COMPANY REGISTRATION NUMBER 127571
WENTWORTH RESOURCES PLC
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2019 and 2018

(unaudited)

WENTWORTH RESOURCES PLC
SIX MONTHS ENDED 30 JUNE 2019
GROUP ACCOUNTS

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June 2019 $000	2018 $000
Total revenue		**8,018**	10,792
Production and operating costs		**(1,772)**	(1,470)
Depletion	11	**(2,843)**	(3,214)
Total cost of sales		**(4,615)**	(4,684)
Gross profit		**3,403**	6,108
Recurring administrative costs	6	**(2,963)**	(2,731)
Amounts capitalised to E&E assets		**-**	505
New venture and pre – licence costs		**(498)**	-
Management restructuring costs		**-**	(832)
Redomicile costs		**-**	(335)
Share-based payment charges	19	**(243)**	(26)
Depreciation	11	**(8)**	(6)
Tanzanian withholding tax costs		**-**	(1,750)
Total costs		**(3,712)**	(5,175)
(Loss)/profit from operations		**(309)**	933
Finance income	7	**-**	2,053
Finance costs	7	**(425)**	(671)
(Loss)/profit before tax		**(734)**	2,315
Current tax expense		**(11)**	(164)
Deferred tax expense		**587**	(8,678)
		576	(8,842)
Net loss and comprehensive loss from continuing operations		**(158)**	(6,527)
Loss from discontinued operations, net of tax	5	**-**	(2)
Net loss per ordinary share			
Basic and diluted (US$/share)	21	**-**	(0.04)

WENTWORTH RESOURCES PLC
SIX MONTHS ENDED 30 JUNE 2019
GROUP ACCOUNTS

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	30 June 2019 $000	31 December 2018 $000
ASSETS			
Current assets			
Cash and cash equivalents		**9,873**	11,903
Trade and other receivables	8	**12,445**	7,553
TPDC receivables	9	**189**	5,238
Assets of discontinued operations	5	**233**	-
		22,740	24,694
Non-current assets			
Exploration and evaluation assets	10	**8,129**	8,129
Property, plant and equipment	11	**80,947**	83,777
Deferred tax asset		**4,623**	4,036
		93,699	95,942
Total assets		**116,439**	120,636
LIABILITIES			
Current liabilities			
Trade and other payables	13	**2,968**	3,207
Overdraft credit facility	14	**2,500**	2,500
Current portion of term loans	15	**5,170**	6,946
Contingent PTTEP liability	16	**-**	848
Liabilities of discontinued operations	5	**211**	-
		10,849	13,501
Non-current liabilities			
Term loans	15	**-**	1,688
Decommissioning provision	17	**1,027**	969
		1,027	2,657
EQUITY			
Share capital	20	**416,426**	416,426
Equity reserve		**26,831**	26,588
Accumulated deficit		**(338,694)**	(338,536)
		104,563	104,478
Total liabilities and equity		**116,439**	120,636

The condensed consolidated financial statements of Wentworth Resources plc, registered number 127571 were approved by the Board of Directors and authorised for issue on 3 September 2019.

Signed on behalf of the Board of Directors

Eskil Jersing

Chief Executive Officer

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Note	Number of shares	Share capital $000	Equity reserve $000	Accumulated deficit $000	Total equity $000
Balance at 31 December 2017 as previously reported		186,488,465	416,426	26,490	(262,566)	180,350
IFRS 9 transitional adjustment		-	-	-	(746)	(746)
Restated balance at 31 December 2017		186,488,465	416,426	26,490	(263,312)	179,604
Net loss and comprehensive loss		-	-	-	(75,224)	(75,224)
Share based compensation	19	-	-	98	-	98
Balance at 31 December 2018		186,488,465	416,426	26,588	(338,536)	104,478
Net loss and comprehensive loss		**-**	**-**	**-**	**(158)**	**(158)**
Share based compensation	**19**	**-**	**-**	**243**	**-**	**243**
Balance at 30 June 2019		**186,488,465**	**416,426**	**26,831**	**(338,694)**	**104,563**

