

# Third quarter 2023

Interim report



## About Seacrest Petroleo

Seacrest Petroleo is an independent oil and gas production company with an integrated portfolio of producing oil and gas fields, and export infrastructure onshore in Espírito Santo, Brazil. The Company has exclusive control over its infrastructure, from field production to an offshore tanker loading terminal, enabling cost-efficient operations, schedule control and direct access to markets for its premium grade products.



### HIGH QUALITY ASSETS

140 MMBoe reserves with significant organic upside recovery factor potential. Proven success in Brazil through execution by top-performing development and operations team with the backing of industry leaders Seacrest and Mercuria.



### FULLY OWNED INFRASTRUCTURE

Large-scale infrastructure enables us to process, transport and deliver our oil production directly to sea tankers through a uniquely integrated system providing control and risk mitigation.



### POTENTIAL FOR GROWTH

Significant ramp up of production being anticipated through simple, low-risk workovers, recompletions and drilling.



### HIGH MARGIN BARRELS

High cash-margin business with potential for growth and significant cash flow generation.

To learn more, please visit: [www.seacrestpetroleo.com](http://www.seacrestpetroleo.com)

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## Key figures third quarter 2023

Third quarter 2022 in brackets

### Production

boepd

**9 204**

**(1 601)**

### Petroleum revenues

USD '000

**50 708**

**(10 063)**

### EBITDA

USD '000

**9 658**

**(-1 159)**

### Profit before tax

USD '000

**- 47 021**

**(-40 496)**

### CFFO <sup>1</sup>

USD '000

**3 329**

**(3 245)**

### Capex

USD '000

**9 465**

**(1 365)**

### FCF

USD '000

**- 6 136**

**(1 880)**

<sup>1</sup> Cash flow from operations

## Third quarter 2023 highlights

Seacrest Petroleo's oil and gas equivalent production was 9 204 boepd in the third quarter, a 5% increase over the second quarter of 2023. Total income in the second quarter was USD 50.7 million, a 5% decrease from the second quarter of 2023 due to lower offtake volumes, partly offset by improved pricing. Operating profit was USD 0.5 million for the quarter, a USD 20.7 million improvement from the preceding quarter. Cash flow from operations was USD 3.3 million for the quarter.

- Production of 9 204 boepd in Q3'23, up from 8 796 boepd in Q2'23, reaching 10 000 boepd end of September
- Drilling program commenced in September using batch processes to drive down costs
- Inhambu heavy oil field overperforming Competent Person's Report forecast by 50% as at end-Q3'23
- Internalized key field operations positions to increase ownership of outcome and scalability
- SG&A coming into guidance range of \$6m quarterly (excluding \$4m of non-recurring oil marketing fees)
- Well reliability continued to increase with 23 months between failure in Q3'23 (19.5 months in Q2'23)
- No serious category HSE incidents in the quarter and for the last 12 months
- Average realised oil price of USD 79.1 per bbl in the quarter, up from USD 68.5 per bbl in the second quarter
- Reduction of FY'23 guidance on production due to external events in the fourth quarter of 2023

<b>KPIs (USD '000 unless otherwise stated)</b>	<b>Q3'23</b>	<b>Q2'23</b>	<b>Q3'22</b>	<b>FY'22</b>
Actual serious injury frequency (12 months rolling)	-	-	-	-
Total production (boepd) <sup>2</sup>	9 204	8 796	7 412	1 373
Offtake of oil ('000 bbls)	640	777	118	381
Production cost (USD/boe)	24.2	16.3	31.9	27.9
Cash flow from operations (CFFO)	3 329	(20 025)	3 245	(38 332)
Free cash flow (FCF, USD)	(6 136)	(86 885)	1 880	(80 362)
EPS Basic	(0.0872)	(0.1201)	(0.1609)	(0.6825)
EPS Diluted	(0.0839)	(0.1182)	(0.1098)	(0.4812)

<sup>2</sup> Includes Norte Capixaba on a pro forma basis for Q3'22 and on full quarter basis from Q2'23

*"Seacrest Petroleo hit a major milestone in September, reaching 10 000 boepd of production, and average production rose to 9 204 boepd in the third quarter. While we faced external challenges related to offtake after the end of the quarter, our internal achievements have positioned us well to continue to grow production efficiently moving forward. Our infill drilling program commenced at the end of September, and we are looking forward to assessing its results in Q4. Mean time between failures at our wells continues to rise, as does productivity, and we had no serious HSE incidents during the quarter. The company is focusing on the continuance of the drilling campaigns through 2024 and remains on track to deliver on our long-term strategy."*

-Michael Stewart, CEO Seacrest Petroleo

## Key metrics and targets

<b>Production split (boepd)</b>	<b>Q3'23</b>	<b>Q2'23</b>	<b>Q3'22</b>	<b>FY'22</b>
Oil	8 376	8 033	7 009	1 261
Gas	828	763	403	113
<b>Total</b>	<b>9 204</b>	<b>8 796</b>	<b>7 412</b>	<b>1 373</b>
<b>Offtake volumes ('000 boe)</b>	<b>Q3'23</b>	<b>Q2'23</b>	<b>Q3'22</b>	<b>FY'22</b>
Oil	640	777	118	381
Gas	-	-	-	-
<b>Total</b>	<b>640</b>	<b>777</b>	<b>118</b>	<b>381</b>
<b>Realised oil price (USD/boe)</b>	<b>Q3'23</b>	<b>Q2'23</b>	<b>Q3'22</b>	<b>FY'22</b>
Gross realised oil price	79.2	68.7	87.6	93.2
PIS/COFINS (federal taxes on revenues)	0.0	(0.2)	(2.6)	(5.0)
<b>Net realised oil price</b>	<b>79.2</b>	<b>68.5</b>	<b>85.1</b>	<b>88.2</b>
<b>Financials (USD '000 unless otherwise stated)</b>	<b>Q3'23</b>	<b>Q2'23</b>	<b>Q2'22</b>	<b>FY'22</b>
Total income	50 708	53 229	10 063	33 617
Operating profit / (loss)	489	(20 163)	(6 684)	(34 151)
Profit / (loss) before income taxes	(47 021)	(38 685)	(40 496)	(138 767)
Net earnings / (loss)	(28 554)	(39 299)	(40 496)	(119 172)
EBITDA	9 658	1 523	(1 159)	(11 118)
Earnings per share (USD)	(0.0872)	(0.1201)	(0.16092)	(0.6825)

## Targets and outlook <sup>3</sup>

### 2023 guidance

(USD million unless otherwise stated)

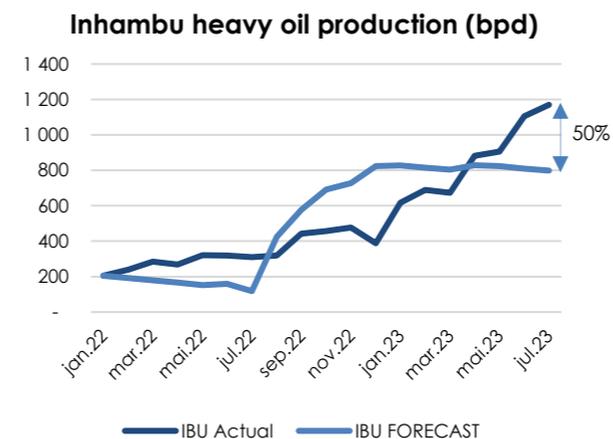
Oil production	7 400 – 7 600	bbls/d
Production cost	22-24	USD/boe
Capex	20-22	USD million

<sup>3</sup> Please refer to further details on page 14

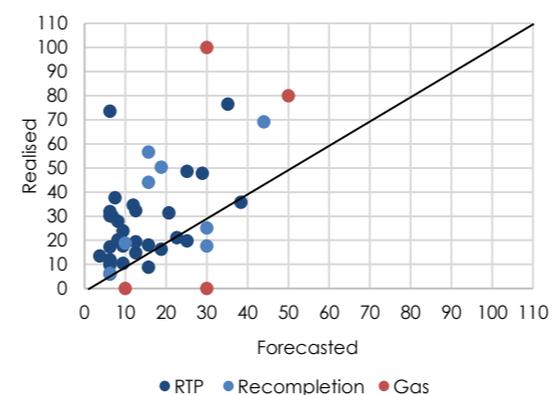
## Operational review

Oil production (bpd)	Q3'23	Q2'23	Q3'22	FY'22
Cricaré (bpd)	2 677	2 515	1 420	1 261
Norte Capixaba (bpd) <sup>4</sup>	5 699	5 518	5 589	5 320
<b>Total (bpd)</b>	<b>8 376</b>	<b>8 033</b>	<b>7 009</b>	<b>6 581</b>
Gas production (boepd)	Q3'23	Q2'23	Q3'22	FY'22
Cricaré (boepd)	531	504	181	113
Norte Capixaba (boepd) <sup>4</sup>	298	259	222	200
<b>Total (boepd)</b>	<b>828</b>	<b>763</b>	<b>403</b>	<b>312</b>
Total production (boepd)	Q3'23	Q2'23	Q3'22	FY'22
Cricaré (boepd)	3 208	3 018	1 601	1 373
Norte Capixaba (boepd) <sup>4</sup>	5 996	5 777	5 811	5 520
<b>Total (boepd)</b>	<b>9 204</b>	<b>8 796</b>	<b>7 412</b>	<b>7 154</b>
Offtake and production ('000 bbls)	Q3'23	Q2'23	Q3'22	FY'22
Production of oil (Norte Capixaba from 13 April)	771	669	131	460
Offtake of oil	640	777	118	381
Percentage total production	Q3'23	Q2'23	Q3'22	FY'22
Cricaré	35 %	34 %	22 %	20 %
Norte Capixaba	65 %	66 %	78 %	80 %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>
Percentage by product	Q3'23	Q2'23	Q3'22	FY'22
Oil	91 %	91 %	95 %	95 %
Gas	9 %	9 %	5 %	5 %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

<sup>4</sup> Norte Capixaba pro forma for Q3'22 and FY'22, full quarter basis for Q2'23 (P&L effect from 13 April)



**Cricaré light well performance (boepd)**



## Production

Production reached 10 000 boepd at the end of September and averaged 9 204 boepd in the third quarter, 4.6% above the previous quarter on a pro-forma basis. The main driver was a 2.7% increase in well productivity following well maintenance activities, while the average number of producing wells increased 1.9% from the previous quarter.

Performance at the Inhambu heavy oil field, where infill drilling recently commenced, has been excellent, with production outperforming the forecasts of the 2022 Competent Persons Report ("CPR") by 50% as of the end of Q3'23. Performance at the 'Cricaré light oil fields has also been strong, with productivity running 50-70% above CPR forecasts. After the closing of the Norte Capixaba transaction, the quarter's daily production from the cluster has increased by 26% compared to Q1 23 average.

Oil production amounted to 91% of total production. The gas produced is used internally in operations and oil is the only product sold.

The volume of oil produced in the third quarter was 771 kbbbls. The volume of oil sold in the quarter amounted to 640 kbbbls, resulting in an underlift position. This was attributable to a late September offtake being delayed to October due to vessel availability.

## The assets

In December 2021, the Company became the operator and sole owner of the Cricaré Cluster. The Cricaré Cluster was previously owned and operated by Petrobras. The fields in the Cricaré Cluster have an aggregate area of approximately 67,000 net acres (270 sq km). The Cricaré Cluster assets are comprised of 18 onshore concessions (26 fields), 4 oil treatment stations, and 4 satellite collection stations, all located in the State of Espírito Santo and organized in a cluster to optimise the sharing of logistics and production treatment facilities.

