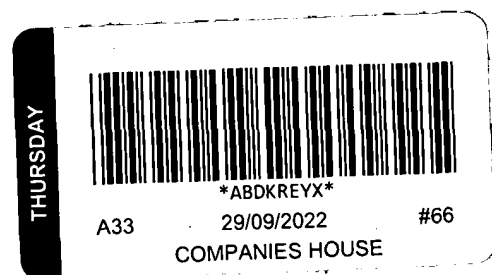


**ONE-DYAS E&P LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**



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**COMPANY INFORMATION**

**DIRECTORS** C.H. de Ruyter van Steveninck  
A.T. Israël  
A.C. van der Weijden

**REGISTERED NUMBER** 04024945

**REGISTERED OFFICE** 8th Floor  
100 Bishopsgate  
London  
EC2N 4AG  
United Kingdom

**INDEPENDENT AUDITORS** Ernst & Young LLP  
4<sup>th</sup> Floor  
2 Marischal Square  
Broadstreet  
Aberdeen  
AB10 1BL

**BANKERS** ING Bank N.V.  
Bijlmerplein 888  
1102 MG Amsterdam  
The Netherlands

**SOLICITORS** Ashurst  
London Fruit & Wool Exchange  
1 Duval Square  
London  
E1 6PW

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the Strategic Report of ONE-Dyas E&P Limited (the "Company") for the year ended 31 December 2021.

### IMPORTANT EVENTS DURING THE YEAR AND AFTER THE YEAR END CLOSING

2021 has been a year of recovery in the market, with the energy transition, Covid-19, large price fluctuations and very high gas prices in the second half of the year. The Covid-19 pandemic has not been fully resolved and the impact still can be witnessed on various occasions in every-day life. However, whereas in 2020 very low commodity prices became the new normal, in 2021 the market went through a rapid recovery. Gas commodity prices are at an all-time high and are dominating the headlines.

### DEVELOPMENT AND PERFORMANCE

The Company's turnover in 2021 was £209.8 million (2020: £97.2 million). This increase was mainly due to significantly higher oil and gas prices. The average oil price in 2021 was \$70.9 (2020: \$41.8) an increase of almost 70%. The increase in oil prices resulted in a reversal of accounting impairments on fixed assets of £ 64.1 million at year end (2020: £114.2 million impaired). The Company produced 0.8 million boe from Elgin and Franklin, 1.7 million boe from Catcher, 0.7 million boe from Mariner and 0.4 million from Arran. The profit for the financial year of £63.6 million (2020: loss £48.6 million) includes negative hedging results of £62.6 million (2020: gain £18.3 million).

On the development side Arran successfully achieved first gas in September 2021. Elgin Franklin drilled and completed an infill well, adding more than 10k boe per day of gross production (ONE-Dyas share 2.2 %). Mariner faces challenges to reach intended production levels. Although the first Heimdal well was brought on stream with better-than-expected flowrates, reserves were adjusted downwards. While Catcher struggled in the first quarter with downtime due to Calcium Naphtenate issues, it managed to solve this problem and it continued to perform very well. Catcher took FID on an Improved Oil Recovery project. Early 2021 ONE-Dyas decided to withdraw from the Jackdaw license as per June which resulted in an impairment of £9.6 million.

### PRINCIPAL RISKS AND UNCERTAINTIES

The key risks for exploration and production of oil and gas are:

- success in finding oil and gas accumulations;
- recoverable reserves and resources estimates may prove incorrect;
- sub surface geological circumstances;
- cost of drilling wells;
- field development costs;
- uncertainties around field behaviour influencing production quantities;
- mechanical failures in wells, uptime of production facilities;
- oil and gas prices;
- the USD exchange rate with GBP and Euro;
- changes in fiscal regime during development and production; and,
- COVID-19.

Fluctuations in oil and gas prices as well as production volumes should be analysed in the context of the life of field.

Management mitigates these risks with project selection in particular for presence of hydrocarbon reserves, development costs and production costs of these reserves as well as working with experienced and qualified operators and only to participate in strong and stable joint ventures. Robust projects provide some protection against lower oil and gas prices. The adverse effects of exchange rates and changes in fiscal regime are difficult to mitigate other than building a portfolio in various countries.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

**FINANCIAL RISK MANAGEMENT**

The board seeks to limit the adverse effects on the financial performance of the Company by reviewing and agreeing policies for managing each of these risks and these are summarised below.

*Operational risk*

The main risks of the Company lie in the production and transportation of oil and gas. Operations are carried out by qualified operators on behalf of parties on the basis of joint operating agreements. Operations are carried out in accordance with strict laws and regulations, and good industry and oil field practice. Adherence to these laws and regulations is closely observed by governments and parties involved. However, technical failures and human error or negligence cannot be 100% precluded.

*Foreign currency & commodity price risk*

To reduce the risk of future oil and gas prices and currency exchange rate volatility the Company hedges part of these risks. A policy has been developed to determine the volumes to be hedged, price levels and the instruments to be used to reduce the risks.

The cumulative market value of the outstanding contracts at 31 December 2021 was £28.9 million negative to the Company (2020: £2.4 million negative to the Company).

*Interest rate risk*

The Company's financing is internal to the ONE-Dyas group. The Company is exposed to the risk of future interest rate volatility, but due to the nature of the funding this is managed on a group basis.

**ENVIRONMENT SOCIAL GOVERNANCE**

In 2021 the Company has designed and implemented its first comprehensive universal ESG strategy. The ESG strategy has been the result of an engagement through interviews, workshops and other interactions with our stakeholders: staff, shareholders, capital providers, governments and regulatory bodies, industry partners and society at large. We have started to present our ESG strategy to external stakeholders like banks and our JV-partners and communicate frequently with employees in townhall talks, newsletters and interactive workshops.

