

**30 September 2022**

## **2022 HALF-YEARLY FINANCIAL REPORT**

Aminex PLC (“Aminex” or “the Group” or “the Company”) announces its unaudited half-yearly report for the six months ended 30 June 2022.

### **REPORTING PERIOD HIGHLIGHTS**

- Successful placing in April 2022 raised US\$4.2 million (£3.3 million) before expenses, to fund the Company to expected receipt of revenue projected for end of 2024
- Substantial progress on all aspects of Ruvuma operations, including 3D seismic acquisition, Chikumbi-1 well planning and commercial negotiations with Government of Tanzania
- Agreement reached in April 2022 with subsidiary of Orca Energy Group Inc, PanAfrican Energy Tanzania (“PAET”), for PAET to acquire approximately 12.5km<sup>2</sup> of high-resolution 3D seismic data over the Kiliwani North Development Licence at no cost to Aminex and its partners
- Loss for the period of US\$1.27 million (30 June 2021: loss of US\$1.59 million), a decrease of 20% on the same period last year

### **POST PERIOD END**

- Ruvuma 3D seismic full acquisition of data expected to be completed by 8 October 2022, with processing and interpretation continuing into early 2023
- Spudding of Chikumbi-1 remains on schedule for November 2022
- KNDL 3D seismic acquisition programme expected to be completed before year end

### **Charles Santos, Executive Chairman of Aminex commented:**

“The fully subscribed placement in April was an extremely important event, ensuring a solid financial foundation for the Company through to expected cash flows from Ruvuma. We are delighted that all activities on Ruvuma, operational and commercial, continue to progress under the efforts of the operator, APT. Finally, we look forward to completion of the 3D seismic acquisition programme by PAET over the core area of the KNDL, which will provide valuable data to the Company.”

### **For further information:**

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## **INTERIM MANAGEMENT REPORT**

### **Executive Chairman's Review**

Aminex PLC's results for the six months ended 30 June 2022 are set out below.

The Company reports a loss for the period of US\$1.27 million (30 June 2021: US\$1.59 million). Further information is provided in the Financial Review.

It is clear from numerous government statements and actions that Tanzania is seeking to expand its energy production to achieve further industrialisation. This national effort has seen the planning and construction of multiple facilities along existing gas delivery infrastructure either directly connected to or in proximity to our Tanzanian assets, which are expected to increase local gas demand significantly soon. In addition, it has been reported that Tanzania is exploring the possibility of supplying gas to its neighbours in the East African region. These developments bode well for the future commercialisation of our assets.

Our non-operating corporate strategy is essentially a de-risking strategy that enables the Company to take advantage of the growing Tanzania demand for natural gas while avoiding the potential risks and pitfalls that might undermine a Company of our size. The core of this de-risking strategy is:

1. The Ruvuma Farm-out
2. Significant cost-cutting
3. The payment of money owed to the Company (the Kiliwani receivables)
4. Funds from our recent equity placing to cover our running costs (before one-off and exceptional items) until receipt of Ruvuma revenue, planned for the end of 2024

We have successfully implemented this strategy, making Aminex a stronger company with a low-cost base, an entirely carried position on its most important asset, Ruvuma, and sufficient funding to take the Company through until cash flow.

### **Ruvuma PSA**

It is essential to remind shareholders that the Farm-Out completed with ARA Petroleum Tanzania Limited ("APT") in October 2020 potentially carries the Company to material levels of production and revenue without the need to return to shareholders for any additional funding for the development of the Ntorya field. The Company holds a 25% interest in the Ruvuma PSA with a US\$35 million carry of its share of costs. The carry, equivalent to US\$140 million of gross field expenditure, is expected to see the Company through to potentially significant volumes of gas production with commensurate revenues. The Farm-Out represents the culmination of many successful years of exploration and evaluation work by Aminex, which recognised the underlying value and opportunities in the Ruvuma Basin. Multiple parties, including both commercial and Tanzanian government entities, have recently recognised this value in the effort to acquire Scirocco's 25% interest in Ruvuma. Our non-operating position in Ruvuma is the cornerstone of the Company's de-risking strategy.

Substantial progress has been made on Ruvuma: The 3D seismic survey is now 80% complete, with the drilling and testing of Chikumbi-1 and the integration of the seismic and well results to formulate a Field Development Plan ("FDP") for the Ntorya gas-field expected in the coming months. The 3D seismic acquisition effort is projected to be completed by the end of the first week of October 2022 and spudding of Chikumbi-1 remains on schedule for November 2022. The current operations represent a significant step towards monetising this extensive gas resource through production into existing infrastructure and transportation to established power and industrial markets in Tanzania. Since acquiring operatorship, APT has demonstrated focused determination and commitment to moving the project forward.

### **Kiliwani North and Kiliwani South – Kiliwani North Development Licence ("KNDL")**

As reported earlier, Orca Energy Group Inc., via its subsidiary PanAfrican Energy Tanzania ("PAET"), will acquire some 12.5 km<sup>2</sup> of new 3D seismic data over part of the KNDL that borders the Songo Songo field to the west as part of their planned full-field survey. PAET has awarded its seismic contract and the 3D survey is expected to be completed by the end of this year, at no cost to the Company. The incursion into the KNDL should provide valuable data to improve structural mapping and refine the prospectivity of the Kiliwani North and South structures, allowing the Company to determine more effectively potential new drill and infill drill opportunities.

The Company will pursue farm-in partners to fund and operate the asset once our assessment of the 3D survey is complete. Notwithstanding the delays caused by late payment for gas, the outstanding commercial terms to be agreed upon, and the move to a non-operator strategy, the Kiliwani North and Kiliwani South assets remain fully impaired.

## **Nyuni Area PSA**

As mentioned in our Annual Report for 2021, although we believe the Nyuni Area acreage offers upside exploration potential to complement the development projects at Ntorya and Kiliwani North, the significant risks of exploration and the lack of a farm-out partner give us little alternative but to return the licence to the Ministry. We have recently commenced this process with the relevant authorities in Tanzania.

## **Cost Cutting**

Wherever possible, we will continue to cut costs and reduce corporate overheads. We have successfully reduced the Company's gross G&A costs (before one-off costs and exceptional items) by 75% from 2018 levels. Through these initiatives, the Company has established an appropriate structure of capabilities and competencies that match the current business requirements with a more flexible approach that de-risks our business and can help create or attract strategic opportunities.

## **Outlook and Funding**

On 1 April 2022, we announced the fully subscribed share placement raising approximately \$4.2 million (£3.3 million), representing a significant development for the Company. The funding is an essential pillar in our effort to de-risk and anchor value. The funds ensure a solid financial foundation for the Company through to the expected commencement of cash flow receipts from sales of Ruvuma gas.

## **Charles Santos**

Executive Chairman  
30 September 2022

## **Financial Review**

### **Revenue Producing Operations**

Revenues from continuing operations amounted to US\$0.03 million (30 June 2021: US\$0.09 million). Group revenues during the first six months of 2022 are derived from the provision of technical and administrative services to joint venture operations.

Cost of sales was US\$0.13 million (30 June 2021: US\$0.31 million). The cost of sales for Kiliwani North operations amounted to US\$0.09 million (30 June 2021: US\$0.20 million) and included general licence related maintenance costs. There was no depletion charge for Kiliwani North as the period saw no production (30 June 2021: US\$ nil). The balance of the cost of sales amounting to US\$0.04 million (30 June 2021: US\$0.11 million) related to the oilfield services operations and minor non-operated costs related to the Group's interest in the Ruvuma PSA. Accordingly, there was a gross loss of US\$0.10 million for the period compared with a gross loss of US\$0.22 million for the comparative period.

