TENDE ENERGY PLC (FORMERLY SIRIUS PETROLEUM PLC)

ANNUAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2022

Company No 05181462

TENDE ENERGY PLC (FORMERLY SIRIUS PETROLEUM PLC)

ANNUAL REPORT

For the Year ended 31 December 2022

Company registration number:	05181462
Registered office:	25 Bury Street London SW1Y 6AL
Directors:	**J Pryde –** Chairman **O Kuti** – Chief Executive Officer **M Henderson** – Financial Director **T Hayward** - Non-Executive Director **S Hawkins** - Non-Executive Director
Company Secretary:	**S Hawkins**
Registrars:	**Link Asset Services** 65 Gresham Street London EC2V 7NQ
Bankers:	**HSBC Bank plc** Unit 6C Borehamwood Shopping Park Borehamwood WD6 4PR
Solicitors:	**Fladgate LLP** 16 Great Queen Street London WC2B 5DG
Auditors:	**PKF Littlejohn LLP** 15 Westferry Circus London E14 4HD

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For the Year ended 31 December 2022

Glossary of Terms

bbl	barrel of oil
boe	barrel oil equivalent
boepd	barrel oil equivalent per day
mmbbl	million barrels of oil
2P	Proven and Probable Reserves
2C	Best Estimate of Contingent Resources
CPR	Competent Persons Report
NPV	Net Present Value

Tende Energy Plc ("Tende") is an Africa-focused oil and gas development, production and exploration company, focused on building a range of diversified producing and development assets, and is pleased to present its audited final results for the year ended 31 December 2022.

Highlights

- The Senior Loan Facility Agreement with Trafigura PTE Ltd, a company within the Trafigura Group, was executed to fund Phase 1 of the development of the Proven and Probable Reserves of 51mmbbls1 on the OML 65 licence. The Facility Agreement provides for up to US$200m to be drawn in tranches and deployed toward the further development of the producing Abura field.
- Tende, and its local JV partner, Somoil S.A., the largest privately owned Angolan oil company (the "Consortium"), signed legally binding Sale and Purchase Agreements with Sonangol Pesquisa e Produção S.A. ("Sonangol"), Angola's state-owned oil company, to acquire participating interests of 8.28% and 10% respectively in the producing Angolan offshore Blocks 18 and 31 and a 25% participating interest in the exploration Block 27, for a total consideration of US$335.5m.
- Tende's JV partner in Nigeria, COPDC, received the requisite approvals from the Nigerian National Petroleum Corporation ("NNPC") enabling the company to proceed with the drawdown of financing in order to commence Phase 1 of the Approved Work Programme in respect of OML 65 in Nigeria.
- The Company fulfilled all conditions precedent to drawing funds under the senior loan facility of up to US$200m which was previously executed with Trafigura. The first tranche was combined with subordinated loan facilities of US$15m, which had been secured from a range of international institutions, and utilised to fund the OML65 AWP.

Post year-end

- Following Sonangol's notification to its block partners of the intended sales of the interests in Blocks 18, 31 and 27, Azule Energy exercised its right of pre-emption and offered $30m more for the 10% interest in Block 31 than the $170m that the Consortium had originally agreed with Sonangol. In turn, the Consortium then offered an additional $5m, for a total consideration of $205m, conclusively securing the interest as no further pre-emption was possible. The additional $35m consideration is payable six months post the Completion Date and the Company is confident that this can be funded from operating cashflows. Completion of the transaction will be subject to customary conditions precedent and Government approvals in Angola.
- Tende changed the Company's name to Tende Energy Plc in order to appropriately represent the new identity of the Company with its range of stakeholders and commercial and operating partners.
- Following the execution of revised SPAs with Sonangol related to the proposed acquisitions of the interests in Blocks 18, 31 and 27, the Consortium paid a deposit of US$18.525m, representing 5% of the total revised consideration payable of US$370.5m.
- In June the Company acquired full ownership control of ATOG Midco Limited, together with its subsidiaries ("ATOG"), having acquired a further 90% equity interest in ATOG. In consideration, Tende has provided funding to be deployed for future development of the assets across the ATOG portfolio.

Foremost during 2022 was the progress of the Company's joint venture with our partner in Nigeria, COPDC, related to the FTSA that COPDC had executed with NNPC governing the funding and execution of a work programme to boost production on the OML65 licence.

The OML 65 FTSA structure has been designed to deliver a significant uplift in production across a planned multi-phase development programme for this producing licence, and we have been working closely through the year with COPDC and with the NNPC to formalise the approved work programme for phase 1 of the development. We were delighted also to conclude the funding requirements for OML 65 with Trafigura providing up to $200m via a Senior Loan Facility and subsequent further junior debt facilities were also successfully concluded to support the development of phase 1 of the approved work programme for OML 65.

During the year the Company was delighted to announce that it and its JV partner in Angola, Somoil S.A., signed SPAs with Sonangol related to the proposed acquisition of non-operated participating interests in offshore producing blocks 18 and 31 and exploration block 27 from Sonangol. Blocks 18 and 31 are operated by Azule Energy, the combination of BP and ENI's total Angola upstream interests, while Block 27 is operated by Sonangol.

Angola Blocks 18, 31 and 27

During the year, the Company announced that the Tende-Somoil consortium signed a legally binding SPA with Sonangol to acquire participating interests of 8.28% and 10% respectively in the producing Angolan offshore Blocks 18 and 31 and a 25% participating interest in the exploration Block 27, for a total consideration of US$335.5m. Following Sonangol's notification to its block partners of the intended sales, Azule Energy exercised its right of pre-emption and offered $30m more for the 10% interest in Block 31 than the $170m that the Group and Somoil had originally agreed with Sonangol. In turn, the Group and Somoil then offered an additional $5m, for a total consideration of $205m, conclusively securing the interest as no further pre-emption was possible. The additional $35m consideration is payable six months post the Completion Date and the Company is confident that this can be funded from operating cashflows.

Acquisition Summary
- Acquiring non-operated interests in prolific deepwater production assets with strong cash flow characteristics.
- Current gross production from Blocks 18+31 is averaging c.120,000 bopd.
- Net production entitlement to the Consortium expected to average 11,000 bopd.
- Significant cash flow entitlement given low operating costs and brought forward unrecovered costs.
- Major medium and long-term development upside.
- Tende-Somoil will be making targeted investments in Sonangol social projects in Angola as part of its committed strategy of working with partners to improve lives through sustainability initiatives in the community.

Block 31 - Producing
- Acquiring a 10.0% interest for a total consideration of US$205m.
- Unrecovered brought forward development cost balance of c.$14bn boosts contractor group entitlements, enhancing overall EBITDA/bbl and long-term returns.
- The Block is operated by Azule, and is located offshore approximately 400 kilometres north west of Luanda.
- The block consists of four producing oil fields; Plutão, Saturno, Vénus and Marte ("PSVM"), which were discovered between 2002 and 2004 in water depths of up to 2,000 metres in the North East part of Block 31. PSVM is the second Azule-operated development in Angola and production started up in December 2012. Licence partners are currently Azule (26.67%), Equinor (13.3%), Sinopec International (15%) and Sonangol (45%).
- Current gross production from the block is averaging c.60,000 bopd.
- Gross 2P/2C reserves of 275mmbbls relate to existing production and sanctioned developments, according to the operator.
- Further gross 2C resources of 516 mmbbls from existing discoveries, according to Gaffney Cline & Associates.
- Future payments, on new developments within the block, are contingent on sustained high oil prices (>=$75/bbl) and first oil from long-term developments.

Block 18 – Producing
- Acquiring an 8.28% interest for a total consideration of US$165m.
- The block is operated by Azule and is located offshore, 160 kilometres northwest of Luanda. Eight discoveries have been made in this block, of which the fields Galio, Cromio, Cobalto, Paladio, and Plutonio make up the first producing complex known as Greater Plutonio.
- Production started in 2007 and remains at material levels. Late last year the Platina project started production adding significant volumes and reserves to total block production. Licence partners are currently Azule (26.67%), Equinor (13.3%), Sinopec International (15%) and Sonangol (45%).
- Current gross production from the block is averaging c.60,000 bopd.
- Gross 2P/2C reserves of 220mmbbls relate to existing production and sanctioned developments, according to the operator.
- Future payments, on new developments within the block, are contingent on sustained high oil prices (>=$75/bbl) and first oil from long-term developments.

Block 27 - Exploration
- The Consortium is acquiring a 25.0% non-operated interest in this deepwater exploration and appraisal block for a total consideration of US$0.5m.
- The block is located offshore in the Kwanza basin, an area known for its gas potential.

The Proposed Acquisition is conditional upon satisfactory due diligence ("DD") being completed, the payment of the net consideration and the receipt of Ministerial approval. The economic effective date of the Transaction was April 2022 and completion is expected to take place in the second half of 2023, subject to customary conditions and approvals. The Consortium paid a deposit of US$18.525m in June 2023, representing 5% of the total consideration and expects that the balance payable for the proposed acquisition will be financed through the provision of new debt facilities.

OML 65 FTSA

- In 2021, the Company announced its joint venture with COPDC Petroleum Development Company Limited (“COPDC”). Under the agreements Tende becomes a 30 per cent shareholder in the joint venture company COPDC which has executed agreements with NNPC regarding the further development of the OML 65 licence, onshore Nigeria.
- OML 65 is a producing onshore block with 2P reserves of 51 mmbbls, according to a Gaffney Cline & Associates CPR dated May 2021:
- The existing producing field, Abura, has been in production since the 1970s, has been ascribed 16.2 mmbbls remaining 2P reserves[1] and is currently producing c.10,500 bopd.
- OML 65 also contains two further discovered and appraised fields, Owopele and Osioka, which have not been developed to date and will form part of the forward work programme. The two discovered fields contain an estimated 34.9 mmbbls additional 2P reserves [1].
- In addition, there are two targeted deeper prospects at Abura and Osioka containing an additional 227mmbbls oil in place[1].
- The existing production facilities and infrastructure servicing the Abura field are capable of handling up to 40,000 bopd.
- Tende and COPDC have assumed de-facto operatorship of the block and will lead an Approved Work Programme (“AWP”) to develop and produce the remaining reserves on OML 65.
- There was no consideration paid related to the entry into the JV or related to the execution of the FTSA with NNPC, but the Group acquired liabilities of $2.3m which have been included as an intangible asset (see Note 22 for accounting treatment).
- The Company signed a Master Services Agreement (“MSA”) with Baker Hughes for the provision of drilling related services for the further development of the Abura field, representing Phase 1 of the AWP and involving the drilling of up to 9 development wells. Baker Hughes will provide its equipment and services on a fixed price contract basis.
- The first phase of the AWP is estimated to boost production by up to 11,000 bopd.
- The Company executed a Facility Agreement with Trafigura for the provision of the majority of the funding required for the execution of Phase 1 of the AWP, with the first tranche drawn in November 2022. The facility agreement can be upsized to accommodate the Phase 2 development of the AWP, involving the development of the Owopele and Osioka fields.
- The Company also executed agreements with a range of institutional investors for the provision of US$15m of subordinated funding, to support the Trafigura senior facility, related to the Phase 1 development.

[1] According to the Gaffney Cline CPR dated May 2021

Tunisian Onshore and Offshore Portfolio Interests

The Company now wholly owns ATOG and its subsidiaries. The ATOG portfolio comprises three Tunisian onshore licences in the Ghadames basin, one of which is operated by ATOG, and an offshore operated licence in the Gulf of Hammamet, off the north east coast of Tunisia.

The portfolio in Tunisia is currently producing approximately 800 boepd from the three onshore licences:

- One operated by ATOG: Bir Nen Tartar (100% Working Interest “WI”);
- Two operated by ENI: Adam (5% WI) and Borj el Khadra (10% WI);
- The increased infrastructure capacity facilitated by the newly commissioned Nawarra gas pipeline ($1.2 billion investment by its owner) should enable increased production at the ENI-operated licences, which were previously production constrained.

The portfolio includes the appraised Cosmos discovery, which ATOG operates and owns an 80% interest (ETAP 20%). The original discoveries achieved a combined flow rate of 5,700 bopd under well test and recently updated estimates provide an Estimated Ultimate Recovery (“EUR”) of 15-20 mmboe. The licence contains mapped but undrilled structures which provide significant resource upside and provide the basis for a significant offshore development hub. The Company is expediting plans for the development of the Cosmos discoveries, in conjunction with ETAP, and expects to submit an updated development plan to the Tunisian authorities in the coming months.

Ororo update

Following a review of our strategic priorities, and given the expiry of the licence on the Ororo Field in 2019, the Board has concluded that there is now a low probability that the Ororo field will be developed in the foreseeable future. The Ororo field remains an attractive asset and an updated CPR prepared in March 2021 attributed a mid-case net present value of the asset of $127.6m based on a dry gas price of $3 per mscf for the life of the field. The updated CPR prognosed that the encountered reservoirs contain gas condensate, rather than light oil as originally assumed, and, given the substantially higher upfront capital investment required, the Board has concluded that it is not in shareholders' best interests to proceed with the development of the field at this time. The 2022 financial results therefore include an impairment of US$15.3m related to the historic costs incurred related to the Ororo field.

Financial Summary

The loss after tax was $9,273,000 in 2022 on continuing operations up from $8,060,000 in 2021, with administrative expenses of $4,232,000, excluding share based payments. The Company recorded an impairment of $15,308,000 in the financial year reflecting the write down of historic costs related to the Ororo field, following the Board's assessment that the development of the Ororo is unlikely to proceed in the foreseeable future, which is included in discontinued operations. Total assets were $21,410,000 in 2022 (2021: $22,301,000), with liabilities of $48,739,000 (2021: $25,693,000) and total shareholder equity was ($19,177,000) (2021: ($3,392,000)), reflecting the Ororo write down.

During the year the Group raised $Nil (2021: $167,000) through convertible loans of which $Nil (2021: $102,000) was converted and $73,000 (2021: $129,000) including interest was repaid during the year. In addition, $22,722,000 (2021: $167,000) was raised in non-convertible loans and total repayments of $4,650,000 (2021: $Nil) were made in capital and interest during the year.

The results for year ended 31 December 2022 reflect the costs incurred during the period to progress and conclude the senior and mezzanine funding for OML65, the securing of government approvals to commence preparatory work for the Approved Work Programme on the Abura field, the execution of the SPAs with Sonangol in Angola and the related due diligence and the resourcing up of the business to prepare for the commencement of operations on the Abura field.

The operating loss for the year amounted to $6,099,000, an increase of $395,000 on the year ended 31 December 2021 operating loss of $5,704,000, giving a loss from continuing operations per share of 0.21 cents (31 December 2021: 0.20 cents loss per share).

Strategy

The Company's strategy is to acquire and develop valuable and marketable low risk assets in the Africa E&P arena, working in partnership with asset owners, operators and funding partners. The Board is very encouraged by the continued progress made during 2022 following the significant achievements in 2021.

The Company will continue to appraise opportunities to farm into or acquire oil and gas assets which meet our investment criteria and are located in major proven complexes. Tende will continue to progress the excellent working partnerships which have been developed to date with asset owners, operational and funding partners.

Outlook

We have made significant progress during 2022, as highlighted above, and look forward to progressing the development work across the portfolio. We are delighted to have concluded the full funding of the OML 65 transaction and to have executed the SPAs with Sonangol related to the acquisition of interests in world class producing assets. Overall, the progress in the development of the portfolio provides a solid basis for the planned re-Admission of the Company's shares to trading on London's AIM in the forthcoming year.

Annual General Meeting

The Notice of Annual General Meeting will be sent in due course.

J Pryde
Chairman

O Kuti
Chief Executive Officer

30 June 2023

The Directors present their annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2022.

Principal activity

The Group's principal activity is to maintain and grow production from existing producing oil and gas assets, with development and exploration upside, with a focus on North and West Africa.

Domicile and principal place of business

Tende Energy Plc is domiciled in the United Kingdom, which is currently also its principal place of business. It is expected that the Group's activities will be focused in North and West Africa once the proposed transactions have completed.

Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and loans. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade and other receivables and trade payables, which arise directly from its operations. The Group does not enter into derivative transactions.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risk currently arising from the Group's financial instruments is liquidity risk. The Board reviews and agrees policies for managing this and other risks and these are summarised below.

Liquidity risk
The Group's cash flow has historically been constrained as the Group has developed its business proposition. As a consequence, the Board of Directors continually reviews the cash available to the Group and seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Please see note 18 for further details.

Interest rate risk
The Group has not been exposed to significant interest rate risk. As the Group evolves, and in particular with the proposed transactions, this exposure is likely to increase and the Directors will introduce appropriate policies to deal with this risk at that point in time. Please see note 18 for further details.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group reviews the credit risk of the entities with whom it enters into contractual arrangements. Please see note 18 for further details.

The Company maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors. In accordance with section 236 of the Companies Act 2006, qualifying third-party indemnity provisions are in place for the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. Both the insurance and the indemnities applied throughout the financial year ended 31 December 2022 and through to the date of this report.

Going concern

The Directors have prepared cash flow forecasts for the period up to December 2024. The Angolan acquisition has been excluded from these forecasts as it is subject to separate funding arrangements.

The Group has executed a senior secured term loan facility of up to $200m with Trafigura to cover its capital expenditure requirements, and a $20m working capital facility as part of the OML65 offtake agreements, which acts as an advance payment facility with sums drawn based on accumulated production volumes and repaid at the point of a lifting.

The projections indicate that the Group would have sufficient cash to cover liabilities as they fall due in the going concern period. This includes fully repaying all non-convertible loans and creditors that are outstanding at the present time, when they fall due.

The Directors therefore believe that the Group and parent company will have sufficient cash resources to meet its liabilities as they fall due for a period of at least 12 months from the date that the financial statements are signed. Consequently, the financial statements have been prepared on a going concern basis.

Subsequent events

On 12 April 2023, 15,000,000 Ordinary shares of 0.25p were issued for cash raising $326,835 (£300,000).

On 3 May 2023, 119,453,808 Ordinary shares of 0.25p were issued on conversion of Convertible Loan Notes totalling $598,322 including accrued interest (£477,815).