**FINANCIAL KEY PERFORMANCE INDICATORS**

The Company's key financial indicators are Turnover, Profit after Tax and Shareholders' Funds. These financial indicators were above expectations due to the high oil and gas prices which resulted in higher Turnover and Profit after Tax.

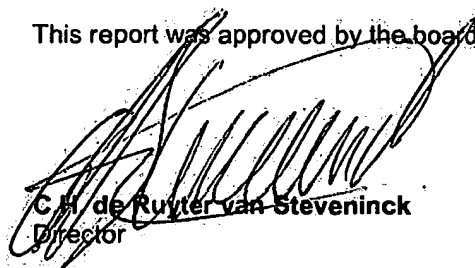
Turnover increased to £209.8 million (2020: £97.2 million) mainly due to the higher oil prices during 2021 and first gas achieved from Arran in September 2021.

The result for the financial year has increased to a profit for the year of £63.6 million (2020: loss £48.6 million) mainly due to higher sales of £112.6 and lower impairments on fixed assets of £168.7 million partly offset by lower hedging results -/- £80.9 million and higher taxes -/- £86.7 million.

Total shareholders' funds increased to £252.5 million (2020: £189.0 million) due to a profit over the year of £63.6 million.

Oil and gas reserves have decreased to 39.3 million barrels ("boe") (2020: 59.2 million boe) mainly due to a withdrawal of the Jackdaw license (-/- 16.3 million boe) and production during 2021 (-/-3.6 million boe).

This report was approved by the board of directors on 27<sup>th</sup> September 2022 and signed on its behalf by:

  
C. H. de Ruyter van Steveninck  
Director

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their annual report and the audited financial statements for ONE-Dyas E&P Limited (the "Company") for the year ended 31 December 2021.

**PRINCIPAL ACTIVITIES**

The principal activity of the Company continued to be to hold interests in oil and gas fields on the UK Continental Shelf for the exploration, appraisal, development and production of crude oil and natural gas. The Company has in-house geological and technical resources and expertise to play an active and constructive role as a joint venture partner.

**RESULTS AND DIVIDENDS**

The profit for the financial year amounted to £63.6 million (2020: loss £48.6 million).

**RECENT AND FUTURE DEVELOPMENT**

The Company is always pursuing opportunities to invest in exploration opportunities and to participate in pre-development projects for oil and gas production.

**DIRECTORS' THIRD PARTY INDEMNITIES**

Except for the resigned directors, the Company has not made any qualifying third-party indemnity provisions for the directors during the prior year, this year and to the date of this report.

**GOING CONCERN**

The directors have prepared the financial statements on the going concern basis which assumes that the Company will continue in operational existence for at least twelve months from the date of approval of these financial statements. The directors are confident that current cash and intercompany financing arrangements and the quality of its existing asset portfolio will provide sufficient cash resources for the Company to continue as a going concern.

The directors are in receipt of a letter from ONE-Dyas B.V., indicating that financial support will be made available to meet the Company's liabilities as and when they fall due, for a period of at least 12 months from the date of approval of the balance sheet. The directors have considered the financial position of the parent and concluded it is capable of providing support.

Although the impact of COVID-19 is anticipated to be less disruptive in 2022 than 2021, the Directors continue to monitor the situation.

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

**STREAMLINED ENERGY AND CARBON REPORTING**

The Company has reportable emission and energy consumption associated with its offshore operations in the United Kingdom Continental Shelf (UKCS). These Offshore Operations are operated by others and the Company has an equity share in these operations. For this reason, the Company decided to report its energy usage and emissions on an equity share base. The net CO<sub>2</sub> emissions of the Companies Offshore Operations are 35.115 (tonnes) (2020: 34.532 tonnes). Conversion of energy usage in kWh to emissions of CO<sub>2</sub> has been taken from the Government conversion factor methodology document.

The Company works with its offshore operators to reduce all its energy usage and emissions to be as low as possible. The Mariner facility that came on production during 2019 is constructed using the best available technology designed to minimise emissions and energy usage using the most up-to-date technology at the time of design. For our remaining assets, we collaborate with stakeholders to address material issues collectively and actively share best practices from our own projects and other non-operated projects to improve key ESG themes, like safety and reduction of emissions through industry covenants.

**SECTION 172**

This section describes how the directors have had regard to the matters set out in section 172(1) of the Companies Act 2006. It forms the directors' statement as required by section 414CZA of the Companies Act 2006. The directors have acted in a way that they considered, in good faith, would be most likely to promote the success of the Company for the benefit of its member. In so doing, the directors have had regard (among other matters) to:

**The likely consequences of any decision in the long term**

The Company has a strong board of competent, experienced professionals. The board meets on a regular basis to consider and discuss long-term goals of the Company and the impact that any decisions would have to the stakeholders of the Company. In addition, the board reviews the strategy and performance of the business, including finance and operations. The board's aim is to make informed decisions to maintain the best interest of the Company and its members.

**The interests of the Company's employees.**

There are currently no employees on the payroll of the Company.

**The need to foster the Company's business relationships with suppliers, customers, and others.**

The Company has a limited number of suppliers and customers, which reflects the nature of its activities as a non-operator in the UK. Each oil and gas asset is governed by a joint operating agreement (or its equivalent) which defines how that asset will be managed by its partners. The Company takes an active role in the meetings set up under these agreements and uses its influence to ensure its assets are managed with regard to the environment, in line with local regulations and to the best benefit of the Company. Other customers are companies to whom we sell our natural oil and gas hydrocarbons and our relationships with these customers are governed by the contracts that are put in place. We aim to act responsibly and fairly in our engagements with all our customers and suppliers. We do not have an active supply chain as we do not act as an operator in the oil and gas industry.

**The impact of the Company's operations on the community and the environment.**

The Company is committed to conducting its business in a manner that protects people from harm and preserves the environment. The Company has policies and procedures in place to honour this commitment and implements them proactively.

