BTG Pactual Holding S.à r.l.

Financial Statements

As at and for the year ended 31 December 2023

46A, Avenue J.F. Kennedy, L-1855 Luxembourg

RCS Luxembourg B179455

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BTG Pactual Holding S.à r.l.
Société à Responsabilité Limitée
RCS B179455

Statement of profit or loss and other comprehensive income

	Note	2023 USD '000	2022 USD '000 (unaudited)
Share of net profit of joint venture accounted for using the equity method	6	195,835	207,901
Administrative expenses	4	(1,581)	(157)
Operating profit		**194,254**	**207,744**
Finance income		24	9
Finance cost		(30)	(6)
Result before tax from continuing operations		**194,248**	**207,747**
Income tax expense	5	(35)	(589)
Profit for the year from continuing operations		**194,213**	**207,158**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**194,213**	**207,158**

The accompanying notes form an integral part of these financial statements.

Statement of financial position

	Note	31 December 2023 USD'000	31 December 2022 USD '000 (unaudited)	31 December 2021 USD '000 (unaudited)
Non-current assets				
Joint venture accounted for using the equity method	6	577,739	556,904	599,003
		577,739	**556,904**	**599,003**
Current assets				
Loans to related parties	11.2	-	361	25,117
Cash and cash equivalents	7	966	237	100,005
		966	**598**	**125,122**
Total assets		**578,705**	**557,502**	**724,125**
Current liabilities				
Trade and other payables		147	46	48
Current tax liabilities		340	852	268
		487	**898**	**316**
Equity				
Subscribed capital	8	20	20	20
Share premium	9	638,799	811,399	1,185,760
Legal reserve	10	2	2	2
Retained earnings		(60,603)	(254,817)	(461,973)
		578,218	**556,604**	**723,809**
Total liabilities and equity		**578,705**	**557,502**	**724,125**

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity

	Note	Subscribed capital USD '000	Share premium USD '000	Legal reserve USD '000	Retained earnings USD '000	Total USD '000
Balance as at 1 January 2023		**20**	**811,399**	**2**	**(254,816)**	**556,604**
Share premium repayment	9	-	(172,600)	-	-	(172,600)
Profit for the year		-	-	-	194,213	194,213
Total comprehensive income		**-**	-	**-**	194,213	194,213
Balance at 31 December 2023		**20**	**638,799**	**2**	**(60,603)**	**578,218**

	Note	Subscribed capital USD '000	Share premium USD '000	Legal reserve USD '000	Retained earnings USD '000	Total USD '000
Balance as at 1 January 2022 (unaudited)		**20**	**1,185,761**	**2**	**(461,293)**	**724,489**
Impact of change in accounting framework	2.1	-	-	-	(681)	(681)
Restated total equity at the beginning of the financial year		**20**	**1,185,761**	**2**	**(461,974)**	**723,808**
Share premium repayment	9	-	(374,362)	-	-	(374,362)
Profit for the year		-	-	-	207,158	207,158
Total comprehensive income		-	-	-	207,158	207,158
Balance at 31 December 2022 (unaudited)		**20**	**811,399**	**2**	**(254,816)**	**556,604**

The accompanying notes form an integral part of these financial statements.

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Statement of cash flows

	Note	2023 USD '000	2022 USD '000 (unaudited)
Cash flows from operating activities			
Result before tax		194,248	207,748
Adjustments to reconcile result before tax to net cash flows:			
Interest income	5	(3)	(5)
Share of net profit of joint venture accounted for using the equity method		(195,835)	(207,901)
Foreign exchange, net		10	-
Working capital adjustments			
Increase/(decrease) in Trade and other payables		98	(4)
Income taxes paid		(552)	(5)
Net cash from operating activities		**(2,034)**	**(167)**
Cash flows from investing activities			
Reimbursement received for Loans to related parties		350	-
Interest received		14	-
Distributions received from joint venture	6	175,000	250,000
Net cash used in investing activities		**175,364**	**250,000**
Cash flows from financing activities			
Share premium repayment	9	(172,600)	(349,602)
Net cash from financing activities		**(172,600)**	**(349,602)**
Net increase in cash and cash equivalents		**730**	**(99,769)**
Cash and cash equivalents at the beginning of the year		237	100,005
Cash and cash equivalents at the end of the year		**966**	**237**

