | 14 | - | (2.0) |
| Acquisition of own shares | 13 | - | - |
| Net cash flows from financing activities | | - | (2.0) |
| Net increase/(decrease) in cash and cash equivalents | | 16.1 | (2.0) |
| Cash and cash equivalents at 1 January | | 4.2 | 3.5 |
| Cash and cash equivalents at end of period | | 20.2 | 1.5 |

Interim Parent Company Statement of Changes in Equity

| USD million | Share capital | Share premium | Other reserve | Accumulated losses | Total |
|--|---------------|---------------|---------------|--------------------|--------------|
| Balance at 1 January 2022 | 5.1 | 0.7 | 637.3 | 31.4 | 674.4 |
| Profit/(loss) for the period | - | - | - | 16.4 | 16.4 |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive profit/(loss) for the period | - | - | - | 16.4 | 16.4 |
| Acquisition of own shares | - | - | - | - | - |
| Balance at 30 June 2022 | 5.1 | 0.7 | 637.3 | 47.8 | 690.8 |

| USD million | Share capital | Share premium | Other reserve | Accumulated losses | Total |
|--|---------------|---------------|---------------|--------------------|--------------|
| Balance at 1 January 2021 | 5.1 | 0.7 | 637.3 | 28.6 | 671.6 |
| Profit/(loss) for the period | - | - | - | (0.1) | (0.1) |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive profit/(loss) for the period | - | - | - | (0.1) | (0.1) |
| Acquisition of own shares | - | - | - | - | - |
| Balance at 30 June 2021 | 5.1 | 0.7 | 637.3 | 28.5 | 671.5 |

Notes to the Interim Consolidated and Parent Company Financial Statements At 30 June 2022

1. Corporate Information

RAK Petroleum plc ("RAK Petroleum" or the "Company") is incorporated as a public limited company organised and existing under the laws of England and Wales pursuant to the UK Companies Act. The Company was incorporated on 17 June 2013 and the Company's registration number is 08572925. The registered office of the Company is Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom.

The Company is an energy investment company that currently owns two major assets:

- A block of 438,379,418 (unchanged from 2021) shares in DNO ASA ("DNO") representing 44.94 percent of the total DNO shares outstanding at 30 June 2022. DNO and its subsidiaries (the "DNO Group") are included in the Consolidated Financial Statements of the Group as a subsidiary for the half-year ended 30 June 2022, the year ended 31 December 2021 and the half-year ended 30 June 2021; and
- 100 percent ownership of Mondoil Enterprises, LLC ("Mondoil Enterprises"). Through this investment in Mondoil Enterprises, the Group holds a one-half stake in Mondoil Côte d'Ivoire LLC ("Mondoil Côte d'Ivoire") which in turn holds a two-thirds ownership in Foxtrot International LDC ("Foxtrot International"), a privately held oil and gas company active in Côte d'Ivoire. Mondoil Côte d'Ivoire is included in the consolidated accounts of the Group as a Joint Venture for the half-year ended 30 June 2022, the year ended 31 December 2021 and the half-year ended 30 June 2021.

The Company's Class A Shares have been listed on the Oslo Børs since 7 November 2014.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these Interim Consolidated and Parent Company Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The Interim Consolidated Financial Statements of the Group as well as the Parent Company Financial Statements of the Company for the six months ending 30 June 2022 have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and IAS 34 Interim Financial Reporting as adopted by the European Union. These Interim Consolidated and Parent Company Financial Statements were not audited or reviewed.

These Interim Consolidated and Parent Company Financial Statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2021 were approved by the Board of Directors on 29 March 2022 and delivered to the Registrar of Companies. The report of the auditors of those accounts was unqualified, did not contain an emphasis matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

The Interim Consolidated and Parent Company Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

2. Summary of Significant Accounting Policies (continued)

The subtotals and totals in some of the tables may not equal the sum of the amounts shown due to rounding.

The accounting policies adopted in the preparation of the Interim Consolidated and Parent Company Financial Statements are consistent with those followed in the preparation of the Group's annual Consolidated and Parent Company Financial Statements for the year ended 31 December 2021.

