

Lekoil Limited
("Lekoil" or "the Company")

Interim Results

PRINCIPAL ACTIVITY, FINANCIAL REVIEW, ASSET SUMMARY, AND OPERATIONS REPORT

PRINCIPAL ACTIVITY

The Company is an exempted limited liability company incorporated and registered in the Cayman Islands on 3 December 2010.

The Company is an AQSE listed litigation company, seeking to recover its equity and "inter-company" debt investments via litigation or negotiated settlement made in its 40% subsidiary (*90% economic entitlement*), Lekoil Nigeria Limited ("**Lekoil Nigeria**"), a Nigerian company, and a loan made to Mr. Lekan Akinyanmi ("**Mr. Akinyanmi**"), in his capacity as the former CEO of the Company (the "**CEO Loan**").

FINANCIAL REVIEW

Financial overview and performance

The Company reported a profit of \$836,000 for the six month period ended 30 June 2022. However, this was largely due to the application of interest against the intercompany receivable owed by Lekoil Nigeria and the CEO Loan. Operational costs were \$944,000 almost entirely due to professional and legal fees incurred as the Company continues to restructure.

Net assets of the Company at the end of the Reporting Period were \$136 million. Cash balances as at the end of the Reporting Period were \$547,000.

In and during 2021, the Company commenced a formal review of the various intercompany and related party loan positions (noting that Lekoil Nigeria may no longer qualify as a related party and that the term "intercompany loans" refers to their historic characterisation). As set out in the annual report and financial statements for the year ended 31 December 2021 (the "**2021 Financial Statements**"), the Company impaired four of the intercompany loans (as set out in the table below).

Debtor	Amount due to the Company as at 30 June 2022 (unaudited)	Amount due to the Company as at 30 June 2021 (unaudited)	Amount due to the Company as at 31 December 2021 (audited)	Reason for impairment or amendment
Lekoil Nigeria - across two loans due by January 2026 and February 2029	USD \$50.9 million	USD \$41.6 million	USD \$49.3 million	Not applicable
Lekoil Oil & Gas Investments by February 2024 (i.e. Otakikpo)	USD \$12.9 million	USD \$19.8 million	USD \$12.9 million	Reflecting repayments and/or the likelihood of recoverability given the likely need to litigate to recover the sums due
Mayfair Assets & Trust Limited by May 2023 (i.e., OPL 310)	USD \$1.0 million	USD \$253 million	USD \$1.0 million	Reflecting Option Agreement with Savannah
Ashbert Oil & Gas Limited by September 2022 (i.e., OPL 325)	USD \$38.5 million	USD \$35.5 million	USD \$38.5 million	Not applicable

As previously stated by the Company, it is aware that Lekoil Nigeria is unlikely to agree on the exact intercompany debt position, and the Company emphasises that it expects it will have to commence litigation to recover the intercompany loans, and that the recovery of the intercompany loan amounts cannot be guaranteed to be successful either due to a failure to win the relevant litigation and/or an ability to effectively enforce a judgment.

As stated above, the Company attributes minimal value to the day-to-day operational activities of Lekoil Nigeria and, as such has impaired its valuation of the equity investment in Lekoil Nigeria to nil value.

ASSET SUMMARY

The Company's asset base now primarily consists of its 40% non-controlling shareholding in Lekoil Nigeria, various "intercompany" receivables, the amount owing to the Company under the CEO Loan and its rights under the Option Agreement (*as defined below*).

Portfolio Companies

As at 30 June 2022, the Company held an interest in the following companies:

- Lekoil Nigeria Limited (40% legal interest, 90% economic interest) is a Nigeria incorporated oil and gas exploration and production company with a focus on Nigeria and West Africa. The relationship

between the Company and Lekoil Nigeria is governed by a shareholders agreement between the Company and Lekoil Nigeria dated 13 May 2013 (the “**Shareholders Agreement**”). The remaining 60 per cent. is split between three other shareholders, the Company’s former CEO, Mr. Akinyanmi (33.33 per cent.), an employee benefit trust (20.66 per cent.) and a directors' share trust (6 per cent.). Under the terms of the Shareholders Agreement, the Company has the right, amongst others, to (i) receive 90 per cent. of any dividend declared or of any capital returned to members by Lekoil Nigeria, (ii) appoint three directors to the board of Lekoil Nigeria, one of whom shall also be an independent non-executive director of the Company, and (iii) nominate the Chief Financial Officer of Lekoil Nigeria.