On 25 May 2023, 43,600,000 Ordinary shares of 0.25p were issued in respect of loans previously converted and commission totalling $530,810 including accrued interest (£43,600).

In June 2023 the Company acquired full ownership control of ATOG Midco Limited, together with its subsidiaries ("ATOG"), having acquired a further 90% equity interest in ATOG, bringing our total interest to 100%. In consideration, Tende has provided funding to be deployed for future development of the assets across the ATOG portfolio. Trafigura are the Company's strategic funding partner for this portfolio of interests. As a result of this the Group will fully consolidate the financial statements of ATOG in the group accounts from the date of acquisition of the 90% interest, and this will no longer be classified as a financial investment.

Directors

The current membership of the Board and those directors who served during the year is set out below. There were no changes during the year, or since the year end.

J Pryde
O Kuti
M Henderson
S Hawkins
T Hayward

Payment to suppliers

It is the Group's policy to agree on appropriate terms and conditions for its transactions with suppliers by means ranging from standard terms and conditions to individually negotiated contracts and pay suppliers according to agreed terms and conditions, provided that the supplier meets those terms and conditions. The Group does not have a standard or code dealing specifically with the payment of suppliers.

Principal risks and uncertainties

The Group's overall approach to risk management is to employ suitably skilled personnel and implement appropriate policies and procedures. The risks we face have evolved over the course of the year as the business has developed and external factors have impacted the environment in which we operate.

Responsibility for reviewing the system of Risk Management rests with the Audit Committee of the Board, which has reviewed and approved the measures that are being taken to mitigate the most significant risks.

The principal risks faced by Tende during 2022 relate to strategic risks associated with the growth of the organisation and the economic climate together with liquidity risk given the lack of income.

Exploration Risk
Exploration activities can be capital intensive and may involve a high degree of risk. Thus, budgets are produced by experienced individuals and reviewed to ensure best practice exists. Exploration programmes are approved by the Board.

Oil Price Risk
The oil price is subject to market conditions which are outside of the Group's control. The decision to invest in any oil drilling will be made based on the latest and forecasted oil prices and approved by the Board.

General Country Risks
The Company's operations, financial condition and operating results are exposed to various levels of political, economic and other risks and uncertainties over which it has limited or no control, currently in Nigeria and Tunisia and prospectively in Angola. These risks and uncertainties vary and can include, but are not limited to: currency exchange rates; rates of inflation; terrorism; war; labour unrest; border disputes between countries; renegotiation or nullification of existing concessions, licences, permits and contracts; bribery and corruption; changes in taxation policies; restrictions on foreign exchange; changing political conditions; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Future political actions cannot be predicted and may adversely affect the Company.

Health, Safety, Security and Environment
Tende is fully committed to ensuring the health, safety and security of all personnel who are directly involved in, or affected by, the Group's operations and full compliance with environmental legislation and standards. As part of this commitment, the Group reviews the HSS&E policies and procedures on a regular basis, integrated with the Group Safety Management System (SMS) to ensure full compliance with industry 'best practice', and international and local rules and regulations.

Environmental compliance and management is a priority and the Group is committed to ensuring that all the appropriate steps are taken to ensure any environmental impacts resulting from the Group's operations are kept to a minimum. Consistent with international and local requirements, Tende conducts Environmental and Social Impact Assessments ('ESIAs') and ensures that environmental approvals from the relevant authorities are in place prior to embarking on any new projects.

Loss of key employees
Loss of knowledge and skills to the Group in particular countries of operation is a key risk. In response to this risk, remuneration policies are designed to incentivise, motivate and retain key employees.

Taxation and other legislation changes
Operating in developing countries has the additional risk of significant changes in taxation legislation on oil field profits or other legislation. Maintenance of good open working relationships with local authorities in the countries of operation is therefore critical.

Covid-19 Risk
Systems have been in place for a number of years to enable Directors and staff to work remotely, and Covid-19 has had little impact on operations to date. However, there remains a risk that Covid-19 could affect future supply chains.

Inflationary environment
Rising costs are a risk to the business, but likely to be more than offset by the rise in oil prices. The contract with Baker Hughes for drilling wells for the OML 65 licence is on a fixed price basis, reducing the exposure to rising prices.

Future prospects

Significant progress has been made during 2022, and we look forward to progressing the development work across the portfolio. We are delighted to have concluded the full funding of the OML 65 transaction and to have executed the SPAs with Sonangol related to the acquisition of interests in world class producing assets in Angola and have acquired full control of ATOG. Overall, the progress in the development of the portfolio provides a solid basis for the planned re-Admission of the Company's shares to trading on London's AIM in the forthcoming year.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Group's Annual Report and the company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Consolidated financial statements in accordance with UK-adopted international accounting standards ("IFRS") and to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice "United Kingdom Accounting Standards and applicable laws", including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs and profit or loss of the company and group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware there is no relevant audit information of which the Group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

PKF Littlejohn LLP has expressed willingness to continue in office. In accordance with section 489(4) of the Companies Act 2006, a resolution to reappoint PKF Littlejohn LLP will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

S Hawkins
Company Secretary
30 June 2023
Company Number: 05181462

The Company is not required to include its Corporate Governance Statement as it is not listed, but has opted to do so. Certain disclosures may not have been included as they are not considered relevant at the current time.

The board recognises the importance of good corporate governance and has adopted the QCA (Quoted Companies Alliance) Corporate Governance Code.

The QCA Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Company applies each of the principles:

Principle One
Establish a strategy and business model which promote long-term value for shareholders

Tende's strategy focuses on lower risk reserves with prior and/or near term or current production and/or proven engineering. It is intended to build a range of near producing and producing oil and gas assets which will also benefit from additional development and appraisal upside.

- The Nigerian, Tunisian and the proposed Angolan onshore and offshore fields provide a petroleum geology with a proven track record of development and production.
- Tende's management team and JV partners are supported by a team of world-class service providers, mitigating completion and operating risk.
- Credit risk is mitigated by a tight deal structure and high-grade offtakers.
- Sovereign risk is mitigated both by deal structure and insurance (as available).

Principle Two
Seek to understand and meet shareholder needs and expectations

The Board and its advisers remain ever diligent to the requirements and expectations of the Company's shareholders, and discuss and assess the key areas on a regular basis in line with best practice. The Company ensures that information is shared in an appropriate and timely manner. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company and all shareholders are encouraged to attend the Company's Annual General Meeting. It is notable that whilst the Company remains in a phase of development that effective communication is often challenging given the requirements of best practice disclosure and the commercial sensitivities of the business and its current and potential future commercial partners. Investors can also communicate with the Company via email on ir@tendeenergy.com.

Principle Three
Take into account wider stakeholder and social responsibilities and their implications for long term success

The company has identified its major stakeholders as being:

Internal – Employees and consultants in UK, Dubai & Africa

External - Partners/co-owners
- Key Suppliers
- Customers
- Financial advisors and backers
- Regulators

The Board has regular contact with all of its stakeholders, and feedback is considered on a continuous basis by management. Due to the fast-moving operational phase minor changes to our planned work streams are implemented on a daily basis.

Tende and its subsidiaries and associates have a corporate responsibility to operate as safely as possible and to support the local communities and landscape. Through employing locally and working to provide benefits to the local communities, Tende aims to become an asset to the local areas. Tende adheres to a Community Relations Policy which aims to benefit the local communities. We believe that good community relations will aid Tende to deliver shareholder value. Corporate Social Responsibility can; create consumer trust and increase sales; create employee morale and attract employees.

Principle Four
Embed effective risk management, considering both opportunities and threats, throughout the organisation

Risks and their respective mitigation may be summarised as follows:

Completion Risk: All drilling and related services are provided by experienced, world-class service providers under turnkey contracts, minimizing financial risk to Tende and its partners.

Dry-hole Risk: Minimal. The Tunisian and Nigerian assets are producing fields and/or have been drilled and flowed and will be subject to further development wells.

Operational Risk: Strong service providers.

Experienced management, with individual project teams having substantial experience of relevant assets in Tunisia and Nigeria.

Repayment Risk: The direct source of repayment will be the cash flows coming from the offtaker
- Payments from offtaker will flow into a Collection Account under the control of a Trustee/Admin Agent.
- Debt service payments by Trustee/Admin Agent made directly to lenders, not through Tende.
- Cash cost recovery is prioritised and overall cash waterfall is administered by Tier One international bank.

Commodity Price Risk: Oil prices can be hedged under the offtake contracts.

Market Risk: Firm offtake contracts eliminate market risk.

Health, Safety and Security:
- Nigeria Onshore Security and Emergency Management Response managed by COPDC JV.

Convertibility and Transfer Risk: OML 65 FTSA confers strong protection against Nigeria risk. Full crude marketing rights and Abura field located adjacent to existing infrastructure.

Sovereign Risk: Mitigated by the transaction structure and economic imperative for continued oil exports.

Principle Five
Maintain the board as a well-functioning, balanced team led by the chair

Board Composition
The Board is aware that it does not conform to good Corporate Governance recommendations in relation to the diversity of its board. Following advice from the AIM Regulation Team and the Company's NOMAD, Allenby Capital, the Board has agreed to add an additional Non-Executive Director to the Board and will make all reasonable endeavours to ensure greater Board diversity as per good Corporate Governance recommendations.

As the company grows and the size of the board increases the Company intends to rectify this. Our senior management team is drawn from diverse backgrounds throughout the world.

The Company supports the concept of an effective board leading and controlling the Company. The Board is responsible for approving Company policy and strategy. It meets on a regular basis and has a schedule of matters specifically reserved to it for decision. Management supply the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary. All Directors have access to advice from the Company Secretary and independent professional advice at the Company's expense.

The Board consists of three executive and two non-executive Directors, who bring a breadth of experience and knowledge. This provides a balance whereby the Board's decision making cannot be dominated by an individual. The Chairman of the Board is Mr Jack Pryde.

Evaluating board performance against primary objectives

The Board recognises that its primary objective is to ensure it delivers shareholder value in the medium to long term. In addition to this it recognises that individual Board members and committees have various responsibilities and objectives. At this stage of development, the Company has not identified criteria against which the Board, committees and individual Directors are measured although, in line with the Company's corporate culture and its strategy, it makes best efforts to operate in an ethical and honest manner with all of its employees, operational and funding partners, asset co-owners and other stakeholders at all times and continue to strive to be innovative and efficient in delivering value for shareholders and other stakeholders in the business.

Board disclosures

The executive-directors each work in excess of 35 hours per week for the company, and the non-executive directors are expected to work 8 hours per month on average. The two non-executive directors are considered to be independent. Their minor interests in shareholdings and the company's share option scheme are not considered to be an impediment to their independent status.

The Board of Directors holds scheduled Board meetings approximately four times per year plus such other ad hoc meetings as are deemed necessary to deal with urgent business matters. All the necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively. At Board meetings, there is a formal schedule of matters reserved for consideration by the Board and other matters are delegated to Board committees.

The Board is responsible for leading and controlling the Company and in particular for formulating, reviewing and approving the Company's strategy, budget, major items of capital expenditure, acquisitions and senior personnel appointments.

Below shows the number of board and committee meetings held during the year, together with the attendance records.

	Scheduled Board	Ad-hoc Board	Audit Committee	Remuneration Committee	Nominations Committee
Number attended					
J Pryde	4	13	-	-	-
O Kuti	4	13	-	-	-
M Henderson	4	13	-	-	-
T Hayward	4	13	2	2	-
S Hawkins	4	13	2	2	-
Total number held	4	13	2	2	-

Internal control

The Board is responsible for maintaining a strong system of internal control to safeguard shareholders' investment and the Group's assets and for reviewing its effectiveness. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has considered the need for an internal audit function but has decided the size of the Group does not justify it at present. However, it will keep the decision under annual review.

Principle Six
Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

Members of the Board

Jack Pryde, Chairman
Mr Pryde, is a Chartered Certified Accountant and has held various senior management positions in the investment banking industry. He is a former director and head of corporate finance at Henry Ansbacher & Co. and a former Vice President of corporate finance at Canaccord Capital. He left Jefferies International as director of equity capital markets in May 2010. He has extensive experience of advising companies in the resources and energy sectors. He has been the Chairman of Tende since March 2011.

Jack encourages ideas and opinions from all Board members and maintains a very open dialogue with senior management, always encouraging open-mindedness across all employees. He keeps abreast of regulatory changes affecting AIM listed companies as well as changes to disclosure regulations and international accounting standards with regard to the Company's financial statements. He also brings excellent personal skills and experience when working and liaising with employees and the Company's broad range of other stakeholders.

Olukayode Olufemi Kuti, Chief Executive Officer
Mr Kuti, obtained a BA from Duke University, USA. He studied Economics & Psychology and also received a Markets and Management Certificate. Since University he has worked as an Investment Advisor for a South African investment fund, Huxton Capital. He was instrumental in the formation and structuring of the Company's contact base in Nigeria and has responsibility for maintenance of those relations. He has been the CEO of Tende since September 2013.

Mark Henderson, Chief Financial Officer
Mr Henderson, is a Chartered Accountant and has focused on analysis of the global energy sector for over 20 years. He was a Director and Head of Oil & Gas at Stockdale Securities and a former Director CoHead of European Oil & Gas Equity Research at Credit Suisse Securities. Mr Henderson also held a number of senior roles at a number of oil and gas and investment companies and firms, including serving as an Investor Relations Consultant at Eurasia Drilling Company, conducting project management at Enersol Corporation and serving as a Branch Manager at Wolfgang Steubing AG, as a Senior Equity Analyst at Commerzbank Securities and as an Equity Analyst at Deutsche Morgan Grenfell. In addition, between 1999 and 2003, Mr Henderson served as a Sector Portfolio Manager at the Abu Dhabi Investment Authority.

Mark has developed a thorough understanding of oil and gas markets from his time as an equity research analyst and built a comprehensive network of relationships within the investment community, particularly those with a focus on oil and gas. Mark's analytical skills and corporate finance experience are important attributes in ensuring that Tende is successful in taking advantage of the substantial business development opportunities that exist in Africa.

Toby Jonathan Hayward, Non-Executive Director and Senior Independent Director
Mr Hayward, is a chartered accountant and has been an investment banker since 1984. He was a director of corporate finance at Singer & Friedlander Limited and Henry Ansbacher & Co. Limited before becoming Head of Oil and Gas Equity Capital Markets at Canaccord Adams. He joined Jefferies International Limited as a managing director in 2005 with responsibility for the UK Equity Capital Markets and listed clients in the exploration and production sectors. He also undertook nominated adviser responsibilities. He left Jefferies in June 2008 to concentrate on a number of private initiatives. He has also previously held the positions of chairman and non-executive director at Severfield plc and Non-executive director and interim CEO at Afren plc.

Toby has experience of running UK-listed company boards and is a senior independent member of the Tende Energy Plc Board. He is also Chairman of the Remunerations Committee. He is very experienced in the UK market regulatory environment both AIM Rules for Companies, UKLA and the latest disclosure obligations under the European Market Abuse Regulations (MAR) designed to provide a uniform and transparent legal framework of investor protection across EU capital markets.

Simon John Lindsay Hawkins, Non-Executive Director and Company Secretary
Mr Hawkins, has over 30 years of experience in oil and gas finance, having worked in both the industry and in investment banking, and had nine years' international experience with the Royal Dutch Shell group of companies in London, The Netherlands and Nigeria, he became a director and equity analyst at UBS, Dresdner Kleinwort, Ambrian Partners, MF Global and N+1 Singer. After two years at Afren plc, where he was the global head of investor relations, Mr Hawkins served on the board at Tende. He is a member of the Chartered Institute of Public Finance & Accountancy, holds a BSc Econ (Hons) in Economics from the University of Wales and a postgraduate certificate in Oil and Gas Financial Management from the University of North Texas. Mr Hawkins was ranked number one by Thomson Extel for his coverage of European Gas while at UBS.

Having developed considerable experience in both the oil and gas industry and the financial markets, Simon has a calm and measured approach which he brings to the Board. He has a strong sense of creativity, but at the same time he is uncompromising in choosing the right path in difficult circumstances. He keeps up to date with AIM Rule changes and UK Companies law as part of his role as Company Secretary and NED.

Principle Seven
Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Board Performance
The Board recognises that its primary objective is to ensure it delivers shareholder value in the medium to long term. In addition to this it recognises that individual Board members and committees have various responsibilities and objectives. At this stage of development, the Company has not identified criteria against which the Board, committees and individual Directors are measured although, in line with the Company's corporate culture and its strategy, it makes best efforts to operate in an ethical and honest manner with all of its employees, operational and funding partners, asset co-owners and other stakeholders at all times and continue to strive to be innovative and efficient in delivering value for shareholders and other stakeholders in the business.

External Advisors
The Board and its committees obtain advice from the following external sources:
PKF Litttlejohn LLP (audit committee)
Fladgate LLP (legal advice to both Board and committees)
Allenby Capital Ltd (providing advice regarding relisting to both Board and committees)
Separate transaction advisors are used as appropriate.

Principle Eight
Promote a corporate culture that is based on ethical values and behaviours

The Company's ethos is to provide a working environment which promotes innovation and efficiency whilst also being mindful of the core values of honesty, empathy and commitment, which the Company makes best efforts to support with each member of the Tende team. In addition, the Company always looks to support the personal and professional progression of each member of the team where it is able to do so.

This ethos is replicated with the Company's operational partners, co-owners and funding partners, where the Company's policy is committed to a working ethos that is both innovative and productive for each stakeholder working in partnership with the Company.

As yet at early stages in its development, the Company's corporate culture will also be translated into the community-based projects that it commits to in the future.

Principle Nine
Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

The Chairman's primary responsibility is in maintaining an effective Board. Management of the Company's day to day operations and communications with stakeholders and shareholders are delegated by the Board to the Executive Directors and Senior Management. Other role delegations are discussed below. However, it is the responsibility of the whole Board to continuously monitor the governance structure, particularly at points of significant change in the business, to ensure that the structure remains fit for purpose.

As the Company grows the Board will be diligent as to the balance between its Corporate Governance framework and the Company's strategic growth plans and always aims to maintain a degree of balance so that achieving growth in line with the strategy can sit comfortably alongside the Company's corporate culture and ethos.