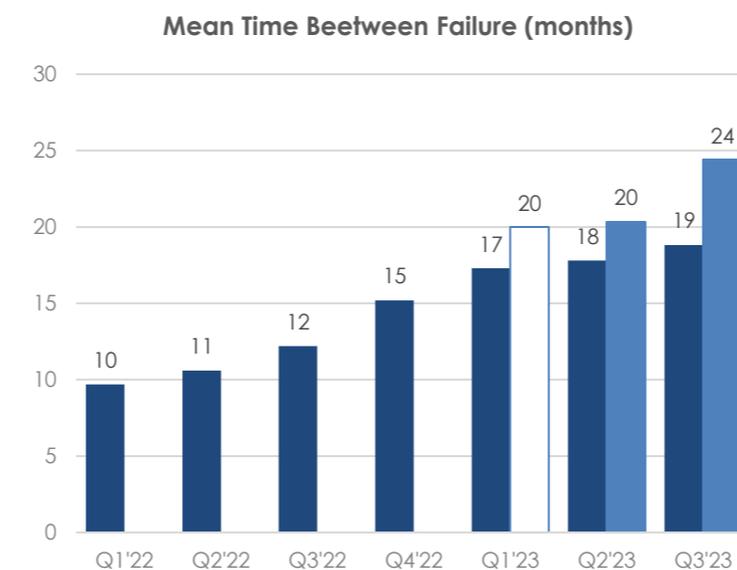
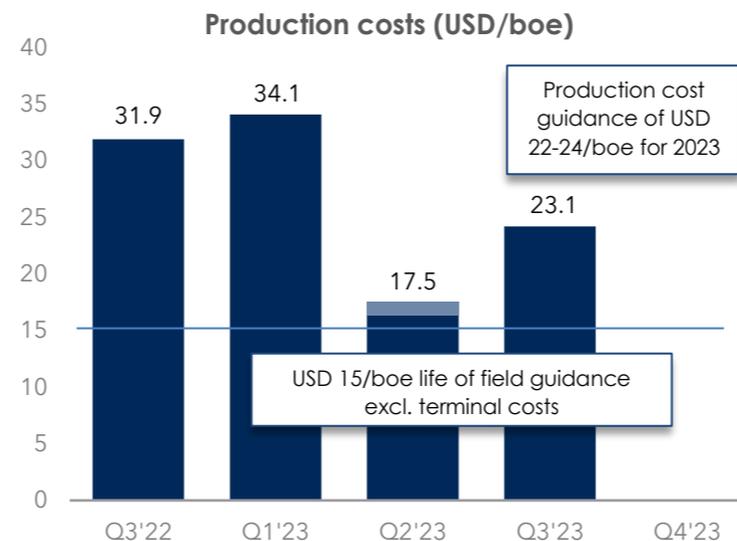
In April 2023, the Company became the operator and sole owner of the Norte Capixaba Cluster. The fields in the Norte Capixaba Cluster have an aggregate area of approximately 15,000 net acres (60 sq km). The Norte Capixaba Cluster assets are comprised of 5 mature onshore fields, 3 oil treatment stations, 4 satellite collection stations and a pipeline network.

As part of its acquisition of the Norte Capixaba Cluster, the Company also acquired the Terminal Norte Capixaba, with approximately 80,000 m3 storage capacity (equal to 500 000 bbls).

## Production Cost

Total production cost was USD 24.2 per boe in the third quarter of 2023 compared to USD 16.3 in the previous quarter. Third quarter production costs include an accounting-related correction of second quarter production costs of USD 0.9 million. Without this correction second quarter production costs would have been USD 17.5, and third quarter would be USD 23.1. Year-to date, the production cost per boe is USD 22.1, compared to USD 27.0 for the same period in 2022.

The Company has made a correction to the calculation of production cost per barrel. The previous calculation used the production cost based on sold volumes and calculated the adjusted production cost for production not sold using the production to sales ratio, which led to inflated adjustments for under/over lift. The Company is now using the full production costs for oil produced, excluding adjustment for over / underlift then deducting storage cost, royalties and oil acquired. Please refer to note 3 in the Financial Statements for details.



## Third quarter activities

The average number of producing wells increased to 297 in the third quarter from 292 in the second quarter and the average production per well increased to 31 boepd in the third quarter from 30 boepd in the second quarter on a pro forma basis.

## Commencement of drilling program

The Inhambu infill drilling program commenced in September following the issuance of environmental permits from IEMA. A batch process approach has been taken to maximize cost synergy in each step of the well construction process. Whilst this will delay the production start date of the first wells, along with the internalisation of some non-critical services, the batch drilling process is expected to drive down costs per well by around 15%. Steam injection is on track to commence in November and production in batches of three is expected to start from December. Previously published guidance for 8 to 11 new wells to be drilled in 2023 is maintained.

So far, fourteen locations have been built with eleven more to be completed before the rainy season. Five top-hole sections have been drilled and one production section has reached target depth (TD) with preliminary data extremely encouraging and consistent with the Competent Persons Report ("CPR").

## Well services activities

The Company serviced 38 wells during the period with a Mean Time Between Failures (MTBF) of 18.8 months in Cricaré and 24.4 months in Norte Capixaba. This compares with 17.8 and 20.3 months, respectively, for the second quarter of 2023. For Cricaré this is up from 10 months in the first quarter of 2022, when the Company took over operations. This improvement in reliability of the wells is the result of continuous efforts in pumping and well operation optimisations, as well as preventive maintenance. A higher MTBF results in higher availability of production and lower use of rigs for corrective maintenance in favour of workover and production increase activities.

## Workover activities

Seacrest initiated workovers within 38 wells in the quarter. These operations target the reopening of new zones within existing wells to

increase well productivity, as well as the return to production of wells shut in by the previous operator to increase the overall production well count.

### **TNC maintenance programme**

The Terminal Norte Capixaba (TNC) heating system is now reinstated to facilitate pumping crude at 65°C and, anticipating this, the Company discontinued purchases of C5+ diluent in August.

The terminal's monobuoy valves were repaired and replaced during the quarter. Certification of the terminal for IMO 2020 operations is expected to be completed in fourth quarter.

### **Going forward**

The Company is revising guidance for 2023 oil production to 7 400 – 7 600 bbls/d from 8 000 - 8 200 bbls/d.

The root cause of this reduction is the compounded effect of two unusual weather events in the fourth quarter that materially delayed oil offtakes, resulting in oil storage reaching full capacity and production therefore having to be curtailed temporarily:

- The first was a severe drought that hit the Amazonas in October. This resulted in the late cancellation of a major offtake that could not be received by the buyer, who declared force majeure due to draft restrictions in the Rio Negro.
- The second was a three-week period of stormy weather conditions which delayed the replacement offtake vessel chartered by Seacrest.

The combination of these two setbacks resulted in an exceptional nine-week period between full offtakes resulting in the remaining storage availability at the TNC being consumed and production therefore having to be reduced in response. During this period Seacrest accelerated planned maintenance into the period. An additional workover rig previously planned for October was also deferred for these reasons.

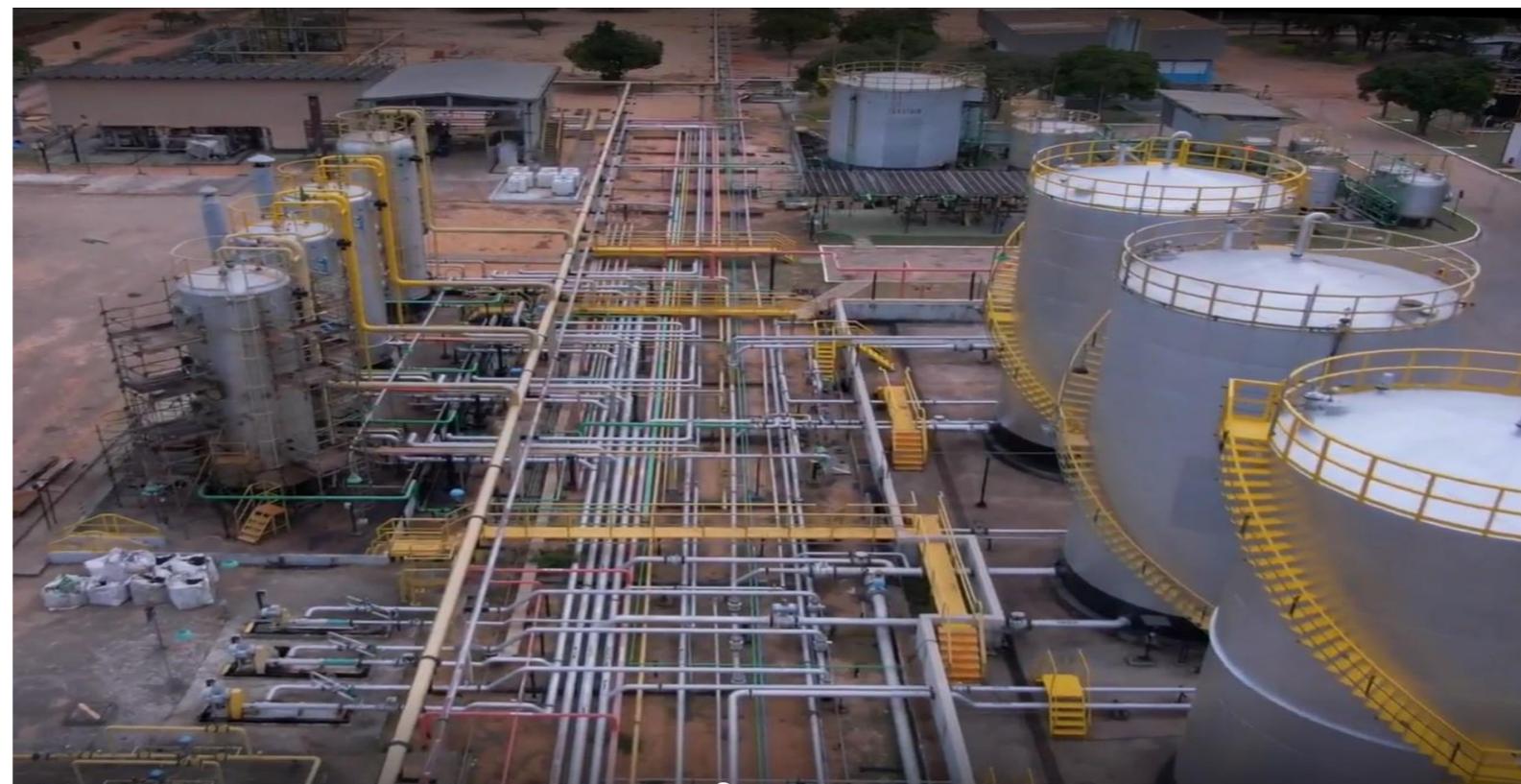
The offtake is now in process and, with oil storage capacity returning, production will be rapidly ramped up towards normalised levels. The Company has another offtake scheduled in two weeks which will return the offtake schedule to normal.

The production guidance revision has a knock-on effect on production cost per boe where the guidance is revised to USD 22-24 per boe from USD 20-22 previously.

Underlying well productivity remains strong, with the Inhambu heavy oil field performing at a 50% higher production rate than the CPR. The infill drilling program, which commenced in September, continues to proceed according to plan and one production section has reached TD with preliminary data extremely encouraging.

The Company has 3 drilling rigs under exclusive MOU for 2024. Steam injection will take place in November with first production from this campaign expected in December.

Progress during the quarter on TNC has positioned the company well to commence exporting IMO 2020 compliant VLSFO by the end of the year, accessing premium margins for our production. Upgrades to the pipeline junction leading to TNC have been completed, allowing for separate transport and storage of two oil products: light oil and VLSFO. Third party certification of the terminal for IMO 2020 operations is expected in December. Cost control continues to be a critical priority alongside safety and ESG, with cost improvement projects expected to bear fruit through to the end of the year.