- Lekoil Management Corp (100%) is a Delaware incorporated company that provides intra group banking services to the Company but with no material activities.
- Lekoil Management Services Ltd (100%) is a Cayman Island incorporated company with no material activities.
- Lekoil 310 Ltd (100%) is a Cayman Island incorporated company with no material activities.
- Princeton Assets and Trust Pte Limited (100%) is a Singapore Island incorporated company with no material activities.
- Lekoil Exploration and Production (Pty) Limited (80% interest) is a Namibia company with no material activities.

As announced on 10 June 2021, the Company was aware that:

- in late 2020 Mr. Akinyanmi, without the prior knowledge or consent of the Company, entered into an employment contract with Lekoil Nigeria to act as its Chief Executive Officer, with effect from 1 January 2021. The Company was advised that this represents a conflict of interest and is a breach of his employment contract with the Company. This was one of the reasons for the termination of Mr. Akinyanmi’s employment contract with the Company.
- Lekoil Nigeria stated that Mr. Akinyanmi remains the CEO of Lekoil Nigeria.
- No changes had been made to the Shareholders Agreement.

As a result and given: (i) the inability of the Company to control the day-to-day operational activities of Lekoil Nigeria and/or the distributions made by Lekoil Nigeria; and (ii) the current disputes between the Company and Lekoil Nigeria, the Company sees little likelihood of the Company realising its investment in Lekoil Nigeria and as such, has impaired its valuation of the equity investment in Lekoil Nigeria to nil value.

The Company will continue to seek to ensure that Mr. Akinyanmi be restricted from continuing in this role as CEO of Lekoil Nigeria, as per the provisions of his employment contract with the Company. The Company reserves its rights to challenge the validity of any actions in breach of these provisions and would advise relevant parties to seek the relevant legal advice.

Intercompany receivables

The Company is aware that Lekoil Nigeria Limited is unlikely to agree on the exact intercompany debt position and the Company emphasises that it expects it will have to commence litigation to recover the intercompany loans and that the recovery of the intercompany loan amounts cannot be guaranteed to be successful either due to a failure to win the relevant litigation and/or an ability to effectively enforce a judgment or because the Company at the relevant time does not have the financial resources to pursue the recovery of the intercompany debts.

CEO Loan

On 9 December 2020, the Company extended the term of the loan made to Mr. Akinyanmi until 9 December 2021 with the following terms: immediate payment of US\$0.4 million, with the balance on the loan is settled by quarterly payments of interest and principal at a revised interest rate of 10% plus 3 months LIBOR ("Amended Loan Agreement"). The initial US\$0.4 million was settled by Mr. Akinyanmi. Mr. Akinyanmi was due to make the second instalment payment of US\$413,523 on or before 9 March 2021. As the Company had not received this payment, actions under the terms of the amended loan agreement were initiated such that a portion of the salary payable to Mr. Akinyanmi was applied towards the outstanding CEO Loan, as agreed in the Amended Loan Agreement as a method of default recovery, until the repayment schedule is satisfied. As the Company considers the CEO Loan to be in default, under the agreement, an additional interest of 4% per annum was applied to amounts in arrears under the agreed payment schedule. After the termination of Mr. Akinyanmi's executive contract with the Company in June 2021, those salary deductions ceased. Mr. Akinyanmi was due to make the third instalment payment (US\$404,052) on 9 June 2021, the fourth instalment payment (US\$ 394,581) on 9 September 2021 and the fifth instalment payment (US\$ 385,636) on 9 December 2021. None of those payments were received and the Company has commenced legal proceedings to recover the amounts owed.

Option Agreement

In February 2022, the Company entered into a convertible facility agreement with Savannah Energy Investments Limited ("CFA 2" and "Savannah") whereby Savannah would support the Company by providing a £0.9 million loan to the Company. The Company has also signed an Option Agreement with Savannah granting it, subject to approval of the Company's shareholders at an extraordinary general meeting (the "Savannah EGM"), an option to be assigned the intercompany debt owed to the Company by Mayfair Assets & Trusts Limited (the "Mayfair Loan"). A US\$1 million payment is payable by Savannah to the Company upon such assignment.

The Savannah EGM was held on 8 April 2022 and the Company's shareholders approved the entry into of the Option Agreement.

The Company notes that there is no guarantee that Savannah will exercise its rights under the Option Agreement nor that Lekoil Nigeria (and/or Mr. Akinyanmi) will not seek to challenge or injunct the operation of the Option Agreement (including by way of a Court process in Nigeria).