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2023

NOTE 1 – GENERAL INFORMATION

BTG Pactual Holding S.à r.l. (hereafter the "Company") was incorporated on 17 July 2013 for an unlimited period and organized under the laws of Luxembourg as a Société à responsabilité limitée.

The registered office of the Company is established at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, and the Company's number with the Register of Commerce is B179455.

The Company's financial year starts on 1st January and ends on 31st December each year.

The purpose of the Company is to hold directly and manage the Company's investment Prime Oil & Gas Coöperatief U.A., a Dutch cooperative with excluded liability (coöperatie met uitgesloten aansprakelijkheid) registered with the trade register of the Dutch Chamber of Commerce under number 34224579 (POGC).

The Company may borrow in any form, except by way of public offer. It may issue, by way of private placement only, notes, bonds and any kind of debt and equity securities. It may lend funds, including, without limitation, the proceeds of any borrowings, to its subsidiaries, affiliated companies and any other companies. It may also give guarantees and pledge, transfer, encumber or otherwise create and grant security over some or all its assets to guarantee its own obligations and those of any other company, and, generally, for its own benefit and that of any other company or person. For the avoidance of doubt, the Company may not carry out any regulated financial sector activities without having obtained the requisite authorization.

The Company may use any techniques, legal means and instruments to manage its investments efficiently and protect itself against credit risks, currency exchange exposure, interest rate risks and other risks.

The financial statements were approved and authorized for issue by the Board of Managers on 29th August 2024.

NOTE 2 - MATERIAL ACCOUNTING POLICIES

2.1 - Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter also IFRS) as issued by the International Accounting Standards Board (IASB). The Company prepared its separate financial statements in accordance with IFRS for the financial year ended 31 December 2018 and has subsequently stopped applying IFRS for the preparation of its separate financial statements, as permitted by the Luxembourg Companies Law. The management has chosen to not apply IFRS 1 for the preparation of the current financial statements, and elected to apply IFRS as if the Company never stopped applying IFRS to reflect the stakeholders expectations in terms of historical continuity.

Management prepared the financial statements under IFRS in 2018 but ceased doing so as the entity, operating in Luxembourg, is required to apply LuxGAAP. These financial statements have been prepared under IFRS to support a potential transaction involving the shareholders of the company and Africa Oil Corp in consolidation ownership.

These accounting policies have been consistently applied to all the years presented, unless otherwise stated. Retrospective adjustments have been applied to align the financial statements from 2018 onwards with IFRS standards.

The financial statements are presented in the United States Dollar ("USD"), which is the functional currency of the Company. In preparing these financial statements, amounts have been rounded to the nearest thousand and presented in thousands, unless otherwise stated. As a result, some totals in the financial statements and notes may not sum precisely due to rounding. Management believes that such rounding differences are immaterial and do not affect the accuracy or reliability of the financial information presented~~.~~

The financial statements have been prepared under the historical cost convention.

The managers have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Company's shareholders are progressing with a proposed sale of 50% of the shares to Africa Oil Corp., pending regulatory approvals and other necessary steps. This proposed reorganization does not impose any limitations on the Company's ability to meet its obligations and does not imply any cessation of trading. Therefore, management believes this potential reorganization will not impact the Company's ability to continue as a going concern.