Group administrative expenses, excluding depreciation and net of costs capitalised against projects, were US\$0.83 million (30 June 2021: US\$0.91 million), a decrease of US\$0.08 million. The decrease in expenses during the period reflects the cost saving initiatives implemented by the Company, which commenced in 2019, included savings in respect of employment costs, advisors' fees and office related costs. Management maintains strict expenditure controls and continues to seek cost saving solutions and efficiencies across the Group. As the Company forecasted in 2022, these cost-saving efforts have reduced gross general and administrative expenditure (before one-off costs and exceptional items) to less than US\$1.5 million per annum, representing a 75% reduction from 2018 levels. Depreciation charged in the period was US\$0.02 million (30 June 2021: US\$0.11 million) and related predominantly to depreciation of accounting software and hardware.

Following the settlement with TPDC of past gas sales receivables from Kiliwani North Development Licence the Group does not expect a credit loss on its trade receivables at the end of the period (30 June 2021: US\$0.09 million).

The Group recognised an impairment during the six-month period against exploration and evaluation assets. The impairment recognised against exploration and evaluation assets of US\$0.22 million (30 June 2021: US\$0.30 million) is related to expenditure incurred on Kiliwani South Area of US\$0.02 million (30 June 2021: US\$ nil) and US\$0.20 million (30 June 2021: US\$ 0.30 million) relates to expenditure incurred on the Nyuni Area PSA predominantly related to own costs for geological, geophysical and administrative work and licence maintenance costs, along with training and licence fees. All expenditure on the Nyuni Licence Area continues to be impaired immediately to the income statement upon recognition following the full impairment of the Nyuni Area Licence in 2018. The Group's resulting net loss from operating activities was US\$1.17 million (30 June 2021: loss of US\$1.54 million).

Finance costs amounted to US\$0.10 million (30 June 2021: US\$0.05 million), comprising US\$0.05 million (30 June 2021: US\$0.04 million) for the decommissioning interest charge and finance costs of US\$0.03 million related to foreign exchange losses on monetary assets (30 June 2021: gain of US\$0.01 million). The Group incurred interest expense in the six-month period of US\$0.02 million (30 June 2021: US\$ nil) as the Group became debt-free on the completion of the issue of new ordinary shares in April 2022 and the subsequent settlement of the \$0.45 million carry advance loan facility from ARA. In the comparative six-month period the Group also recognised a US\$ nil charge for the finance charges on finance leases (30 June 2021 US\$0.003).

The Group's net loss for the period amounted to US\$1.27 million (30 June 2021: loss of US\$1.59 million).

### **Balance Sheet**

The Group's investment in exploration and evaluation assets increased from US\$38.13 million at 31 December 2021 to US\$38.28 million at 30 June 2022. The increase of US\$0.15 million reflected exploration and evaluation expenditure on the Kiliwani South CGU and additions to the Ruvuma PSA CGU offset by the impairment of US\$0.02 on the Kiliwani South CGU as this asset has continued to be fully impaired. In accordance with the Group's accounting policy, the Group will not record subsequent expenditure for its share of costs that are carried by APT in relation to the Ruvuma PSA asset. The Group is carried for US\$35.0 million of development expenditure on the Ruvuma PSA, with expenditure in the period related to the operator establishing operations in Tanzania, remapping of existing seismic and progressing the acquisition of 3D seismic.

The carrying value of property, plant and equipment has decreased from US\$0.04 million at 31 December 2021 to US\$0.01 million at 30 June 2022. The decrease relates predominantly to the depreciation of right of use assets recognised in property, plant and equipment and the disposal of fixed assets due to the termination of the London office lease in January 2022. Current assets amounted to US\$7.83 million (31 December 2021: US\$6.05 million)

with trade and other receivables of US\$1.44 million (31 December 2021: US\$1.36 million), which as operator includes joint venture parties' interests in gas revenues, and cash and cash equivalents of US\$6.39 million (31 December 2021: US\$4.68 million). The increase in current assets of US\$1.78 million predominantly related to the placing of new ordinary shares partially offset by the payment of the carry advance loan facility with ARA Petroleum LLC and other suppliers.

Current liabilities amounted to US\$9.11 million compared with US\$9.85 million at 31 December 2021. This balance included amounts payable to the TPDC and joint venture partners for their profit shares from invoiced gas sales, along with related VAT and excise tax payable on the gas receivables invoices. The decrease in current liabilities predominantly relates to expenditures on operated Tanzania gas assets, repayment of the carry advance loan facility with ARA Petroleum LLC and legal costs incurred during the period. Non-current liabilities amounting to US\$1.67 million (31 December 2021: US\$1.62 million) include the non-current decommissioning provision which increased during the period by US\$0.05 million from US\$1.62 million at 31 December 2021 to US\$1.67 million, the increase relating to the unwind of the discount charge during the period.

Total equity has increased by US\$2.59 million between 31 December 2021 and 30 June 2022 to US\$35.34 million (31 December 2021: US\$32.75 million). A net increase of US\$ 3.95 million to the share capital, US\$0.01 million to the share option reserve, an increase in the foreign currency translation reserve of US\$0.11 million and the net movement of US\$1.27 million in retained earnings arising on the loss of US\$1.27 million for the period.

### **Cash Flows**

Net cash outflows from operating activities were US\$1.38 million during the period (30 June 2021: cash inflow of US\$0.38 million). This was predominantly in relation to the receipt from TPDC of past gas sales net of certain amounts due to TPDC. This resulted in a decrease in debtors of US\$1.07 million and a decrease in creditors of US\$0.80 million as well as the settlement of third-party costs on the Group's operated assets. Net cash outflows from investing activities amounted to US\$0.37 million (30 June 2021: cash outflow US\$0.19 million) related to expenditure on the Group's exploration and evaluation assets, relating mostly to payments for general licence maintenance of the Nyuni Area and Kiliwani South gas assets. Net cash inflows from financing activities were US\$3.48 million (30 June 2021: cash outflow US\$0.14 million) due to proceeds from the issue of new shares offset by the repayment of ARA facility loan of \$0.45 million and interest of US\$0.02 million. Net cash and cash equivalents for the six months ended 30 June 2022 therefore increased by US\$1.74 million compared with an increase of US\$0.05 million for the comparative half-year period. The balance of net cash and cash equivalents at 30 June 2022 was US\$6.39 million (30 June 2021: US\$0.49 million).

### **Related party transactions**

There have been no material changes in the related party transactions affecting the financial position or the performance of the Group in the period since publication of the 2021 Annual Report other than those disclosed in Note 15 to the condensed consolidated financial statements.

### **Going Concern**

The financial statements of the Group are prepared on a going concern basis.

The Directors have given careful consideration to the Group's ability to continue as a going concern through review of cash flow forecasts prepared by management for the period to 30 September 2023, review of the key assumptions on which these forecasts are based and the sensitivity analysis. The forecasts reflect the Group's best estimate of expenditures and receipts for the period. The forecasts are regularly updated to enable continuous monitoring and management of the Group's cash flow and liquidity risk. The forecasts indicate that with the equity placement announced on 1 April 2022 for approximately US\$4.2 million, settlement of the ARA Loan plus accrued interest of approximately US\$470,000 in aggregate and subject to the principal assumptions noted below, the Group and Company would have adequate resources to continue as a going concern for the foreseeable future, that is a period of not less than 12 months from the date of approval of the consolidated financial statements.

As part of its analysis in making the going concern assumption, the Directors have considered the range of risks facing the business on an ongoing basis, as set out in the risk section of the 2021 Annual Report that remain applicable to the Group. The principal assumptions made in relation to the going concern assessment relate to the capital commitments on its operated assets in Tanzania, the reservation of rights made by the TPDC in respect of certain claims that the Directors consider are without merit and the ongoing objections to the tax assessments in Tanzania (see Note 14).

