RNS Number : 3712Q
Coro Energy PLC
28 June 2022

Certain information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

28 June 2022

Coro Energy Plc

("Coro" or the "Company")

Final Results

Coro Energy plc, the South East Asian energy company focused on leading the regional transition to a low carbon economy, announces its final results for the year ended 31 December 2021.

FY2021 Highlights

- Acquired an early stage South East Asian renewable energy portfolio with an initial focus on the Philippines
- Established basic operating infrastructure in the Philippines and initiated planning and permitting activities
- Continued progress toward commercialising the Mako gas field (Duyung PSC, Coro 15% interest), with the Duyung PSC operator focused on key commercial workstreams including preparation of an updated Plan of Development and signing binding Gas Sales Agreement
- Raised net proceeds of approximately US$5.5m through a placing and open offer to fund the Group's low carbon energy investments
- Announced a new partnership in Vietnam with Vinh Phuc Energy to develop rooftop solar projects and initiated a 3MW pilot including signing a 25-year Power Purchase Agreement for the pilot

- Mark Hood joined as Chief Executive to bring clean energy experience to the Executive team

Post Period End

- Successful restructuring of the Company's €22.5 million Eurobond, now maturing April 2024
- Relaunch of the Company's producing Italian gas portfolio against the backdrop of recent structural changes in European gas prices

James Parsons, Chairman, commented:

"*Coro Energy plc is a micro cap company with gas production, gas reserves and a growing clean energy portfolio. Underpinned by its strong Italian production and four institutional lenders, Coro's shareholders are exposed to a leveraged play on the oil price.*

Our strategy remains to monetise the Duyung PSC, use the Italian cash flows, which more than covers the Company's G&A costs, and invest selectively in South East Asian renewables and high graded Italian production enhancement opportunities.

Recent volatility in energy markets have presented huge opportunity to Coro with the re-birth of the Italian portfolio alongside a significant uplift in the core NAV of its position in the Duyung PSC. It is in this context that we are delighted to present our annual report and accounts to shareholders."

For further information please contact:

Coro Energy plc Mark Hood, Chief Executive Officer	Via Vigo Consulting Ltd
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STATEMENT FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The global energy sector continued to be disrupted by the COVID-19 pandemic throughout 2021. Although oil and gas prices recovered during the year, investor sentiment towards junior oil and gas companies lagged somewhat; however, post year end, interest growing. The climate change arena, widely published during the COP26 conference in Glasgow, continued to see increased interest with the global energy transition from fossil fuels to clean energy sources taking priority.

Introduction of the Philippines renewable portfolio in Q1 2021, alongside the Company's strategic investment in late 2020 in ion Ventures Holdings Limited ("ion Ventures"), initiated Coro's expansion to clean energy and delivered a large portfolio of early-stage development clean energy assets.

It also introduced two new and exciting markets for Coro Energy: the Philippines, where we gained access to several projects including a 100 MW solar project and a 100 MW onshore wind project; and Vietnam, where we gained access to up to 300 MW of solar projects. We were also delighted to welcome Mark Hood, Chief Executive Officer, and Michael Carrington, Chief Operating Officer, to the team.

Duyung

Global electricity demand is estimated to double by 2050, while regional electricity demand in Philippines, Singapore and South East Asia is currently forecast to increase by 154%, 56% and 140% respectively by 2050. Our Duyung gas asset, with its close proximity to the West Natuna Transportation System that delivers gas directly to Singapore, has the potential to play a key role in satisfying this demand.

While COVID-19 slowed progress in 2021 for the Duyung operator (Conrad Energy Asia), we expect several key commercial milestones to be delivered in 2022. These include an approval of an updated Plan of Development ("PoD") and signature of a Gas Sales Agreement ("GSA"), during 2022.

Italy

In May 2021, we signed a Sale and Purchase Agreement ("SPA") with Dubai Energy Partners, Inc., a US-based operator of producing oil and gas assets. The SPA required completion of regulatory approval within a nine-month period which expired on 26 February 2022.

In March 2022, post-period end, the final decision was made to terminate the SPA. Due to the renewed post-lockdown demand and the Russian invasion into Ukraine, the gas prices have risen from €0.17 per scm during the pandemic to over €1.5 per scm. As at the 31 December 2021, the Board of Directors remained committed to the divestment and the criteria within IFRS 5 were met and the Italian business is therefore treated in the 2021 financial statements as a disposal group - notwithstanding the subsequent decision by the Company to retain the Italian portfolio.

The Company's growth strategy continues to focus on energy transition opportunities, and our Italian portfolio provides a robust financial platform for future deployment into renewable assets. We predict, based upon a gas price of €1 per scm, strong returns of approximately €5m free cash flow on an annualised basis, which will support our growth opportunities in South East Asia and maximise shareholder value in the near-term.

Renewables
With the increase in the energy demand and requirement for energy security in the region, Coro made the decision to acquire an early stage portfolio of clean energy projects.

Operationally, despite COVID-19 restrictions, we managed to achieve a number of key milestones in 2021, including the incorporation of the Philippines company, completion of the desktop survey for our 100MW wind project in the Philippines and the signature of a joint venture partnership agreement with Vin Phuc Electrical Mechanical Installation Co Ltd. This will allow for the transfer of their project portfolio of rooftop Solar in Vietnam to Coro, with the first pilot project due to be developed in 2022.

Ion Ventures
In February 2021, we saw ion Ventures, in which we have a 20.3% interest, partner with LiNA Energy, a solid-state battery technology developer, to conduct a successful trial of LiNA's proprietary solid-state sodium battery platform with a view of supporting further trials to eventually deploy the battery into the grid storage market in the coming years. In July 2021, ion Ventures formed a new partnership with GLIL Infrastructure Fund LLP, who confirmed a commitment of up to £150 million of capital into a new vehicle, Flexion Energy Holdings UK Ltd, with ion Ventures transferring their existing USUSUK grid scale energy storage portfolio into Flexion and retaining a 5% interest in Flexion.

ion Ventures' successes continue to demonstrate the ability of Coro leadership to identify opportunities in the market and to act as appropriately to strengthen the portfolio and our returns.

Corporate
We raised net proceeds of US$5.5m during February and March 2021 and, as previously reported, the cash balance at the 12 of April 2022 was US$2.8m.

Outlook
2021 was a pivotal year for Coro in its ongoing transition to becoming a regionally focused low-carbon energy company. The diversity and breadth of assets which we now operate provides a platform from which to grow the

Company and we foresee a very exciting future for Coro and its stakeholders.

As the local and global restrictions brought about by COVID-19 start to ease, we have resumed travel to our local projects to directly oversee their progress and work with the local teams to support and to share knowledge and experience.

We are all extremely confident in what we can achieve in 2022, including our first rooftop Solar Project in Vietnam becoming revenue generative. We would like to thank shareholders for their support in 2021 and look forward to meeting many of you in person this year.

2021 RESULTS

The 2021 loss before tax from continuing operations was $6.5m (2020: loss $8.0m). The overall loss before tax saw only a slight increase of $0.4m in general and administrative ("G&A") expenses offset by a gain on foreign exchange of $1.6m (2020: loss $1.1m) due to the strength of the US dollar against the Euro during the year, resulting in the unrealised gain.

In an announcement of 27 May 2021, the Company signed a conditional share purchase agreement ("SPA") with Dubai Energy Partners, Inc ("DEPI"), in respect of the disposal by the Company of its Italian portfolio to DEPI. As a result, in accordance with IFRS 5 Non-current assets held for sale and discontinued operations, the assets and liabilities of the Italian business are classified as a disposal group held for sale at the 31 December 2021. Italian business represents a separate geographical area of operation for the Group so remains as a discontinued operation in the statement of comprehensive income. This is not withstanding the fact that subsequent to the year end the sale process was terminated and following a full review of the gas assets in Italy it was decided that they would no longer be marketed for sale, therefore, from the interims these operations will be reclassified as continuing.

The 2021 loss before tax from discontinued operations was $1.5m (2020: $1.3m).

Production from the Italian gas fields generated gross profit of $0.2m in 2021 compared to a loss of $0.2m in 2020.

The focus continued in 2021 on minimising costs, with a further reduction of $0.2m in G&A and other income of $1.2m.

The accounting loss from discontinued operations was impacted by an IFRS 5 impairment charge recorded against noncurrent assets totalling $2.4. No tax charge arose in the year.

2021 FINANCIAL POSITION

The Group has a 20.3% interest in ion Ventures and, as a result, the Group is therefore deemed to have significant influence over ion. Accordingly, our investment is classified as an investment in associates on the Group balance sheet. Our share of ion losses for 2021 was $0.2m (2020: $16k).

Intangible exploration and evaluation assets relating to our 15% interest in the Duyung PSC increased to $17.5m (2020: $17.3) reflecting our share of the venture's capital expenditure for 2021.

We saw an increase in the closing Eurobond liability to $26.6m across current and non-current liabilities (2020: $25.0m). This was partly due to amortisation of the bonds totalling $4.5m, but was also the result of weakening of the Euro compared to the prior year.

Net liabilities of the Italian business, treated as a disposal group held for sale, totalled US$0.7m at year end (2020: net assets of US$496k). The Group ended the year with net liabilities of US$5.5m (2020: net liabilities US$4.9m).

GOING CONCERN

The Group and Company financial statements have been prepared under the going concern assumption, which presumes that the Group and Company will be able to meet its obligations as they fall due for the foreseeable future. As stated in Note 2 of the 2021 financial statements at 31 December 2021 the Group had cash reserves of $3.3m (excluding cash recorded within assets of the Italian disposal group held for sale).

Management have prepared a consolidated cash flow forecast to the end of June 2023 inclusive of the Italian portfolio which is no longer for sale and shows that the Group has sufficient cash resources to meet its obligations.

Further information relating to going concern as the basis of preparation is in Note 2 of the financial statements.

The Group's €22.5m Eurobond was restructured following the year end and now matures in April 2024.