2.2 Application of standards, amendments and interpretations

Standards, amendments and interpretations newly applicable as of 1 January 2023

The following standards, amendments and interpretations are applicable starting 1 January 2023:

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates - Amendment to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a single transaction - Amendment to IAS 12
- International Tax Reform — Pillar Two Model Rules - Amendments to IAS 12

The Company has adopted the amendment to IAS 12 International Tax Reform — Pillar Two Model Rules. The Company has applied the exception to not recognize and to not disclose information about deferred tax assets and liabilities related to the OECD Pillar Two income taxes. Refer to Note 5 for further disclosures relating to the impact of Pillar Two.

Other standards have no current and/or future material impact on these financial statements.

New standards and interpretations not yet adopted

The following pronouncements have been issued as of 31 December 2023 with mandatory application from 1 January 2024. They have not been early adopted by the Company:

- Leases on sale and leaseback – Amendment to IFRS 16
- Non-current liabilities with covenants – Amendment to IAS 1 Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements

These standards are not expected to have an impact on the financial statements in the current or future reporting periods and on foreseeable future transactions.

2.3 – Foreign currency transactions and balances

Foreign currency transactions are translated into USD using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation at year-end exchanges rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses are presented in the statement of comprehensive income within "finance income or costs."

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

2.4 – Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Company accounts the investment in joint venture using the equity method, as follows:

- The initial cost of the investment in a joint venture is recognized at cost. The cost includes the purchase price and any directly attributable expenditures necessary to acquire the investment.
- The Company recognizes its share of the joint venture's profit or loss in its own profit or loss in share of net profit of joint venture accounted for using the equity method.
- The Company recognizes its share of the joint venture's other comprehensive income in its own other comprehensive income
- The Company adjusts the carrying amount of the investment for its share of the joint venture's changes in equity that have not been recognized in profit or loss or other comprehensive income (such as dividends and capital transactions).
- impairment testing is conducted whenever changes in circumstances or events indicate that the carrying value may not be recoverable. The process of determining whether there is an indicator for impairment or calculating the recoverable amount requires judgement.

The standard also requires that when an entity acquires a joint venture, fair values should be attributed to the investee's underlying assets and liabilities. The fair value of assets provides the basis for subsequent amortization that is reflected in the joint venture's share of the results. Upon acquisition of Prime Oil & Gas Coöperatief U.A. in 2013, the Company has identified the fair value of the assets and liabilities for two licenses in Nigeria (OML 127 and OML 130). In line with IAS 28.32 this is being amortized based on the unit of production. See note 3 for further details.

Under the equity method the amortization of the intangible asset should be netted with the share in the result of the investment and therefore presented within Investments accounted for using the equity method.

2.5 – Loans receivable from related party

Loans receivables are measured at amortized cost using the effective interest method, net of any impairment losses. Impairment losses are recognized when there is objective evidence of a significant deterioration in the credit quality of the borrower, such as default or delinquency. The impairment loss is calculated as the difference between the carrying amount of the loan and the present value of estimated future cash flows, discounted at the original effective interest rate.

The loan receivable has been settled at its recorded amount, with no expected credit losses anticipated.

Interest income on loans receivable is recognized in profit or loss using the effective interest method. Impairment losses are adjusted in subsequent periods if there is objective evidence of an improvement in credit quality, with any reversals attributed to events occurring after the initial impairment was recognized.

2.6 – Cash and cash equivalents

Cash and cash equivalents include cash balances and short-term (generally with an original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

2.7 – Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.8 – Dividends

Dividend distributions are recorded in the Company's financial statements when the Company's shareholders have the right to receive the payment, or when interim dividends are approved by the Board of Managers in accordance with the by-laws of the Company.

Dividends may be paid by the Company to the extent that it has distributable retained earnings, calculated in accordance with Luxembourg Law.

2.9 – Trade and other payables

Trade payables are non-derivative financial liabilities that arise from the purchase of goods and services or the incurrence of other obligations. They are measured at fair value on initial recognition and subsequently at amortized cost.

Tax liabilities are measured at the amount expected to be paid based on the applicable tax rates and laws.

2.10 – Financial income and expense

Interest income and expense are recognised within finance income and finance costs in the statement of comprehensive income, using the effective interest method.