As disclosed in Note 14, the Group received tax assessments from the TRA of (a) US\$2.2 million in relation to a tax audit covering the period from 2013 to 2015; (b) US\$1.6 million in relation to a tax audit covering the period from 2016 to 2018; and (c) US\$3.3 million in relation to a corporate income tax audit covering the period from 2016 to 2018, all of which are excluded from the cash forecast as any cash outflow during the going concern period is considered unlikely based on legal advice and the timeframes for tax cases in Tanzania. Additionally, development of the Group's other assets in Tanzania is excluded from the cash forecast and consequently any capital expenditure in the period is unlikely to arise. However, a risk exists that the Group loses its objections to the tax assessments or is unable to renegotiate or defer commitments on its operated Licence interests during the period. Additional funding would be required to meet these potential liabilities. There remains significant uncertainty as regards the ability of Aminex to raise funds, if required. This may result in the Company having to raise funds at whatever terms are available at the time.

These circumstances indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue to apply the going concern basis of accounting. As a result of their review, and despite the aforementioned material uncertainty, the Directors have confidence in the Group's forecasts and have a reasonable expectation that the Group will continue in operational existence for the going concern assessment period and have therefore used the going concern basis in preparing these consolidated financial statements.

### **Principal Risks and Uncertainties**

The Group's strategic objectives for its principal activities, being the production and development of and the exploration for oil and gas reserves, are only achievable if certain risks are managed effectively. The Board has overall accountability for determining the type and level of risk it is prepared to take. The Board is assisted by the Audit and Risk Committee, which oversees the process for review and monitoring of risks, and the implementation of mitigation actions, by management. The Audit and Risk Committee reviews management's findings regularly and reports to the Board accordingly. Assessment of risks is made under four categories: Strategic Risks, Operational Risks, Compliance Risks and Financial Risks.

Aminex has reviewed and assessed the principal risks and uncertainties at 30 June 2022 and concluded that the principal risks identified at 31 December 2021 and disclosed on pages 24 to 26 of the 2021 Annual Report are still appropriate. The following are considered to be the key principal risks facing the Group over the next six months although there are other risks which may impact the Group's performance:

- Ability to meet licence work commitments
- Ability to secure other financing for Group operations
- Adverse and unexpected tax assessments in Tanzania
- Political and fiscal uncertainties
- Lack of exploration, appraisal and development drilling success

### **Forward Looking Statements**

Certain statements made in this half-yearly financial report are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from the expected future events or results referred to in these forward-looking statements.

## **Statement of Directors Responsibilities**

In respect of the Half-Yearly Financial Report

Each of the Directors who held office at the date of this report, confirm their responsibility for preparing the half-yearly financial report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 (as amended) and the Disclosure and IAS 34 Interim Financial Reporting, as adopted by the EU and to the best of each person's knowledge and belief:

- The condensed consolidated financial statements comprising the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cashflows and the related explanatory notes have been prepared in accordance with IAS 34 Financial Reporting as adopted by the EU.
  
- The Interim Management Report includes a fair review of the information required by:
  - (a) Regulation 8(2) of the Transparency (Directive 2004/109/EC) Regulations 2007, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  
  - (b) Regulation 8(3) of the Transparency (Directive 2004/109/EC) Regulations 2007, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

**On behalf of the Board**

**Charles Santos**

*Executive Chairman /Director*

30 September 2022

**Aminex PLC**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
*for the six months ended 30 June 2022*

	Notes	Unaudited 6 months ended 30 June 2022 US\$'000	Unaudited 6 months ended 30 June 2021 US\$'000	Audited Year ended 31 December 2021 US\$'000
<b>Continuing operations</b>				
Revenue	2	26	86	143
Cost of sales		<u>(129)</u>	<u>(308)</u>	<u>(292)</u>
<b>Gross loss</b>		<b>(103)</b>	(222)	(149)
Administrative expenses		<b>(849)</b>	(1,020)	(2,821)
Impairment against exploration and evaluation assets	8	<b>(215)</b>	(302)	(5,966)
Impairment against property, plant and equipment assets		-	-	(872)
Expected credit losses of trade receivables	10	<u>-</u>	<u>-</u>	<u>1,315</u>
<b>Loss from operating activities</b>		<b>(1,167)</b>	(1,544)	(8,493)
Finance income	4	-	-	16
Finance costs	5	<u>(99)</u>	<u>(48)</u>	<u>(81)</u>
<b>Loss before tax</b>		<b>(1,266)</b>	(1,592)	(8,558)
Income tax expense	6	<u>-</u>	<u>-</u>	<u>-</u>
<b>Loss for the period</b>	2	<b><u>(1,266)</u></b>	<b><u>(1,592)</u></b>	<b><u>(8,558)</u></b>
<b>Loss per share</b>				
Basic and diluted (US cents)	7	<u>(0.03)</u>	<u>(0.04)</u>	<u>(0.23)</u>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
*for the six months ended 30 June 2022*

	Unaudited 6 months ended 30 June 2022 US\$'000	Unaudited 6 months ended 30 June 2021 US\$'000	Audited Year ended 31 December 2021 US\$'000
Loss for the period	(1,266)	(1,592)	(8,558)
<b>Other comprehensive income</b>			
Items that are or may be reclassified subsequently to profit or loss:			
Currency translation differences	<u>(110)</u>	<u>(7)</u>	<u>(55)</u>
<b>Total comprehensive expense for the period attributable to the equity holders of the Company</b>	<b><u>(1,376)</u></b>	<b><u>(1,599)</u></b>	<b><u>(8,613)</u></b>



**Aminex PLC**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
*At 30 June 2022*

	Notes	Unaudited 30 June 2022 US\$'000	Unaudited 30 June 2021 US\$'000	Audited 31 December 2021 US\$'000
<b>Assets</b>				
<b>Non-current assets</b>				
Exploration and evaluation assets	8	38,275	42,927	38,125
Property, plant and equipment	9	13	998	37
<b>Total non-current assets</b>		<b>38,288</b>	<b>43,925</b>	<b>38,162</b>
<b>Current assets</b>				
Trade and other receivables	10	1,438	7,623	1,365
Cash and cash equivalents	11	6,394	491	4,685
<b>Total current assets</b>		<b>7,832</b>	<b>8,114</b>	<b>6,050</b>
<b>TOTAL ASSETS</b>		<b>46,120</b>	<b>52,039</b>	<b>44,212</b>
<b>Equity</b>				
Issued capital		73,160	69,206	69,206
Share premium		124,481	124,481	124,481
Other undenominated capital		234	234	234
Share option reserve		781	769	769
Foreign currency translation reserve		(2,301)	(2,143)	(2,191)
Retained earnings		(161,014)	(152,782)	(159,748)
<b>Total equity</b>		<b>35,341</b>	<b>39,765</b>	<b>32,751</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Long-term lease liabilities		-	9	-
Decommissioning provision		1,668	909	1,615
Other long-term liabilities		-	-	-
<b>Total non-current liabilities</b>		<b>1,668</b>	<b>918</b>	<b>1,615</b>
<b>Current liabilities</b>				
Trade and other payables	12	9,111	11,245	9,846
Short-term lease liabilities		-	111	-
Borrowings	13	-	-	-
<b>Total current liabilities</b>		<b>9,111</b>	<b>11,356</b>	<b>9,846</b>
<b>Total liabilities</b>		<b>10,779</b>	<b>12,274</b>	<b>11,461</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>46,120</b>	<b>52,039</b>	<b>44,212</b>

