coro energy PLC

Supporting the regional transition to a low-carbon economy

Interim Report 2022

Stock code: CORO
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STATEMENT FROM THE CHAIRMAN

Coro 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 uniquely exposed to a leveraged play on the gas price alongside a growing Southeast Asian renewables portfolio.

The strengthening of commodity prices in the first half of 2022 has presented a significant opportunity to Coro with the re-valuation of the Italian Portfolio alongside a significant uplift in the core net asset value of the flagship Duyung PSC.

Coro has looked to quickly capitalise on these recent developments by seeking to dispose of its, now re-valued, Italian Portfolio and, together with the Operator, commercially de-risking the Duyung PSC. Recent progress on the Duyung PSC includes an updated PoD and an Operator CPR which include compelling economics and confirm the Director's view of the upside Coro shareholders are exposed to. We look forward to the signature of the long-awaited GSA at Duyung which we believe will be a key inflexion point for the Company and its partners.

My view remains that recent structural increases in global gas markets very much now favour Coro and the Mako gas field.

Oil & Gas

Italy

Following structural increases in global gas prices, the Company relaunched its Italian Portfolio earlier in the year. The Italian Portfolio has since delivered significant free cash flows for the Group. During the first six months of the year gas was produced from three fields: Sillaro, Casa Tiberi and Rapagnano. Production was 2,425,342 scm (H1 2021: 1,228,597 scm) and revenue was US $2,639,000 (EUR 2,556,000) (H1 2021: US $263,000 [EUR 219,046]). Operating costs and depreciation and amortisation expense during the first half of the year totalled US $1,345,000 (H1 2021: US $454,000) resulting in a gross profit of US $1,294,000 (H1 2021: gross loss of US $191,000). The H1 2022 increase in gross profit reflects both an increase in production and an increase in gas prices and the resulting revenue more than offset the increase in operating costs and depreciation and amortisation expenses.

Duyung

The Mako gas field is one of the largest gas discoveries (437 Bcf gross, full field) 2C (contingent recoverable resources) in the West Natuna Basin and, the Directors believe, the largest confirmed undeveloped resource in the area.

The Operator of the Duyung PSC is WNEL, a 100%-owned subsidiary of Conrad Asia Energy Ltd, and has continued to technically mature the development of the Mako gas field alongside negotiations of GSA(s), both in preparation for FID. Significant progress has been made post the period as detailed below.

Renewables

Vietnam

On 11 April 2022, Coro announced the entry into a 25-year PPA for its rooftop solar project in Vietnam.

The PPA was entered into by Coro Renewables Vietnam (85% owned by Coro and 15% owned by Coro's local partner Vinh Phuc Energy JSC) and will see Phong Phu, a listed Vietnamese high volume manufacturer of textiles, purchase 3MW of electricity annually.

Electricity will be supplied under the PPA at 7.3 US cents (equivalent) per kWh with a 1% annual escalator. The PPA is expected to generate aggregate revenues of between US $9m and US $11m over the 25-year duration.

On 30 August 2022, Coro announced the successful completion of installation of the Vietnam rooftop solar pilot project and the commencement of commissioning.

The 3-megawatt pilot project consists of over 4,500 solar panels and other ancillary components which have been installed across four factory roofs, and covers a total area of 16,120 square metres. The pilot project has been delivered on budget and on schedule and is now into a commissioning phase expected to be completed before the end of September 2022.

The pilot project will, on commissioning, provide proof of concept for Coro's portfolio of rooftop Solar opportunities and represents the Company's first installed and operated renewable energy project.

Coro continues to evaluate further solar projects in Vietnam.

Philippines

Coro has two development stage renewables projects in the Philippines, a 100MW solar project and a 100MW wind project which, allowing for permitting timelines and land access, could achieve ready-to-build status by the end of the year or the first half of 2023. In addition to the wind data gathering exercise, which has commenced with Lidar equipment onsite, further data gathering is proposed using a Met Mast. Coro is currently focused on securing land access alongside regulatory permits and approvals. Coro continues to evaluate further solar projects in the Philippines.

Corporate

On 11 April 2022, Coro announced the successful restructuring of the Company's EUR 22.5m Eurobond, now maturing in April 2024.

