

**29 September 2023**

## **2023 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 2023.

### **REPORTING PERIOD HIGHLIGHTS**

- Substantial progress on all aspects of Ruvuma operations, including 3D seismic processing and interpretation, Gas Sales Agreement (“GSA”), Development Licence, a revised Competent Person’s Report (“CPR”) and arrival of long lead items.
- Loss for the period of US\$0.96 million (30 June 2022: loss of US\$1.28 million, as restated), a decrease of 25% on the same period last year.

### **POST PERIOD END**

- PanAfrican Energy Tanzania’s 3D seismic acquisition programme over their Songo Songo field, which includes an incursion into the Kiliwani North Development Licence (“KNDL”), commenced in August 2023 and is expected to be completed by November 2023. Interpretation of the 3D seismic data over a portion of the KNDL is forecast to be available by late Spring 2024.

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

“We are pleased to report that all activities on Ruvuma continue to progress under the efforts of the operator, ARA Petroleum Tanzania Limited. We look forward to receiving a revised CPR based on the high-quality data achieved from the acquisition of the Ruvuma 3D seismic survey that will permit a complete revision of gas reserve and resource potential; a GSA and Development Licence; and Ntorya-2 well test soon. We also look forward to a rig contract for the drilling of the Chikumbi-1 well and the well workover of Ntorya-1 in the coming months. We support and encourage the efforts of the Tanzanian authorities to expedite the construction of a gas pipeline from Ntorya to the Madimba gas plant, which is crucial in bringing much needed gas from Ruvuma to the people of Tanzania. Finally, we look forward to completion of the 3D seismic acquisition programme by PanAfrican Energy Tanzania over the core area of the KNDL this year, which will provide valuable data to the Company and enable a better understanding of KNDL prospectivity.”

### **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 2023 are set out below.

The Company reports a loss for the period of US\$0.96 million (30 June 2022: US\$1.28 million, as restated). Further information is provided in the Financial Review.

Considerable macro and local developments are converging during the remainder of this year that should provide significant additional value for our shareholders.

Globally, higher energy prices and shortages underscore the importance of fossil fuels, particularly natural gas, as an essential energy source for global economic development in the coming decades. Moreover, the macro-political uncertainty, reorientation of energy markets, and significant demand for energy in the developing world will, we believe, translate into a continued growing demand for gas globally.

Locally, the Government of Tanzania, committed to natural gas development, has stated that it seeks to accelerate natural gas production from Ruvuma to address short- and medium-term gas requirements. It is planning and constructing various facilities along existing gas delivery infrastructure directly connected to or near our Tanzanian assets, potentially increasing local gas demand in the short to medium term. In addition, discussions have been reported between Tanzanian Government officials and their counterparts in neighbouring countries exploring the possibility of securing a long-term gas supply from Tanzania, which will contribute to future gas demand in the East African region.

### **Non-Operating Strategy**

Our non-operating strategy has de-risked and anchored shareholder value, establishing a foundation that will improve returns. One way we accomplished this was to shift operational risk on our most valuable asset, Ruvuma, to ARA Petroleum Tanzania Limited ("APT"), a highly competent, capable, and well-funded operator. The planned use of existing wells in Ruvuma to accelerate gas production has shifted the operational narrative of Ruvuma from a dependence on the spudding and outcome of the Chikumbi-1 well ("CH-1") to a broader development effort. Moreover, we have significantly reduced our operating expenses and overhead to protect the Company while the project is still not generating cash. Finally, we have acquired the necessary funds via our equity placing in April 2022 to ensure our running costs are covered (before one-offs and exceptional items) until the projected receipt of Ruvuma gas revenues.

### **Ruvuma PSA**

The farm-out completed with APT in October 2020 carries the Company to material levels of production and revenue without the need to return to shareholders for additional funding for the development of the Ntorya field. This revenue is now projected sooner, given the acceleration of production agreed upon between the operator and the Tanzania Petroleum Development Corporation. 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 gas production volumes with commensurate revenues.

As reported to Aminex, significant recent developments include:

- Using the 3D seismic to choose a new optimal target location for CH-1.
- The entire 3D seismic data processed interpretation will be completed in Q4 2023, permitting a total revision of the gas reserve and resource potential for the field. Moreover, RPS Energy Consultants Ltd has been contracted to produce an updated CPR before the end of this year.
- A well-workover of the Ntorya-1 well ("NT-1") to enable rapid tie-in to the gas production facilities and bring the well into early production requires using a drilling rig and remains scheduled to run after the drilling of CH-1.
- The Gas Sales Agreement ("GSA"), approved by all parties, is with the Attorney General of Tanzania for final review. It is expected to be signed in the coming month.
- The Field Development Plan ("FDP") for developing the Ntorya Area is approved by all parties.
- The relevant Tanzanian Authorities have approved the Development Licence for the Ntorya Area and, as required by law, it is with the Cabinet of Ministers for final approval. The issuance of the Development Licence significantly de-risks the project, locking in the development of Ruvuma for twenty-five years.
- APT recently received the second shipment of long lead items with the third shipment enroute and expected in approximately three weeks. The shipments, among other things, include tubulars, casing and crossover joints for the spudding of CH-1 and the workover of NT-1.