3. Segment Information

Executive management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation, investment decisions and performance assessment (the Executive Chairman of the Board of Directors acts as the Chief Operating Decision Maker). Segment performance is evaluated based on the profit or loss including share price and is measured consistently with the net profit or loss in the Consolidated Financial Statements.

Operating and reportable segments

For management purposes, the Group is organised into two operating segments that are also reportable segments:

- DNO (Subsidiary)
- Foxtrot International (Joint Venture with interest held through Mondoil Enterprises' 50 percent ownership of Mondoil Côte d'Ivoire)

"Others" are reconciling items including head-office general and administrative transactions and balances that do not constitute separate operating segments.

The following tables include revenue, net profit and segment assets for the periods ended 30 June 2022 and 2021.

| USD million | DNO | Mondoil Côte d'Ivoire | Others | Eliminations | Total |
|--|----------------|--------------------------|--------------|---------------|----------------|
| Period ended 30 June 2022 | | | | | |
| Comprehensive income information | | | | | |
| External sales | 700.0 | - | - | - | 700.0 |
| Cost of goods sold | (198.7) | - | - | - | (198.7) |
| Gross profit | 501.3 | - | - | - | 501.3 |
| Share of profit of a Joint Venture | - | 8.0 | - | - | 8.0 |
| Segment net profit/(loss) from operating activities | 317.0 | 8.0 | (3.6) | - | 321.3 |
| Net finance costs (incl. interest) | (59.7) | - | 0.2 | - | (59.5) |
| Tax income/(expense) | (44.6) | - | - | - | (44.6) |
| Segment net profit/(loss) | 212.7 | 8.0 | (3.4) | - | 217.2 |
| Segment assets | 2,819.2 | 95.7 | 265.4 | (19.0) | 3,161.3 |

| USD million | DNO | Mondoil Côte d'Ivoire | Others | Eliminations | Total |
|--|----------------|--------------------------|--------------|---------------|----------------|
| Period ended 30 June 2021 | | | | | |
| Comprehensive income information | | | | | |
| External sales | 354.1 | - | - | - | 354.1 |
| Cost of goods sold | (172.4) | - | - | - | (172.4) |
| Gross profit | 181.7 | - | - | - | 181.7 |
| Share of profit of a Joint Venture | - | 7.4 | - | - | 7.4 |
| Segment net profit/(loss) from operating activities | 127.0 | 7.4 | (0.1) | - | 134.4 |
| Net finance costs (incl. interest) | (48.9) | - | - | - | (48.9) |
| Tax income/(expense) | 29.8 | - | - | - | 29.8 |
| Segment net profit/(loss) | 107.9 | 7.4 | (0.1) | - | 115.2 |
| Segment assets | 2,827.1 | 79.3 | 251.1 | (18.0) | 3,139.5 |

4. Revenues

| USD million | 1H 2022 | 1H 2021 |
|---------------------------|--------------|--------------|
| Oil sales | 546.8 | 316.3 |
| Gas sales | 132.0 | 29.2 |
| Natural gas liquids sales | 19.2 | 7.4 |
| Tariff income | 2.2 | 1.2 |
| Total revenues | 700.0 | 354.1 |

5. Cost of Goods Sold/Inventory

| USD million | 1H 2022 | 1H 2021 |
|--|----------------|----------------|
| Lifting costs | (98.5) | (92.0) |
| Tariff and transportation expenses | (14.2) | (17.0) |
| Production cost based on produced volumes | (112.7) | (109.0) |
| Movement in overlift/underlift | 13.6 | 38.4 |
| Production cost based on sold volumes | (99.1) | (70.6) |
| Depreciation, depletion and amortisation | (99.6) | (101.7) |
| Total cost of goods sold | (198.7) | (172.4) |

Lifting costs consist of expenses related to the production of oil and gas, including operation and maintenance of installations, well intervention activities and insurances. Tariff and transportation expenses consist of charges incurred by the DNO Group for the use of infrastructure owned by other companies in the North Sea.

| USD million | 30 June 2022 | 31 December 2021 |
|------------------------------------|--------------|------------------|
| Spare parts and drilling equipment | 40.4 | 35.8 |
| Total inventory | 40.4 | 35.8 |

Total inventory of USD 40.4 million as of 30 June 2021 is related to Kurdistan (USD 25.5 million) and the North Sea (USD 14.9 million).