Coro has a strong funding position from a combination of its cash position of approximately US $1.6m (as at 30 June 2022), supported by the free cash flow from its Italian Portfolio and the Vietnam solar pilot, which is expected to be operational later this year.

Post Reporting Period

Duyung

As announced on 9 September 2022, the partners in the Duyung PSC approved an updated PoD and have approved and secured alignment with SKKMIGAS on the PoD. The PoD now been submitted to the Indonesian Ministry of Energy and Mineral Resources for approval. Coro holds a 15% interest in the Duyung PSC.

Coro also announced that an Operator commissioned CPR had been prepared by GaffneyCline Associates ("GCA") for the Mako development.

Based on the CPR there are compelling project economics:

- 51% IRR
- NPV10 net to Coro of US$ 87M (US$ 577M gross) in the Best Case (2C) scenario
- 42 Bcf net entitlement 2C resources to Coro during the PSC life
- Plateau production of 120 MMscf/d for six years in the Best Case (2C) scenario
- CPR capital expenditure requirement to first gas estimated at US$251M gross (US$38M net to Coro). Coro expects to secure a Reserve Based Lending facility for a large portion of the capital.

The CPR is closely aligned with the PoD and is premised on a two-phased development with six wells in phase 1 and a further two wells in phase 2 after 5 years of production. The wells will be tied back to a leased production platform at the field, with sales gas transported via the West Natuna Transportation System pipeline to Singapore for sales to the Singapore market. The development plan includes first gas in 2025, with a 120 MMscf/d production plateau and a gross recoverable 2C contingent resource of 413 Bcf gas total and 281 Bcf net entitlement attributable to the Duyung PSC JV partners (42 Bcf net to Coro) during the PSC life.

As reported in the CPR (dated 26 August 2022) and specified in the PoD revision, upside exists to increase the plateau rate to 150 MMscf/d, should reservoir deliverability be sufficient. GCA has confirmed Mako contingent resources that are broadly in agreement with the PoD as set out in the table below:

Duyung PSC - Contingent Resources, GCA Operator CPR

MAKO GAS FIELD (Bcf gas)	**CONTINGENT RESOURCES GROSS (100%)**			**CONTINGENT RESOURCES WITHIN PSC GROSS (100%) ***			**CONTINGENT RESOURCES NET ATTRIBUTABLE TO CORO (15%) ****		
Reservoir:	**Low**	**Best**	**High**	**Low**	**Best**	**High**	**Low**	**Best**	**High**

Upper sand, intermediate zone and Lower sand									
During Duyung PSC life	249	413	442	219	363	389	25	42	45
Requires Duyung PSC extension		24	336		21	296		2	34
Total	**249**	**437**	**779**	**219**	**384**	**685**	**25**	**44**	**79**

* the CPR estimates that 88% of the Mako field is within the PSC boundary
** after deduction of the 23% contractor take

The CPR, and the updated PoD, assumes first gas in 2025 and calculates the last economic production years prior to the current Duyung PSC expiry date for Low, Best and High cases of 2033, 2036 and 2036 respectively, which extend to 2039 and 2054 for the Best and High respectively, if the Duyung PSC is extended.

The CPR utilises a gas price of US$9.97/Mscf in 2025 which is calculated on a Brent linked price formula with a Brent slope of 12% and a Brent price deck of US$80/bbl in 2025, escalating 2% per annum from 2027 thereafter. Different gas prices may eventually be agreed with the gas buyers and the regulator when the GSAs are eventually signed. The CPR estimates that the post-tax NPV10 resulting from the Best Case Contingent Resources within the Duyung PSC acreage and within the life of the Duyung PSC (363 Bcf) is some US $577m (US $87m net to Coro) representing a 51% IRR.

Under the PoD and CPR, first gas from the Mako gas project is planned to be evacuated via the West Natuna Transportation System. The development will utilise a conductor support frame for one dry wellhead and gas import-export support, bridged-linked to a leased bridge linked mobile offshore production unit. The CPR Phase 1 capital expenditure is estimated to be US $251m and total capital expenditure will be US $303m. These estimates will be updated as a consequence of envisaged Front End Engineering and Design (“FEED”) studies. Coro expects to secure a Reserve Based Lending facility for a large portion of the capital.