WENTWORTH RESOURCES PLC
SIX MONTHS ENDED 30 JUNE 2019
GROUP ACCOUNTS

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	Six months ended 30 June 2019 $000	2018 $000
Operating activities			
Net loss for the year		**(158)**	(6,529)
Adjustments for:			
Depreciation and depletion	11	**2,851**	3,220
Net finance (income)/expense	7	**425**	(1,382)
Deferred tax		**(587)**	8,678
Share based compensation	19	**243**	26
		2,774	4,013
Change in non-cash working capital:			
Trade and other receivables		**(4,994)**	(3,779)
Prepayments and deposits		**(44)**	(14)
Trade and other payables		**(125)**	807
Net cash (utilized in)/generated from operating activities - continued operation		**(2,389)**	1,027
Net cash generated from/(utilized in) operating activities - discontinued operation		**225**	(39)
Net cash (utilized in)/generated from operating activities		**(2,164)**	988
Investing activities			
Additions to exploration and evaluation assets	10	**-**	(982)
Additions to property, plant and equipment	11	**(21)**	(688)
Reduction of long-term receivable		**4,737**	6,116
Proceeds from sale of office assets		**-**	3
		4,716	4,449
Change in non-cash working capital		**311**	(953)
Net cash from investing activities – continued operation		**5,027**	3,496
Disposal of discontinued operation, net of cash disposed of	5	**(186)**	(28)
Net cash from investing activities		**4,841**	3,468
Financing activities			
Principal term loan repayments	15	**(3,330)**	(2,666)
Interest on term loan	15	**(387)**	(954)
Interest/renewal fee on overdraft facility	14	**(18)**	(67)
Payment of contingent PTTEP liability	16	**(848)**	(543)
Net cash used in financing activities		**(4,583)**	(4,230)
Net change in cash and cash equivalents		**(1,906)**	226
Cash and cash equivalents, beginning of the period		**11,779**	3,725
Cash and cash equivalents, end of the period		**9,873**	3,951

1. Incorporation and basis of preparation

Wentworth Resources PLC ("Wentworth" or the "Company") is an East Africa-focused upstream oil and natural gas company. These unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries (collectively referred to as "Wentworth Group of Companies" or the "Group"). The Company is actively involved in oil and gas exploration, development and production operations. Wentworth is incorporated in Jersey, having completed its re-domicile from Canada effective 26 October 2018. Shares of the Company as at 30 June 2019 were widely held and listed on the AIM part of the London Stock Exchange (ticker: WEN). The Company de-listed from Oslo Bors effective 13 February 2019.

The Company's principal place of business is located at Thames Tower, 2nd Floor, Station Road, Reading RG1 1LX, United Kingdom after being relocated from 3210, 715 - 5 Avenue, SW Calgary, Canada.

The Company maintains offices in Dar es Salaam, Tanzania and Reading, United Kingdom.

Basis of presentation and statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared by management in accordance with International Accounting Standard 34, "Interim Financial Reporting". The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these unaudited condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent in all material respects with those applied to the consolidated financial statements as at and for the year ended December 31, 2018. These unaudited condensed consolidated interim financial statements have been prepared following the same accounting policies as the annual audited consolidated financial statements for the year ended December 31, 2018 and should be read in conjunction with the annual audited consolidated financial statements and the notes thereto. These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on 3 September 2019. The disclosures provided below are incremental to those included in the 2018 annual consolidated financial statements.

The information for the year ended 31 December 2018 included in the report was derived from the statutory accounts for that year which were prepared in accordance with International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations committee ('IFRIC') of the IASB as adopted by the EU up to 31 December 2018, a copy of which has been delivered to the Registrar of Companies. The auditors opinion in relation to those accounts was unqualified, did not draw attention to any matters by way of emphasis and also did not contain a statement under section 498 (2) or 498 (3) if the Companies Act 2006.