6. Exploration Expenses

| USD million | 1H 2022 | 1H 2021 |
|--|---------------|---------------|
| Exploration expenses (G&G and field surveys) | (5.3) | (12.4) |
| Seismic costs | (1.8) | (15.2) |
| Exploration cost capitalised in previous years carried to cost | (3.4) | - |
| Exploration cost capitalised this year carried to cost | (35.1) | - |
| Other exploration cost expensed | (7.9) | (9.8) |
| Total exploration cost expensed | (53.5) | (37.4) |

Exploration costs capitalised carried to cost are mainly related to expensing of the Overly and Edinburgh exploration wells in the North Sea.

7. Income Tax

| USD million | 1H 2022 | 1H 2021 |
|---|----------------|------------------|
| Income tax income/(expense) | | |
| Changes in deferred taxes | 12.1 | (64.5) |
| Income taxes receivable/(payable) | (56.6) | 94.3 |
| Total tax income/(expense) | (44.6) | 29.8 |
| USD million | 30 June 2022 | 31 December 2021 |
| Income tax receivable/(payable) | | |
| Tax receivables (non-current) | 14.3 | - |
| Tax receivables (current) | 19.0 | 21.1 |
| Income tax payable | (47.6) | (33.1) |
| Net tax receivable/(payable) | (14.4) | (11.9) |
| Deferred tax asset/(liability) | | |
| Deferred tax assets | 11.2 | 29.3 |
| Deferred tax liabilities | (221.4) | (267.3) |
| Net deferred tax asset/(liability) | (210.3) | (238.0) |

The tax balances relate to activity on the Norwegian Continental Shelf ("NCS") and the UK Continental Shelf ("UKCS"). Current tax receivable of USD 19.0 million relates to tax refund of decommissioning spend on the UKCS for 2021 expected to be received during the third quarter of 2022. Non-current tax receivable of USD 14.3 million relates to tax refund of decommissioning spend on the UKCS for 2022 expected to be received during the third quarter of 2023. Current income tax payable of USD 47.6 million relates to taxable profit in 2022 on the NCS.

During June 2022, the Norwegian Parliament approved certain time limited changes to the taxation of oil and gas companies operating on the NCS with effect from 1 January 2022. The companies can expense investments immediately in the special tax basis and receive cash refund of tax losses in the special tax bases. The ordinary corporate tax is deductible in the special tax basis and to maintain a combined marginal tax rate of 78 percent, the special tax rate increased to 71.8 percent. Losses in the corporate tax base are not eligible for refund but can be carried forward. Tax value of unused uplift and carried forward losses as of year-end 2021 will be paid out in connection with the 2022 tax assessment in November 2023. Provision under the temporary changes extending beyond 2021 are not materially impacted. The tax effects of these changes are recognised in the first half of 2022.

Under the terms of the Production Sharing Contracts in the Kurdistan region of Iraq, DNO's subsidiary, DNO Iraq AS, is not required to pay any corporate income taxes. The share of profit oil to which the government is entitled is deemed to include a portion representing the notional corporate income tax paid by the government on behalf of DNO. Current and deferred taxation arising from such notional corporate income tax is not calculated for Kurdistan as there is uncertainty related to the tax laws of the Kurdistan Regional Government and there is currently no well-established tax regime for international oil companies. This is an accounting presentational issue and there is no corporate income tax required to be paid.

Profits/(losses) by Norwegian companies from upstream activities outside of Norway are not taxable/deductible in Norway in accordance with the General Tax Act, section 2-39. Under these rules only certain financial income and expenses are taxable in Norway.