The Operator has indicated that termed Gas Sales Agreements, for gas sold into Singapore, are under discussion with SKK Migas with a view to finalising sales arrangements in the near future.

Italy

Coro announced that it has entered into an Option Agreement with an existing operator in Italy (the “Optionholder”) to purchase the Company's Italian Portfolio for up to EUR 7.5m.

The Optionholder has the right to acquire 100% of the issued share capital of Coro Europe Limited, the Company's wholly owned subsidiary which in turn holds 100% of the issued share capital of Apennine Energy S.p.A, the Group entity holding the Company's interests in the Italian Portfolio. The Optionholder paid to the Group EUR 0.3 million in respect of the award of the Option (the "Option Payment").

Total receipts from a disposal pursuant to the Option of up to EUR 7.5m, of which EUR 6.0m would be paid in cash at or prior to completion, and further contingent payments of up to an aggregate of EUR 1.5m through a 10% net profit interest ("NPI") in the Italian Portfolio over the three years from the date of completion of any disposal of the Italian Portfolio under the Option Agreement.

The Company retains full ownership and cash flows from the Italian Portfolio prior to the completion of the disposal. The disposal of the Italian Portfolio under the Option would be subject to Coro shareholder approval pursuant to Rule 15 of the AIM Rules for Companies.

The proposed divestment is fully in line with the Company's strategic objectives, enabling Coro to focus exclusively on growing its oil, gas and clean energy portfolio in Southeast Asia where demand for energy and the opportunity for material expansion remain very strong.

The proposed divestment provides an immediate cash payment and the ability to retain cash flows from the Italian Portfolio in the near term prior to any disposal, whilst also securing a fixed priced exit. The combination of the Option cash consideration, the retained NPI and the cash flows delivered by the Italian Portfolio under Coro's continued ownership in the current gas price environment, would be expected by the Board to represent approximately EUR 10m.

James Parsons
Executive Chairman

FINANCIAL REVIEW

Results for the Period

Further to the relaunch of the Italian Portfolio and the requirements of IFRS 5 it was determined that at 30 June 2022 the assets were not held for sale. Therefore, for the half year, Italy has been reported as a continuing operation and the comparative numbers for 2021 restated as if the Italian Portfolio was not held for sale.

The Group made a loss after tax from continuing operations of US $3.0m (restated H1 2021: US $3.2m).

The increase in gross profit of US $1.1m from the Italian operation was offset by an increase in general and administrative costs of US $0.2m offset by an increase in finance costs of US $1.1m primarily due to a reduced unrealised foreign exchange gain on the Group's Eurobond compared to 2021.

Within G&A expenses, and as shown in more detail in note 4 below, the cost increase was primarily due to employee related costs with the other categories broadly offsetting each other.

Going Concern

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

The Group ended the period with cash of US $1.6m. The Group balance sheet records net current liabilities of US $2.8m due to the classification of the Group's Eurobond from current liabilities to non-current liabilities. The bonds are scheduled to mature on 12 April 2024.

Ewen Ainsworth
Chief Financial Officer

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Six Months Ended 30 June 2022

	Notes	**30 June 2022 $'000**	30 June 2021 Restated $'000
Revenue		**2,639**	263
Operating costs		**(1,133)**	(399)
Depreciation and amortisation expense		**(212)**	(55)
Gross profit / (loss)		**1,294**	(191)
General and administrative expenses	4	**(2,059)**	(1,843)
Depreciation expense		**(20)**	(50)
Impairment losses		**(1)**	(42)
Share of loss of associates		**(47)**	(65)
Loss from operating activities		**(833)**	(2,191)
Finance income		**404**	1,223
Finance expense		**(2,585)**	(2,243)
Net finance expense	4	**(2,181)**	(1,020)
Total loss for the period		**(3,014)**	(3,211)
Other comprehensive income/loss			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		**2,124**	(412)
Total comprehensive loss for the period		**(890)**	(3,623)
Loss attributable to:			
Owners of the company		**(3,011)**	(3,211)