Functional and presentation currency

These consolidated financial statements are presented in US dollars which is the functional currency the majority of the Group.

Basis of consolidation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities that the Company controls. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its authority over the investee. The existence and effect of potential voting rights are considered when assessing whether a company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The following legal entities are within the Wentworth Group of Companies:

Legal entity	Registered	Holdings at 30 June 2019	Functional currency
Wentworth Resources plc	Jersey	Ultimate Parent	US dollar
Wentworth Resources (UK) Limited	United Kingdom	100%	GBP
Wentworth Holdings (Jersey) Limited	Jersey	100%	US dollar
Wentworth Tanzania (Jersey) Limited	Jersey	100%	US dollar
Wentworth Gas (Jersey) Limited	Jersey	100%	US dollar
Wentworth Gas Limited	Tanzania	100%	US dollar
Cyprus Mnazi Bay Limited	Cyprus	39.925%	US dollar
Wentworth Mozambique (Mauritius) Limited	Mauritius	100%	US dollar
Wentworth Moçambique Petroleos, Limitada(1)	Mozambique	100%	US dollar

(1) The Wentworth Moçambique Petroleos, Limitada is in the process of liquidation after relinquishment of the Tembo Block Appraisal Licence.

All inter-company transactions, balances and unrealized gains on transactions between the parent and subsidiary companies are eliminated on consolidation.

Changes in accounting policies

On January 1, 2019, the Company adopted new standards with respect to IFRIC 23 - Uncertainty over Income Tax Treatments and Amendment to IAS 28 - Long-term Interests in Associates and Joint Ventures.

IFRIC 23 - Effective January 1, 2019, the Company has adopted IFRIC 23 "Uncertainty over Income Tax Treatments" which clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities, whilst also aiming to enhance transparency. The Company has analysed the relevant information in assessing a tax treatment and is expecting that tax authorities will accept treatments in the tax returns.

IAS 28 (amendment) - Effective January 1, 2019, the Company has adopted "Long-term Interests in Associates and Joint Ventures" which relates to whether the measurement, in particular relating to impairment, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Company does not consider that any retrospective restatement or current period presentation amendments will be required following its adoption.

Future accounting pronouncements

At the date of these financial statements the standards and interpretations listed below were issued but not yet effective. The adoption of these standards may result in future changes to existing accounting policies and disclosures. The Company is currently evaluating the impact that these standards will have on results of operations and financial position.

IFRS 17 Insurance Contracts was issued on 18 May 2017 and is effective for periods beginning on or after 1 January 2021.

IAS 1 and IAS 8 (amendments) was issued on 31 October 2012, the IASB issued 'Definition of Material' to clarify the definition of ‘material’ and to align the definition used in the Conceptual Framework and the standards themselves. The amendments are effective annual reporting periods beginning on or after 1 January 2020.

IFRS 3 (amendments) was issued on 22 October 2018, the IASB issued 'Definition of a Business' aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020

2. Going concern

The Group has a long established and collaborative relationship with the Government of Tanzania, having operated in-country for many years, however the Directors do recognise that the Group is dependent upon the continued collection of gas sales invoices and ongoing operational support of the Government as its sole gas sales customer through its operating agencies TPDC and TANESCO. The Directors have therefore assessed that owing to the stability of this relationship which has seen consistency payments of gas sales invoices during H1 2019, the Group has sufficient cash resources for its working capital needs, committed capital and operational expenditure and debt repayment programmes for at least for the next 12 months based on the application of reasonable and foreseeable sensitivities. Consequently, the Directors believe that both the Group and Company are well placed to manage their financial exposures.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

3. Summary of significant accounting policies

The condensed consolidated financial statements have been prepared on a historical cost basis.

All accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except as described below.