JAMES PARSONS
Non-Executive Chairman

Mark Hood
Chief Executive Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2021

	Notes	**31 December 2021 US$'000**	31 December 2020 US$'000
Continuing operations			
General and administrative expenses	5	**(3,276)**	(2,942)
Depreciation expense		**(18)**	(114)
Other losses		**-**	(19)
Share of loss of associates		**(249)**	(16)
Loss from operating activities		**(3,543)**	(3,091)
Finance income	7	**2,239**	28
Finance expense	7	**(5,171)**	(4,906)
Net finance expense		**(2,932)**	(4,878)
Loss before income tax		**(6,475)**	(7,969)
Income tax benefit/(expense)	8	**-**	-
Loss for the period from continuing operations		**(6,475)**	(7,969)
Discontinued operations			
Loss for the period from discontinued operations	19	**(1,510)**	(2,198)
Total loss for the period		**(7,985)**	(10,167)
Other comprehensive income/loss			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		**485**	(840)
Total comprehensive income for the period		**(7,500)**	(11,007)
Loss attributable to:			
Owners of the Company		**(7,985)**	(10,167)
Total comprehensive income attributable to:			
Owners of the Company		**(7,500)**	(11,007)
Basic loss per share from continuing operations (US$)	9	**(0.003)**	(0.010)
Diluted loss per share from continuing operations (US$)	9	**(0.003)**	(0.010)

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET as at 31 December 2021

	Notes	**31 December 2021 US$'000**	31 December 2020 US$'000
Non-current assets			
Property, plant and equipment	12	**10**	16
Intangible assets	13	**18,309**	17,274

Investment in associates	23	**401**	666
Total non-current assets		**18,720**	17,956
Current assets			
Cash and cash equivalents	21	**3,334**	1,706
Trade and other receivables	11	**106**	118
Inventory	10	**37**	37
Derivative financial instruments	21	**-**	10
Total current assets		**3.477**	1,871
Assets of disposal group held for sale	19	**8,224**	11,417
Total assets		**30,421**	31,244
Liabilities and equity			
Current liabilities			
Trade and other payables	15	**425**	209
Borrowings	15	**26,637**	689
Total current liabilities		**27,062**	898
Non-current liabilities			
Borrowings	15	**-**	24,360
Total non-current liabilities		**-**	24,360
Liabilities of disposal group held for sale	19	**8,889**	10,921
Total liabilities		**35,951**	36,179
Equity			
Share capital	17	**2,943**	1,103
Share premium	17	**50,461**	45,786
Merger reserve	18	**9,708**	9,708
Other reserves	18	**4,180**	3,305
Accumulated losses		**(72,822)**	(64,837)
Total equity		**(5,530)**	(4,935)
Total equity and liabilities		**30,421**	31,244

The consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2021

	Attributable to equity shareholders of the Company					
	Share capital US$'000	**Share premium US$'000**	**Merger reserve US$'000**	**Other reserves US$'000**	**Accumulated losses US$'000**	**Total US$'000**
At 1 January 2020	**1,080**	**45,679**	**9,708**	**3,978**	**(55,263)**	**5,182**
Total comprehensive loss for the period:						
Loss for the period	**-**	**-**	**-**	**-**	**(10,167)**	**(10,167)**
Other comprehensive income	**-**	**-**	**-**	**(840)**	**-**	**(840)**
Total comprehensive loss for the period	**-**	**-**	**-**	**(840)**	**(10,167)**	**(11,007)**
Transactions with owners recorded directly in equity:						
Issue of share capital	**23**	**107**	**-**	**-**	**-**	**130**
Share-based payments for services rendered	**-**	**-**	**-**	**760**	**-**	**760**
Lapsed share options	**-**	**-**	**-**	**(593)**	**593**	**-**
Total transactions with owners recorded directly in equity:	**23**	**107**	**-**	**167**	**593**	**890**
Balance at 31 December 2020	**1,103**	**45,786**	**9,708**	**3,305**	**(64,837)**	**(4,935)**

Attributable to equity shareholders of the Company

	Share capital US$'000	Share premium US$'000	Merger reserve US$'000	Other reserves US$'000	Accumulated losses US$'000	Total US$'000
At 1 January 2021	**1,103**	**45,786**	**9,708**	**3,305**	**(64,837)**	**(4,935)**
Total comprehensive loss for the period:						
Loss for the period	**-**	**-**	**-**	**-**	**(7,985)**	**(7,985)**
Other comprehensive income	**-**	**-**	**-**	**485**	**-**	**485**
Total comprehensive loss for the period	**-**	**-**	**-**	**485**	**(7,985)**	**(7,500)**
Transactions with owners recorded directly in equity:						
Issue of share capital	**1,840**	**4,675**	**-**	**-**	**-**	**6,515**
Share-based payments for services rendered	**-**	**-**	**-**	**390**	**-**	**390**
Total transactions with owners recorded directly in equity:	**1,840**	**4,675**	**-**	**390**	**-**	**6,905**
Balance at 31 December 2021	**2,943**	**50,461**	**9,708**	**4,180**	**(72,822)**	**(5,530)**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes including the description of reserves in notes 18.

CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 31 December 2021

	Notes	**31 December 2021 US$'000**	31 December 2020 US$'000
Cash flows from operating activities			
Receipts from customers		**1,019**	1,138
Payments to suppliers and employees		**(3,873)**	(3,837)
Interest paid	7	**(649)**	(632)
Interest received	7	**1**	32
Net cash used in operating activities		**(3,502)**	(3,299)
Cash flow from investing activities			
Payments for intangible assets	13	**(289)**	(486)
Investment in equity accounted associates	24	**-**	(682)
Net cash used in investing activities		**(289)**	(1,168)
Cash flows from financing activities			
Proceeds from issuance of shares	18	**5,669**	-
Principal elements of lease payments	17	**-**	(207)
Net cash provided by or generated from/(used in) financing activities		**5,669**	(207)
Net increase/(decrease) in cash and cash equivalents		**1,878**	(4,674)
Cash and cash equivalents brought forward		**1,761**	6,526
Effects of exchange rate changes on cash and cash equivalents		**(88)**	(91)
Cash and cash equivalents carried forward		**3,551**	1,761

The consolidated statement of cash flows should be read in conjunction with the accompanying notes

COMPANY BALANCE SHEET as at 31 December 2021

	Notes	**31 December 2021 US$'000**	31 December 2020 US$'000
Non-current assets			
Investment in subsidiaries	21	**19,236**	18,687
Property, plant and equipment	12	**10**	16
Intangible assets	13	**15**	23
Investment in associates	24	**662**	682
Total non-current assets		**19,923**	19,408
Current assets			
Cash and cash equivalents	22	**3,269**	1,480
Trade and other receivables	11	**679**	463
Loans to subsidiaries	21	**666**	341
Derivative financial instruments	22	**-**	10
Total current assets		**4,614**	2,294
Total assets		**24,537**	21,702
Liabilities and equity			
Current liabilities			
Trade and other payables	15	**806**	861
Borrowings	16	**26.637**	689
Total current liabilities		**27,443**	1,550
Non-current liabilities			
Borrowings	16	**-**	24,360
Total non-current liabilities		**-**	24,360
Total liabilities		**27,443**	25,910
Equity			
Share capital	18	**2,943**	1,103
Share premium	18	**50,461**	45,786
Other reserves	19	**2,095**	1,733
Accumulated losses		**(58,405)**	(52,830)
Total equity		**(2,906)**	(4,208)
Total equity and liabilities		**24,537**	21,702

The Company balance sheet should be read in conjunction with the accompanying notes.

COMPANY STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2021

	Share capital US$'000	**Share premium US$'000**	**Other reserves US$'000**	**Accumulated losses US$'000**	**Total US$'000**
At 1 January 2020	**1,080**	**45,679**	**2,014**	**(44,162)**	**4,611**
Total comprehensive loss for the period:					
Loss for the period	**-**	**-**	**-**	**(9,261)**	**(9,261)**
Other comprehensive income	**-**	**-**	**(448)**	**-**	**(448)**
Total comprehensive loss for the period	**-**	**-**	**(448)**	**(9,261)**	**(9,709)**
Transactions with owners recorded directly in equity:					
Issue of share capital	**23**	**107**	**-**	**-**	**130**
Share-based payments for services rendered	**-**	**-**	**760**	**-**	**760**
Lapsed share options	**-**	**-**	**(593)**	**593**	**-**
Total transactions with owners recorded directly in equity	**23**	**107**	**167**	**593**	**890**

Balance at 31 December 2020	**1,103**	**45,786**	**1,733**	**(52,830)**	**(4,208)**

	Share capital US$'000	Share premium US$'000	Other reserves US$'000	Accumulated losses US$'000	Total US$'000
At 1 January 2021	**1,103**	**45,786**	**1,733**	**(52,830)**	**(4,208)**
Total comprehensive loss for the period:					
Loss for the period	**-**	**-**	**-**	**(5,575)**	**(5,575)**
Other comprehensive income	**-**	**-**	(28)	**-**	**(28)**
Total comprehensive loss for the period	**-**	**-**	**(28)**	**(5,575)**	**(5,603)**
Transactions with owners recorded directly in equity:					
Issue of share capital	**1,840**	**4,675**	**-**	**-**	**6,515**
Share-based payments for services rendered	**-**	**-**	**390**	**-**	**390**
Total transactions with owners recorded directly in equity	**1,840**	**4,675**	**390**	**-**	**6,905**
Balance at 31 December 2021	**2,943**	**50,461**	**2,095**	**(58,405)**	**(2,906)**

The Company statement of changes in equity should be read in conjunction with the accompanying notes.

COMPANY STATEMENT OF CASH FLOWS for the year ended 31 December 2021

	Notes	**31 December 2021 US$'000**	31 December 2020 US$'000
Cash flows from operating activities			
Receipts from customers		**-**	150
Payments to suppliers and employees		**(2,594)**	(1,932)
Interest paid	7	**(649)**	(624)
Interest received	7	**1**	28
Net cash used in operating activities		**(3,242)**	(2,378)
Cash flow from investing activities			
Investment in equity accounted associates	24	**-**	(682)
Net cash used in investing activities		**-**	(682)
Cash flows from financing activities			
Proceeds from issuance of shares	18	**5,669**	-
Loans to subsidiaries	21	**(551)**	(599)
Principal elements of lease payments	17	**-**	(88)
Net cash provided by or generated from/(used in) financing activities		**5,118**	(687)
Net increase/(decrease) in cash and cash equivalents		**1,876**	(3,747)
Cash and cash equivalents brought forward		**1,480**	5,324
Effects of exchange rate changes on cash and cash equivalents		**(87)**	(97)
Cash and cash equivalents carried forward		**3,269**	1,480

The Company statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

NOTE 1: CORPORATE INFORMATION

Coro Energy plc (the "Company" and, together with its subsidiaries, the "Group") is a company incorporated in England and listed on the Alternative Investment Market of the London Stock Exchange. The Company's registered address is c/o Watson Farley & Williams LLP, 15 Appold Street, London EC2A 2HB, UK. The consolidated financial statements for the year ended 31 December 2021 comprise the Company and its interests in its subsidiaries, investments in associates and jointly controlled operations (together referred to as the "Group"),

NOTE 2: BASIS OF PREPARATION

(a) Statement of compliance

The financial statements are prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006.

(b) Basis of measurement

These financial statements have been prepared on the basis of historical cost apart from non-current assets (or disposal groups) held for sale, which are measured at fair value less costs of disposal and derivative financial instruments recorded at fair value through profit and loss.

(c) Going concern

The Group and Company financial statements have been prepared under the going concern assumption, which presumes that the Group and Company will be able to meet its obligations as they fall due for the foreseeable future.

On 31 December 2021, the Group had cash reserves of US$3.4m (excluding cash recorded within assets of the Italian disposal group held for sale). Management have prepared a consolidated cash flow forecast to the end of June 2023 inclusive of the Italian portfolio which is no longer for sale and shows that the Group has sufficient cash resources to meet its obligations.

In making this assessment management considered the planned forecast expenditure in the various jurisdictions in which it has a presence inclusive of general, administrative, and operating costs, capital expenditure and revenue from the Italian portfolio and the solar project in Vietnam. Whilst there are risks to the forecast this is mainly viewed as being to the level of gas production achieved in Italy and the related gas price and consequent sales proceeds received.