Non-controlling interests		**(3)**	–
Total comprehensive loss attributable to:			
Owners of the company		**(888)**	(3,623)
Non-controlling interests		**(3)**	–
Basic loss per share from continuing operations ($)	5	**(0.0004)**	(0.0018)
Diluted loss per share from continuing operations ($)	5	**(0.0004)**	(0.0018)

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

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2022

	Notes	**30 June 2022** **$'000**	31 December 2021 Restated $'000
Non-current assets			
Inventory		**150**	163
Trade and other receivables		**11**	–
Deferred tax assets		**1,239**	1,342
Property, plant and equipment	6	**3,973**	3,905
Intangible assets	7	**20,325**	19,883
Investment in associates		**300**	401
Total non-current assets		**25,998**	25,694
Current assets			
Cash and cash equivalents		**1,616**	3,551
Trade and other receivables		**1,470**	1,139
Inventory		**37**	37
Total current assets		**3,123**	4,727
Total assets		**29,121**	30,421
Liabilities and equity			
Current liabilities			
Trade and other payables		**1,528**	1,723
Provisions		**188**	155
Lease liabilities		**217**	–
Borrowings	8	**–**	26,637
Total current liabilities		**1,933**	28,515
Non-current liabilities			
Provisions		**6,889**	7,436
Borrowings	8	**26,629**	–
Total non-current liabilities		**33,518**	7,436
Total liabilities		**35,451**	35,951
Equity			
Share capital	9	**2,943**	2,943
Share premium	9	**50,461**	50,461
Merger reserve		**9,707**	9,707
Other reserves	10	**6,396**	4,181
Non-controlling interests		**(3)**	–
Accumulated losses		**(75,834)**	(72,822)
Total equity		**(6,330)**	(5,530)
Total equity and liabilities		**29,121**	30,421

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Six Months Ended 30 June 2021

	Share capital $'000	Share premium $'000	Merger Reserve $'000	Other Reserves $'000	Accumulated Losses $'000	Total $'000
Balance at 1 January 2021	1,103	45,786	9,707	3,305	(64,837)	(4,935)
Total comprehensive loss for the period:						
Loss for the period	–	–	–	–	(3,211)	(3,211)
Other comprehensive income	–	–	–	(412)	–	(412)
Total comprehensive loss for the period	–	–	–	(412)	(3,211)	(3,623)
Transactions with owners recorded directly in equity:						
Issue of share capital	1,504	4,513	–	–	–	6,107
Share issue costs	–	(826)	–	–	–	(826)
Shares issued for business combination	198	590	–	–	–	788
Share based payments for services rendered	122	367	–	171	–	660
Issue of warrants	–	–	–	141	–	141
Balance at 30 June 2021	2,927	50,430	9,708	3,205	(68,048)	(1,778)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Six Months Ended 30 June 2022

	Share capital $'000	Share premium $'000	Merger Reserve $'000	Other Reserves $'000	Accumulated Losses $'000	Non-controlling interest $'000	Total $'000
Balance at 1 January 2022	**2,943**	**50,461**	**9,707**	**4,181**	**(72,823)**	**–**	**(5,531)**
Total comprehensive loss for the period:							
Loss for the period	**–**	**–**	**–**	**–**	**(3,011)**	**(3)**	**(3,014)**
Other comprehensive income	**–**	**–**	**–**	**2,124**	**–**	**–**	**2,124**
Total comprehensive loss for the period	**–**	**–**	**–**	**2,124**	**(3,011)**	**(3)**	**(890)**
Transactions with owners recorded directly in equity:							
Share based payments for services rendered	**–**	**–**	**–**	**91**	**–**	**–**	**91**
Balance at 30 June 2022	**2,943**	**50,461**	**9,707**	**6,396**	**(75,834)**	**(3)**	**(6,330)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Six Months Ended 30 June 2022