None of the new standards or amendments to standards and interpretations applicable during the period has had a material impact on the financial position or performance of the Group. The Group has not early adopted any standard, interpretation or amendment that was issued but is not yet effective.

In preparing these condensed consolidated financial statements, the Group has adopted all the applicable extant accounting standards issued by the IASB and all the applicable extant interpretations issued by the IFRIC and adopted by the EU up to 30 June 2019.

The following accounting standards, amendments and interpretations, which had no significant impact on these condensed consolidated financial statements, became effective in the current reporting period as adopted by the EU through the European Financial Reporting Advisory Group ('EFRAG'):

IFRS 16 – Leases. On 1 January 2019, the Group adopted IFRS 16 'Leases'. The standard changes the identification of leases and how they will be recognised, measured and disclosed by lessees, requiring the recognition of a right-to-use asset and liability for the future lease payments on the balance sheet. The standard requires the right-of-use asset to be depreciated over the duration of the lease term and shown within operating profit in the income statement, with the interest cost associated with the financing of the asset included within interest expense. In applying the transition requirements and provisions of the new standard, the Group reviewed its lease contracts, which mainly relate to leased office buildings and payments for land, and the right-of-use asset and related liability was found to be immaterial.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases which have low value, or short-term leases with a duration of 12 months or less. The payments associated with such leases are charged directly to the income statement on a straight-line basis over the lease term.

In assessing the application of IFRS 16, the Group considered the following practical expedients:

- the previous determination of whether a contract is, or contains, a lease pursuant to IAS 17 'Leases' and IFRIC 4 'Determining whether an Arrangement contains a Lease' has been maintained for existing contracts;
- right-of-use assets or lease liabilities for leases where the lease term ends within 12 months of the date of initial application have not been recognised;
- initial direct costs from right-of-use assets have been excluded; and
- hindsight was used when assessing the lease term.

4. Segment information

Net income/(loss) for the six months ended 30 June 2019

	Tanzania Operations $000	Corporate $000	Consolidated $000
Total revenue	**8,018**	**-**	**8,018**
Production and operating costs	**(1,772)**	**-**	**(1,772)**
Depletion	**(2,843)**	**-**	**(2,843)**
Total cost of sales	**(4,615)**	**-**	**(4,615)**
Gross profit	**3,403**	**-**	**3,403**
Recurring administrative costs	**(980)**	**(1,983)**	**(2,963)**
New venture and pre – licence costs	**-**	**(498)**	**(498)**
Share-based payment charges	**(4)**	**(239)**	**(243)**
Depreciation	**(7)**	**(1)**	**(8)**
Total costs	**(991)**	**(2,721)**	**(3,712)**
Profit/(loss) from operations	**2,412**	**(2,721)**	**(309)**
Finance costs	**(271)**	**(154)**	**(425)**
Profit/(loss) before tax	**2,141**	**(2,875)**	**(734)**
Current tax expense	**-**	**(11)**	**(11)**
Deferred tax expense	**587**	**-**	**587**
	-	**(11)**	**576**
Net Profit/(loss) and comprehensive profit/(loss) from continued operation	**2,728**	**(2,886)**	**(158)**