2.11 – Income tax

The tax expense for the period includes the current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, plus any adjustment to tax payable relating to the previous years.

Deferred income tax is recognized based on the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carries forward tax credits or lax losses can be utilized. Additional income taxes that arise from the distribution of dividends are recognized when the liability to pay the related dividend is incurred.

NOTE 3 - CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are assumed to be reasonable under the circumstances. Those estimates and assumptions which entail a significant risk of substantive adjustments in the book value of assets and liabilities over the next 12 months pertain to the following:

a) Impairment of investment in joint venture

The Company assesses the carrying value of its investment in joint ventures whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is calculated based on the expected duration of oil reserves and the related exploration projects of the investee. The determination of the recoverable amount involves significant management judgment and estimates, particularly concerning the volume of the recoverable oil reserves, discount rates, period of the licenses (refer to note 6) and market conditions. Changes in these assumptions could materially affect the results of the impairment test and the amount of impairment loss recognized.

b) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The realization of deferred tax assets is dependent on the generation of future taxable profits during the periods in which the temporary differences become deductible. The assessment of future taxable profits involves significant management judgment and estimates.

c) Units-of-Production Amortization of Intangible asset

The intangible asset within the investment line item is amortized using the Units-of-Production (UoP) method based on the total estimated proved and probable field production proportion owned by the company. This results in an amortization charge that is proportional to the depletion of the anticipated remaining production from the field. The life of each asset, which is assessed at least annually, takes into account both its physical life limitations and current assessments of economically recoverable reserves at the field where the asset is located. The calculation of the UoP amortization rate could be impacted if actual future production differs from current forecasted production based on total estimated proved and probable reserves.

NOTE 4 - ADMINISTRATIVE EXPENSES

Administrative expenses are detailed as follows:

	2023 USD '000	**2022 USD '000 (unaudited)**
Accounting, tax and legal fees	256	133
Consultancy fees	1,308	12
Office costs	13	10
Other operating expenses	4	2
Total Administrative expenses	**1,581**	**157**

NOTE 5 – INCOME TAX EXPENSE

Income tax expense amounting to USD 35 (2022: USD 589) represents net wealth tax due in Luxembourg.

The reconciliation of tax expense and the accounting profit is as follows:

	2023 USD '000	**2022 USD '000 (unaudited)**
Profit before income tax	194,248	207,748
Theoretical income tax expense at 24.94%	(48,445)	(51,812)
Tax effect of amounts which are not taxable	48,841	51,851
Unrecognized taxes losses	(395)	(38)
Other taxes	(35)	(589)
Income tax expense	**(35)**	**(589)**
Effective income tax rate	**0.02%**	**0.28%**

As at 31 December 2023, the Company has tax losses amounting to USD 730 million (2022: USD 754 million). Fiscal losses amounting to USD 1 million, recorded prior to 2017, have an unlimited availability. Fiscal losses recorded starting 2017 can be carried forward and utilized against taxable profits for a period of 17 years.

As at 31 December 2023, the Company did not recognize any deferred taxes.

The BTG Pactual group is within the scope of the OECD Global Anti-Base Erosion (Pillar Two) model rules. The Company is incorporated and tax resident in the Grand Duchy of Luxembourg and Luxembourg enacted the Pillar Two rules (including the transitional safe harbor rules issued by the OECD in December 2022) with effect from 1 January 2024. BTG Pactual applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the Luxembourg legislation, the Company is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Company has been assessing its exposure to the Pillar Two legislation and concluded that in all jurisdictions in which it carries on business, there should be no Pillar Two exposure either because a transitional safe harbor excludes the applicable jurisdiction or because the tax rate exceeds the 15% minimum tax rate.

The Company has engaged with tax specialists to support our continuing assessment of how Pillar Two will impact the group in future periods.