## Health, safety, security and the environment (HSSE)

Key Performance Indicators	Q3'23	Q2'23	Q3'22	FY'22
Hours worked own workforce	79 153	69 804	28 583	109 551
Hours worked contractors	710 067	549 802	249 110	898 349
Total hours worked	789 220	619 606	277 693	1 007 900
Serious incidents (SI)	-	-	-	-
Lost time injuries (LTI)	1	-	-	-
Total recordable injuries (TRI)	1	-	-	-
Serious incidents rate (SIR) (#/mill hrs)	-	-	-	-
Lost time injuries rate (LTIR) (#/ mill hrs)	1.27	-	-	-
Total recordable injuries rate (TRIR) (#/mill hrs)	1.27	-	-	-
Reportable hydrocarbon spills to the environment	-	1	-	-
Total fatalities	-	-	-	-
High potential incidents	-	-	-	1
Near misses	-	-	1	3
Restricted workday cases	-	-	-	-
Medical treatment cases	-	-	-	-

Seacrest Petroleo continues to grow the operations with the number of hours worked reaching nearly 800 000 hours during the quarter, a 27% sequential increase. The Company has a strong focus on health, safety, security and the environment (HSSE) with a well-developed framework of internal regulations to ensure performance.

During the third quarter, the Company recorded the first injury since it started up operations in January 2022, with a contractor employee requiring time off due to an occupational injury. This resulted in an LTIR of 1.27 for the quarter. While the target is always zero injuries, the overall track record is still very strong with the 12-month rolling LTIR at 0.47. This is attributable to our dedicated workforce and our close cooperation with contractors employed by the Company.

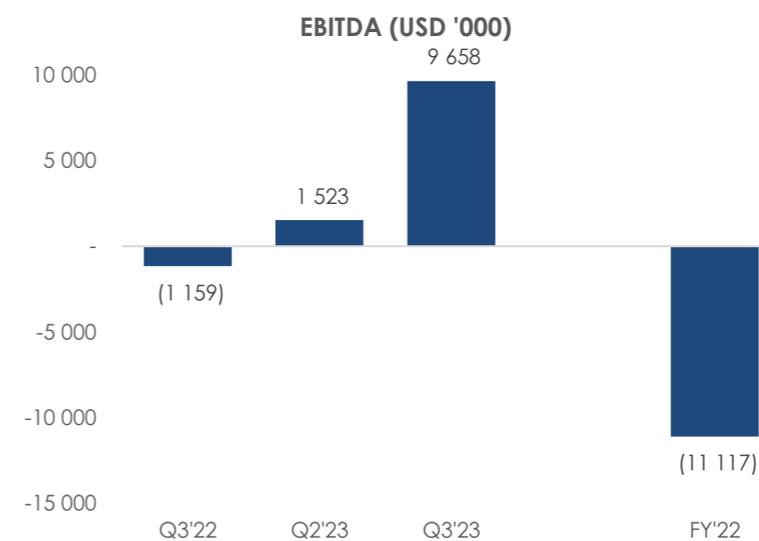
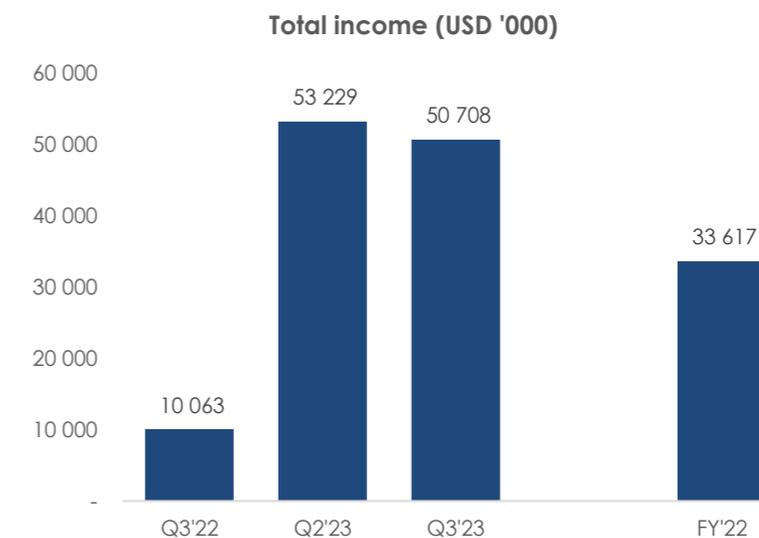
There were no reportable spills of hydrocarbons to the environment in the third quarter of 2023 and no near misses, nor any high potential incidents recorded this quarter. The Company follows the Heinrich safety pyramid theory and takes all such incidents as valuable learning that will strengthen the HSSE performance going forward.



## Financial review

### Statement of income

(USD '000)	Q3'23	Q2'23	Q3'22	FY'22
Net revenue from oil sales	50 708	53 229	10 063	33 617
Other revenue	-	-	-	-
<b>Total operating income</b>	<b>50 708</b>	<b>53 229</b>	<b>10 063</b>	<b>33 617</b>
Production costs	(30 692)	(35 003)	(5 001)	(16 746)
Exploration expenses	-	-	-	-
General and administrative expenses	(10 358)	(16 703)	(6 222)	(27 988)
Other operating expenses	-	-	-	-
<b>EBITDA</b>	<b>9 658</b>	<b>1 523</b>	<b>(1 159)</b>	<b>(11 117)</b>
Depreciation and amortisation	(9 169)	(21 686)	(5 525)	(23 034)
Impairment loss and reversals	-	-	-	-
<b>Operating profit / (loss) (EBIT)</b>	<b>489</b>	<b>(20 163)</b>	<b>(6 684)</b>	<b>(34 151)</b>
Operating margin	1 %	neg	neg	neg
Financial income	(16 560)	8 086	2 240	5 499
Financial expenses	(30 950)	(26 609)	(36 051)	(110 115)
<b>Profit / (loss) before income taxes</b>	<b>(47 021)</b>	<b>(38 685)</b>	<b>(40 496)</b>	<b>(138 767)</b>
Income tax (expense)/income	18 467	(614)	0	19 595
<b>Profit / (loss) for the period</b>	<b>(28 554)</b>	<b>(39 299)</b>	<b>(40 496)</b>	<b>(119 172)</b>



Revenues from sale of oil in the second quarter of 2023 were USD 50.7 million, a 5% decrease from the second quarter of 2023 owing to lower offtake volumes as one cargo scheduled for September slipped into October. This was partly offset by a 16% sequential increase in realised oil prices.

### Production cost

Total production cost was USD 24.2 per boe in the third quarter of 2023, compared to USD 16.3 in the previous quarter. Third quarter production costs include an accounting-related correction of second quarter production costs of USD 0.9 million. Without this correction second quarter production costs would have been USD 17.5, and third quarter would be USD 23.1. Year-to date, the production cost per boe is USD 22.1, compared to USD 27.0 for the same period in 2022.

The Company has made a correction to the calculation of production cost per barrel. The previous calculation used the production cost based on sold volumes and calculated the adjusted production cost for production not sold using the production to sales ratio, which led to inflated adjustments for under/over lift. The Company is now using the full production costs for oil produced, excluding adjustment for over / underlift then deduct storage cost, royalties and oil acquired. Please refer to note 3 in the Financial Statements for details.

### Depreciation and amortization

The amortisation and depreciation in the third quarter was USD 9.2 million, compared to USD 21.7 million in second quarter. The significant decrease is due to the transfer of the Inhambu field from Cricaré cluster to Norte Capixaba which has a lower rate of amortization.

### Net financial items

Interest expense increased by USD 1.7 million from the second quarter. The other financial items are primarily related to changes in the value of financial instruments and present value adjustments.

### Tax

The Company recorded a tax benefit of USD 26.2 million in the first nine months of the year due to the pre-tax losses. The total accumulated deferred tax asset is USD 43.3 million.

### Profit for the period

Net loss for the quarter was USD 28.6 million, a decline from the net loss of USD 39.3 million in the preceding quarter. Total comprehensive losses after adjusting for currency translation differences were USD 58.5 million in the quarter.

	Q3'23	Q2'23	Q3'22	FY'22
<b>Gross petroleum revenues (USD '000)</b>				
Revenue from oil sales	50 706	53 380	10 365	35 529
Revenue from gas sales	-	-	-	-
<b>Gross petroleum revenues</b>	<b>50 706</b>	<b>53 380</b>	<b>10 365</b>	<b>35 529</b>
<b>Tax on revenues (USD '000)</b>				
PIS	-	(27)	(54)	(341)
COFINS	2	(124)	(248)	(1 571)
<b>Net petroleum revenues (USD '000)</b>	<b>50 708</b>	<b>53 229</b>	<b>10 063</b>	<b>33 617</b>
<b>Petroleum revenue split by type (percentage)</b>				
Revenue from oil sales	100 %	100 %	100 %	100 %
Revenue from gas sales	0 %	0 %	0 %	0 %
<b>Total petroleum revenues</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>
<b>Realised prices (USD/boe)</b>				
Gross	79.2	68.7	87.6	93.2
Net after PIS/COFINS (federal taxes on revenues)	79.2	68.5	85.1	88.2
<b>Offtake volumes (mmboe)</b>				
Oil	640	777	118	381
Gas	-	-	-	-
<b>Total</b>	<b>640</b>	<b>777</b>	<b>118</b>	<b>381</b>
<b>Over-/ (underlift)</b>	<b>(130)</b>	<b>108</b>	<b>(12)</b>	<b>(79)</b>
<b>Production costs (USD '000)</b>				
Production costs based on produced volumes	39 244	30 705	6 205	19 888
Adjustments	(18 754)	(18 701)	(1 500)	(5 914)
<b>Adjusted production cost based on produced volumes</b>	<b>20 490</b>	<b>12 004</b>	<b>4 705</b>	<b>13 974</b>
Total produced volumes ('000 boe)	847	736	147	501
<b>Production cost per boe produced (USD/boe)</b>	<b>24.2</b>	<b>16.3</b>	<b>31.9</b>	<b>27.9</b>

## Condensed statements of financial position

Financial position (USD '000)	30 Sept 2023	31 Jun 2023	30 Sept 2022
Current assets	67 048	60 762	116 476
Intangible assets	523 574	559 462	85 956
Tangible fixed assets	103 991	110 342	1 852
Other non-current assets	51 382	32 450	32 279
<b>Total assets</b>	<b>745 995</b>	<b>763 016</b>	<b>236 563</b>
Current liabilities	75 476	41 881	(27 433)
Non-current liabilities	551 051	541 896	241 572
<b>Total liabilities</b>	<b>626 526</b>	<b>583 777</b>	<b>263 996</b>
<b>Total equity</b>	<b>119 469</b>	<b>179 239</b>	<b>(27 433)</b>
<b>Total equity and liabilities</b>	<b>745 995</b>	<b>763 016</b>	<b>236 563</b>

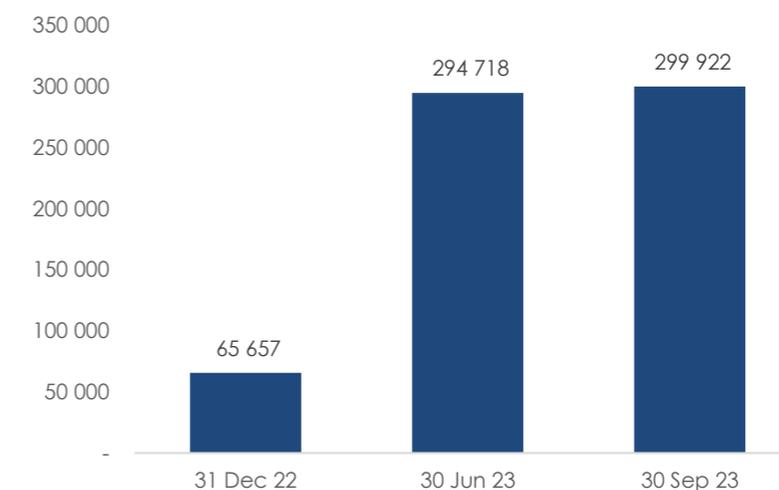
Total assets at the end of the quarter decreased by USD 17.0 million, primarily due to an FX-revaluation of USD 22 million, depreciation and amortisation of USD 10 million, and remeasurement of abandonment obligations of USD 16.1m. This was partly offset by an inventory increase of USD 11.6 million and an increase in deferred tax assets of USD 16.1 million.