The going concern assumption does not include any further receipts from either debt or equity financing which management believes is available and mitigates any risk to the revenue from Italy and/or Vietnam. In addition, the planned capital expenditure in the Philippines is largely uncommitted and could be tailored to meet the Group and Company cash position if deemed appropriate. the year end and now matures in April 2024 with an increase in the coupon to 10% accrued annually and payable on redemption.

(d) Foreign currency transactions

The consolidated financial statements of the Group are presented in United States Dollars ("USD"), rounded to the nearest US$1,000.

The functional currency of the Company and all UK domiciled subsidiaries is British Pounds Sterling ("GBP"). The Group's subsidiaries domiciled in Singapore have a functional currency of USD. The Group's subsidiaries domiciled in the Philipines have a functional currency of Philipines Pesos ("PHP"). Apennine Energy SpA, the Group's Italian subsidiary, included within the disposal group held for sale, has a functional currency of Euros.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss as finance income or expense. Non-monetary assets and liabilities denominated in foreign currencies are translated at the date of transaction and not retranslated.

The results and financial position of Group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate;
- Income and expenses are translated at average rates; and
- Equity balances are not retranslated. All resulting exchange differences are recognised in other comprehensive income.

(e) Use of estimates and judgements

The preparation of the financial statements requires management to make judgments regarding the application of the Group's accounting policies, and to use accounting estimates that impact the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

This note sets out the estimates and judgements taken by management that are deemed to have a higher risk of causing a material adjustment to the reported carrying amounts of assets and liabilities in future years.

(i) Key accounting judgements

Accounting for investment in ion Ventures Holdings Limited

In November 2020, the Group acquired a 20.3% shareholding in ion Ventures Holdings Limited ("IVHL") in exchange for cash consideration of £500k (US$682k). IVHL was founded in the UK in 2018 to exploit opportunities that arise from the increasing complexity of energy systems, the shift to distributed generation and more localised networks, and the need for flexible and responsive solutions.

Under IFRS, the accounting for an interest in another entity depends on the level of influence held over the investee by the investor. Management have concluded that IVHL is an associate of the Group, due to Coro exercising "significant influence" over IVHL. With reference to the factors outlined in IAS 28 Investments in associates and joint ventures, we concluded that significant influence arises as a result of:

- 20.3% shareholding in IVHL, which is above the 20% threshold at which significant influence is presumed to exist under IFRS (though this presumption can be rebutted);
- Right to appoint one director (of five) to the Board of Directors of IVHL; and
- Ability to exercise reserved powers under a Shareholder Agreement to participate in the key strategic and operational decisions of the investee, such as approval of annual budgets.

Associates and joint ventures are accounted for using the equity method, which is described further in note 3a.

Accounting for investment in Coro Renewables VN1 Joint Stock Company

In July 2021, the Group announced its intention to form a joint venture with Vinh Phuc Electrical Mechanical Installation Co Ltd, trading as Vinh Phuc Energy JSC ("VPE"), the joint venture ("CRV1") with the Company contributing US$500k in cash for an 85% share of the joint venture and VPE contributing its existing 150 MW project portfolio for a 15% share of the joint venture. In October 2021, a binding shareholder agreement was signed with VPE and the Group acquired an 85% interest in the newly incorporated Vietnamese company, Coro Renewables VN1 Joint Stock Company, which owns 100% of Coro Renewables VN2 Company Limited, which in turn owns 100% of Coro Renewables Vietnam Company Limited.

Under IFRS, the accounting for an interest in another entity depends on the level of influence held over the investee by the investor. Management have concluded that CRV1 is an indirectly held subsidiary of the Company, due to the Company controlling more than half of the voting rights. With reference to the factors outlined in IAS 27 Consolidated and Separate Financial Statements, we concluded that there were no contraindications of control.

- There is no agreement with VPE giving them control of the joint venture;
- There is no statute or agreement ceding control to any other party; and
- VPE does not have the power to appoint or remove the majority of the

Board of Directors.

At 31 December 2021, the three Vietnamese Companies had not commenced trading and the Group's initial US$500k contribution had not been transferred to Vietnam; there are therefore no transactions relating to CRV1, nor its subsidiary undertakings, recorded in these consolidated financial statements.

Share option and warrants

The Black-Scholes model is used to calculate the appropriate charge of the share options and warrants. The use of this model to calculate the charge involves a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate interest rate and dividend rate, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the calculation of the charge.

(ii) Key accounting estimates

Estimate of gas reserves and resources

The disclosed amount of the Group's gas reserves and resources impacts a number of accounting estimates in the financial statements including future cash flows used in asset impairment reviews, see note 13, and timing of rehabilitation spend used to calculate rehabilitation provisions.

In respect of the Group's Italian assets that are held for sale, estimation of recoverable quantities of Proved and Probable reserves is based on a number of factors including expected commodity prices, discount rates, future capital expenditure and operating costs impacting future cash flows. It also requires interpretation of complex geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs, and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period.

The Group employs staff with the appropriate knowledge, skills and experience to estimate reserves quantities. Periodically, the Group's reserves calculations are also subject to independent third-party certification by a competent person. The date of the last Competent Person's Report issued in respect of the Group's disclosed gas reserves and resources was as follows:

- Italian assets (Sillaro and Rapagnano fields): effective date 31 December 2019
- Italian assets (other fields): effective date 31 December 2017
- Duyung PSC: effective date 22 May 2020.

Gas reserves and resources are disclosed on the Group website

Measurement of non-current assets (and disposal groups) classified as held for sale (note 19)

At 31 December 2021, the Group classified the assets and liabilities of its Italian business (the "Italian portfolio") as a disposal group held for sale following a decision by the Board of Directors in 2019 to prioritise full divestment. Given the Italian business represents a separate geographical area of operation for the Group, the Italian results have also been treated as a discontinued operation.

In December 2019, the Group entered into a conditional sale and purchase agreement ("SPA") with Zenith Energy Ltd ("Zenith") for the sale of the Italian Portfolio. The necessary Italian regulatory approvals for the disposal were not obtained prior to a long stop date of 31 July 2020 and, as such, the disposal was mutually terminated by the parties. However the criteria within IFRS 5 were considered to be met at 31 December 2020 because the Board of Directors remained committed to the divestment; this had been communicated to the market and indicative offers had been received from several other interested parties.

In May 2021, the Group entered into a new conditional sale and purchase agreement ("SPA") with Dubai Energy Partners, Inc ("DEPI") for the sale of the Italian Portfolio. Again, the necessary Italian regulatory approvals for the disposal were not obtained prior to a long stop date of 26 February 2022 and, as such, the disposal was terminated by the parties after the year end.

While the Italian portfolio is no longer for sale at 31 December 2021, the Board of Directors remained committed to the sale and were working in good faith towards the completion of the sale in accordance with the conditional SPA signed in May 2021.

As required by IFRS 5, the entire Italian business has been fair valued at the balance sheet date to determine if any further write-downs are required. Management determined the fair value of the disposal group with reference to the SPA agreed with DEPI, notwithstanding the post balance sheet termination of this agreement nor the subsequent significant increases in the wholesale gas prices. This led to an impairment of US$894k, which has been allocated across non-current assets on a pro-rata basis.

Assessment of indicators of impairment of intangible exploration and evaluation assets (note 13)

The Group's exploration and evaluation assets, comprising assets related to the Duyung PSC (and excluding Italian exploration and evaluation assets held in disposal group), are assessed for indicators of impairment under IFRS 6 Exploration for, and evaluation of, mineral resources. The Group acquired its 15% interest in the Duyung PSC in April 2019. In Q4 2019, the operator of the Duyung venture undertook a two-well campaign designed primarily to appraise the Mako gas field.

Following completion of the drilling programme, the operator of the Duyung venture engaged Gaffney, Cline and Associates ("GCA") to complete an independent resource audit for the Mako gas field.

GCA completed their audit in May 2020 and confirmed a significant resource upgrade for the Mako gas field compared to their previous resource assessment released in January 2019 (the "2019 GCA Audit"). 2C (contingent) recoverable resource estimates were increased to 495 Bcf (gross), an increase of approximately 79% compared with the 2019 GCA Audit. In the upside case, the 3C (contingent) resources increased by approximately 108% compared with the 2019 GCA Audit, to 817 Bcf (gross).

As a result of the resource upgrade, which was incorporated into our own updated economic modelling for Duyung, no impairment indicators were noted.

Impairment testing of exploration and evaluation assets recorded as assets of a disposal group held for sale is discussed above.

Rehabilitation provisions (note 15)

Costs relating to rehabilitation of oil and gas fields recorded within liabilities of a disposal group held for sale will be incurred many years in the future and the precise requirements for these activities are uncertain. Technologies and costs are constantly changing, as well as political, environmental, safety and public expectations. A change in the key assumptions used to calculate rehabilitation provisions could have a material impact on the carrying value of the provisions. Currently, the Group's rehabilitation provisions relate solely to oil and gas fields in Italy, and are recorded within liabilities of a disposal group held for sale.

The carrying value of these provisions in the financial statements represents an estimate of the present value of the future costs expected to be incurred to rehabilitate each field, which are reviewed at least annually. Future costs are estimated by internal experts, with external specialists engaged periodically to assist management. These estimates are based on current price observations, taking into account developments in technology and changes to legal and contractual requirements. Expectations regarding cost inflation are also incorporated. Future cost estimates are discounted to present value using a rate that approximates the time value of money, which ranges between 1.25% and 1.75% (2020: 1.25% to 1.75%) depending on the expected year of rehabilitation spend. The discount rate is based on the average yield on Italian Government bonds of a duration that matches the expected year of expenditures, incorporating a risk premium appropriate to the nature of the liabilities.

Recoverability of deferred tax assets (note 8)

The recoverability of deferred tax assets recorded within assets of a disposal group held for sale is dependent on the availability of taxable profits in future years. The Group undertakes a forecasting exercise at each reporting date to assess its expected utilisation of these losses. The key areas of estimation uncertainty in these forecasts are future gas prices, production rates, capital and operating costs, and overhead expenses, all of which could impact the generation of taxable profits by Italian subsidiaries. The model used to calculate expected utilisation of tax losses is prepared on a consistent basis to the DCF models used to test for impairment, but with the inclusion of corporate overheads and other non-asset specific costs. The DTA was partially written down in 2018, and again in 2020; no further write-down is deemed necessary at 31 December 2021.

Assessment of indicators of impairment of investment in associates (note 23)

In 2020, the Company acquired a 20.3% interest in ion Ventures Holdings Limited ("ion Ventures"). This investment is accounted for as an associate using the equity method.

The Company considered whether there should be any impairment of the investment as at 31 December 2021 and based on the forecasts prepared by the management of ion Ventures and the dividend stream expected from its investment in Flexion Energy, the Company's investment in Ion Ventures is deemed to be recoverable in full.

