2 August 2022

Genel Energy plc
Unaudited results for the period ended 30 June 2022

Genel Energy plc ('Genel' or 'the Company') announces its unaudited results for the six months ended 30 June 2022.

Paul Weir, Interim Chief Executive of Genel, said:
"Our cash generation in the first half of the year has been exceptionally strong – driven by our low-cost, high-margin oil production and disciplined capital allocation. We remain focused on the delivery of our long-established strategy of putting capital to work to grow our production and cash generation, while retaining our resilience and paying a material and progressive dividend.

We generated $129 million in free cash flow and are well on track to generate over a quarter of a billion dollars of free cash flow for the full year. This continues to build our balance sheet strength and optionality, providing us with the funds to add the right assets at the right price. Our cash flow this year benefits from the recovery of receivables and our override payments, and we are focused on replacing these by building a portfolio that supports the resilience, sustainability, and progression of our material dividend."

Results summary ($ million unless stated)

	H1 2022	H1 2021	*FY 2021*
Average Brent oil price ($/bbl)	**108**	65	*71*
Production (bopd, working interest)	**30,420**	32,760	*31,710*
Revenue	**245.6**	151.5	*334.9*
EBITDAX[1]	**212.3**	123.1	*275.1*
Depreciation and amortisation	**(84.4)**	(81.8)	*(172.8)*
Impairment of oil and gas assets	**-**	-	*(403.2)*
Reversal of impairment of receivables	**12.8**	-	*24.1*
Operating profit / (loss)	**140.7**	41.3	*(276.8)*
Cash flow from operating activities	**216.3**	91.1	*228.1*
Capital expenditure	**74.7**	58.2	*163.7*
Free cash flow[2]	**128.7**	22.2	*85.9*
Cash	**412.1**	266.4	*313.7*
Total debt	**280.0**	280.0	*280.0*
Net cash / (debt)[3]	**141.3**	(2.2)	*43.9*
Basic EPS (¢ per share)	**45.4**	9.3	*(111.4)*
Dividends declared for the period (¢ per share)	**6**	6	*18*

1. EBITDAX is operating profit / (loss) adjusted for the add back of depreciation and amortisation, impairment of property, plant and equipment, impairment of intangible assets and reversal of impairment of receivables
2. Free cash flow is reconciled on page 8
3. Reported cash less IFRS debt (page 8)

Summary

- Material cash generation from low-cost and high-margin oil production:
  - Net production averaged 30,420 bopd in H1 2022 (H1 2021: 32,760 bopd)
  - Low production cost of $4.4/bbl and strength of oil price delivered a margin per barrel of $32/bbl (H1 2021: $20/bbl)
  - Free cash flow of $129 million (H1 2021: $22 million)
- Financial strength provides options for capital allocation:
  - $75 million of capital expenditure in H1 2022, of which $41 million was spent at Taq Taq and Tawke, and $27 million on Sarta appraisal
  - Genel took on operatorship at Sarta on 1 January 2022, with Sarta-5 and Sarta-1D subsequently being completed

- Cash of $412 million (31 December 2021: $314 million)
- Net cash of $141 million (31 December 2021: net cash of $44 million)

- A socially responsible contributor to the global energy mix:
  - Zero lost time injuries ('LTI') and zero tier one loss of primary containment events at Genel and TTOPCO operations
    - Two million work hours since the last LTI, as we seek to repeat the performance of six years without an LTI up to September 2021
  - As we mark 20 years of operations in the Kurdistan Region of Iraq ('KRI'), the Genel20 Scholars initiative has launched, with Genel funding the opportunity for 20 economically disadvantaged students to have a life-enhancing education at the American University of Kurdistan

Outlook

- Production guidance for 2022 maintained as around the same level as 2021, currently tracking between 30-31,000 bopd for the full-year
- 2022 capital expenditure guidance of between $140 million and $180 million tightened to $150 million to $170 million
- Genel expects free cash flow of over $250 million in 2022, pre dividend payments
- Appraisal at Sarta is ongoing, with results of the Sarta-6 well expected around the end of the year
- The Company continues to actively pursue new business opportunities, focused on production and cash generation
- The London seated international arbitration regarding Genel's claim for substantial compensation from the KRG following Genel's termination of the Miran and Bina Bawi PSCs is ongoing
- Interim dividend retained at 6¢ per share:
  - Ex-dividend date: 15 September 2022
  - Record date: 16 September 2022
  - Payment date: 14 October 2022

Enquiries:

Genel Energy Andrew Benbow, Head of Communications	+44 20 7659 5100
Vigo Consulting Patrick d'Ancona	+44 20 7390 0230

There will be a presentation for analysts and investors today at 0900 BST, with an associated webcast available on the Company's website, www.genelenergy.com.

This announcement includes inside information.

CEO STATEMENT

The first half of 2022 has generated exceptionally strong free cash flow. Our production remains robust, driven by the ongoing performance of Tawke, and the oil price has underpinned a leap in free cash flow to $129 million in the period. This further strengthens our balance sheet and provides us with an opportunity to invest in building out our portfolio and fulfil our goal of being a world-class creator of shareholder value.

A clear direction

Our strategy is well-established – generate cash, invest in growing production and cash generation, and pay a material and progressive dividend. The first half of the year delivers on the first rung of this strategy, with cash generation that equates to around a quarter of our current market capitalisation.

Management is focused on investing capital in order to increase long term resilient cash generation and support our progressive dividend long after the end of override and receivable recovery payments this year. We know exactly what we want to achieve and what we need to do to get there.

Seeking to add new income streams

Our first priority for investment remains our production portfolio. Tawke drilling continues apace, and we look forward to drilling a well at Taq Taq in the second half of the year. We have evolved into a fully-fledged operator through taking on the operatorship of Sarta, and while the asset has not yet lived up to production expectations, its production generated operational free cash flow in the first half of 2022, which contributes towards funding our ongoing appraisal work. We continue to work on improving production and we will learn more through our ongoing appraisal campaign from the results of Sarta-6.

Looking further ahead, we are excited by the opportunity that Somaliland presents. It is a geography that ticks all of the right boxes for new drilling. It is highly prospective, with geology analogous to prolific Yemen basins. It is onshore drilling with a clear route to market via the port of Berbera, and importantly there is the opportunity to make a huge difference to the lives of people in the local community. This is what we mean when we talk about having a portfolio that fits into a future of fewer and better natural resources projects, and we look forward to drilling a well around the end of 2023.

While Sarta retains upside potential, should Somaliland exploration be successful it will be some time before we see a positive impact on our cash flow, and hence our focus is firmly on putting our capital to work through the addition of new income streams. We continue to run the rule over opportunities, with strict criteria focused on near-term cash generation and the ability to support and grow our material dividend.

Making a positive impact

As we look forward to the impact we could have in Somaliland, we are celebrating 20 years of operations in the KRI. We are proud of the difference we have made in that time. Revenue generated from Taq Taq and Tawke for the KRG totals more than $21 billion, and Genel operations have formed new supply chains and supported tens of thousands of jobs. We have also had an impactful social investment programme, with over 250 projects having been completed.

As we mark the 20 year milestone, we are increasing the scope of our social ambitions. We were pleased to announce the launch of the Genel20 Scholars programme, which is set to provide the opportunity for disadvantaged students to have a life-enhancing education. Genel is funding scholarship opportunities for 20 high school graduates to pursue bachelor studies at the American University of Kurdistan. We look forward to updating you on other Genel20 initiatives as the year progresses.