The Board has established subcommittees of the Board, comprising an Audit Committee, a Remuneration Committee and a Nominations Committee.

Audit Committee
The Audit Committee comprises Simon Hawkins (Chairman) and Toby Hayward. The Audit Committee meets at least half yearly and will be responsible for ensuring that the financial performance of the Group is properly monitored and reported on, as well as meeting the auditors and reviewing any reports from the auditors regarding accounts and internal control systems.

As the Company is not listed, the Directors do not feel that a full audit committee report is relevant. The Audit Committee considered the significant issues raised in the report of the auditor below on pages 22-24, and the significant estimates, judgements and risks considered are discussed on pages 37-38 of this report. As a result of Grant Thornton LLP no longer having a specialist Oil & Gas team, the Audit Committee have appointed PKF Littlejohn LLP as auditors for the Company for the year ended 31 December 2021, and have no plans to retender in the near future.

Remuneration Committee
The Remuneration Committee comprises Toby Hayward (Chairman) and Simon Hawkins. The Remuneration Committee meets at least twice a year and has as its remit the determination and review of, amongst other matters, the remuneration of Executive Directors and any share incentive plans adopted, or be adopted, by the Company.

The Remuneration Report is shown below.

Nominations Committee
The Nomination Committee, chaired by Jack Pryde, and is joined by Toby Hayward and Simon Hawkins, non-executive directors, deals with succession planning, and additions to the Board. Due to the current size of operations it meets on an ad hoc basis when necessary.

Principle Ten
Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The vast majority of our shareholders are retail investors and we seek to engage with them at our Annual General Meetings, where the Directors' are available to answer questions. The company is also available to discuss any issues shareholders may have between AGMs. Shareholders can also communicate with the Company via email on ir@tendeenergy.com.

The Board continually evaluates the most effective ways of engaging with its shareholders, whilst at the early stages, and particularly during times of little or no news flow, shareholder engagement has been challenging given the inherent commercial sensitivities of the Company's commercial discussions and the disclosure requirements under the AIM Rules for Companies, that until now the Company has been subject to, and as the company grows it will consider creating shareholders' forums to meet on a regular basis and as budgets permit to increase the functionality of the Company's website.

Tende Energy: Section 172 statement

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of Tende Energy Plc for the benefit of its stakeholders, and in doing so had regard, amongst other matters, to:

- the likely consequences of any decision in the long term;

- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

In the Chairman's Statement and Strategic Report sections of this Annual Report, the Company has set out its strategy, and the actions that have resulted both during 2022 and post year end.

The Company interacts with a variety of stakeholders important to its success including finance providers, equity investors, the management of ATOG, COPDC and operational and technical partners to OML 65, NPDC and NNPC and advisors to the Company, employees and suppliers. The Board does engage directly with certain key stakeholders on certain issues on a regular basis at the operational level, particularly in-country with operational and technical partners.

The Company will be working with its asset and operational partners across a range of sustainability projects designed to benefit the relevant localities of the operations. Tende Energy's aim is also to actively support local indigenous companies wherever possible in its areas of operation, working with local and national partners which can sustainably support local community projects.

The Company strives to strike the right balance between engagement and communication. Furthermore, the Company works within the limitations of what can be disclosed to the various stakeholders with regards to maintaining confidentiality of market and/or commercially sensitive information.

Who: Key Stakeholder Groups	Why: why is it important to engage this group of stakeholders	How: how Tende engaged with the stakeholder group and outcomes
Equity Investors and Business Partners	Access to capital is of vital importance to the Group to ensure long-term success.	The Board engages with investors at the AGM, through news releases on the website, and maintains regular dialogue with key investors, and business partners. The Senior Loan Facility Agreement with Trafigura PTE Ltd, a company within the Trafigura Group, was executed to fund Phase 1 of the development of the Proven and Probable Reserves of 51mmbbls1 on the OML 65 licence. The Facility Agreement provides for up to US$200m to be drawn in tranches and deployed toward the further development of the producing Abura field.
Workforce	The Group's long-term success is predicated on the commitment of our workforce to our vision and the demonstration of our values on a daily basis.	The Directors ensure that regular communication takes place with all employees and consultants, and has in place long-term incentive schemes.
Key suppliers and Advisors	A good relationship with key suppliers is essential to ensure timely supplies so as to not interrupt operations. Key advisors are essential to ensure we maintain good governance in all areas.	Regular communication takes place with all key advisors and suppliers. The Group has not experienced any problems with suppliers or corporate governance issues during the year.

Governmental Bodies	The Group does not directly maintain licences, but supports our partners with regard to this.	The Group maintains a dialogue and keeps up to date with any changes in requirements. The Group has had no problems in this regard.

Key decisions taken and other factors encountered through the period and post year end are as follows:

Area of Engagement	Detail	Mitigation
ATOG transaction	Agreements for the acquisition of a 10% and 90% economic interest in ATOG. ATOG is wholly owned by Tende Energy plc	Transaction met with Company's investment criteria. In line with Company strategy to build portfolio of assets with producing, development and exploration potential. Working in partnership with highly experienced asset owners/management operational team with strong local community relations.
OML 65 transaction	Acquired 30% of COPDC JV to operate producing OML 65 block with multiple development prospects. 15-year agreements to operate and develop OML 65.	Strong partnership with COPDC, leading JV in Nigeria. Acquisition meets with Company's strategy to build portfolio of producing and development assets in partnership. Transformational acquisition providing significant runway of future production with approved work programme and strong cash generative characteristics. COPDC partners have strong in-country track record of efficient operations and local community relations.
OML 65 Development funding (post year end)	Execution of a senior funding facility of up to $200m with Trafigura. Funding to support approved capex programme in first phase of development of OML 65.	Tier One funding partner aligned with the development of this strategic asset. Company has put in place very strict financial controls over cash waterfall from operations.
Acquisition of non-operated interests in Angola	Execution of SPAs related to the acquisition of non-operated interests in Blocks 31, 18 and 27 in Angola	Transaction met with Company's investment criteria. Acquisition meets with Company's strategy to build portfolio of producing and development assets in partnership. Asset operated by global supermajor JV Company, Azule. Transformational acquisition providing significant runway of future production with approved work programme and strong cash generative characteristics. The Proposed Acquisition is conditional upon satisfactory due diligence ("DD") being completed, the payment of the net consideration and the receipt of Ministerial approval. The economic effective

		date of the Transaction was April 2022 and completion is expected to take place in the second half of 2023, subject to customary conditions and approvals. The Consortium paid a deposit of US$18.525m in June 2023, representing 5% of the total consideration and expects that the balance payable for the proposed acquisition will be financed through the provision of new debt facilities.
Capital liquidity	Prudent tactical fundings were undertaken during the period to maintain appropriate levels of working capital during the period.	Active management of Company's financial resources, budgeting and general administration expenses during the development phase ahead of Company moving into cash generating stage expected in 2023.

Directors' remuneration

The Board recognises that Directors' remuneration is of legitimate concern to shareholders and is committed to following current best practice. The Group operates within a competitive environment and performance depends on the individual contributions of the Directors and employees. The Board believes in rewarding vision and innovation.

Policy on executive Directors' remuneration

The policy of the Board is to provide executive remuneration packages designed to attract, motivate and retain Directors of the calibre necessary to maintain the Group's position and to reward them for enhancing shareholder value and return. It aims to provide sufficient levels of remuneration to do this, but avoid paying more than is necessary. The remuneration will also reflect the Directors' responsibilities and contain incentives to deliver the Group's objectives. Remuneration may comprise of basic salary, bonuses, benefits and longer term incentives such as share options. The Remuneration Committee considers the appropriate balance of the above for each director, taking into account the relevant factors at each review. The Company’s Remuneration Committee comprises T Hayward (Chairman) and S Hawkins. The Remuneration Committee meets at least twice a year and has as its remit the determination and review of, amongst other matters, the remuneration of Executive Directors and any share incentive plans adopted, or be adopted, by the Company.

The remuneration of the Directors was as follows:

	J Pryde	O Kuti	M Henderson	S Hawkins	T Hayward	Total
	$	$	$	$	$	$
Short-term employment benefits:						
Year to 31 December 2022						
Salary and fees	134,683	231,449	182,790	65,699	68,779	**683,400**
Bonus	145,166	306,342	91,694	-	-	**543,202**
Ex-pat living allowance	-	146,712	101,498	-	-	**248,210**
Benefits in kind	13,721	3,742	4,447	-	-	**21,910**
Pension contributions	2,603	-	578	1,628	1,628	**6,437**
Share based payments	50,944	130,999	43,666	29,898	29,898	**285,405**
Total	**347,117**	**819,244**	**424,673**	**97,225**	**100,305**	**1,788,564**
Employers NI	**40,747**	**(167)**	**7,032**	**8,192**	**7,753**	**63,557**
Year to 31 December 2021						
Salary and fees	170,759	238,151	192,445	72,167	75,603	**749,125**
Benefits in kind	13,606	21,404	7,349	-	-	**42,359**
Pension contributions	1,814	1,220	1,814	1,814	1,814	**8,476**
Share based payments	208,991	537,405	179,135	116,032	116,032	**1,157,595**
Total	**395,170**	**798,180**	**380,743**	**190,013**	**193,449**	**1,957,555**
Employers NI	**22,377**	**20,405**	**24,864**	**8,247**	**8,721**	**84,614**

No amounts are due but undrawn in respect of directors' remuneration and National Insurance as at 31 December 2022. The following amounts were due but undrawn at 31 December 2021 (and so are shown as liabilities within accruals):

J Pryde	$300,868
O Kuti	$76,005
Employers NI	$52,008

Pensions
The Group makes pension contributions on behalf of the Directors, as required under law.

Benefits in kind
The Group provides medical and dental insurance to certain Directors, and additional benefits to Directors located abroad.

Bonuses
Bonuses paid in 2022 are shown in the table above which include an additional service payment to executive directors on the successful completion of the OML65 transaction in November 2022. These payments recognise the accumulated length of service to the Company and compensate for the discounted salaries, relative to market averages, that the executive directors have been paid since their respective appointments. No amounts were payable for bonuses in respect of the year ended 31 December 2021.

Notice periods
O Kuti , J Pryde and M Henderson have a six month rolling notice period and all other Directors have three month rolling notice periods.

Share option incentives
At 31 December 2022 the following share options were held by the Directors.

	Date of grant	Exercise price	Number of options
J Pryde	8 December 2020	0.5p	70,000,000
O Kuti	8 December 2020	0.5p	180,000,000
M Henderson	8 December 2020	0.5p	60,000,000
T Hayward	8 December 2020	0.5p	25,000,000
S Hawkins	8 December 2020	0.5p	25,000,000

For each director, 50% of the options were exercisable on the acquisition of our interest in ATOG in June 2021, 25% were exercisable in June 2022 and the remaining 25% are exercisable in June 2023.

No options held by Directors were issued, exercised or cancelled during the year.

The Company is not currently listed on a recognisable exchange so the share price movement during the year has not been disclosed.

As the Company has not traded and is not listed, the Remuneration Committee do not feel that it is relevant to include further information in the Remuneration Report.

Opinion

We have audited the financial statements of Tende Energy plc (the ‘parent company’) and its subsidiaries (the ‘group’) for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheet, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards for the group and applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), for the parent company.

In our opinion:

- the financial statements give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 December 2022 and of the group’s loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussion with management, industry research and our expertise in the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ("UK GAAP") for the parent and International Financial Reporting Standards for the United Kingdom ("UK-IFRS") for the group and the operating terms set out in the exploration licences, as well as local laws and regulations.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - *enquiries of management; and*
  - *review of minutes and other correspondence.*
- We also identified the risks of material misstatement of the financial statements due to fraud at both the group and parent company level. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, whether key management judgements could include management bias was identified in relation to the carrying value of the exploration assets.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Compliance with laws and regulations at the subsidiary level was ensured through enquiry of management and review of ledgers and correspondence for any instances of non-compliance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Archer

Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
30 June 2023

15 Westferry Circus
Canary Wharf
London E14 4HD

TENDE ENERGY PLC (FORMERLY SIRIUS PETROLEUM PLC)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	**Year ended 2022 $'000**	Year ended 2021 $'000
Other income		**-**	100
Share based payments	*11*	**(1,867)**	(1,716)
Other administrative expenses	*1*	**(4,232)**	(4,088)
Total administrative expenses		**(6,099)**	(5,804)
Loss from operations		**(6,099)**	(5,704)
FV movement on embedded derivative		**(509)**	(556)
Finance cost	*2*	**(2,665)**	(1,800)
Loss before and after taxation, and loss attributable to the equity holders of the Company		**(9,273)**	(8,060)
Loss on discontinued operations	*23*	**(15,308)**	(131)
Other comprehensive income for the period, net of tax			
Exchange differences on translating foreign operations		**5**	(23)
Other comprehensive income for the period, net of tax		**5**	(23)
Total comprehensive loss for the year, attributable to owners of the company		**(24,576)**	(8,214)
Profit/(loss) attributable to			
Non-controlling shareholders		**(2,730)**	-
Equity holders of the parent		**(21,851)**	(8,191)
		(24,581)	(8,191)
Total comprehensive loss attributable to			
Non-controlling shareholders		**(2,730)**	-
Equity holders of the parent		**(21,846)**	(8,214)
		(24,576)	(8,214)
Total earnings per ordinary share			
Basic and diluted loss per share (cents) from continuing operations	*4*	**(0.21)**	(0.20)
Basic and diluted loss per share (cents) from discontinued operations		**(0.35)**	(0.00)

The activities of the Group in Nigerian entities currently being closed down are classed as discontinued.

The accompanying principal accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		31 December 2022	31 December 2021
ASSETS	**Notes**	**$'000**	$'000
Non-current assets			
Intangible assets	*5*	**2,324**	16,239
Financial assets	*6*	**5,752**	4,502
Property, plant and equipment	*7*	**373**	545
		8,449	21,286
Current assets			
Cash and cash equivalents		**12,526**	62
Trade and other receivables	*8*	**435**	953
Total current assets		**12,961**	1,015
Total assets		**21,410**	22,301
LIABILITIES			
Current liabilities			
Trade and other payables	*9*	**9,986**	6,627
Lease liability	*17*	**184**	206
Loans payable	*10*	**13,046**	13,261
Embedded derivative liability	*10*	**4,776**	4,275
Total current liabilities		**27,992**	24,369
Liabilities due after one year			
Lease liability	*17*	**172**	381
Loans payable	*10*	**20,575**	943
Total liabilities		**48,739**	25,693
EQUITY			
Share capital	*12*	**16,356**	15,671
Share premium		**46,103**	42,595
Share-based payment reserve	*11*	**4,986**	3,126
Exchange reserve		**(181)**	(182)
Other reserve		**1**	(3)
Retained earnings		**(86,442)**	(64,599)
Equity attributable to equity holders of the Company		**(19,177)**	(3,392)
Non-controlling interest		**(8,152)**	-
Total Equity		**(27,329)**	(3,392)
Total equity and liabilities		**21,410**	22,301

The consolidated financial statements were approved by the Board and authorised for issue on 30 June 2023.

J Pryde
Director
Company No 05181462
30 June 2023

The accompanying principal accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Share capital	Share premium	Share based payment reserve	Exchange & other reserve	Retained earnings	Total equity attributable to the Company	Minority interest	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	
Balance at 1 January 2021	14,374	37,097	2,282	(159)	(57,289)	(3,695)	-	(3,695)
Share based payments	-	-	1,716	-	-	1,716	-	1,716
Share issue	1,297	5,520	-	-	-	6,817	-	6,817
Share issue costs	-	(22)	-	-	-	(22)	-	(22)
Equity element of convertible loans	-	-	-	6	-	6	-	6
Equity element of convertible loans trf on repayment	-	-	-	(9)	9	-	-	-
Transfer on lapse of options/warrants	-	-	(872)	-	872	-	-	-
Transactions with owners	1,297	5,498	844	(3)	881	8,517	-	8,517
Loss for the year	-	-	-	-	(8,191)	(8,191)	-	(8,191)
Exchange difference on translating foreign operations	-	-	-	(23)	-	(23)	-	(23)
Total comprehensive (loss)/profit for the year	-	-	-	(23)	(8,191)	(8,214)	-	(8,214)
Balance at 31 December 2021	15,671	42,595	3,126	(185)	(64,599)	(3,392)	-	(3,392)
Share based payments	-	-	1,867	-	-	1,867	-	1,867
Share issue	685	3,715	-	-	-	4,400	-	4,400
Share issue costs	-	(207)	-	-	-	(207)	-	(207)
On acquisition of subsidiaries	-	-	-	-	-	-	(5,422)	(5,422)
Equity element of convertible loans trf on repayment	-	-	-	-	1	1	-	1
Transfer on lapse of options/warrants	-	-	(7)	-	7	-	-	-
Transactions with owners	685	3,508	1,860	-	8	6,061	(5,422)	639
Loss for the year	-	-	-	-	(21,851)	(21,851)	(2,730)	(24,581)
Exchange difference on translating foreign operations	-	-	-	5	-	5	-	5
Total comprehensive loss for the year	-	-	-	5	(21,851)	(21,846)	(2,730)	(24,576)
Balance at 31 December 2022	**16,356**	**46,103**	**4,986**	**(180)**	**(86,442)**	**(19,177)**	**(8,152)**	**(27,329)**

The accompanying principal accounting policies and notes form an integral part of these financial statements.