Company only - impairment assessment for investment in subsidiaries (note 20)

The Company is required to assess its investments in subsidiaries for impairment at each reporting date. The Company's main assets are its Italian gas portfolio, held by Apennine Energy SpA ("Apennine"), and its interest in the Duyung PSC, held by Coro Energy Duyung (Singapore) Pte Ltd ("CEDSPL"). As such, the recoverability of investments in subsidiaries depends on the Company's assessment of indicators of impairment of the underlying assets recorded within its subsidiaries.

As noted above, and in note 13, the Company identified no indicators of impairment for its 15% interest in the Duyung PSC and, accordingly, the Company's investment in CEDSPL (held indirectly) is deemed to be recoverable in full.

As noted further above, and in note 19, the Company's investment in Apennine (held indirectly) was impaired to its recoverable amount being the sale price agreed with DEPI in the SPA agreed in May 2021.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements include the results of Coro Energy plc and its subsidiary undertakings made up to the same accounting date. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation.

(ii) Interests in other entities

The Group classifies its interests in other entities based on the level of control exercised by the Group over the entity.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognised at cost, including any directly attributable transaction costs, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss. The Group's share of movements in other comprehensive income of the investee are recognised in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment at least annually.

Other investments

In a situation where the Group has direct contractual rights to the assets, and obligations for the liabilities, of an entity but does not share joint control, the Group accounts for its interest in those assets, liabilities, revenues and expenses in accordance with the accounting standards applicable to the underlying line item. This is analogous to the "joint operator" method of accounting outlined in IFRS 11 Joint arrangements.

(b) Taxation

Income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the date of the statement of financial position, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted at the date of the statement of financial position.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(c) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment comprises the Group's tangible oil and gas assets together with office furniture and equipment. Items of property, plant and equipment are recorded at cost less accumulated depreciation, accumulated impairment losses and pre-commissioning revenue and expenses. Cost includes expenditure that is directly attributable to acquisition of the asset.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within "other income" in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with expenditure will flow to the Group.

(iii) Depreciation

Oil and gas assets

Oil and gas assets includes gas production facilities and the accumulation of all exploration, evaluation, development and acquisition costs in relation to areas of interest in which production licences have been granted and the related project has moved to the production phase.

Amortisation of oil and gas assets is calculated on the units-of-production ("UOP") basis, and is based on Proved and Probable reserves. The use of the UOP method results in an amortisation charge proportional to the depletion of economically recoverable reserves. Amortisation commences when commercial levels of production are achieved from a field or licence area.

The useful life of oil and gas assets, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation/amortisation will be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates change.

Changes to recoverable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect of changes in commodity price assumptions; or
- Unforeseen operational issues that impact expected recovery of hydrocarbons.

Assets designated as held for sale, or included in a disposal group held for sale, are not depreciated.

Other property, plant and equipment

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The depreciation will commence when the asset is installed ready for use.

The estimated useful lives of each class of asset fall within the following ranges:

Office furniture and equipment	3 - 5 years

The residual value, the useful life and the depreciation method applied to an asset are reviewed at each reporting date.

(iv) Impairment

The Group assesses at each reporting date whether there is an indication that an asset (or Cash Generating Unit - "CGU") may be impaired. For oil and gas assets, management has assessed its CGUs as being an individual field, which is the lowest level for which cash inflows are largely independent of those of other assets. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal ("FVLCD") and value in use ("VIU"). Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount.

The Group bases its impairment calculation on detailed budgets and forecasts, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecasts generally cover the forecasted life of the CGUs. VIU does not reflect future cash flows associated with improving or enhancing an asset's performance.

For assets/CGUs, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's/CGU's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset/CGU does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of depreciation/amortisation, had no impairment loss been recognised for the asset/CGU in prior years. Such a reversal is recognised in the income statement.

(d) Intangible assets

(i) Exploration and evaluation assets

Exploration and evaluation assets are carried at cost less accumulated impairment losses in the statement of financial position. Exploration and evaluation assets include the cost of oil and gas licences, and subsequent exploration and evaluation expenditure incurred in an area of interest.

Exploration and evaluation assets are not depreciated. When the commercial and technical feasibility of an area of interest is proved, capitalised costs in relation to that area of interest are transferred to property, plant and equipment (oil and gas assets) and depreciation commences in line with the depreciation policy outlined above.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying value amount exceeds the recoverable amount.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- the term of the exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for an evaluation of mineral resources in the specific area is not budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specific area; or
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Areas of interest that no longer satisfy the above policy are considered to be impaired and are measured at their recoverable amount, with any subsequent impairment loss recognised in the profit and loss.

(ii) Software

Costs for acquisition of software, including directly attributable costs of implementation, are capitalised as intangible assets and amortised over their expected useful life (currently five years).

(iii) Goodwill

Goodwill arising from business combinations is included in intangible assets.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(e) Inventory

Inventory is comprised of drilling equipment and spares and is carried at the lower of cost and net realisable value. Any impairment on value is taken to the income statement.

(f) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, they are available for sale in their present condition, they are being actively marketed, and a sale is considered highly probable. These conditions must be continuing for the assets to continue to be classified as held for sale.

Disposal groups are measured at the lower of their carrying amount and fair value less costs to sell, except for certain assets such as deferred tax assets, which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

(g) Investments and financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Recognition and measurement

A financial asset is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date the Group commits itself to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. Currently, the Group's financial assets are all held for collection of contractual cash flows, which are solely payments of principal and interest. Accordingly, the Group's financial assets are measured subsequent to initial recognition at amortised cost.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(iii) Impairment

On a forward-looking basis, the Group estimates the expected credit losses associated with its receivables and other financial assets carried at amortised cost, and records a loss allowance for these expected losses.

(iv) Investment in subsidiaries

In the Company balance sheet, investments in subsidiaries are carried at cost less accumulated impairment.

(h) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period.

(i) Provisions

(i) Rehabilitation provision

Rehabilitation obligations arise when the Group disturbs the natural environment where its oil and gas assets are located and is required by local laws/regulations to restore these sites.

Full provision for these obligations is made based on the present value of the estimated costs to be incurred in dismantling infrastructure, plugging and abandoning wells and restoring sites to their original condition. Changes to future cost estimates are capitalised and recorded in property, plant and equipment (oil and gas assets) as rehabilitation assets, unless the carrying value of these assets is not supportable, in which case changes to rehabilitation provisions are recorded directly in the income statement. Future cost estimates are inflated to the expected year of rehabilitation activity and discounted to present value using a market rate of interest that is deemed to approximate the time value of money.

The estimated costs of rehabilitation are reviewed annually and adjusted against the relevant rehabilitation asset or in the income statement, as appropriate. Annual increases in the provision relating to the unwind of the discount rate are accounted for in the income statement as a finance expense.

(ii) Other provisions

Other provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The provisions are discounted to present value using a market rate of interest that is deemed to approximate the time value of money. The increase in the provision due to the passage of time is recognised as interest expense.

(j) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Loan fees paid on the establishment of loan facilities are recognised as transaction costs of the loan and amortised over the life of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(k) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of the invoice date. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) Share capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to issue of shares are recognised as a deduction from equity, net of any tax effects.

(m) Share-based payments

Share-based payments relate to transactions where the Group receives services from employees or service providers and the terms of the arrangements include payment of a part or whole of consideration by issuing equity instruments to the counterparty. The Group measures the services received from non-employees, and the corresponding increase in equity, at the fair value of the goods or services received. When the transactions are with employees, the fair value is measured by reference to the fair value of the shares issued. The expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

(n) Revenue

Under IFRS 15 Revenue from Contracts with Customers, there is a five-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group has one revenue stream, being the sale of gas (recorded within loss from discontinued operations). Gas is sold to wholesale customers under gas supply agreements, which have different volume and price specifications (both fixed and variable). Gas sales revenue is recognised when control of the gas passes at the delivery point into the local gas pipeline network, which is the only performance obligation. Revenue is presented net of value added tax ("VAT"), rebates and discounts and after eliminating intra-group sales.

(o) Leases

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

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, initially measured

using the index or rate as at the commencement date;

- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period.

Right-of-use assets are measured at cost which comprises the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases (term less than 12 months) and all leases of low-value assets (generally less than US$5k) are recognised on a straight-line basis as an expense in profit or loss.

(p) Research and Development

Development costs that are directly attributable to the design and development of identifiable and unique projects controlled by the Group are recognised as intangible assets when the following criteria are met

- It is technically feasible to complete the project;
- Management intends to complete the project;
- There is sufficient certainty that contractual rights, planning and permitting will

be agreed;

- It can be demonstrated how the project will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the project are available; and
- The expenditure attributable to the project can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

(q) Changes to accounting policies, disclosures, standards and interpretations

(i) New and amended standards adopted by the Group

The following new standards, amendments and interpretations are effective for the first time in these financial statements. However, none has had a material impact on the financial statements:

Standard	Effective date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendment to IFRS 16 in respect of COVID-19-Related Rent Concessions beyond 30 June 2021	1 January 2021

(ii) New standards not yet adopted

There are no new International Financial Reporting Standards and Interpretations issued but not effective for the reporting period ending 31 December 2021 that will materially impact the Group.

NOTE 4: SEGMENT INFORMATION

The Group's reportable segments as described below are based on the Group's geographic business units. This includes the Group's upstream gas operations in Italy and South East Asia, along with the corporate head office in the United Kingdom. This reflects the way information is presented to the Board of Directors. Results from the Group's Italian business are classified as a discontinued operation. See note 19.

	Italy		**Asia**		**UK**		**Total**	
	31 December 2021 US$'000	31 December 2020 US$'000	**31 December 2021 US$'000**	31 December 2020 US$'000	**31 December 2021 US$'000**	31 December 2020 US$'000	**31 December 2021 US$'000**	31 December 2020 US$'000
Depreciation and amortisation	**-**	-	**-**	-	**(18)**	(114)	**(18)**	(114)
Interest expense	**-**	-	**-**	-	**(4,500)**	(3,755)	**4,500**	(3,755)
Share of loss of associates	**-**	-	**-**	-	**(249)**	(16)	**(249)**	(16)
Segment loss before tax from continuing operations	**-**	-	**(278)**	(223)	**(6,197)**	(7,746)	**(6,475)**	(7,969)
Segment loss before tax from discontinued operations	**(1,510)**	(1,275)	**-**	-	**-**	-	**(1,510)**	(1,275)

	Italy		Asia		UK		Total	
	31 December 2021	31 December 2020	**31 December 2020**	31 December 2020	**31 December 2020**	31 December 2020	**31 December 2020**	31 December 2020
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Segment assets	**8,224**	11,417	**17,985**	17,511	**4.212**	2,316	**30,421**	31,244
Segment liabilities	**(8.889)**	(10,921)	**(1,073)**	(9)	**(25,989)**	(25,249)	**(35,951)**	(36,179)

NOTE 5: GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2021	31 December 2020
	US$'000	US$'000
Employee benefits expense (note 6)	**1,031**	861
Business development	**786**	347
Corporate and compliance costs	**451**	501
Investor and public relations	**247**	215
G&A - Duyung venture	**199**	179
Other G&A	**314**	141
Share-based payments (note 23)	**248**	698
	3,276	2,942

Auditor's remuneration

Services provided by the Group's auditor and its associates

During the year, the Group (including its overseas subsidiaries) obtained the following services from the Company's auditor and its associates:

	31 December 2021	**31 December 2020**
	US$'000	**US$'000**
Fees payable to the Company's auditor for the audit of the Parent Company and consolidated financial statements	**49**	**40**
Fees payable to the Company's auditor for other services:		
Audit of subsidiaries	**-**	**3**

NOTE 6: STAFF COSTS AND DIRECTORS' EMOLUMENTS

	Group	
	31 December 2021	31 December 2020
Staff costs	**US$'000**	US$'000
Wages and salaries	327	169
Pensions and other benefits	18	9
Social security costs	41	17
Share-based payments (note 23)	88	101
Total employee benefits	474	296
Average number of employees from continuing operations (excluding Non-Executive Directors)	**2**	2

	Group	
	31 December 2021	31 December 2020
Directors' emoluments	**US$'000**	US$'000
Wages and salaries	**568**	592

Pensions and other benefits	**7**	11
Social security costs	**70**	63
Share-based payments (note 22)	**160**	597
Total employee benefits	**805**	1,263

The highest paid Director received aggregate emoluments of US$205k (2020: US$281k).