**The desirability of the Company maintaining a reputation for high standards of business conduct.**

The Company operates in accordance with the high ethical standards established within the ONE-Dyas group. In particular, the Company's directors, officers and agents are required to comply with the requirements of all applicable Anti-Bribery and Corruption legislation.

**The need to act fairly as between the members of the Company**

The Company is privately owned by SHV Holdings N.V. and AtlasInvest Upstream B.V.B.A. incorporated in the Netherlands and Belgium.

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

**DIRECTORS**

The directors who served during the year and up to the date of signing the financial statements were:

C.H. de Ruyter van Steveninck  
A.T. Israël  
A.C. van der Weijden

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that;

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware,
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information; and
- no political donations were made in the current year.

This report was approved by the board of directors on 27 September 2022 and signed on its behalf by:



C.H. de Ruyter van Steveninck  
Director



**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so the directors do not believe that it is appropriate to prepare these accounts on a going concern basis.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ONE-DYAS E&P LIMITED**

### **Opinion**

We have audited the financial statements of ONE-Dyas E& Limited for the year ended 31 December 2021 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditor's 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.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ONE-DYAS E&P LIMITED (continued)**

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have 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 strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

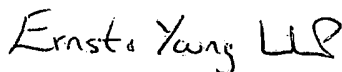
## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ONE-DYAS E&P LIMITED (continued)

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, environmental, GDPR and anti-bribery and corruption.
- We understood how ONE-Dyas E&P Limited is complying with those frameworks by making enquiries of management, legal counsel and the Company Secretary to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this to supporting documentation. We corroborated the results of our enquiries through our review of Board minutes and correspondence received from regulatory bodies and noted there was no contradictory evidence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the degree of incentive, opportunity and rationalisation that may exist to perform fraud. Where fraud risks were identified, we applied journal entry selection criteria to identify journals that were considered unusual or indicative of potential fraud before tracing such transactions back to source information to test their validity and appropriateness.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, enquiries of legal counsel, and focused testing, including in respect of management override through manual journals.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Weston (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Aberdeen

27 September 2022

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

|                                                         | Note | 2021<br>£000   | 2020<br>£000     |
|---------------------------------------------------------|------|----------------|------------------|
| Turnover                                                | 4    | 209,844        | 97,222           |
| Cost of sales                                           |      | (27,324)       | (202,658)        |
| <b>Gross profit / (loss)</b>                            |      | <b>182,520</b> | <b>(105,436)</b> |
| Administrative expenses                                 |      | (1,602)        | (2,143)          |
| <b>Operating profit / (loss)</b>                        | 5    | <b>180,918</b> | <b>(107,579)</b> |
| Other interest receivable and similar income            | 9    | -              | 25,744           |
| Interest payable and similar expenses                   | 10   | (68,246)       | (4,344)          |
| <b>Profit / (Loss) before taxation</b>                  |      | <b>112,672</b> | <b>(86,179)</b>  |
| Tax on profit / (loss)                                  | 11   | (49,114)       | 37,536           |
| <b>Profit / (Loss) for the financial year</b>           |      | <b>63,558</b>  | <b>(48,643)</b>  |
| <b>Total comprehensive profit / (loss) for the year</b> |      | <b>63,558</b>  | <b>(48,643)</b>  |

There are no significant recognised gains or losses other than those stated above and therefore no separate statement of other comprehensive income has been prepared.

The notes on pages 15 to 31 form part of these financial statements.

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

|                                                         | Note | 2021<br>£000     | 2020<br>£000     |
|---------------------------------------------------------|------|------------------|------------------|
| <b>Non-current assets</b>                               |      |                  |                  |
| Intangible assets                                       | 12   |                  |                  |
| Tangible assets                                         | 13   | 478,126          | 435,913          |
| Investments                                             | 14   | 123,442          | 123,442          |
|                                                         |      | <u>601,568</u>   | <u>559,355</u>   |
| <b>Current assets</b>                                   |      |                  |                  |
| Debtors: amounts falling due within one year            | 15   | 39,104           | 37,296           |
| Cash at bank                                            |      | 6                | 2,018            |
|                                                         |      | <u>39,110</u>    | <u>39,314</u>    |
| Creditors: amounts falling due within one year          | 16   | (165,829)        | (173,281)        |
| <b>Net current (liabilities)</b>                        |      | <u>(126,719)</u> | <u>(133,967)</u> |
| <b>Total assets less current liabilities</b>            |      | <u>474,849</u>   | <u>425,388</u>   |
| Creditors: amounts falling due after more than one year | 17   | (55,686)         | (116,415)        |
| <b>Provisions for liabilities</b>                       |      |                  |                  |
| Other provisions                                        | 20   | (70,524)         | (73,603)         |
| Deferred tax                                            | 19   | (96,114)         | (46,403)         |
|                                                         |      | <u>(166,638)</u> | <u>(120,006)</u> |
| <b>Net assets</b>                                       |      | <u>252,525</u>   | <u>188,967</u>   |
| <b>Capital and reserves</b>                             |      |                  |                  |
| Called up share capital                                 | 23   | 30,000           | 30,000           |
| Share premium account                                   |      | 95,000           | 95,000           |
| Profit and loss account                                 |      | 127,525          | 63,967           |
| <b>Total shareholders' funds</b>                        |      | <u>252,525</u>   | <u>188,967</u>   |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2022 by:

  
 C.M. De Ruiter van Steveninck  
 Director

The notes on pages 15 to 31 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2021

|                                                | Share capital<br>£000 | Share premium<br>£000 | Profit and loss account<br>£000 | Total equity<br>£000 |
|------------------------------------------------|-----------------------|-----------------------|---------------------------------|----------------------|
| At 1 January 2021                              | 30,000                | 95,000                | 63,967                          | 188,967              |
| <b>Comprehensive profit for the year</b>       |                       |                       |                                 |                      |
| Profit for the financial year                  |                       |                       | 63,558                          | 63,558               |
| <b>Total comprehensive profit for the year</b> |                       |                       | 63,558                          | 63,558               |
| <b>At 31 December 2021</b>                     | <b>30,000</b>         | <b>95,000</b>         | <b>127,525</b>                  | <b>252,525</b>       |

|                                              | Share capital<br>£000 | Share premium<br>£000 | Profit and loss<br>£000 | Total equity<br>£000 |
|----------------------------------------------|-----------------------|-----------------------|-------------------------|----------------------|
| At 1 January 2020                            | 30,000                | 95,000                | 112,610                 | 237,610              |
| <b>Comprehensive loss for the year</b>       |                       |                       |                         |                      |
| Loss for the financial year                  |                       |                       | (48,643)                | (48,643)             |
| <b>Total comprehensive loss for the year</b> |                       |                       | (48,643)                | (48,643)             |
| <b>At 31 December 2020</b>                   | <b>30,000</b>         | <b>95,000</b>         | <b>63,967</b>           | <b>188,967</b>       |

The notes on pages 15 to 31 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021  
(forming part of the financial statements)**

**1. GENERAL INFORMATION**

ONE-Dyas E&P Limited (the "Company") is engaged in holding interests in oil and gas fields on the UK Continental Shelf for the exploration, appraisal, development and production of crude oil and natural gas.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales.

The address of its registered office is 8th Floor 100 Bishopsgate, London, EC2N 4AG.

**2. ACCOUNTING POLICIES**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

**Going concern**

The directors have prepared the financial statements on the going concern basis which assumes that the Company will continue in operational existence for at least twelve months from the date of approval of these financial statements. The directors are confident that current cash and intercompany financing arrangements and the quality of its existing asset portfolio will provide sufficient cash resources for the Company to continue as a going concern.

The directors are in receipt of a letter from ONE-Dyas B.V., indicating that financial support will be made available to meet the Company's liabilities as and when they fall due, for a period of at least 12 months from the date of approval of the balance sheet. The directors have considered the financial position of the parent and concluded it is capable of providing support.

Although the impact of COVID-19 is anticipated to be less disruptive in 2022 than 2021, the Directors continue to monitor the situation. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

**Statement of compliance**

FRS 102 requires the Company to prepare financial statements in accordance with applicable industry Statements of Recommended Practice (SORP) or disclose reasons for departure. The financial statements have been prepared in accordance with the provisions of the SORP "Accounting for Oil and Gas Exploration, Production and Decommissioning Activities" issued by the Oil Industry Accounting Committee.

The Company engages in exploration and development in consortia with other partners. These financial statements reflect the relevant portions of costs, revenue, assets and liabilities applicable to the Company's interest.

The financial statements contain information about the Company as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, ONE-Dyas B.V., a company incorporated in the Netherlands.

The following principal accounting policies have been applied.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES (continued)**

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of ONE-Dyas B.V. as at 31 DECEMBER 2021 and these financial statements may be obtained from Parnassusweg 815, 1082 LZ Amsterdam, The Netherlands.

**2.3 Revenue**

Oil and gas revenues are dealt with on an accruals basis. Revenue is recognised when oil and gas is lifted. Liftings in excess of entitlement are valued at market price and classified as overlift (deferred revenues). Where entitlements exceed liftings, the excess is valued at market price and classified as underlift (accrued income).

**2.4 Oil and Gas tangible and intangible assets**

The Company accounts for exploration and development costs on the 'successful efforts' basis whereby all licence acquisition, exploration and appraisal drilling costs are initially capitalised as intangible fixed assets pending determination of their commercial viability. Expenditure incurred during the various exploration and appraisal phases is then written off unless commercial reserves have been established or the determination process has not been complete. Expenditure incurred prior to the acquisition of a licence and the costs of other exploration activities which are not specifically directed to an identified structure are written off in the year. After appraisal, if commercial reserves are found then the net capitalised costs incurred in discovering the field are transferred into tangible fixed assets in a single field cost centre. Any subsequent development costs are capitalised in these cost centres.

General and administrative expenditure is capitalised only where it directly relates to activities where the costs of which are also capitalised. Borrowing costs are capitalised as part of the cost of development to the extent that related borrowings are used to finance major development projects. All other costs are expensed including periodic licence fees.

Depreciation of exploration and development costs is provided using the unit-of-production method based on proven and probable reserves. Any changes in reserves are accounted for prospectively. The cost element in the unit of production calculation is represented by the net book value of costs incurred to date plus future development costs. Depreciation is charged to cost of sales.

**2.5 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Capitalised cost are written off in line with actual production over the life-time of the field.

FRS 102 requires pre-licensing cost to be expensed when incurred.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES (continued)**

**2.6 Decommissioning**

Amounts used in accounting for a provision for decommissioning are estimates based on current legal and constructive requirements, and current technology and price levels for the removal of facilities and plugging and abandoning of wells. Due to changes in relation to these items, the future actual cash outflows in relation to decommissioning are likely to differ in practice. To reflect the effects due to changes in legislation. Requirements and technology and price levels, the carrying amounts of decommissioning provisions are reviewed on a regular basis.

The effects of changes in estimates do not give rise to prior year adjustments and are dealt with prospectively. While the Company uses its best estimates and judgement, actual results could differ from these estimates. In estimating decommissioning provisions, the Company applies an annual inflation rate of 2.5% (2020: 2.5%) and an annual discount rate of 2.5% (2020: 2.5%) for provisions. The decommissioning provision represents the present value of decommissioning costs relating to oil and gas interests in the UK which are expected to be incurred up to 2030.