Total interest-bearing debt at the end of the quarter was more or less unchanged from the second quarter. Adjusted net interest-bearing debt increased from USD 295 million to USD 298.5 million.

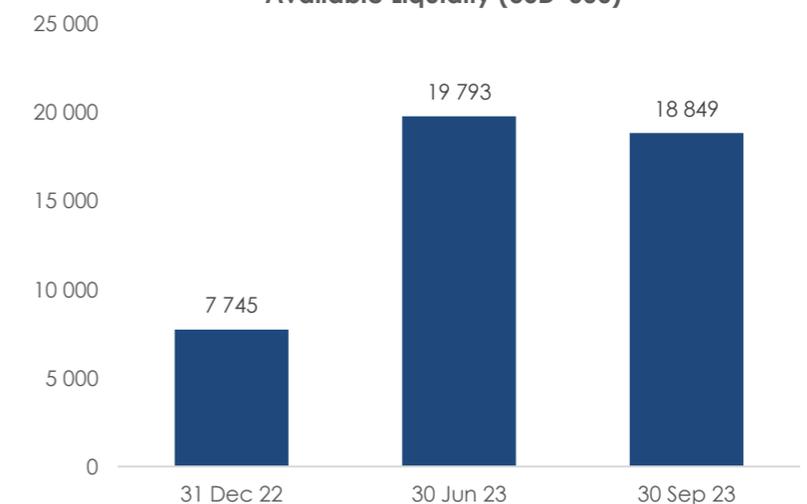
The Group's equity ratio was 16% at the end of the third quarter 2023, down from 23% in the second quarter 2023.

Interest bearing debt including leasing (USD '000)	30 Sept 2023	31 Jun 2023	30 Sept 2022
Interest-bearing loans and borrowings	295 944	294 718	63 295
Interest-bearing loans, current	3 978	-	-
Lease liabilities, non-current	4 927	10 957	3 701
Lease liabilities, current	12 519	9 123	2 419
<b>Adjusted total interest-bearing debt</b>	<b>317 367</b>	<b>314 799</b>	<b>69 416</b>
Cash and cash equivalents	18 849	19 793	12 828
<b>Adjusted NIBD</b>	<b>298 518</b>	<b>295 006</b>	<b>56 588</b>

Total interest-bearing debt (TIBD) (USD '000)



Available Liquidity (USD '000)



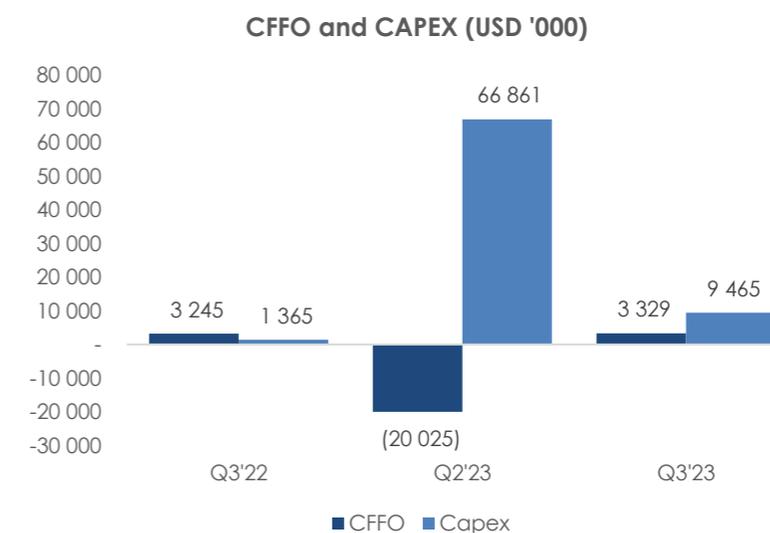
## Condensed statement of cash flow

Statement of cash flows (USD '000)	Q3'23	Q2'23	Q3'22	FY'22
Cash flow from operating activities (CFFO)	3 329	(20 025)	3 245	(38 332)
Cash flows used in investing activities	(8 599)	(421 539)	(17 533)	(39 666)
Cash flows from financing activities	2 692	248 285	1 071	67 583
<b>Net change in cash and cash equivalents</b>	<b>(2 579)</b>	<b>(193 278)</b>	<b>(13 217)</b>	<b>(10 414)</b>
Cash and cash equivalents, beginning of period	19 793	206 126	21 730	16 909
Effect of exchange rate fluctuation on cash held	1 635	6 945	4 315	1 250
<b>Cash and cash equivalents, end of period</b>	<b>18 849</b>	<b>19 793</b>	<b>12 828</b>	<b>7 745</b>

Cash flows from operating activities were impacted by unrealised hedging expense, partially offset by deferred taxes and increase in inventory. Please refer to the financial statements at the end of this report for details. Cash used in investment activities was related to capex for the period. Cash flows from financing activities represent draw down on the working capital facility, partially offset by an increase in lease payments.

Cash flows used in investing activities (USD '000)	Q3'23	Q2'23	Q3'22	FY'22
Purchase of securities	-	-	-	-
Hedging costs	(1 646)	(3 759)	-	-
Advances for the acquisition of oil and gas assets	-	-	-	(35 850)
Property, plant & equipment acquisition	(6 953)	(64 673)	(678)	(3 816)
Intangible acquisition	-	(353 106)	(16 855)	-
<b>Total cash used in investing activities</b>	<b>(8 599)</b>	<b>(421 539)</b>	<b>(17 533)</b>	<b>(39 666)</b>

Cash flows from financing activities (USD '000)	Q3'23	Q2'23	Q3'22	FY'22
Capital increase	-	-	-0	50 054
Borrowing costs	-	-	-	-
Financial loan	5 204	250 473	1 758	19 893
Lease payments	(2 512)	(2 187)	(687)	(2 364)
Dividends paid	-	-	-	-
<b>Total cash flows from financing activities</b>	<b>2 692</b>	<b>248 285</b>	<b>1 071</b>	<b>67 583</b>



## Outlook

Seacrest Petroleo has an ambition to more than triple its production of oil and gas in the next three years. This is expected to result from a comprehensive programme of well completion activities, steam injection and drilling of new production wells, as well as from generating synergies from utilising its fully owned infrastructure from well to terminal.

### 2023 guidance

The Company is revising guidance for 2023 oil production to 7 400 – 7 600 bbls/d from 8 000-8 200 bbls/d previously, reflecting a temporary reduction in production in November resulting from a combination of weather-related delays to offtakes. A severe drought in the Amazonas resulted in the late cancellation of a major offtake following the declaration of force majeure by the buyer. A three-week period of stormy weather then delayed the replacement offtake chartered by Seacrest. This sequence of events led to an exceptionally long nine-week period in between full offtakes that resulted in storage capacity at TNC being consumed, requiring a temporary reduction in production. The updated range incorporates the potential impact of the normal rain season in Espirito Santo during the quarter.

For 2023, the Company expects production costs per boe of USD 22-24, excluding terminal and storage costs, purchased oil and royalties. This has been increased from USD 20-22 previously as a result of the revision to production guidance.

The Company expects capex to amount to USD 20 to 22 million for the year.

Seacrest Petroleo does not expect to be in a position to pay dividends during 2023.

### Transactions with related parties

For details on positions and transactions with related parties, see note 12 in the Financial Statements.

### Subsequent events

Seacrest experienced exceptional delays to a major offtake due to weather events in October and November, resulting in oil storage reaching capacity and requiring a reduction in production. The offtake is now in process and, with oil storage capacity returning, production will be rapidly ramped up towards normalised levels. The Company has another offtake scheduled in two weeks which will return the offtake schedule to normal. An additional planned workover rig previously planned for October was also deferred due to the drought in the Amazonas.

Seacrest has completed upgrades to the pipeline junctions leading to TNC, allowing for separate transport and storage of two oil products: light oil and VLSFO.

On 1 November 2023, the Group entered into an amendment to the Group's credit agreement dated 3 February 2023 with Morgan Stanley Senior Funding, Inc. and the other lenders party thereto (the "Credit Agreement"), that increased the USD 10 million basket for the Group's permitted unsecured working capital and the USD 20 million basket for permitted factoring arrangements to a combined aggregate USD 30 million basket. To date, the Group has arranged and drawn unsecured working capital facilities from local Brazilian banks for SPE Crícaré S.A. and Seacrest Petróleo SPE Norte Capixaba Ltda. in an aggregate amount of USD 14 million. These facilities can be drawn and repaid to suit the Group's working capital needs. For the benefit of investors, the Company has provided the complete amortization schedule under the Credit Agreement as part of Note 13 (Financial Loans) to the Q3 Financial Statements.

The ongoing infill drilling program has so far seen the first well's production section reaching target depth with preliminary results extremely encouraging and consistent with the CPR. First production from the drilling programme is expected in the coming weeks.

### Risks and uncertainty

Seacrest Petroleo is exposed to a variety of risks associated with its oil and gas operations in Brazil, as well as uncertainties arising from exploration, reserve and resource estimates.

Estimates for capital and operating cost expenditures are uncertain, and the production performance of oil and gas fields may vary over time.

The effects of the ongoing war in Ukraine, the Hamas/Israel war, global inflation and monetary tightening impact market and financial risks. Such risks include, but are not limited to, commodity price fluctuations, exchange rates, interest rates and capital requirements.

Seacrest Petroleo is also exposed to uncertainties relating to the capital markets and access to capital. This may influence the Company's ability to access financing in general, and specifically its ability to refinance existing debt, as well as securing adequate flexibility in terms of working capital financing requirements.

The Company's operational, financial, strategic and compliance risks and the steps taken to mitigate these risks are described in the Company's annual report for 2022, available at [www.seacrestpetroleo.com](http://www.seacrestpetroleo.com).

## Alternative performance measures

<b>Capex (USD'000)</b>	<b>Q3'23</b>	<b>Q2'23</b>	<b>Q3'22</b>	<b>YTD Q3'23</b>	<b>YTD Q3'22</b>
Investments in fixed assets (excluding capitalised interest)	6 953	64 673	678	72 558	3 331
Advances for the acquisition of oil and gas assets	-	-	-	-	35 850
Investments in intangible assets	-	353 106	16 855	353 106	4 620
Payments of lease debt (investments in fixed assets)	2 512	2 187	687	5 432	1 732
Accounting and FX adjustments to intangible assets	-	(353 106)	(16 855)	(353 106)	(4 620)
<b>CAPEX</b>	<b>9 465</b>	<b>66 861</b>	<b>1 365</b>	<b>77 990</b>	<b>40 913</b>
<b>EBITDA and EBITDAX (USD'000)</b>	<b>Q3'23</b>	<b>Q2'23</b>	<b>Q3'22</b>	<b>YTD Q3'23</b>	<b>YTD Q3'22</b>
Total Income	50 708	53 229	10 063	112 767	22 978
Production costs	(30 692)	(35 003)	(5 001)	(71 211)	(12 077)
General and administrative expenses	(10 358)	(16 703)	(6 222)	(36 514)	(19 702)
<b>EBITDA</b>	<b>9 658</b>	<b>1 523</b>	<b>(1 159)</b>	<b>5 042</b>	<b>(8 801)</b>
Exploration Expenses	-	-	-	-	-
<b>EBITDAX</b>	<b>9 900</b>	<b>1 523</b>	<b>(1 159)</b>	<b>5 284</b>	<b>(8 801)</b>
<b>Equity ratio</b>	<b>Q3'23</b>	<b>Q2'23</b>	<b>Q3'22</b>	<b>YTD Q2'23</b>	<b>YTD Q2'22</b>
Total equity (USD '000)	119 469	179 239	(27 433)	119 469	(27 433)
Total assets (USD'000)	745 995	763 016	236 563	745 995	236 563
<b>Equity ratio</b>	<b>16 %</b>	<b>23 %</b>	<b>-12 %</b>	<b>16%</b>	<b>-12 %</b>
<b>Net interest-bearing debt (USD '000)</b>	<b>30 Sept 2023</b>	<b>30 Jun 2023</b>	<b>30 Sept 2022</b>	<b>YTD Q2'23</b>	<b>YTD Q2'22</b>
Long-term financial loans	295 944	294 718	63 295	295 944	63 295
Long-term lease debt	4 927	10 957	3 701	4 927	3 701
Short-term financial loans	3 978	-	-	3 978	-
Short-term lease debt	12 519	9 123	2 419	12 519	2 419
Cash and cash equivalents	(18 849)	(19 793)	(12 828)	(18 849)	(12 828)
<b>Net interest-bearing debt</b>	<b>298 518</b>	<b>295 006</b>	<b>56 588</b>	<b>298 518</b>	<b>56 588</b>
<b>Free cash flow (USD '000)</b>	<b>Q3'23</b>	<b>Q1'23</b>	<b>Q3'22</b>	<b>YTD Q3'23</b>	<b>YTD Q3'22</b>
Net cash from/(used) in operating activities	3 329	(22 025)	3 245	(35 550)	(36 356)
Capital expenditures	(9 465)	(66 861)	(1 365)	(77 990)	(40 913)
<b>Free cash flow</b>	<b>(6 136)</b>	<b>(86 885)</b>	<b>1 880</b>	<b>(113 540)</b>	<b>(74 269)</b>

Seacrest Petroleo discloses alternative performance measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with international financial reporting standards (IFRS).