NOTE 7: FINANCE INCOME/EXPENSE

	Group	
	31 December 2021	31 December 2020
Finance income	**US$'000**	US$'000
Interest income	**1**	28
Foreign exchange gain	**2,238**	-
Total finance income	**2,239**	28

	Group	
	31 December 2021	31 December 2020
Finance expense	**US$'000**	US$'000
Interest on borrowings	**4,500**	3,755
Finance charge on lease liabilities	**-**	6
Unrealised loss on foreign exchange forward contracts	**-**	6
Foreign exchange loss	**651**	1,139
Total finance expense	**5,151**	4,906

NOTE 8: INCOME TAX

Income tax

	Group	
	31 December 2021	31 December 2020
	US$'000	US$'000
Deferred tax	**-**	(923)
Total deferred tax	**-**	(923)
Total tax expense	**-**	(923)
Income tax expense is attributable to:		
Loss from discontinued operations	**-**	(923)
	-	(923)

Numerical reconciliation of income tax result recognised in the statement of comprehensive income to tax benefit/expense calculated at the Group's statutory income tax rate is as follows:

	Group	
	31 December 2021	31 December 2020
	US$'000	US$'000
Loss from continuing operations before tax	**(6,475)**	(7,969)
Loss from discontinued operations before tax	**(1,510)**	(1,275)
Total loss before tax	**(7,985)**	(9,244)
Income tax benefit using the Group's blended tax rate of 19% (2020: 20%)	**1,180**	1,815
Non-deductible expenses	**(339)**	(60)

Prior year adjustment	**(260)**	(139)
Write-down of deferred tax assets	**-**	(923)
Current year losses and temporary differences for which no deferred tax asset was recognised	**(581)**	(1,616)
Income tax benefit/(expense)	**-**	(923)

Deferred tax

Deferred tax assets totalling US$1.3m (2020: US$1.5) are recorded within assets of the disposal group, and have been recognised in respect of tax losses and temporary differences based on management assessment that future taxable profit will be available against which the Italian subsidiary company can utilise the benefits. No DTA in respect of carried forward tax losses has been recognised in respect of any UK or Singapore domiciled Group company due to doubt about the availability of future profits in these companies. Total unrecognised losses (gross) in respect of continuing operations are US$17m (2020: US$13m). Unrecognised losses (gross) relating to discontinued operations total US$82m (2020: US$99m).

NOTE 9: EARNINGS PER SHARE

	31 December 2021	31 December 2020
Basic loss per share from continuing operations (US$)	**(0.003)**	(0.010)
Diluted loss per share from continuing operations (US$)	**(0.003)**	(0.010)
Basic loss per share from discontinued operations (US$)	**(0.001)**	(0.003)
Diluted loss per share from discontinued operations (US$)	**(0.001)**	(0.003)

The calculation of basic loss per share from continuing operations was based on the loss attributable to shareholders of US$6.4m (2020: US$8.0) and a weighted average number of Ordinary Shares outstanding during the year of 1,917,559,412 (2019: 793,502,096).

Basic loss per share from discontinued operations was based on the loss attributable to shareholders from discontinued operations of US$1.5m (2020: US$2.2m).

Diluted loss per share from continuing and discontinued operations for the current and comparative periods is equivalent to basic loss per share since the effect of all dilutive potential Ordinary Shares is anti-dilutive. The potential dilutive shares includes warrants issued to Eurobond holders and options issued to Directors and management (note 22).

NOTE 10: INVENTORY

	Group	
	31 December 2021	31 December 2020
	US$'000	US$'000
Inventory - Duyung PSC	**37**	37
	37	37

Inventory represents the Group's share of inventory held by the Duyung PSC, which is mainly comprised of drilling spares.

NOTE 11: TRADE AND OTHER RECEIVABLES

	Group	
	31 December 2021 US$'000	31 December 2020 US$'000
Current:		
Indirect taxes receivable	**39**	44
Other receivables	**20**	-
Prepayments	**47**	74
	106	118

	Company	
	31 December 2021 US$'000	31 December 2020 US$'000
Current:		
Indirect taxes receivable	**39**	44
Other receivables	**2**	-
Intercompany receivables	**576**	355
Prepayments	**63**	64
	680	463

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Group	
	31 December 2021 US$'000	31 December 2020 US$'000
Office furniture and equipment	**10**	16
	10	16

Reconciliation of the carrying amounts for each class of property, plant and equipment are set out below:

	Group	
	31 December 2021 US$'000	31 December 2020 US$'000
Office furniture and equipment:		
Carrying amount at beginning of period	**16**	50
Additions	**3**	-
Depreciation expense	**(9)**	(13)
Reclassification to assets of disposal group held for sale	**-**	-
Disposals	**-**	(20)
Effect of foreign exchange	**-**	(1)
Carrying amount at end of period	**10**	16

Company

	31 December 2021 US$'000	31 December 2020 US$'000
Office furniture and equipment	**10**	16
	10	16

Reconciliation of the carrying amounts for each class of property, plant and equipment are set out below:

	Company	
	31 December 2021 US$'000	31 December 2020 US$'000
Office furniture and equipment:		
Carrying amount at beginning of period	**16**	50
Additions	**3**	-
Depreciation expense	**(9)**	(13)
Disposals	**-**	(20)
Effect of foreign exchange	**-**	(1)
Carrying amount at end of period	**10**	16

NOTE 13: INTANGIBLE ASSETS

	Group	
	31 December 2021 US$'000	31 December 2020 US$'000
Exploration and evaluation assets	**17,540**	17,251
Goodwill	**754**	-
Software	**15**	23
	18,309	17,274

Reconciliation of the carrying amounts for each material class of intangible assets are set out below:

	Group	
	31 December 2021 US$'000	31 December 2020 US$'000
Exploration and evaluation assets:		
Carrying amount at beginning of period	**17,251**	17,247
Additions	**289**	4
Impact of foreign exchange	**-**	-
Carrying amount at end of period	**17,540**	17,251

Exploration and evaluation assets relate to the Group's interest in the Duyung PSC. No indicators of impairment of these assets were noted. See note 2e.

	Group	
	31 December 2021 US$'000	31 December 2020 US$'000

Goodwill		
Recognised on acquisition	**754**	-
	754	-

As explained further in note 14, goodwill was recognised following the acquisition of GEPL. No impairment of goodwill was noted following testing performed at 31 December 2021.

	Company	
	31 December 2021	31 December 2020
	US$'000	US$'000
Software	**15**	23
	15	23

NOTE 14: BUSINESS COMBINATION

Global Energy Partnership Limited

On 17 March 2021, the Company completed the acquisition of 100% of the issued capital of Global Energy Partnership Limited ("GEPL") in exchange for 142.5 million new Ordinary Shares in the Company. GEPL is incorporated in the United Kingdom and involved in the origination and development of renewable energy projects in South East Asia. On the same date, GEPL co-founders Mark Hood and Michael Carrington joined the Company in the roles of CEO and COO respectively, with Mark Hood also appointed as a Director of the Company.

Background to the acquisition

Since inception, GEPL has screened over 25 GW of renewable energy projects and has identified a shortlist of priority pipeline projects for investment across the Philippines, Vietnam and Indonesia, with an initial focus on the Philippines.
For the financial period ended 31 January 2021, GEPL generated no revenues, incurred a trivial net loss and had net liabilities of £3k (approx. US$4k).
The acquisition met a number of key strategic objectives for the Group, including:

- Acquiring GEPL's pipeline of early-stage renewable energy projects in South East Asia, with an initial focus on the Philippines;
- Securing an experienced Executive team with a proven record of originating and executing energy projects; and
- Building on the Company's investment in ion Ventures in 2020, acquiring a complementary business with opportunities for project co-development in the future.

Consideration for the acquisition

In exchange for acquiring 100% of the issued capital of GEPL, the Company issued 142.5 million new Ordinary Shares to the former GEPL shareholders at 0.4p per share, being the same price as the fundraise completed concurrently with the acquisition, resulting in a total value of consideration of £570k (US$754k), which together with transaction costs of US$379k was recorded as an investment in GEPL by the Company. Restated at the year-end exchange rate the carrying value of the investment is US$1.1m. Transaction costs were expensed within General and Administrative expenses as business development costs in the Group's consolidated financial statements.

Fair value of assets and liabilities acquired

At acquisition, GEPL's projects were at an early stage, with the initial focus being on two high-graded opportunities in the Philippines: a 100 MW solar project and 100 MW onshore wind project. Work done on the projects prior to acquisition date mainly comprised GEPL management's time including pre-feasibility studies, understanding of relevant laws/regulations, site visits, community engagement, liaising with potential engineering contractors and financiers, and building networks and partnerships locally. The Directors believe there is significant latent value which can be unlocked by investing in these Filipino opportunities; however, at the date of acquisition, there were no contractual rights associated with the projects and accordingly, we have assessed that there were no identifiable assets under IFRS. Similarly, GEPL had no liabilities, with all creditors extinguished prior to acquisition completion.

Accordingly, the full purchase consideration of £570k (US$754k at the date of the transaction) has been allocated to goodwill. While GEPL has identified opportunities in Vietnam and Indonesia, we view the principal value in the company as being its Philippines project pipeline and associated intellectual property and the goodwill has been allocated accordingly. No impairment of goodwill was identified in the period from acquisition to 31 December 2021.

Revenue and profit contribution

The acquired business contributed nil revenues and a net loss of US$23k to the Group in the period from 17 March

2021 to 31 December 2021. If the business were acquired on 1 January 2021, the Group's loss before tax would have

increased by US$2k.