WENTWORTH RESOURCES PLC
SIX MONTHS ENDED 30 JUNE 2019
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

Net income/(loss) for the six months ended 30 June 2018

	Tanzania Operations $000	Mozambique (Discontinued) $000	Corporate $000	Consolidated $000
Total revenue	10,792	-	-	10,792
Production and operating costs	(1,470)	-	-	(1,470)
Depletion	(3,214)	-	-	(3,214)
Total cost of sales	(4,684)	-	-	(4,684)
Gross profit	6,108	-	-	6,108
Recurring administrative costs	(1,369)	(2)	(1,364)	(2,733)
Amounts capitalized as E&E assets	247	-	258	505
Management restructuring costs	-	-	(832)	(832)
Redomicile costs	-	-	(335)	(335)
Share-based payment charges	(2)	-	(24)	(26)
Depreciation	-	-	(6)	(6)
Tanzanian withholding tax costs	(1,750)	-	-	(1,750)
Total costs	(2,874)	(2)	(2,303)	(5,177)
Profit/(loss)/from operations	3,234	(2)	(2,303)	931
Finance income	2,053	-	-	2,053
Finance costs	(661)	-	(10)	(671)
Profit/(loss) before tax	4,626	-	(2,313)	2,313
Current liabilities	(164)	-	-	(164)
Deferred tax expense	(8,678)	-	-	(8,678)
	(8,842)	-	-	(8,842)
Net loss and comprehensive loss from contined operation	(4,216)	-	(2,313)	(6,529)
Loss from discontinued operations, net of tax	-	(2)	-	(2)

Selected balances at 30 June 2019

	Tanzania Operations $000	Mozambique Operations (Discontinued) $000	Corporate $000	Consolidated $000
Current assets	**18,315**	**233**	**4,192**	**22,740**
Exploration and evaluation assets	**8,129**	**-**	**-**	**8,129**
Property, plant and equipment	**80,943**	**-**	**4**	**80,947**
Deferred tax asset	**4,623**	**-**	**-**	**4,623**
Total assets	**112,010**	**233**	**4,196**	**116,439**
Current liabilities	**10,173**	**211**	**465**	**10,849**
Non-current liabilities	**1,027**	**-**	**-**	**1,027**
Total Liabilities	**11,200**	**211**	**465**	**11,876**

Capital additions for the six months ended 30 June 2019

Additions to property, plant and equipment	**19**	**-**	**2**	**21**

Selected balances at 30 June 2018

	Tanzania Operations $000	Mozambique Operations (Discontinued) $000	Corporate $000	Consolidated $000
Current assets	32,376	255	911	33,542
Tanzania Government receivables	4,959	-	-	4,959
Exploration and evaluation assets	8,129	40,774	-	48,903
Property, plant and equipment	87,795	-	9	87,804
Deferred tax assets	22,073	-	-	22,073
Total assets	155,332	41,029	920	197,281
Current liabilities	17,424	135	534	18,093
Non-current liabilities	6,087	-	-	6,087
Total Liabilities	23,511	135	534	24,180

Capital additions for six months ended 30 June 2018

Additions to exploration and evaluation assets	-	982	-	982
Additions to property, plant and equipment	683	-	5	688

5. Discontinued operations

In April 2019, the Group relinquished its Tembo licence which comprised its entire Mozambique operating segment. The Group was committed to a plan to relinquish this licence following a decision not to enter into the next exploration phase upon the expiry of the current exploration phase. The related assets and liabilities were classified as discontinued at 30 June 2019. At 30 June 2019, no gain or loss arose on the measurement to fair value less cost to sell.

No cash consideration was received with respect to the relinquishment and all amounts were fully impaired at 31 December 2018 leading to $nil pre-tax loss at 30 June 2019. There was $nil attributable tax, leaving a gain after tax of $nil.

Results of the discontinued operations

	Six months ended 30 June	
	2019	**2018**
	$000	**$000**
Recurring administrative costs	**-**	2
Loss for the year	**-**	2

Cash flows from (used in) discontinued operations

	Six months ended 30 June	
	2019	**2018**
	$000	**$000**
Net cash (utilized in)/generated from operating activities	**(225)**	39
Net cash used in investment activities	**186**	28
Net change in cash and cash equivalents	**(39)**	67
Cash and cash equivalents, beginning of the period	**124**	25
Cash and cash equivalents, end of the period	**85**	92

Effect of the disposals on individual assets and liabilities

	Balance as at 30 June 2019
Assets of discontinued operations	
Cash at bank	**85**
Other receivables	**148**
	233
Liabilities of discontinued operations	
Trade payables	**78**
Accrued liabilities	**133**
	211
Net identifiable assets and liabilities/net cash (inflow)	**22**