Equity shareholding in Lekoil Nigeria

The Company holds a 40% ownership interest in Lekoil Nigeria and is entitled to 90% of any distributions i.e. dividends, other distributions and any return of capital (whether following winding-up, reduction of capital or any other forms of return of capital) from, Lekoil Nigeria. On 1 April 2021, the Directors of Lekoil Nigeria informed the Company that its board would start operating and making decisions related to its operations as contained in the Shareholders Agreement. The board of Lekoil Nigeria further stated that it would no longer fund any of the costs of the Company and its subsidiaries, thereby significantly limiting the ability of the Company to access operational funds.

Given: (i) the inability of the Company to control the day-to-day operational activities of Lekoil Nigeria and/or the distributions made by Lekoil Nigeria; and (ii) the current disputes between the Company and Lekoil Nigeria (and its CEO), the Company sees little likelihood of the Company realising its investment in Lekoil Nigeria and as such, has impaired its valuation of the equity investment in Lekoil Nigeria to nil value.

OPERATIONS REPORT

2021 was a year of change for the Company, one in which the integrity of the corporate structure established at the Company's foundation and the integrity of those entrusted to implement it, were tested and (in some cases) found wanting.

In January 2022, Mr. Akinyanmi commenced a legal action in the Cayman Islands, challenging the validity of two resolutions which were duly passed at the Company's Annual General Meeting held on 21 December 2021.

As stated above, in February 2022 the Company entered into a convertible facility agreement with Savannah.

Prior to agreeing the Savannah transaction, the Board was aware that the transaction had received the support of the Company's major institutional shareholders, representing approximately 42% of the Company's then current issued share capital. This shareholder support for the Savannah transaction puts into context the subsequent actions of Mr. Akinyanmi and Lekoil Nigeria in seeking to overturn the Savannah transaction and the CFA transaction.

In early March 2022, the Company was successful in discharging the ex-parte injunction of Mr. Akinyanmi that sought to restrain the issue of shares by the Company. The Company subsequently issued the relevant shares under CFA 1 and CFA 2.

In Q1 2022, the Company continued its English court litigation to recover the CEO Loan from Mr. Akinyanmi, with the outstanding amount being circa US\$1.5 million. Unfortunately, the Company was denied jurisdiction to do so by the English court. Similarly, Mr. Akinyanmi was denied jurisdiction in the New Jersey court to bring a claim related to the termination of his employment by the Company. The net result of these litigations is that the Company expects to pursue the recovery of the CEO Loan via a debt recovery procedure in New Jersey and the Company expects Mr. Akinyanmi to commence arbitration in the UK related to the termination of his employment contract.

On 15 March 2022, Lekoil Nigeria suspended its offer to purchase shares in the Company. As at 28 February 2022, Lekoil Nigeria held 11.35% of the then issued share capital of the Company. As at the date hereof, the Company has not received any more recent notifications from Lekoil Nigeria as to its shareholding in the Company.

In April 2022, Lekoil Nigeria offered to purchase the Mayfair Loan and to repay the outstanding amount under CFA 2. Neither offer was capable of acceptance by the Company as it would have caused it to be in breach of written legally binding obligations to Savannah. The Company noted at the time of the offer that Lekoil Nigeria had chosen to conduct the negotiation process by way of public announcement rather than private dialogue with the Company and that the offer should not be seen as a serious attempt to provide an alternative to the Company and its shareholders but as an attempt to muddy the waters prior to the Savannah EGM. On 8 April 2022, at the Savannah EGM, our shareholders duly approved the Option Agreement entered into with Savannah and also authorised the Directors to issue a certain number of additional ordinary shares in the Company.

In early April 2022, Lekoil Nigeria (along with various of its subsidiaries) notified the Company of an ex-parte injunction granted by the Federal Court of Nigeria, Lagos Division, to restrain various actions

of the Company. The Company has challenged the jurisdiction of the Nigerian court to make such an order and the matter is proceeding through the courts.

In April 2022, the Company noted that Lekoil Nigeria had announced the spud of the Otakikpo-4 well as part of the Phase 2 development of Otakikpo. The Company received no further information about this from Lekoil Nigeria.

On 18 May 2022, the Company's ordinary shares were admitted to trading on the Access segment of the AQSE Growth Market operated by the Aquis Stock Exchange (AQSE).