NOTE 15: TRADE AND OTHER PAYABLES

	Group	
	31 December 2021 US$'000	31 December 2020 US$'000
Current		
Trade payables	**216**	105
Other payables	**90**	61
Accrued expenses	**119**	43
	425	209

	Company 31 December 2021 US$'000	31 December 2020 US$'000
Current		
Trade payables	**687**	827
Accrued expenses	**119**	34
	806	861

Included within trade payables of the Company is a payable of US$464k (2020: US$737k) due to Sound Energy plc ("Sound") for the expected sales proceeds to be received for the sale of the Badile land, which are due to Sound under an agreement entered into by the two companies in 2018. Apennine Energy SpA, the Company's subsidiary, entered into an agreement with Immobilandia Srl to dispose of the Badile land in two parcels, Area 1 and Area 2.

The sale of Area 1 was completed on 12 February 2021 for proceeds of €250k (US$283k at year-end exchange rates), which were remitted to Sound net of costs incurred by Apennine.

Under the terms of sale of Area 2, Immobilandia will first have to complete all rehabilitation works relating to the Badile licence and Moirago-1 well at its own expense prior to completing the acquisition of the land. Subject to satisfactory completion of the rehabilitation works, Immobilandia will acquire Area 2 for €350k (US$396k at year-end exchange rates). The Company has therefore recognised the net payable to Sound of US$464k above.

The receivable from Sound for Badile rehabilitation costs in note 11 has been reduced to nil reflecting the contract with Immobilandia.

NOTE 16: BORROWINGS

	31 December 2021 US$'000	31 December 2020 US$'000
Current		
Eurobond	**26,637**	689
	26,637	689
Non-current		
Eurobond	**-**	24,360
	-	24,360

In 2019, the Group successfully completed the issue of €22.5m three-year Eurobonds with attached warrants to key institutional investors. The bonds were issued in two equal tranches A and B, ranking pari passu, with Tranche A paying a 5% cash coupon annually in arrears, and Tranche B accruing interest at 5% per annum payable on redemption.

The Eurobonds were due to mature on 12 April 2022 at 100% of par value plus any accrued and unpaid coupon. Bond subscribers were issued with 41,357,500 warrants to subscribe for ten new Ordinary Shares in the Company at an exercise price of 4p per share at any time over the three-year term of the bonds. An additional 6,000,000 warrants were issued to the firm subscriber Lombard Odier Asset Management (Europe) Limited and underwriter Pegasus Alternative Fund Ltd.

The warrants were valued on grant date at 3.3p per warrant using the Black-Scholes method, with the total fair value of warrants (US$2.0m) treated as a transaction cost and amortised over the life of the bonds.

The bonds were initially recognised at fair value and subsequently are recorded at amortised cost, with an average effective interest rate of 18.10%.

In March 2022, the tranche B Noteholders approved the extension of the maturity of the tranche B bonds by two years to 12 April 2024 with an increase in the coupon to 10% accrued annually and payable on redemption.

In April 2022, the tranche A Noteholders approved the extension of the maturity of the tranche A bonds by two years to 12 April 2024 with an increase in the coupon to 10% accrued annually and payable on redemption.

In addition, the Company undertook to the Noteholders that in the event of a sale of the Company's interest in the Duyung PSC to utilise the net cash proceeds of such disposal(s) to first repay the capital and rolled up interest on the Notes and thereafter to distribute 20% of remaining net proceed(s) to Noteholders. The remaining net proceeds of any sales would be retained and/or distributed to shareholders by the Company, (see note 2c and note 27 for further explanation).

Net debt reconciliation

An analysis of net debt and the movements in net debt for each of the periods presented is shown below:

	Group	
	31 December 2021 US$'000	31 December 2020 US$'000
Cash and cash equivalents	**3,334**	1,706
Borrowings	**(26,637)**	(25,049)
Lease liabilities	**-**	-
Net debt	**(23,303)**	(23,343)

	Cash and cash equivalents US$'000	**Borrowings US$'000**	**Lease liabilities US$'000**	**Total US$'000**
Net debt as at 1 January 2020	**6,374**	**(19,843)**	**(248)**	**(13,717)**
Cashflows	(4,563)	618	88	(3,857)
Eurobond amortisation	-	(3,755)	-	(3,755)
Lease terminations	-	-	158	158
Effects of foreign exchange	(105)	(2,069)	2	(2,172)
Net debt as at 31 December 2020	**1,706**	**(25,049)**	**-**	**(23,343)**

Cashflows	1,715	649	-	2,364
Eurobond amortisation	-	(4,512)	-	(4,512)
Effects of foreign exchange	(87)	2,275	-	2,188
Net debt as at 31 December 2021	**3,334**	**(26,637)**	**-**	**(23,303)**

NOTE 17: SHARE CAPITAL AND SHARE PREMIUM

	Number 000s	Nominal value US$'000	Share premium US$'000	Total US$'000
As at 1 January 2021	**806,908**	**1,103**	**45,786**	**46,889**
Shares issued during the period:				
Issued as consideration for the acquisition of GEPL	142,500	200	597	**797**
Proceeds from share issuance	1,162,215	1,624	4,046	**5,670**
Issued for services rendered	12,414	16	32	**48**
Closing balance at 31 December 2021	**2,124,036**	**2,943**	**50,461**	**53,404**

	Number 000s	Nominal value US$'000	Share premium US$'000	Total US$'000
As at 1 January 2020	**789,586**	**1,080**	**45,679**	**46,759**
Shares issued during the period:				
Issued for services rendered	**17,322**	**23**	**107**	**130**
Closing balance at 31 December 2020	**806,908**	**1,103**	**45,786**	**46,889**

All Ordinary Shares are fully paid and carry one vote per share and the right to dividends. In the event of winding up the Company, Ordinary Shareholders rank after creditors. Ordinary Shares have a par value of £0.001 per share. Share premium represents the issue price of shares issued above their nominal value. As at the date of these financial statements, the Company has unused authority to issue up to 1,381,257,206 new Ordinary Shares.

No dividends were paid or declared during the current period (2020: nil).

NOTE 18: RESERVES

Merger reserve

The Merger reserve of US$9.7m relates to the reorganisation of ownership of Northsun Italia SpA, which occurred in the first half of 2017, being the difference between the value of shares issued and the nominal value of the subsidiary's shares received.

Other reserves

Share-based payments reserve

The increase in share-based payments reserve is attributable to the current period charge relating to options issued to Directors and management of the Company and warrants issued in consideration for services rendered, which was US$391k (2020: US$760k). US$nil (2020 US$593k) share options lapsed during the year and were recycled to accumulated losses.

Functional currency translation reserve

The translation reserve comprises all foreign currency differences arising from translation of the financial position and performance of the Parent Company and certain subsidiaries, which have a functional currency different to the Group's presentation currency of USD. The total loss on foreign exchange recorded in other reserves for the period was US$58k (2020: US$840k loss).

NOTE 19: DISCONTINUED OPERATIONS

At 31 December 2021, the Group classified the assets and liabilities of its Italian business (the "Italian portfolio") as a disposal group held for sale following a decision by the Board of Directors in 2019 to prioritise full divestment. Given the Italian business represents a separate geographical area of operation for the Group, the Italian results have also been treated as a discontinued operation.

In December 2019, the Group entered into a conditional sale and purchase agreement ("SPA") with Zenith Energy Ltd ("Zenith") for the sale of the Italian portfolio. The necessary Italian regulatory approvals for the disposal were not obtained prior to a long stop date of 31 July 2020 and, as such, the disposal was mutually terminated by the parties. However the criteria within IFRS 5 were considered to be met at 31 December 2020 because the Board of Directors remained committed to the divestment; this had been communicated to the market and indicative offers had been received from several other interested parties.

In May 2021, the Group entered into a new conditional sale and purchase agreement ("SPA") with Dubai Energy Partners, Inc ("DEPI") for the sale of the Italian Portfolio. Again, the necessary Italian regulatory approvals for the disposal were not obtained prior to a long stop date of 26 February 2022 and, as such, the disposal was terminated by the parties after the year end.

While the Italian portfolio is no longer for sale at 31 December 2021, the Board of Directors remained committed to the sale and were working in good faith towards the completion of the sale in accordance with the conditional SPA signed in May 2021.

The results of the Italian operations for the period are presented below:

	31 December 2021 US$'000	31 December 2020 US$'000
Revenue	**1,202**	803
Operating costs	**(971)**	(1,010)
Depreciation and amortisation expense	**-**	-
Gross profit/(loss)	**231**	(207)
Other income	**1,214**	41
General and administrative expenses	**(469)**	(661)
Change in rehabilitation provisions	**(25)**	523

Impairment losses	**(2,382)**	(910)
Loss from operating activities	**(1,431)**	(1,214)
Finance income	**-**	21
Finance expense	**(79)**	(82)
Loss before tax	**(1,510)**	(1,275)
Income tax benefit/(expense)	**-**	(923)
Loss for the period after tax	**(1,510)**	(2,198)

The major classes of assets and liabilities of the Italian operations classified as held for sale as at 31 December 2021 are as follows:

	31 December 2021 US$'000	31 December 2020 US$'000
Assets		
Property, plant and equipment	**3,499**	4,622
Exploration and evaluation assets	**1,574**	1,992
Right-of-use assets	**-**	108
Land	**396**	1,927
Deferred tax assets	**1,342**	1,455
Inventories	**163**	300
Trade and other receivables	**1,033**	958
Other financial assets		-
Cash	**217**	55
Total assets	**8.224**	11,417
Liabilities		
Trade and other payables	**1,298**	1,702
Lease liabilities	**-**	62
Provisions	**7,591**	9,157
Total liabilities	**8,889**	10,921
Net assets	**(665)**	496

The net cash flows of the Italian operations were as follows:

	31 December 2021 US$'000	31 December 2020 US$'000
Net cash flow from operating activities	(953)	(533)
Net cash flow from investing activities	1.195	(58)
Net cash flow from financing activities	(80)	480
Net cash inflow/(outflow)	162	(111)

As explained in note 2e, there were no specific impairments recorded in 2021 to oil and gas assets (producing assets within PPE and development assets within intangible assets). An impairment of US$137k was recorded on other PPE (office furniture and equipment) and right-of-use assets, representing the amount that would have otherwise been depreciated if IFRS 5 accounting was not applied. The disposal group as a whole was tested for impairment as required by IFRS 5. This resulted in an impairment of US$894k, which was allocated across non-current assets pro-rata.

Refer to note 15 for further discussion on the presentation of balances owing to and from Sound Energy, which relate to the disposal group.

NOTE 20: INVESTMENT IN, AND LOANS TO, SUBSIDIARIES

	Company 2021 US$'000	2020 US$'000
Cost		
At 1 January	**51,255**	51,812
Additions	**1,119**	-
Other adjustments	**-**	(557)
At 31 December	**52,374**	51,255
Accumulated impairment		
At 1 January	**(33,298)**	(32,222)
Impairment	**-**	(1,076)
At 31 December	**(33,298)**	(33,298)
Impact of foreign exchange	**160**	730
Net book value		
At 31 December	**19,236**	18,687

In March 2021, the Company acquired 100% of the issued capital of Global Energy Partnership Limited ("GEPL") in exchange for 142.5 million new Ordinary Shares in the Company at 0.4p per share, being the same price as the fundraise completed concurrently with the acquisition, resulting in a total value of consideration of £570k (US$754k), which together with transaction costs of US$379k was recorded as an investment in GEPL by the Company. Restated at the year-end exchange rate at 31 December 2021 the carrying value of the investment is US$1.1m.