- The two-week well-testing programme on the Ntorya-2 well ("NT-2"), designed to provide additional information required for the design of in-field processing facilities, is expected to run in the coming months.
- It is expected that a drilling rig contract for CH-1 and NT-1 will be finalised in the coming months. Further announcements will be made in due course.

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

Orca Energy, via its subsidiary PanAfrican Energy Tanzania ("PAET"), is expected to complete its acquisition of 3D seismic over its Songo Songo licence area by November 2023. The new 3D seismic data includes an incursion of 12.5 km<sup>2</sup> over part of the KNDL that borders the Songo Songo field to the west as part of their full-field survey. The data, at no cost to the KNDL partners, will be valuable in identifying fault trends, improving reservoir definition, and understanding the Kiliwani North and South structures. We expect to have the necessary data package and our subsequent interpretation available by late Spring 2024. The data will allow Aminex to re-evaluate the prospectivity of KNDL and opportunities for further infill drilling and development. It will enable in the future a more robust discussion with potential partners to operate the asset and secure additional funding through a farm-out. We have continued to impair the Kiliwani North and Kiliwani South assets during the year. We will update shareholders with progress in due course.

### **Nyuni Area PSA**

In April of 2022, we commenced a process with the relevant authorities in Tanzania to return the licence, given our belief that although 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 was far too much risk for a company of our size. At the request of the Tanzanian authorities, we continue efforts to secure a farm-in partner.

### **Cost Control**

We continued to maintain strict control of costs, having reduced gross General and Administrative expenses ("G&A"), before one-off costs and exceptional items, to US\$1.46 million in 2022, a 72% reduction from 2018 levels. G&A expenses for the period were US\$0.78 million (30 June 2022: US\$0.70 million), an increase of US\$0.08 million, US\$0.05 million of which relates to the increase in the non-cash share options charge. Through these cost-saving initiatives, the Company has established an appropriate structure of capabilities and competencies that match the current requirements of the business with a more flexible approach that de-risks our business and can help create or attract strategic opportunities.

### **Outlook and Funding**

We expect the remainder of 2023 to see significant information flow regarding the multiple workstreams mentioned above. Moreover, we have the funds to see the Company through to the anticipated commencement of cash flow receipts from sales of Ruvuma gas. These developments offer the opportunity for real value growth in the coming twelve months.

**Charles Santos**  
Executive Chairman  
29 September 2023

## **Financial Review**

### **Restatement of 30 June 2022 Half-Yearly Financial Report**

The comparative numbers shown for 30 June 2022 in this report have been amended to reflect the correct treatment for the April 2022 share placing, as used in the 2022 full year Financial Statements. The amounts involved have been recalculated using a different exchange rate, the increase in capital has now been allocated to Share Premium as well as Issued Capital and issue costs have been taken directly to Retained Earnings instead of Administrative Expenses.

### **Revenue Producing Operations**

Revenues from continuing operations amounted to US\$0.08 million (30 June 2022: US\$0.03 million). Group revenues during the first six months of 2023 are derived from the provision of technical and administrative services to joint venture operations.

Cost of sales was US\$0.11 million (30 June 2022: US\$0.13 million). The cost of sales for Kiliwani North operations amounted to US\$0.08 million (30 June 2022: US\$0.09 million) and included general licence related maintenance costs. There was no depletion charge for Kiliwani North as the period saw no production (30 June 2022: US\$ nil). The balance of the cost of sales amounting to US\$0.03 million (30 June 2022: US\$0.04 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\$0.03 million for the period compared with a gross loss of US\$0.10 million for the comparative period.

Group administrative expenses, excluding depreciation and net of costs capitalised against projects, were US\$0.78 million (30 June 2022: US\$0.70 million), an increase of US\$0.08 million. The increase in expenses during the period was due mainly to increases in consulting fees (US\$0.08 million), non-cash share options charge (US\$0.05 million), directors' fees (US\$0.04 million) and audit fees (US\$0.02 million), partially offset by reductions in property costs (US\$0.07 million) and payroll costs (US\$ 0.06 million). Management continues to maintain strict expenditure controls in order to consolidate the cost-saving gains achieved over the previous five years whereby gross General and Administrative expenses ("G&A"), before one-off costs and exceptional items, were reduced to US\$1.46 million in 2022, a 72% reduction from 2018 levels.

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\$196,000 (30 June 2022: US\$215,000) comprises expenditure incurred on Kiliwani South Area of US\$15,000 (30 June 2022: US\$17,000) and US\$181,000 (30 June 2022: US\$198,000) of expenditure incurred on the Nyuni Area PSA, and relates mainly 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 and the Kiliwani South Area continues to be impaired immediately to the income statement upon recognition following the full impairment in 2018 and 2021 respectively. The Group's resulting net loss from operating activities was US\$0.98 million (30 June 2022: loss of US\$1.01 million).