The Company noted at the time of the admission to AQSE that the Board is of the view that the Company's primary activity now is the recovery of its investment through litigation against the Lekoil Nigeria group and Mr. Akinyanmi and that this characterisation will allow the Company to fulfil its disclosure obligations to the AQSE market, noting that a successful recovery of the intercompany debts due to the Company will be the primary source of value for shareholders (with minimal value attributable to the day-to-day operational activities of Lekoil Nigeria).

This characterisation of the Company, as a litigation vehicle with minimal value attributable to the shareholding in Lekoil Nigeria, is implicit to and reflected in the financial accounts presented for the year ended 31 December 2021.

On 27 May 2022, the Company held an extraordinary general meeting at which shareholders approved the appointment of Bright Grahame Murray as the Company's auditors.

On 9 June 2022, the Company announced that Mr. Olapade Durotoye was appointed as the new Non-Executive Chairman of the Company, that Mr. Guy Oxnard had become the Company's Executive Director and that Mr. Dipo Sofola had been appointed a Non-Executive Director. On 30 June 2022, the Company announced that Mr. Anthony Hawkins and Mr. Al Tindall stepped down from the Board effective 30 June 2022.

On 30 June 2022, the Company announced and published the 2021 Annual Report and Financial Statements.

Post Period End

The Company anticipates that the suspension in trading will be lifted by AQSE following the publication of this Report. The Company will continue to seek recovery of the CEO Loan, defend the litigation that Mr Akinyanmi and Lekoil Nigeria have brought against it, and it will take further steps to recover its investments in Lekoil Nigeria and its subsidiaries.

Outlook

The Company continues to face considerable challenges in 2022, largely brought about by the legal actions of Lekoil Nigeria and Mr Akinyanmi. The Board is, and will continue to be, committed to running the Company in an ethical, efficient and cost-effective manner. The Company continues to focus on recovering as much value as possible for shareholders from the assets of the Company, which include recovery of the CEO Loan and the intercompany loans and receivables owed by Lekoil Nigeria and its subsidiaries.

In face of litigation brought by Lekoil Nigeria and Mr. Akinyanmi, Mr. Akinyanmi's refusal to repay the CEO Loan, Lekoil Nigeria's failure to recognise the full value of the intercompany receivable owed to the Company, and Lekoil Nigeria's refusal to comply with and adhere to the terms of the Shareholders

Agreement, the Company is subject to a number of material uncertainties. Should the Company be unsuccessful in striking out or defending any or all of the actions brought against the Company by Mr Akinyanmi and or Lekoil Nigeria, the Company may be required to satisfy the liquidated damages provisions under the CFA1 and CFA 2 agreements previously announced, amongst other matters, and such events or conditions in the longer term may cast significant doubt upon the entity's ability to continue as a going concern and ultimately could potentially lead to the company going in to administration. Whilst the financial position of the Company remains fragile and depends on the receipt of the monies under the Option Agreement, the recovery of the CEO Loan, the intercompany receivable, equity funding from shareholders and/or recovery of legal costs following success in litigation, we are striving to ensure that the Company is fully financed so it can implement its plan to recover as much value as possible for its shareholders from the investments made to date.

We thank our shareholders for their support whilst we pursue these objectives.

This report was approved by the board on 25 July 2022 and signed on its behalf.

Olapade Durotoye
Non-Executive Chairman

Statement of Comprehensive Income
For the six months ended 30 June 2022

	Unaudited 30 June 2022	Unaudited 30 June 2021	Audited 31 December 2021
	\$000	\$000	\$000
OTHER OPERATING INCOME			
Cost of sales	-	-	-
Gross (loss)	-	-	-
Impairment of investments	-	-	(7,396)
Impairment of intercompany receivables	-	-	(232,411)
Administrative expenses			
Recurring administrative costs	(944)	(820)	(418)
OPERATING LOSS	(944)	(820)	(240,225)
Finance income	1,780	13,880	3,061
Finance cost	-	-	-
PROFIT/(LOSS) FROM CONTINUING ACTIVITIES BEFORE TAXATION	836	13,060	(237,164)
Tax expense	-	-	-
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE EQUITY HOLDERS	836	13,060	(237,164)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO THE EQUITY HOLDERS	836	13,060	(237,164)
Loss per share - basic	0.001	0.024	(0.44)
Loss per share – diluted	0.001	0.024	(0.44)