TENDE ENERGY PLC (FORMERLY SIRIUS PETROLEUM PLC)

CONSOLIDATED CASHFLOW STATEMENT

For the year ended 31 December 2022

	Year ended 31 December 2022 $'000	Year ended 31 December 2021 $'000
Cash flow from operating activities		
Loss after taxation on continuing activities	**(9,273)**	(8,060)
Loss after taxation on discontinued activities	**(15,308)**	(131)
Depreciation	**176**	203
Finance cost	**2,665**	1,800
Net foreign exchange differences	**(640)**	-
Bad debt provision	**(315)**	-
Impairment of intangible	**15,186**	-
FV movement on embedded derivative	**509**	556
Decrease/(increase) in trade and other receivables	**557**	(660)
Equity settled share-based payments	**1,867**	1,716
(Decrease)/increase in trade and other payables	**(6,797)**	1,410
	(11,373)	(3,166)
Lease interest	**(16)**	(10)
Interest paid	**(609)**	(39)
Net cash outflow from operating activities	**(11,998)**	(3,215)
Cash flows from investing activities		
Purchase of investments	**-**	(2)
Cash acquired on acquisition of subsidiaries	**2,166**	-
Purchase of property, plant and equipment	**(4)**	(5)
Net cash outflow from investing activities	**2,162**	(7)
Cash flows from financing activities		
Proceeds from issue of share capital	**4,400**	2,693
Share issue costs	**(207)**	-
Loans received	**22,722**	334
Lease payments	**(171)**	(69)
Loans repaid	**(4,617)**	(103)
Net cash inflow from financing activities	**22,127**	2,855
Net change in cash and cash equivalents	**12,291**	(367)
Cash and cash equivalents at beginning of period	**62**	480
Exchange differences on cash and cash equivalents	**173**	(51)
Cash and cash equivalents at end of period	**12,526**	62
Comprising of:		
Cash and cash equivalents	**12,526**	62
	12,526	62

There were no material non-cash transactions in the year. Material non-cash transactions in the year ended 31 December 2021 include the payment of $4m of the investment in intangibles in shares. Please see Note 13 for the reconciliation of net debt.

The accompanying principal accounting policies and notes form an integral part of these financial statements.

BASIS OF PREPARATION

The Group's principal activity is to maintain and grow production from existing producing oil and gas assets, with development and exploration upside, with a focus on North and West Africa.

Tende Energy Plc is registered and domiciled in the United Kingdom, which is currently also its principal place of business. It is expected that the Group's activities will be focused in North and West Africa once the proposed transactions have completed, and drilling activities commence.

The Consolidated financial statements have been prepared under the historical cost convention, or at fair value as appropriate, and in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 ("IFRS"). The Company's shares were listed on the AIM market of the London Stock Exchange until 27 August 2019. Separate financial statements of Tende Energy Plc (the Company) have been prepared on pages 61-80.

The principal accounting policies of the Group are set out below.

GOING CONCERN

The Directors have prepared cash flow forecasts for the period up to December 2024. The Angolan acquisition has been excluded from these forecasts as it is subject to separate funding arrangements.

The Group has executed a senior secured term loan facility of up to $200m with Trafigura to cover its capital expenditure requirements, and a $20m working capital facility as part of the OML65 offtake agreements, which acts as an advance payment facility with sums drawn based on accumulated production volumes and repaid at the point of a lifting.

The projections indicate that the Group would have sufficient cash to cover liabilities as they fall due in the going concern period. This includes fully repaying all non-convertible loans and creditors that are outstanding at the present time, when they fall due.

The Directors therefore believe that the Group and parent company will have sufficient cash resources to meet its liabilities as they fall due for a period of at least 12 months from the date that the financial statements are signed. Consequently, the financial statements have been prepared on a going concern basis.

BASIS OF CONSOLIDATION

The Consolidated financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to the statement of financial position date. Subsidiaries are entities which are controlled by the Group. Control is achieved when the Group has power over the investee, has the right to variable returns from the investee and has the power to affect its returns. The Group obtains and exercises control through voting rights and control is reassessed if there are indications that the status of any of the three elements has changed.

Unrealised gains on transactions between the Group and its subsidiary undertakings are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiary undertakings have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiary undertakings are recorded under the acquisition method of accounting. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary undertakings, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary undertaking prior to acquisition. Acquisition costs are expensed as incurred. On initial recognition, the assets and liabilities of the subsidiary undertaking are included in the Consolidated Statement of Financial Position at their fair values, which are also used as the basis for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after first allocating consideration to identifiable intangible assets. Goodwill represents the excess of the consideration transferred to the vendor over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary undertaking at the date of acquisition.

ASSET ACQUISITIONS

Acquisitions of mineral exploration licences or agreements through the acquisition of non-operational corporate structures that do not represent a business, and therefore do not meet the definition of a business combination, are accounted for as the acquisition of an asset. The consideration of the asset is allocated to the assets based on their relative fair values at the date of acquisition. The asset is amortised over the life of the licence or agreement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

OTHER INCOME

Other income represents the total value, excluding VAT, of grants received from the government.

TAXATION

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the Consolidated Statement of Financial Position date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable result for the period. All changes to current tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the Statement of Financial Position date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged or credited directly to equity or other comprehensive income are charged or credited directly to equity or other comprehensive income.

INTANGIBLE EXPLORATION AND EVALUATION ASSETS

The Group follows the successful efforts method of accounting for intangible exploration and evaluation (“E&E”) costs. Licence costs are initially capitalised as intangible assets, along with any directly attributable costs of evaluation, as these are recoverable if prospects are deemed successful.

If prospects are deemed to be impaired ('unsuccessful') on completion of the evaluation, the associated costs are charged to the statement of comprehensive income. If the field is determined to be commercially viable, the licence costs are transferred to property, plant and equipment.

The intangible assets are initially recognised at cost and are reviewed for impairment. The asset is carried at initial value less accumulated impairment losses.

Exploration and evaluation assets are tested for impairment whenever facts and circumstances suggest they are impaired, which includes when a licence is approaching the end of its term and is not expected to be renewed, there are no substantive plans for continued exploration or evaluation of an area, the Group decides to abandon an area, or where development is likely to proceed in an area there are indications that the exploration and evaluation costs are unlikely to be recovered in full either by development or through sale. Any impairment loss is recognised before reclassification.

FINANCIAL ASSETS

The Group's financial assets comprise investments, cash and trade and other receivables.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:
• loans and receivables at amortised cost
• fair value through profit or loss (FVTPL)
• fair value through other comprehensive income (FVOCI).

In the periods presented the company does not have any financial assets categorised as FVOCI.

The classification is determined by both:
• the entity's business model for managing the financial asset
• the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

<u>Subsequent measurement of financial assets</u>

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
• they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements would apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets

The Group considers trade and other receivables individually in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Non-derivative financial assets comprising the Company's strategic financial investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. These assets are classified as financial assets at fair value through profit or loss. They are carried at fair value with changes in fair value recognised through the income statement. Where there is a significant or prolonged decline in the fair value of a financial investment (which constitutes objective evidence of impairment), the full amount of the impairment is recognised in the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank, short term bank overdrafts and cash in hand. The bank overdraft has been considered as part of cash and cash equivalents in the statement of cash flows.

CLASSIFICATION AS FINANCIAL LIABILITIES OR EQUITY

Financial instruments or their component parts are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to equity.

A compound instrument is a non-derivative financial instrument which contains both a liability and an equity component. These components are accounted for separately as financial liabilities and equity components, and are presented separately in the statement of financial position.

EQUITY

Share capital is determined using the nominal value of shares that have been issued.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits. Where warrants have been issued for services in relation to procuring subscribers, the relevant fair value charge has been set against share premium as a cost of issue.

The share-based payment reserve represents the cumulative amount which has been expensed in the statement of comprehensive income in connection with share-based payments, less any amounts transferred to retained earnings on the exercise of share options or warrants.

The equity loan reserve represents the equity component of the issued convertible loan notes.

Translation reserves are amounts in respect of translation of overseas subsidiaries, and unrealised exchange differences.

Retained earnings include all current and prior year results as disclosed in the statement of comprehensive income.

FINANCIAL LIABILITIES

The Group's financial liabilities comprise trade and other payables, bank overdrafts, lease liability and loans payable.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance costs in the statement of comprehensive income using the effective interest method.

Trade and other payables are recognised initially at fair value, net of direct issue costs, and are subsequently recorded at amortised cost using the effective interest method with interest related charges recognised as an expense in the statement of comprehensive income.

Loans payable are recognised initially at fair value, net of direct issue costs and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are recognised in the statement of comprehensive income on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. The embedded derivative liability, relating to a convertible loan where the carrying liability converts into a variable number of shares, is held at "fair value through profit or loss".

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the statement of comprehensive income.

LEASES

The Group has adopted IFRS16 "Leases". Leases are recorded in the statement of financial position in the form of a right-of-use asset and a lease liability, with the exception of assets of low value and short-term leases of less than 12 months, whereby the group has taken the practical expedient to not capitalise a right-of-use asset and recognise a lease liability but instead charge to the statement of comprehensive income (net of any incentives received from the lessor) on a straight-line basis over the period of the lease.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease is recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset was available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

COMPOUND INSTRUMENTS

On initial recognition, the fair value of the consideration for the liability component of the instrument is determined based on the fair value of a similar instrument that does not have an equity conversion option and recognised as a financial liability. Subsequent measurement is in accordance with the financial liabilities accounting policy.

The equity component is recognised initially as the residual value remaining when the fair value of the debt component is compared to the fair value of the compound instrument as a whole. The equity component is not remeasured after initial recognition except on expiry.
The embedded derivative liability, relating to a convertible loan where the carrying liability converts into a variable number of shares, is held at "fair value through profit or loss".

OTHER PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the Statement of Financial Position date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognised, if virtually certain as a separate asset, not exceeding the amount of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long-term provisions are discounted to their present values, where the time value of money is material. All provisions are reviewed at each Statement of Financial Position date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the statement of financial position. Probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

SHARE-BASED PAYMENTS

Options
The Group issues equity-settled share-based payments to certain employees (including directors) in the form of options. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the Group's estimate of the shares that will eventually vest.

Fair value is measured using the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates.

No adjustment is made to the expense recognised in prior periods if fewer share options are, ultimately exercised than originally estimated. Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of shares issued are allocated to share capital with any excess being recorded as share premium.

Warrants
The Group has also issued equity settled share-based payments to certain employees (including directors), and in respect of services provided by external consultants in the form of warrants. The share-based payment is measured at fair value of the services provided at the grant date, or if the fair value of the services cannot be reliably measured using the Black-Scholes model. The expense is allocated over the vesting period. Where services provided relate to the issue of shares the expense has been charged to share premium.

FEES AND LOANS SETTLED IN SHARES

Where shares have been issued as consideration for services provided or loans outstanding they are measured at the fair value of the services provided. The difference between the carrying amount of the financial liability (or part thereof) extinguished and the fair value of the shares is recognised in the statement of comprehensive income.

PROPERTY, PLANT AND EQUIPMENT

i Measurement basis

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use. Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the assets only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All other costs, such as repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

When assets are sold, any gain or loss resulting from their disposal, being the difference between the net disposal proceeds and the carrying amount of the assets, is included in the statement of comprehensive income.

ii Depreciation

Depreciation is calculated so as to write off the cost of property, plant and equipment, less its estimated residual value, over its useful economic life as follows:

Property leases	-	straight line over the period of the lease
Computer equipment	-	within the current financial year
Office equipment	-	straight-line over 3 years
Vehicles	-	straight-line over 5 years

FOREIGN CURRENCIES

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the reporting date. Non-monetary items that are measured at historic cost in a foreign currency are translated at the exchange rate at the date of the transaction and are not re-translated. Non-monetary assets that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates at the date when the fair value was determined. The functional currency of the Company was retrospectively reassessed to be USD effective from 2017 (previously GBP), Sirius Ororo (OML95) Limited is USD and Sirius Taglient Petrol Limited is NGN. The presentational currency of the group and company is USD. The effect of this reassessment was not material and has been included in the 2021 financial statements.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the statement of comprehensive income in the period in which they arise.

In the consolidated financial statements all individual financial statements that are originally presented in a currency different from the Group's presentational currency have been converted into USD. Assets and liabilities have been translated into USD at the closing rates at the reporting date. Income and expenses have been converted into USD at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this process have been recognised in other comprehensive income and accumulated separately in the currency exchange reserve in equity.

The average GBP exchange rate used during the year was USD 1.237053 (2021: 1.375650). The closing exchange rate at 31 December 2022 was USD 1.20972 (2021: 1.351202).

SEGMENTAL REPORTING

An operating segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

The chief operating decision maker, Mr Kuti, has defined that the Group's only reportable operating segment during the year is oil extraction and related activities. The Group has not traded and has not generated any revenue from external customers during the period. The Group reports on its geographical segments in Note 1.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are discussed below:

Share-based payment
Management has made a number of assumptions in calculating the fair value of the share options as detailed in note 11. The first critical assumption used is the estimated date of first hydrocarbons to surface which determine the exercise date of the options granted in December 2017. In management's opinion this event occurred on execution of the ATOG agreement on 6 November 2020, when the Group secured its entitlement to oil revenues under the conditional agreements. The second critical assumption used is the estimated date of completion of the ATOG acquisition which determines the exercise date of the options granted in December 2020. In management's opinion this event is occurred in June 2021. As a condition of the grant of the options in December 2020 the options granted in December 2017 were cancelled and this was therefore treated as a modification. The key assumptions used in valuing the cancelled options was the expected exercise date which was considered to have been between one and three years at the time of cancellation. The share-based payment is charged to the statement of financial income over the period between the grant of the options and the expected vesting date.

Treatment of convertible loans
Management have assessed the Convertible Loan Notes ("CLN") issued on 22 September 2020 to have both a debt and an equity element. The CLN has a notional of £1,500,000, 12.0% fixed interest paid in kind ("PIK" or the "Interest") with a final maturity being 31 August 2023 (the "Redemption Date"). The CLN is unsecured and it is convertible to the ordinary share of Tende at the conversion price (the "Conversion Price") upon the listing of the Company or at option of the Noteholders. Pursuant to the CLN documentation the conversion price (the "Conversion Price") is £0.004 per ordinary share of Tende when conversion occurs at the election of the Noteholders ("Noteholders' Conversion"), however if the conversion occurs at the election of the Company ("Company Conversion"), the Conversion Price is the lower of £0.004 per share or 87.5% of the placing price of an ordinary share upon listing provided that if such calculation results in the Conversion Price being less than the nominal value of an ordinary share, the Conversion Price will be the nominal value. Management have assessed the Conversion element of the CLN to be £1,288,871 ($1,646,753) at the time of issue and the debt element to be £211,129 ($269,753). At 31 December 2020 the fair value of the Conversion element to be £2,725,000 ($3,719,000). At inception the fair value was measured using a Monte Carlo simulation. Management assessed the fair value of the Conversion element of the liability at 31 December 2022 using the Black-Scholes model, resulting value of £3,955,000 ($4,784,000). Full details of the assumptions made and inputs used are set out in Note 10.

Valuation of Investments
The Group holds an investment in the shares of ATOG which is unquoted. The Company is required to make judgments over the carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any impairment required. It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately. Management's significant judgement in this regard is that the value of their investment represents their cost less previous impairment. Management reviews each unquoted investment at each reporting date for indications of impairment. Management concluded that no impairment was necessary in the current year, see Note 6.

(ii) Critical judgments in applying the Group's accounting policies

Sirius Taglient Petro Limited ("STPL")
In applying the accounting policies, which are described above, management have had to make a judgement on whether STPL should be consolidated as a subsidiary undertaking in accordance with IFRS 10 - Consolidated Financial Statements. The Company owns 50% of STPL's issued share capital but has the right to buy the remaining 50% for a nominal sum and has management and operating control of that company. The 50% shareholders have waived their right to receive profit distributions from the company and are holding the shares as nominee of the Group. On this basis the Group consider it is a subsidiary undertaking and, therefore, has consolidated 100% of the company's results for the period in discontinued operations. The Directors have assessed fair value of the option to buy the remaining 50% of the share capital to be £Nil (2021: £Nil).

Adoption of new or amended IFRS

The company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2022:

- Amendments to IFRS 3: References to the Conceptual Framework
- Amendments to IAS 16: Proceeds before intended use
- Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

IFRS 1, IFRS 9, IFRS 16 and IAS 41: Annual Improvements to IFRS Standards 2018-2020 Cycle - 1 January 2022
The adoption of the above has not had any material impact on the disclosures or amounts reported in the financial statements.

New standards, amendments and interpretations not yet adopted

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group and Company.

1 LOSS BEFORE TAXATION AND SEGMENTAL INFORMATION

Loss before taxation

The loss before taxation is attributable to the principal activities of the Group.

The loss before taxation is stated after charging:

	Year ended 31 December 2022 $'000	Year ended 31 December 2021 $'000
Staff costs (see note 20)	**2,509**	**2,923**
Depreciation of fixed assets	**173**	**203**
Fees payable to the Company's auditor for the audit of the financial statements	**126**	**81**
Fees payable to the Company's auditor and its associates for other services:		
- Services as reporting accountant	**-**	**105**
Movement in fair value of derivative	**509**	**556**
Share-based payments	**1,488**	**106**
Foreign exchange movements	**(626)**	**(76)**
Finance costs	**2,665**	**1,800**
Other administrative costs	**2,429**	**2,362**
	9,273	**8,060**

Segmental information

An operating segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

The chief operating decision maker has defined that the Group's only reportable operating segment during the year is oil extraction and related activities. The Group has not traded and has not generated any revenue from external customers during the period. In respect of non-current assets $373,000 (2021: $542,000) arise in the UK, $5,752,000 arise in Tunisia (2021: $4,502,000) and $2,324,000 (2021: $16,243,000) arise in Nigeria. Losses of $5,582,000 (2021: $7,818,000) arose in the UK, profits of $210,000 (2021: loss of $242,000) arose in Dubai losses of $3,838,000 (2021:$Nil) arose in Bahamas, and losses of $63,000 (2021: $Nil) arose in Nigeria.

2 FINANCE COSTS

	Year ended 31 December 2022 $'000	Year ended 31 December 2021 $'000
Finance costs		
Finance fees on loans	**1,895**	1,777
Finance cost on leases	**16**	10
Other finance fees	**754**	13
	2,665	1,800

Finance fees of $1,895,000 (2021: $1,777,000) are in respect of the short-term loans received from unconnected third parties and finance fees in respect of other loan facilities. Further information in respect of these loans is disclosed in note 10. Other finance fees credit of $754,000 (2021: $13,000) are in respect of other fees charges from creditors, PAYE and loan providers.

3 TAXATION

There is no current or deferred tax charge for the year (year ended 31 December 2021: $nil).