The Company believes that the alternative performance measures provide useful supplement information to management, investors, lenders, and other stakeholders and are meant to provide an enhanced insight and better understanding into the financial development of Seacrest Petroleo and improve comparability between periods.

## Financial statements with note disclosures

Unaudited statement of comprehensive income

Unaudited balance sheet statement

Unaudited statement of changes in equity

Unaudited statement of changes in equity

Notes

Note 1 Summary of IFRS accounting principles and prior year restatements

Note 2 Revenue from oil sales

Note 3 Production costs

Note 4 General and administrative expenses

Note 5 Depreciation and amortization

Note 6 Net financial results

Note 7 Intangible assets

Note 8 Property, plant and equipment

Note 9 Equity

Note 10 Commitments, provisions and contingent consideration

Note 11 Lease agreements

Note 12 Related party transactions

Note 13 Financial loans

Note 14 Derivative financial instruments

## Unaudited statement of income

USD '000	Note	Q3'23	Q2'23	Q3'22	YTD Q3'23	YTD Q3'22
Net revenue from oil sales	2	50 708	53 229	10 063	112 767	22 978
Other revenue		-	-	-	-	-
<b>Total operating income</b>		<b>50 708</b>	<b>53 229</b>	<b>10 063</b>	<b>112 974</b>	<b>22 978</b>
Production costs	3	(30 692)	(35 003)	(5 001)	(71 211)	(12 077)
Exploration expenses		-	-	-	-	-
Depreciation and amortisation	5	(9 169)	(21 686)	(5 525)	(36 576)	(17 439)
Impairment loss and reversals		-	-	-	-	-
General and administrative expenses	4	(10 358)	(16 703)	(6 222)	(36 514)	(19 702)
Other operating expenses		-	-	-	-	-
<b>Total operating expenses</b>		<b>(50 218)</b>	<b>(73 392)</b>	<b>(16 747)</b>	<b>(144 301)</b>	<b>(49 218)</b>
<b>Operating profit / (loss) (EBIT)</b>		<b>489</b>	<b>(20 163)</b>	<b>(6 684)</b>	<b>(31 533)</b>	<b>(26 240)</b>
Operating margin		0	neg	neg	neg	n.m.
Financial income	6	(16 560)	8 086	2 240	1 731	2 368
Financial expenses	6	(30 950)	(26 609)	(36 051)	(72 849)	(69 830)
<b>Profit / (loss) before income taxes</b>		<b>(47 021)</b>	<b>(38 685)</b>	<b>(40 496)</b>	<b>(102 652)</b>	<b>(93 702)</b>
Income tax (expense) / income		18 467	(614)	0	26 194	0
<b>Net profit (loss) for the period</b>		<b>(28 554)</b>	<b>(39 299)</b>	<b>(40 496)</b>	<b>(76 458)</b>	<b>(93 702)</b>
<b>Other comprehensive income:</b>						
<i>Items that may be reclassified subsequently to the income statement:</i>						
Currency translation differences		(29 901)	30 357	4 315	5 881	6 759
Net gain/(loss) on put options used for hedging		-	-	-	-	-
<b>Other comprehensive income for the period, net of tax</b>		<b>(29 901)</b>	<b>30 357</b>	<b>4 315</b>	<b>5 881</b>	<b>6 759</b>
<b>Total comprehensive income</b>		<b>(58 454)</b>	<b>(8 943)</b>	<b>(36 181)</b>	<b>(70 577)</b>	<b>(86 943)</b>
<b>Earnings per share (USD)</b>						
EPS Basic		(0.0872)	(0.1201)	(0.1609)	(0.2506)	(0.5629)
EPS Diluted		(0.0839)	(0.1182)	(0.1098)	(0.2444)	(0.3959)

## Unaudited balance sheet statement

USD '000	Note	30. Sept 2023	30. Jun 2023	30. Sept 2022
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents		18 849	19 793	12 828
Securities		5 877	6 296	5 948
Advances, prepaid expenses and others		4 625	8 792	1 897
Accounts receivable with related parties	12	33	34	22
Accounts and trade receivables		-	-	-
Recoverable taxes		217	0	403
Inventory		37 446	25 847	2 312
Derivative financial instruments	14	-	-	8 869
<b>Total current assets</b>		<b>67 048</b>	<b>60 762</b>	<b>30 046</b>
<b>Non-current assets</b>				
Accounts receivable with related parties	12	320	329	297
Recoverable taxes		7 735	4 942	1 555
Advances for the acquisition of oil & gas assets		-	-	35 850
Deferred tax asset		43 326	27 179	-
Property, plant & equipment	8	103 991	110 342	50 106
Intangible assets	7	523 574	559 462	116 476
<b>Total non-current assets</b>		<b>678 947</b>	<b>702 254</b>	<b>202 524</b>
<b>TOTAL ASSETS</b>		<b>745 995</b>	<b>763 016</b>	<b>232 570</b>

## Unaudited balance sheet statement – continued

USD '000	Note	30. Sept 2023	30. Jun 2023	30. Sept 2022
<b>Current liabilities</b>				
Taxes payable		1 443	1 728	603
Supplier and other accounts payable		25 332	20 489	1 946
Lease payable	11	12 519	9 123	2 419
Employee benefits and compensation payable		2 033	1 943	892
Financial loans		3 978	-	-
Derivative financial instruments with related parties	12, 14	24 876	8 598	16 564
Derivative financial instruments	14	5 295	-	-
Unearned revenue		-	-	-
<b>Total current liabilities</b>		<b>75 476</b>	<b>41 881</b>	<b>22 424</b>
<b>Non-current liabilities</b>				
Accounts payable to related parties	12	3 609	2 717	262
Financial loans with related parties	12	-	-	60 179
Financial loans	13	295 944	294 718	3 116
Lease payable	11	4 927	10 957	3 701
Provision for decommissioning costs	8	35 716	37 758	51 255
Contingent consideration	10	191 746	186 282	106 926
Derivative financial instruments with related parties	12, 14	3 739	8 952	16 133
Derivative financial instruments	14	15 370	511	-
<b>Total non-current liabilities</b>		<b>551 051</b>	<b>541 896</b>	<b>241 572</b>
<b>Total liabilities</b>		<b>621 231</b>	<b>583 777</b>	<b>263 996</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	9	7	7	2
Share premium		320 598	320 505	74 997
Other reserves		2 539	3 338	4 194
Currency translation adjustments		13 242	43 143	3 629
Accumulated losses		(216 916)	(177 363)	(74 493)
<b>Total equity</b>		<b>119 469</b>	<b>179 239</b>	<b>(27 433)</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>745 995</b>	<b>763 016</b>	<b>236 564</b>

## Unaudited statement of changes in equity

USD '000	Share capital	Share premium	Reserves		Accumulated losses	Total equity
			Currency translation	Other		
<b>Balance at 1 January 2022</b>	<b>1</b>	<b>25 998</b>	<b>1 185</b>	<b>3 355</b>	<b>(21 287)</b>	<b>9 252</b>
Profit / (loss) for the period	-	-	-	-	(119 172)	(119 172)
Other comprehensive income / (loss)	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	-	-
Total comprehensive income / (loss)	-	-	-	-	(119 172)	(119 172)
Capital increase	1	50 054	-	-	-	50 055
Share-based payment	-	-	-	945	-	945
Others	-	-	6 176	-	-	6 176
Total transactions with owners of Group, recognised directly in equity	1	50 054	6 176	945	-	57 176
<b>Balance at 31 December 2022</b>	<b>2</b>	<b>76 052</b>	<b>7 361</b>	<b>4 300</b>	<b>(140 458)</b>	<b>(52 743)</b>
Profit / (loss) for the period	-	-	-	-	(76 458)	(76 485)
Other comprehensive income / (loss)	-	-	-	-	-	-
Currency translation adjustment	-	-	5 881	-	-	5 881
Total comprehensive income / (loss)	-	-	5 881	-	(76 458)	(70 577)
Capital increase	5	244 546	-	-	-	244 551
Share-based payment	-	-	-	(1 762)	-	(1 762)
Others	-	-	-	-	-	-
Total transactions with owners of Group, recognised directly in equity	-	244 546	-	(1 762)	-	242 789
<b>Balance at 30 September 2023</b>	<b>7</b>	<b>320 598</b>	<b>13 242</b>	<b>2 539</b>	<b>(216 916)</b>	<b>119 469</b>

## Unaudited statement of cash flows

USD '000	Q3'23	Q2'23	Q3'22	YTD Q3'23	YTD Q3'22
<b>Cash flows from operating activities</b>					
<b>Net loss for the period</b>	<b>(28 554)</b>	<b>(39 299)</b>	<b>(40 496)</b>	<b>(76 458)</b>	<b>(93 702)</b>
<i>Adjustments to reconcile net loss to net cash flows:</i>					
Depreciation and amortisation	15 336	28 078	6 525	50 447	20 439
Share-based payment	(1 409)	610	419	(1 762)	1 258
Contingent liability adjustment	5 465	6 279	5 831	21 316	24 050
Asset retirement obligation adjustment	(449)	(8 794)	-	(8 791)	-
Hedging costs (unrealised)	32 865	(6 400)	30 384	16 658	30 384
Interest on leasing	603	1 922	-	1 610	-
Interest on financial loan	9 951	8 286	3 087	20 449	5 771
Interest on bank deposits	419	(459)	-	(269)	-
Deferred taxes	(16 147)	1 606	-	(23 873)	-
Other non-cash items and reclassifications	-	-	-	-	-
<i>Working capital adjustments:</i>					
Changes in inventories, accounts payable and receivables	(1 689)	(636)	(1 589)	(11 312)	(15 970)
Changes in other current balance sheet items	-	-	-	-	-
<i>Other items</i>					
Interest paid	(9 951)	(8 286)	(1 643)	(20 194)	(4 928)
Income tax received / (paid)	(3 294)	(3 346)	557	(5 648)	(1 391)
Employee benefits and compensation payable	90	414	169	1 007	734
Convertible loans converted to equity	-	-	-	-	-
Options converted to equity	93	-	-	1 270	-
<b>Net cash flows from operating activities</b>	<b>3 329</b>	<b>(20 025)</b>	<b>3 245</b>	<b>(35 550)</b>	<b>(33 356)</b>