We also aim to minimise our environmental impact and keep emissions as low as possible. The Peshkabir-Tawke gas project continues to capture otherwise flared gas, and phase 2 of this is set to start in Q4. Work is also ongoing at Sarta, and we are pleased to have completed the solar panel and battery storage unit at the Sarta-1D wellsite, powering production equipment and reducing the use of diesel generators, therefore lowering our emissions.

Outlook and dividend

We expect production to continue at around the same level as the first half of the year for the remainder of 2022. This production will continue to be materially cash generative, delivering over $250 million of free cash flow, boosted again by the receipt of override and receivable recovery payments.

Our focus is on continuing our material cash generation once these payments cease, and this is a key priority for our capital allocation going forward. Also a priority is paying our well-established material and sustainable dividend, and our interim dividend has been maintained at 6¢ per share. It is our clear strategic goal to utilise our balance sheet to add long-term cash generation that would support the progression of this dividend.

OPERATING REVIEW

Production

(bopd)	**Gross production H1 2022**	**Net production H1 2022**	***Gross production H1 2021***	***Net production H1 2021***
Tawke	106,700	26,680	*111,140*	*27,780*
Taq Taq	4,850	2,130	*6,490*	*2,860*
Sarta	5,380	1,610	*7,080*	*2,120*
Total	**116,930**	**30,420**	*124,710*	*32,760*

Production of 30,420 bopd is a decrease of 7% on the prior year period, a result of ongoing declines at our mature producing fields and pilot production at Sarta falling due to interference between wells having a negative impact.

PRODUCING ASSETS

<u>Tawke PSC (25% working interest)</u>

Gross production of 106,700 bopd, with a high-level of activity maintained throughout H1 2022.

<u>Sarta (30% working interest)</u>

Gross production of 5,380 bopd in H1 2022, 1,610 bopd net to Genel.

In the first half of 2022 we have sought to optimise production from existing Mus-Adaiyah take points at Sarta-1D, 2 and 3, diversify our source of production to add incremental barrels through two ongoing pilot production tests of the Najmah and Butmah reservoirs, while lifting the constraint of produced water storage through the successful, low-cost conversion of the legacy Sarta-4 site into a water disposal well.

As we explore avenues to optimise production, overall field production reduced to an average of c.4,000 bopd in June as Mus-Adaiyah production at Sarta-2 was temporarily suspended while we successfully gained access to and restimulated the Najmah reservoir. The Najmah is producing in line with initial expectations having recovered 70,000 incremental barrels of 15.5 API oil to date. At Sarta-1D a pilot production test of the Butmah (a new resource discovered by the Sarta-1D well) has been ongoing since early July. In line with the test results the interval has produced a mix of oil and water with 50,000 incremental barrels of 29 API oil recovered to date.

Plans are being crystalised to continue the Najmah production test through a recompletion at Sarta-3, planned for Q4 2022, allowing for higher volume Mus-Adaiyah production to resume from Sarta-2. To optimise Mus-Adaiyah production from Sarta-2 we are procuring Electrical Submersible Pumps that when fitted will add incremental barrels and maximise production under the steadily increasing water cut and declining pressures observed in that reservoir.

Alongside optimising pilot production, appraisal has been a key focus for this year. While the results of well testing at Sarta 5 disappointed, as a consequence of the poor reservoir quality intersected at this location, the multiple oil shows in combination with the oil recovered to surface from the Najmah demonstrate that there may be more to play for in this south-eastern portion of the licence and appropriate next steps in its appraisal are under consideration.

At Sarta-6, the second potentially high-impact appraisal well, the well has reached target depth, logging has been undertaken and the well is being completed. Testing is now set to begin in November, following a change to a more cost-efficient rigless testing model. Plans have been progressed to quickly capitalise on any success at Sarta-6 through immediately adding it to production. Should the well disappoint, focus will revert to maximising the value of the cash generative high-margin production in and around the existing production hub.

As we develop the field we will continue to focus on emissions. The installation of a solar panel and battery storage unit at the Sarta-1D wellsite completed in July. This development is intended to power production equipment at the site, which will reduce the use of diesel generators and therefore lower emissions.

<u>Taq Taq (44% working interest, joint operator)</u>
Taq Taq continues to perform at the top end of expectations ahead of a resumption of drilling. As the margins at Taq Taq have increased a well is expected to spud around the end of 2022.

PRE-PRODUCTION ASSETS
<u>Somaliland</u>
Following the successful farm-out in December 2021, preparation is under way for the drilling of a well on the highly prospective SL10B13 block. The prospect to be drilled has been identified, agreed with our partner, and an optimal well location selected in order to best target the stacked Mesozoic reservoir objectives with individual prospective resource estimates ranging from 100 to 200 MMbbls.

<u>Qara Dagh (40% working interest, operator)</u>
The evaluation of the QD-2 well and its results is underway, with a decision on licence next steps to be taken later this year.

<u>Morocco</u>
A Petroleum Agreement is set to be signed with ONHYM for the Lagzira license, following which a farm-out campaign is scheduled to commence later this year.

FINANCIAL REVIEW
Overview of financial performance
The ongoing strength of the oil price has led to a material year on year increase in our net income after cost recovered capital expenditure, despite a small decrease in production.

Our material cash generation once again more than funds our capital allocation priorities, with capital expenditure in the first half of 2022 focused firmly on the ongoing appraisal of Sarta, and the payment of our material and progressive final dividend, which was paid in June and represented an increase by of 20% on the year before.

Overall we generated $129 million in free cash flow in the first half of the year, resulting in cash of $412 million, and a net cash position of $141 million.

(all figures $ million)	**H1 2022**	H1 2021	FY 2021
Brent average oil price	**$108/bbl**	$65/bbl	$71/bbl
Revenue	**245.6**	151.5	334.9
Production costs	**(24.1)**	(21.7)	(45.9)
Cost recovered production asset capex	**(41.3)**	(19.3)	(49.9)
Production business net income after cost recovered capex	**180.2**	110.5	239.1
G&A (excl. non-cash)	**(8.6)**	(6.7)	(12.4)
Net cash interest[2]	**(12.5)**	(13.1)	(26.1)
Working capital	**(38.2)**	(12.2)	(19.7)
Payments for deferred receivables	**46.3**	13.6	35.1
Changes to payment days	**-**	(30.4)	(65.0)
Free cash flow before investment in growth	**167.2**	61.7	151.0
Pre-production capex	**(33.4)**	(38.9)	(88.6)
Working capital and other	**(5.1)**	(0.6)	23.5
Free cash flow	**128.7**	22.2	85.9
Dividend paid	**(32.3)**	(29.0)	(44.4)
Other	**2.0**	(0.3)	(1.3)
Net change in cash before 2020 refinancing	**98.4**	(7.1)	40.2
(Repayment) / new issuance of bonds	-	(81.0)	(81.0)
Net change in cash	**98.4**	(88.1)	(40.8)
Cash	**412.1**	266.4	313.7
Amounts owed for deferred receivables[1]	***68.3***	*145.0*	*114.6*

[1] Nominal value of deferred receivables is $30.5 million (H1 2021: $107.2 million, FY 2021: $76.8 million) and $37.8 million of invoiced override revenue where payment was suspended from March 2020 to December 2020 (see note 1)
[2] Net cash interest is bond interest payable less bank interest income (see note 5)

Financial priorities of 2022
The table below summarises our progress against the 2022 financial priorities of the Company as set out at our 2021 results.