Unrelieved tax losses of approximately $39,183,000 (2021: $36,546,000) remain available to offset against future taxable trading profits. The unprovided deferred tax asset at 31 December 2022 is $9,796,000 (2021: $9,137,000) which has not been provided on the grounds that it is uncertain when or in what tax jurisdiction taxable profits will be generated by the Group to utilise those losses. There are no deferred tax liabilities. The 2021 budget increases the corporation tax rate to 25% from 1 April 2023. Deferred tax assets and liabilities at 31 December 2022 have been calculated based on the rate of 25% substantively enacted at the balance sheet date.

The tax assessed for the year differs from the standard rate of corporation tax of 19% in the UK as follows:

	2022 $'000	**2022 %**	2021 $'000	2021 %
Loss before taxation on continuing operations	**(9,273)**		(8,060)	
Loss multiplied by standard rate of corporation tax in the UK	**(1,762)**	**(19.00)**	(1,531)	(19.00)
Effect of:				
Expenses not deductible for tax purposes	**559**	**(19.00)**	512	(19.00)
Overseas loss not recognised	**702**	**(19.00)**	46	(19.00)
Unrelieved tax losses	**501**	**(19.00)**	973	(19.00)
Total tax charge for year	**-**		-	

4 EARNINGS PER SHARE

	2022	2021
	$'000	$'000
Loss attributable to owners of the Company from continuing operations	**(9,273)**	(8,060)
Loss attributable to owners of the Company from discontinued operations	**(15,308)**	(131)

	2022	2021
	Number	Number
Weighted average number of shares for calculating basic earnings per share	**4,416,385,949**	4,081,589,869

	2021	2021
	Cents	Cents
Basic and diluted earnings per share from continuing operations	**(0.21)**	(0.20)
Basic and diluted earnings per share from discontinued operations	**(0.35)**	(0.00)

There are 485,000,000 share options and 551,650,576 warrants outstanding as at 31 December 2022, as detailed in note 11. Their effect is anti-dilutive as the Group made a loss, but is potentially dilutive against future profits.

5 INTANGIBLE ASSETS

	Exploration & Evaluation Assets	**Service Agreements**	**Total**
	$'000	**$'000**	**$'000**
Cost			
At 1 January 2021	16,406	-	16,406
Additions	-	-	-
At 31 December 2021	16,406	-	16,406
Write down in respect of deferred costs not payable	(1,053)		- (1,053)
On acquisition of subsidiaries	-	2,324	2,324
At 31 December 2022	**15,353**	**2,324**	**17,677**
Amortisation and impairment			
At 1 January 2021	167	-	167
Charge in the year	-	-	-
At 31 December 2021	167	-	167
Charge in the year	15,186	-	15,186
At 31 December 2022	**15,353**	**-**	**15,353**
Net book value at 31 December 2022	**-**	**2,324**	**2,324**
Net book value at 31 December 2021	16,239	-	16,239
Net book value at 1 January 2021	16,239	-	16,239

5 INTANGIBLE ASSETS (CONTINUED)

During the year ended 31 December 2022 Tende Energy Plc acquired a 30% interest in COPDC Petroleum Development Company Limited. which had previously signed a Financial and Technical Service Agreement (“FTSA”) with NNPC (Nigeria National Petroleum Corporation) regarding the further development of the OML 65 licence, onshore Nigeria. The acquisition has been treated as an asset acquisition with an intangible asset arising on acquisition in respect of the service agreement, see Note 22 for details. This will be amortised over the life of the agreement.

As stated in the Chairman & CEO statement, the amount held in respect of the Ororo field has been fully impaired in 2022, as a result of the decision not to proceed with the exploration of this asset.

6 FINANCIAL ASSETS

Financial assets at fair value through profit or loss:	$'000	$'000	$'000	$'000
	Level 1	Level 2	Level 3	Total
Fair value at 31 December 2020	-	-	-	-
Additions	-	-	4,502	4,502
Fair value at 31 December 2021	-	-	4,502	4,502
Additions	-	-	1,250	1,250
Impairment provision	-	-	-	-
Fair value at 31 December 2022	-	-	5,752	5,752

Level 1 represents those assets, which are measured using unadjusted quoted prices for identical assets.
Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).
Level 3 applies inputs, which are not based on observable market data.

Level 3 assets comprise of the investment in 10% of the share capital in ATOG. The Directors carried out an impairment review as at 31 December 2022, and determined that no impairment was necessary. The Directors based their assessment on an independent Competent Persons Report on the asset which valued the Tende 10% at approximately $11m at oil prices of $60 per barrel.

During the year ended 31 December 2022, the Group had a further obligation to pay $1.25m in respect of its investment in ATOG as a result of revised agreements executed in the year. This amount is shown in creditors at the year end and was settled in January 2023.

7 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Property (see note 17)	Computer Equipment	Office Equipment	Motor Vehicles	Total
	$' 000	**$' 000**	**$'000**	**$'000**	**$'000**
Cost					
At 1 January 2020	570	79	332	25	1,006
Disposals	(570)	-	-	-	(570)
Additions	673	5	-	-	678
At 31 December 2021	673	84	332	25	1,114
Disposals	-	(69)	(41)	(25)	(135)
Additions	-	4	-	-	4
At 31 December 2022	**673**	**19**	**291**	**-**	**983**
Depreciation					
At 1 January 2020	528	79	304	25	936
Eliminated on disposals	(570)	-	-	-	(570)
Charge for the year	173	5	25	-	203
At 31 December 2021	131	84	329	25	569
Eliminated on disposals	-	(69)	(41)	(25)	(135)
Charge for the year	169	4	3	-	176
At 31 December 2022	**300**	**19**	**291**	**-**	**610**
Net book value					
Balance at 31 December 2022	**373**	**-**	**-**	**-**	**373**
Balance at 31 December 2021	542	-	3	-	545
Balance at 1 January 2020	42	-	28	-	70

8 TRADE AND OTHER RECEIVABLES

The fair value of these short-term financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value. All trade and other receivables have been reviewed for indicators of impairment.

	31 December 2022	31 December 2021
	$'000	$'000
Current		
Other receivables	**262**	296
Other receivables of discontinued operations	**-**	2
Prepayments and accrued income	**173**	655
	435	953

9 TRADE AND OTHER PAYABLES

	31 December 2022	31 December 2021
	$'000	$'000
Trade payables	**7,449**	4,482
Other payables	**1,898**	367
Trade and other payables relating to discontinued operations	**255**	824
Accruals	**384**	954
	9,986	6,627

The fair value of trade and other payables has not been disclosed as, due to their short duration, management consider the carrying amounts recognised in the Statement of Financial Position to be a reasonable approximation of their fair value.

10 LOANS PAYABLE

During the year the Group received loans from several unconnected parties to fund working capital as set out below. These loans are unsecured, except for the Trafigura PTE facility.

Convertible loans

During the year the Group received no new convertible loans (2021: $167,000). During the year no loans were converted (2021: $102,000). $73,000 (2021: $129,000) of capital and fees were repaid of which $9,000 reduced the derivative value (see below), $Nil (2021: $6,000) was treated as equity and $1,000 of equity (2021: $9,000) was extinguished in the year, and there was a ($105,000) (2021: ($17,000)) exchange movement. Interest of $838,000 was recognised in the year (2021: $447,000).

There was one outstanding convertible loan received prior to 2020, and the balance of $315,000 was written off.

Convertible Loan Notes amounting to $1,939,000 (GBP £1,500,000) were issued in the year 2020. The CLN has a notional of £1,500,000, 12.0% fixed interest paid in kind (“PIK” or the “Interest”) with a final maturity being 31 August 2023 (the “Redemption Date”). The CLN is unsecured and it is convertible to the ordinary share of Tende at the conversion price (the “Conversion Price”) upon the listing of the Company or at option of the Noteholders. Pursuant to the CLN documentation the conversion price (the “Conversion Price”) is £0.004 per ordinary share of Tende when conversion occurs at the election of the Noteholders (“Noteholders’ Conversion”), however if the conversion occurs at the election of the Company (“Company Conversion”), the Conversion Price is the lower of £0.004 per share or 87.5% of the placing price of an ordinary share upon listing provided that if such calculation results in the Conversion Price being less than the nominal value of an ordinary share, the Conversion Price will be the nominal value.

The fair value of the conversion element embedded in the CLN was valued at inception using a Monte Carlo simulation to consider the values of the two conversion options. The major inputs used were as follows:
Share price at inception – 0.6p (as traded on JP Jenkins)
Share price at 31 December 2020 – 1p (as traded on JP Jenkins)
Volatility = 60% (Peer comparison)
Risk free interest rate – (GBP 6 month swap rate)
Probability of listing – 85% (Management assessment)

This resulted in the Conversion element of the CLN to be fair valued at $1,647,000 (GBP£1,289,000) at the time of issue and the debt element to be $292,000 (GBP: £211,129). The fair value of the Conversion element which is also a liability, was revalued at $3,719,000 (GBP: £2,725,000) at 31 December 2020.

10 LOANS PAYABLE (CONTINUED)

At 31 December 2022, the Conversion element was revalued using the Black-Scholes model with the following inputs.

Share price at 31 December 2022 – 1.2p (as traded on JP Jenkins) (31 December 2021 – 1.1p)
Volatility = 60% (Peer comparison) (31 December 2021 – 60%)
Conversion price 0.4p (31 December 2021 – 0.4p)
Number of shares to be issued should conversion take place at 31 December 2021 487,187,031 (31 December 2021 – 436,107.250
Remaining life 0.67 years (31 December 2021 – 1.67 years)
Risk free interest rate 4.03% (31 December 2021 – 0.27%)

This resulted in a fair value of the Conversion element of $4,784,000 (GBP: £3,955,000) at 31 December 2021, (31 December 2021 $4,275,000 – GBP £3,164,000).

The resultant EIR on the debt element of the CLN was approximately 78.72% and interest of $838,000 (2021: $414,000) was recognised in the year. Foreign exchange movements of ($77,000) (2021: ($9,000)) were recognised, $33,000 was repaid, of which $9,000 was allocated to the derivative, and the debt value of the loans at 31 December 2022 was $1,513,000 (2021: $777,000). Since the year end £350,000 of the loan plus interest has been converted into ordinary shares.

Non-convertible loans

During the year the Group received short term non-convertible loans from third parties of $522,000 on which fees of $Nil were paid and no interest was recognised. $479,000 was repaid and foreign exchange of ($43,000) was recognised in the year.

Mezzanine loans of $13,034,000 net of loan fees of $266,000 were received in the year. The loan fees are amortised over the period of the loan giving an effective interest rate of 19.43%. The loans are repayable over five years. Interest of $874,000 was recognised in the year.

During the year the Group signed a facilities agreement with Trafigura PTE Limited for up to $200m to be utilised in respect of OML65 activities. The Group drew down $10,000,000 of this facility in the year on which costs of $834,000 were deducted. The costs are amortised over the period of the loan resulting in an effective interest rate of 20.24% being applied. The loan is repayable over a period of 2.5 years commencing from June 2023. Interest of $77,000 was recognised during the year. The loan is secured against OML65 cashflows.

Various charges over the shares of certain subsidiaries of Tende Energy Plc, and Debt Service Reserve bank accounts have been registered as security for the Mezzanine and Trafigura loan.

Additionally, interest of $106,000 was recognised on loans outstanding from 2021, and $4,171,000, of these loans were repaid. Foreign exchange movements of ($23,000) were recognised in the year, leaving a balance of $8,957,000 outstanding, and $5,000,000 of this has been repaid since the year end.

During the year ended 31 December 2021 the Group received non-convertible loans from third parties of $167,000 on which fees of $Nil were paid and $1,330,000 of interest was recognised during the year on non-convertible loans. $Nil of capital and interest was repaid and foreign exchange of ($6,000) was recognised during the year.

10 LOANS PAYABLE (CONTINUED)

The movements in the loans are summarised below:

	31 December 2022	31 December 2021
Convertible loans	**$'000**	$'000
Balance at 1 January	**1,159**	799
Loans received	**-**	167
Interest charged	**838**	447
Repaid in cash	**(73)**	(129)
Transferred to derivative liability	**9**	-
Converted	**-**	(102)
Written off	**(315)**	-
Transferred to equity	**-**	(6)
Foreign exchange	**(105)**	(17)
Balance at 31 December	**1,513**	1,159
Due within one year	**1,513**	216
Due after one year	**-**	943
Non-convertible loans		
Balance at 1 January	**13,045**	11,554
Loans received	**22,722**	167
Interest charged	**1,057**	1,330
Repaid in cash	**(4,650)**	-
Foreign exchange	**(66)**	(6)
Balance at 31 December	**32,108**	13,045
Due within one year	**11,533**	13,045
Due after one year	**20,575**	-

11 SHARE-BASED PAYMENTS

The Group incurred a share-based payment charge of $1,867,000 (2021: $1,716,000), of which $419,000 (2021: $1,684,000) was in respect of share options and $1,448,000 (2021: $32,000) in respect of warrants. The Group operates share option schemes for certain employees (including directors). Options are exercisable at the option price agreed at the date of grant. The options are settled in equity once exercised. The options have varying exercise conditions as described below and are exercisable from the date the condition has been met until ten years from the grant date. The expected life of the options varies from six months to fifty nine months. Options granted to employees are forfeited if the employee leaves the Group before the options vest.

	31 December 2022		31 December 2021	
	Number	**WAEP £**	Number	WAEP £
Outstanding at the beginning of the year	**485,000,000**	**0.005**	516,000,000	0.0079
Lapsed	**-**	**-**	(31,000,000)	0.05258
Outstanding at the end of the year	**485,000,000**	**0.005**	485,000,000	0.005

The weighted average remaining life of share options at 31 December 2022 was 7.78 years.

11 SHARE-BASED PAYMENTS (CONTINUED)

The options have the following exercise prices and fair values at the date of grant:

First exercise date (when vesting conditions are met)	Grant date	Assumed vesting period	Exercise price	Fair value at grant date	31 December 2022	31 December 2021
			£	£	Number	Number
On completion of ATOG	08-Dec-20	7 months	0.005	0.005703	242,500,000	242,500,000
12 months after completion of ATOG	08-Dec-20	19 months	0.005	0.006457	121,250,000	121,250,000
24 months after completion of ATOG	08-Dec-20	31 months	0.005	0.00714	121,250,000	121,250,000
					485,000,000	485,000,000

The share options can be exercised up to between five years after the date first exercisable, and ten years from the grant date.

At 31 December 2022, 363,750,000 options were exercisable (2021: 242,500,000).

For those options granted to employees and directors, the fair values were calculated using the Black-Scholes model. The inputs into the model were as follows:

	8 December 2020
Risk free rate	0.27%
Share price volatility	57%
Expected life	Between 7 months and 31 months
Share price at date of grant	£0.004

Expected volatility was determined by calculating the historical volatility of the Company's share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The following assumptions were used with regards to the vesting period:

The options granted on 8 December 2020 at were assumed to vest in 7/19/31 months on their vesting date as the completion of ATOG occurred in June 2021.

The Group recognised a charge of $419,000 (year ended 31 December 2021: $1,684,000) relating to these equity-settled share-based payment transactions during the year.

11 SHARE-BASED PAYMENTS (CONTINUED)

Warrants

On 7 April 2014, 5,000,000 warrants were issued to S Fletcher at 5p for services performed as director. These warrants may be exercised, in whole or in part or parts, at any time between 1 October 2015 and 31 October 2024.

On 16 January 2019, 82,031,250 warrants at 0.64p were issued to European High Growth Opportunities Securitization Fund. These warrants may be exercised, in whole or in part or parts, at any time from the date of grant until the fifth anniversary of the date of grant.

On 27 August 2019, 15,000,000 warrants at 2p were issue to CCM Ventures Corp. These warrants may be exercised, in whole or in part or parts, at any time from the date of grant until the fifth anniversary of the date of grant.

On 5 November 2020, 74,452,660 warrants at 0.8p were issued to MBU Corporate Finance Ltd. These warrants may be exercised, in whole or in part or parts, at any time from the date of grant until 5 June 2023.

On 1 February 2021, 5,000,000 warrants at 1.5p were issued to Galatea Foundation. These warrants may be exercised, in whole or in part or parts, at any time from the date of grant until the fifth anniversary of the date of grant.

On 1 February 2021, 4,000,000 warrants at 1p were issued to various third party lenders. These warrants may be exercised, in whole or in part or parts, at any time from the date of grant 31 March 2021, and lapsed during the year.

On 1 February 2022, 5,000,000 warrants at 1.5p were issued to a third party lender. These warrants may be exercised, in whole or in part or parts, at any time from the date of grant until the fourth anniversary of the date of grant.

On 8 February 2022, 10,000,000 warrants at 1.5p were issued to a third party investor. These warrants may be exercised, in whole or in part or parts, at any time from the date of grant until 31 December 2023.

On 2 May 2022, 266,000,000 warrants at 2p were issued to the mezzanine loan holders. These warrants may be exercised, in whole or in part or parts, at any time from the date of grant until the third anniversary of the date of grant.

Between 9 and 16 June 2022, 26,666,666 warrants at 1.5p were issued to third party lenders. These warrants may be exercised, in whole or in part or parts, at any time from the date of grant until the second anniversary of the date of grant.

On 8 July 2022, 1,666,667 warrants at 1.5p were issued to a third party lender. These warrants may be exercised, in whole or in part or parts, at any time from the date of grant until the second anniversary of the date of grant.

On 31 July 2022, 26,666,666 warrants at 1.5p were issued to third party lenders. These warrants may be exercised, in whole or in part or parts, at any time from the date of grant until the second anniversary of the date of grant.

On 31 August 2022, 1,666,667 warrants at 1.5p were issued to a third party lender. These warrants may be exercised, in whole or in part or parts, at any time from the date of grant until the second anniversary of the date of grant.

On 31 August 2022, 7,500,000 warrants at 1p and 12,500,000 warrants at 0.5p were issued to a third party consultant under the terms of the mezzanine loan. These warrants may be exercised, in whole or in part or parts, at any time from the date of grant until the fifth anniversary of the date of grant.