## Unaudited statement of cash flows - continued

USD '000	Q3'23	Q2'23	Q3'22	YTD Q3'23	YTD Q3'22
<b>Cash flows from investing activities</b>					
Purchase of securities	-	-	-	-	-
Hedging costs	(1 646)	(3 759)	-	(5 405)	-
Advances for the acquisition of oil and gas assets	-	-	-	-	(35 850)
Property, plant & equipment acquisition	(6 953)	(64 673)	(678)	(72 558)	(3 331)
Intangible acquisition	-	(353 106)	(16 855)	(353 106)	(4 620)
<b>Net cash flow from investing activities</b>	<b>(8 599)</b>	<b>(421 539)</b>	<b>(17 533)</b>	<b>(435 918)</b>	<b>(43 802)</b>
<b>Cash flow from financing activities</b>					
Capital increase	-	-	-	234 444	49 000
Borrowing costs	-	-	-	(10 937)	-
Financial loan	5 204	250 473	1 758	253 783	19 050
Lease payments	(2 512)	(2 187)	(687)	(5 432)	(1 732)
Dividends paid	-	-	-	-	-
<b>Net cash flows from financing activities</b>	<b>2 692</b>	<b>248 285</b>	<b>1 071</b>	<b>471 859</b>	<b>66 318</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2 579)</b>	<b>(193 278)</b>	<b>(13 217)</b>	<b>391</b>	<b>(10 840)</b>
Cash and cash equivalents, beginning of period	19 793	206 126	21 730	7 745	6 078
Effect of movements in exchange rates on cash held	1 635	6 945	4 315	10 713	6 759
<b>Cash and cash equivalents, end of period</b>	<b>18 849</b>	<b>19 793</b>	<b>12 828</b>	<b>18 849</b>	<b>12 828</b>

## Notes

(All figures in USD '000 unless otherwise stated)

The interim condensed financial statements for the period ended 30 September 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. Thus, the interim financial statements do not include all information required by IFRSs and should be read in conjunction with the 2022 annual financial statements. The interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the dates and interim periods presented. Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. These interim financial statements have not been subject to review or audit by independent auditors.

These interim financial statements were authorised for issue by the Company's Board of Directors on 20 November 2023

## Note 1 Summary of IFRS accounting principles

The accounting principles adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2022. Seacrest Petroleo has not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective.

## Note 2 Revenue from oil sales

USD '000	Q3'23	Q2'23	Q3'22	YTD Q3'23	YTD Q3'22
Petroleum revenues	50 708	53 229	10 063	112 767	22 978
Other operating income	-	-	-	-	-
<b>Total income</b>	<b>50 708</b>	<b>53 229</b>	<b>10 063</b>	<b>112 767</b>	<b>22 978</b>
<b>Revenue split by petroleum type (USD '000)</b>	<b>Q3'23</b>	<b>Q2'23</b>	<b>Q3'22</b>	<b>YTD Q3'23</b>	<b>YTD Q3'22</b>
Revenue from oil sales	50 699	53 380	10 365	113 809	23 761
Revenue from gas sales	-	-	-	-	-
<b>Gross petroleum revenues</b>	<b>50 698</b>	<b>53 380</b>	<b>10 365</b>	<b>113 809</b>	<b>23 761</b>
<b>Tax on revenues</b>					
PIS	2	(27)	(54)	(186)	(140)
COFINS	8	(124)	(248)	(856)	(643)
<b>Net petroleum revenues</b>	<b>50 708</b>	<b>53 229</b>	<b>10 063</b>	<b>112 767</b>	<b>22 978</b>
<b>Revenue split by petroleum type (percentage)</b>	<b>Q3'23</b>	<b>Q2'23</b>	<b>Q3'22</b>	<b>YTD Q3'23</b>	<b>YTD Q3'22</b>
Revenue from crude oil sales	100 %	100 %	100 %	100%	100 %
Revenue from gas sales	0 %	0 %	0 %	0%	0 %
<b>Total petroleum revenues</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100%</b>	<b>100 %</b>
<b>Realised commodity prices</b>	<b>Q2'23</b>	<b>Q2'23</b>	<b>Q3'22</b>	<b>YTD Q3'23</b>	<b>YTD Q3'22</b>
Gross crude oil price (before tax on revenues)	79.2	68.7	87.6	73.4	98.4
Net crude oil price (after tax on revenues)	79.2	68.5	85.1	72.7	95.1

### Note 3 Production costs

Production costs (USD '000)	Q3'23	Q2'23	Q3'22	YTD Q3'23	YTD Q3'22
Employee benefits and charges	1 859	1 988	464	6 118	1 051
Field operation and stations	4 233	1 404	1 812	6 820	2 356
Maintenance and preservation	4 466	3 679	816	9 429	1 796
Oil treatment	(69)	(190)	391	229	831
Royalties	4 607	3 334	727	8 607	2 227
Storage	4 912	4 948	773	10 341	1 855
Transportation	4 048	1 945	287	6 608	737
Ground production rig-service	634	1 167	574	2 094	574
Oil acquired	9 235	10 419	-	19 654	-
Other operating costs	5 319	2 011	360	8 248	1 621
<b>Production cost based on produced volumes</b>	<b>39 244</b>	<b>30 705</b>	<b>6 205</b>	<b>78 149</b>	<b>13 049</b>
Adjustment for over (+) / underlift (-)	(8 552)	4 298	(1 204)	(6 938)	(971)
<b>Production cost based on sold volumes</b>	<b>30 692</b>	<b>35 003</b>	<b>5 001</b>	<b>71 211</b>	<b>12 077</b>
Production cost based on produced volumes	39 244	30 705	6 205	78 149	13 049
Less storage costs	(4 912)	(4 948)	(773)	(10 341)	(1 855)
Less royalties	(4 607)	(3 334)	(727)	(8 607)	(2 227)
Less oil acquired	(9 235)	(10 419)	-	(19 654)	-
<b>Adjusted production cost based on produced volumes</b>	<b>20 490</b>	<b>12 004</b>	<b>4 705</b>	<b>39 547</b>	<b>8 966</b>
Total produced volumes ('000 boe)	847	736	147	1 790	332
<b>Production cost per boe produced (USD/boe)</b>	<b>24.2</b>	<b>16.3</b>	<b>31.9</b>	<b>22.1</b>	<b>27.0</b>
Correction of IFRS 16 accounting in Q2'23	(911)	911			
<b>Corrected production cost based on produced volumes</b>	<b>19 578</b>	<b>12 916</b>			
<b>Corrected production cost per boe produced (USD/boe)</b>	<b>23.1</b>	<b>17.5</b>			

Production costs per boe adjustment	6M'23	FY22
Estimated production cost on produced volumes (old)	42 008	21 504
Actual production cost on produced volumes (new)	38 905	19 888
Difference	(3 103)	(1 616)
Production cost per boe produced (USD/boe), old	25.7	30.8
Production cost per boe produced (USD/boe), new	20.2	27.9
Difference per boe	(5.5)	(2.9)

## Note 4 General and administrative expenses

USD '000	Q3'23	Q2'23	Q3'22	YTD Q3'23	YTD Q3'22
Employee benefit and compensation	231	2 549	1 854	4 712	4 419
Travel and other sundry items	706	596	500	1 740	893
Office rent and running costs	140	107	49	360	106
Taxes and fees	673	2 483	48	3 625	688
Contractual guarantee fees <sup>1</sup>	892	892	892	2 677	2 648
Services hired <sup>2</sup>	2 934	7 456	2 345	15 459	9 846
Marketing costs	4 184	-	-	4 184	-
Other operating expenses	597	2 620	534	3 757	1 103
<b>Total</b>	<b>10 358</b>	<b>16 703</b>	<b>6 222</b>	<b>36 514</b>	<b>19 702</b>

1. Fees associated with the financial guarantee that was contractually required in order to acquire Cricaré Cluster.
2. Professional and technical services, such as lawyers, environmental specialists, geological and geophysical consultants were engaged as support for operations.

## Note 5 Depreciation and amortisation

USD '000	Q3'23	Q2'23	Q3'22	YTD Q3'23	YTD Q3'22
Amortisation of exploration rights <sup>1</sup>	5 368	15 768	7 256	24 823	11 766
Amortisation with deactivation cost <sup>2</sup>	1 344	1 689	(2 247)	4 344	3 367
Depreciation related to production <sup>3</sup>	2 442	4 213	516	7 372	2 306
Other depreciation	15	16	4	38	12
<b>Total</b>	<b>9 169</b>	<b>21 686</b>	<b>5 529</b>	<b>36 576</b>	<b>17 439</b>

1. Refers to the amortization of exploration rights, as outlined in note 8.
2. Refers to the amortization of the provision for asset decommissioning costs, as outlined in note 8.
3. This is the depreciation of items used in production.

## Note 6 Net financial results

USD '000	Q3'23	Q2'23	Q3'22	YTD Q3'23	YTD Q3'22
Interest on bank deposits	438	357	314	1 329	314
Financial instrument gains <sup>1</sup>	(17 053)	7 603	0	-	0
Other financial income	118	14	1 130	306	2 483
Exchange rate gains	(63)	112	795	96	(428)
<b>Total financial income</b>	<b>(16 560)</b>	<b>8 086</b>	<b>2 240</b>	<b>1 731</b>	<b>2 368</b>
Present value adjustment (contingent payments) <sup>2</sup>	6 516	15 056	(537)	31 717	21 822
Hedging costs (FX and commodity) <sup>3</sup>	15 228	-	35 820	15 228	39 623
Standby letter of credit costs (Norte Capixaba) <sup>4</sup>	682	1 720	-	4 480	2 982
Interest on financial loans (Note 12, 13)	9 951	8 286	3 087	20 449	5 771
Interest on lease debt	-	-	-	-	-
Interest on contingent payment (Note 10)	-	-	-	-	-
Other financial expenses	(1 427)	1 547	(2 319)	976	(367)
<b>Total financial expenses</b>	<b>30 950</b>	<b>26 609</b>	<b>36 051</b>	<b>72 849</b>	<b>69 830</b>
<b>Net financial results</b>	<b>(47 510)</b>	<b>(18 523)</b>	<b>(33 812)</b>	<b>(71 119)</b>	<b>(67 462)</b>

1. Represents gains from foreign exchange and Brent hedges (Note 14)

2. For the first nine months of 2023, this is comprised of the present value adjustment of USD 21.3 million (December 2022 USD 27.6 million) for the contingent consideration (Note 10), the present value adjustment for the decommissioning provision of USD 8.8 million (December 2022 USD 5.9 million) (Note 8) and a present value adjustment related to the Groups leases of USD 1.6 million (December 2022 USD 1 million)

3. Represents losses from oil commodity and foreign exchange hedges

4. Under the terms of the Norte Capixaba transaction Seacrest Petróleo SPE Norte Capixaba Ltda was required to procure a standby letter of credit in favour of Petrobras for USD 59.8 million. The guarantee backing such letter of credit was issued by Mercuria Energy Trading S.A. and the Group was charged a fee of 14% per annum on the outstanding letter of credit amount.