Finance income of US\$108,000 is a result of foreign exchange gains (30 June 2022: US\$nil).

Finance costs amounted to US\$80,000 (30 June 2022: US\$262,000) and relates solely to the decommissioning interest charge (30 June 2022: US\$53,000). The remainder of 30 June 2022 finance costs related to foreign exchange losses on monetary assets of US\$190,000 and loan interest expense of US\$19,000 for the advance loan facility from ARA (repaid in April 2022).

The Group's net loss for the period amounted to US\$0.96 million (30 June 2022: loss of US\$1.28 million).

### **Balance Sheet**

The Group's investment in exploration and evaluation assets decreased slightly from US\$38.05 million at 31 December 2022 to US\$38.03 million at 30 June 2023. This was due to a decrease in estimated decommissioning costs for the Ruvuma PSA CGU as a result of changes to inflation and discount rates. As noted above, all expenditure on the Nyuni Licence Area and the Kiliwani South Area continues to be impaired immediately to the income statement upon recognition as both are fully impaired. In accordance with the Group's accounting policy, the Group does not record expenditure for its share of costs that are carried by APT in relation to the Ruvuma PSA asset. The Group is carried for a total of US\$35.0 million of development expenditure on the Ruvuma PSA, with expenditure in the period related to processing and interpretation of 3D seismic and development activities.

The carrying value of property, plant and equipment ("PP&E") has decreased from US\$7,000 at 31 December 2022 to US\$5,000 at 30 June 2023. This is a result of depreciation for the period and no purchases of new equipment. The costs for the Kiliwani North CGU are included in PP&E but are fully impaired (see Note 9).

Current assets amounted to US\$6.60 million (31 December 2022: US\$7.13 million) with trade and other receivables of US\$1.56 million (31 December 2022: US\$1.32 million), which as operator includes joint operations partner's interests in gas revenues, and cash and cash equivalents of US\$5.04 million (31 December 2022: US\$5.81 million). The decrease in current assets of US\$0.53 million predominantly related to the reduction in cash due to expenditures on G&A.

Current liabilities amounted to US\$10.21 million compared with US\$9.92 million at 31 December 2022. This balance included amounts payable to joint venture partners for their profit shares from invoiced gas sales, related VAT and excise tax payable on the gas receivables invoices and provisions and accruals for taxes. The increase relates predominantly to US\$0.20 million in accrued training and licence fee invoices from the Petroleum Upstream Regulatory Authority in Tanzania. Non-current liabilities are US\$1.92 million (31 December 2022: US\$1.88 million) being the decommissioning provision which increased during the period as the net result of the unwind of the discount during the period of US\$0.08 million less US\$0.04 million for a decrease in estimated costs due to changes in inflation and discount rates.

Total equity has decreased by US\$0.87 million between 31 December 2022 and 30 June 2023 to US\$32.51 million (31 December 2022: US\$33.38 million). This is due mainly to the increase in the retained deficit of US\$0.96 million arising from the loss for the period offset by increases in the share option reserve of US\$0.06 million and foreign currency translation reserve of US\$0.03 million.

### **Cash Flows**

Net cash outflows from operating activities were US\$0.71 million during the period (30 June 2022: cash outflow of US\$1.23 million), being mainly G&A expenditures. Net cash outflows from investing activities amounted to US\$0.17 million (30 June 2022: cash outflow of US\$0.37 million) being 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. There were no cash inflows from financing activities during the period compared with a net cash inflow of US\$3.49 million for the six months to 30 June 2022 from share issue proceeds of US\$3.96 million offset by US\$0.47 million relating to the repayment of the ARA facility loan. Net cash and cash equivalents for the six months ended 30 June 2023 therefore decreased by US\$0.88 million compared with an increase of US\$1.90 million for the comparative half-year period. The balance of net cash and cash equivalents at 30 June 2023 was US\$5.04 million (30 June 2022: US\$6.39 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 2022 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 2024, 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 current cash resources and expected expenditures, 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 2022 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 Tanzania Revenue Authority (“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. Also as disclosed in Note 14, the Group received tax assessments from the TRA of US\$3.3 million in relation to a tax audit covering the period from 2019 to 2020, for which appropriate amounts have already been included in the cash forecast and provided for in the financial statements. 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 2023 and concluded that the principal risks identified at 31 December 2022 and disclosed on pages 24 to 25 of the 2022 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
- Lack of exploration, appraisal and development drilling success
- Adverse and unexpected tax assessments in Tanzania
- Ability to secure other financing for Group operations
- Political and fiscal uncertainties