On 28 September 2022, 12,500,000 warrants at 2p were issued to a third party investor. These warrants may be exercised, in whole or in part or parts, at any time from the date of grant until the second anniversary of the date of grant.

At 31 December 2021, a total of 185,483,910 warrants were exercisable. The weighted average exercise price was 0.96 pence and they had a weighted average remaining contractual life of 1.88 years:

11 SHARE-BASED PAYMENTS (CONTINUED)

At 31 December 2022, the following share warrants granted for services are outstanding in respect of the ordinary shares, which has a weighted average remaining contractual life of 1.84 years:

	2022 number	**2022 Weighted average exercise price (pence)**	2021 number	2021 Weighted average exercise price (pence)
Outstanding at 1 January	**185,483,910**	**1.06**	181,483,910	1.06
Granted during the year	**370,166,666**	**1.83**	9,000,000	1.28
Cancelled during the year	**-**		-	
Lapsed during the year	**(4,000,000)**	**1.00**	(5,000,000)	5.00
Outstanding and exercisable at 31 December	**551,650,576**	**1.55**	185,483,910	1.06

Each warrant is governed by the provisions of warrant instruments representing the warrants which have been adopted by the Group. The rights conferred by the warrants are transferable in whole or in part subject to and in accordance with the transfer provisions set out in the Articles. The holders of warrants have no voting right, pre-emptive right or other right attaching to Ordinary Shares. All warrants issued vest in full.

The fair value of the services received is considered to be comparable to the fair value of the warrants issued in 2014 to 2022. These have been valued using the Black-Scholes valuation model. The inputs into the Black-Scholes model for calculating estimated fair values were as follows:

	Risk free rate	**Share price volatility**	**Exercise price**	**Share price at date of grant**	**Fair value at date of grant**
7 April 2014	0.50%	61.24%	£0.05	£0.029	£0.017125
16 January 2019	0.75%	56.40%	£0.006	£0.006	£0.002606
27 August 2019	0.75%	56.93%	£0.02	£0.004	£0.000509
5 November 2020	0.27%	56.93%	£0.008	£0.006	£0.001593
1 February 2021	0.086%	57.00%	£0.015	£0.010	£0.003722
30 November 2021	0.075%	57.00%	£0.010	£0.010	£0.001307
1 February 2022	1.34%	57.00%	£0.015	£0.011	£0.003937
8 February 2022	1.34%	57.00%	£0.015	£0.011	£0.002358
2 May 2022	1.61%	57.00%	£0.020	£0.012	£0.002919
16 June 2022	2.12%	57.00%	£0.015	£0.012	£0.003038
8 July 2022	1.93%	57.00%	£0.015	£0.012	£0.003024
31 July 2022	1.71%	57.00%	£0.015	£0.012	£0.003007
31 August 2022	3.01%	57.00%	£0.015	£0.012	£0.003106
31 August 2022	3.19%	57.00%	£0.005	£0.012	£0.008689
31 August 2022	3.19%	57.00%	£0.010	£0.012	£0.006773
28 September 2022	4.24%	57.00%	£0.020	£0.012	£0.002171

Expected volatility was determined by calculating the historical volatility of the Company's share price using historical share prices. The warrants issued in April 2014 were expected to vest in 12 months from date of grant. All of the warrants issued in 2019, 2020, 2021 and 2022 were expected to vest immediately. Although some have not yet vested the assumptions made have not been changed as the effect was not considered to be material.

The Group recognised total expenses of $1,448,000 (2021: $32,000) relating to these equity-settled share-based payment transactions during the year.

12 SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVES

Share capital	**31 December 2022**	31 December 2021
	$'000	$'000
Allotted, issued and fully paid		
4,500,607,775 (2021: 4,282,688,699) ordinary shares of 0.25p	**16,356**	15,671

The movement in share capital and share premium is analysed as follows:

	Ordinary shares	**Share capital**	**Share premium**
	No.	**$000**	**$000**
Allotted and issued			
At 31 December 2020	3,907,532,985	14,374	37,097
Shares issued for cash	197,150,000	679	2,036
Loan conversions	13,640,000	47	55
Shares issued for investments	164,365,714	571	3,429
Share issue costs	-	-	(22)
At 31 December 2021	**4,282,688,699**	**15,671**	**42,595**
Shares issued for cash	217,919,076	685	**3,715**
Share issue costs	-	**-**	(207)
At 31 December 2022	**4,500,607,775**	**16,356**	**46,103**

The ordinary shares carry one vote each and on winding up of the Company the balance of assets available for distribution will, subject to any relevant restrictions, be divided amongst the shareholders.

Non-controlling interest reserves comprise of amounts arising on business combinations or acquisitions when the entire interest in the company is not acquired by the Group, plus the share of profits or losses of the subsidiary attributed to the independent shareholders.

The movement in the non-controlling interest reserve is shown below:

Reconciliation of Non-controlling interests

	$'000
At 31 December 2020 and 31 December 2021	**-**
On acquisition	**(5,422)**
Non-controlling interest share of losses	**(2,730)**
At 31 December 2022	**(8,152)**

Translation and other reserves comprises amounts in respect of translation of companies whose functional currency is not the same as the reporting currency and equity amounts recognised in respect of convertible loans, see Note 10.

13 RECONCILIATION OF NET DEBT

	Short-term borrowings $'000	Long-term borrowings $'000	Total $'000
1 January 2022	**13,467**	**1,324**	**14,791**
Cash-flows:			
- Proceeds	2,957	19,765	22,722
- Interest paid	(40)	-	(40)
- Repayments	(4,871)	-	(4,871)
Non-cash:			
- Accrued interest	1,037	874	1,911
- Written off	(315)	-	(315)
- Transfer to derivative	9	-	9
- Transfer to short term	1,157	(1,157)	0
- Foreign exchange movement	(171)	(59)	(230)
31 December 2022	**13,230**	**20,747**	**33,977**

	Short-term borrowings $'000	Long-term borrowings $'000	Total $'000
1 January 2021	**11,980**	**373**	**12,353**
Cash-flows:			
- Proceeds	334	-	334
- Interest paid	(36)	-	(36)
- Repayments	(172)	-	(172)
Non-cash:			
- Lease liabilities	292	381	673
- Accrued interest	1,203	584	1,787
- Converted into shares	(102)	-	(102)
- Transfer to equity	(6)	-	(6)
- Foreign exchange movement	(26)	(14)	(40)
31 December 2021	**13,467**	**1,324**	**14,791**

14 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments or contingent liabilities at 31 December 2022 or 31 December 2021.

15 CONTINGENT ASSETS

There were no contingent assets at 31 December 2021 nor 31 December 2022.

16 UNDRAWN BORROWINGS

At 31 December 2022 and 31 December 2021 there was an undrawn convertible loan facility of $4,436,000 (£3,250,000). The drawdown of this loan is subject to the Company relisting on AIM, and shareholder approval. At 31 December 2022 the Group also had undrawn borrowing facilities under the Trafigura facility.

17 LEASES AND RIGHT OF USE ASSETS

In March 2021 the Group entered into a new office lease at 25 Bury Street. The following amounts relate to leases.

Amounts included in property, plant and equipment in the statement of financial position:

	2022	2021
	$'000	$'000
Right-of-use assets		
Properties	**373**	542
	373	542

Amounts shown as lease liability in the statement of financial position:

	2022	2021
	$'000	$'000
Lease liability		
Amounts due within one year	**184**	**206**
Amounts due in one to five years	**172**	**381**
Loans		
Amounts due within one year	**13,046**	**13,261**
Amounts due in one to five years	**20,575**	**943**

The group leases the property at 25 Bury Street in London, an office in Dubai and had an office in Lagos which it no longer leases.

The lease in London was originally for a term of five years from March 2018, with a break clause after three years. Management served notice that it would avail itself of the break clause unless revised terms could be agreed. At 31 December 2020 no revised agreement had been signed and therefore management assumed the lease terminated in March 2021 in accounting for the lease. In 2021 revised terms were agreed and the lease has been renewed for a further four years. This has been treated as a new lease in accounting for the lease.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. The offices in Dubai have been leased on leases of 12 months or less.

17 LEASES AND RIGHT OF USE ASSETS (CONTINUED)

In 2022 the Group recognised the following amounts in respect of leases:

	2022 $'000	2021 $'000
Depreciation of right-of-use assets - properties	**169**	173
Interest expense (included in finance costs)	**16**	10
Expense relating to short-term leases (included in administrative expenses)	**59**	22
Expense relating to service charge payments not included in lease liabilities (included in administrative expenses)	**47**	45
	291	250

The total cash outflow in respect of leases was $339,000 (2021: $124,000).

18 FINANCIAL INSTRUMENTS

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Board is responsible for co-ordinating the Group's risk management and focuses on actively securing the Group's short to medium term cash flows.

The Group does not actively engage in the trading of financial assets and has no financial derivatives. The most significant risks to which the Group is exposed are described below:

a Credit risk

The Group's credit risk is primarily attributable to its trade receivables. At 31 December 2022 and 31 December 2021, the Group had $Nil of trade receivables and, therefore, minimal risk.

Generally, the Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the Statement of Financial Position date, as summarised below:

	31 December 2022			31 December 2021		
	Receivables held at amortised cost $'000	**Non financial assets $'000**	**Statement of Financial Position total $'000**	Receivables held at amortised cost $'000	Non financial assets $'000	Statement of Financial Position total $'000
Other receivables	**262**	**-**	**262**	296	-	296
Other receivables of discontinued operations	**-**	**-**	**-**	2	-	2
Prepayments and accrued income	**-**	**173**	**173**	-	655	655
Cash and cash equivalents	**12,526**	**-**	**12,526**	60	-	60
Cash and cash equivalents of discontinued operations	**-**	**-**	**-**	2	-	2
Total	**12,788**	**173**	**12,961**	360	655	1,015

18 FINANCIAL INSTRUMENTS (CONTINUED)

The credit risk on liquid funds is limited due to the level of cash held and because the Group only places deposits with leading financial institutions in the United Kingdom.

b Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Directors prepare rolling cash flow forecasts and seek to raise additional equity funding whenever a shortfall in funding is forecast. Details of the going concern basis of preparing the financial statements are included in the principal accounting policies.

c Market risk

Interest rate risk

The Group has variable interest rates on the Trafigura facility and the Mezzanine loans both of which are linked to USD LIBOR rates.

d Foreign currency risk

The Group operates in the UK, Dubai and Nigeria and carries out transactions in US dollars, Sterling, UAE Dirhams and Nigerian Naira. The Group does not have a policy to hedge but will continue to keep this under review. The Group operates foreign currency bank accounts to help mitigate the foreign currency risk. The impact of foreign exchange gains and losses through the profit and loss in the year is immaterial. The average GBP exchange rate used during the year was USD 1.237053 (2021: 1.375650). The closing exchange rate at 31 December 2022 was USD 1.20972 (2021: 1.351202).

e Financial liabilities

The Group's financial liabilities are classified as follows:

	31 December 2022			31 December 2021		
	Other financial liabilities at amortised cost	**Liabilities held at fair value**	**Total**	Other financial liabilities at amortised cost	Liabilities held at fair value	Total
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Trade payables	**7,449**	**-**	**7,449**	4,482	-	4,482
Other payables	**1,898**	**-**	**1,898**	367	-	367
Trade and other payables relating to discontinued operations	**255**	**-**	**255**	824	-	824
Lease liability	**356**	**-**	**356**	587	-	587
Loans	**33,621**	**-**	**33,621**	24,378	-	24,378
Embedded derivative liability	**-**	**4,776**	**4,776**	-	4,275	4,275
Accruals	**384**	**-**	**384**	954	-	954
Total	**43,963**	**4,776**	**48,739**	31,592	4,275	35,867

As described on Note 10 Convertible Loan Notes amounting to $1,939,000 were issued in the year ended 31 December 2020.

The fair value of the conversion element embedded in the CLN was valued at inception using a Monte Carlo simulation to consider the values of the two conversion options. The major inputs used were as follows:

Share price at inception – 0.6p (as traded on JP Jenkins)
Share price at 31 December 2020 – 1p (as traded on JP Jenkins)
Volatility = 60% (Peer comparison)

18 FINANCIAL INSTRUMENTS (CONTINUED)

Risk free interest rate – (GBP 6 month swap rate)
Probability of listing – 85% (Management assessment)

This resulted in the Conversion element of the CLN to be fair valued at $1,647,000 (GBP£1,289,000) at the time of issue and the debt element to be $292,000 (GBP: £211,129). The fair value of the Conversion element which is also a liability, was revalued at $3,719,000 (GBP: £2,725,000) at 31 December 2020.

At 31 December 2022, the Conversion element was revalued using the Black-Scholes model with the following inputs.

Share price at 31 December 2022 – 1.2p (as traded on JP Jenkins) (31 December 2021 – 1.1p)
Volatility = 60% (Peer comparison) (31 December 2021 – 60%)
Conversion price 0.4p (31 December 2021 – 0.4p)
Number of shares to be issued should conversion take place at 31 December 2021 487,187,031 (31 December 2021 – 436,107,250)
Remaining life 0.67 years (31 December 2021 – 1.67 years)
Risk free interest rate 4.03% (31 December 2021 – 0.27%)

This resulted in a fair value of the Conversion element of $4,784,000 (GBP: £3,955,000) at 31 December 2022, (31 December 2021 $4,275,000 – GBP £3,164,000).

The resultant EIR on the debt element of the CLN was approximately 78.72% and interest of $838,000 (2021: $414,000) was recognised in the year. Foreign exchange movements of ($77,000) (2021: ($9,000)) were recognised, $33,000 was repaid, of which $9,000 was allocated to the derivative, and the debt value of the loans at 31 December 2022 was $1,513,000 (2021: $777,000). Since the year end £350,000 of the loan plus interest has been converted into ordinary shares.

All of the resulting fair value estimates are included in level 2, except for unlisted equity securities, a contingent consideration receivable and certain derivative contracts, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

Maturity of financial instruments
All financial liabilities except the lease liability, the convertible loan in the table above, the mezzanine loans and Trafigura facility described in Note 10 at 31 December 2022 and 31 December 2021 mature in less than one year. The maturity of theses liabilities is shown below:

	2022	2021
	$'000	$'000
Lease liability		
Amounts due within one year	**184**	**206**
Amounts due in one to five years	**172**	**381**
Loans		
Amounts due within one year	**12,982**	**13,261**
Amounts due in one to five years	**20,639**	**943**

f Borrowing facilities for the year ended 31 December 2022
At 31 December 2022 and 31 December 2021 there was an undrawn convertible loan facility of $4,436,000 (£3,250,000). The drawdown of this loan is subject to the Company relisting on AIM, and shareholder approval. At 31 December 2022 the Group also had undrawn borrowing facilities under the Trafigura facility.

g Capital risk management
The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for the shareholders;

18 FINANCIAL INSTRUMENTS (CONTINUED)

- to support the Group's stability and growth; and
- to provide capital for the purpose of strengthening the Group's risk management capability.

Management regards total equity as capital and reserves, for capital management purposes. Capital comprises the share capital and share premium.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment.

The financial statements show that the Group's net assets are less than half its called up share capital. In these circumstances, the Directors of the Group are obliged by section 656 of the CA 2006 to convene a general meeting for the purposes of considering whether any and if so what, steps should be taken to deal with the Group's current financial position. The Directors will consider this issue at the Company's forthcoming Annual General Meeting.

19 RELATED PARTY TRANSACTIONS

At 31 December 2022 the following amounts were due to directors:

31 December 2022	Expenses	Accrued salary
T Hayward	6,437	-
M Henderson	(360)	-

31 December 2021	Expenses	Accrued salary
O Kuti	-	76,005
J Pryde	130	300,868

During the year, the Company made loans of $92,753 (2020: $135,027) to Sirius Taglient Petro Limited (a subsidiary undertaking) for cash advances to cover operating expenses and invoices paid on their behalf. At 31 December 2020, Tende was owed $4,546,710 (2020: $4,453,957) from Sirius Taglient Petro Limited, which has been provided for in full.

20 EMPLOYEE REMUNERATION

The expense recognised for employee benefits, including the Directors' emoluments, is analysed below:

	2022	2021
	$'000	$'000
Wages and salaries	**1,951**	1,107
Pension contributions	**19**	19
Social security	**119**	129
Share-based payments	**379**	1,610
Benefits in kind	**41**	58
	2,509	2,923

The Directors are the Key Management Personnel of the Group. The remuneration of individual Directors is disclosed in the Remuneration Report.

20 EMPLOYEE REMUNERATION (CONTINUED)

The expenses recognised in respect of Directors is:

	2022	2021
	$'000	$'000
Directors remuneration	**1,475**	749
Pension contributions	**6**	8
Social security	**64**	85
Share-based payments	**285**	1,158
Benefits in kind	**22**	42
	1,852	2,042

The average number of employees during the year was:

	2022	2021
	No.	No.
Directors	**5**	5
Other	**6**	5
	11	10

21 SUBSIDIARIES

The following subsidiaries have been consolidated in these accounts:

	Proportion of ordinary share capital held	**Nature of business**	**Registered office**	**Country of incorporation**
Sirius Oil & Gas Limited	100%	Dormant	16 Great Queen Street, London, WC2B 5DG	England and Wales
Sirius Taglient Petro Limited	50%	Discontinued**	340/344 Ikrodu Road, Maryland, Lagos	Nigeria
Sirius Trading Nigeria Limited	100%	Discontinued**	340/344 Ikrodu Road, Maryland, Lagos	Nigeria
Sirius Ororo OML95 Limited	100%	Discontinued**	340/344 Ikrodu Road, Maryland, Lagos	Nigeria
SRS Petroleum Nigeria Limited	100%	Discontinued**	340/344 Ikrodu Road, Maryland, Lagos	Nigeria
Sirius Exploration and Production Company Limited	100%	Discontinued**	340/344 Ikrodu Road, Maryland, Lagos	Nigeria
Tende Energy Limited	100%	Exploration for mineral resources	Unit 07, Level 15, Gate District, Gate Building, DIFC	Dubai
Tende Energy Trading Limited	100%	Exploration for mineral resources	C/o Axis Fiduciary Ltd, 2nd Floor, The AXIS, 26 Cybercity, Ebene	Mauritius
Tende Energy Angola Limited	100%	Exploration for mineral resources	25 Bury Street, London, SW1Y 6AL	England and Wales
Tende Energy Nigeria Limited	100%	Dormant	3, Jerry Iriabe Street, , Lekki Phase 1, Lagos	Nigeria
COPDC Petroleum Development Company Limited	30%	Exploration for mineral resources	No. 14, Ekoro Oruro River Street, Maitama, FCT, Abuja	Nigeria
CPDC Bahamas (Financing) Limited	30%*	Exploration for mineral resources	4 George Street, Mareva House	The Bahamas
CPDC FMA Limited	30%*	Exploration for mineral resources	No. 14, Ekuro Oruro River Street, Maitama, Federal Capital Territory, Abuja	Nigeria
CMES-OMS Petroleum Development Company Limited	30%*	Exploration for mineral resources	No. 14, Ekuro Oruro River Street, Maitama, Federal Capital Territory, Abuja	Nigeria
COPDC Trading Limited	30%*	Exploration for mineral resources	C/o Axis Fiduciary Ltd, 2nd Floor, The AXIS, 26 Cybercity, Ebene	Mauritius

* These are indirectly held as subsidiaries of COPDC Petroleum Development Company Limited

** These entities have been treated as discontinued in the financial statements and are in the process of being dissolved.