**2.7 Impairment of fixed assets**

Impairment indicators can arise due to a variety of factors, including:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in specific areas
- Sufficient data exist to indicate that although a development in the specific areas is likely to proceed, the carrying amount of exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When there are indicators of impairment, reviews are performed of the energy assets based on the discounted future cash flows, using managements' estimate of recoverable reserves, future operating, capital and abandonment expenditure and future oil and gas prices (the latter being partly based on forward curves applicable around the reporting date) as well as applicable tax rates/tax incentives. Such value is compared to the total carrying value of the energy assets. The resulting impairment is charged to income statement.

Development oil and gas properties are reviewed at each reporting date for indicators of impairment at the level of cash generating units (CGUs). If there are impairment indicators then the assets or CGUs are tested for impairment. The Company based its impairment calculation on detailed budget and forecasts (see above), which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment tests are calculated by comparing the net capitalised cost with the fair value less the costs of disposal of the assets. This is determined by the present value of the future cash flows expected to be derived from the licence discounted at an appropriate annual discount rate. Any impairment loss is the difference between the carrying value of the asset and its recoverable amount. Any impairment is recognised in the income statement.

If intangible assets have been impaired in the past and facts and circumstances suggest that the impaired carrying amount of an asset might be lower than its recoverable amount, the recoverable amount will be reassessed and, if such reassessed recoverable amount is higher than the carrying value, the impairment recorded in the past will be (partially) reversed up to the lower of i) such recoverable amount or ii) the carrying value of the asset in case such impairment had never been recorded in the past.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES (continued)**

**2.8 Production sharing agreements**

Where the Company is party to a production sharing agreement, only the Company's share of the assets, liabilities and cash flows are recognised, in line with the terms of the agreement.

**2.9 Investments in subsidiaries**

Investments are held at cost less impairment provisions. Income from investments in group undertakings is recognised based on actual cash receipt of the dividend.

**2.10 Maintenance and repairs**

Costs incurred in replacing major portions of the Company's facilities which increase their productive capacity or substantially extend their useful life are capitalised. Expenditure on maintenance, repairs or partial replacements is written off as incurred.

**2.11 Debtors**

Short term debtors are measured at transaction price, less any impairment and expected credit losses. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.12 Derivative financial instruments**

The group uses hedging instruments to reduce its exposure to fluctuations in oil and gas prices. Premiums paid to enter such derivative financial instruments are charged to the profit and loss account over the period of the hedge. Payments and receipts arising under the financial instruments are recognised in the profit and loss account in the same periods as the hedged transactions, and are recorded within turnover. Derivatives are subsequently carried at fair value. All changes in fair value are recorded as financial income or expense in the year in which they arise.

**2.13 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.14 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**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 Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES (continued)**

**2.15 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**2.16 Interest receivable and Interest payable**

Interest payable and similar expenses include interest payable, finance expenses on unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

**2.17 Borrowing costs**

All borrowing costs are recognised in the Profit and Loss Account in the year in which these are incurred.

**2.18 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES (continued)**

**2.19 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

Management has to make estimates and judgements when preparing the financial statements of the Company. Uncertainties in the estimates and judgements could have an impact on the carrying amount of assets and liabilities and the Company's results. The most important estimates and judgements in relation thereto are as follows:

**Estimates in oil and gas reserves**

Estimates of oil and gas reserves are used in the calculations for impairment tests and accounting for depletion and decommissioning. Changes in estimates of oil and gas reserves resulting in different future production profiles will affect the discounted cash flows used in impairment testing, the anticipated date of decommissioning and the depletion charges in accordance with the unit-of-production method.

**Decommissioning provision**

Amounts used in accounting for a provision for decommissioning are estimates based on current legal and constructive requirements, and current technology and price levels for the removal of facilities and plugging and abandoning of wells. Due to changes in relation to these items, the future actual cash outflows in relation to decommissioning are likely to differ in practice. Any change of the estimated abandonment expenditures is reflected in an adjustment to the provision and to the decommissioning asset against the net present value of such change.

The effects of changes in estimates do not give rise to prior year adjustments and are dealt with prospectively. While the Company uses its best estimates and judgement, actual results could differ from these estimates. In estimating decommissioning provisions, the Company applies an annual inflation rate of 2.5% (2020: 2.5%) and an annual discount rate of 2.5% for provisions (2020: 2.5%). The decommissioning provision represents the present value of decommissioning costs relating to oil and gas interests in the UK which are expected to be incurred up to 2035 (2020: 2035).

**Impairment of oil and gas properties**

Determination of whether oil and gas properties have suffered any impairment requires an estimation of the fair value less costs to sell of the Cash-generating units (CGU). Assumptions involved in impairment measurement include estimates of commercial reserves and production volumes, future oil and gas prices and the level and timing of expenditures, all of which are inherently uncertain. The principal cause of the impairment charge being recognised in the year is a reduction in the short to medium term oil price assumption being used when determining the future discounted cash flows for each field.

The calculation requires the entity to estimate the future cash flows expected to arise from the fields and a suitable discount rate. In calculating the value of the CGU, the future cash flows were estimated using a price scenario of 2 year forward curve thereafter management's best estimates of dated Brent oil prices and NBP gas prices. Cost were based on operator profiles and inflated with 2.5 percent. The future cash flows were discounted using a discount rate of 10% (2020: 10.0%).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**4. ANALYSIS OF TURNOVER**

|                     | <b>2021</b>    | <b>2020</b>   |
|---------------------|----------------|---------------|
|                     | <b>£000</b>    | <b>£000</b>   |
| Sale of oil and gas | <b>209,844</b> | <b>97,222</b> |

Turnover, which is stated net of value added tax, comprises sales of oil and gas and other operating revenue, all of which was derived from the UK continental shelf during the year.