8. Other Intangible Assets/Property Plant and Equipment ("PP&E")/Right-of-Use ("RoU") Assets

| USD million | 1H 2022 | 1H 2021 |
|--|---------|---------|
| Additions of other intangible assets | 50.9 | 16.0 |
| Transfers to/(from) other intangible assets | (131.2) | - |
| Additions of tangible assets | 182.3 | 107.8 |
| Transfers to/(from) tangible assets | 131.2 | - |
| Additions of RoU assets | 1.4 | 14.7 |
| Depreciation, depletion and amortisation (Note 5) | (99.6) | (101.7) |
| Impairment of oil and gas assets | (127.2) | (12.6) |
| Exploration cost previously capitalised carried to cost (Note 6) | (38.5) | - |

Additions of other intangible assets are related to capitalised exploration costs, licence interests and administrative software. Additions of tangible assets are related to development assets, production assets including changes in estimates of asset retirement obligations, and other PP&E. Additions of RoU assets are related to lease contracts under IFRS 16 Leases (presented as part of the PP&E balance sheet item), see also Note 15.

Transfers in the first half of 2022 relate to reclassification of the book value of Brasse (PL740) licence from exploration phase (intangible assets) to development phase (tangible assets) following concept select.

Impairments

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. An assessment of the recoverable amount is made when an impairment indicator exists. Goodwill is tested for impairment annually or more frequently when there are impairment indicators. Impairment is recognised when the carrying amount of an asset or cash generating unit ("CGU"), including associated goodwill, exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and the value-in-use.

During the first half of 2022, a total impairment charge of USD 127.2 million (USD 48.0 million post tax) was recognised, driven by downward revision of the production profiles and acceleration of expected economic cut-off date with corresponding impact on cost profiles at the Ula area CGU, and updated assessment of cost estimate for decommissioning the Schooner and Ketch fields.

Impairments

| USD million | Income statement: | | | | Statement of Financial Position: | | | |
|-------------------------------|-------------------------------|---|-----------------------|--|----------------------------------|------------------------------|---------------------------------|------------------|
| | Recoverable amount (post-tax) | Impairment (charge)/ reversal (pre-tax) | Tax Income/ (expense) | Impairment (charge)/ reversal (post-tax) | Goodwill | Asset Retirement Obligations | Deferred tax asset/ (liability) | Currency effects |
| CGU, Segment | | | | | | | | |
| Ule area, North Sea | 92.0 | (120.5) | 79.2 | (41.3) | (13.0) | - | 77.7 | (0.7) |
| Schooner and Ketch, North Sea | - | (6.7) | - | (6.7) | - | - | - | (0.1) |
| Total | 92.0 | (127.2) | 79.2 | (48.0) | (13.0) | - | 77.7 | (0.8) |

The table above shows the recoverable amounts and impairment charge or reversal for the CGUs which were impaired in the current half year, and how it was recognised in the income statement and statement of financial position.

The future Brent oil price is a key assumption in the impairment assessments and has significant impact on the recoverable amount of the Group's assets. In the impairment tests, the Brent oil price assumptions were based on the forward curve and the observable broker and analyst consensus (2022: USD 103.4, 2023: USD 93.5, 2024: USD 85.0 and 2025: 78.4 per barrel in nominal terms). From 2026, the Brent oil price was based on the Group's long-term price assumptions (USD 65.0 per barrel, real term), unchanged from year-end 2021. The post-tax nominal discount rates (WACC) applied in the impairment tests were consistent with the discount rates applied at year-end 2021.

9. Material Partly Owned Subsidiary

The Group currently has the following investment in a Subsidiary which has a material non-controlling interest:

| Subsidiary name | Country of incorporation | Percent ownership interest | | Nature of Business |
|-----------------|--------------------------|----------------------------|------------------|---|
| | | 30 June 2022 | 31 December 2021 | |
| DNO ASA | Norway | 44.94 | 44.94 | Exploration and production company engaged in the acquisition, exploration, development and operation of oil and gas properties |

The summarised financial information of this subsidiary is provided below. This information is based on amounts before inter-company eliminations. Changes in the Company's effective net ownership of DNO are a result of purchases or sales by DNO of non-controlling interest shares in DNO which have the effect of increasing or decreasing the Company's effective net ownership.