2022 financial priorities	**Progress**
• Maintain our financial strength and put that financial strength to work through investing in growth opportunities	• Material cash generation • Material recovery of deferred receivables • Net cash increased • Progression of Sarta appraisal
• Maximise NPV by prioritising highest value investment in assets with ongoing or near-term cash and value generation	• Focus of capital allocation on cash generative investment in the Tawke PSC, restart of drilling at Taq Taq expected in H2, and production optimisation ongoing at Sarta
• Deliver 2022 work programme on time and on budget	• Work programme progressing, capital expenditure guidance maintained
• Continue to focus on growing our income streams and cash generation, bringing greater resilience and diversity to the business and supporting our sustainable and progressive dividend programme	• Allocation of capital to Sarta appraisal programmes • Continue to explore value-accretive additions

Dividend
The Company is committed to a sustainable and progressive dividend that is supported by resilient, diversified and predictable production and a robust cash generation outlook.

At the full year results, the Board approved a 20% increase in the final dividend, with payments relating to the 2021 financial year totalling $44 million. This is now our baseline dividend, which is material and sustainable for the foreseeable future, even after the end of override and receivable recovery payments.

It is our intention to progress the dividend in line with the progression of the underlying business. We are focused on utilising our strong balance sheet to build our production and cash generation outlook both organically and through asset acquisitions. This is a key priority. Should we be able to progress our portfolio while still retaining a material cash balance, we will explore other options to maximise shareholder value, including optimising our debt position and the payment of a special dividend.

The payment timetable for the Interim dividend, retained at 6¢ per share, is below:

- Ex-dividend date: 15 September 2022
- Record date: 16 September 2022
- Payment date: 14 October 2022

Financial results
Income statement

(all figures $ million)	**H1 2022**	H1 2021	FY 2021
Brent average oil price	**$108/bbl**	$65/bbl	$71/bbl
Production (bopd, working interest)	**30,420**	32,760	31,710
Profit oil	**88.4**	57.6	120.6
Cost oil	**70.8**	43.3	100.4
Override royalty	**86.4**	50.6	113.9
Revenue	**245.6**	151.5	334.9
Production costs	**(24.1)**	(21.7)	(45.9)
G&A (excl. depreciation and amortisation)	**(9.2)**	(6.7)	(13.9)
EBITDAX	**212.3**	123.1	275.1
Depreciation and amortisation	**(84.4)**	(81.8)	(172.8)
Impairment / write-off of intangible assets	**-**	-	(403.2)
Reversal of impairment of receivables	**12.8**	-	24.1
Net finance expense	**(14.6)**	(15.7)	(31.0)
Income tax expense	**-**	-	(0.2)
Profit / (Loss)	**126.1**	25.6	(308.0)

Despite the decrease in working interest production of 30,420 bopd (H1 2021: 32,760 bopd), revenue has increased from $152 million to $246 million principally caused by the higher Brent oil price.

Production costs of $24 million increased from the prior period (H1 2021: $22 million), with cost per barrel $4.4/bbl in H1 2022 (H1 2021: $3.7/bbl). Both increases have been caused principally by lower production.

General and administration costs were $9 million (H1 2021: $7 million), of which corporate cash costs were $8 million (H1 2021: $6 million).

The increase in revenue resulted in a similar increase to EBITDAX, which was $212 million (H1 2021: $123 million). EBITDAX is presented in order to illustrate the cash profitability of the Company, and excludes the impact of costs attributable to exploration activity, which tend to be one-off in nature, and the non-cash costs relating to depreciation, amortisation, impairments and write-offs.

Depreciation of $56 million (H1 2021: $59 million) and Tawke intangibles amortisation of $28 million (H1 2021: $23 million) were broadly in line with last period in total.

Bond interest expense of $13 million (H1 2021: $13 million) was in line with previous period.

In relation to taxation, under the terms of the KRI production sharing contracts, corporate income tax due is paid on behalf of the Company by the KRG from the KRG's own share of revenues, resulting in no corporate income tax payment required or expected to be made by the Company. Tax presented in the income statement was related to taxation of the service companies (H1 2022: nil, H1 2021: nil).

Capital expenditure
Capital expenditure is the aggregation of spend on production assets ($41 million) and pre-production assets ($33 million) and is reported to provide investors with an understanding of the quantum and nature of capital investment. Capital expenditure for the period was $75 million, predominantly focused on production assets and the Sarta PSC ($27 million):

(all figures $ million)	**H1 2022**	H1 2021	FY 2021
Cost recovered production capex	**41.4**	19.3	49.9
Pre-production capex – oil	**27.0**	15.3	55.4
Pre-production capex – gas	**-**	1.3	5.0
Other exploration and appraisal capex	**6.3**	22.3	53.4
Capital expenditure	**74.7**	58.2	163.7

Cash flow, cash, net cash and debt
Gross proceeds received totalled $254 million (H1 2021: $123 million), of which $66 million (H1 2021: $29 million) was received for the override royalty and $46 million (H1 2021: $14 million) for receivable recovery.

(all figures $ million)	**H1 2022**	H1 2021	FY 2021
Brent average oil price	**$108/bbl**	$65/bbl	$71/bbl
EBITDAX	**212.3**	123.1	275.1
Working capital	**4.0**	(32.0)	(47.0)
Operating cash flow	**216.3**	91.1	228.1
Producing asset cost recovered capex	**(33.1)**	(21.1)	(46.9)
Development capex	**(22.2)**	(16.0)	(41.6)
Exploration and appraisal capex	**(17.7)**	(16.8)	(24.1)
Interest and other	**(14.6)**	(15.0)	(29.6)
Free cash flow	**128.7**	22.2	85.9

Free cash flow is presented in order to illustrate the free cash generated for equity. Free cash flow was $129 million (H1 2021: $22 million) with an overall increase mainly as a result of higher Brent.

(all figures $ million)	**H1 2022**	H1 2021	FY 2021
Free cash flow	**128.7**	22.2	85.9
Dividend paid	**(32.3)**	(29.0)	(44.4)
Other	**2.0**	(0.3)	(1.3)
Bond refinancing	**-**	(81.0)	(81.0)
Net change in cash	**98.4**	(88.1)	(40.8)
Opening cash	**313.7**	354.5	354.5
Closing cash	**412.1**	266.4	313.7
Debt reported under IFRS	**(270.8)**	(268.6)	(269.8)
Net cash / (debt)	**141.3**	(2.2)	43.9

The 2025 bonds have two financial covenant maintenance tests:

Financial covenant	Test	H1 2022
Equity ratio (Total equity/Total assets)	> 40%	61%
Minimum liquidity	> $30m	$412 million

Net assets
Net assets at 30 June 2022 were $677 million (31 December 2021: $581 million) and consist primarily of oil and gas assets of $528 million (31 December 2021: $539 million), trade receivables of $157 million (31 December 2021: $158 million) and net cash of $141 million (31 December 2021: $44 million net cash).

Liquidity / cash counterparty risk management
The Company monitors its cash position, cash forecasts and liquidity on a regular basis. The Company holds surplus cash in treasury bills or on time deposits with a number of major financial institutions. Suitability of banks is assessed using a combination of sovereign risk, credit default swap pricing and credit rating.

Going concern
The Directors have assessed that the Company's forecast liquidity provides adequate headroom over forecast expenditure for the 12 months following the signing of the half-year condensed consolidated financial statements for the period ended 30 June 2022 and consequently that the Company is considered a going concern.

The Company is in a net cash position with no near-term maturity of liabilities.

Principal risks and uncertainties
The Company is exposed to a number of risks and uncertainties that may seriously affect its performance, future prospects or reputation and may threaten its business model, future performance, solvency or liquidity. The following risks are the principal risks and uncertainties of the Company, which are not all of the risks and uncertainties faced by the Company: the development and recovery of oil reserves; reserve replacement; M&A activity; the KRI natural resources industry and regional risk (see update on Iraqi Federal Supreme Court ruling below); corporate governance failure; capital structure and financing; local community support; the environmental impact of oil and gas extraction; and health and safety risks. Further detail on many of these risks was provided in the 2021 Annual Report.