### **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 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*

29 September 2023

**Aminex PLC**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
*for the six months ended 30 June 2023*

	Notes	Unaudited 6 months ended 30 June 2023 US\$'000	Unaudited 6 months ended 30 June 2022 US\$'000	Audited Year ended 31 December 2022 US\$'000
<b>Continuing operations</b>				
Revenue	2	81	26	64
Cost of sales		<u>(114)</u>	<u>(129)</u>	<u>(284)</u>
<b>Gross loss</b>		<b>(33)</b>	(103)	(220)
Administrative expenses		(776)	(696)	(2,964)
Impairment against exploration and evaluation assets	8	(196)	(215)	(413)
Impairment against property, plant and equipment assets	9	<u>21</u>	<u>-</u>	<u>(101)</u>
<b>Loss from operating activities</b>		<b>(984)</b>	(1,014)	(3,698)
Finance income	4	108	-	-
Finance costs	5	<u>(80)</u>	<u>(262)</u>	<u>(361)</u>
<b>Loss before tax</b>		<b>(956)</b>	(1,276)	(4,059)
Income tax expense	6	<u>-</u>	<u>-</u>	<u>-</u>
<b>Loss for the period</b>	2	<b><u>(956)</u></b>	<b><u>(1,276)</u></b>	<b><u>(4,059)</u></b>
<b>Loss per share</b>				
Basic and diluted (US cents)	7	<u>(0.02)</u>	<u>(0.03)</u>	<u>(0.10)</u>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
*for the six months ended 30 June 2023*

	Unaudited 6 months ended 30 June 2023 US\$'000	Unaudited 6 months ended 30 June 2022 US\$'000	Audited Year ended 31 December 2022 US\$'000
Loss for the period	(956)	(1,276)	(4,059)
<b>Other comprehensive income</b>			
Items that are or may be reclassified subsequently to profit or loss:			
Currency translation differences	<u>29</u>	<u>(110)</u>	<u>(113)</u>
<b>Total comprehensive expense for the period attributable to the equity holders of the Company</b>	<b><u>(927)</u></b>	<b><u>(1,386)</u></b>	<b><u>(4,172)</u></b>

Note: Some amounts from the 2022 Half-Yearly Financial Report have been restated. See the Financial Review for details.



**Aminex PLC**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
*At 30 June 2023*

	Notes	Unaudited 30 June 2023 US\$'000	Unaudited 30 June 2022 US\$'000	Audited 31 December 2022 US\$'000
<b>Assets</b>				
<b>Non-current assets</b>				
Exploration and evaluation assets	8	<b>38,032</b>	38,275	38,048
Property, plant and equipment	9	<b>5</b>	13	7
<b>Total non-current assets</b>		<b>38,037</b>	38,288	38,055
<b>Current assets</b>				
Trade and other receivables	10	<b>1,562</b>	1,438	1,322
Cash and cash equivalents	11	<b>5,036</b>	6,394	5,805
<b>Total current assets</b>		<b>6,598</b>	7,832	7,127
<b>TOTAL ASSETS</b>		<b>44,635</b>	46,120	45,182
<b>Equity</b>				
Issued capital		<b>69,695</b>	69,669	69,695
Share premium		<b>128,340</b>	128,135	128,340
Other undenominated capital		<b>234</b>	234	234
Share option reserve		<b>1,290</b>	781	1,231
Foreign currency translation reserve		<b>(2,275)</b>	(2,301)	(2,304)
Retained deficit		<b>(164,771)</b>	(161,177)	(163,815)
<b>Total equity</b>		<b>32,513</b>	35,341	33,381
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Decommissioning provision		<b>1,916</b>	1,668	1,884
<b>Total non-current liabilities</b>		<b>1,916</b>	1,668	1,884
<b>Current liabilities</b>				
Trade and other payables	12	<b>10,206</b>	9,111	9,917
Borrowings	13	<b>-</b>	-	-
<b>Total current liabilities</b>		<b>10,206</b>	9,111	9,917
<b>Total liabilities</b>		<b>12,122</b>	10,779	11,801
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44,635</b>	46,120	45,182

Note: Some amounts from the 2022 Half-Yearly Financial Report have been restated. See the Financial Review for details.

**Aminex PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
*for the six months ended 30 June 2023*

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 US\$'000	Retained deficit US\$'000	Total equity US\$'000
<b>At 1 January 2022</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>
<b>Comprehensive income</b>							
Loss for the period	-	-	-	-	-	(1,276)	(1,276)
Currency translation differences	-	-	-	-	(110)	-	(110)
<b>Transactions with shareholders of the Company recognised directly in equity</b>							
Shares issued	463	3,654	-	-	-	(153)	3,964
Share based payment charge	-	-	-	12	-	-	12
<b>At 30 June 2022</b>	<b>69,669</b>	<b>128,135</b>	<b>234</b>	<b>781</b>	<b>(2,301)</b>	<b>(161,177)</b>	<b>35,341</b>
<b>Comprehensive income</b>							
Loss for the period	-	-	-	-	-	(2,783)	(2,783)
Currency translation differences	-	-	-	-	(3)	-	(3)
<b>Transactions with shareholders of the Company recognised directly in equity</b>							
Shares issued	26	205	-	-	-	-	231
Share-based payment charge	-	-	-	595	-	-	595
Share option reserve transfer	-	-	-	(145)	-	145	-
<b>At 31 December 2022 as previously reported</b>	<b>69,695</b>	<b>128,340</b>	<b>234</b>	<b>1,231</b>	<b>(2,304)</b>	<b>(163,815)</b>	<b>33,381</b>
<b>Comprehensive income</b>							
Loss for the period	-	-	-	-	-	(956)	(956)
Currency translation differences	-	-	-	-	29	-	29
<b>Transactions with shareholders of the Company recognised directly in equity</b>							
Share based payment charge	-	-	-	59	-	-	59
<b>At 30 June 2023 (unaudited)</b>	<b>69,695</b>	<b>128,340</b>	<b>234</b>	<b>1,290</b>	<b>(2,275)</b>	<b>(164,771)</b>	<b>32,513</b>