Statement of Financial Position
At 30 June 2022

	Unaudited 30 June 2022	Unaudited 30 June 2021	Audited 31 December 2021
	\$000	\$000	\$000
NON CURRENT ASSETS			
Investments	-	7,431	-
	-	7,431	-
CURRENT ASSETS			
Trade and other receivables	136,954	389,567	135,174
Cash and cash equivalents	547	1	50
TOTAL CURRENT ASSETS	137,501	389,568	135,224
TOTAL ASSETS	137,501	396,999	135,224
EQUITY			
Share capital	38	27	27
Share premium account	265,500	264,004	264,004
Share based payment reserve	10,259	10,259	10,259
Retained earnings	(139,755)	109,547	(140,591)
TOTAL EQUITY	136,042	383,837	133,699
CURRENT LIABILITIES			
Trade and other payables	1,459	13,162	1,525
TOTAL CURRENT LIABILITIES	1,459	13,162	1,525
TOTAL LIABILITIES	1,459	13,162	1,525
TOTAL EQUITY AND LIABILITIES	137,501	396,999	135,224

Statement of Changes in Equity

For the six months ended 30 June 2022

	Share capital	Share premium	Share based payment reserve	Retained losses	Total shareholder equity
	\$000	\$000	\$000	\$000	\$000
Balance as at 1 January 2021	27	264,004	10,173	96,573	370,777
Profit for the period	-	-	-	13,060	13,060
Total comprehensive income for the period	27	264,004	10,173	109,633	383,837
Issue of ordinary shares	-	-	-	-	-
Total transactions with owners			86	(86)	-
Balance at 30 June 2021	27	264,004	10,259	109,547	383,837
Loss for the period				(250,138)	(250,138)
Total comprehensive income for the period	27	264,004	10,259	(140,591)	133,699
Issue of ordinary shares	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
Balance as at 31 December 2021	27	264,004	10,259	(140,591)	133,699
Profit for the period	-	-	-	836	836
Total comprehensive income for the period	27	264,004	10,259	(139,755)	134,535
Issue of ordinary shares	11	1,496	-	-	1,507
Total transactions with owners	11	1,496	-	-	1,507
Balance at 30 June 2022	38	265,500	10,259	(139,755)	136,042

Statement of Cashflows

For the six months ended 30 June 2022

	Unaudited 6 months ended 30 June 2022	Unaudited 6 months ended 30 June 2021	Audited Year ended 31 December 2021
	\$000	\$000	\$000
Operating activities			
Loss before taxation	836	13,060	(237,164)
Impairment	-	-	7,396
(Increase)/decrease in trade and other receivables	(1,780)	-	246,790
(Decrease) / increase in trade and other payables	(66)	(13,059)	(17,209)
Net cash used in operating activities	(1,010)	1	(187)
Cash Flows from Investing Activities			
Interest on intercompany receivable	1,780	-	-
Net Cash generated from Investing Activities	1,780	-	-
Cash Flows from Financing Activities			
Loans received	1,096	-	237
Loan repayment via issue of shares	(1,369)	-	-
Net Cash generated from Financing Activities	(273)	-	237
Increase/(Decrease) in cash and cash equivalents in period	497	1	50
Cash and cash equivalents at beginning of period	50	-	-
Cash and cash equivalents at end of period	547	1	50

Notes to the Interim Results

For the six months ended 30 June 2022

1. GENERAL INFORMATION

Lekoil Limited (“the Company”) is a company incorporated and domiciled in the Cayman Islands. The address of the registered office is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands

These interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2021 which have been prepared in accordance with EU-endorsed International Financial Reporting Standards (‘IFRSs’), IFRIC interpretations as adopted by the EU.

The financial statements have been prepared under the historical cost convention except for financial instruments and share based payments which are measured at fair value. Monetary amounts in these financial statements are rounded to the nearest \$000.

The interim financial statements for the six months ended 30 June 2022 are unaudited and have not been reviewed by the Company’s auditors, Bright Grahame Murray. The comparative interim figures for the six months ended 30 June 2021 are also unaudited.

2 BASIS OF PREPARATION

The accounting policies applied by the Company in the preparation of these condensed consolidated interim financial statements are the same as those applied by the Company in its consolidated financial statements for the year ended 31 December 2021.

3. EARNINGS PER SHARE

The basic loss per share is derived by dividing the loss for the period attributable to ordinary shareholders by the weighted average number of shares in issue.