**Aminex PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
*for the six months ended 30 June 2022*

Attributable to equity shareholders of the Company

	Share capital US\$'000	Share premium US\$'000	Other undominated capital US\$'000	Share option reserve US\$'000	Foreign currency translation reserve fund US\$'000	Retained earnings US\$'000	Total equity US\$'000
<b>At 1 January 2021</b>	<b>69,206</b>	<b>124,481</b>	<b>234</b>	<b>1,327</b>	<b>(2,136)</b>	<b>(151,748)</b>	<b>41,364</b>
<b>Comprehensive income</b>							
Loss for the period	-	-	-	-	-	(1,592)	(1,592)
Currency translation differences	-	-	-	-	(7)	-	(7)
<b>Transactions with shareholders of the Company recognised directly in equity</b>							
Shares issued	-	-	-	-	-	-	-
Share based payment charge	-	-	-	-	-	-	-
Share option reserve transfer	-	-	-	(558)	-	558	-
<b>At 30 June 2021</b>	<b>69,206</b>	<b>124,481</b>	<b>234</b>	<b>769</b>	<b>(2,143)</b>	<b>(152,782)</b>	<b>39,765</b>
<b>Comprehensive income</b>							
Loss for the period	-	-	-	-	-	(6,966)	(6,966)
Currency translation differences	-	-	-	-	(48)	-	(48)
<b>At 31 December 2021 as previously reported</b>							
<b>Comprehensive income</b>	<b>69,206</b>	<b>124,481</b>	<b>234</b>	<b>769</b>	<b>(2,191)</b>	<b>(159,748)</b>	<b>32,751</b>
Loss for the period	-	-	-	-	-	(1,266)	(1,266)
Currency translation differences	-	-	-	-	(110)	-	(110)
<b>Transactions with shareholders of the Company recognised directly in equity</b>							
Shares issued	<b>3,954</b>	-	-	-	-	-	<b>3,954</b>
Share based payment charge	-	-	-	12	-	-	12
Share option reserve transfer	-	-	-	-	-	-	-
<b>At 30 June 2022 (unaudited)</b>	<b>73,160</b>	<b>124,481</b>	<b>234</b>	<b>781</b>	<b>(2,301)</b>	<b>(161,014)</b>	<b>35,341</b>

**Aminex PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS**  
*for the six months ended 30 June 2022*

	<b>Unaudited 6 months ended 30 June 2022 US\$'000</b>	Unaudited 6 months ended 30 June 2021 US\$'000	Audited Year ended 31 December 2021 US\$'000
<b>Operating activities</b>			
Loss for the financial period	(1,266)	(1,592)	(8,558)
Depreciation and depletion	22	112	209
Equity-settled share-based payments	12	-	-
Finance income	-	-	(16)
Finance costs	99	48	81
Impairment of exploration and evaluation assets	215	302	5,966
Impairment of property, plant and equipment	-	-	872
Expected credit loss charge	-	87	(1,315)
Capital gains tax on Farm Out	-	-	-
(Increase) / decrease in trade and other receivables	(73)	1,013	8,530
(Decrease) / increase in trade and other payables	(392)	409	(883)
<b>Net cash generated (used in) / by operating activities</b>	<b>(1,383)</b>	<b>379</b>	<b>4,886</b>
Tax paid	-	-	-
<b>Net cash (outflows) / inflows from operating activities</b>	<b>(1,383)</b>	<b>379</b>	<b>4,886</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment	(1)	-	(3)
Expenditure on exploration and evaluation assets	(365)	(186)	(901)
<b>Net cash (outflows) / inflows from investing activities</b>	<b>(366)</b>	<b>(186)</b>	<b>(904)</b>
<b>Financing activities</b>			
Proceeds from the issue of share capital	3,954	-	-
Payment of transaction costs on issue of share capital	-	-	-
Payment of lease liabilities	-	(141)	(212)
Proceeds from Borrowings	-	-	450
Payment of borrowings	(450)	-	-
Payment of interest on borrowings	(19)	-	-
<b>Net cash inflows / (outflows) from financing activities</b>	<b>3,485</b>	<b>(141)</b>	<b>238</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,736</b>	<b>52</b>	<b>4,220</b>
Cash and cash equivalents at 1 January	4,685	449	449
Foreign exchange (loss) / gain	(27)	(10)	16
<b>Cash and cash equivalents at end of the financial period</b>	<b>6,394</b>	<b>491</b>	<b>4,685</b>

## **Aminex PLC**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

*for the six months ended 30 June 2022*

#### **1. Basis of preparation**

The condensed consolidated financial statements included in this Half-Yearly Financial Report have been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union. They do not include all of the information required for full annual statutory financial statements and should be read in conjunction with the audited consolidated financial statements of Aminex PLC as at and for the year ended 31 December 2021. The financial information contained in the condensed financial statements has been prepared in accordance with the accounting policies set out in the 2021 Annual Report and Accounts.

The financial information presented herein does not amount to statutory financial statements that are required by Part 6 of Chapter 4 of the Companies Act 2014 to be annexed to the annual return of the Company. The statutory financial statements for the financial year ended 31 December 2021 were annexed to the annual return and filed with the Registrar of Companies. The audit report on those statutory financial statements was unqualified and included an emphasis of matter paragraph relating to going concern.

The financial statements have been prepared on the historical cost basis, as modified for the measurement of certain financial instruments at fair value through profit or loss. These financial statements are presented in US Dollars (“USD”) which is the currency of the primary economic environment in which the Group operates and are rounded to the nearest thousand, unless otherwise stated. The preparation of the Half-Yearly Financial Report requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses together with disclosure of assets and liabilities. Estimates and underlying assumptions relevant to these financial statements are the same as those described in the last annual financial statements. Terms used in this condensed set of consolidated financial statements are defined in the Glossary on page 68 contained in the 2021 Annual Report and Accounts.

These condensed consolidated financial statements were authorised for issue by the Board of Directors on 30 September 2022.

The Interim Report has not been audited or formally reviewed by the Company’s Auditor in accordance with the International Standards on Auditing (ISAs) (Ireland) or International Standards on Review Engagements (ISREs).

##### **(i) Going concern**

The financial statements of the Group are prepared on a going concern basis.

The Directors have given careful consideration to the Group’s ability to continue as a going concern through review of cash flow forecasts prepared by management for the period to 30 September 2023, review of the key assumptions on which these forecasts are based and the sensitivity analysis. The forecasts reflect the Group’s best estimate of expenditures and receipts for the period. The forecasts are regularly updated to enable continuous monitoring and management of the Group’s cash flow and liquidity risk. The forecasts indicate that with the equity placement announced on 1 April 2022 for approximately US\$4.2 million, settlement of the ARA Loan plus accrued interest of approximately US\$470,000 in aggregate and subject to the principal assumptions noted below, the Group and Company would have adequate resources to continue as a going concern for the foreseeable future, that is a period of not less than 12 months from the date of approval of the consolidated financial statements.

As part of its analysis in making the going concern assumption, the Directors have considered the range of risks facing the business on an ongoing basis, as set out in the risk section of the 2021 Annual Report that remain applicable to the Group. The principal assumptions made in relation to the going concern assessment relate to the capital commitments on its operated assets in Tanzania, the reservation of rights made by the TPDC in respect of certain claims that the Directors consider are without merit and the ongoing objections to the tax assessments in Tanzania (see Note 14).

**1. Basis of preparation (continued)**

(i) Going concern (continued)

As disclosed in Note 14, the Group received tax assessments from the TRA of (a) US\$2.2 million in relation to a tax audit covering the period from 2013 to 2015; (b) US\$1.6 million in relation to a tax audit covering the period from 2016 to 2018; (c) US\$3.3 million in relation to a corporate income tax audit covering the period from 2016 to 2018, all of which are excluded from the cash forecast as any cash outflow during the going concern period is considered unlikely based on legal advice and the timeframes for tax cases in Tanzania. Additionally, development of the Group's other assets in Tanzania is excluded from the cash forecast and consequently any capital expenditure in the period is unlikely to arise. However, a risk exists that the Group loses its objections to the tax assessments or is unable to renegotiate or defer commitments on its operated Licence interests during the period. Additional funding would be required to meet these potential liabilities. There remains significant uncertainty as regards the ability of Aminex to raise funds, if required. This may result in the Company having to raise funds at whatever terms are available at the time.

These circumstances indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue to apply the going concern basis of accounting. As a result of their review, and despite the aforementioned material uncertainty, the Directors have confidence in the Group's forecasts and have a reasonable expectation that the Group will continue in operational existence for the going concern assessment period and have therefore used the going concern basis in preparing these consolidated financial statements.