	30 June 2022	30 June 2021 Restated
	$'000	$'000
Cash flows from operating activities		
Receipts from customers	**2,425**	410
Payments to suppliers and employees	**(3,461)**	(2,157)
Interest paid	**–**	(661)
Net cash used in operating activities	**(1,036)**	(2,408)
Cash flow from investing activities		
Payments for property, plant & equipment	**(465)**	3
Payments for intangible assets	**(446)**	(71)
Net receipts from / (payments for) rehabilitation activities	**–**	102
Net cash (used in) / provided by investing activities	**(911)**	34
Cash flows from financing activities		
Proceeds from issue of shares	**–**	6,017
Share issue costs paid in cash	**–**	(528)
Principal element of lease payments	**–**	(36)
Net cash provided by / (used in) financing activities	**–**	5,453
Net (decrease) / increase in cash and cash equivalents	**(1,947)**	3,079
Cash and cash equivalents brought forward	**3,551**	1,761
Effects of exchange rate changes on cash and cash equivalents	**12**	(22)
Cash and cash equivalents carried forward	**1,616**	4,818

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Six Months Ended 30 June 2022

Note 1: Basis of preparation of the interim financial statements

The condensed consolidated interim financial statements of Coro Energy plc (the "Group") for the six month period ended 30 June 2022 have been prepared in accordance with Accounting Standard IAS 34 *Interim Financial Reporting*.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021, which was prepared under International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006, and any public announcements made by Coro Energy plc during the interim reporting period.

These condensed consolidated interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2021 prepared under IFRS have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498(2) of the Companies Act 2006. These condensed consolidated interim financial statements have not been audited.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Basis of preparation – going concern

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

Management prepared a consolidated cash flow forecast to the end of 2023 which 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 and the exercise of the option to acquire the Italian Portfolio. 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 and the exercise of the option to acquire the Italian Portfolio.

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 either Italy 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 Group ended the period with cash of $1.6m. The Group balance sheet records net current liabilities of $2.8m due to the classification of the Group's Eurobond from current liabilities to non-current liabilities. The bonds are scheduled to mature on 12 April 2024.

a) New and amended standards adopted by the Group

New and amended standards which became applicable on 1 January 2022 do not have a material impact on the Group, and the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards/amendments.

b) New accounting policies adopted by the Group

There were no new accounting policies adopted by the Group during the period, nor any amendments to existing accounting policies.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Six Months Ended 30 June 2022

Note 2: Significant changes

The financial position and performance of the Group was particularly affected by the following events and transactions during the six months to 30 June 2022:

- Restructuring of the Group's Eurobond borrowing whereby the maturity date was extended from 12 April 2022 to 12 April 2024, with all cash interest payments suspended until the final maturity date, along with an increase in the nominal coupon rate from 5% p.a. to 10% p.a. Refer to note 8;

- Reclassification of the Group's Italian gas business from discontinued operations to continuing operations. Refer to note 11.

For further discussion of the Group's performance and financial position refer to the Chairman and CEO's Statement.

The Group's results are not materially impacted by seasonality.

Note 3: 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, upstream gas operations and renewable energy operations in South East Asia, along with the corporate head office in the United Kingdom. This reflects the way information is presented to the Group's Chief Operating Decision Maker, which is the Chief Executive Officer.

	Italy		**Asia**		**UK**		**Total**	
	30 June 2022 $'000	30 June 2021 Restated $'000	**30 June 2022 $'000**	30 June 2021 Restated $'000	**30 June 2022 $'000**	30 June 2021 Restated $'000	**30 June 2022 $'000**	30 June 2021 Restated $'000
Depreciation and amortisation	**(223)**	(96)	**–**	–	**(9)**	(9)	**(232)**	(105)
Finance expense	**(57)**	(25)	**–**	–	**(2,528)**	(2,218)	**(2,585)**	(2,243)
Share of loss of associates	**–**	–	**–**	–	**(47)**	(65)	**(47)**	(65)
Segment loss before tax from continuing operations (2021 restated)	**803**	(456)	**(237)**	(80)	**(3,580)**	(2,675)	**(3,014)**	(3,211)

	Italy		**Asia**		**UK**		**Total**	
	30 June 2022 $'000	31 Dec 2021 Restated $'000	**30 June 2022 $'000**	31 Dec 2021 Restated $'000	**30 June 2022 $'000**	31 Dec 2021 Restated $'000	**30 June 2022 $'000**	31 Dec 2021 Restated $'000
Segment assets	**7,638**	8,224	**18,466**	17,985	**3,017**	4,212	**29,121**	30,421
Segment liabilities	**(7,664)**	(8,889)	**(151)**	(1,073)	**(27,636)**	(25,989)	**(35,451)**	(35,951)