NOTE 6 – INVESTMENT IN JOINT VENTURE

The Company owns an investment in Prime Oil & Gas Coöperatief U.A., as follows:

Name of the investee	**Ownership percentage**	**Registered office**	**Currency**	**Financial year end**	**Measurement Method**
Prime Oil & Gas Coöperatief U.A.	50%	Weena 505 (Delftse Poort), Tower A – 21st floor 3013 AL Rotterdam, the Netherlands	USD	31.12.2022	Equity
Prime Oil & Gas Coöperatief U.A.	50%	Weena 505 (Delftse Poort), Tower A – 21st floor 3013 AL Rotterdam, the Netherlands	USD	31.12.2023	Equity

Prime Oil & Gas Coöperatief U.A. ('Prime') is a private Dutch-registered company established in 2013. It has two subsidiaries in Nigeria, and a presence in key oil blocks such as PML 2, 3, 4, and PML 52.

Africa Oil Corp, a Canadian oil and gas company listed on the Toronto Stock Exchange in Canada and the Nasdaq Stockholm Exchange in Sweden, under the symbol 'AOI owns the remaining 50% of Prime.

The Company has accounted for the acquisition as a joint venture as there is joint control.

Prime is incorporated in the Netherlands and its principal place of business is Nigeria. The primary assets of Prime are an indirect 8% interest in Oil Mining Lease ("OML") 127 and an indirect 16% interest in OML 130. OML 127 is operated by affiliates of Chevron and covers part of the producing Agbami field. OML 130 is operated by affiliates of TotalEnergies and contains the producing Akpo and Egina fields.

In the year ended December 31, 2023, Prime made three dividend payments totaling $350.0 million gross, with a net payment to the Company of USD 175.0 million related to its 50% interest. In the year ended December 31, 2022, five dividend payments were made totaling USD 500.0 million gross, with a net payment to the Company of USD 250.0 million related to its 50% interest. The timing and payment of the dividends is discretionary. There are no restrictions on the ability of Prime to pay dividends to its members, subject to distributable reserves being positive and working capital or business requirements.

The table below provides a summarized financial information for the Joint Venture. The information disclosed reflects the amounts presented in the financial statements of the Joint Venture and not the company`s share of those amounts northe adjustments made by theCompany when using the equity method, incusing fair value adjustments and modifications for differences in accounting policy.

Prime's Balance Sheet

	2023 USD 'million	2022 USD 'million
Cash and cash equivalents included in current assets	152.2	331.7
Other current assets	351.5	301.7
Non-current assets	2,097.5	2,545.6
Loans and borrowings included in current liabilities (1)	(86.5)	(420.44)
Other current liabilities	(239.4)	(321.5)
Loans and borrowings included in non-current liabilities (1)	(651.9)	(360.2)
Deferred income tax liabilities included in non-current liabilities (2)	(484.4)	(1,055.3)
Other non-current liabilities	(648.8)	(637.2)
Net assets of Prime	490.24	384.3
Percentage ownership	50%	50%

(1) In the year ended December 31, 2023, Prime refinanced its existing RBL and PXF facilities by closing an amended RBL facility. This amended facility has a principal amount of $1,050.0 million and a 6-year tenor, of which $750.0 million had been drawn as of December 31, 2023.

(2) In the year ended December 31, 2023, Prime voluntarily converted the OML 127 license to operate under the new Petroleum Industry Act, effective March 1, 2023, with all key conditions precedent fulfilled during this period. Prime also renewed the OML 130 license, resulting in OML 130 operating under the terms of the new Petroleum Industry Act as of June 1, 2023. Under these terms, OML 127 and OML 130 are subject to a 30% Corporate Income Tax regime, compared to the previous 50% PPT regime, which resulted in the release of $62.0 million of deferred income tax liabilities for OML 127 and $346.0 million for OML 130.