Update on Iraqi Federal Supreme Court ruling
As noted in our Annual Report, the Iraq Federal Supreme Court handed down a majority judgement on 15 February 2022 that purported to deem the oil and gas law regulating the oil industry in Kurdistan unconstitutional.

Following the Federal Supreme Court ruling, the KRG issued a statement stating that the ruling was 'unjust, unconstitutional, and violates the rights and constitutional authorities of the Kurdistan Region', also stating that it 'will take all constitutional, legal, and judicial measures to protect and preserve all contracts made in the oil and gas sector.'

Genel also notes reports of decisions made in absentia on 4 July in the Baghdad Commercial Court against Genel and several International Oil and Gas companies operating in Kurdistan. Any such decision was made without Genel having formal legal representation.

The PSCs that Genel subsidiaries are a party to were signed with the KRG and are governed by English law. Genel continues to monitor the situation closely and is working proactively with advisors in the UK, US, Erbil, and Baghdad, and is in dialogue with the KRG and other stakeholders to protect the interests of the Company. Refer also to the principal risks and uncertainties update set out on pages 9 and 10.

Genel also notes the ongoing case, commenced in 2014, by the Federal Government of Iraq against Botas and the Turkish Government relating to the Iraq-Turkey Pipeline, which is being heard in the International Chamber of Commerce's International Court of Arbitration in Paris.

Statement of directors' responsibilities
The directors confirm that these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and that the interim management report includes a true and fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The directors of Genel Energy plc are listed in the Genel Energy plc Annual Report for 31 December 2021. A list of current directors is maintained on the Genel Energy plc website: www.genelenergy.com

By order of the Board

Paul Weir
Interim CEO
1 August 2022

Luke Clements
CFO
1 August 2022

Disclaimer
This announcement contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil & gas exploration and production business. Whilst the Company believes the expectations reflected herein to be reasonable in light of the information available to them at this time, the actual outcome may be materially different owing to factors beyond the Company's control or within the Company's control where, for example, the Company decides on a change of plan or strategy. Accordingly, no reliance may be placed on the figures contained in such forward looking statements.

Condensed consolidated statement of comprehensive income

For the period ended 30 June 2022

	Note	**Unaudited 6 months to 30 June 2022 $m**	Unaudited 6 months to 30 June 2021 $m	Audited Year to 31 Dec 2021 $m
Revenue	3	**245.6**	151.5	334.9
Production costs	4	**(24.1)**	(21.7)	(45.9)
Depreciation and amortisation of oil assets	4	**(84.3)**	(81.7)	(172.7)
Gross profit		**137.2**	48.1	116.3
Impairment / write-off of intangible assets	4,8	**-**	-	(403.2)
Reversal of impairment of receivables	4,10	**12.8**	-	24.1
General and administrative costs	4	**(9.3)**	(6.8)	(14.0)
Operating profit / (loss)		**140.7**	41.3	(276.8)

Operating profit / (loss) is comprised of:				
EBITDAX		***212.3***	*123.1*	*275.1*
Depreciation and amortisation	*4*	***(84.4)***	*(81.8)*	*(172.8)*
Impairment / write-off of intangible assets	*4,8*	***-***	*-*	*(403.2)*
Reversal of impairment of receivables	*4,10*	***12.8***	*-*	*24.1*

Finance income	5	**0.5**	0.1	0.2
Bond interest expense	5	**(13.0)**	(13.2)	(26.3)
Other finance expense	5	**(2.1)**	(2.6)	(4.9)
Profit / (Loss) before income tax		**126.1**	25.6	(307.8)
Income tax expense	6	**-**	-	(0.2)
Profit / (Loss) and total comprehensive income / (expense)		**126.1**	25.6	(308.0)
Attributable to:				
Owners of the parent		**126.1**	25.6	(308.0)
		126.1	25.6	(308.0)
Earnings / (Loss) per ordinary share		**¢**	¢	¢
Basic	7	**45.4**	9.3	(111.4)
Diluted	7	**45.0**	9.2	(111.4)
Underlying[1]		**40.8**	9.3	25.8

[1] Underlying EPS / (LPS) is loss and total comprehensive income / (expense) adjusted for the add back of impairment / write-off of intangible assets, and reversal of impairment receivables divided by weighted average number of ordinary shares.

Condensed consolidated balance sheet
At 30 June 2022

	Note	**Unaudited 30 June 2022 $m**	Unaudited 30 June 2021 $m	Audited 31 Dec 2021 $m
Assets				
Non-current assets				
Intangible assets	8	**165.1**	704.9	186.8
Property, plant and equipment	9	**362.4**	367.6	352.5
Trade and other receivables	10	**-**	31.4	18.4
		527.5	1,103.9	557.7
Current assets				
Trade and other receivables	10	**165.0**	95.9	145.0
Cash and cash equivalents		**412.1**	266.4	313.7
		577.1	362.3	458.7
Total assets		**1,104.6**	1,466.2	1,016.4
Liabilities				
Non-current liabilities				
Trade and other payables		**(3.5)**	(103.7)	(4.9)
Deferred income		**(10.0)**	(16.5)	(14.0)
Provisions		**(45.4)**	(47.6)	(42.6)
Interest bearing loans	11	**(270.8)**	(268.6)	(269.8)
		(329.7)	(436.4)	(331.3)
Current liabilities				
Trade and other payables		**(91.8)**	(93.2)	(97.5)
Deferred income		**(6.5)**	(7.5)	(6.5)
		(98.3)	(100.7)	(104.0)
Total liabilities		**(428.0)**	(537.1)	(435.3)
Net assets		**676.6**	929.1	581.1
Owners of the parent				
Share capital		**43.8**	43.8	43.8
Share premium		**3,914.1**	3,962.9	3,947.5
Accumulated losses		**(3,281.3)**	(3,077.6)	(3,410.2)
Total equity		**676.6**	929.1	581.1

Condensed consolidated statement of changes in equity
For the period ended 30 June 2022

	Share capital $m	Share premium $m	Accumulated losses $m	Total equity $m
At 1 January 2021	43.8	3,991.9	(3,105.9)	929.8
Profit and total comprehensive expense	-	-	25.6	25.6
Contributions by and distributions to owners				
Share-based payments	-	-	3.0	3.0
Purchase of shares for employee share awards	-	-	(0.3)	(0.3)
Dividends provided for or paid[1]	-	(29.0)	-	(29.0)
At 30 June 2021 (Unaudited)	43.8	3,962.9	(3,077.6)	929.1
At 1 January 2021	43.8	3,991.9	(3,105.9)	929.8
Loss and total comprehensive expense	-	-	(308.0)	(308.0)
Contributions by and distributions to owners				
Share-based payments	-	-	5.0	5.0
Purchase of shares for employee share awards	-	-	(1.3)	(1.3)
Dividends provided for or paid[1]	-	(44.4)	-	(44.4)
At 31 December 2021 (Audited) and 1 January 2022	43.8	3,947.5	(3,410.2)	581.1
Profit and total comprehensive income	**-**	**-**	**126.1**	**126.1**
Contributions by and distributions to owners				
Share-based payments	**-**	**-**	**2.8**	**2.8**
Dividends paid[1]	**-**	**(33.4)**	**-**	**(33.4)**
At 30 June 2022 (Unaudited)	**43.8**	**3,914.1**	**(3,281.3)**	**676.6**

[1] The Companies (Jersey) Law 1991 does not define the expression "dividend" but refers instead to "distributions". Distributions may be debited to any account or reserve of the Company (including share premium account).