6. General and administrative costs

	Six months ended 30 June 2019 $000	Six months ended 30 June 2018 $000
Employee salaries and benefits	**986**	1,162
Contractors and consultants	**535**	260
Travel and accommodation	**123**	183
Professional, legal and advisory	**530**	410
Office and administration	**323**	338
Corporate and public company costs	**466**	380
Total general and administrative costs	**2,963**	2,733

7. Finance income and finance costs

	Six months ended 30 June 2019 $000	Six months ended 30 June 2018 $000
Finance income		
Accretion – TPDC receivable	**-**	2,053
	-	2,053
Finance costs		
Accretion – decommissioning provision	**(58)**	(52)
Interest expense and other finance costs	**(209)**	(586)
Foreign exchange loss	**(158)**	(33)
	(425)	(671)

8. Trade and other receivables

	Balance at 30 June 2019	Balance at 31 December 2018
Trade receivable from TPDC	**10,518**	5,760
Other receivable from TPDC	**513**	513
Trade receivable from TANESCO	**655**	491
Other receivables	**759**	789
	12,445	7,553

Other receivables from TPDC represent income tax $513k (2018 – $513kl) paid by Wentworth Gas Limited, a wholly owned subsidiary of the Company. The income tax will be recovered from TPDC profit gas (security revenue) through future gas sales.

Subsequent to 30 June 2019, the Group has received total payments of $8.4 million from TPDC and Tanesco, significantly reducing the receivables balance at 31 August 2019.

9. TPDC receivables

As at 30 June 2019, the undiscounted receivable from TPDC is $189k ($5.2 million at 30 June 2019).

	$000
Balance at 31 December 2018	5,238
Retained gas revenue to offset receivable	**(5,497)**
Share of TPDC Mnazi Bay Concession costs paid by the Company	**448**
Balance at 30 June 2019	**189**

10. Exploration and evaluation assets

	$000
Cost	
Balance at 31 December 2018 and 30 June 2019	**8,129**

The exploration costs comprise of acquisition and interpretation of 3D Seismic 225 Km² and 2D High Resolution Seismic 281 Km²

11. Property, plant and equipment

	Natural gas properties $000	Office and other equipment $000	Total $000
Cost			
Balance at 31 December 2018	104,016	618	104,634
Additions	**19**	**2**	**21**
Balance at 30 June 2019	**104,035**	**620**	**104,655**
Accumulated depreciation and depletion			
Balance at 31 December 2018	(20,254)	(603)	(20,857)
Depreciation and depletion	**(2,843)**	**(8)**	**(2,851)**
Balance at 30 June 2019	**(23,097)**	**(611)**	**(23,708)**
Carrying amounts			
31 December 2018	83,762	15	83,777
30 June 2019	**80,938**	**9**	**80,947**

12. Subsidiary undertakings

The principal subsidiary undertakings at 30 June 2019 are:

Name of Company	Country of incorporation	Class of shares held	Types of ownership	Percentage holding	Nature of business
Wentworth Resources (UK) Limited	United Kingdom	Ordinary	Direct	100%	Investment holding company
Wentworth Holding (Jersey) Limited	Jersey	Ordinary	Direct	100%	Investment holding company
Wentworth Tanzania (Jersey) Limited	Jersey	Ordinary	Indirect	100%	Investment holding company
Wentworth Gas (Jersey) Limited	Jersey	Ordinary	Indirect	100%	Investment holding company
Wentworth Gas Limited	Tanzania	Ordinary	Indirect	100%	Exploration production company
Cyprus Mnazi Bay Limited	Cyprus	Ordinary	Indirect	39.925%	Exploration production company
Wentworth Mozambique (Mauritius) Limited	Mauritius	Ordinary	Indirect	100%	Investment holding company
Wentworth Moçambique Petroleos, Limitada [(1)]	Mozambique	Ordinary	Indirect	100%	Exploration company

[(1)] The Wentworth Moçambique Petroleos, Limitada is in the process of liquidation after relinquishment of the Tembo Block Appraisal Licence.