(ii) Use of judgements and estimates

The preparation of the condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the 2021 Annual Report and Accounts.

(iii) New and amended Standards adopted by the Group

A number of amended standards became effective for the financial year beginning on 1 January 2021; however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

(iv) Impact of Standards issued but not yet adopted by the Group

IFRS 17 Insurance Contracts is effective subsequent to the period end and is being assessed to determine whether there is a significant impact on the Group's results or financial position.

## **Aminex PLC**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

*for the six months ended 30 June 2022*

#### **2. Segmental disclosure – continuing operations**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

The Group considers that its operating segments consist of (i) Producing Oil and Gas Properties, (ii) Exploration Activities and (iii) Oilfield Services. These segments are those that are reviewed regularly by the Chief Operating Decision Maker (Executive Chairman) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. However, the Group further analyses these by region for information purposes. Segment results include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. Unallocated Aminex Group items comprise mainly head office expenses, cash balances and certain other items.

The Group's revenue is derived from contracts with customers. The timing of revenue streams depends on the following for products and services:

##### *Producing oil and gas assets*

The Group satisfies its performance obligation by transferring a nominated volume of gas to its customer. The title to gas transfers to a customer when the customer takes physical possession of the gas at the contracted delivery point. The gas needs to meet certain agreed specifications. The Group has historically generated all its revenue under this segment from the Tanzania Petroleum Development Corporation ("TPDC"), the operator of the Songo Island Gas Processing Plant, under a gas sales agreement.

##### *Oilfield services*

Revenue for services is recognised as services rendered to the customer. All services rendered by the Group relate to jointly controlled operations to which the Group is a party and the terms of the services provided are subject to service contracts.

The IFRS 8 operating segments are as follows (i) Producing Oil and Gas Properties, (ii) Exploration Activities and (iii) Oilfield Services are the disaggregation of revenue from customers as required by IFRS 15.

**Aminex PLC**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

for the six months ended 30 June 2022

**2. Segmental disclosure – continuing operations (continued)**

**Operating segment results – 30 June 2022 (unaudited)**

	<b>Tanzania Producing oil and gas properties</b>	<b>Tanzania Exploration activities</b>	<b>UK Oilfield services</b>	<b>Unallocated Corporate Aminex Group</b>	<b>Total</b>
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	-	-	26	-	26
Cost of sales	(97)	(6)	(26)	-	(129)
<b>Gross loss</b>	<b>(97)</b>	<b>(6)</b>	<b>-</b>	<b>-</b>	<b>(103)</b>
Depreciation	-	-	-	(22)	(22)
Administrative expenses	(84)	-	(97)	(646)	(827)
Impairment against exploration and evaluation assets	-	(215)	-	-	(215)
<b>Loss from operating activities</b>	<b>(181)</b>	<b>(221)</b>	<b>(97)</b>	<b>(668)</b>	<b>(1,167)</b>
Finance costs	(10)	(43)	-	(19)	(72)
Finance income	-	-	-	-	-
Foreign exchange gains	-	-	-	(27)	(27)
<b>Loss before tax</b>	<b>(191)</b>	<b>(264)</b>	<b>(97)</b>	<b>(714)</b>	<b>(1,266)</b>
Taxation	-	-	-	-	-
<b>Loss for the period</b>	<b>(191)</b>	<b>(264)</b>	<b>(97)</b>	<b>(714)</b>	<b>(1,266)</b>
Segment assets	2,137	38,394	-	5,606	46,137
Segment liabilities	(3,827)	(3,480)	-	(3,472)	(10,779)
Capital expenditure additions	-	365	-	1	366
<b>Other material non-cash items</b>					
Share based payments (Note 3)	-	-	-	-	-
Unwinding of discount on decommissioning provision (Note 5)	(10)	(43)	-	-	(53)

**Operating segment results – 30 June 2021 (unaudited)**

	<b>Tanzania Producing oil and gas properties</b>	<b>Tanzania Exploration activities</b>	<b>UK Oilfield services</b>	<b>Unallocated Corporate Aminex Group</b>	<b>Total</b>
	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	-	-	86	-	86
Cost of sales	(200)	(22)	(86)	-	(308)
<b>Gross loss</b>	<b>(200)</b>	<b>(22)</b>	<b>-</b>	<b>-</b>	<b>(222)</b>
Depreciation	-	-	-	(112)	(112)
Administrative expenses	(115)	-	(97)	(696)	(908)
Impairment against exploration and evaluation assets	-	(302)	-	-	(302)
<b>Loss from operating activities</b>	<b>(315)</b>	<b>(324)</b>	<b>(97)</b>	<b>(808)</b>	<b>(1,544)</b>
Finance costs	(13)	(22)	-	(3)	(38)
Finance income	-	-	-	-	-
Foreign exchange gains	-	-	-	(10)	(10)
<b>Loss before tax</b>	<b>(328)</b>	<b>(346)</b>	<b>(97)</b>	<b>(821)</b>	<b>(1,592)</b>
Taxation	-	-	-	-	-
<b>Loss for the period</b>	<b>(328)</b>	<b>(346)</b>	<b>(97)</b>	<b>(821)</b>	<b>(1,592)</b>
Segment assets	6,539	43,029	-	2,471	52,039
Segment liabilities	(6,402)	(3,185)	-	(2,687)	(12,274)
Capital expenditure additions	-	342	-	-	342
<b>Other material non-cash items</b>					
Share based payments (Note 3)	-	-	-	-	-
Unwinding of discount on decommissioning provision (Note 5)	(13)	(22)	-	-	(35)

**Aminex PLC****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)***for the six months ended 30 June 2022***3. Share based payments**

Aminex PLC operates or operated the following share option schemes:

- Executive Share Option Scheme (“ESOS”). Under the terms of the ESOS, certain Directors and employees of Aminex PLC, and its subsidiary companies, are entitled to subscribe for Ordinary Shares in Aminex PLC at the market value on the date of the granting of the options. Options are granted at market price, in accordance with the ESOS rules, with reference to the average closing price for the fourteen days prior to the grant of options. Options granted in February and June 2019, and February 2020 vest immediately, and the options granted in November 2019 and January 2020 vest in tranches subject to the achievement of certain market and non-market performance conditions. The options granted in 2019 and 2020 will expire at a date either 5, 7 or 10 years after their date of grant. The ESOS expired on 10 May 2020 and therefore no further share options will be granted pursuant to the ESOS.
- New Restricted Share Plan (“New RSP”). The New RSP was adopted by the Board on 1 July 2020 and approved by shareholders of the Company at its AGM on 29 July 2020.

On 6 January 2022, the Company granted a total of 62 million share options to Directors and employees. Charles Santos was awarded 30 million options over Ordinary Shares and 6 million options over Ordinary Shares were awarded to each of Tom Mackay and James Lansdell, with the remaining 20 million awarded to employees. The exercise price is Stg0.60p, with 50% vesting on the date of grant, 25% six months after the grant date and the remaining 25% twelve months after the grant date. The exercise period shall not exceed five years from date of grant.

The fair value of the grant date is measured using a recognised valuation methodology for the pricing of financial instruments i.e. the Black-Scholes method. The following expenses have been recognised in the income statement arising on share-based payments and included within administrative expenses:

	<b>Unaudited 6 months ended 30 June 2022 US\$'000</b>	Unaudited 6 months ended 30 June 2021 US\$'000	Audited year ended 31 December 2021 US\$'000
Share-based payment charge	<b>12</b>	-	-

The fair value of options granted under the New RSP for Directors and staff in the period were calculated using the following inputs into the Black-Scholes method (previously the fair value of options were estimated using the binomial option-pricing model):

Date of grant	6 January 2022
Contractual life	1 year
Exercise price	Stg 0.6 pence
Market price	Stg 0.6 pence
Number of options granted	62,000,000
Expected volatility	90.4%
Vesting conditions	Non-market
Fair value per option	Stg 0.3 pence
Expected dividend yield	-
Risk-free rate	0.001%

On 30 June 2022, there were options granted under the ESOS and the New RSP outstanding over 131,861,000 (31 December 2021: 72,111,000) Ordinary Shares which are exercisable at prices ranging from Stg 0.60 pence to Stg 1.56 pence per share and which expire at various dates up to 2029. The weighted average remaining contractual life of the options outstanding is 2.90 years (31 December 2021: 4.63 years). The average share price for the six months ended 30 June 2022 was Stg0.83pence/€0.00994 (year ended 31 December 2021: Stg0.61pence/€0.00705).



