

INDEPENDENT OIL & RESOURCES PLC

FINANCIAL STATEMENTS

For the period ended 30 June 2020

INDEPENDENT OIL & RESOURCES PLC

FINANCIAL STATEMENTS

30 June 2020

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INDEPENDENT OIL & RESOURCES PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 30 June 2020

	6 months ended 30.06.2020 NOK 000	6 months ended 30.06.2019 NOK 000	Audited Y/E 31.12.2019 NOK 000
Revenue			
Dividend income	946	637	871
Interest income	1.436	487	1.500
Fair value (loss)/gain on financial assets at fair value through profit or loss	(11.711)	695	3.701
Fair value gain on financial asset at amortised cost	-	-	2.607
Administration expenses	(1.402)	(1.539)	(2.724)
(Impairment) / Reversal of impairment of investments in associates	-	-	(8.056)
Expected credit losses on financial assets	-	-	(803)
Gain on dividend-in-kind distribution	-	-	336
Operating profit/(loss)	(10.731)	280	(2.568)
Finance income	7.229	2.172	153
Finance costs	(12)	(13)	(26)
Share of results of associates before tax	(1.337)	(1.639)	(1.902)
Profit/(loss) before tax	(4.851)	800	(4.342)
Tax	-	-	(17)
Net loss for the year	(4.851)	800	(4.359)
Other comprehensive income			
Share of income /(losses) from associates	-	-	469
Currency translation differences of associates	-	-	2.241
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	-	-	2.710
Fair value change on equity instruments designated at fair value through other comprehensive income	-	-	(786)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	-	-	(786)
Other comprehensive income/ (loss) for the year	-	-	1.924
Total comprehensive income / (expense) for the year	(4.851)	800	(2.435)
Average number of shares	59.053.211	34.053.211	39.414.563
Number of shares at the end of the period	59.053.211	34.053.211	59.053.211
Total comprehensive income / (loss) for the year	(4.851)	800	(2.435)
Earnings/(Loss) per share	(0,082)	0,023	(0,110)

INDEPENDENT OIL & RESOURCES PLC

STATEMENT OF FINANCIAL POSITION 30 June 2020

	30.06.2020 NOK 000	30.6.2019 NOK 000	31.12.2019 NOK 000
ASSETS			
Non-current assets			
Investments in associates	117.228	118.509	112.698
Available-for-sale financial assets	-	1.000	-
Other financial assets at amortised cost	23.389	16.516	21.075
Loan receivable from related party	40.000	-	-
	<u>180.617</u>	<u>136.025</u>	<u>133.773</u>
Current assets			
Interest receivable from related party	717	-	-
Receivables	465	326	392
Financial assets at fair value through profit or loss	27.217	41.006	39.964
Refundable taxes	170	156	153
Cash at bank and in hand	21.908	36.225	60.868
	<u>50.477</u>	<u>77.713</u>	<u>101.377</u>
Total assets	<u>231.094</u>	<u>213.738</u>	<u>235.150</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	59.053	85.133	59.053
Share premium	49.999	49.999	49.999
Translation reserve	52.865	41.110	43.352
Share Capital redemption reserve	51.080	-	51.080
Interim Dividend	(12.465)	(12.465)	-
Fair value change on equity instruments designated at fair value through other comprehensive income	-	(214)	(1.000)
Retained earnings	29.428	49.482	32.326
Total equity	<u>229.960</u>	<u>213.045</u>	<u>234.810</u>
Current liabilities			
Trade and other payables	1.134	693	340
	<u>1.134</u>	<u>693</u>	<u>340</u>
Total equity and liabilities	<u>231.094</u>	<u>213.738</u>	<u>235.150</u>

Events after the balance sheet date

Independent Oil & Resources Plc owns 27.182.571 shares in Petrolia SE, representing 45.97% of the shares in the company. Petrolia SE is listed on the Oslo Stock Exchange under the ticker PSE. In their 1H 2020 reporting, Petrolia SE reported the following:

The 49.9% owned associated company, Petrolia NOCO AS, reported on the 4th of August 2020 a commercial discovery of oil at the Dugong well in the Norwegian sector of the North Sea, the largest discovery in Norway so far this year. The volumes are estimated to be in the range of 6.3 – 19.0 million standard cubic meters (MSm3) of recoverable oil equivalent, or 40 – 120 million barrels of oil equivalent. In addition, the Dugong discovery has identified another prospect estimated by the Operator at 5.2 million standard cubic meters (MSm3) of recoverable oil equivalent, or 33 million barrels of oil equivalent. The forward appraisal and commercialisation strategy for the Dugong discovery will be based upon a full evaluation of the information collected at both the main bore and side-track well. Dugong is located nearby existing production facilities. The discovery enhances the prospectivity of the entire PL 882 license, where the Company owns 20%, in particular the adjacent Dugong Tail prospect where there is considerable resource upside. Additional prospects and leads have also been identified by the PL882 partnership. Petrolia NOCO also holds 30% shares in two adjacent licenses (PL992 and PL994).

Independent Oil & Resources Plc previously held 29.680.000 shares in Petrolia NOCO AS, corresponding to 24.43% of the shares in the company. In March 2019, the shares in Petrolia NOCO AS, were distributed as dividend in kind to the shareholders in Independent Oil & Resources Plc.

INDEPENDENT OIL & RESOURCES PLC

STATEMENT OF CASH FLOWS

30 June 2020

	6 months ended 30.06.2020	6 months ended 30.06.2019	Audited Y/E 31.12.2019
	NOK 000	NOK 000	NOK 000
Net cash generated from/(used in) operating activities	1.526	21.001	(422)
Net cash used in investing activities	(40.486)	(9.024)	(425)
Net cash (used in)/generated from financing activities	-	(12.466)	25.000
Net (decrease)/increase in cash and cash equivalents	(38.960)	(489)	24.153
Cash and cash equivalents at beginning of the year	60.868	36.714	36.714
Cash and cash equivalents at end of the year	21.908	36.225	60.868

Independent Oil & Resources PLC

Notes to interim financial statements

The financial statements for the period ended 30.06.2020 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	81,548
Epsis AS	125,000	807
Noco Oil & Resources PLC	46,500	29,994
Rigloan Yields Ltd	6,400	3,879
CO2 Management AS	833	1,000
Total investment in associate companies		117,228
Available-for-sale financial assets		
Helsetelefonen	5,000	-
Total available-for-sale financial assets		-
Total long-term investment in shares		
		117,228
Short-term investments		
Short-term investments at market value		
DNO International ASA	500,000	2,895
BW Offshore Limited	40,000	1,264
Scatec Solar ASA	20,000	3,128
Norsk Hydro ASA	20,000	531
Storebrand STB	20,000	992
Austevoll Seafood ASA	50,000	3,973
Avance Gas Holding	110,000	1,971
Easybank ASA	890,000	7,120
Endur ASA	400,000	620
Flex LNG	25,000	1,108
BW Energy Limited	8,162	140
Ocean Yield	40,000	866
Bonheur ASA	8,798	2,068
Odfjell Drilling Ltd	50,000	541
Total short-term investment in shares		27,217
Short-term investments bonds		
6% USD Petrolia SE 16/19	2,510,045	22,827
Total short-term investments bonds		22,827
Bonds- Interest Receivable		562
Total short-term investment in shares and bonds		50,606