22 ACQUISITION

During the year ended 31 December 2021 Tende Energy Plc acquired a 30% interest in COPDC Petroleum Development Company Limited. which had previously signed a Financial and Technical Service Agreement ("FTSA") with NNPC (Nigeria National Petroleum Corporation) regarding the further development of the OML 65 licence, onshore Nigeria. Although the Group only has a 30% interest in COPDC Petroleum Development Company Ltd, it has control over the Company as it has control over the decision making process through its right to appoint directors. Therefore, the financial statements for CPD Development Company Ltd, and its subsidiaries, are consolidated in full, and the 70% share of losses are classified as a non-controlling interest.

The table below shows the assets and liabilities acquired.

	$'000
Net Assets and liabilities acquired	
Cash at bank	**2,166**
Prepayments	**40**
Intercompany debt at purchase	**(2,729)**
Creditors	**(7,188)**
Accruals	**(35)**
Net liabilities acquired	**(7,746)**
Of which 70% was recognised as a non-controlling interest, being that apportioned to the other shareholders in COPDC Petroleum Development Company Limited	**5,422**
Investment in the service agreement recognised by the Group	**2,324**
	7,746

23 DISCONTINUED OPERATIONS

The activities of Sirius Taglient Petro Limited. Sirius Trading Nigeria Limited, Sirius Ororo OML95 Limited, SRS Petroleum Nigeria Limited and Sirius Exploration and Production Company Limited have been classified as discontinued as these subsidiaries are in the process of being dissolved.

The summarised financial information for these entities is as follows:

STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December 2022	Year ended 31 December 2021
	$'000	$'000
Impairment of intangible	(15,186)	-
Other administrative expenses	(122)	(131)
Total administrative expenses	(15,308)	(131)
Loss from discontinued operations	(15,308)	(131)
Finance cost	-	-
Loss before and after taxation, and total comprehensive loss attributable to the equity holders of the Company	(15,308)	(131)

23 DISCONTINUED OPERATIONS (CONTINUED)

STATEMENT OF FINANCIAL POSITION

	31 December 2022	31 December 2021
ASSETS	**$'000**	$'000
Non-current assets		
Intangible exploration and evaluation assets	**-**	16,239
Property, plant and equipment	**-**	3
	-	16,242
Current assets		
Cash and cash equivalents	**-**	2
Trade and other receivables	**-**	2
Total current assets	**-**	4
Total assets	**-**	16,246
LIABILITIES		
Current liabilities		
Trade and other payables	**(255)**	(824)
Total current liabilities and total liabilities	**(255)**	(824)
Total net (liabilities)/assets	**255**	17,070

Included in the Group Cash Flow Statement are the following amounts relating to discontinued operations:

	31 December 2022	31 December 2021
	$'000	$'000
Cash flow from operating activities	**(57)**	(91)

24 SUBSEQUENT EVENTS

On 12 April 2023, 15,000,000 Ordinary shares of 0.25p were issued for cash raising $326,835 (£300,000).

On 3 May 2023, 119,453,808 Ordinary shares of 0.25p were issued on conversion of Convertible Loan Notes totalling $598,322 including accrued interest (£477,815).

On 25 May 2023, 43,600,000 Ordinary shares of 0.25p were issued in respect of loans previously converted and commission totalling $530,810 including accrued interest (£43,600).

24 SUBSEQUENT EVENTS (CONTINUED)

In June 2023 the Company acquired full ownership control of ATOG Midco Limited, together with its subsidiaries ("ATOG"), having acquired a further 90% equity interest in ATOG, bringing our total interest to 100%. In consideration, Tende has provided funding to be deployed for future development of the assets across the ATOG portfolio. Trafigura are the Company's strategic funding partner for this portfolio of interests. As a result of this the Group will fully consolidate the financial statements of ATOG in the group accounts from the date of acquisition of the 90% interest, and this will no longer be classified as a financial investment.

TENDE ENERGY PLC (FORMERLY SIRIUS PETROLEUM PLC)

COMPANY STATUTORY FINANCIAL STATEMENTS

(PREPARED UNDER UK GAAP – FRS 102)

FOR THE YEAR ENDED

31 DECEMBER 2022

Company No 05181462

TENDE ENERGY PLC (FORMERLY SIRIUS PETROLEUM PLC)

STATEMENT OF FINANCIAL POSITION

As At 31 December 2022

	Note	31 December 2022	31 December 2021
		$'000	$'000
ASSETS			
Fixed assets			
Investments	*2*	**5,752**	4502
Tangible fixed assets	*3*	**-**	-
Total fixed assets		**5,752**	4,502
Current assets			
Cash and cash equivalents		**467**	59
Trade and other receivables	*4*	**9,304**	1,232
Total current assets		**9,771**	1,291
Total assets		**15,523**	5,793
LIABILITIES			
Current liabilities			
Trade and other payables	*5*	**4,024**	5,880
Loans payable	*6*	**10,470**	13,427
Embedded derivative	*6*	**4,776**	4,275
Total current liabilities		**19,270**	23,582
Liabilities due after one year			
Loans payable	*6*	**13,908**	777
Total liabilities		**33,178**	24,359
EQUITY			
Share capital	*8*	**16,356**	15,671
Share premium		**46,103**	42,595
Share-based payment reserve	*7*	**4,986**	3,126
Exchange reserve		**117**	117
Other reserve		**-**	1
Retained earnings		**(85,217)**	(80,076)
Equity attributable to equity holders of the Company		**(17,655)**	(18,566)
Total equity and liabilities		**15,523**	5,793

The Company's loss for the year was $5,149,000 (year ended 31 December 2021: $8,004,000).

The financial statements were approved by the Board and authorised for issue on 30 June 2023.

J Pryde
Director
30 June 2023
Company number: 05181462

The accompanying principal accounting policies and notes form an integral part of these financial statements.

TENDE ENERGY PLC (FORMERLY SIRIUS PETROLEUM PLC)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Share capital	Share premium	Share based payment reserve	Exchange & other reserves	Retained earnings	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2021	14,374	37,097	2,282	101	(72,953)	(19,099)
Share based payments	-	-	1,716	-	-	1,716
Share issue	1,297	5,520	-	-	-	6,817
Share issue costs	-	(22)	-	-	-	(22)
Equity element of convertible loans	-	-	-	6	-	6
Equity element of convertible loans trf on repayment	-	-	-	(9)	9	-
Transfer on lapse of options/warrants	-	-	(872)	-	872	-
Transactions with owners	1,297	5,498	844	(3)	881	8,517
Loss for the year	-	-	-	-	(8,004)	(8,004)
Total comprehensive (loss)/profit for the year	-	-	-	20	(8,004)	(7,984)
Balance at 31 December 2021	15,671	42,595	3,126	118	(80,076)	(18,566)
Share based payments	-	-	1,867	-	-	1,867
Share issue	685	3,715	-	-	-	4,400
Share issue costs	-	(207)	-	-	-	(207)
Equity element of convertible loans trf on repayment	-	-	-	(1)	1	-
Transfer on lapse of options/warrants	-	-	(7)	-	7	-
Transactions with owners	685	3,508	1,860	(1)	8	6,060
Loss for the year	-	-	-	-	(5,149)	(5,149)
Total comprehensive loss for the year	-	-	-	-	(5,149)	(5,149)
Balance at 31 December 2022	**16,356**	**46,103**	**4,986**	**117**	**(85,217)**	**(17,655)**

The accompanying principal accounting policies and notes form an integral part of these financial statements.

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, and in accordance with the Companies Act 2006.

The individual accounts of Tende Energy Plc have also adopted the following disclosure exemptions, as permitted by section 408 of the Companies Act 2006, as it meets the definition of a qualifying entity due to the disclosures being made in the consolidated financial statements:

- the requirement to present a statement of comprehensive income and related notes
- the requirement to present a statement of cash flows and related notes
- the requirement to disclose financial instruments
- the requirement to disclose key management personnel compensation
- the requirement to disclose share based payments

GOING CONCERN

The Directors have prepared cash flow forecasts for the period up to December 2024. The Angolan acquisition has been excluded from these forecasts as it is subject to separate funding arrangements.

The Group has executed a senior secured term loan facility of up to $200m with Trafigura to cover its capital expenditure requirements, and a $20m working capital facility as part of the OML65 offtake agreements, which acts as an advance payment facility with sums drawn based on accumulated production volumes and repaid at the point of a lifting.

The projections indicate that the Group would have sufficient cash to cover liabilities as they fall due in the going concern period. This includes fully repaying all non-convertible loans and creditors that are outstanding at the present time, when they fall due.

The Directors therefore believe that the Group and parent company will have sufficient cash resources to meet its liabilities as they fall due for a period of at least 12 months from the date that the financial statements are signed. Consequently, the financial statements have been prepared on a going concern basis.

OTHER INCOME

Other income represents the total value, excluding VAT, of income receivable from government grants services. Income is recognised as the services are provided or the period to which the grant relates.

TAXATION

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the Statement of Financial Position date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable result for the period. All changes to current tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the Statement of Financial Position date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged or credited directly to equity or other comprehensive income are charged or credited directly to equity or other comprehensive income.

FINANCIAL ASSETS

The Company's financial assets comprise cash, loans receivable and trade and other receivables.

All financial assets are recognised when the Company becomes party to the contractual provisions of the instrument. All financial assets are initially recognised at fair value, plus transaction costs.

Financial assets categorised as loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest rate method.

Trade and other receivables are provided against when objective evidence is received that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows, calculated by discounting using the original discounted rate.

Financial assets are derecognised when the rights to receive cash flows for the asset expire or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial asset. On derecognition of a financial asset, the difference between the assets carrying amount and the sum of the consideration is recognised in the statement of comprehensive income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank and in hand, bank deposits repayable on demand, and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, less advances from banks repayable on demand from the date of the advance if the advance forms part of the Company's cash management.

CLASSIFICATION AS FINANCIAL LIABILITIES OR EQUITY

Financial instruments or their component parts are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to equity.

A compound instrument is a non-derivative financial instrument which contains both a liability and an equity component. These components are accounted for separately as financial liabilities and equity components, and are presented separately in the statement of financial position.

EQUITY

Share capital is determined using the nominal value of shares that have been issued.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Where warrants have been issued for services in relation to procuring subscribers, the relevant fair value charge has been set against share premium as a cost of issue.

The share-based payment reserve represents the cumulative amount which has been expensed in the statement of comprehensive income in connection with share-based payments, less any amounts transferred to retained earnings on the exercise of share options or warrants.

Other reserves comprise the amounts arising on the initial recognition of compound instruments.

Translation reserves are amounts in respect of unrealised exchange differences.

Retained earnings include all current and prior year results as disclosed in the statement of comprehensive income.

FINANCIAL LIABILITIES

The Group's financial liabilities comprise trade and other payables, bank overdrafts, lease liability and loans payable.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance costs in the statement of comprehensive income using the effective interest method.

Trade and other payables are recognised initially at fair value, net of direct issue costs, and are subsequently recorded at amortised cost using the effective interest method with interest related charges recognised as an expense in the statement of comprehensive income.

Loans payable are recognised initially at fair value, net of direct issue costs and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are recognised in the statement of comprehensive income on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. The embedded derivative liability, relating to a convertible loan where the carrying liability converts into a variable number of shares, is held at "fair value through profit or loss".

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the statement of comprehensive income.

COMPOUND INSTRUMENTS

On initial recognition, the fair value of the consideration for the liability component of the instrument is determined based on the fair value of a similar instrument that does not have an equity conversion option and recognised as a financial liability. Subsequent measurement is in accordance with the financial liabilities accounting policy.

The equity component is recognised initially as the residual value remaining when the fair value of the debt component is compared to the fair value of the compound instrument as a whole. The equity component is not remeasured after initial recognition except on expiry.

OTHER PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the Statement of Financial Position date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognised, if virtually certain as a separate asset, not exceeding the amount of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long-term provisions are discounted to their present values, where time value of money is material. All provisions are reviewed at each Statement of Financial Position date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the statement of financial position. Probable inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

SHARE-BASED PAYMENTS

Options
The Company issues equity-settled share-based payments to certain employees (including directors) in the form of options. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the Company's estimate of the shares that will eventually vest.

Fair value is measured using the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates.

No adjustment is made to the expense recognised in prior periods if fewer share options are ultimately exercised than originally estimated. Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of shares issued are allocated to share capital with any excess being recorded as share premium. No share options were exercised in either year. All five directors hold share options.

Warrants
The Company has also issued equity settled share-based payments to certain employees (including directors), and in respect of services provided by external consultants in the form or warrants. The share-based payment is measured at fair value of the services provided at the grant date, or if the fair value of the services cannot be reliably measured using the Black-Scholes model. The expense is allocated over the vesting period. Where services provided relate to the issue of shares the expense has been charged to share premium.

FEES AND LOANS SETTLED IN SHARES

Where shares have been issued as consideration for services provided or loans outstanding they are measured at the fair value of the services provided. The difference between the carrying amount of the financial liability (or part thereof) extinguished, and the fair value of the shares, is recognised in the statement of comprehensive income.

PROPERTY, PLANT AND EQUIPMENT

Measurement basis

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use. Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the assets only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
All other costs, such as repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

When assets are sold, any gain or loss resulting from their disposal, being the difference between the net disposal proceeds and the carrying amount of the assets, is included in the statement of comprehensive income.

Depreciation

Depreciation is calculated so as to write off the cost of property, plant and equipment, less its estimated residual value, over its useful economic life as follows:

Computer equipment	-	within the current financial year
Office equipment	-	straight-line over 3 years

OPERATING LEASES

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

FOREIGN CURRENCIES

In the individual financial statements foreign currency transactions are translated into the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the reporting date. Non-monetary items that are measured at historic cost in a foreign currency are translated at the exchange rate at the date of transaction and are not re-translated. Non-monetary assets that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates at the date when the fair value was determined. The functional currency of the Company has been retrospectively reassessed by Management as being USD effective from 2017, (previously GBP) and the presentational currency of the Company is USD. The effect of this reassessment was not material and has been included in the 2021 financial statements.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the statement of comprehensive income in the period in which they arise.

Non-monetary assets that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the statement of comprehensive income in the period in which they arise.

In the financial statements all individual financial statements that are originally presented in a currency different from the Company's presentational currency have been converted into USD. Assets and liabilities have been translated into USD at the closing rates at the reporting date. Income and expenses have been converted into USD at the exchange rates at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this process have been recognised in other comprehensive income and accumulated separately in the currency exchange reserve in equity.

The average GBP exchange rate used during the year was USD 1.237053 (2021: 1.375650). The closing exchange rate at 31 December 2022 was USD 1.20972 (2021: 1.351202).

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are discussed below:

Share-based payment
Management has made a number of assumptions in calculating the fair value of the share options as detailed in note 11 of the Group Financial Statements. The first critical assumption used is the estimated date of first hydrocarbons to surface which determine the exercise date of the options granted in December 2017. In management's opinion this event occurred on execution of the ATOG agreement on 6 November 2020, when the Group secured its entitlement to oil revenues under the conditional agreements. The second critical assumption used is the estimated date of completion of the ATOG acquisition which determines the exercise date of the options granted in December 2020. In management's opinion this event is occurred in June 2021. As a condition of the grant of the options in December 2020 the options granted in December 2017 were cancelled and this was therefore treated as a modification. The key assumptions used in valuing the cancelled options was the expected exercise date which was considered to have been between one and three years at the time of cancellation. The share-based payment is charged to the statement of financial income over the period between the grant of the options and the expected vesting date.

Treatment of convertible loans
Management have assessed the Convertible Loan Notes ("CLN") issued on 22 September 2020 to have both a debt and an equity element. The CLN has a notional of £1,500,000, 12.0% fixed interest paid in kind ("PIK" or the "Interest") with a final maturity being 31 August 2023 (the "Redemption Date"). The CLN is unsecured and it is convertible to the ordinary share of Tende at the conversion price (the "Conversion Price") upon the listing of the Company or at option of the Noteholders. Pursuant to the CLN documentation the conversion price (the "Conversion Price") is £0.004 per ordinary share of Tende when conversion occurs at the election of the Noteholders ("Noteholders' Conversion"), however if the conversion occurs at the election of the Company ("Company Conversion"), the Conversion Price is the lower of £0.004 per share or 87.5% of the placing price of an ordinary share upon listing provided that if such calculation results in the Conversion Price being less than the nominal value of an ordinary share, the Conversion Price will be the nominal value. Management have assessed the Conversion element of the CLN to be £1,288,871 ($1,646,753) at the time of issue and the debt element to be £211,129 ($269,753). At 31 December 2020 the fair value of the Conversion element to be £2,725,000 ($3,719,000). At inception the fair value was measured using a Monte Carlo simulation. Management assessed the fair value of the Conversion element of the liability at 31 December 2022 using the Black-Scholes model, resulting value of £3,955,000 ($4,784,000). Full details of the assumptions made and inputs used are set out in Note 10 of the Group Financial Statements.