Note: Some amounts from the 2022 Half-Yearly Financial Report have been restated. See the Financial Review for details.

**Aminex PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS**  
*for the six months ended 30 June 2023*

	<b>Unaudited 6 months ended 30 June 2023 US\$'000</b>	Unaudited 6 months ended 30 June 2022 US\$'000	Audited Year ended 31 December 2022 US\$'000
<b>Operating activities</b>			
Loss for the financial period	<b>(956)</b>	(1,276)	(4,059)
Depreciation and depletion	<b>1</b>	22	32
Equity-settled share-based payments	<b>59</b>	12	607
Finance income	<b>(108)</b>	-	-
Finance costs	<b>80</b>	262	361
Impairment of exploration and evaluation assets	<b>196</b>	215	413
Impairment of property, plant and equipment	<b>(21)</b>	-	101
Trade Receivables write-off	<b>-</b>	-	128
(Increase) / decrease in trade and other receivables	<b>(240)</b>	(73)	43
(Decrease) / increase in trade and other payables	<b>280</b>	(392)	485
<b>Net cash (used in) / generated by operating activities</b>	<b>(709)</b>	(1,230)	(1,889)
Tax paid	<b>-</b>	-	-
<b>Net cash (outflows) / inflows from operating activities</b>	<b>(709)</b>	(1,230)	(1,889)
<b>Investing activities</b>			
Acquisition of property, plant and equipment	<b>-</b>	(1)	(5)
Expenditure on exploration and evaluation assets	<b>(168)</b>	(365)	(477)
<b>Net cash (outflows) / inflows from investing activities</b>	<b>(168)</b>	(366)	(482)
<b>Financing activities</b>			
Proceeds from the issue of share capital	<b>-</b>	4,117	4,348
Payment of transaction costs on issue of share capital	<b>-</b>	(153)	(153)
Payment of borrowings	<b>-</b>	(450)	(450)
Payment of interest on borrowings	<b>-</b>	(19)	(19)
<b>Net cash inflows / (outflows) from financing activities</b>	<b>-</b>	3,495	3,726
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(877)</b>	1,899	1,355
Cash and cash equivalents at 1 January	<b>5,805</b>	4,685	4,685
Foreign exchange (loss) / gain	<b>108</b>	(190)	(235)
<b>Cash and cash equivalents at end of the financial period</b>	<b>5,036</b>	6,394	5,805

Note: Some amounts from the 2022 Half-Yearly Financial Report have been restated. See the Financial Review for details.

## **Aminex PLC**

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

*for the six months ended 30 June 2023*

#### **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 2022. The financial information contained in the condensed financial statements has been prepared in accordance with the accounting policies set out in the 2022 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 2022 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 in the 2022 Annual Report and Accounts.

These condensed consolidated financial statements were authorised for issue by the Board of Directors on 29 September 2023.

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 2024, 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, 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 2022 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; 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. Also as disclosed in Note 14, the Group received tax assessments from the TRA of US\$3.3 million in relation to a tax audit covering the period from 2019 to 2020, for which appropriate amounts have already been included in the cash forecast and provided for in the financial statements. 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 2022 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 2023; 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

There are no standards issued but not yet adopted by the Group.

## **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 generated no revenue for the period under this segment (30 June 2022: US\$nil).

### *Oilfield services*

Revenue for services is recognised as services are 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 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 2023