Note 4: Profit and loss information

a) General and administrative expenses

General and administrative expenses in the income statement includes the following significant items of expenditure:

	30 June 2022 $'000	30 June 2021 Restated $'000
Employee benefits expense	**715**	524
Business development	**309**	530
Corporate and compliance costs	**494**	280
Investor and public relations	**135**	128
Other G&A	**214**	131
G&A – non-operated joint operations	**101**	79
Share based payments (note 9)	**91**	171
	2,059	1,843

b) Finance income / expense

	30 June 2022 $'000	30 June 2021 Restated $'000
Finance income		
Foreign exchange gains	**404**	1,223
Interest income	**–**	–
Finance expense		
Interest on borrowings	**(1,982)**	(2,218)
Finance charge on lease liabilities	**(8)**	–
Unrealised loss on foreign exchange	**(34)**	–
Accretion of rehabilitation provision	**(46)**	(25)
Foreign exchange losses	**(515)**	–
Net finance income / (expense)	**(2,181)**	(1,020)

Note 5: Loss per share

	30 June 2022	30 June 2021
Basic loss per share from continuing operations ($)	**(0.0004)**	(0.0018)
Diluted loss per share from continuing operations ($)	**(0.0004)**	(0.0018)

The calculation of basic loss per share from continuing operations was based on the loss attributable to shareholders of $3.0m (30 June 2021: $2.8m) and a weighted average number of ordinary shares outstanding during the half year of 2,124,035,967 (30 June 2021: 793,502,096).

Diluted loss per share from continuing 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Six Months Ended 30 June 2022

Note 6: Property, plant and equipment

	30 June 2022 $'000	31 December 2021 Restated $'000
Office furniture and equipment	**12**	10
Oil and gas assets	**3,496**	3,895
Assets under construction	**465**	–
	3,973	3,905

Reconciliation of the carrying amounts for each material class of intangible assets for the six months ended 30 June 2022 are set out below:

Oil and gas assets:

	30 June 2022 $'000
Carrying amount at beginning of period	3,895
Additions	108
Depreciation and amortisation	(212)
Retranslation differences	(295)
Carrying amount at end of period	3,496

Oil and gas assets relate to the Group's portfolio of oil and gas concessions in Italy. There were no indicators of impairment noted at 30 June 2022.

Assets under construction comprises only additions related to the construction of the Group's 3MW rooftop solar project in Vietnam.

Note 7: Intangible assets

	30 June 2022 $'000	31 December 2021 Restated $'000
Exploration and evaluation assets	**19,146**	19,114
Research and development assets	**415**	–
Software	**10**	15
Goodwill	**754**	754
	20,325	19,883

Reconciliation of the carrying amounts for each material class of intangible assets for the six months ended 30 June 2022 are set out below:

Exploration and evaluation assets:

	30 June 2022 $'000
Carrying amount at beginning of period	19,114
Additions	156
Retranslation differences	(124)
Carrying amount at end of period	19,146

Note 7: Intangible assets (continued)

Exploration and evaluation assets relates mainly to the Group's 15% interest in the Duyung PSC, which contains the Mako gas field. There were no indicators of impairment noted at 30 June 2022.

Research and development assets comprises only additions related to expenditure directly attributable to the design and development of identifiable and unique renewables projects controlled by the Group in the Philippines.

No impairment of goodwill was noted following testing performed at 30 June 2022.

Note 8: Borrowings

	30 June 2022 $'000	31 December 2021 $'000
Current		
Eurobond	–	26,637
	–	26,637
Non-current		
Eurobond	**26,629**	–
	26,629	–

Borrowings relates to €22.5m Eurobonds with attached warrants which were issued in 2019 to institutional investors. The bonds were issued in two equal tranches A and B, ranking *pari passu*, with Tranche A paying an annual 5% cash coupon and Tranche B accruing interest at 5% payable on redemption. The bonds were scheduled to mature on 12 April 2022 at 100% of par value plus any accrued and unpaid coupon. However, in April 2022 the Group completed a restructuring of the Eurobonds which extended the maturity date by two years to 12 April 2024, removed all cash interest payment obligations prior to the maturity date, and increased the coupon interest rate from 5% to 10%. In the event of a sale of the Group's interest in the Duyung PSC, the net cash proceeds of such disposal(s) will be utilised to first repay the capital and rolled up interest on the Eurobonds and thereafter to distribute 20% of remaining net proceed(s) to holders of the Eurobonds. The remaining net proceeds of any sales will be retained and/or distributed to shareholders by the Company.