13. Trade and other payables

	Balance at 30 June 2019	Balance at 31 December 2018
Payable to Mnazi Bay Operator	**2,237**	1,710
Trade payables	**212**	413
Interest	**84**	145
Other payables and accrued expenses	**435**	939
	2,968	3,207

The payable to Mnazi Bay Operator represents six months accrued Mnazi bay field cost of which a first quarter cash call of $1.1 million was paid in July 2019.

14. Overdraft credit facility

The Company has a one-year, $2.5 million overdraft facility with a Tanzanian Government owned bank which is due and repayable on 5 April 2020. The facility can be extended for a further one year at the mutual agreement of the bank and the Company. The overdraft facility has an interest rate of the lender's base lending rate, minus 1% per annum to be paid monthly. At 30 June 2019, the lender's base lending rate was 9%.

Security provided to the lender includes a debenture over the fixed and floating assets of the Company's Tanzanian assets and a deed of assignment of 20% of the revenue and cash flow from sales of natural gas from the Tanzanian assets.

During the six months 30 June 2019, the Company paid interest expense and renewal fee of $18k (2018 - $67k) on the overdraft credit facility.

15. Term loans

	$000
Credit facilities balance	
Principal balance as at 31 December 2018	8,325
Loan repayments during the six months	(3,330)
Principal balance as at 30 June 2019	**4,995**
Net facility costs at 31 December 2018	309
Amortisation during the six months	(135)
Net financing costs as at 30 June 2019	**175**
Carrying amount of a term loan as at 30 June 2019	**5,170**

The carrying amount of the term loan as at 30 June 2019 is all current.

During the six months ended 30 June 2019, the Company incurred interest expense on long-term loans, inclusive of accretion of facility costs, of $0.21 million (2018 - $0.52 million). A total of $0.39 million was settled in cash (2018 - $0.95 million).

The carrying amount of the long-term loans include transaction costs of $175k (net of accretion). At 30 June 2019, the carrying amount of the credit facilities approximates its fair value as the loan's effective interest rate approximates market rates.

The $20 million credit facility

During 2017, the Company executed amendments to the credit facility agreement, which included the restructuring of principal loan payments and added new provisions. The new provisions were not finalized at the time of the execution of the amendment to the credit facility agreement. On 06 June 2018, the Company formalised the new provisions, which became effective 6 June 2018.

The new provisions contain a requirement for the Company to maintain two financial covenants both calculated semi-annually beginning on 30 June and 31 December. The Debt Service Coverage Ratio provides that the Company has adequate cover to meet it's loan interest and principal repayment obligations for the next twelve months, while the Loan Life Coverage Ratio provides that adequate free discounted cash flow coverage is maintained for all future loan repayments over the full life of the loan.

The $20.0 million credit facility is subject to interest rate of six-month LIBOR rate plus 750 basis points subject to a minimum (floor) of 8.5% p.a. and no maximum (ceiling). As at 31 December, the six-month interest rate was 10.30%.

Principal repayments on the credit facility are set out in the following table.

Principal repayment date	Repayment amount $000
30 July 2019	1,666
30 October 2019	1,665
30 January 2020	1,664
	4,995

On 30 July 2019 the $1.67 million was paid, the current loan outstanding balance is $3.3 million payable in two instalments.

Medium term $6 million credit facility

The Medium term $6 million credit facility was fully paid on 12 December 2018.