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

**Operating segment results – 30 June 2023 (unaudited)**

US\$'000	Tanzania Producing oil and gas properties 30 June 2023	Tanzania Exploration activities 30 June 2023	UK Oilfield services 30 June 2023	Unallocated Corporate Aminex Group 30 June 2023	Total 30 June 2023
Revenue	-	-	81	-	81
Cost of sales	(27)	(6)	(81)	-	(114)
<b>Gross loss</b>	<b>(27)</b>	<b>(6)</b>	<b>-</b>	<b>-</b>	<b>(33)</b>
Depreciation	-	-	-	(1)	(1)
Administrative expenses	(113)	-	(97)	(565)	(775)
Impairment against PP&E assets	21	-	-	-	21
Impairment against exploration and evaluation assets	-	(196)	-	-	(196)
<b>Loss from operating activities</b>	<b>(119)</b>	<b>(202)</b>	<b>(97)</b>	<b>(566)</b>	<b>(984)</b>
Finance costs	(19)	(60)	-	(1)	(80)
Finance income	-	-	-	-	-
Foreign exchange gains	-	-	-	108	108
<b>Loss before tax</b>	<b>(138)</b>	<b>(262)</b>	<b>(97)</b>	<b>(459)</b>	<b>(956)</b>
Taxation	-	-	-	-	-
<b>Loss for the period</b>	<b>(138)</b>	<b>(262)</b>	<b>(97)</b>	<b>(459)</b>	<b>(956)</b>
Segment assets	2,388	38,143	-	4,104	44,635
Segment liabilities	(3,846)	(3,492)	-	(4,784)	(12,122)
Capital expenditure additions	(21)	180	-	-	159
<b>Other material non-cash items</b>					
Share based payments (Note 3)	-	-	-	(59)	(59)
Unwinding of discount on decommissioning provision (Note 5)	(20)	(60)	-	-	(80)

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

US\$'000	Tanzania Producing oil and gas properties 30 June 2022	Tanzania Exploration activities 30 June 2022	UK Oilfield services 30 June 2022	Unallocated Corporate Aminex Group 30 June 2022	Total 30 June 2022
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)	(493)	(674)
Impairment against exploration and evaluation assets	-	(215)	-	-	(215)
<b>Loss from operating activities</b>	<b>(181)</b>	<b>(221)</b>	<b>(97)</b>	<b>(515)</b>	<b>(1,014)</b>
Finance costs	(10)	(43)	-	(19)	(72)
Finance income	-	-	-	-	-
Foreign exchange gains	-	-	-	(190)	(190)
<b>Loss before tax</b>	<b>(191)</b>	<b>(264)</b>	<b>(97)</b>	<b>(724)</b>	<b>(1,276)</b>
Taxation	-	-	-	-	-
<b>Loss for the period</b>	<b>(191)</b>	<b>(264)</b>	<b>(97)</b>	<b>(724)</b>	<b>(1,276)</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)	-	-	-	(12)	(12)
Unwinding of discount on decommissioning provision (Note 5)	(10)	(43)	-	-	(53)

**Aminex PLC****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)***for the six months ended 30 June 2023***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, were 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 1 June 2023, the Company granted 42 million share options to Directors. Charles Santos was awarded 12 million options over Ordinary shares and 10 million options were awarded to each of Tom Mackay, Sultan Al-Ghaithi and James Lansdell. The exercise price is Stg1.00p and options will vest upon the average closing price of the ordinary shares of the Company being no lower than Stg2.00p for five consecutive trading days. The exercise period shall not exceed five years from date of grant.

The fair value at 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</b> <b>6 months ended</b> <b>30 June</b> <b>2023</b> <b>US\$'000</b>	Unaudited 6 months ended 30 June 2022 US\$'000	Audited year ended 31 December 2022 US\$'000
Share-based payment charge	<b>59</b>	12	607

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 was estimated using the binomial option-pricing model):

Date of grant	1 June 2023
Contractual life	5 years
Exercise price	Stg 1.0 pence
Number of options granted	42,000,000
Expected volatility	87.2%
Vesting conditions	Market
Fair value per option	Stg 0.8 pence
Expected dividend yield	-
Risk-free rate	2.4%

On 30 June 2023, there were options granted under the ESOS and the New RSP outstanding over 186,111,000 (31 December 2022: 127,611,000) 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 3.61 years (31 December 2022: 2.29 years). The average share price for the six months ended 30 June 2023 was Stg1.14pence / €0.0122 (year ended 31 December 2022: Stg0.92pence / €0.01085).



**Aminex PLC**

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

for the six months ended 30 June 2023

**4. Finance income**

	<b>Unaudited 6 months ended 30 June 2023 US\$'000</b>	Unaudited 6 months ended 30 June 2022 US\$'000	Audited year ended 31 December 2022 US\$'000
Foreign exchange gain	108	-	-
	<u>108</u>	<u>-</u>	<u>-</u>

**5. Finance costs**

	<b>Unaudited 6 months ended 30 June 2023 US\$'000</b>	Unaudited 6 months ended 30 June 2022 US\$'000	Audited year ended 31 December 2022 US\$'000
Interest expense	-	19	19
Other finance costs - decommissioning provision interest charge	80	53	107
Foreign exchange loss	-	190	235
	<u>80</u>	<u>262</u>	<u>361</u>

**6. Tax**

The Group has not provided any tax charge for the six-month periods ended 30 June 2023 and 30 June 2022. 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 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 2023, 30 June 2022 (restated) and the year ended 31 December 2022 are as follows:

	<b>Unaudited 6 months ended 30 June 2023</b>	Unaudited 6 months ended 30 June 2022	Audited Year ended 31 December 2022
<i>Numerator for basic and diluted earnings per share:</i>			
Loss for the financial period (US\$'000)	<u>(956)</u>	<u>(1,276)</u>	<u>(4,059)</u>
<i>Weighted average number of shares:</i>			
Weighted average number of ordinary shares ('000)	<u>4,211,167</u>	<u>3,948,338</u>	<u>4,080,833</u>
Basic and diluted loss per share (US cents)	<u>(0.02)</u>	<u>(0.03)</u>	<u>(0.10)</u>

There is no difference between the basic loss per Ordinary Share and the diluted loss per Ordinary Share for the financial periods ended 30 June 2023, 30 June 2022 and the year ended 31 December 2022 as all potentially dilutive Ordinary Shares outstanding were anti-dilutive. There were 209,611,000 share options in issue at 30 June 2023, 178,611,000 share options in issue at 30 June 2022 and 167,611,000 share options in issue at 31 December 2022.

**Aminex PLC****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)***for the six months ended 30 June 2023***8. Exploration and evaluation assets**

	US\$'000
<b>Cost</b>	
At 1 January 2023	104,600
Additions	<b>180</b>
<b>At 30 June 2023</b>	<b>104,780</b>
<b>Provisions for impairment</b>	
At 1 January 2023	66,552
Increase in impairment provision	<b>196</b>
<b>At 30 June 2023</b>	<b>66,748</b>
<b>Net book value</b>	
<b>At 30 June 2023</b>	<b>38,032</b>
At 31 December 2022	<u>38,048</u>

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, less a decrease in estimates for decommissioning costs.

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 ARA Petroleum Tanzania Limited (“APT”), a related party of the Group. The Group now holds a 25% interest in the Ruvuma PSA with a US\$35.0 million carry through to potentially significant volumes of production.

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), complete the negotiation of the Gas Terms for the Ruvuma PSA with the TPDC and, using the data gathered from the Chikumbi-1 exploration and appraisal well and seismic acquisition, prepare and submit an application for a Development Licence for the Ntorya Location area.

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

The Farm-Out 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 2023 was US\$30.1 million (30 June 2022: US\$33.6 million). There is a clear development plan for the asset outlined by the operator APT, with the support of the JV partners. During 2022, a 338 km<sup>2</sup> 3D seismic survey was completed and data processing and interpretation expected to be completed before the end of 2023. In March 2023, plans were announced to accelerate commencement of gas production, the Field Development Plan (“FDP”) was approved and the Development Licence for the Ntorya Area is currently with the Cabinet of Ministers for final approval.

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. In April 2022 the Group commenced the process to hand back the licence to the Ministry. Subsequently, it was agreed with the Tanzanian authorities that we will continue our attempts to attract industry partners to participate in the licence. The likely outcome of these attempts however remains uncertain and consequently the Directors maintained their position of a full impairment over the Nyuni Area PSA CGU. 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. The Directors concluded in 2021 that the carrying value of the Kiliwani South asset should be fully impaired. Although a budget has been approved for 2023, this is for licence maintenance and support only, and the Directors concluded that full impairment should continue in 2022 and 2023. Therefore, expenditure during the period has been capitalised and then immediately impaired to the income statement as impairment against exploration and evaluation assets. 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 2023

**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 2023	8,350	-	83	8,433
Additions in the period	(21)	-	-	(21)
Disposals	-	-	-	-
Exchange rate adjustment	-	-	5	5
<b>At 30 June 2023</b>	<b>8,329</b>	<b>-</b>	<b>88</b>	<b>8,417</b>
<b>Depreciation and depletion</b>				
At 1 January 2023	8,350	-	76	8,426
Charge for the period	-	-	1	1
Decrease in impairment provision	(21)	-	-	(21)
Disposals	-	-	-	-
Exchange rate adjustment	-	-	6	6
<b>At 30 June 2023</b>	<b>8,329</b>	<b>-</b>	<b>83</b>	<b>8,412</b>
<b>Net book value</b>				
<b>At 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>5</b>
At 31 December 2022	-	-	7	7

Development property - Tanzania

Following the award of the Kiliwani North Development Licence (“KNDL”) 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 (“KN-1”) commenced on 4 April 2016 and depletion was 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. However, production from KN-1 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). Any development of the KNDL requires prior agreement 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, and the Group proposed no work programme and allocated no budget over the KNDL for 2022. The Directors concluded in 2021 that these all indicated the asset was impaired.

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 KN-1 well. The Company uses 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 US\$nil.

Consequently, the Directors concluded that the Kiliwani North CGU was fully impaired as at 31 December 2021. These conditions and assessments have continued and therefore expenditures incurred during the financial period were capitalised and immediately impaired.

**Aminex PLC****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)***for the six months ended 30 June 2023***9. Property, plant and equipment (continued)**Right of use asset

All right of use assets related to leases the Group had entered into in respect of various office properties. As at 31 December 2022, all these leases had expired and the properties vacated. All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

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

**10. Trade and other receivables**

Trade and other receivables amounted to US\$1.56 million at the period end (31 December 2022: US\$1.32 million). The increase is comprised mainly of increases in amounts due from joint operations partners (US\$0.07 million), trade debtors (US\$0.06 million) and prepayments (US\$0.06 million).