**5. OPERATING PROFIT / (LOSS)**

The operating (loss) / profit is stated after charging:

|                                       | <b>2021</b>     | <b>2020</b>    |
|---------------------------------------|-----------------|----------------|
|                                       | <b>£000</b>     | <b>£000</b>    |
| Amortisation of intangible assets     | <b>148</b>      | <b>466</b>     |
| Depreciation of tangible fixed assets | <b>54,962</b>   | <b>161,667</b> |
| Impairment reversals                  | <b>(64,093)</b> | <b>-</b>       |

**6. OPERATING LEASES**

Non-cancellable operating lease rentals are payable as follows:

|                            | <b>2021</b>   | <b>2020</b>   |
|----------------------------|---------------|---------------|
|                            | <b>£000</b>   | <b>£000</b>   |
| Less than one year         | <b>14,204</b> | <b>17,786</b> |
| Between one and five years | <b>24,794</b> | <b>36,397</b> |

During the year £14.1 million was recognised as an expense in the profit and loss account in respect of operating leases (2020: £17.8 million).

**7. AUDITORS REMUNERATION**

|                                                                                                                | <b>2021</b> | <b>2020</b> |
|----------------------------------------------------------------------------------------------------------------|-------------|-------------|
|                                                                                                                | <b>£000</b> | <b>£000</b> |
| Fees payable to the Company's auditors and its associates for the audit of the Company's financial statements. | <b>54</b>   | <b>40</b>   |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. EMPLOYEES**

Staff moved to the payroll of ONE-Dyas UK Limited as per 1 July 2019.

Management services were provided by an affiliated Company, ONE-Dyas B.V.

Due to the nature of the operations of the Group, the remuneration of the 3 directors for their services to the Company is not contained in the records of the Company. The directors are remunerated for their services to the ONE-Dyas group as a whole, which is disclosed in the consolidated financial statements of ONE-Dyas B.V.

**9. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

|                                                                                     | 2021<br>£000 | 2020<br>£000  |
|-------------------------------------------------------------------------------------|--------------|---------------|
| Bank interest receivable                                                            | -            | 13            |
| Net exchange gain                                                                   | -            | 7,432         |
| Net (loss) / gain on financial assets measured at fair value through profit or loss | -            | 18,300        |
|                                                                                     | <u>-</u>     | <u>25,745</u> |

**10. INTEREST PAYABLE AND SIMILAR EXPENSES**

|                                                                            | 2021<br>£000  | 2020<br>£000 |
|----------------------------------------------------------------------------|---------------|--------------|
| Interest on loans from group undertakings                                  | 4,662         | 5,634        |
| Net loss on financial assets measured at fair value through profit or loss | 62,623        | -            |
| Net exchange loss                                                          | 1,472         | -            |
| Unwinding of discount on decommissioning provisions                        | 1,840         | 1,792        |
| Other interest                                                             | 14            | -            |
| Adjustment prior years unwinding of discount                               | (2,365)       | (3,082)      |
|                                                                            | <u>68,246</u> | <u>4,344</u> |



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**
**11. TAX ON PROFIT / (LOSS)**

|                                                | 2021<br>£000  | 2020<br>£000    |
|------------------------------------------------|---------------|-----------------|
| <b>Corporation tax</b>                         |               |                 |
| Current tax on profit/(loss) for the year      | (212)         | 230             |
| Adjustments in respect of prior years          | (355)         | 52              |
| <b>Total current tax</b>                       | <b>(567)</b>  | <b>282</b>      |
| <b>Deferred tax</b>                            |               |                 |
| Origination and reversal of timing differences | 45,946        | (38,623)        |
| Prior year movements                           | 3,765         | 805             |
| <b>Total deferred tax</b>                      | <b>49,681</b> | <b>(37,818)</b> |
| <b>Taxation on profit</b>                      | <b>49,114</b> | <b>(37,536)</b> |

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2020 lower than) the standard rate of corporation tax in the UK of 40.00% (2020 40.00%). The differences are explained below:

|                                                                                                 | 2021<br>£000  | 2020<br>£000    |
|-------------------------------------------------------------------------------------------------|---------------|-----------------|
| Profit/(Loss) before tax                                                                        | 112,672       | (86,180)        |
| Profit/(Loss) multiplied by standard rate of corporation tax in the UK of 40.00% (2019: 40.00%) | 45,069        | (34,472)        |
| <b>Effects of:</b>                                                                              |               |                 |
| Disallowed expenses and non-taxable income                                                      | 342           | 378             |
| Adjustments in respect of prior years                                                           | 3,381         | 857             |
| Other                                                                                           | 1,230         | 624             |
| Ring Fence Expenditure Supplement                                                               | (908)         | (4,923)         |
| <b>Total tax charge / (credit) for the year</b>                                                 | <b>49,114</b> | <b>(37,536)</b> |

The rate of 40% has been calculated by adding 10% supplementary corporation tax rate to the standard rate of ring fence corporation tax of 30%.

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The Company is subject to UK ring fence corporation tax at 30 percent and supplementary charge at 10 percent on its UK oil and gas ring fence trade. Financing costs are not allowable tax deductions for calculating profits liable to supplementary charge. During 2022, a (temporary) new oil and gas tax charged at 25% on top of the existing CT/SCT charged at 40% was introduced. This so-called Energy Profits Levy ("EPL") is levied with immediate effect as from 26 May 2022 until the end of 2025 over ring fence profits from UK and UK Continental Shelf production subject to certain of adjustments including a 80% uplift on certain qualifying capital expenditure.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