In December 2020, an impairment of US$1.1m was recorded on the value of the Company's investment in Apennine Energy SpA, which is held indirectly through intermediate holding companies.

In October 2021, the Company made a legally binding commitment to invest US$500k into Coro Renewables VN1 Joint Stock Company ("CRV1"); however as at 31 December 2021, the investment had not been made and the carrying value of CRV1 in these consolidated financial statements is therefore recorded as US$nil.

The Company's subsidiary undertakings at the date of issue of these financial statements are set out below:

Name	Incorporated	Principal activity	% owned	Registered address
Apennine Energy SpA*	Italy	Exploration, development and production company	100%	Via XXV Aprile 5, San Donato Milanese, (MI) 2009, Italy
Coro Europe Limited*	England	Holding company	100%	c/o Watson Farley & Williams, 15 Appold Street, London EC2A 2HB, United Kingdom
Coro Energy Asia Limited*	England	Holding company	100%	c/o Watson Farley & Williams, 15 Appold Street, London EC2A 2HB, United Kingdom

Coro Energy Holdings Cell A Limited	England	Holding company	100%	c/o Watson Farley & Williams, 15 Appold Street, London EC2A 2HB, United Kingdom
Coro Energy (Singapore) Pte Ltd*	Singapore	Holding company	100%	80 Robinson Road #02-00, Singapore 068898
Coro Energy Bulu (Singapore) Pte Ltd*	Singapore	Holding company	100%	80 Robinson Road #02-00, Singapore 068898
Coro Energy Duyung (Singapore) Pte Ltd*	Singapore	Exploration and development company	100%	80 Robinson Road #02-00, Singapore 068898
Coro Asia Renewables Ltd†	Scotland	Holding company	100%	12 Traill Drive, Montrose DD10 8SW, Scotland
Coro Clean Energy Philippines Inc*	Philippines	Exploration and development company	100%	1008 The Infinity Tower, 26th Street, Bonifacio Global City, Taguig City, Fourth District, National Capital Region, Philippines, 1634.
Coro Philippines Project 109 Inc*	Philippines	Exploration and development company	100%	1008 The Infinity Tower, 26th Street, Bonifacio Global City, Taguig City, Fourth District, National Capital Region, Philippines, 1634
Coro Philippines Project 121 Inc*	Philippines	Exploration and development company	100%	1008 The Infinity Tower, 26th Street, Bonifacio Global City, Taguig City, Fourth District, National Capital Region, Philippines, 1634
Coro Philippines Project 128 Inc*	Philippines	Exploration and development company	100%	1008 The Infinity Tower, 26th Street, Bonifacio Global City, Taguig City, Fourth District, National Capital Region, Philippines, 1634
Coro Clean Energy Ltd	England	Holding company	100%	c/o Watson Farley & Williams, 15 Appold Street, London EC2A 2HB, United Kingdom
Coro Clean Energy Vietnam Ltd*	England	Holding company	100%	c/o Watson Farley & Williams, 15 Appold Street, London EC2A 2HB, United Kingdom
Coro Renewables VN1 Joint Stock Company*	Vietnam	Holding company	85%	110 Bui Ta Han Street, An Phu Ward, Thu Duc City, Ho Chi Minh City, Vietnam

Coro Renewables VN2 Company Ltd*	Vietnam	Holding company	85%	110 Bui Ta Han Street, An Phu Ward, Thu Duc City, Ho Chi Minh City, Vietnam
Coro Renewables Vietnam Company Ltd*	Vietnam	Exploration and development company	85%	110 Bui Ta Han Street, An Phu Ward, Thu Duc City, Ho Chi Minh City, Vietnam

* Indirectly held.
† Formerly Global Energy Partnership Limited, acquired on 17 March 2021.

The following subsidiaries are exempt from audit for the 2021 financial year under s479A of the Companies Act 2006: Coro Clean Energy Limited, Coro Energy Asia Limited, Coro Energy Holdings Cell A Limited, Coro Clean Energy Vietnam Limited, and Coro Asia Renewables Limited.

Loans to subsidiaries

	Company 2021 US$'000	2020 US$'000
Current		
Loans to subsidiaries	**666**	341
At 31 December	**666**	341

Loans to subsidiaries are unsecured, interest free and are repayable on demand. Loans are stated after an impairment of US$403k at the year-end exchange rate recorded in 2020 on loans to Apennine.

NOTE 21: FINANCIAL INSTRUMENTS

Carrying amount versus fair value

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows:

31 December 2021

	Group Carrying amount US$'000	**Fair value US$'000**
Financial assets		
Trade receivables (current and non-current)	**41**	**41**
Cash and cash equivalents	**3,334**	**3,334**
Financial liabilities		
Trade and other payables	**383**	**383**
Borrowings (current and non-current)	**26,637**	**26,637**

31 December 2020

	Group Carrying amount US$'000	**Fair value US$'000**
Financial assets		
Trade receivables (current and non-current)	**43**	43
Derivative financial instruments	**10**	10
Cash and cash equivalents	**1,706**	1,706
Financial liabilities		

Trade and other payables	**209**	209
Borrowings (current and non-current)	**25,049**	25,049

31 December 2021

	Company Carrying amount US$'000	**Fair value US$'000**
Financial assets		
Trade and intercompany receivables (current and non-current)	**616**	616
Loans to subsidiaries	**666**	666
Cash and cash equivalents	**3,269**	3,269
Financial liabilities		
Trade and other payables	**765**	765
Borrowings (current and non-current)	**26,637**	26,637

31 December 2020

	Company Carrying amount US$'000	Fair value US$'000
Financial assets		
Trade and intercompany receivables (current and non-current)	**402**	402
Loans to subsidiaries	**341**	341
Derivative financial instruments	**10**	10
Cash and cash equivalents	**1,480**	1,480
Financial liabilities		
Trade and other payables	**861**	861
Borrowings (current and non-current)	**25,049**	25,049

Determination of fair values

All the Group's financial instruments are carried at amortised cost with the exception of derivative financial instruments, which are recorded at fair value through profit and loss. The carrying value of trade and other receivables, cash and cash equivalents and trade and other payables approximates their fair value. Borrowings comprises the Group's Eurobond, which is listed on the Luxembourg Stock Exchange. To date, no bonds have been traded so carrying value is deemed to approximate fair value at the balance sheet date.

Financial risk management

Exposure to credit, market and liquidity risks arise in the normal course of the Group's business.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

Risk recognition and management are viewed as integral to the Group's objectives of creating and maintaining shareholder value, and the successful execution of the Group's strategy. The Board as a whole is responsible for oversight of the processes by which risk is considered for both ongoing operations and prospective actions. In specific areas, it is assisted by the Audit Committee.

Management is responsible for establishing procedures that provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

(i) Credit risk

The Group is exposed to credit risk on its cash and cash equivalents, trade and other receivables and derivative financial instruments. The maximum exposure to credit risk is represented by the carrying amount of each financial asset as shown in the table above and in note 19.

Credit risk with respect to cash is reduced through maintaining banking relationships with financial intermediaries with acceptable credit ratings. All banks with which the Group has a relationship have an investment grade credit rating and a stable outlook. according to recognised credit rating agencies.

The Group undertakes credit checks for all material new counterparties prior to entering into a contractual relationship.

(ii) Market risk

Interest rate risk

The Group is primarily exposed to interest rate risk arising from cash and cash equivalents that are interest bearing. The Group's Eurobond bears interest at a fixed rate. Interest rate risk is currently not material for the Group.

Currency risk

The Group operates internationally and is exposed to foreign exchange risk. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The Group's primary currency exposure is to Euros, which is the denomination of the Eurobond. The Group is also exposed to changes in the Sterling exchange rate against the US Dollar. The Group holds a majority of its cash in US Dollars, which is the currency in which the Group's investment expenditures in South East Asia are denominated. This gives rise to Sterling exposure due to a predominantly Sterling cost base in the UK. The Group's policy is to hedge up to 40% of Sterling exposure through simple forward contracts, which are recorded as derivative financial instruments in the balance sheet.

The Group's and Company's exposure to foreign currency risk at the end of the reporting period is summarised below. All amounts are presented in US Dollar equivalent.

	Group			
	2021	**2021**	2020	2020
	US$'000	**US$'000**	US$'000	US$'000
	USD	**EUR**	USD	EUR
Cash and cash equivalents	**2,649**	**113**	1,299	172
Trade and other payables	**(87)**	**(124)**	(4)	(4)
Borrowings (current and non-current)	**-**	**(26,637)**	-	(25,049)
Net exposure	**2,562**	**(26,648)**	1,295	(24,881)

	Company			
	2021	**2021**	2020	2020
	US$'000	**US$'000**	US$'000	US$'000
	USD	**EUR**	USD	EUR
Trade and other receivables (current and non-current)		**-**	204	-
Cash and cash equivalents	**2,649**	**86**	1,299	159
Loans to subsidiaries	**1,008**	**27**	-	341
Trade and other payables	**(87)**	**(1,694)**	(4)	(742)
Borrowings (current and non-current)	**-**	**(26,637)**	-	(25,049)
Net exposure	**3,570**	**(28,218)**	1,499	(25,291)

Sensitivity analysis

As shown in the table above, the Group is primarily exposed to changes in the GBP:USD exchange rate through its cash balance held in USD by the Company, and to changes in the GBP:EUR exchange rate due to the Eurobond denominated in EUR. The table below shows the impact in USD on pre-tax profit and loss of a 10% increase/decrease in the GBP to USD exchange rate, holding all other variables constant. Also shown is the impact of a 10% increase/decrease in the GBP to EUR exchange rate, being the other primary currency exposure.

	Group	**Company**
	US$'000	**US$'000**
31 December 2021		
USD:GBP exchange rate increases 10%	256	357
USD:GBP exchange rate decreases 10%	(233)	(325)
EUR:GBP exchange rate increases 10%	(2,665)	(2,822)
EUR:GBP exchange rate decreases 10%	2,423	2,565
31 December 2020		
USD:GBP exchange rate increases 10%	122	141
USD:GBP exchange rate decreases 10%	(111)	(128)
EUR:GBP exchange rate increases 10%	(2,340)	(2,267)
EUR:GBP exchange rate decreases 10%	2,127	2,061

(iii) Capital management

The Group's policy is to maintain a strong capital base so as to maintain creditor confidence and to sustain future development of the business, safeguard the Group's ability to continue as a going concern and provide returns for shareholders.

As explained further in note 16 and note 2c, the Group's Eurobonds were due to mature in April 2022 at 100% of par value plus any accrued and unpaid coupon.

In March 2022, the tranche B Noteholders approved the extension of the maturity of the tranche B bonds by two years to 12 April 2024 with an increase in the coupon to 10% accrued annually and payable on redemption.
In April 2022, the tranche A Noteholders approved the extension of the maturity of the tranche A bonds by two years to 12 April 2024 with an increase in the coupon to 10% accrued annually and payable on redemption.