**11. Cash and cash equivalents**

	<b>Unaudited 6 months ended 30 June 2023 US\$'000</b>	Unaudited 6 months ended 30 June 2022 US\$'000	Audited year ended 31 December 2022 US\$'000
Cash at bank and in hand	<b>5,036</b>	6,394	5,805

Included in cash and cash equivalents is an amount of US\$1,023,000 (31 December 2022: 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\$10.21 million at the period end (31 December 2022: US\$9.92 million). The increase relates predominantly to US\$0.20 million in accrued training and licence fee invoices from the Petroleum Upstream Regulatory Authority in Tanzania. Included in trade and other payables for the Group are amounts due to partners in joint operations, VAT payable and amounts arising on gas sales.

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

**13. Borrowings**

At 30 June 2023, the Group had no outstanding borrowings (31 December 2022: US\$ nil; 30 June 2022: US\$ nil).

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

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

##### Commitments

In accordance with the relevant PSAs, 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. The Group commenced discussions in 2022 with the Tanzanian authorities to hand back the Nyuni Area licence which resulted in Aminex being requested to market the licence in 2023 in an attempt to find a third-party partner willing to pursue and fund a mutually agreed renegotiated work programme. 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. Two wells are required to be drilled on the Mtwara Licence, one of which is expected to be the Chikumbi-1 well. The Mtwara Licence in respect of the Ntorya Location was extended in August 2021 for two years. Pursuant to that extension, the joint operations parties are required to acquire 200 km<sup>2</sup> of 3D seismic over the location area, drill the Chikumbi-1 well and conclude negotiations of the Gas Terms for the Ruvuma PSA. The 3D seismic acquisition programme was completed on 9 October 2022 and the Addendum to the Ruvuma PSA, setting out the fiscal terms for the production of gas, was signed by all parties on 25 November 2022.

##### 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.
- (d) In 2022, as part of the share placement agreement with its broker, Shard Capital Partners LLP ("Shard"), the Company agreed to grant 5,320,666 warrants over new Ordinary Shares to Shard at an exercise price of Stg1.125pence per Ordinary Share ("Warrants"). It was agreed between the Company and Shard that the Warrants would not be issued until requested by Shard. No such request has been received by the Company to date and so the Warrants have not yet been granted to Shard.

**Aminex PLC**

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

for the six months ended 30 June 2023

**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:

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

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

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

On 20 June 2023, following the conclusion of the TRA audit of NRL for taxation years 2019 to 2020, the TRA issued a tax assessment in respect of these taxation years. The majority of these amounts have already been provided for or accrued in the financial statements. The following material matters were raised in the assessments:

Area		Principal US\$’000	Interest US\$’000	Total US\$’000
Withholding tax	WHT accrued but not paid	1,071	183	1,254
Withholding tax	WHT on foreign services	358	58	416
VAT	VAT accrued but not paid	359	-	359
Gas sales settlement agreement	VAT accrued but not paid	924	-	924
	Excise duty accrued but not paid	298	-	298
		<u>3,010</u>	<u>241</u>	<u>3,251</u>

NRL considers all of the above claims, except those noted as accrued but not paid, 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 2023*

**15. Related party transactions**

On 1 June 2023, the Company granted 42 million share options to Directors. Charles Santos was awarded 12 million options over Ordinary shares and 10 million options were awarded to each of Tom Mackay, Sultan Al-Ghaithi and James Lansdell. Sultan Al-Ghaithi is Chief Executive Officer of Eclipse Investments LLC (“Eclipse”) and ARA Petroleum LLC. James Lansdell is Deputy General Counsel at The Zubair Corporation and, at the date of grant of options, was an Eclipse representative. Eclipse is a related party. The exercise price is Stg1.00p and options will vest upon the average closing price of the ordinary shares of the Company being no lower than Stg2.00p for five consecutive trading days. The exercise period shall not exceed five years from date of grant.

**16. Post balance sheet events**

On 7 July and 22 July 2023 respectively, NRL submitted deposit waiver requests and objection letters relating to the majority of the TRA assessments issued in June 2023 for the years 2019 to 2020 (see Note 14). On 28 August 2023 a letter was received from the TRA demanding full payment of the assessments. Discussions continued in August and September 2023 with the TRA regarding the validity of NRL’s deposit waiver requests and objection letters and the TRA’s payment demand. These discussions are ongoing.

**17. Statutory information**

The financial information to 30 June 2023 and 30 June 2022 is unaudited and does not constitute statutory financial information. The information given for the year ended 31 December 2022 does not constitute the statutory accounts within the meaning of Part 6, Chapter 4 of the Companies Act 2014. The statutory accounts for the year ended 31 December 2022 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 Aminex’s UK subsidiary company, Aminex Petroleum Services Ltd., at 20-22 Wenlock Road, London, N1 7GU.