	Unaudited 30 June 2022	Unaudited 30 June 2021	Audited 31 December 2022
	\$000	\$000	\$000
Profit/(loss) for the period	836	13,060	(237,164)
Weighted average number of shares	673,394	536,780	536,780
Basic earnings per share	0.001	0.024	(0.44)

During the period, the Company issued 221,997,756 ordinary shares.

4. TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2022	Unaudited 30 June 2021	Audited 31 December 2021
	\$000	\$000	\$000
Trade and other receivables	1,774	-	1,647
Intercompany receivables	135,180	389,567	133,527
	<u>136,954</u>	<u>389,567</u>	<u>135,174</u>

An unsecured loan of US\$1,500,000 was granted to a Director on 9 December 2014. The loan had a three-year term and bore interest at a rate of four per cent per annum. In September 2017, the loan's maturity date was extended by 3 years to 9 December 2020 under the same terms and conditions. On 9 December 2020, at the expiration of the extension, the Board approved a final extension to loan for 12 months conditional on the adherence to the following repayment terms: immediate payment of US\$0.4 million, while the balance on the loan is settled by quarterly payments of interest and principal at a revised interest rate of 10% plus 3-month LIBOR. The initial US\$0.4 million was settled by the Director although no other settlements were made and the loan is in default and accruing interest at a rate of LIBOR plus 14 per cent on the default amount. At the period end, 30 June 2022, the balance outstanding, including interest, was US\$1,774,208.

In 2021, the Company commenced a formal review of all the various intercompany and related party loan positions (noting in particular that Lekoil Nigeria may no longer qualify as a related party and that the term "intercompany loans" refers to their historic characterisation). It is aware that Lekoil Nigeria is unlikely to agree on the exact intercompany debt position and the Company emphasise that it expects it will have to commence litigation to recover the intercompany loans and that the recovery of the intercompany loan amounts cannot be guaranteed to be successful either due to a failure to win the relevant litigation and/or an ability to effectively enforce a judgment. The Company attributes minimal value to the day-to-day operational activities of Lekoil Nigeria and, as such, has impaired its valuation of the equity investment in Lekoil Nigeria to nil value.

5. TRADE AND OTHER PAYABLES

	Unaudited 30 June 2022	Unaudited 30 June 2021	Audited 31 December 2021
	\$000	\$000	\$000
Trade payables	737	676	1,019
Other payables	137	12,096	237
Accruals	585	390	269
	<u>1,459</u>	<u>13,162</u>	<u>1,525</u>

On 2nd September 2021, Lekoil Limited announced it entered into a Convertible Facility Agreement ("CFA") with Hadron Master Fund, TDR Enterprises Ltd (a company controlled by Tom Richardson) and a non-related third party (together "the Lenders") to allow it access GBP200,000 for working capital purposes for a 6-month period. Hadron will provide GBP100,000 while TDR Enterprises Ltd and the third party will provide up to GBP50,000 each. The purpose of the facility is for the payment of corporate costs (regulatory and compliance and legal fees) and for general corporate purposes as approved by the Board of Directors. There is the option

to convert the facility in the event of non-payment and expiration of term to ordinary shares of the Group at the conservation price of 0.5 pence. Interest rate as at 10% per annum.

In February 2022 the Company entered into a convertible facility agreement with Savannah Energy Investments Limited ("CFA 2" and "Savannah") whereby Savannah would support the Company by providing a £0.9 million loan to the Company. The Company has also signed an Option Agreement with Savannah granting it, subject to approval of the Company's shareholders at an extraordinary general meeting (the "Savannah EGM"), an option to be assigned the intercompany debt owed to the Company by Mayfair Assets & Trusts Limited (the "Mayfair Loan"). A US\$1 million payment is payable by Savannah to the Company upon such assignment.

In March 2022, the Company announced that its lenders under CFA 1 and CFA 2 elected to convert all or part of their Outstanding Amounts into fully paid ordinary shares of the Company ("Shares") as follows: Amended & Restated CFA1 - Lenders 42,000,000 Shares ("CFA1 Shares") CFA 2 Lender 157,134,400 Shares ("CFA2 Shares"). The Company has issued the Shares pursuant to those elections. Following the issuance of the Shares, there are no Outstanding Amounts under CFA 1 and the Outstanding Amount under CFA 2 is £100,000 as at 30 June 2022.

6. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The Condensed interim financial statements were approved by the Board of Directors on 25 July 2022. A copy can be obtained on the Company's website at www.lekoilplc.com