Condensed consolidated cash flow statement
For the period ended 30 June 2022

	Note	**Unaudited 30 June 2022 $m**	Unaudited 30 June 2021 $m	Audited 31 Dec 2021 $m
Cash flows from operating activities				
Profit / (Loss) for the year		**126.1**	25.6	(308.0)
Adjustments for:				
Net finance expense	5	**14.6**	15.7	31.0
Taxation	6	**-**	-	0.2
Depreciation and amortisation		**85.9**	83.0	175.3
(Reversal) / Impairment write-off	4	**(12.8)**	-	379.1
Other non-cash items		**(3.7)**	(2.9)	(5.4)
Changes in working capital:				
Decrease / (Increase) in trade receivables		**11.8**	(25.9)	(42.4)
(Increase) in other receivables		**(0.5)**	-	(0.4)
(Decrease) in trade and other payables		**(5.5)**	(4.3)	(1.4)
Cash generated from operations		**215.9**	91.2	228.0
Interest received	5	**0.5**	-	0.2
Taxation paid		**(0.1)**	(0.1)	(0.1)
Net cash generated from operating activities		**216.3**	91.1	228.1
Cash flows from investing activities				
Net payments of intangible assets		**(17.3)**	(16.8)	(24.1)
Net payments of property, plant and equipment		**(55.3)**	(37.1)	(88.5)
Net cash used in investing activities		**(72.6)**	(53.9)	(112.6)
Cash flows from financing activities				
Dividends paid to company's shareholders		**(32.3)**	(29.0)	(44.4)
Purchase of own shares		**-**	(0.3)	(1.3)
Bond refinancing: part-settlement and new issuance	11	**-**	(81.0)	(81.0)
Other		**-**	(1.7)	(3.3)
Interest paid		**(13.0)**	(13.3)	(26.3)
Net cash used in financing activities		**(45.3)**	(125.3)	(156.3)
Net increase / (decrease) in cash and cash equivalents		**98.4**	(88.1)	(40.8)
Cash and cash equivalents at the beginning of the period / year		**313.7**	354.5	354.5
Cash and cash equivalents at the end of the period / year		**412.1**	266.4	313.7

Notes to the consolidated financial statements

1. Basis of preparation
Genel Energy Plc – registration number: 107897 (the Company) is a public limited company incorporated and domiciled in Jersey with a listing on the London Stock Exchange. The address of its registered office is 12 Castle Street, St Helier, Jersey, JE2 3RT.

The half-year condensed consolidated financial statements for the six months ended 30 June 2022 are unaudited and have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, with Article of 106 of the Companies (Jersey) Law 1991 and with IAS 34 'Interim Financial Reporting' as adopted by the European Union and were approved for issue on 1 August 2022. They do not comprise statutory accounts within the meaning of Article 105 of the Companies (Jersey) Law 1991. The half-year condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRS as adopted by the European Union. The annual financial statements for the period ended 31 December 2021 were approved by the board of directors on 14 March 2022. The report of the auditors was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under the Article 113A of Companies (Jersey) Law 1991. The financial information for the year to 31 December 2021 has been extracted from the audited accounts.

Items included in the financial information of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The condensed consolidated financial statements are presented in US dollars to the nearest million ($ million) rounded to one decimal place, except where otherwise indicated.

Going concern
The Company regularly evaluates its financial position, cash flow forecasts and its compliance with financial covenants by considering multiple combinations of oil price, discount rates, production volumes, payments, capital and operational spend scenarios.

The Company has reported cash of $412.1 million, with no debt maturing until the second half of 2025 and significant headroom on both the equity ratio and minimum liquidity financial covenants. The strength of the balance sheet is expected to be enhanced through 2022 and into 2023.

The Company's low-cost assets and flexibility on commitment of capital mean that it is resilient to low oil prices, with the only customer, the KRG, demonstrating its ability to pay consistently in times of financial stress. There is considered to be sufficient cash in the business and still more room for flexibility if needed given the nature of the discretionary capex planned.

Longer term, our low-cost, low-carbon assets, located in a region where oil revenues provide a material proportion of funding to the government and its people means that we are well positioned to address the appropriate challenges and demands that climate change initiatives are bringing to the sector. Given the footprint and the benefit to society generated, we see our portfolio as being well-positioned for a future of fewer and better natural resources projects, while the global energy mix continues to require hydrocarbons.

As a result, the Directors have assessed that the Company's forecast liquidity provides adequate headroom over its forecast expenditure for the 12 months following the signing of the half-year condensed consolidated financial statements for the period ended 30 June 2022 and consequently that the Company is considered a going concern.

2. Summary of significant accounting policies

The accounting policies adopted in preparation of these half-year condensed consolidated financial statements are consistent with those used in preparation of the annual financial statements for the year ended 31 December 2021.

The preparation of these half-year condensed consolidated financial statements in accordance with IFRS requires the Company to make judgements and assumptions that affect the reported results, assets and liabilities. Where judgements and estimates are made, there is a risk that the actual outcome could differ from the judgement or estimate made. The Company has assessed the following as being areas where changes in judgements or estimates could have a significant impact on the financial statements.

Significant judgements

The significant judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements include recognition of revenue generated by the override royalty which is explained in the context of the significant estimates below.

Significant estimates

The following are the critical estimates that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Estimation of hydrocarbon reserves and resources and associated production profiles and costs

Estimates of hydrocarbon reserves and resources are inherently imprecise and are subject to future revision. The Company's estimation of the quantum of oil and gas reserves and resources and the timing of its production, cost and monetisation impact the Company's financial statements in a number of ways, including: testing recoverable values for impairment; the calculation of depreciation, amortisation and assessing the cost and likely timing of decommissioning activity and associated costs. This estimation also impacts the assessment of going concern and the viability statement.

Proved and probable reserves are estimates of the amount of hydrocarbons that can be economically extracted from the Company's assets. The Company estimates its reserves using standard recognised evaluation techniques. Assets assessed as having proven and probable reserves are generally classified as property, plant and equipment as development or producing assets and depreciated using the units of production methodology. The Company considers its best estimate for future production and quantity of oil within an asset based on a combination of internal and external evaluations and uses this as the basis of calculating depreciation and amortisation of oil and gas assets and testing for impairment under IAS 36.

Hydrocarbons that are not assessed as reserves are considered to be resources and the related assets are classified as exploration and evaluation assets. These assets are expenditures incurred before technical feasibility and commercial viability is demonstrable. Estimates of resources for undeveloped or partially developed fields are subject to greater uncertainty over their future life than estimates of reserves for fields that are substantially developed and being depleted and are likely to contain estimates and judgements with a wide range of possibilities. These assets are considered for impairment under IFRS 6.

Once a field commences production, the amount of proved reserves will be subject to future revision once additional information becomes available through, for example, the drilling of additional wells or the observation of long-term reservoir performance under producing conditions. As those fields are further developed, new information may lead to revisions.

Assessment of reserves and resources are determined using estimates of oil and gas in place, recovery factors and future commodity prices, the latter having an impact on the total amount of recoverable reserves.

Estimation of oil and gas asset values (note 8 and 9)

Estimation of the asset value of oil and gas assets is calculated from a number of inputs that require varying degrees of estimation. Principally oil and gas assets are valued by estimating the future cash flows based on a combination of reserves and resources, costs of appraisal, development and production, production profile and future sales price and discounting those cash flows at an appropriate discount rate.

Future costs of appraisal, development and production are estimated taking into account the level of development required to produce those reserves and are based on past costs, experience and data from similar assets in the region, future petroleum prices and the planned development of the asset. However, actual costs may be different from those estimated.