Prime's Statement of Net Income and Other Comprehensive Income

	2023 USD 'million	2022 USD 'million
Revenue (1)	1,162.2	1,446.30
Cost of sales	(598)	(556.3)
Gross profit	564.2	890.
Other operating income (2)	24.7	112.8
Exploration expenses	(2.3)	(2.8)
Impairment (3)	(263.3)	(82.3)
Other operating costs (4, 7)	(33.2)	(30.8)
Finance income	6.8	6.5
Finance costs (5)	(89.5)	(74.6)
Profit before tax	207.4	818.8
Tax (8,9)	248.6	(519.4)
Total profit and comprehensive income for the year	456.0	299.4

(1) Included in revenue are royalties paid in kind amounting to $16.0 million for the year ended December 31, 2023 (year ended December 31, 2022: $40.7 million).

(2) For some of its qualifying capital expenditure ("QCE"), Prime is entitled to claim an investment tax credit ("ITC") at the rate of 50% of the QCE incurred, either wholly, exclusively, or necessarily for the purposes of its petroleum operations. This is a Nigerian government tax credit, which can be offset against Petroleum Profit Tax ("PPT") and serves as an incentive for investments in the exploration of oil and gas in the deep offshore waters of Nigeria. Prime recognized investment tax credits of $24.7 million in the year ended December 31, 2023 (year ended December 31, 2022: net credits of $112.3 million). During the year ended December 31, 2022, Prime exhausted its investment tax credit pool, and additional credits have since been generated on capital expenditure incurred on qualifying assets. ITCs are no longer applicable under the new PIA terms.
(3) Prime recorded an impairment of $263.3 million for the year ended December 31, 2023 (year ended December 31, 2022: $82.3 million). The impairment in 2023 was mainly driven by a higher discount rate and changes in the technical assumptions in OML 130. The impairment in 2022 was primarily due to a reduction in the expected ultimate recovery of the Egina field following the incorporation of the results of the 4D seismic acquired in late 2021, as well as an increase in the discount rate.
(4) Other operating costs include Prime's administrative costs, sales costs, and the NDDC Levy, which pertains to the Niger Delta Development Commission, imposed by a regulatory body in Nigeria to fund the sustainable development of the Niger Delta region.
(5) Finance costs of $89.5 million were incurred in the year ended December 31, 2023 (year ended December 31, 2022: $74.6 million). The increase in finance costs in the year ended December 31, 2023, is primarily due to interest expenses on external facilities and accretion expenses on the decommissioning liability.
(6) In the year ended December 31, 2023, Prime voluntarily converted the OML 127 license to operate under the new Petroleum Industry Act as of March 1, 2023, with all key conditions precedent fulfilled during this period. Prime also renewed the OML 130 license, resulting in OML 130 operating under the terms of the new Petroleum Industry Act as of June 1, 2023. Under these terms, OML 127 and OML 130 are subject to a 30% Corporate Income Tax regime, compared to the previous 50% PPT regime, which resulted in the release of $62.0 million in deferred income tax liabilities for OML 127 and $346.0 million in deferred income tax liabilities for OML 130.
(7) Withholding tax payments on intragroup dividends in the comparative period have been reclassified from other operating costs to tax expenses in accordance with IAS 12.

Movements in the investment in joint venture are as follows:

	2023 USD '000	**2022 USD '000 (unaudited)**
Balance as at 1 January	**556,903**	**599,002**
Share of income of the joint venture	213,971	134,718
Distributions received	(175,000)	(250,000)
(Impairment)/ reversal	(18,135)	73,184
Balance as at 31 December	**577,739**	**556,904**

Impairment test for Joint Venture

The impairment test is performed by a comparison of the carrying amount of the investment in joint venture and considered by Prime`s management as being its CGU. Whenever the recoverable amount is less than the carrying amount, an impairment loss is recognized to reduce the carrying amount to the recoverable amount. The recoverable amount of an asset or a cash -generating unit is the higher of its fair value less costs of disposal and its value in use. Impairment losses are reversed when there is an indication that the conditions leading to the impairment have ceased. Those reversals are recognized in profit or loss and are limited to the asset's carrying amount that would have been determined had no impairment been previously recognized.

