

INDEPENDENT OIL & RESOURCES PLC

UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Period from 1 January 2019 to 30 June 2019

	6 months ended 30.06.2019 NOK 000	6 months ended 30.06.2018 NOK 000	Audited Y/E 31.12.2018 NOK 000
Revenue			
Dividend income	637	786	1,433
Interest income	487	877	1,398
	<u>1124</u>	1663	2831
Fair value gain on financial assets at fair value through profit or loss	695	6,428	920
Administration expenses	(1,539)	(1,317)	(2,615)
(Impairment) / Reversal of impairment of investments in associates	-	-	(3,673)
Gain / (Loss) on disposal of associate /subsidiary	-	-	132
	<u>280</u>	6,774	(2,405)
Operating profit/(loss)			
Finance income	2,172	-	5
Finance costs	(13)	(2,360)	(1,338)
Share of results of associates before tax	(1,639)	13,094	4,099
	<u>800</u>	17,508	361
Profit before tax			
Tax	-	-	(14)
	<u>800</u>	17,508	347
Net profit for the year			
Other comprehensive income			
Share of gains / (losses) from associates	-	-	5,683
Currency translation difference of associates	-	-	7,271
	<u>-</u>	<u>-</u>	<u>12,954</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent period			
Fair value change of equity instruments designated at fair value through other comprehensive income	-	-	(214)
	<u>-</u>	<u>-</u>	<u>(214)</u>
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods			
	<u>-</u>	<u>-</u>	<u>(214)</u>
Other comprehensive income for the Period			<u>12,739</u>
Total comprehensive income for the Year	<u>800</u>	<u>17,508</u>	<u>13,086</u>
Average number of shares	34,053,211	24,053,211	24,354,581
Number of shares at the end of the period	34,053,211	24,053,211	34,053,211
Earnings per Share	<u>0.023</u>	<u>0.728</u>	<u>0.537</u>

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STATEMENT OF FINANCIAL POSITION 30 June 2019

	Note	30.06.2019 NOK 000	30.06.2018 NOK 000	31.12.2018 NOK 000
ASSETS				
Non-current assets				
Investments in associates		118,509	125,666	130,509
Equity investments designated at fair value through other comprehensive income / Available for sale financial assets		1,000	1,000	786
Other financial assets at amortised cost		16,516	67,972	16,847
		<u>136,025</u>	<u>194,638</u>	<u>148,142</u>
Current assets				
Receivables		326	8,318	484
Financial assets at fair value through profit or loss		41,006	-	39,602
Refundable taxes		156	109	160
Cash at bank and in hand		36,225	5,124	36,714
		<u>77,713</u>	<u>13,551</u>	<u>76,960</u>
Total assets		<u>213,738</u>	<u>208,189</u>	<u>225,102</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	1	85,133	60,133	85,133
Share premium	1	49,999	49,999	49,999
Translation reserve		41,110	33,840	41,110
Fair value reserve of financial assets at fair value through other comprehensive income		(214)	-	(214)
Interim Dividend		(12,465)		
Retained earnings		49,482	63,508	48,682
Total equity		<u>213,045</u>	<u>207,480</u>	<u>224,710</u>
Current liabilities				
Trade and other payables		693	709	392
		<u>693</u>	<u>709</u>	<u>391</u>
Total equity and liabilities		<u>213,738</u>	<u>208,189</u>	<u>225,102</u>

Note 1

During the Company's last AGM which took place on 24 June 2019, the shareholders unanimously resolved first to change the share denomination from of a nominal value NOK 2.50 each share of a nominal value NOK 1.00 each and to reduce the Issued and paid up Share Capital of the Company by NOK51,079,816.50 through the creation of a capital reduction reserve fund by transferring to such capital reduction reserve fund the amount of NOK51,079,816.50 resulting from the reduction by NOK1.5 of the nominal value of each issued share.

Such capital reduction reserve fund shall be subject to the same treatment as the Share Capital Premium Account, in accordance with section 64 of the Cyprus Companies Law, Cap. 113.

Following the above referred reduction of the Issued and paid up Share Capital of the Company the Authorised Share Capital of the Company shall remain the same, i.e. the Authorised Share Capital of the Company shall remain NOK 95,833,630.00 divided into 95,833,630 shares of a nominal value NOK 1.00 each; and the Issued Share Capital of the company shall remain NOK34,053,211.00 divided into 34,053,211 shares of nominal value NOK 1.00 each

The above described Share Capital reduction was subject to a court approval.

Immediately after the proposal was unanimously approved by the members at the AGM, the management has applied to the court seeking a court approval.

The application was examined on 7.7.2019 and the court approved the proposed share capital reduction.

In accordance to Cyprus Companies Law, Cap. 113. the share capital reduction is effective as from 7.7.2019, the date when the court has approved the relevant application.

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STATEMENT OF CASH FLOWS

Period from 1 January 2019 to 30 June 2019

	6 months ended 30.06.2019 NOK 000	6 months ended 30.06.2018 NOK 000	Audited Y/E 31.12.2018 NOK 000
Net cash generated from/(used in) operating activities	21,001	2,849	(705)
Net cash (used in)/generated from investing activities	(9,024)	(11,407)	7,031
Net cash (used in)/generated from financing activities	(12,466)	(172)	16,534
Net (decrease)/increase in cash and cash equivalents	(489)	(8,730)	22,860
Cash and cash equivalents at beginning of the year	36,714	13,854	13,854
Cash and cash equivalents at end of the year	36,225	5,124	36,714

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Notes to interim financial statements

The financial statements for the period ended 30.06.2019 have been prepared in accordance with IFRS.

Long term investments in shares are accounted for using the cost method. Short term investments in shares that are traded on the Oslo Stock Exchange are accounted for using market value at the balance sheet date. Other short term investments in shares are accounted for using the cost method.

	No of shares	Book value
Investments in associate companies		
Petrolia SE	27,182,571	86,984
Noco Oil & Resources PLC	46,500	28,086
Rigloan Yields Ltd	6,400	3,439
Total investment in associate companies		118,509
Available-for-sale financial assets		
Grundingen AB	1,160,000	1,000
Helsetelefonen	5,000	-
Total available-for-sale financial assets		1,000
Total long-term investment in shares		
		119,509
Short-term investments		
Short-term investments at market value		
American Shipping Company	40,000	1,406
DNO International ASA	700,000	9,415
BW Offshore Limited	40,000	2,078
Sparebanken Vest Egenkapitalbev.	30,000	1,596
Scatec Solar ASA	40,000	3,410
Norwegian Air Shuttle	30,000	1,069
Kvaerner ASA	100,000	1,371
Norsk Hydro ASA	40,000	1,220
Storebrand STB	20,000	1,254
Austevoll Seafood ASA	25,000	2,239
Avance Gas Holding	110,000	2,607
Easybank ASA	900,000	7,740
Aker Solution	30,000	1,046
Flex LNG	25,000	2,515
Golden Ocean Group	15,000	740
Odfjell Drilling Ltd	50,000	1,300
Total short-term investment in shares		41,006
Short-term investments bonds		
6% USD Petrolia SE 16/19	1,888,298	16,084
Total short-term investments bonds		16,084
Bonds- Interest Receivable		432
Total short-term investment in shares and bonds		57,522