## Note 7 Intangible assets

USD '000	Note	Right to exploration	Other intangible assets	Total
Cost as at 1 January 2023		128 271	-	128 271
Additions		443 956	-	443 956
Currency translation effects		26 941	-	26 941
<b>Balances on 31 March 2023</b>		<b>599 168</b>	<b>-</b>	<b>599 168</b>
Amortisation and impairment as at 1 January 2023		(19 145)	-	(19 145)
Depreciation		(20 561)	-	(20 561)
Impairment reversal / (loss)		-	-	-
Currency translation effects		-	-	-
<b>Amortisation and impairment as at 30 June 2023</b>		<b>(39 706)</b>	<b>-</b>	<b>(39 706)</b>
<b>Net book value as at 30 June 2023</b>		<b>559 462</b>	<b>-</b>	<b>559 462</b>

USD '000	Note	Right to exploration	Other intangible assets	Total
Cost as at 1 July 2023		599 168	-	599 168
Additions		(10 196)	-	(10 196)
Currency translation effects		(21 430)	-	(21 430)
<b>Balances on 30 September 2023</b>		<b>567 542</b>	<b>-</b>	<b>567 542</b>
Amortisation and impairment as at 1 July 2023		(39 706)	-	(39 706)
Amortisation		(4 261)	-	(4 261)
Impairment reversal / (loss)		-	-	-
Currency translation effects		-	-	-
<b>Depreciation and impairment as at 30 September 2023</b>		<b>(43 968)</b>	<b>-</b>	<b>(43 968)</b>
<b>Net book value as at 30 September 2023</b>		<b>523 574</b>	<b>-</b>	<b>523 574</b>

The intangible asset at the start of the year 2023 refers to Cricaré and is a result of the purchase contract signed between SPE Cricaré and Petrobras on August 27, 2020. Please refer to the Company's Q1'23 and FY'22 financial statements for details.

The addition during the second quarter to the Company's intangible assets refers to the value of the 100% concession assets of the Norte Capixaba cluster, acquired on 12 April 2023 pursuant to the contract signed by SPE Norte Capixaba with Petróleo Brasileiro S.A. ("Petrobras").

It was concluded that the integrated set of assets and activities acquired does not qualify as a "business", due to the lack of a substantive process that would link the inputs in the acquisition (the concession contracts acquired and fixed assets) to the outputs (oil produced).

The Norte Capixaba cluster was already producing oil on the date of acquisition, but the inputs acquired did not include the workforce and, therefore, it was considered that it was not a business combination, but rather an acquisition of assets.

Management then went through the process of identifying the individual assets and liabilities acquired in the transaction on the acquisition date and performed an assessment of their value based on their relative fair values at the acquisition date.

The Norte Capixaba cluster began operations in the 1990s; however, it is expected to be economically productive until 2059. Norte Capixaba's concession contracts signed with the ANP for the concession rights related to the 5 fields, known as the Norte Capixaba cluster, will expire between 2025 and 2052. By recognizing this intangible asset and realizing the value of the reserves assigned to the asset, management has exercised professional judgment to come to the conclusion that it is highly likely that certain concessions will be extended (given that it will be in the best interest of all parties to the concession that the contracts be extended).

Amortisation is calculated according to the method of units produced in relation to proven reserves.

## Note 8 Property, plant & equipment

USD '000	Facilities, machinery and equipment	Decommis- sioning costs	Other property, plant and equipment	Total
Cost as at 1 January 2023	12 760	22 672	1 097	36 529
Additions	77 594	15 644	3 357	96 594
Currency translation effects	778	1 408	94	2 281
<b>Balances on 30 June 2023</b>	<b>91 132</b>	<b>39 724</b>	<b>4 548</b>	<b>135 403</b>
Depreciation and impairment as at 1 January 2023	(3 511)	(6 977)	(26)	(10 514)
Depreciation	(4 835)	(2 400)	(49)	(7 284)
Impairment reversal / (loss)	2 413	(9 676)	-	(7 264)
Currency translation effects	-	-	-	-
<b>Depreciation and impairment as at 30 June 2023</b>	<b>(5 933)</b>	<b>(19 053)</b>	<b>(75)</b>	<b>(25 062)</b>
<b>Net book value as at 30 June 2023</b>	<b>85 198</b>	<b>20 671</b>	<b>4 473</b>	<b>110 342</b>
USD '000	Facilities, machinery and equipment	Decommis- sioning costs	Other property, plant and equipment	Total
Cost as at 1 July 2023	91 132	39 724	4 548	135 403
Additions	3 879	880	932	5 692
Currency translation effects	(310)	(617)	(39)	(966)
<b>Balances on 30 September 2023</b>	<b>94 701</b>	<b>39 987</b>	<b>5 440</b>	<b>140 128</b>
Depreciation and impairment as at 1 July 2023	(5 933)	(19 053)	(75)	(25 062)
Depreciation	(3 137)	(1 285)	(47)	(4 469)
Impairment reversal / (loss)	(4 101)	(2 479)	(28)	(6 607)
Currency translation effects	-	-	-	-
<b>Depreciation and impairment as at 30 Sept. 2023</b>	<b>(13 171)</b>	<b>(22 817)</b>	<b>(150)</b>	<b>(36 138)</b>
<b>Net book value as at 30 September 2023</b>	<b>81 529</b>	<b>17 171</b>	<b>5 290</b>	<b>103 991</b>

## Provision for decommissioning costs

Assets USD '000	30 Sep 2023	30 Jun 2023	31 Dec 2022
Initial balance	40 024	15 696	44 164
Additions to the period of acquisition	879	15 644	-
Remeasurement	(19 022)	9 676	(23 894)
Cumulative translation adjustment	(616)	1 407	2 403
Write-off	(2 810)	-	-
Depreciation	(1 285)	(2 400)	(6 977)
<b>Final balance</b>	<b>17 171</b>	<b>40 024</b>	<b>15 696</b>
Liabilities USD '000	30 Sep 2023	30 Jun 2023	31 Dec 2022
Initial balance	37 759	27 938	44 164
Additions to the period of acquisition	12 589	2 519	-
Remeasurement	(26 383)	15 644	(23 894)
Cumulative translation adjustment	11 137	(9 676)	1 752
Depreciation	615	1 334	5 916
<b>Final balance</b>	<b>35 716</b>	<b>37 759</b>	<b>27 938</b>

The future obligation for the abandonment of assets (Cricaré and Norte Capixaba clusters) was estimated based on the Group's interest in (i) all oil wells and facilities, (ii) the estimated plugging and restoration costs for these wells and facilities, and (iii) the estimate of future adjustments to these costs.

As of 30 September 2023, the estimated amount required in order to meet asset abandonment obligations is USD 35 716 000 (2022: USD 27 938 000), which is in accordance with what is prescribed in the contract and in the Annual Working Plan and Budget (PAT) sent to the ANP, which will be incurred over the remaining useful lives of the wells. This amount is amortized into the consolidated profit or loss. The abandonment obligation costs recorded in 2023 were projected based on future cash flows, adjusted for at market related discount rates at the time of initial recognition. The Cricaré obligation being subject to a discount rate of 6.4% and Norte Capixaba 12.6%.

As of 30 September 2023, considering the assumptions adopted and the fact that the assets remain in the condition as acquired, the Group's management did not identify any triggering event to perform the test of the cash-generating units' recoverable value.

## Note 9 Equity

### Share capital

Issued capital at 30 June 2023 comprised:

USD	Share capital	Share premium	Total
Opening 1 January 2023 (185 926 155 fully paid ordinary shares)	2	76 052	76 054
Issued during the period (468 776 709 fully paid ordinary shares)	5	244 546	244 551
Reverse share split (327 263 932 fully paid ordinary shares)	-	-	-
<b>Balance at 30 September 2023</b> <b>(327 438 932 fully paid ordinary shares)</b>	<b>7</b>	<b>320 598</b>	<b>320 605</b>
<b>USD</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Total</b>
Opening 1 January 2022 (114 922 237 fully paid common shares)	1	25 998	25 999
Issued during the period (71 003 918 fully paid common shares)	1	50 054	50 055
<b>Balance at 31 December 2022</b> <b>(185 926 155 fully paid common shares)</b>	<b>2</b>	<b>76 052</b>	<b>76 054</b>

### Common shares

175 000 common shares were issued in the third quarter of 2023 related to exercise of options.

### Other reserves

The Group has granted share options to selected employees. Total options issued to each individual were divided into tranches. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The fair value of options is determined using the Black-Scholes valuation model. The significant inputs into the model were: share price at the grant date, an exercise prices per share and volatility. The volatility measured at the standard deviation of continuously compounded share returns was based on statistical analysis of the daily share prices of two comparable quoted share over a period of one year.

As at 30 June 2023, 5 286 242 options were outstanding compared to 7 238 742 as at 31 December, 2022. During the period ended 30 September 2023 6 465 000 options were granted while 175 000 were converted to common shares and 64 992 options were cancelled, leaving 11 511 250 share options outstanding as at 30 September 2023.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant-vest	Expiry date	Exercise price per share option	Share option
2020-2023	7 October 2025	USD 0.00002	596 250
2020-2024	31 August 2025	USD 0.20000	125 000
2022-2025	31 March 2025	USD 0.20000	175 000
2023-2026	19 January 2033	NOK 12.00	4 150 000
2023-2027	31 July 2033	NOK 10.74	6 465 000
			<b>11 511 250</b>

As at 30 September 2023, the weighted average remaining option life was 9.44 years.

For the period ended 30 September 2023, the expense recognised in the Consolidated Statement of Profit or Loss arising from the share options issuance is USD -495 979 (USD 1 999 513 for the year ended 31 December 2022). The negative adjustment is because the cost of new options issued during the periods was more than offset by the cancellation of previous options.

## Note 10 Commitments, provisions and contingent consideration

Contingent consideration USD '000	30 Sept 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022
Cricaré Cluster acquisition	132 996	129 488	115 430	81 575
Norte Capixaba acquisition	58 751	56 793	-	-
<b>Total</b>	<b>191 746</b>	<b>186 282</b>	<b>115 430</b>	<b>81 575</b>
<b>Changes in the period</b>	<b>Q3'23</b>	<b>Q2'23</b>	<b>Q1'23</b>	<b>FY'22</b>
Opening balance	186 102	124 823	115 430	82 877
Initial recognition	-	55 000	-	-
Interest component	3 892	4 175	3 689	4 928
Present value adjustment	1 752	1 950	5 858	27 626
Change in the discount	-	154	(154)	-
<b>Closing balance</b>	<b>191 746</b>	<b>186 102</b>	<b>124 823</b>	<b>115 430</b>

### Cricaré

This relates to the contingent consideration for the acquisition of the Cricaré Cluster, of which USD 30 million will be paid on 31 December 2025 as a contingent payment, linked to the approval of the concession term extension by the National Petroleum Agency ("ANP"), and USD 88 million, contingent on the reference price of Brent reaching a moving average equal to or greater than USD 50 per barrel in the respective payment years, adjusted by a fixed rate plus USD 3 months Libor and the US dollar exchange rate at the end of the period. Although USD Libor is to be discontinued, Management does not expect a material impact, since the agreement provides for a similar reference interest rate.

### Norte Capixaba

This refers to the disbursement obligation for the acquisition of Norte Capixaba, of which USD 11 million will be paid on 31 December 2023 and USD 55 million, which will be paid as follows: USD 11 million in 2024, USD 11 million in 2025, USD 11 million in 2026, USD 11 million in 2027 and USD 11 million in 2028, conditional on the Brent Crude index reaching a moving average equal to or greater than USD 65 per barrel in the respective payment years.

The outstanding amount to be paid for the acquisition of Cluster Cricaré on 31 December 2022 was USD 115.4 million. The initial recognition for Norte Capixaba was USD 55 million. A present value adjustment of USD 9.6 million was done up to 30 September 2023 (31 December 2022 USD 27.6 million). The interest adjustment for the period ended 30 September 2023 was USD 11.8 million.