Impairment losses amounting to USD 136 million were recognized to date, during the financial year USD 18 million were recognized. In assessing value in use, estimated future cash flows were discounted to their present value using a post-tax discount rate of 18.54%. This discount rate is based on the appropriate weighted average cost of capital, which considers the cost of equity and the cost of debt for entities with portfolios of assets of similar tenure and comparable debt-to-equity ratios. Market risk, country risk, and segment-specific risk are incorporated by applying individual percentages and beta factors, which are evaluated annually based on publicly available market data.

Future oil price levels represent a key assumption and have a significant impact on the net present value. Forecasted oil and gas prices are based on management's estimates and available market data. Information about market prices in the near term can be derived from the futures contract market. However, information about future prices becomes less reliable over the long term due to fewer observable market transactions. In the impairment test, oil prices for the period are based on Brent prices as forecasted by Independent Qualified Reserves Engineers (IQRE) analysis and management's long-term price assumptions thereafter.

Future capital expenditures (CAPEX), operating expenses (OPEX), are calculated based on various technical assumptions such as expected production profiles and the best estimate of the related costs.

Another key assumption with a significant impact on the net present values is the field's license expiry dates. Following the 20-year renewal of the OML 130 license in May 2023, the new expiry date of the concession is May 2043. The expiry date of the OML 127 concession is December 2024. However, the entity also considered cash flows beyond this date in its impairment test, as Prime's management has applied for renewal and is confident that the OML will be renewed in accordance with industry practice.

Summary Key assumptions for the impairment test

The main assumptions for the impairment test, the management assesses that for December 2023, the main variables for the test are listed below:

Key Assumptions in 2023	Unit/amount
Oil Barrel	US$/boe –range 63.0 to 123.5
Discount Rate	18.54%
End of Concession	OML 127 - 2044 OML 130 - 2043
Petroleum Tax Rate	30%

NOTE 7 – CASH AND CASH EQUIVALENTS

As of 31 December 2023, cash consists solely of amounts held in current accounts with banks. These balances are readily available for use in the Company's operations and are subject to an insignificant risk of changes in value.

NOTE 8 – SUBSCRIBED CAPITAL

As of 31 December 2023, the subscribed capital amounts to USD 20 (2022 and 2021: USD 20) and is divided into 20,000 shares fully paid up with a par value of USD 1. All shares have equal voting rights.

NOTE 9 – SHARE PREMIUM

Movements in the share premium are as follows:

	2023 USD '000	2022 USD '000 (unaudited)
Balance as at 1 January	**811,399**	**1,185,761**
Share premium repaid in cash	(172,600)	(349,602)
Share premium compensated against loans to related parties	-	(24,760)
Balance as at 31 December	**638,799**	**811,399**

On 30 June 2023, the Company has repaid USD 61,200 of its share premium to its shareholders. Subsequently on 15 September 2023 and 15 December 2023, the Company has repaid USD 62,200 and USD 49,200, respectively, of its share premium to its shareholders.

On 12 May 2022, the Company has paid USD 222,754 of its share premium to its shareholders. Subsequently on 12 July 2022, the Company has repaid USD 64,107 and on 3 November 2022, the Company has paid USD 87,500 of share premium in to its shareholders.

NOTE 10 – LEGAL RESERVE

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

As at 31 December 2023, the legal reserve of the company, amounting to USD 2, represents 10% of its subscribed share capital.

