

Ping Petroleum UK PLC
Financial Reports

Statement of Profit and Loss (Unaudited)	3 months Mar 2022 USD '000	3 months Jun 2022 USD '000	3 months Sep 2022 USD '000	3 months Dec 2022 USD '000	12 months Dec 2022 USD '000	Notes
Revenue	21,672	23,358	19,712	21,534	86,276	
Field operating expenses	(3,990)	(3,914)	(4,096)	(4,446)	(16,446)	
Marketing and transportation costs	(368)	(286)	(367)	(372)	(1,394)	
Movement in crude oil inventory	166	(1,315)	(3,623)	5,051	278	
Depletion, depreciation and amortisation	(2,867)	(2,726)	(2,053)	(4,569)	(12,215)	(iii)
Cost of sales	(7,059)	(8,242)	(10,140)	(4,337)	(29,777)	
Gross profit/(loss)	14,613	15,116	9,572	17,197	56,499	
Other income	12	45	251	596	904	
General and administrative expenses	(989)	(1,332)	(1,061)	(1,474)	(4,856)	
Finance costs	(2,582)	(2,536)	(2,532)	(2,548)	(10,197)	(ii)
Foreign exchange	398	(3,848)	760	3,098	408	(iv)
Profit/(loss) before taxation	11,452	7,446	6,990	16,871	42,758	(i)
Taxation	(6,504)	(7,083)	(2,870)	(8,048)	(24,505)	
Profit/(loss) after taxation	4,948	363	4,120	8,823	18,253	

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Statement of Financial Position (Unaudited)	3 months Mar 2022 USD '000	3 months Jun 2022 USD '000	3 months Sep 2022 USD '000	3 months Dec 2022 USD '000	12 months Dec 2022 USD '000	Notes
Non-current assets						
Intangible assets	173,013	173,325	174,969	179,812	179,812	
Property, plant and equipment	122,802	131,947	129,726	134,541	134,541	
Restricted cash and cash equivalents	70,117	59,170	55,862	61,659	61,659	
	365,932	364,441	360,556	376,012	376,012	
Current assets						
Trade and other receivables	22,758	22,736	15,369	19,906	19,906	
Inventories	4,019	2,704	(920)	4,131	4,131	
Cash and cash equivalents	19,554	18,528	22,683	16,809	16,809	(v)
Intercompany receivables/(payables)	(22,366)	(17,482)	(13,217)	(11,879)	(11,879)	
	23,966	26,486	23,916	28,968	28,968	
Total assets	389,898	390,927	384,472	404,979	404,979	
Current liabilities						
Trade and other payables	(8,015)	(11,008)	(4,784)	(5,911)	(5,911)	
Current tax liabilities	(11,122)	(12,513)	(12,547)	(12,524)	(12,524)	
	(19,138)	(23,521)	(17,331)	(18,435)	(18,435)	
Non-current liabilities						
Other long-term obligations and provisions	(4,363)	(1,662)	(1,662)	(1,662)	(1,662)	
Borrowings	(48,041)	(48,258)	(48,476)	(48,694)	(48,694)	
Deferred tax liabilities	(75,780)	(81,472)	(84,126)	(86,062)	(86,062)	
Provision for decommissioning costs	(102,866)	(95,941)	(88,685)	(97,112)	(97,112)	
	(231,050)	(227,333)	(222,948)	(233,529)	(233,529)	
Net assets	139,710	140,073	144,193	153,015	153,015	
Equity						
Share capital	67	67	67	67	67	
Retained earnings	139,643	140,006	144,126	152,948	152,948	
Other reserves	-	-	-	-	-	
	139,710	140,073	144,193	153,015	153,015	

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Statement of Cash Flows (Unaudited)	3 months Mar 2022 USD '000	3 months Jun 2022 USD '000	3 months Sep 2022 USD '000	3 months Dec 2022 USD '000	12 months Dec 2022 USD '000	Notes
Cash flows from operating activities						
Profit/(loss) before taxation	11,452	7,446	6,990	16,871	42,758	
<u>Adjustment for:</u>						
Depreciation, depletion and amortisation	2,867	2,726	2,053	4,569	12,215	
Finance costs	2,582	2,536	2,532	2,548	10,197	
Interest income	(12)	(41)	(251)	(397)	(700)	
Operating profit/(loss) before changes in working capital	16,889	12,667	11,324	23,591	64,471	
<u>Movements in working capital:</u>						
Inventory movement	(166)	1,315	3,623	(5,051)	(278)	
Receivables movement	(11,881)	23	7,367	(4,537)	(9,029)	
Payables movement	216	291	(6,224)	1,127	(4,590)	
Cash generated from/(used in) operating activities	5,057	14,296	16,090	15,130	50,573	
Tax (paid)/received	-	-	-	(6,134)	(6,134)	
Net cash generated from/(used in) operating activities	5,057	14,296	16,090	8,996	44,439	
Cash flows from investing activities						
Expenditure on assets	(6,004)	(19,919)	(9,512)	(6,591)	(42,026)	
Additions to restricted cash	(6,722)	(743)	(1,046)	(950)	(9,461)	
Net cash generated from/(used in) investing activities	(12,726)	(20,662)	(10,558)	(7,540)	(51,487)	
Cash flows from financing activities						
Interest paid	(1,500)	(1,500)	(1,500)	(1,500)	(6,000)	
Advances from/(repayments) to group companies	5,954	(4,884)	(4,265)	(1,339)	(4,533)	
Proceeds from/(repayment of) secured bond	10,051	10,322	(101)	(178)	20,094	
Net cash generated from/(used in) financing activities	14,505	3,938	(5,865)	(3,016)	9,561	
Net increase/(decrease) in cash and cash equivalents	6,837	(2,429)	(333)	(1,561)	2,514	
Effect of foreign exchange movement	2,689	1,403	4,488	(4,313)	4,267	
Cash and cash equivalents at the beginning of the period	10,029	19,555	18,529	22,683	10,029	
Cash and cash equivalents at the end of the period	19,555	18,529	22,683	16,809	16,809	(v)

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Leverage ratio calculation (Unaudited)	12 months Dec 2022 USD '000	Notes
Profit/(loss) before taxation	42,758	(i)
<u>Adjustment for:</u>		
Interest and fees in connection with the issue of bonds	6,947	(ii)
Unwinding of discount on ARO provision	3,250	(ii)
Depreciation, depletion and amortisation	12,215	(iii)
Gain/(loss) on foreign exchange	(408)	(iv)
Adjusted EBITDA	64,762	(a)
Total issued bond	50,000	
Subordinated loan (PPL to PPUK)	5,755	
Cook WI SLB payable	2,743	
Total gross debt	58,498	
<u>Less:</u>		
Cash and cash equivalents	(16,809)	(v)
Cash balance in Escrow account	(20,607)	
Total net debt	21,081	(b)
Leverage ratio	0.33	(b)/(a)