**Aminex PLC**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

for the six months ended 30 June 2022

**4. Finance income**

	<b>Unaudited 6 months ended 30 June 2022 US\$'000</b>	Unaudited 6 months ended 30 June 2021 US\$'000	Audited year ended 31 December 2021 US\$'000
Foreign exchange gain/(loss)	-	-	16
	<u>-</u>	<u>-</u>	<u>16</u>

**5. Finance costs**

	<b>Unaudited 6 months ended 30 June 2022 US\$'000</b>	Unaudited 6 months ended 30 June 2021 US\$'000	Audited year ended 31 December 2021 US\$'000
Interest expense	19	-	-
Lease finance costs	-	3	5
Other finance costs - decommissioning provision interest charge	53	35	76
Foreign exchange loss	27	10	-
	<u>99</u>	<u>48</u>	<u>81</u>

**6. Tax**

The Group has not provided any tax charge for the six-month periods ended 30 June 2022 and 30 June 2021. The Group's operating divisions have accumulated losses which are expected to exceed profits earned by operating entities for the foreseeable future.

**7. Loss per share from continuing activities**

The profit or loss per Ordinary Share is calculated using a numerator of the profit or loss for the financial period and a denominator of the weighted average number of Ordinary Shares in issue for the financial period. The diluted profit per Ordinary Share is calculated using a numerator of the profit for the financial period and a denominator of the weighted average number of Ordinary Shares outstanding and adjusted for the effect of all potentially dilutive shares, including the share options and share warrants, assuming that they have been converted.

The calculations for the basic and diluted earnings per share of the financial periods ended 30 June 2022, 30 June 2021 and the year ended 31 December 2021 are as follows:

	<b>Unaudited 6 months ended 30 June 2022</b>	Unaudited 6 months ended 30 June 2021	Audited Year ended 31 December 2021
<i>Numerator for basic and diluted earnings per share:</i>			
Loss for the financial period (US\$'000)	<u>(1,266)</u>	<u>(1,592)</u>	<u>(8,558)</u>
<i>Weighted average number of shares:</i>			
Weighted average number of ordinary shares ('000)	<u>4,123,557</u>	<u>3,770,685</u>	<u>3,770,685</u>
Basic and diluted loss per share (US cents)	<u>(0.03)</u>	<u>(0.04)</u>	<u>(0.23)</u>

There is no difference between the basic loss per Ordinary Share and the diluted loss per Ordinary Share for the financial period ended 30 June 2022, 30 June 2021 and the year ended 31 December 2021 as all potentially dilutive Ordinary Shares outstanding were anti-dilutive. There were 178,611,000 share options in issue at 30 June 2022, 119,611,000 share options in issue at 30 June 2021 and 119,611,000 share options in issue at 31 December 2021.

**Aminex PLC****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)***for the six months ended 30 June 2022***8. Exploration and evaluation assets**

	US\$'000
<b>Cost</b>	
At 1 January 2022	104,264
Additions	<b>365</b>
<b>At 30 June 2022</b>	<b>104,629</b>
<b>Provisions for impairment</b>	
At 1 January 2022	66,139
Increase in impairment provision	<b>215</b>
<b>At 30 June 2022</b>	<b>66,354</b>
<b>Net book value</b>	<b>38,275</b>
<b>At 30 June 2022</b>	<b>38,275</b>
At 31 December 2021	38,125

The Group does not hold any property, plant and equipment within exploration and evaluation assets.

The additions to exploration and evaluation assets during the period relate mainly to own costs capitalised for geological, geophysical and administrative (“GG&A”) work and licence maintenance costs, along with training and licence fees under the respective PSAs.

The amount for exploration and evaluation assets represents active exploration projects. These will ultimately be written off to the Income Statement as exploration costs if commercial reserves are not established but are carried forward in the Balance Sheet whilst the determination process is not yet completed and there are no indications of impairment having regard to the indicators in IFRS 6.

In accordance with its accounting policies each CGU is evaluated annually for impairment, with an impairment test required when a change in facts and circumstances, in particular with regard to the remaining licence terms, likelihood of renewal, likelihood of further expenditures and ongoing acquired data for each area, result in an indication of impairment.

**Ruvuma PSA**

The Ruvuma PSA comprised two exploration licences; Mtwara and Lindi.

On 22 October 2020, the Group completed the Ruvuma Farm-Out. On completion, the Group, through its wholly owned subsidiary, Ndovu Resources Limited, transferred a 50% interest in, and operatorship of, the Ruvuma PSA to APT, a related party of the Group. Following completion of the Farm-Out, the Group now holds a 25% interest in the Ruvuma PSA with a US\$35.0 million carry to potentially significant volumes of production. The Farm-Out includes a full carry for a minimum work programme including the drilling and testing of the Chikumbi-1 well, the acquisition of 3D seismic over a minimum of 200 km<sup>2</sup> within the Ntorya Location area, and further production wells and infrastructure as required to propel the project to its estimated P50 production level of approximately 140 MMcf/d (gross project levels), as shown in an io Ntorya commercialisation study. The full carry for Aminex’s share of costs up to US\$35.0 million in respect of its 25% interest implies a potential expenditure during the carry period of up to US\$140.0 million on a gross field basis.

A two-year Licence extension, effective from 15 August 2021, was received over the Mtwara Licence in respect to the Ntorya Location. Although the extension is over the smaller Ntorya Location area, this is not considered an indicator of impairment as the area corresponds to the identified Ntorya asset development programme. During the two-year extension period the operator is committed to undertake acquiring 200 km<sup>2</sup> of 3D seismic (minimum expenditure of US\$7.0 million), drill the Chikumbi-1 exploration well (minimum expenditure of US\$15.0 million) and complete the negotiation of the Gas Terms for the Ruvuma PSA with the TPDC and, using the data gathered from the Chikumbi-1 and seismic acquisition, prepare and submit an application for a Development Licence for the Ntorya Location area.

## Aminex PLC

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

for the six months ended 30 June 2022

#### 8. Exploration and evaluation assets (continued)

The Farm-Out has secured funding for the next phase of development for the Ruvuma PSA CGU, for which the Group will be carried for its share up to US\$35.0 million, equivalent to US\$140.0 million gross field expenditure. The Carry balance as at 30 June 2022 was US\$33.6 million. There is a clear development plan for the asset outlined by the new operator, ARA Petroleum Tanzania Limited (“APT”), with the support of the JV partners. During 2021, the 3D seismic mobilised in October and the target to drill the Chikumbi-1 well was set for November 2022. In June 2021, it was reported that APT had reinterpreted existing 2D seismic which resulted in an upward revision of risked mean GIIP to 3.024 TCF (8.236 TCF unrisked mean GIIP). During the period, seismic acquisition operations commenced, conducted by Africa Geophysical Services Limited, and are expected to be completed by mid-October 2022. Post period, seismic acquisition has continued, an addendum to the Ruvuma PSA has been agreed in principle with the Government of Tanzania setting out the fiscal terms for the production of gas, and negotiations for a gas sales agreement for the sale of Ruvuma gas commenced between APT and the Tanzania Petroleum Development Corporation.

The Directors recognise that future realisation of the Ruvuma PSA assets is dependent on the further successful exploration, appraisal and development activities and the subsequent economic production of hydrocarbon reserves.