NOTE 11 - RELATED PARTY BALANCES AND TRANSACTIONS

11.1 Parent Entities

This entity is controlled by the following entities:

Name	Type	Place of incorporation	Ownership Interest	
			2023	**2022**
BTG pactual Oil & Gas S.a.r.l	Immediate parent entity	Luxemburg	80%	80%
Urano LuxCo 2 S.a.r.l	Immediate parent entity	Luxemburg	20%	20%
Banco BTG Pactual S.A.	Ultimate parent entity and controlling party	Brazil	100%	100%

11.2 The Company has transactions with related parties as disclosed in Notes 6 and 9. Additionally, the Company has the following balances and transactions with related parties:

2023	Nature of relation	Interest income USD '000	Loans receivable USD '000	Bank Deposit USD '000
BTG Pactual S.A.	Ultimate parent entity and controlling party	-	-	966
BTG Pactual Oil&Gas Sàrl.	Company's shareholder	1	-	-

2022	Nature of relation	Interest income USD '000	Loans receivable USD '000	Bank Deposit USD '000
BTG Pactual S.A.	Ultimate parent entity and controlling party	-	-	237
BTG Pactual Oil&Gas Sàrl.	Company's shareholder	5	361	-

NOTE 12 - FINANCIAL RISK MANAGEMENT

Market risk

The Company is indirectly exposed to crude oil market risks, as its investee (refer to Note 6) is actively involved in the exploration and development of oil fields in Nigeria.

Credit risk

Credit risk is the risk that any counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a loss for the Company. The risk arises principally from prepayments and cash and cash equivalents.

As at 31 December 2023, the Company has cash in Cayman banks, and considers that the expected credit risk linked to cash is negligible, as counterparty is a reputable banks with stable credit rating outlook by Fitch and S&P and positive by Moody`s

With respect to the trade and other receivables of the Company, the Company's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying value of these instruments.

Liquidity risk

The Company, with the support of the Group, manages liquidity risk by maintaining adequate cash balances and banking facilities, continuously monitoring forecast and actual cash flows and ensuring that sufficient cash is available in order to pay outstanding liabilities at their due date.

As at 31 December 2023 and 31 December 2022, the trade and other payables of the Company were due within less than 3 months.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities – trade suppliers and taxes due in Luxembourg, denominated in EUR. The Company does not take specific measures to address its exposure to foreign currency risk, considering the potential impact not material.

A +/- 5% variation in the EUR / USD exchange rate would lead to an impact of USD 24 (2022: USD 45) on the profit before tax and the pre-tax equity of the Company.

NOTE 13 - SUBSEQUENT EVENTS

On 14 May 2024 the Company has repaid USD 23,750 of its share premium to its shareholders.

On 19 April 2024, the Company has received $25 million from Prime.

On June 24, 2024, BTG Pactual Holding S.a.r.l. and Africa Oil Corp. entered into an agreement regarding their joint 50:50 ownership of Prime Oil & Gas. Under this agreement, the Company is intended to be amalgamated under Canadian corporate law with a newly created subsidiary of Africa Oil. Completion of the agreement is subject to shareholder and regulatory approvals, among other conditions.

The financial statements were authorized for issuance on 29 August 2024.

Luxembourg, 29 August 2024

Board of Managers

DocuSigned by:
64AC0258D39340E...
Pablo Sanchez Costa
Class A Manager
30 August 2024 | 2:15:44 PM CEST

DocuSigned by:
Aldo Perracini
F5DBCDC680024F9...
Aldo Perracini
Class B Manager
30 August 2024 | 6:00:17 PM CEST

Initial
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Independent auditor's report

To the board of Managers of
BTG Pactual Holding S.à r.l.

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of BTG Pactual Holding S.à r.l. (the Company) as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IFRS Accounting Standards').

What we have audited

The Company's financial statements comprise:

- the statement of profit or loss and other comprehensive income as at 31 December 2023;
- the statement of financial position as at 31 December 2023;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (CSSF) together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Comparative information

The comparative information as at, and for the year ended 31 December 2022 has not been audited.

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R.C.S. Luxembourg B 65 477 - TVA LU25482518

Responsibilities of the Board of Managers for the financial statements

The board of Managers is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as the board of Managers determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of Managers is 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 board of Managers either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of Managers;

- Conclude on the appropriateness of the board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 9 September 2024

Electronically signed by:
Tal Ribon

Tal Ribon