## Note 11 Lease agreements

### Right of use assets

USD '000	Vehicles	Drilling rigs	Natural Gas Compression	Machine and equipment	Total
<b>As of 1 January 2023</b>	2 466	-	-	2 608	5 074
Initial recognition of right-of-use assets	5 464	3 833	892	1 926	12 115
Remeasurement adjustments	2 690	(55)	(7)	(274)	2 353
Cumulative conversion adjustment	216	-	-	229	445
Depreciation expenses for the period	(1 489)	(474)	(111)	(1 102)	(3 176)
<b>30 June 2023</b>	<b>9 346</b>	<b>3 304</b>	<b>775</b>	<b>3 387</b>	<b>16 811</b>
<b>As of 1 July 2023</b>	9 346	3 304	775	3 387	16 811
Initial recognition of right-of-use assets	(85)	(131)	(31)	(65)	(311)
Remeasurement adjustments	(1 031)	(310)	(4)	(339)	(1 683)
Cumulative conversion adjustment	(91)	-	-	(97)	(188)
Depreciation expenses for the period	(768)	(136)	(103)	(408)	(1 414)
<b>30 September 2023</b>	<b>7 372</b>	<b>2 727</b>	<b>638</b>	<b>2 478</b>	<b>13 215</b>

### Leases payable

USD '000	Vehicles	Drilling rigs	Natural Gas Compression	Machine and equipment	Total
<b>As of 1 January 2023</b>	3 230	-	-	3 418	6 648
Initial recognition of right-of-use assets	8 695	3 833	892	1 920	15 341
Remeasurement adjustments	(157)	(55)	(7)	(34)	(253)
Cumulative conversion adjustment	123	-	-	136	259
Payments	(1 264)	(124)	(76)	(1 456)	(2 920)
Interest	526	134	31	316	1 007
<b>31 March 2023</b>	<b>11 152</b>	<b>3 789</b>	<b>840</b>	<b>4 300</b>	<b>20 081</b>
<b>As of 1 July 2023</b>	11 152	3 789	840	4 300	20 081
Initial recognition of right-of-use assets	(297)	(131)	(30)	(65)	(524)
Remeasurement adjustments	(277)	(7)	(4)	8	(279)
Cumulative conversion adjustment	43	-	-	34	77
Payments	(1 013)	(516)	(98)	(885)	(2 512)
Interest	347	120	27	110	603
<b>30 September 2023</b>	<b>9 954</b>	<b>3 254</b>	<b>735</b>	<b>3 501</b>	<b>17 445</b>

## Note 12 Related party transactions

### Accounts receivables with related parties - current

USD '000	30 Sept 2023	30 Jun 2023	31 Dec 2022
Azibras Exploracao de Petróleo e Gás Ltda	17	18	17
Azinam	2	2	-
Seacrest Partners III, L.P.	6	6	6
SeaPulse Limited	0	0	1
Seacrest Group Limited	8	8	9
<b>Total</b>	<b>33</b>	<b>34</b>	<b>33</b>

### Accounts receivables with related parties - non-current

USD '000	30 Sept 2023	30 Jun 2023	31 Dec 2022
Azibras Exploracao de Petróleo e Gás Ltda	320	329	296
<b>Total</b>	<b>320</b>	<b>329</b>	<b>296</b>

### Accounts payable to related parties

USD '000	30 Sept 2023	30 Jun 2023	31 Dec 2022
Seacrest Group Limited	3 426	2 533	49
Azimuth Group Services Limited	184	184	221
<b>Total</b>	<b>3 609</b>	<b>2 717</b>	<b>270</b>

### Financial Loans

USD '000	30 Sept 2023	30 Jun 2023	31 Dec 2022
Mercuria Energy Trading S.A. ("Senior facility")	-	-	34 207
Mercuria Energy Trading S.A. ("Junior facility")	-	-	10 038
Mercuria Asset Holdings (Hong Kong) Limited	-	-	16 300
<b>Total</b>	<b>-</b>	<b>-</b>	<b>60 545</b>

### Changes in financial loans with related parties

USD '000	30 Sept 2023	30 Jun 2023	31 Dec 2022
Opening balance	-	44 245	44 245
Senior facility principal	-	-	-
Junior facility principal	-	-	-
Senior facility interest	-	-	4 874
Junior facility interest	-	-	1 697
Convertible loan notes	-	-	15 000
Convertible loan note interest	-	-	1 300
Interest paid	-	(212)	(6 571)
Conversion to equity	-	-	-
Principal paid	-	(44 033)	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>60 545</b>

### Derivative instruments - current liabilities

USD '000	30 Jun 2023	31 Mar 2023	31 Dec 2022
Mercuria Energy Trading S.A. <sup>1</sup>	24 876	15 003	19 925
Mercuria Energy Trading S.A. <sup>2</sup>	-	-	2 100
<b>Total</b>	<b>24 876</b>	<b>15 003</b>	<b>22 025</b>

### Derivative instruments - non-current liabilities

USD '000	30 Jun 2023	31 Mar 2023	31 Dec 2022
Mercuria Energy Trading S.A. <sup>1</sup>	3 739	20 851	20 851
<b>Total</b>	<b>3 739</b>	<b>20 851</b>	<b>20 851</b>

- The Company uses Brent oil hedges (forward contracts) to reduce its risk exposure to fluctuations in the price of oil (Note 14). The Company has entered into hedging contracts with Mercuria Energy Trading S.A. and Morgan Stanley Ltd (Note 14). During the quarter, the Company recorded financial instrument expenses of USD 23.5 million related to the Mercuria Brent oil derivative contracts which is recorded in finance expenses in the consolidated statement of profit and loss. The corresponding expense for the first nine months of 2023 is USD 17.7 million (31 December 2022: USD 53.0 million finance expense).
- The Company uses foreign exchange hedge contracts to reduce exposure to foreign exchange risk (Note 14). The company has entered into hedging contracts with Mercuria Energy Trading S.A. During the quarter, the Company recorded financial instrument income of USD 0.3 million related to the Mercuria derivative contracts which is recorded in finance revenues in the consolidated statement of profit and loss. The corresponding income for the first nine months of 2023 is USD 2.5 million (31 December 2022: USD 4.7 million).

## Note 13 Financial loans

Changes in financial loans USD '000	30 Sep 2023	30 Jun 2023	31 Dec 2022
Opening balance	294 718	3 218	-
Principal <sup>1</sup>	-	300 000	-
Facility interest	9 450	8 286	-
Convertible loan notes	-	-	3 000
Convertible loan note interest	-	-	218
Interest paid	(9 190)	(2 487)	-
Principal paid	-	-	-
Conversion to equity	-	(3 218)	-
Borrowing costs <sup>2</sup>	965	(11 081)	-
<b>Closing balance</b>	<b>295 944</b>	<b>294 718</b>	<b>3 218</b>

- On 10 April 2023 Seacrest SPE Cricaré and Seacrest Petróleo SPE Norte Capixaba Ltda., as borrowers, and Seacrest Petróleo S.A., Seacrest Petroleo Cricare Bermuda Limited and Seacrest Uruguay S.A., as guarantors, entered into a syndicated credit agreement dated 3 February 2023 (the "New Credit Agreement") with five banks in Brazil led by Morgan Stanley Senior Funding, Inc. as lead arranger.

On the same day, the loans under the Mercuria Junior Facility Agreement and the Mercuria Senior Facility Agreement were acquired by the lenders and thereafter restructured under the New Credit Agreement (the "Restructured Indebtedness") into a single tranche loan in the aggregate principal amount of USD 45 million. Each lender purchased and assumed the amounts outstanding under the Restructured Indebtedness in accordance with the terms and conditions set out in the New Credit Agreement. Following the purchase, the

Junior Facility Agreement and the Senior Facility Agreement were amended and restated in their entirety on the terms set out in the Credit Agreement, i.e., the Restructured Indebtedness will continue and remain outstanding and be governed by and subject only to the terms and conditions set forth in the Credit Agreement.

An additional loan tranche was made available to SPE Norte Capixaba in the aggregate principal amount of USD 255 million, which was used by SPE Norte Capixaba to pay the balance of the purchase price owed to Petrobras for the Norte Capixaba acquisition. Accordingly, together with the Restructured Indebtedness, the total amount drawn up under the Credit Agreement was USD 300 million, which the borrowers will repay from the proceeds of export of hydrocarbons.

- In accordance with the terms of the Credit Agreement, the lenders received USD 12 051 463 in fees, which will be amortised over the life of the loan. USD 1 935 432 was amortised in the period.

### Credit agreement amortization schedule

Principal Repayment Dates	Target Amortization Amounts (% of Principal)	Minimum Amortization Amounts (% of Principal)
Interest Payment Date occurring in February 2025	4.00000%	0.25000%
Interest Payment Date occurring in May 2025	4.00000%	0.25000%
Interest Payment Date occurring in August 2025	5.00000%	2.00000%
Interest Payment Date occurring in November 2025	5.00000%	2.00000%
Interest Payment Date occurring in February 2026	9.11111%	8.00000%
Interest Payment Date occurring in May 2026	9.11111%	8.00000%
Interest Payment Date occurring in August 2026	9.11111%	11.35714%
Interest Payment Date occurring in November 2026	9.11111%	11.35714%
Interest Payment Date occurring in February 2026	9.11111%	11.35714%
Interest Payment Date occurring in May 2026	9.11111%	11.35714%
Interest Payment Date occurring in August 2026	9.11111%	11.35714%
Interest Payment Date occurring in November 2026	9.11111%	11.35714%
Interest Payment Date occurring in February 2028	9.11111%	11.35714%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Note 14 Derivative financial instruments

The Group uses derivative instruments to manage its exposure to commodity risk. The origin of the commodity risk is a revenue base priced at Brent Crude, As such, the Group is exposed to the risk of a price decrease in Brent Crude. To protect against this risk, the Group has entered into Commodity Price Swaps.

The following presents the summary of derivative positions held by the Company as at 30 September 2023:

Statement of financial position					
USD '000	Notional Value		Fair Value Position		Maturity Date
	30 Sep 2023	31 Dec 2022	30 Sep 2023	31 Dec 2022	
<b>Forward contracts</b>					
Long position / Foreign currency forward (BRL/USD) <sup>1</sup>	-	51 121	-	(2 100)	2023
<b>Swap</b>					
Commodity price swap <sup>2</sup>	3 508	2 543	(49 280)	(40 776)	2026
<b>Total recognised in statement of financial position</b>	<b>-</b>	<b>-</b>	<b>(49 280)</b>	<b>(42 876)</b>	

1 - notional amounts in USD '000  
2 - notional amounts in '000 bbl

Gains/(losses) recognized in the statement of profit and loss		
USD '000	30 Sep 2023	31 Dec 2022
<b>Forward contracts</b>		
Long position / foreign currency forward (BRL/USD)	2 510	2 561
<b>Swap</b>		
Commodity price swap	(17 738)	(53 046)
<b>Total recognised in statement of profit and loss</b>	<b>(15 228)</b>	<b>(50 485)</b>

A sensitivity analysis of the derivative financial instruments has been performed. The base level of the sensitivity are the market prices used in the fair value positions disclosed for the related instruments. The base level for the Swap is the Brent Crude Futures Curve at reporting date. The amounts have been sensitised as follows:

Financial instruments	Risk	Possible scenario <25%>	Remote scenario <50%>
NDF	Exchange rate - depreciation of the Real compared to USD	-	-
Swap	Crude oil - price changes	71 478	142 955
<b>Total</b>		<b>71 489</b>	<b>142 955</b>

The possible and remote scenarios reflect the potential effect on the result of outstanding transactions, considering an unfavourable variation in market prices, to the extent of increasing the risk factor by 25% and 50%, respectively.

## Important information and disclaimer

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Statements in this Report, including those regarding the possible or assumed future or other performance of the Company or its industry or other trend projections, constitute forward-looking statements. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. By their nature, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future, whether or not outside the control of the Company. Such factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, there can be no assurance that such forward-looking statements will prove to be correct. You should not place undue reliance on forward-looking statements. They speak only as at the date of this Report, and the Company does not undertake any obligation to update these forward-looking statements if not required to do so for regulatory purposes. Past performance does not guarantee or predict future performance. Moreover, the Company and its affiliates, and its and their respective directors, officers, employees and agents, do not undertake any obligation to review, update or confirm expectations or estimates or to release any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this Report.

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**Seacrest**  
Petróleo