Summarised statement of profit or loss

| USD million | 1H 2022 | 1H 2021 |
|--|--------------|--------------|
| Revenue | 700.0 | 354.1 |
| Cost of goods sold | (198.7) | (172.4) |
| Other operating income | 0.9 | - |
| Administrative and other expenses | (4.5) | (4.7) |
| Impairment of oil and gas assets | (127.2) | (12.6) |
| Exploration costs expensed | (53.5) | (37.4) |
| Financial income and expense | (59.7) | (48.9) |
| Profit/ (loss) before tax | 257.4 | 78.3 |
| Income tax expense | (44.6) | 29.8 |
| Profit/ (loss) for the period as presented by DNO | 212.8 | 108.1 |
| Total comprehensive income for the period as presented by DNO | 180.1 | 113.2 |

Summarised statement of financial position

| USD million | 30 June 2022 | 31 December 2021 |
|--|----------------|------------------|
| Cash and cash equivalents | 800.6 | 736.6 |
| Other current assets (excl. cash) | 509.3 | 540.7 |
| Non-current assets | 1,509.3 | 1,670.4 |
| Current liabilities | (369.0) | (385.8) |
| Non-current financial liabilities | (658.0) | (873.4) |
| Other non-current liabilities | (615.1) | (669.8) |
| Equity at end of the period as presented by DNO | 1,177.1 | 1,018.8 |

Summarised cash flow information

| USD million | 1H 2022 | 1H 2021 |
|---|--------------|--------------|
| Net cash from/(used) in operating activities | 547.3 | 236.3 |
| Net cash from/(used) in investing activities | (229.1) | (155.8) |
| Net cash from/(used) in financing activities | (246.2) | (103.4) |
| Net increase/(decrease) in cash and cash equivalents | 71.9 | (23.0) |
| Exchange gain/(loss) on cash and cash equivalents | (7.8) | 0.1 |
| Cash and cash equivalents at beginning of the period | 736.6 | 477.1 |
| Cash and cash equivalents at end of the period as presented by DNO | 800.6 | 454.2 |

10. Investment in a Joint Venture

General information

The Group's subsidiary Mondoil Enterprises has a 50 percent equity interest in Mondoil Côte d'Ivoire, registered in the United States and a Joint Venture within the meaning of IFRS 11 (required to be equity accounted by the Group).

Mondoil Côte d'Ivoire has a 66.67 percent equity interest in Foxtrot International. Due to different voting and contractual rights, Foxtrot International is an Associate for Mondoil Côte d'Ivoire (required to be equity accounted by Mondoil Côte d'Ivoire). Mondoil Côte d'Ivoire has one-third of Foxtrot International's total shareholder votes and can appoint one-third of Foxtrot International's Board of Directors, but Mondoil Côte d'Ivoire is entitled to two-thirds of Foxtrot International's profit and liquidation proceeds.

Foxtrot International is a Cayman Islands company engaged in oil and gas exploration and production in Côte d'Ivoire. It owns a direct 24 percent interest in Block CI-27 (joint operation) and a 27.27 percent stake in Energie de Côte d'Ivoire SA (ENERCI), which owns an additional 12 percent interest in Block CI-27. Accordingly Foxtrot International has a 27.27 percent interest in Block CI-27 and the Group has an indirect 9.09 percent stake in this block. Foxtrot International also holds a 24 percent stake offshore Côte d'Ivoire in Block CI-12.

Movement of investment carrying amount:

| USD million | 1H 2022 | 1H 2021 |
|---|-------------|-------------|
| Opening balance 1 January | 87.6 | 76.8 |
| Group's share of adjusted profit – as accounted | 8.0 | 7.4 |
| Contributions via cash calls paid during the year | 9.0 | 4.9 |
| Dividends received during the year | (8.8) | (9.8) |
| Interest in Joint Venture at end of the period | 95.7 | 79.3 |

11. Financial Investments

Financial investments are comprised of equity instruments and are recorded at fair value (market price, where available) at the end of the reporting period. Fair value changes are included in other comprehensive income.

DNO has a total of 15,849,737 shares in RAK Petroleum plc. All shares have been acquired in open market transactions. The Company reclassifies these shares as treasury shares.