Valuation of Investments
The Company holds an investment in the shares of ATOG which is unquoted. The Company is required to make judgments over the carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any impairment required. It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately. Management's significant judgement in this regard is that the value of their investment represents their cost less previous impairment. Management reviews each unquoted investment at each reporting date for indications of impairment. Management concluded that no impairment was necessary in the current year.

1 TAXATION

There is no current or deferred tax charge for the year (year ended 31 December 2021: $nil).

Unrelieved tax losses of approximately $39,172,000 (2021: $36,546,000) remain available to offset against future taxable trading profits. The unprovided deferred tax asset at 31 December 2022 is $9,793,000 (2021: $9,137,000) which has not been provided on the grounds that it is uncertain when or in what tax jurisdiction taxable profits will be generated by the Group to utilise those losses. There are no deferred tax liabilities. The 2021 budget increases the corporation tax rate to 25% from 1 April 2023. Deferred tax assets and liabilities at 31 December 2023 have been calculated based on the rate of 25% substantively enacted at the balance sheet date.

The tax assessed for the year differs from the standard rate of corporation tax of 19% in the UK as follows:

	2022	**2022**	**2021**	**2021**
	$'000	**%**	$'000	%
Loss before taxation	**(5,149)**		(8,004)	
Loss multiplied by standard rate of corporation tax in the UK	**(978)**	**(19.00)**	(1,521)	(19.00)
Effect of:				
Expenses not deductible for tax purposes	**477**	**(19.00)**	539	(19.00)
Unrelieved tax losses	**501**	**(19.00)**	982	(19.00)
Total tax charge for year	**-**		-	

2 FIXED ASSET INVESTMENTS

	Investment in group undertakings $'000	Other investments $'000	Total $'000
Cost			
At 31 December 2020	19,260	-	19,260
Additions	-	4,502	4,502
At 31 December 2021	19,260	4,502	23,762
Additions	-	1,250	1,250
At 31 December 2022	19,260	5,752	25,012
Amounts written off:			
At 31 December 2020 and 31 December 2021 and 31 December 2022	19,260	-	19,260
Net book value at 31 December 2022	-	5,752	5,752
Net book value at 31 December 2021	-	4,502	4,502
Net book value at 31 December 2020	**-**	**-**	**-**

During the year ended 31 December 2022, the Group had a further obligation to pay $1.25m in respect of its investment in ATOG as a result of revised agreements executed in the year. This amount is shown in creditors at the year end and was settled in January 2023.

2 FIXED ASSET INVESTMENTS (CONTINUED)

At 31 December 2022 the Company holds ordinary share capital in the following subsidiary undertakings:

Subsidiary	Proportion of ordinary share capital held	Nature of business	Registered office	Country of incorporation
Sirius Oil & Gas Limited	100%	Dormant	16 Great Queen Street, London, WC2B 5DG	England and Wales
Sirius Taglient Petro Limited	50%	Discontinued	340/344 Ikrodu Road, Maryland, Lagos	Nigeria
Sirius Trading Nigeria Limited	100%	Discontinued	340/344 Ikrodu Road, Maryland, Lagos	Nigeria
Sirius Ororo OML95 Limited	100%	Discontinued	340/344 Ikrodu Road, Maryland, Lagos	Nigeria
SRS Petroleum Nigeria Limited	100%	Discontinued	340/344 Ikrodu Road, Maryland, Lagos	Nigeria
Sirius Exploration and Production Company Limited	100%	Discontinued	340/344 Ikrodu Road, Maryland, Lagos	Nigeria
Tende Energy Limited	100%	Exploration for mineral resources	Unit 07, Level 15, Gate District, Gate Building, DIFC	Dubai
Tende Energy Trading Limited	100%	Exploration for mineral resources	C/o Axis Fiduciary Ltd, 2nd Floor, The AXIS, 26 Cybercity, Ebene	Mauritius
Tende Energy Angola Limited	100%	Exploration for mineral resources	25 Bury Street, London, SW1Y 6AL	England and Wales
Tende Energy Nigeria Limited	100%	Dormant	3, Jerry Iriabe Street, , Lekki Phase 1, Lagos	Nigeria
COPDC Petroleum Development Company Limited	30%	Exploration for mineral resources	No. 14, Ekoro Oruro River Street, Maitama, FCT, Abuja	Nigeria
CPDC Bahamas (Financing) Limited	30%*	Exploration for mineral resources	4 George Street, Mareva House	The Bahamas
CPDC FMA Limited	30%*	Exploration for mineral resources	No. 14, Ekuro Oruro River Street, Maitama, Federal Capital Territory, Abuja	Nigeria
CMES-OMS Petroleum Development Company Limited	30%*	Exploration for mineral resources	No. 14, Ekuro Oruro River Street, Maitama, Federal Capital Territory, Abuja	Nigeria
COPDC Trading Limited	30%*	Exploration for mineral resources	C/o Axis Fiduciary Ltd, 2nd Floor, The AXIS, 26 Cybercity, Ebene	Mauritius

* These are indirectly held as subsidiaries of COPDC Petroleum Development Company Limited

At 31 December 2022 the Company owned 50% of the shares in Sirius Taglient Petro Limited, a company incorporated in Nigeria, to operate in the oil and gas sector. The Company has the right to acquire the remaining 50% shares for a nominal sum and has management and operating control of that company.

Other investments relate to the Company’s 10% investment in ATOG.

3 PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	**Office equipment**	**Total**
	$' 000	**$'000**	**$'000**
Cost			
At 1 January 2021	62	299	361
Additions	5	-	5
At 31 December 2021	**67**	**299**	366
Additions	3	-	3
Disposals	(51)	(8)	(59)
At 31 December 2022	**19**	**291**	**310**
Depreciation			
At 1 January 2021	62	278	340
Charge for the year	5	21	26
At 31 December 2021	**67**	299	366
Charge for the year	3	-	3
Eliminated on disposals	(51)	(8)	(59)
At 31 December 2022	**19**	**291**	**310**
Net book value			
Balance at 31 December 2022	**-**	**-**	**-**
Balance at 31 December 2021	**-**	-	-
Balance at 1 January 2021	-	**21**	**21**

4 DEBTORS

	31 December 2022	31 December 2021
	$'000	$'000
Other debtors	**247**	278
Amounts owed by subsidiary undertakings	**8,952**	278
Prepayments and accrued income	**105**	676
	9,304	1,232

Given that a number of subsidiaries have now been discontinued there is uncertainty of the recoverability of the amounts owed by these Group undertakings and management have provided in full for the outstanding balances with these entities. The amounts provided for total $20,278,973 (2021: $20,642,140).

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2022	31 December 2021
	$'000	$'000
Trade creditors	**1,864**	4,482
Social security and other taxes	**316**	159
Other creditors	**1,537**	195
Loans	**24,378**	14,204
Accruals and deferred income	**307**	1,044
	28,402	20,084

The fair value of trade and other payables has not been disclosed as, due to their short duration, management consider the carrying amounts recognised in the Statement of Financial Position to be a reasonable approximation of their fair value.

6 LOANS PAYABLE

During the year the Company received loans from several unconnected parties to fund working capital as set out below. These loans are unsecured.

Convertible loans

During the year the Group received no new convertible loans (2021: $167,000). During the year no loans were converted (2021: $102,000). $73,000 (2021: $129,000) of capital and fees were repaid of which $9,000 reduced the derivative value (see below), $Nil (2021: $6,000) was treated as equity and $1,000 of equity (2021: $9,000) was extinguished in the year, and there was a ($105,000) (2021: ($17,000)) exchange movement. Interest of $838,000 was recognised in the year (2021: $447,000).

There was one outstanding convertible loan received prior to 2020, and the balance of $315,000 was written off. Convertible Loan Notes amounting to $1,939,000 (GBP £1,500,000) were issued in the year 2020. The CLN has a notional of £1,500,000, 12.0% fixed interest paid in kind ("PIK" or the "Interest") with a final maturity being 31 August 2023 (the "Redemption Date"). The CLN is unsecured and it is convertible to the ordinary share of Tende at the conversion price (the "Conversion Price") upon the listing of the Company or at option of the Noteholders. Pursuant to the CLN documentation the conversion price (the "Conversion Price") is £0.004 per ordinary share of Tende when conversion occurs at the election of the Noteholders ("Noteholders' Conversion"), however if the conversion occurs at the election of the Company ("Company Conversion"), the Conversion Price is the lower of £0.004 per share or 87.5% of the placing price of an ordinary share upon listing provided that if such calculation results in the Conversion Price being less than the nominal value of an ordinary share, the Conversion Price will be the nominal value.

The fair value of the conversion element embedded in the CLN was valued at inception using a Monte Carlo simulation to consider the values of the two conversion options. The major inputs used were as follows:
Share price at inception – 0.6p (as traded on JP Jenkins)
Share price at 31 December 2020 – 1p (as traded on JP Jenkins)
Volatility = 60% (Peer comparison)
Risk free interest rate – (GBP 6 month swap rate)
Probability of listing – 85% (Management assessment)

This resulted in the Conversion element of the CLN to be fair valued at $1,647,000 (GBP£1,289,000) at the time of issue and the debt element to be $292,000 (GBP: £211,129). The fair value of the Conversion element which is also a liability, was revalued at $3,719,000 (GBP: £2,725,000) at 31 December 2020.

6 LOANS PAYABLE (CONTINUED)

At 31 December 2022, the Conversion element was revalued using the Black-Scholes model with the following inputs.

Share price at 31 December 2022 – 1.2p (as traded on JP Jenkins) (31 December 2021 – 1.1p)
Volatility = 60% (Peer comparison) (31 December 2021 – 60%)
Conversion price 0.4p (31 December 2021 – 0.4p)
Number of shares to be issued should conversion take place at 31 December 2021 487,187,031 (31 December 2021 – 436,107.250)
Remaining life 0.67 years (31 December 2021 – 1.67 years)
Risk free interest rate 4.03% (31 December 2021 – 0.27%)

This resulted in a fair value of the Conversion element of $4,784,000 (GBP: £3,955,000) at 31 December 2021, (31 December 2021 $4,275,000 – GBP £3,164,000).

The resultant EIR on the debt element of the CLN was approximately 78.72% and interest of $838,000 (2021: $414,000) was recognised in the year. Foreign exchange movements of ($77,000) (2021: ($9,000)) were recognised, $33,000 was repaid, of which $9,000 was allocated to the derivative, and the debt value of the loans at 31 December 2022 was $1,513,000 (2021: $777,000). Since the year end £350,000 of the loan plus interest has been converted into ordinary shares.

Non-convertible loans

During the year the Company received short term non-convertible loans from third parties of $522,000 on which fees of $Nil were paid and no interest was recognised. $479,000 was repaid and foreign exchange of ($43,000) was recognised in the year.

Mezzanine loans of $13,034,000 net of loan fees of $266,000 were received in the year. The loan fees are amortised over the period of the loan giving an effective interest rate of 19.43%. The loans are repayable over five years. Interest of $874,000 was recognised in the year.

A charge over a Debt Service Reserve bank account has been registered as security for the Mezzanine loans.

Additionally, interest of $106,000 was recognised on loans outstanding from 2021, and $4,171,000, of these loans were repaid. Foreign exchange movements of ($23,000) were recognised in the year, leaving a balance of $8,957,000 outstanding, and $5,000,000 of this has been repaid since the year end.

During the year ended 31 December 2021 the Company received non-convertible loans from third parties of $167,000 on which fees of $Nil were paid and $1,330,000 of interest was recognised during the year on non-convertible loans. $Nil of capital and interest was repaid and foreign exchange of ($6,000) was recognised during the year.

6 LOANS PAYABLE (CONTINUED)

The movements in the loans are summarised below:

	31 December 2022	31 December 2021
Convertible loans	**$'000**	$'000
Balance at 1 January	**1,159**	799
Loans received	**-**	167
Interest charged	**838**	447
Repaid in cash	**(73)**	(129)
Transferred to derivative liability	**9**	-
Converted	**-**	(102)
Written off	**(315)**	-
Transferred to equity	**-**	(6)
Foreign exchange	**(105)**	(17)
Balance at 31 December	**1,513**	1,159
Due within one year	**1,513**	216
Due after one year	**-**	943
Non-convertible loans		
Balance at 1 January	**13,045**	11,554
Loans received	**13,556**	167
Interest charged	**980**	1,330
Repaid in cash	**(4,650)**	-
Foreign exchange	**(66)**	(6)
Balance at 31 December	**22,865**	13,045
Due within one year	**8,957**	13,045
Due after one year	**13,908**	-

7 SHARE-BASED PAYMENTS

Details of share-based payments are disclosed in note 11 of the consolidated financial statements.

8 SHARE CAPITAL & SHARE PREMIUM

Share capital	**31 December 2022**	31 December 2021
	$'000	$'000
Allotted, issued and fully paid		
4,500,607,775 (2021: 4,282,688,699) ordinary shares of 0.25p	**16,356**	15,671

8 SHARE CAPITAL & SHARE PREMIUM (CONTINUED)

The movement in share capital is analysed as follows:

	Ordinary shares No.	Share capital $000	Share premium $000
Allotted and issued			
At 31 December 2020	3,907,532,985	14,374	37,097
Shares issued for cash	197,150,000	679	2,036
Loan conversions	13,640,000	47	55
Shares issued for investments	164,365,714	571	3,429
Share issue costs	-	-	(22)
At 31 December 2021	**4,282,688,699**	**15,671**	**42,595**
Shares issued for cash	217,919,076	685	**3,715**
Share issue costs	-	**-**	(207)
At 31 December 2022	**4,500,607,775**	**16,356**	**46,103**

The ordinary shares carry one vote each and on winding up of the Company the balance of assets available for distribution will, subject to any relevant restrictions, be divided amongst the shareholders.

9 LOSS FOR THE FINANCIAL YEAR

The Company has taken advantage of the exemption under the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The Company's loss for the year was $5,149,000 (2021: $8,004,000).

	31 December 2022 **$'000**	31 December 2021 $'000
Fees payable to the Company's auditor for the audit of the financial statements	**126**	**81**
Fees payable to the Company's auditor and its associates for other services:		
Other services	**-**	**105**
Staff costs	**902**	**1,032**
Movement in fair value of derivative	**509**	**556**
Foreign exchange movements	**(567)**	**(76)**
Share-based payments (non-staff)	**1,488**	**196**
Interest charged	**2,572**	**1,790**
Costs recharged within the Group to OML65 project	**(2,041)**	**-**
Other administrative costs	**2,240**	**4,320**
	5,229	**8,004**

10 OPERATING LEASES

On 21 March 2018, the Company entered into a lease on its premises at 25 Bury Street for a minimum term of three years. Revised terms were agreed in 2021 for a new four year term. The amounts due under this lease are as follows:

	Land and Buildings	
	2022	**2021**
	$'000	$'000
Amounts due within one year	**184**	**206**
In two to five years	**366**	**409**

11 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments or contingent liabilities at 31 December 2022, or 31 December 2021.

12 CONTINGENT ASSETS

There were no contingent assets at 31 December 2022 or 31 December 2021.

13 UNDRAWN BORROWINGS

At 31 December 2022 and 31 December 2021 there was an undrawn convertible loan facility of $4,436,000 (£3,250,000). The drawdown of this loan is subject to the Company relisting on AIM, and shareholder approval.

14 RELATED PARTY TRANSACTIONS

At 31 December 2022 the following amounts were due to/from directors:

31 December 2022	Expenses	Accrued salary
T Hayward	6,437	-
M Henderson	(360)	-

31 December 2021	Expenses	Accrued salary
O Kuti	-	76,005
J Pryde	130	300,868

During the year, the Company made loans of $54,752 (2021: $92,753) to Sirius Taglient Petro Limited (a subsidiary undertaking) for cash advances to cover operating expenses and invoices paid on their behalf. At 31 December 2022, Tende was owed $4,601,462 (2021: $4,546,710) from Sirius Taglient Petro Limited, which has been provided for in full. The Company has taken advantage of the exemption under FRS 102 to not disclose transactions with wholly owned group companies.

15 EMPLOYEE REMUNERATION

The expense recognised for employee benefits, including the Directors' emoluments, is analysed below:

	2022	2021
	$'000	$'000
Wages and salaries	**902**	1,032
Pension contributions	**19**	19
Social security	**119**	129
Share-based payments	**379**	1,520
Benefits in kind	**24**	27
	1,443	2,727

The Directors are the Key Management Personnel of the Company. The remuneration of the highest paid employee in the Company was $279,849 (2021: $238,151) and pension contributions of $2,603 (2021: $1,814) were made by the company. Pension contributions were made in respect of four of the five directors.

The expenses recognised in respect of Directors is:

	2022	2021
	$'000	$'000
Directors remuneration	**486**	694
Pension contributions	**6**	8
Social security	**64**	85
Share-based payments	**285**	1,158
Benefits in kind	**22**	42
	863	1,987

The average number of employees during the year was:

Average monthly number of employees

	2022	2021
	No.	No.
Directors	**5**	5
Other	**5**	5
	10	10

16 SUBSEQUENT EVENTS

On 12 April 2023, 15,000,000 Ordinary shares of 0.25p were issued for cash raising $326,835 (£300,000).

On 3 May 2023, 119,453,808 Ordinary shares of 0.25p were issued on conversion of Convertible Loan Notes totalling $598,322 including accrued interest (£477,815).

16 SUBSEQUENT EVENTS (CONTINUED)

On 25 May 2023, 43,600,000 Ordinary shares of 0.25p were issued in respect of loans previously converted and commission totalling $530,810 including accrued interest (£43,600).

In June 2023 the Company acquired full ownership control of ATOG Midco Limited, together with its subsidiaries ("ATOG"), having acquired a further 90% equity interest in ATOG, bringing our total interest to 100%. In consideration, Tende has provided funding to be deployed for future development of the assets across the ATOG portfolio. Trafigura are the Company's strategic funding partner for this portfolio of interests. As a result of this the Company will treat its investment in ATOG as an investment in subsidiaries from the date of acquisition of the 90% interest, and this will no longer be classified under other investments.