Discount rate is assessed by the Company using various inputs from market data, external advisers and internal calculations resulting in a post-tax nominal discount rate of 13% derived from the Company's weighted average cost of capital (WACC) . Risking factors are also used alongside the discount rate when the Company is assessing exploration and appraisal assets.

Estimation of future oil price and netback price
The estimation of future oil price has a significant impact throughout the financial statements, primarily in relation to the estimation of the recoverable value of property, plant and equipment and intangible assets. It is also relevant to the assessment of ECL, going concern and the viability statement.

The Company's forecast of average Brent oil price for future years is based on a range of publicly available market estimates and is summarised in the table below:

$/bbl	**2022**	**2023**	**2024**	**2025**
HY2022 forecast	**100**	**90**	**80**	**70**
YE2021 forecast	*75*	*75*	*70*	*70*
HY2021 forecast	*65*	*65*	*65*	*65*

The netback price is used to value the Company's revenue, trade receivables and its forecast cash flows used for impairment testing and viability. It is the aggregation of Brent oil price average less transportation costs, handling costs and quality adjustments. The Company does not have direct visibility on the components of the netback price realised for its oil because sales are managed by the KRG, but invoices are currently raised for payments on account using a netback price agreed with the KRG.

Estimation of the recoverable value of deferred receivables (note 10)
At the end of March 2020, in line with other International Oil Companies (IOCs) in Kurdistan, the KRG informed the Company that payments owed for sales made in the four months from November 2019 to February 2020 would be deferred. For Genel this amounted to $120.8 million. This resulted in an impairment to receivables of $34.9 million.

Since January 2021, the KRG has been paying amounts owed under a reconciliation model.

At 30 June all amounts owed for deferred receivables have been requested for payment and are expected to be collected by 30 September 2022 and as a result the Company has released the remaining ECL provision of $10.8 million.

The Company has provided the detailed disclosures required by IFRS 9 ECL assessment in note 10.

Recognition of revenue generated by the override royalty, arising from the RSA
Since 2017 when the RSA was signed, the Company has received override revenue from Tawke sales. At the end of March 2020, the KRG informed the Company that this override income was suspended for a minimum period up to December 2020. Because management did not have visibility on how or when this contractual right would be received, it assessed that the criteria for revenue recognition under IFRS15, specifically on payment terms and collectability, have not been met. The total amount of override revenue for the period between 1 March 2020 to 31 December 2020 that has not been recognised is $37.8 million.

The KRG has communicated that override income owed will be paid by the reconciliation model explained above. Final position on resolution on this has not yet been reached and with receipt of cash still dependent on oil price and production, the revenue will be recognised once cash has been received and there is clarity on quantum.

Decommissioning provision
Decommissioning provisions are calculated from a number of inputs such as costs to be incurred in removing production facilities and site restoration at the end of the producing life of each field and that require varying degrees of estimation. These inputs are based on the Company's best estimate of the expenditure required to settle the present obligation at the end the period inflated at 2% (2021: 2%) and discounted at 4% (2021: 4%). The cash flows relating to the decommissioning and abandonment provisions are expected to occur between 2028 and 2043.

Taxation
Under the terms of KRI PSC's, corporate income tax due is paid on behalf of the Company by the KRG from the KRG's own share of revenues, resulting in no corporate income tax payment required or expected to be made by the Company. It is not known at what rate tax is paid, but it is estimated that the current tax rate would be between 15% and 40%. If this was known it would result in a gross up of revenue with a corresponding debit entry to taxation expense with no net impact on the income statement or on cash. In addition, it would be necessary to assess whether any deferred tax asset or liability was required to be recognised.

New standards
The following new accounting standards, amendments to existing standards and interpretations are effective on 1 January 2022. Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (All issued 14 May 2020). Nothing has been early adopted, and these standards are not expected to have a material impact on the Company's results or financials statement disclosures in the current or future reporting periods.

The following new accounting standards, amendments to existing standards and interpretations have been issued but are not yet effective and/or have not yet been endorsed by the EU: Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current (1 Jan 2023), Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (1 Jan 2023), Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (1 Jan 2023), Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (1 Jan 2023), Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (1 Jan 2023), IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (1 Jan 2023).

3. Segmental information

The Company has two reportable business segments: Production and Pre-production. Capital allocation decisions for the production segment are considered in the context of the cash flows expected from the production and sale of crude oil. The production segment is comprised of the producing fields on the Tawke PSC (Tawke and Peshkabir), the Taq Taq PSC (Taq Taq) and the Sarta PSC (Sarta) which are located in the KRI and make sales predominantly to the KRG. The pre-production segment is comprised of discovered resource held under the Qara Dagh PSC, the Bina Bawi PSC (derecognised in 2021) and the Miran PSC (derecognised in 2021), all in the KRI and exploration activity, principally located in Somaliland and Morocco. 'Other' includes corporate assets, liabilities and costs, elimination of intercompany receivables and intercompany payables, which are non-segment items.

For the 6-month period ended 30 June 2022

	Production $m	Pre-production $m	Other $m	Total $m
Revenue from contracts with customers	**238.8**	**-**	**-**	**238.8**
Revenue from other sources	**6.8**	**-**	**-**	**6.8**
Cost of sales	**(108.4)**	**-**	**-**	**(108.4)**
Gross profit	**137.2**	**-**	**-**	**137.2**
Reversal of impairment of receivables	**10.8**	**-**	**2.0**	**12.8**
General and administrative costs	**-**	**-**	**(9.3)**	**(9.3)**
Operating profit / (loss)	**148.0**	**-**	**(7.3)**	**140.7**
Operating profit / (loss) is comprised of				
EBITDAX	**221.5**	**-**	**(9.2)**	**212.3**
Depreciation and amortisation	***(84.3)***	**-**	***(0.1)***	***(84.4)***
Reversal of impairment of receivables	***10.8***	**-**	***2.0***	***12.8***
Finance income	-	-	**0.5**	**0.5**
Bond interest expense	**-**	-	**(13.0)**	**(13.0)**
Other finance expense	**(1.2)**	**(0.1)**	**(0.8)**	**(2.1)**
Profit / (Loss) before income tax	**146.8**	**(0.1)**	**(20.6)**	**126.1**
Capital expenditure	**68.4**	**6.3**	**-**	**74.7**
Total assets	**626.1**	**97.1**	**381.4**	**1,104.6**
Total liabilities	**(120.5)**	**(17.6)**	**(289.9)**	**(428.0)**

Revenue from contracts with customers includes $79.5 million (30 June 2021: $46.5 million, 31 December 2021: $101.9 million) arising from the 4.5% royalty interest on gross Tawke PSC revenue ("the ORRI").

Total assets and liabilities in the other segment are predominantly cash and debt balances.