12. Trade and Other Short-term and Non-current Receivables

| USD million | 30 June 2022 | 31 December 2021 |
|--|--------------|------------------|
| Group | | |
| Trade debtors (non-current portion) | - | 18.2 |
| Other non-current receivables | 0.2 | 1.3 |
| Total other non-current receivables | 0.2 | 19.4 |
| Group | | |
| Trade debtors | 345.7 | 344.4 |
| Underlift | 19.0 | 17.2 |
| Other short-term receivables | 85.8 | 122.6 |
| Total trade and other receivables | 450.5 | 484.2 |
| Company | | |
| Amounts due from DNO subsidiary | 0.5 | 0.2 |
| Amounts due from other subsidiaries | 0.0 | 0.1 |
| Other | 0.2 | 0.2 |
| | 0.7 | 0.5 |

12. Trade and Other Short-term and Non-current Receivables (continued)

The book value of trade debtors of USD 345.7 million at 30 June 2022 relates mainly to the Tawke licence arrears for 2019 and 2020 entitlement and override invoices (USD 86.7 million) excluding any interest, and outstanding invoices for Tawke licence oil deliveries for the months April through June 2022 (USD 238.8 million). See Note 18 regarding subsequent events after the reporting date.

The underlift receivable of USD 19.0 million at 30 June 2022 relates to the underlift volumes in DNO's North Sea assets, valued at the lower of production cost including depreciation and market value at the statement of financial position date, which will be realised based on market value when the volumes are lifted. Other short-term receivables mainly relate to items of working capital in DNO's Kurdistan and North Sea licences and accrual for earned income not invoiced in the North Sea.

Amounts due from DNO are unsecured and have a 30-day credit term. Amounts due from subsidiaries are repayable on demand, expected to be settled in 2022, unsecured and interest free. No amounts are past due nor impaired.

13. Share Capital

The Company had the following shares issued at 30 June 2022:

| | <i>Par value</i> | 30 June 2022 Number of shares | <i>31 December 2021</i> <i>Number of shares</i> |
|---------------------------|---------------------|--|--|
| Class A Shares | GBP 0.01 (PY 1.00) | 194,448,040 | 194,448,040 |
| Restricted Class A Shares | GBP 0.001 (PY 1.00) | 117,683,332 | 117,683,332 |
| <i>Total Class A</i> | | 312,131,372 | 312,131,372 |
| Class B Shares | GBP 0.0000001 | 117,683,332 | 117,683,332 |
| Class C Shares | GBP 0.0000001 | 87,488,693 | 87,488,693 |
| Preference shares | GBP 1.00 | 50,000 | 50,000 |

All shares are fully paid.

Transfers of Restricted Class A Shares are limited to certain permitted transferees set forth in the Company's Articles of Association -- essentially, related parties or charities. Transfers to non-permitted transferees give rise to loss of the associated Class B Share voting rights. Because they have the same rights to participate in profits as Class A Shares, Restricted Class A Shares are not treated as a class separate from Class A Shares for accounting purposes.

Key rights attached to each class of shares are as follows:

| | <i>Restricted Class A share</i> | <i>Class A share</i> | <i>Class B share</i> | <i>Class C share</i> | <i>Preference share</i> |
|---------------------------------|---------------------------------|----------------------|----------------------|----------------------|-------------------------|
| Right to vote | one vote | one vote | two votes | none | none |
| Right to participate in profits | yes | yes | none | none | none |

The preference shares are classified as equity.

14. Interest-bearing Liabilities

| USD million | Ticker OSE | Currency | Amount | Interest | Maturity | Carrying amount | |
|--|---------------|----------|--------|-----------|------------|-----------------|------------------|
| | | | | | | 30 June 2022 | 31 December 2021 |
| Interest-bearing liabilities: | | | | | | | |
| Non-current | | | | | | | |
| Bond loan (ISIN NO0010852643) | DNO03 | USD | 176.2 | 8.375% | 29/05/2024 | 176.2 | 394.9 |
| Bond loan (ISIN NO0011088593) | DNO04 | USD | 400.0 | 7.875% | 09/09/2026 | 400.0 | 400.0 |
| Borrowing issue costs | | - | - | | | (13.2) | (16.5) |
| Reserve based lending facility | | USD | 350.0 | See below | 07/11/2026 | 95.0 | 95.0 |
| Total non-current interest-bearing liabilities | | | | | | 658.0 | 873.4 |