(iv) Liquidity risk

The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due. Refer to the going concern statement in note 2c for further commentary.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts presented are the contractual undiscounted cash flows.

	Group				
31 December 2021	**Less than 6 months US$'000**	**6 to 12 months US$'000**	**Between 1 and 2 years US$'000**	**Between 2 and 5 years US$'000**	**Total contractual cash flows US$'000**
Trade and other payables	**383**	**-**	**-**	**-**	**383**
Borrowings	**26,637**	**-**	**-**	**-**	**26,637**
Total	**27,020**	**-**	**-**	**-**	**27,020**

31 December 2020	**Less than 6 months US$'000**	**6 to 12 months US$'000**	**Between 1 and 2 years US$'000**	**Between 2 and 5 years US$'000**	**Total contractual cash flows US$'000**
Trade and other payables	209	-	-	-	209
Borrowings	689	-	24,360	-	25,049
Total	898	-	24,360	-	25,258

	Company				
31 December 2021	**Less than 6 months US$'000**	**6 to 12 months US$'000**	**Between 1 and 2 years US$'000**	**Between 2 and 5 years US$'000**	**Total contractual cash flows US$'000**
Trade and other payables	**301**	**464**	**-**	**-**	**765**
Borrowings	**26,637**	**-**	**-**	**-**	**26,637**
Total	**26,938**	**464**	**-**	**-**	**27,402**

31 December 2020	**Less than 6 months US$'000**	**6 to 12 months US$'000**	**Between 1 and 2 years US$'000**	**Between 2 and 5 years US$'000**	**Total contractual cash flows US$'000**
Trade and other payables	123	738	-	-	861
Borrowings	689	-	24,360	-	25,049

Total	812	738	24,360	-	25,910

NOTE 22: SHARE-BASED PAYMENTS

Ordinary Shares

During 2021, the Company issued 12,413,794 (2020: 13,584,906) new Ordinary Shares to Align Research Services in lieu of cash compensation for services provided.

Share options and warrants

The following equity settled share-based awards have been made under the Company's discretionary share option plan:

	31 December 2021		31 December 2020	
	Average exercise price per option (pence)	**Number of options**	Average exercise price per option (pence)	Number of options
As at 1 January	4.38	58,000,000	4.38	83,000,000
Granted during the year	0.10	79,687,500	4.38	10,000,000
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	4.38	(35,000,000)
As at 31 December	1.90	137,687,500	4.38	58,000,000
Vested and exercisable at 31 December	4.38	48,000,000	-	-

All options vest after three years of continuous service with the Company, and that the mid-market closing price per Coro ordinary share on the last day of the three year vesting period is equal to or higher than 0.46 pence per ordinary share, being 15% above the placing price. Once vested, the Options may be exercised at any time until the sixth anniversary of grant.

The number of Options which will vest on the vesting date will depend on the Company's Total Shareholder Return ("TSR") over the 3 year performance period starting on the date of grant, compared to a comparator group of 20 energy companies selected by the Company's Remuneration Committee. The number of Options vesting will be calculated as follows:

Relative TSR	**Percentage of Options vesting on the Vesting Date**
Below median	0%
Median	30%
Upper decile	100%
Between median and upper decile	Straight-line vesting between 30% and 100%

Vested options are exerciseable at a price of 0.1p per new ordinary share.

The fair value of services rendered in return for share options is based on the fair value of share options granted and was measured using the Black-Scholes model.

The inputs used in the measurement of the options granted during the year are summarised in the table below, with the volatility estimate of 50% based on the Company's historical volatility:

	February 2021 options	**March 2021 options**
Fair value at grant date (p)	0.44	0.26
Share price at grant date (p)	0.53	0.37
Exercise price	0.10	0.10
Expected volatility	90%	90%
Option life	6 years	5 years 11 months
Risk-free interest rate (based on yield on five-year gilts)	0.08%	0.17%
Expiry date	22 February 2027	22 February 2027

p - British pence.

The fair value of the options granted are spread over the vesting period. The amount recognised in the income statement for the year ended 31 December 2021 was US$248k (2020: US$698k).

This 2020 charge included the accelerated vesting of options issued to two former directors who left the Company during the period. According to their respective option deeds, the options became immediately exercisable at their original exercise price of 4.38p per share for a period of three months following resignation. The options were not exercised and have lapsed.

The cumulative expense recognised for lapsed options of US$nil has been recycled to accumulated losses (2020: US$593k).

NOTE 23: INTERESTS IN OTHER ENTITIES

ion Ventures

In 2020, the Company acquired a 20.3% interest in ion Ventures Holdings Limited ("ion Ventures"). This investment is accounted for as an associate using the equity method.

ion Ventures, incorporated and domiciled in the UK, is a South East Asian and UK focused developer of clean energy projects, primarily energy storage.

Summarised financial information for ion Ventures, which has a financial year-end date of 31 December, is included below:

Summarised balance sheet	**31 December 2021 US$'000**	31 December 2020 US$'000
Current assets	**522**	642
Non-current assets	**2,907**	2,869
Current liabilities	**(833)**	(118)
Non-current liabilities	**(621)**	(112)
Net assets	**1,975**	3,281
Group's share in %	20.3%	20.3%
Group's share in US$	**401**	666

Summarised statement of comprehensive income	**31 December 2021 US$'000**	Two months ended 31 Dec 2020 US$'000
Revenue	**1,564**	2
Loss from continuing operations	**(1,227)**	(81)
Other comprehensive income	**-**	-
Total comprehensive income	**(1,227)**	(81)

As required by IAS 28 *Investment in Associates, the excess between the fair value of ion Ventures' net assets on acquisition date and the consideration paid for Coro's investment has been recorded as notional goodwill and is included within non-current assets in the table above.*

Duyung PSC

The Group's wholly owned subsidiary, Coro Energy Duyung (Singapore) Pte Ltd, is the owner of a 15% interest in the Duyung Production Sharing Contract ("PSC").

The Duyung PSC partners have entered into a Joint Operating Agreement ("JOA"), which governs the arrangement. Through the JOA, the Group has a direct right to the assets of the venture, and direct obligation for its liabilities. Accordingly, Coro accounts for its share of assets, liabilities and expenses of the venture in accordance with the IFRSs applicable to the particular assets, liabilities and expenses.

The operator of the venture is West Natuna Exploration Ltd ("WNEL"). WNEL is a company incorporated in the British Virgin Islands and its principal place of business is Indonesia.

Coro Renewables VN1 Joint Stock Company

In July 2021, the Group announced its intention to form a joint venture with Vinh Phuc Electrical Mechanical Installation Co Ltd, trading as Vinh Phuc Energy JSC ("VPE"), the joint venture ("CRV1") with the Company contributing US$500k in cash for an 85% share of the joint venture and VPE contributing its existing 150 MW project portfolio for a 15% share of the joint venture. In October 2021, a binding shareholder agreement was signed with VPE and the Group acquired an 85% interest in the newly incorporated Vietnamese company, Coro Renewables VN1 Joint Stock Company, which owns 100% of Coro Renewables VN2 Company Limited, which in tun owns 100% of Coro Renewables Vietnam Company Limited.

Background to the acquisition

VPE is a highly regarded local EPC contractor with a 150 MW project portfolio of rooftop solar projects in Vietnam and the investment meets a number of key strategic objectives for the Group, including:

- Acquiring VPE's pipeline of rooftop solar projects in Vietnam;
- Securing an experienced local partner with experience executing energy projects; and
- Building on the Company's investment in ion Ventures in 2020, and GEPL and the focus on South East Asia renewables.

Consideration for the acquisition

The Group has committed to an initial investment of US$500k into CRV1.

Revenue and profit contribution

At 31 December 2021, the three Vietnamese Companies had not commenced trading and the Group's initial US$500k contribution had not been transferred to Vietnam. There are therefore no transactions relating to CRV1, nor its subsidiary undertakings, recorded in these consolidated financial statements.

NOTE 24: CONTINGENCIES AND COMMITMENTS

Commitments

Coro's share of the 2022 Duyung Work Programme and Budget is estimated at US$1m, which will be allocated between items of capital expenditure and joint venture G&A.

Contingencies

The Group has no contingent liabilities.

NOTE 25: RELATED PARTY TRANSACTIONS

Key management personnel compensation

	2021 US$'000	2020 US$'000
Short-term benefits	885	596
Post-employment benefits	-	7
Share-based payments	221	597

Key management personnel consists of the Directors of the Company and Peter Christie (CFO) and Michael Carrington (COO) .

Other related party transactions

Echo Energy plc is considered a related party because two of the Company's Directors, James Parsons and Marco Fumagalli, were also Directors of Echo Energy plc during 2021. All transactions entered into between the companies are made on arm's length terms. There were no transactions with Echo Energy in 2021 or 2020.

CIP Merchant Capital Ltd ("CIP") is considered a related party of the Group under IAS 24 Related Party Transactions by virtue of its 18.7% (reduced in the year by dilution to 7.1%) shareholding and representation on the Board (one Director). There were no transactions with CIP during 2021 or 2020.

ion Ventures Holdings Limited is a related party due to the Company's 20.3% shareholding and ability to appoint one director to the Board of Directors of ion. There were no transactions between the two companies in 2021 or 2020 with the exception of Coro's initial £500k investment in ion.

Sound Energy plc is no longer considered a related party, with only Marco Fumagalli as a director in common between the two companies.

NOTE 26: SUBSEQUENT EVENTS

On 28 February 2022, the Company provided an update on the disposal of the Company's Italian portfolio. As previously announced on 27 May 2021, the Company signed a conditional share purchase agreement ("SPA") with Dubai Energy Partners, Inc ("DEPI"), an international oil and gas company focused on the acquisition of producing assets, in respect of the disposal by the Company of its Italian portfolio to DEPI. This SPA was conditional on, inter alia, the receipt of required regulatory approvals from the Italian authorities being received by 26 February 2022. These regulatory approvals have not been received and as such, the disposal was terminated by the parties, (see note 2e and note 20 for further explanation).

On 3 March 2022, the Company announced its proposals in respect of a restructuring of the Company's Luxembourg listed EUR 22.5m 5.0% secured notes (the "Notes").

The Noteholders approved the extension of the maturity of the Notes by two years to 12 April 2024 with an increase in the coupon to 10% accrued annually and payable on redemption. In addition, the Company undertook to the Noteholders that in the event of a sale of the Company's interest in the Duyung PSC to utilise the net cash proceeds of such disposal(s) to first repay the capital and rolled up interest on the Notes and thereafter to distribute 20% of remaining net proceed(s) to Noteholders. The remaining net proceeds of any sales would be retained and/or distributed to shareholders by the Company. (see note 2c and note 16 for further explanation).

NOTE 27: PUBLICATION OF ANNUAL REPORT

The Company confirms that the Company's annual report for the year ended 31 December 2021 (the "Annual Report") will be published by 30 June 2022 and copies of the Annual Report will shortly be available from the Company's website at www.coroenergyplc.com.

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