For the 6-month period ended 30 June 2021

	Production $m	Pre-production $m	Other $m	Total $m
Revenue from contracts with customers	147.4	-	-	147.4
Revenue from other sources	4.1	-	-	4.1
Cost of sales	(103.4)	-	-	(103.4)
Gross profit	48.1	-	-	48.1
General and administrative costs	-	-	(6.8)	(6.8)
Operating profit / (loss)	48.1	-	(6.8)	41.3
Operating profit / (loss) is comprised of				
EBITDAX	129.8	-	(6.7)	123.1
Depreciation and amortisation	*(81.7)*	-	*(0.1)*	*(81.8)*
Bond interest expense	-	-	(13.2)	(13.2)
Other finance expense	(0.8)	(0.4)	(1.3)	(2.5)
Profit / (Loss) before income tax	47.3	(0.4)	(21.3)	25.6
Capital expenditure	34.6	23.6	-	58.2
Total assets	687.8	575.3	203.1	1,466.2
Total liabilities	(137.1)	(109.8)	(290.2)	(537.1)

For the 12-month period ended 31 December 2021

	Production $m	Pre-production $m	Other $m	Total $m
Revenue from contracts with customers	322.9	-	-	322.9
Revenue from other sources	12.0	-	-	12.0
Cost of sales	(218.6)	-	-	(218.6)
Gross profit	116.3	-	-	116.3
Write-off of intangible asset	-	(403.2)	-	(403.2)
Reversal of impairment on receivables	24.1	-	-	24.1
General and administrative costs	-	-	(14.0)	(14.0)
Operating profit / (loss)	140.4	(403.2)	(14.0)	(276.8)
Operating profit / (loss) is comprised of				
EBITDAX	289.0	-	(13.9)	275.1
Depreciation and amortisation	(172.7)	-	(0.1)	(172.8)
Write-off of intangible assets	-	(403.2)	-	(403.2)
Reversal of impairment of receivables	24.1	-	-	24.1
Finance income	-	-	0.2	0.2
Bond interest expense	-	-	(26.3)	(26.3)
Other finance expense	(2.1)	(0.2)	(2.6)	(4.9)
Profit / (Loss) before income tax	138.3	(403.4)	(42.7)	(307.8)
Capital expenditure	105.3	58.4	-	163.7
Total assets	644.0	88.3	284.1	1,016.4
Total liabilities	(118.2)	(22.4)	(294.7)	(435.3)

4. Operating profit / (loss)

	6 months to 30 June 2022 $m	6 months to 30 June 2021 $m	Year to 31 December 2021 $m
Operating costs	**(23.9)**	(21.5)	(45.5)
Trucking costs	**(0.2)**	(0.2)	(0.4)
Production cost	**(24.1)**	(21.7)	(45.9)
Depreciation of oil and gas property, plant and equipment	**(56.3)**	(58.6)	(115.1)
Amortisation of oil and gas intangible assets	**(28.0)**	(23.1)	(57.6)
Cost of sales	**(108.4)**	(103.4)	(218.6)
Impairment / write-off of intangible assets (note 8)	**-**	-	(403.2)
Reversal of impairment of receivables (note 10)	**12.8**	-	24.1
Corporate cash costs	**(8.6)**	(6.2)	(12.2)
Other operating expenses	**-**	-	(0.2)
Corporate share-based payment expense	**(0.6)**	(0.5)	(1.5)
Depreciation and amortisation of corporate assets	**(0.1)**	(0.1)	(0.1)
General and administrative expenses	**(9.3)**	(6.8)	(14.0)

Trucking costs are not cost-recoverable and relate to the Sarta licence only, where production is in its early stages.

5. Finance expense and income

	6 months to 30 June 2022 $m	6 months to 30 June 2021 $m	Year to 31 December 2021 $m
Bond interest	**(13.0)**	(13.2)	(26.3)
Other finance expense (non-cash)	**(2.1)**	(2.6)	(4.9)
Finance expense	**(15.1)**	(15.8)	(31.2)
Bank interest income	**0.5**	0.1	0.2
Finance income	**0.5**	0.1	0.2
Net finance expense	**(14.6)**	(15.7)	(31.0)

Bond interest payable is the cash interest cost of the Company bond debt. Other finance expense (non-cash) primarily relates to the discount unwind on the bond and the asset retirement obligation provision.

6. Income tax expense

Current tax expense is incurred on profits of service companies. Under the terms of the KRI PSCs, the Company is not required to pay any cash corporate income taxes as explained in note 1.

7. Earnings / (Loss) per share

Basic

Basic earnings / (loss) per share is calculated by dividing the profit / (loss) attributable to owners of the parent by the weighted average number of shares in issue during the period.

	6 months to 30 June 2022	6 months to 30 June 2021	Year to 31 December 2021
Profit / (Loss) attributable to owners of the parent ($m)	**126.1**	25.6	(308.0)
Weighted average number of ordinary shares – number [1]	**277,842,136**	275,446,155	276,408,652
Basic earnings / (loss) per share – cents per share	**45.4**	9.3	(111.4)

[1] Excluding shares held as treasury shares

Diluted

The Company purchases shares in the market to satisfy share plan requirements so diluted earnings per share is adjusted for performance shares, restricted shares, share options and deferred bonus plans not included in the calculation of basic earnings per share. Because the Company reported a loss for the year ended 31 December 2021, the performance shares, restricted shares and share options are anti-dilutive and therefore diluted LPS is the same as basic LPS:

	6 months to 30 June 2022	6 months to 30 June 2021	Year to 31 December 2021
Profit / (Loss) attributable to owners of the parent ($m)	**126.1**	25.6	(308.0)
Weighted average number of ordinary shares – number[1]	**277,842,136**	275,446,155	276,408,652
Adjustment for performance shares, restricted shares, share options and deferred bonus plans	**2,222,629**	3,067,145	-
Weighted average number of ordinary shares and potential ordinary shares	**280,064,765**	278,513,300	276,408,652
Diluted earnings / (loss) per share – cents per share	**45.0**	9.2	(111.4)

[1] Excluding shares held as treasury shares

8. Intangible assets

Cost	Exploration and evaluation assets $m	Tawke RSA $m	Other assets $m	Total $m
At 1 January 2021	1,541.5	425.1	7.4	1,974.0
Additions	23.6	-	0.1	23.7
Discount unwind of contingent consideration	4.7	-	-	4.7
Other	0.3	-	-	0.3
At 30 June 2021	1,570.1	425.1	7.5	2,002.7
At 1 January 2021	1,541.5	425.1	7.4	1,974.0
Additions	33.2	-	0.1	33.3
Other	1.3	-	-	1.3
Derecognition of accumulated costs	(1,005.3)	-	-	(1,005.3)
Write-off in the year	(489.3)	-	-	(489.3)
At 31 December 2021 and 1 January 2022	81.4	425.1	7.5	514.0
Additions	**6.3**	**-**	**-**	**6.3**
At 30 June 2022	**87.7**	**425.1**	**7.5**	**520.3**
Accumulated amortisation and impairment				
At 1 January 2021	(1,005.3)	(262.1)	(7.2)	(1,274.6)
Amortisation charge for the period	-	(23.1)	(0.1)	(23.2)
At 30 June 2021	(1,005.3)	(285.2)	(7.3)	(1,297.8)
At 1 January 2021	(1,005.3)	(262.1)	(7.2)	(1,274.6)
Amortisation charge for the period	-	(57.6)	(0.3)	(57.9)
Derecognition of accumulated impairment	1,005.3	-	-	1,005.3
At 31 December 2021 and 1 January 2022	-	(319.7)	(7.5)	(327.2)
Amortisation charge for the period	**-**	**(28.0)**	**-**	**(28.0)**
At 30 June 2022	**-**	**(347.7)**	**(7.5)**	**(355.2)**
Net book value				
At 1 January 2021	536.2	163.0	0.2	699.4
At 30 June 2021	564.8	139.9	0.2	704.9
At 31 December 2021 and 1 January 2022	81.4	105.4	-	186.8
At 30 June 2022	**87.7**	**77.4**	**-**	**165.1**

Book value		**30 June 2022 $m**	30 June 2021 $m	31 Dec 2021 $m
Bina Bawi PSC	*Discovered gas and oil, appraisal*	**-**	367.4	-
Miran PSC	*Discovered gas and oil, appraisal*	**-**	122.6	-
Somaliland PSC	*Exploration*	**11.0**	35.2	10.6
Qara Dagh PSC	*Exploration / Appraisal*	**76.7**	39.6	70.8
Exploration and evaluation assets		**87.7**	564.8	81.4
Tawke overriding royalty		**5.2**	56.2	27.5
Tawke capacity building payment waiver		**72.2**	83.7	77.9
Tawke RSA assets		**77.4**	139.9	105.4