16. Contingent PTTEP liability

A reconciliation of the contingent PTTEP liability is provided below:

	Balance at 30 June 2019	Balance at 31 December 2018
Balance at 1 January	**848**	2,189
Payments to reduce liability	**(848)**	(1,341)
Balance at 30 June (31 December)	**-**	848

As a result of an asset purchase and sale transaction in 2012, the Company has been obliged to make payments with a face value of $3.4 million should certain natural gas production thresholds from Mnazi Bay Concession be reached. The liability was fully paid as at 30 June 2019 (31 December 2018 - $848k).

17. Decommissioning and Abandonment provision

A reconciliation of the decommissioning obligations is provided below:

	Balance at 30 June 2019	Balance at 31 December 2018
Balance at 1 January	**969**	865
Accretion	**58**	104
Balance at 30 June (31 December)	**1,027**	969

18. Contingent liabilities

Following the completion of the corporate transition to UK and Oslo Børs delisting, a number of shareholders exercised certain Dissent Rights under Canadian law which would require the Company to buy back their equity holdings at fair value. The Company received Dissent Rights notices over a total of 2,329,326 shares with an anticipated fair value of $710k. As the process has yet to be finalised and fair values agreed, the buy back remains contingent at the balance sheet date.

19. Share-based payments

	Six months ended 30 June	
	2019 $000	**2018 $000**
Share based compensation recognized in the statement of Comprehensive loss	**243**	26

Movement in the total number of share options outstanding and their related weighted average exercise prices are summarized as follows:

	Number of options	Weighted average exercise price (US$))
Outstanding at January 1	**13,460,075**	**0.50**
Granted	**495,422**	**-**
Forfeited	**-**	**-**
Outstanding at 30 June	**13,955,497**	**0.48**

Subsequent to the signature of the 2018 annual report, it was confirmed that the former Director Neil Kelly was granted good-leaver status over 900,000 share options by the Remuneration Committee which duly authorised the extension of their expiry date by 12 months to 2 November 2019. The number of options outstanding at 1 January has been adjusted to reflect this.

The following table summarizes share options outstanding and exercisable at 30 June 2019:

Exercise Price (US$)	Number of options in issue	Weighted average remaining life (years)	Number of options fully vested and exercisable
-	4,055,497	10.0	-
0.44	1,850,000	6.5	1,850,000
0.54	1,000,000	1.3	1,000,000
0.59	500,000	2.5	500,000
0.61	2,300,000	1.3	2,300,000
0.71	250,000	3.8	250,000
0.78	200,000	4.9	200,000
0.85	100,000	4.0	100,000
0.87	3,100,000	4.7	3,100,000
0.90	100,000	2.0	100,000
1.06	500,000	1.8	500,000
	13,955,497		**9,900,000**

20. Share capital

	2019 $000	2018 $000
Authorised, called up, allotted and fully paid		
186,488,465 (2017 - 186,488,465) ordinary shares	**416,426**	416,426

21. Earnings per share

Basic and diluted EPS

22.	**2019 $000**	2018 $000
Net loss for the period	**(158)**	**(6,529)**
Weighted average number of ordinary shares outstanding	**186,488,465**	186,488,465
Dilutive weighted average number of ordinary shares outstanding	**186,488,465**	186,488,465
Net loss per ordinary share	**-**	(0.40)

22. Subsequent events

On 10 July 2019, the Company announced the implementation of a dividend policy and confirmed plans to pay an ordinary dividend based on the Company's free cash flow generation. A maiden interim dividend of GBP 0.45 pence per share has been declared as part of these interim results to 30 June 2019, and a dividend will be payable semi-annually going forward, split between the interim and final dividend (1/3:2/3). A final dividend for the year ended 31 December 2019 will be determined by the Board and is expected to be declared with the full year results, subject to shareholder approval.

Glossary of Terms

Bscf	Billion standard cubic feet
EBITDAX	Earnings before interest, tax, depreciation, amortisation and exploration expense
MMboe	Million barrels of oil equivalent
MMscf/d	Million standard cubic feet per day
MScf	Thousand standard cubic feet
NPV15	Net present value, using a 15% discount rate
W.I.	Working interest