12. INTANGIBLE ASSETS

|                                 | Licence<br>acquisition,<br>exploration<br>and<br>appraisal<br>drilling costs<br>£000 |
|---------------------------------|--------------------------------------------------------------------------------------|
| <b>Cost</b>                     |                                                                                      |
| At 1 January 2021               | 38,954                                                                               |
| Additions                       | 148                                                                                  |
| <b>At 31 December 2021</b>      | <b>39,102</b>                                                                        |
| <b>Accumulated amortisation</b> |                                                                                      |
| At 1 January 2021               | 38,954                                                                               |
| Charge for the year             | 148                                                                                  |
| <b>At 31 December 2021</b>      | <b>39,102</b>                                                                        |
| <b>Net book value</b>           |                                                                                      |
| <b>At 31 December 2021</b>      | <b>-</b>                                                                             |
| At 31 December 2020             | -                                                                                    |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. TANGIBLE ASSETS**

|                                 | Oil and<br>gas<br>properties<br>£000 | Decommis-<br>sioning<br>£000 | Total<br>£000  |
|---------------------------------|--------------------------------------|------------------------------|----------------|
| <b>Cost</b>                     |                                      |                              |                |
| At 1 January 2021               | 854,883                              | 97,691                       | 952,574        |
| Additions                       | 35,635                               | -                            | 35,635         |
| Change in cost estimates        | -                                    | (2,554)                      | (2,554)        |
| <b>At 31 December 2021</b>      | <b>890,518</b>                       | <b>95,137</b>                | <b>985,655</b> |
| <b>Accumulated depreciation</b> |                                      |                              |                |
| At 1 January 2021               | 473,438                              | 43,223                       | 516,661        |
| Impairments                     | (54,502)                             | -                            | (54,502)       |
| Charge for the year             | 41,116                               | 4,254                        | 45,370         |
| <b>At 31 December 2021</b>      | <b>460,052</b>                       | <b>47,477</b>                | <b>507,529</b> |
| <b>Net book value</b>           |                                      |                              |                |
| <b>At 31 December 2021</b>      | <b>430,466</b>                       | <b>47,660</b>                | <b>478,126</b> |
| At 31 December 2020             | 381,445                              | 54,469                       | 435,914        |

Included within oil and gas properties is £0 million (2020: £77.7 million) of oil reserves which are currently under construction, but where there is certainty over the extraction of reserves. This is the result of the start of production from the Arran asset and the withdrawal of the Jackdaw license.

During 2021 impairments were reversed for Mariner -/-£44.7 million (2020: £86.2 million) and for Catcher -/-£19.4 million (2020: £26.4 million) mainly due to the significant recovery of oil and gas prices compared to prior years. An impairment was booked for Jackdaw £9.6 million (2020 – 0 million) because of the withdrawal of the Jackdaw license.

**14. INVESTMENTS**

|                            | £000           |
|----------------------------|----------------|
| <b>Cost</b>                |                |
| At 1 January 2020          | 123,442        |
| <b>At 31 December 2020</b> | <b>123,442</b> |
| <b>Impairment</b>          |                |
| At 1 January 2020          | -              |
| <b>At 31 December 2020</b> | <b>-</b>       |
| <b>Net book value</b>      |                |
| At 1 January 2020          | 123,442        |
| <b>At 31 December 2020</b> | <b>123,442</b> |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**
**14. INVESTMENTS (continued)**

The directors consider the value of the investments to be supported by their underlying net assets. All investments are incorporated within the United Kingdom and except for ONE-Dyas Mariner Limited and ONE-Dyas EOG Limited are registered at 8th Floor 100 Bishopsgate, London, EC2N 4AG. ONE-Dyas Mariner and ONE-Dyas EOG Limited are registered at Union Plaza (6th Floor), 1 Union Wynd, Aberdeen, AB10 1DQ.

**Subsidiary Undertakings**

The following were subsidiary undertakings of the Company:

| <b>Name</b>                     | <b>Country of incorporation</b> | <b>Class of shares</b> | <b>Holding</b> | <b>Principal activity</b>          |
|---------------------------------|---------------------------------|------------------------|----------------|------------------------------------|
| Dyon UK Limited                 | United Kingdom                  | Ordinary shares        | 100 %          | Oil & Gas Exploration & Production |
| Dyon E&P Limited                | United Kingdom                  | Ordinary shares        | 100 %          | Oil & Gas Exploration & Production |
| ONE-Dyas Exploration UK Limited | United Kingdom                  | Ordinary shares        | 100 %          | Oil & Gas Exploration & Production |
| ONE- Dyas Mariner Limited       | United Kingdom                  | Ordinary shares        | 100 %          | Oil & Gas Exploration & Production |
| ONE- Dyas EOG Limited           | United Kingdom                  | Ordinary shares        | 100 %          | Oil & Gas Exploration & Production |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**15. DEBTORS**

|                                     | <b>2021</b>   | <b>2020</b>   |
|-------------------------------------|---------------|---------------|
|                                     | <b>£000</b>   | <b>£000</b>   |
| Trade debtors                       | <b>35,009</b> | 8,773         |
| Amounts owed by group undertakings  | -             | 17,264        |
| Other debtors                       | <b>1,690</b>  | 9,155         |
| Prepayments and accrued income      | <b>166</b>    | 154           |
| Other taxes and social security     | <b>55</b>     | 77            |
| Underlift                           | <b>1,972</b>  | 1,799         |
| Financial instruments - derivatives | -             | 74            |
| Corporation Tax                     | <b>212</b>    | -             |
|                                     | <b>39,104</b> | <b>37,296</b> |

The amounts owed by group undertakings falling due in less than one year are unsecured, interest free and repayable on demand.