9. Property, plant and equipment

Cost	Producing assets $m	Other Assets $m	Total $m
At 1 January 2021	3,036.3	22.6	3,058.9
Additions	34.6	0.2	34.8
Net change in payable	(5.0)	-	(5.0)
Other[1]	2.5	-	2.5
At 30 June 2021	3,068.4	22.8	3,091.2
At 1 January 2021	3,036.3	22.6	3,058.9
Additions	69.3	0.4	69.7
Right-of-use assets	-	1.5	1.5
Transfer of right-of-use assets	7.4	(7.4)	-
Other[1]	4.2	-	4.2
At 31 December 2021 and 1 January 2022	3,117.2	17.1	3,134.3
Additions	**64.0**	**0.9**	**64.9**
Other[1]	**3.6**	**-**	**3.6**
At 30 June 2022	**3,184.8**	**18.0**	**3,202.8**
Accumulated depreciation and impairment			
At 1 January 2021	(2,651.4)	(11.8)	(2,663.2)
Depreciation charge for the period	(58.6)	(1.8)	(60.4)
At 30 June 2021	(2,710.0)	(13.6)	(2,723.6)
At 1 January 2021	(2,651.4)	(11.8)	(2,663.2)
Depreciation charge for the period	(115.1)	(3.5)	(118.6)
Impairment	(2.7)	2.7	-
At 31 December 2021 and 1 January 2022	(2,769.2)	(12.6)	(2,781.8)
Depreciation charge for the period	**(57.7)**	**(0.9)**	**(58.6)**
At 30 June 2022	**(2,826.9)**	**(13.5)**	**(2,840.4)**
Net book value			
At 1 January 2021	384.9	10.8	395.7
At 30 June 2021	358.4	9.2	367.6
At 31 December 2021 and 1 January 2022	348.0	4.5	352.5
At 30 June 2022	**357.9**	**4.5**	**362.4**

[1] Other line includes non-cash asset retirement obligation provision and share-based payment costs.

Book value		**30 June 2022 $m**	30 June 2021 $m	31 Dec 2021 $m
Tawke PSC	*Oil production*	**197.1**	206.1	196.4
Taq Taq PSC	*Oil production*	**31.8**	45.6	37.2
Sarta PSC	*Oil production/development*	**129.0**	106.7	114.4
Producing assets		**357.9**	358.4	348.0

An impairment trigger assessment review was conducted by Management and the Board which concluded that there were no impairment triggers noted.

10. Trade and other receivables

	30 June 2022 $m	30 June 2021 $m	31 Dec 2021 $m
Trade receivables – current	**157.0**	88.5	139.7
Trade receivables – non-current	**-**	31.4	18.4
Other receivables and prepayments	**8.0**	7.4	5.3
	165.0	127.3	163.4

At 31 December 2021 and 30 June 2022, the Company is owed three months of payments, which is the assessed operating cycle for establishing current and overdue receivables.

	Period when sale made					
		Deferred receivables				
	Not due $m	**2020 $m**	**2019 $m**	**Total nominal $m**	**ECL provision $m**	**Trade receivables $m**
30 June 2021	55.7	55.4	43.7	154.8	(34.9)	119.9
31 December 2021	92.1	55.4	21.4	168.9	(10.8)	158.1
30 June 2022	**126.5**	**30.5**	**-**	**157.0**	**-**	**157.0**

At 30 June 2022 the Company is owed $30.5 million of overdue receivables, which are expected to be received by the end of September 2022.

Movement on trade receivables in the period	**30 June 2022 $m**	30 June 2021 $m	31 Dec 2021 $m
Carrying value at the beginning of the period	158.1	94.0	94.0
Revenue from contracts with customers	**238.8**	147.4	322.9
Cash proceeds	**(254.0)**	(122.5)	(281.3)
Offset of payables due to the KRG	**-**	-	(2.9)
Expected credit loss reversal (see note 1)	**10.8**	-	24.1
Capacity building payments	**3.3**	1.0	1.3
Carrying value at the end of the period	**157.0**	119.9	158.1
Of which non-current	**-**	*31.4*	*18.4*

11. Interest bearing loans and net cash / (debt)

	1 Jan 2022 $m	Discount unwind $m	Dividend paid $m	Net other changes $m	30 June 2022 $m
2025 Bond 9.25% (non-current)	**(269.8)**	**(1.0)**	**-**	**-**	**(270.8)**
Cash	**313.7**	**-**	**(32.3)**	**130.7**	**412.1**
Net cash	**43.9**	**(1.0)**	**(32.3)**	**130.7**	**141.3**

At 30 June 2022, the fair value of the $280 million of bonds held by third parties is $276.6 million (30 June 2021: $274.4 million, 31 December 2021: $287.8 million).

The bonds maturing in 2025 have two financial covenant maintenance tests:

Financial covenant	**Test**	**H1 2022**	**H1 2021**	**FY 2021**
Equity ratio (Total equity/Total assets)	> 40%	**61%**	63%	57%
Minimum liquidity	> $30m	**$412.1m**	$266.4m	$313.7m

	1 Jan 2021 $m	Discount unwind $m	Buyback $m	Dividend paid $m	Net other changes $m	30 June 2021 $m
2022 Bond 10.0% (current)	(80.6)	(0.4)	81.0	-	-	-
2025 Bond 9.25% (non-current)	(267.7)	(0.9)	-	-	-	(268.6)
Cash	354.5	-	(81.0)	(29.0)	21.9	266.4
Net cash / (debt)	6.2	(1.3)	-	(29.0)	21.9	(2.2)

	1 Jan 2021 $m	Discount unwind $m	Buyback $m	Dividend paid $m	Net other changes $m	31 Dec 2021 $m
2022 Bond 10.0% (current)	(80.6)	(0.4)	81.0	-	-	-
2025 Bond 9.25% (non-current)	(267.7)	(2.1)	-	-	-	(269.8)
Cash	354.5	-	(81.0)	(44.4)	84.6	313.7
Net cash	6.2	(2.5)	-	(44.4)	84.6	43.9

In October 2020, the Company issued a new $300 million senior unsecured bond with maturity in October 2025. The new bond has a fixed coupon of 9.25% per annum. In connection with the issue, the Company repurchased $222.9 million of its existing $300.0 million senior unsecured bond issue with maturity date in December 2022 at a price of 107 per cent. On 22 December 2020, the Company wrote to the Trustees confirming that they were exercising the right to call the remaining $77.1 million of the 2022 bond at the call price of 105 per cent. This settlement completed on 8 January 2021.

12. Capital commitments

Under the terms of its production sharing contracts (‘PSC’s) and joint operating agreements (‘JOA’s), the Company has certain commitments that are generally defined by activity rather than spend. The Company’s capital programme for the next few years is explained in the operating review and is in excess of the activity required by its PSCs and JOAs.

INDEPENDENT REVIEW REPORT TO GENEL ENERGY PLC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects, in accordance with International Accounting Standard 34, ‘’Interim Financial Reporting’’ and the requirements of the Disclosure and Transparency Rules of the Financial Conduct Authority.

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and the notes to the interim financial statements.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (“ISRE (UK) 2410”). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, ‘’Interim Financial Reporting’’ and the requirements of the Disclosure and Transparency Rules of the Financial Conduct Authority.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority and the Companies (Jersey) Law 1991.

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

Auditor’s responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP
Chartered Accountants
London
1 August 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).