Note 9: Share capital and share premium

	30 June 2022 Number 000's	**Nominal value $'000**	**Share Premium $'000**	**30 June 2022 Total $'000**
As at 1 January and 30 June 2022	**2,124,036**	**2,943**	**50,461**	**53,404**

	31 December 2021 Number 000's	Nominal value $'000	Share Premium $'000	31 December 2021 Total $'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 – 31 December 2021	2,124,036	2,943	50,461	53,404

Note 10: Reserves

a) Other reserves

Share based payments reserve

The Group issued 93,825,666 options under its existing Long Term Incentive Plan ("LTIP") during the period to directors and management. The options vest on the third anniversary of the grant date, provided the awardees remain employed by the Group and the mid-market closing price per Coro ordinary share on the last day of the vesting period is equal to or higher than 0.4275 pence per ordinary share. Assuming those conditions are met, the number of options which ultimately vest depends on the Company's Total Shareholder Return ("TSR") over the vesting period compared to a peer group of 20 companies. Vested options will be exercisable at 0.1p per ordinary share.

The options have been valued on the grant date using a Black Scholes model, resulting in a valuation of £0.0044 per award. The total value of the awards will be expensed over the vesting period in line with the requirements of IFRS 2.

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 gain on foreign exchange recorded in other reserves for the period was $2.1m (30 June 2021: $412k loss).

Note 11: Restatement of comparative period in relation to Italy

For the comparative period of 1 January 2021 to 30 June 2021, as well as at 31 December 2021, the Group classified the assets and liabilities of its Italian business as a disposal group held for sale following a decision by the Board of Directors to prioritise full divestment of the Group's Italian operations in the first half of 2019. 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 May 2021, the Group announced it had entered into a conditional Sale and Purchase Agreement ("SPA") with Dubai Energy Partners, Inc ("DEPI") to dispose of the Company's interest in Coro Europe Limited ("CEL"), which in turn owns Apennine Energy SpA ("AES"), for cash consideration of €300,000 (the "Disposal"). AES owns all the Group's gas properties in Italy. Completion of the Disposal was conditional on, inter alia, receipt of required regulatory approvals from the Italian authorities by 26 February 2022.

The Disposal had an economic effective date of 26 May 2021, however Coro continued to control CEL and AES. As a result, the Group continued to consolidate the results of CEL and AES in line with the requirements of IFRS 10. The required regulatory approvals to complete the Disposal were not received by 26 February 2022 and as such, the Disposal was terminated by the parties.

On 7 March 2022 the Group announced that having completed a full review of the Italian assets, it was decided that to maximise shareholder value, the Italian assets would no longer be marketed for sale and would instead be managed for value and cash flow. As such the Italian business no longer qualified as a disposal group or discontinued operation under IFRS 5 as at 30 June 2022 and for the six months then ended.

The comparative figures in these financial statements have been restated to show the Italian business as a part of continuing operations. The tables below set out the impact of this restatement on the comparative figures.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Six Months Ended 30 June 2022

Note 11: Restatement of comparative period in relation to Italy (continued)

Effect on the condensed consolidated balance sheet as at 31 December 2021:

	Figure previously reported $'000	Adjustment $'000	Restated $'000
Non-current assets			
Inventory	-	163	163
Deferred tax assets	-	1,342	1,342
Property, plant and equipment	10	3,895	3,905
Intangible assets	18,309	1,574	19,883
Investment in associates	401	-	401
Total non-current assets	18,720	6,974	25,694
Current assets			
Cash and cash equivalents	3,334	217	3,551
Trade and other receivables	106	1,033	1,139
Inventory	37	-	37
Total current assets	3,477	1,250	4,727
Assets of disposal group held for sale	8,224	(8,224)	-
Total assets	**30,421**	**-**	**30,421**
Liabilities and equity			
Current liabilities			
Trade and other payables	425	1,298	1,723
Provisions	-	155	155
Borrowings	26,637	-	26,637
Total current liabilities	27,062	1,453	28,515
Non-current liabilities			
Provisions	-	7,436	7,436
Total non-current liabilities	-	7,436	7,436
Liabilities of disposal gorup held for sale	8,889	(8,889)	
Total liabilities	**35,951**	**-**	**35,951**
Equity			
Share capital	2,943	-	2,943
Share premium	50,461	-	50,461
Merger reserves	9,707	-	9,707
Other reserves	4,181	-	4,181
Accumulated losses	(72,822)	-	(72,822)
Total equity	**(5,530)**	**-**	**(5,530)**
Total equity and liabilities	**30,421**	**-**	**30,421**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Six Months Ended 30 June 2022

Note 11: Restatement of comparative period in relation to Italy (continued)

Effect on the condensed consolidated statement of comprehensive income for the six months ended 30 June 2021:

	Figure previously reported $'000	Adjustment $'000	Restated $'000
Revenue	-	263	263
Operating Costs	-	(399)	(399)
Depreciation and amortisation expense	-	(55)	(55)
Gross profit / (loss)	-	(191)	(191)
Other income			
General and administrative expenses	(1,686)	(157)	(1,843)
Depreciation expense	(9)	(41)	(50)
Impairment losses	-	(42)	(42)
Share of loss of associates	(65)	-	(65)
Loss from operating activities	(1,760)	(431)	(2,191)
Finance income	1,223	-	1,223
Finance expense	(2,218)	(25)	(2,243)
Net finance income / (expense)	(995)	(25)	(1,020)
Loss before income tax expense	(2,755)	(456)	(3,211)
Income tax benefit/(expense)	-	-	-
Loss for the period from continuing operations	(2,755)	(456)	(3,211)
Loss for the period from discontinued operations	(456)	456	-
Total loss for the period	(3,211)	-	(3,211)
Other comprehensive income/loss			
Exchange differences on translation of foreign operations	(412)	-	(412)
Total comprehensive loss for the period	(3,623)	-	(3,623)
Loss attributable to:			
Owners of the company	(3,211)	-	(3,211)
Total comprehensive loss attributable to:			
Owners of the company	(3,623)	-	(3,623)

Note 12: Interests in other entities

Asia
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"), which contains the Mako gas field. The operator of the Duyung venture is West Natuna Exploration Ltd ("WNEL"). WNEL is a subsidiary of Conrad Petroleum Ltd and is incorporated in the British Virgin Islands with its principal place of business in Indonesia.

The Duyung PSC partners have entered into a Joint Operating Agreement ("JOA") which governs the arrangement. The Group 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 Group's wholly owned subsidiary, Coro Clean Energy Vietnam Limited owns 85% of the issued share capital of the 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 ("CRVCL").

Italy
The Group's wholly owned subsidiary, Apennine Energy SpA, holds production and exploration licences in Italy. See Note 11.

ion Ventures
In 2020, the Company acquired a 20.3% interest in ion Ventures Holdings Limited which is treated as an associate and accounted for under the equity method.

The Group's share of loss of associates for the six month period ended 30 June 2022 was $47k. There were no dividends declared or paid by associates during the period.

Note 13: Contingencies and commitments

Commitments

The remaining 2022 work program for the Duyung PSC is estimated at $1.0m net to the Group, of which approximately $0.8m is capital in nature. The Group has no other capital commitments.

Contingencies

As described in note 8, the Group has a contingent liability in relation to its Eurobond borrowing. In the event of a sale of the Group's interest in the Duyung PSC, the net cash proceeds of such disposal(s) will be utilised to first repay the capital and rolled up interest on the Eurobonds and thereafter to distribute 20% of remaining net proceed(s) to holders of the Eurobonds. As at 30 June 2022 the Directors' assessment is that there is no certainty over the likelihood of such a disposal, nor the quantum of the potential cash proceeds.

The Group has no contingent assets,

Note 14: Subsequent events

Entered into an Option Agreement with an existing operator in Italy to purchase the Company's Italian Portfolio for up to EUR 7.5m.

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