#### Nyuni Area PSA

Aminex fully provided for the Nyuni Area PSA exploration asset in 2018 following confirmation from the Tanzanian authorities that the Nyuni Licence period ended in October 2019, coupled with the communication from the Tanzania Ministry of Energy to withhold all work on the licence, pending a review of the Nyuni Area PSA. The Company was unable to progress the work programme and, therefore, the Directors concluded that the carrying cost of the Nyuni asset should be fully impaired. The status of the Nyuni asset remained the same at 30 June 2022 and the Company has commenced the process to hand back the licence to the Ministry. Therefore, the Directors maintain their position. Expenditure during the year is capitalised and then immediately impaired to the income statement as impairment against exploration and evaluation assets.

#### Kiliwani South

The Kiliwani South CGU, located within the Kiliwani North Development Licence acreage, was previously identified as a potential lead. The Kiliwani South prospect was estimated by management to contain a mean 57 BCF un-risked GIIP and the prospect has been reviewed by RPS in their February 2018 CPR.

During 2021, the Group proposed no work programme and allocated no budget towards the future development of the Kiliwani South CGU. This was due to no agreement reached with the Ministry of Energy on the work commitments over the Nyuni Area PSA and the delay to agreeing commercial terms on the Kiliwani North Development Licence. The Group previously considered any future drilling on the Licence would be dependent upon improved seismic resolution of the target structures that would result from the acquisition and interpretation of a 3D seismic survey, which would only be economic if conducted over both the KNDL and immediately adjacent areas within the Nyuni Area PSA. In line with the requirements of IFRS 6 this is an indicator of impairment. During the period, the Group reached an agreement with Pan African Energy Tanzania (“PAET”) to utilise their 3D seismic campaign over the adjacent producing Songo Songo field to receive approximately 12.5km<sup>2</sup> of valuable new high-resolution 3D coverage over the Kiliwani North Development Licence (“KNDL”), at no cost to the Kiliwani North joint venture. The data to be acquired over KNDL will be valuable in identifying fault trends, improving reservoir definition and improving the understanding of the Kiliwani North and South structures. Post period, PAET confirmed that it was targeting completion of the acquisition programme before year end. Notwithstanding this progress, the Directors concluded that the carrying value of the Kiliwani South asset should be fully impaired. Any reversal of the impairment would be dependent on an established development programme for the area, including a seismic and drilling programme where an assessment of the carrying value of the CGU would be reviewed.

**Aminex PLC**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

for the six months ended 30 June 2022

**9. Property, plant and equipment**

	Development property - Tanzania US\$'000	Right of use assets US\$'000	Other assets US\$'000	Total US\$'000
<b>Cost</b>				
At 1 January 2022	8,249	741	113	9,103
Additions in the period	-	-	1	1
Disposals	-	-	(23)	(23)
Exchange rate adjustment	-	(73)	(11)	(84)
<b>At 30 June 2022</b>	<b>8,249</b>	<b>668</b>	<b>80</b>	<b>8,997</b>
<b>Depreciation and depletion</b>				
At 1 January 2022	8,249	729	88	9,066
Charge for the period	-	11	11	22
Disposals	-	-	(23)	(23)
Exchange rate adjustment	-	(72)	(9)	(81)
<b>At 30 June 2022</b>	<b>8,249</b>	<b>668</b>	<b>67</b>	<b>8,984</b>
<b>Net book value</b>				
<b>At 30 June 2022</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>13</b>
At 31 December 2021	-	12	25	37

Development property - Tanzania

Following the award of the Kiliwani North Development Licence by the Tanzanian Government in April 2011, the carrying cost relating to the development licence was reclassified as a development asset under property, plant and equipment, in line with accounting standards and the Group's accounting policies. Production from the Kiliwani North-1 well commenced on 4 April 2016 and depletion is calculated with reference to the remaining reserves of 1.94 BCF, which were ascribed to the field as at 1 January 2018 in an independent reserves and resources report prepared by RPS in February 2018. The report also identified a contingent resource of 30.8 BCF in addition to the reserves. The well has produced approximately 6.4 BCF of gas to date. Production from the Kiliwani North-1 well in 2018 was intermittent and there has been no commercial production from the well since March 2018.

During 2021, although the Group and TPDC reached agreement on the settlement of past outstanding gas sales and related amounts due to the TPDC, certain rights were reserved by both parties over areas that remain unresolved related to commercial terms over production from the area (see Note 14). Prior to any development of the Kiliwani North Development Licence taking place, agreement needs to be reached on commercial terms. During 2021, the KN-1 well remained idle, no progress was made with the TPDC on remediation of the well as discussions continued to focus on commercial terms over the Licence, the Group is transitioning to a non-operator focus, following the successful Farm-Out of the Ruvuma PSA, and the Group proposed no work programme and allocated no budget over the KNDL for 2022. The Directors concluded that these all indicated the asset was impaired. During the period, the Group reached an agreement with Pan African Energy Tanzania ("PAET") to utilise their 3D seismic campaign over the adjacent producing Songo Songo field to receive approximately 12.5km<sup>2</sup> of valuable new high-resolution 3D coverage over the Kiliwani North Development Licence ("KNDL"), at no cost to the Kiliwani North joint venture. The data to be acquired over KNDL will be valuable in identifying fault trends, improving reservoir definition and improving the understanding of the Kiliwani North and South structures. Post period, PAET confirmed that it was targeting completion of the acquisition programme before year end.

In accordance with IAS 36, the Group conducted an impairment test as at 31 December 2021 on a value-in-use basis. The cash-generating unit for the purpose of impairment testing is the Kiliwani North-1 well. The Company employs a financial model of the forecast discounted cash flow to calculate the assets value-in-use. However, as key judgements for the 2021 impairment test concluded no production, the value in use calculation was nil.

## Aminex PLC

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

for the six months ended 30 June 2022

#### 9. Property, plant and equipment (continued)

Consequently, the Directors have concluded that the Kiliwani North CGU is fully impaired as at 31 December 2021 and an additional impairment has been recognised for the six months ended 30 June 2022.

##### Right of use asset

All right of use assets relate to leases the Group has entered into in respect of various office properties. All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets
- Leases with a duration of 12 months or less.

Right of use assets of US\$ nil (31 December 2021: US\$12,000) relate to an office lease located in the UK. The UK property lease expired during the period. The Group recognised rent expense from short-term leases of US\$ nil for the six months ended 30 June 2022 (30 June 2021: US\$12,000).

#### 10. Trade and other receivables

Trade and other receivables amounted to US\$1.44 million at the period end (31 December 2021: US\$1.37 million). The increase, during the period, is predominantly related to receivables due from joint venture partners and VAT receivable. The decrease from 30 June 2021 of \$6.19 million predominantly relates to the settlement reached in November 2021 with the TPDC for US\$6.77 million of past gas sales over production from the Kiliwani North-1 well and the agreement by the Group to waive the late payment interest accrued of US\$1.57 million.

#### 11. Cash and cash equivalents

	Unaudited 6 months ended 30 June 2022 US\$'000	Unaudited 6 months ended 30 June 2021 US\$'000	Audited year ended 31 December 2021 US\$'000
Cash at bank and in hand	6,394	491	4,685

Included in cash and cash equivalents is an amount of US\$1,157,000 (31 December 2021: US\$1,157,000) held on behalf of partners in jointly controlled operations.

#### 12. Trade and other payables

Trade and other payables amounted to US\$9.11 million at the period end (31 December 2021: US\$9.85 million). The decrease in trade and other payables predominantly relates to the repayment of a short-term loan of \$450,000 from ARA Petroleum LLC in April 2022 and the reduction of the Tanzania supplier provision after payment settlement. Included in trade and other payables for the Group are amounts due to partners in joint operations, VAT payable and other payables include amounts arising on gas sales.

The Directors consider that the carrying amounts of trade payables approximate their fair value.