Changes in liabilities arising from financing activities split on cash and non-cash changes

| USD million | | Total at 31 December 2021 | Cash flows | Non-cash changes | | | Total at 30 June 2022 |
|---|--|------------------------------|------------|------------------|----------|------------------|--------------------------|
| | | | | Amortisation | Currency | Reclassification | |
| Group | | | | | | | |
| Bond loan | | 794.9 | (218.7) | - | - | - | 576.2 |
| Borrowing issue costs | | (16.5) | - | 3.3 | - | - | (13.2) |
| Reserve-based lending facility | | 95.0 | - | - | - | - | 95.0 |
| Total liabilities from financing activities | | 873.4 | (218.7) | 3.3 | - | - | 658.0 |

Mashreq Loan

During 2016, the Group negotiated a loan facility with Mashreq Bank of USD 32.7 million at the three-month Emirates Interbank Offered Rate ("EIBOR") plus 4.0 percent. Quarterly repayments of principal began 15 months after the start date of the loan and ended in February 2021 after a pre-payment of AED 18 million made in April 2020 reduced the loan payment duration from November 2021 to February 2021. Following the finalisation of payments under the Mashreq loan, the Company now has no loans.

Bond Loans

Details regarding bonds issued by DNO or its subsidiaries can be found in the table above. Facility amount is shown net of bonds held by DNO or its subsidiaries. The financial covenants of the bonds issued by DNO require a minimum USD 40 million of liquidity and that the DNO Group maintains either an equity ratio of 30 percent or a total equity of USD 600 million.

In May 2022, DNO completed a USD 200 million partial call option redemption of the DNO03 bond (at a price of USD103.35 percent plus accrued interest) and cancelled USD 23.8 million of bonds previously acquired by DNO.

Reserve-based lending facility

The DNO Group has a reserve-based lending ("RBL") facility in relation to its Norway and United Kingdom licences with a total facility amount of USD 350 million which is available for both debt and issuance of letters of credit. In addition, there is an accordion option of USD 350 million. Interest charged on utilisations is based on the LIBOR, NIBOR or EURIBOR rates (depending on the currency of the drawdown) plus a margin ranging from 2.75 to 3.25 percent. The facility will amortise over the loan life with a final maturity date of 7 November 2026. The borrowing base amount of the facility from 1 July 2022 is USD 158 million. Amount utilised as of the reporting date is disclosed in the table above. In addition, USD 65.5 million is utilised in respect of letters of credit.

Intercompany Loans

All intercompany loan receivables and liabilities are repayable on demand and unsecured.

15. Provisions for Other Liabilities and Charges/Lease Liabilities

The Company currently has no provisions except for USD 0.1 million for employee end-of-service benefits.

DNO reported the following provisions at 30 June 2022:

| USD million | 30 June 2022 | 31 December 2021 |
|---|--------------|------------------|
| Non-current | | |
| Asset retirement obligations | 380.6 | 386.3 |
| Other long-term provisions and charges | 5.0 | 3.7 |
| Lease liabilities | 8.1 | 12.5 |
| Total non-current provisions for other liabilities and charges and lease liabilities | 393.7 | 402.5 |
| Current | | |
| Asset retirement obligations | 44.5 | 69.7 |
| Other provisions and charges | 31.0 | 34.8 |
| Current lease liabilities | 12.7 | 15.7 |
| Total current provisions for other liabilities and charges | 88.1 | 120.1 |
| Total provisions for other liabilities and charges | 481.9 | 522.6 |

Asset Retirement Obligations

The provisions for asset retirement obligations are based on the present value of the estimated future cost of decommissioning oil and gas assets in Kurdistan and the North Sea. The discount rates before tax applied to the future costs were between 3.2 percent and 3.7 percent.

Non-cancellable Lease Commitments

The recognised lease liabilities in the statement of financial position are mainly related to rig lease and office rent. In the second quarter of 2021, DNO entered into a rig lease agreement to perform decommissioning, plugging and abandonment at the Schooner and Ketch fields in the United Kingdom part of the North Sea. The rig lease was entered into with DNO as the operator of the licences at the initial signing and subsequently partly allocated to the licence partners (presented under non-current and current receivables). The rig lease was recognised on a gross basis, rather than on DNO's working interest share (60 percent).