**16. CREDITORS: Amounts falling due within one year**

|                                     | <b>2021</b>    | <b>2020</b>    |
|-------------------------------------|----------------|----------------|
|                                     | <b>£000</b>    | <b>£000</b>    |
| Financial Instruments - derivatives | <b>28,939</b>  | 2,511          |
| Trade creditors                     | <b>1,465</b>   | 6,101          |
| Amounts owed to group undertakings  | <b>120,054</b> | 135,578        |
| Other creditors                     | -              | 6,146          |
| Corporation tax                     | -              | 418            |
| Accruals and deferred income        | <b>15,302</b>  | 22,454         |
| Other Taxes                         | <b>69</b>      | 73             |
|                                     | <b>165,829</b> | <b>173,281</b> |

**17. CREDITORS: Amounts falling due after more than one year**

|                                                                                    | <b>2021</b>   | <b>2020</b> |
|------------------------------------------------------------------------------------|---------------|-------------|
|                                                                                    | <b>£000</b>   | <b>£000</b> |
| UK 225,000,000 £ equivalent inter-company credit facility at 1.8-2.25% above Libor | <b>55,686</b> | 116,415     |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**18. FINANCIAL INSTRUMENTS**

|                                                                                                                           | 2021<br>£000     | 2020<br>£000     |
|---------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Financial assets</b>                                                                                                   |                  |                  |
| Financial derivatives measured at fair value through profit or loss                                                       | (28,939)         | (2,437)          |
| Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors. | 41,497           | 35,192           |
| <b>Financial liabilities</b>                                                                                              |                  |                  |
| Financial liabilities measured at amortised cost                                                                          | <u>(226,313)</u> | <u>(289,278)</u> |

Financial assets measured at fair value through profit or loss comprise money derivatives.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors excluding taxation.

Financial Liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, amounts owed to group undertakings, other creditors, underlift, bridge loans and contingent consideration. All the significant terms and conditions can be found in notes 15, 16 and 17.

**19. DEFERRED TAXATION**

|                               | Deferred tax<br>£000 |
|-------------------------------|----------------------|
| At 1 January 2021             | (46,403)             |
| Charged to the profit or loss | (49,711)             |
| At 31 December 2021           | <u>(96,114)</u>      |

The provision for deferred taxation is made up as follows:

|                                | 2021<br>£000    | 2020<br>£000    |
|--------------------------------|-----------------|-----------------|
| Accelerated capital allowances | (195,907)       | (180,099)       |
| Loss position                  | 73,492          | 120,131         |
| Decommissioning provision      | 15,416          | 13,925          |
| Other provisions               | 10,885          | (360)           |
|                                | <u>(96,114)</u> | <u>(46,403)</u> |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**20. PROVISIONS**

|                            | Provision for<br>Decommissioning<br>£000 |
|----------------------------|------------------------------------------|
| At 1 January 2021          | 73,603                                   |
| Unwinding of discount      | 1,840                                    |
| Change in cost estimations | (4,919)                                  |
| <b>At 31 December 2021</b> | <b>70,524</b>                            |

The decommissioning costs are expected to be incurred between 2020 and 2035. The provisions have been estimated using existing technology, at future prices and discounted at 2.5% (2020: 2.5%).

**21. OIL AND GAS RESERVES (UNAUDITED)**

Net commercial Oil and Gas Reserve Quantities for the year ended 31 December 2021:

|                                   | Oil<br>million barrels | Gas<br>million barrels | Total<br>million barrels |
|-----------------------------------|------------------------|------------------------|--------------------------|
| Net commercial reserves           |                        |                        |                          |
| Beginning of the year:            |                        |                        |                          |
| - commercial developed reserves   | 33.1                   | 9.8                    | 42.9                     |
| - commercial undeveloped reserves | 6.2                    | 10.1                   | 16.3                     |
|                                   | <u>39.3</u>            | <u>19.9</u>            | <u>59.2</u>              |
| Changes during the year:          |                        |                        |                          |
| - revisions of reserves in place  | (6.2)                  | (10.1)                 | (16.3)                   |
| - production                      | (2.9)                  | (0.7)                  | (3.6)                    |
|                                   | <u>(9.1)</u>           | <u>(10.8)</u>          | <u>(19.9)</u>            |
| Net commercial reserves           |                        |                        |                          |
| End of year:                      |                        |                        |                          |
| - commercial developed reserves   | 30.2                   | 9.1                    | 39.3                     |
| - commercial undeveloped reserves | -                      | -                      | -                        |
|                                   | <u>30.2</u>            | <u>9.1</u>             | <u>39.3</u>              |

**22. RESERVES**

**Share premium**

Share premium represents the amount subscribed for share capital in excess of the nominal value.

**Profit and loss account**

The profit and loss account represents the accumulated profits, losses, and distributions of the Company.

**23. CALLED UP SHARE CAPITAL**

|                                                                     | 2021<br>£000  | 2020<br>£000  |
|---------------------------------------------------------------------|---------------|---------------|
| <b>Allotted, called up and fully paid</b>                           |               |               |
| 30,000,002 (2020: 30,000,002) Ordinary shares of £1 (2020: £1) each | <u>30,000</u> | <u>30,000</u> |

**24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY AT YEAR END**

The Company is owned by ONE-Dyas Holdings B.V. a subsidiary of ONE-Dyas B.V., ONE-Dyas B.V. is registered and domiciled in the Netherlands, and as such has applied exemption CA 2006 s400 not to prepare group accounts in the United Kingdom. A copy of the parent company's group financial statements can be obtained by writing to the registered office which is located at Parnassusweg 815, 1082 LZ Amsterdam.

The ultimate parent undertakings and controlling party is AtlasInvest Upstream B.V. incorporated in Belgium.

**25. OTHER**

The Company is borrower and guarantor under the group's financing arrangements and is providing various securities to a consortium of international banks including pledges over its bank accounts. In addition, the shares in the Company are subject to an English law share pledge.

**26. POST BALANCE SHEET EVENTS**

As already indicated above, during 2022, a (temporary) new oil and gas tax charged at 25% on top of the existing CT/SCT charged at 40% was introduced. This so-called Energy Profits Levy ("EPL") is levied with immediate effect as from 26 May 2022 until the end of 2025 over ring fence profits from UK and UK Continental Shelf production subject to certain adjustments including a 80% uplift on certain qualifying capital expenditure. The company is still in the process of determining the impact of this.