#### 13. Borrowings

At 30 June 2022, the Group had no outstanding borrowings (31 December 2021: US\$0.45 million; 30 June 2021: US\$ nil).

On 14 December 2021, the Company signed a US\$1.7 million carry advance loan facility with ARA Petroleum LLC ("the Loan"), which, through its associated company, Eclipse Investments LLC, is a significant shareholder in Aminex PLC. The Loan bears interest at 13.77% per annum. On 29 December 2021, US\$450,000 was drawn down against the loan agreement. On 20 April 2022, US\$450,000 and interest of US\$19,278 was repaid to ARA from the share placement proceeds.

#### **14. Commitments, guarantees and contingent liabilities**

##### Commitments

In accordance with the relevant PSA, Aminex has a commitment to contribute its share of the following outstanding work programmes:

- (a) Following the grant of the first extension to the Nyuni Area PSA, Tanzania, the terms of the licence require the acquisition of 700 kilometres of 3D seismic over the deep-water sector of the licence, and the drilling of four wells, on the continental shelf or in the deep-water, by October 2019. Despite the Group having commenced the process to return the Nyuni Area licence to the Tanzanian authorities it is acknowledged that only part of the seismic acquisition commitment and none of the drilling commitment under the licence has been undertaken.
- (b) The Ruvuma PSA, Tanzania, originally comprised two licences. The Mtwara Licence was extended in August 2021 for a further two years (see Note 8). Two wells are required to be drilled, one of which is expected to be the Chikumbi-1 location. The Ruvuma PSA operator is committed to undertake acquiring 200 km<sup>2</sup> of 3D seismic (minimum expenditure of US\$7 million), drill the Chikumbi-1 exploration well (minimum expenditure of US\$15 million), complete the negotiation of the Gas Terms for the Ruvuma PSA with the TPDC and using the data gathered from the Chikumbi-1 and seismic acquisition, prepare and submit an application for a Development Licence for the Ntorya Location area.

##### Guarantees and contingent liabilities

- (a) Under the terms of the Addendum to the Ruvuma PSA, Ndovu Resources Limited, a subsidiary company of Aminex PLC, has provided security to the TPDC for up to 15% of the profit share of the Kiliwani North Development Licence to guarantee the amended four-well drilling commitment under the Ruvuma PSA. For each well drilled the security interest will be reduced by 3% for the first well and 4% thereafter.
- (b) The Company guarantees certain liabilities and commitments of subsidiary companies from time to time, including the commitments of Ndovu Resources Limited under the Nyuni Area PSA. These are considered to be insurance arrangements and are accounted for as such i.e. they are treated as a contingent liability until such time as it becomes probable that the Company will be required to make payment under the guarantee in which case a liability is recognised.
- (c) On 11 April 2018, Ndovu Resources Limited received formal notification from the TPDC of certain claims amounting to US\$5.97 million against the Kiliwani North Development Licence with regard to unpaid royalties and amounts due under profit share arrangements. The agreed amounts claimed were offset as part of the settlement agreement signed in October 2021 between the Group and the TPDC. As part of the settlement agreement, both parties reserved certain rights including the TPDC reserving its rights in relation to unpaid royalties and profit share arrangements. Aminex has advised the TPDC that it does not accept the balance of the claims, which TPDC estimates to be US\$4.18 million (Aminex's net share is equal to US\$2.74 million). The Group has received legal advice in country that supports its position, and this has been provided to the TPDC. The Directors believe these claims are without merit and do not consider it appropriate at this stage to provide for these claims.

**Aminex PLC****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)***for the six months ended 30 June 2022***14. Commitments, guarantees and contingent liabilities (continued)**Tanzanian Tax Assessments

On 28 February 2020, following the conclusion of the TRA audit of Ndovu Resources Limited (“NRL”), the Group’s Tanzanian wholly owned subsidiary, for taxation years 2013 to 2015, the TRA issued a tax assessment in respect of these taxation years. The following matters were raised in the assessments:

<b>Area</b>		<b>Principal US\$’000</b>	<b>Interest US\$’000</b>	<b>Total US\$’000</b>
Withholding tax	Withholding tax on payments made to non-residents for services performed outside of Tanzania	242	182	<b>424</b>
VAT	Output VAT on imported services	191	156	<b>347</b>
Withholding tax	Withholding tax on deemed interest	797	664	<b>1,461</b>
		<u>1,230</u>	<u>1,002</u>	<u><b>2,232</b></u>

On 3 June 2022, following the conclusion of the TRA audit of NRL for taxation years 2016 to 2018, the TRA issued a tax assessment in respect of these taxation years. The following material matters were raised in the assessments:

<b>Area</b>		<b>Principal US\$’000</b>	<b>Interest US\$’000</b>	<b>Total US\$’000</b>
VAT	VAT on Ruvuma Farm-Out	1,221	233	<b>1,454</b>
Pay As You Earn (PAYE)	PAYE on Director’s fees	92	45	<b>137</b>
		<u>1,313</u>	<u>278</u>	<u><b>1,591</b></u>

On 28 June 2022, following the conclusion of the TRA corporate income tax audit of NRL for taxation years 2016 to 2018, the TRA issued a tax assessment in respect of these taxation years. The following matters were raised in the assessments:

<b>Area</b>		<b>Principal US\$’000</b>	<b>Interest US\$’000</b>	<b>Total US\$’000</b>
Corporate tax	Under declaration of revenue for 2016	365	145	<b>510</b>
Corporate tax	Under declaration of revenue for 2017	1,438	394	<b>1,832</b>
Corporate tax	Under declaration of revenue for 2018	772	143	<b>915</b>
		<u>2,575</u>	<u>682</u>	<u><b>3,257</b></u>

NRL considers all of the above claims to be without technical merit in tax law and with the assistance of an in-country tax advisor, has submitted objections to the TRA findings. At this stage it is unclear whether NRL will be successful in its objections and therefore the amount or timing of potential cash outflow remains uncertain. Provision has been made for amounts NRL has ceded or where management determine the likelihood of success through the objection or appeals process is unlikely.

**Aminex PLC**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

*for the six months ended 30 June 2022*

**15. Related party transactions**

On 6 January 2022, the Company granted 42 million share options to Directors. Charles Santos was awarded 30 million options over Ordinary shares and 6 million options were awarded to each of Tom Mackay and James Lansdell. James Lansdell is Deputy General Counsel at The Zubair Corporation and an Eclipse Investments LLC representative, a related party. The exercise price is Stg0.60p, with 50% vesting on the date of grant, 25% six months after the grant date and the remaining 25% twelve months after the grant date. The exercise period shall not exceed five years from date of grant.

During the period, the Company raised US\$4,164,000 (£3,304,000) (inclusive of the sums received in July 2022) before expenses in a placing through the issue of 440,482,181 new ordinary shares at a price of Stg 0.75p per share. Eclipse Investments LLC, a substantial shareholder and a related party, subscribed for 84,375,514 new ordinary shares in the placing. The \$450,000 carry advance loan facility with ARA Petroleum LLC provided to the Company on 29 December 2021, and its accrued interest during the period of \$19,000, were repaid in full by offset against the cash received from Eclipse Investments LLC for the placing shares.

**16. Post balance sheet events**

On 7 July 2022, the Company received the balance owed of \$210,000 (£175,550) for the placing of the new shares. All funds have been received in full.

**17. Statutory information**

The financial information to 30 June 2022 and 30 June 2021 is unaudited and does not constitute statutory financial information. The information given for the year ended 31 December 2021 does not constitute the statutory accounts within the meaning of Part 6 of Chapter 4 of the Companies Act 2014. The statutory accounts for the year ended 31 December 2021 have been filed with the Companies Registration Office in Ireland. This announcement will be made available at the Company's registered office at Paramount Court, Corrig Road, Sandyford Business Park, Dublin 18 and at the office of the Aminex's UK subsidiary company, Aminex Petroleum Services Ltd., at 20-22 Wenlock Road, London, N1 7GU.