The identified lease liabilities have no significant impact on the DNO Group's financing, loan covenants or dividend policy. The DNO Group does not have any residual value guarantees. Extension options are included in the lease liability when, based on management's judgment, it is reasonably certain that an extension will be exercised. Non-lease components are not included as part of the lease liabilities.

Undiscounted lease liabilities and maturity of cash outflows (non-cancellable)

| USD million | 30 June 2022 | 31 December 2021 |
|---|--------------|------------------|
| Within one year | 13.6 | 16.6 |
| Two to five years | 9.0 | 13.1 |
| After five years | - | - |
| Total undiscounted lease liabilities | 22.6 | 29.7 |

The above table summarises the DNO Group's maturity profile of lease liabilities based on contractual undiscounted payments.

16. Trade and other payables

| USD million | 30 June 2022 | 31 December 2021 |
|---------------------------------------|---------------------|-------------------------|
| <i>Group</i> | | |
| Trade payables | 79.7 | 85.7 |
| Public duties payable | 2.2 | 6.1 |
| Prepayments from customers | 9.6 | - |
| Overlift | 7.7 | 17.3 |
| Other accrued expenses | 134.2 | 123.6 |
| Total trade and other payables | 233.4 | 232.7 |
| <i>USD million</i> | <i>30 June 2022</i> | <i>31 December 2021</i> |
| <i>Company</i> | | |
| Other payables | 0.1 | 0.2 |
| | 0.1 | 0.2 |

Trade payables are non-interest bearing and normally due within 30 days.

Trade payables and other accrued expenses include items of working capital related to participation in oil and gas licences in Kurdistan and the North Sea, and prepayment from customers in the North Sea.

The overlift payable relates to North Sea overlifted volumes, valued at production cost including depreciation.

17. Related Party Disclosures

Transactions with related parties were carried out in the normal course of business on terms agreed between the parties.

The Group has no (ultimate) controlling company/party.

Related party transactions occur between DNO and the Company. DNO and the Company entered into a Service Agreement whereby DNO reimburses the Company for work carried out on behalf of DNO and travel expenses incurred on behalf of DNO. In the half-year to 30 June 2022, DNO paid USD 0.5 million to the Company under the Service Agreement. Foxtrot International and the Company entered into a Service Agreement in 2020 whereby Foxtrot International reimburses the Company for work carried out in relation to the assets of Foxtrot International. In the half-year to 30 June 2022, Foxtrot International paid USD 0.05 million to the Company under the Service Agreement.

18. Events After the Reporting Period

The following events occurred after the reporting period:

Payments from Kurdistan

Since the reporting date, DNO received USD 130.9 million net to DNO from the Kurdistan Regional Government, of which USD 62.0 million represents DNO's entitlement share of April 2022 oil deliveries to the export market from the Tawke licence in Kurdistan. Of the balance, USD 8.4 million is an override payment equivalent to three percent of gross April 2022 Tawke licence revenues under the August 2017 receivables settlement agreement and USD 60.4 million is a payment towards DNO's arrears relating to withheld payment of Tawke licence 2019 and 2020 entitlement and override invoices.

DNO03 bond buyback

On 25 July 2022, DNO reported buybacks in the DNO03 bond (ISIN: NO0010852643) totalling USD 25.2 million which will be cancelled. Following cancellation, the outstanding amount of the DNO03 bond will be USD 150.9 million. The buybacks do not change the fixed maturity date of the DNO03 bond.

18. Events After the Reporting Period (continued)

Edinburgh exploration well comes up dry

On 8 July 2022, DNO reported that the Edinburgh exploration well (30/14a-5) drilled in the offshore UK licence P255 is being plugged and abandoned having failed to encounter commercial quantities of hydrocarbons in the prospect. The well was drilled to a total depth of 16,500 feet and encountered two sandstones of Jurassic age, but wireline logging indicated no movable hydrocarbons within the sandstones. DNO holds a 45 percent interest in the Edinburgh prospect. The well, operated by Shell U.K. Limited, was drilled through a joint well agreement covering four separate, contiguous licences, of which two are in the UK (P255 and P2401) and two in Norway (PL018ES and PL969). Data collected will be integrated with existing seismic and further studies will be undertaken to assess the remaining potential within the licences.

