

NIGER DELTA EXPLORATION & PRODUCTION PLC
Lagos, Nigeria

CONDENSED CONSOLIDATED INTERIM ACCOUNTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021
(IN NIGERIAN NAIRA)

NIGER DELTA EXPLORATION & PRODUCTION PLC

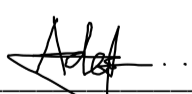
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

| | Notes | THE GROUP | | THE GROUP | |
|--|-------|--|--|--|--|
| | | 9 months ended 30 Sept 2021 Unaudited ₦'000 | 9 months ended 30 Sept 2020 Unaudited ₦'000 | 3 months ended 30 Sept 2021 Unaudited ₦'000 | 3 months ended 30 Sept 2020 Unaudited ₦'000 |
| Revenue | 3 | 46,519,469 | 19,895,443 | 10,419,577 | 2,260,176 |
| Cost of sales | 4 | (27,619,620) | (10,113,097) | (7,241,359) | (1,774,229) |
| Gross profit | | 18,899,849 | 9,782,346 | 3,178,219 | 485,947 |
| Other income | 5 | 2,571,311 | 3,888,333 | 1,027,260 | 508,406 |
| General and administrative expenses | 6 | (6,860,121) | (5,041,654) | (2,344,814) | (1,794,537) |
| Operating profit | | 14,611,039 | 8,629,025 | 1,860,665 | (800,184) |
| Finance income | 7 | 1,116,948 | 2,168,337 | 374,555 | 1,419,156 |
| Finance costs | 7 | (2,367,044) | (2,002,562) | (950,611) | (564,706) |
| Net Finance (cost)/income | | (1,250,096) | 165,775 | (576,056) | 854,450 |
| Share of profit of an associate | 14 | 6,934,992 | 2,671,944 | 2,714,139 | 497,223 |
| Profit before taxation | | 20,295,934 | 11,466,744 | 3,998,747 | 551,488 |
| Tax (expense)/credit | 23 | (523,187) | - | 193,920 | - |
| Profit after taxation | | 19,772,747 | 11,466,744 | 4,192,667 | 551,488 |
| Profit attributable to: | | | | | |
| Equity holders of the parent | | 19,744,695 | 11,466,744 | 4,192,667 | 551,488 |
| Non-controlling interest | | 28,052 | - | - | - |
| Other comprehensive income: | | | | | |
| Foreign currency translation difference | | 19,428,970 | - | - | - |
| Net loss on equity instruments at fair value through other comprehensive income | | 853,815 | - | - | - |
| Other comprehensive income for the year, net of tax | | 20,282,785 | - | - | - |
| Total comprehensive income for the year | | 40,055,532 | 11,466,744 | 4,192,667 | 551,488 |
| Equity holders of the parent | | 40,027,480 | 11,466,744 | 4,192,667 | 551,488 |
| Non-controlling interest | | 28,052 | - | - | - |
| Basic and diluted earnings per share | 10 | ₦91.02 | ₦52.78 | ₦19.3 | ₦2.54 |

NIGER DELTA EXPLORATION & PRODUCTION PLC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

| | | | | THE GROUP | |
|---|----|--|--------------------|--------------------|------------------|
| | | | | 30-Sep-21 | 31-Dec-20 |
| | | | | Unaudited | Audited |
| | | | | ₦'000 | ₦'000 |
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 11 | | 174,410,519 | 162,335,461 | |
| Intangible assets | 12 | | 12,291 | 29,782 | |
| Deferred tax assets | | | 13,094,831 | 12,097,476 | |
| Financial assets | 13 | | 1,973,525 | 1,416,729 | |
| Investment in associate | 14 | | 113,468,464 | 99,313,414 | |
| Total non-current assets | | | 302,959,630 | 275,192,862 | |
| Current assets | | | | | |
| Inventories | 15 | | 2,775,308 | 3,420,291 | |
| Trade and other receivables | 16 | | 21,959,920 | 18,966,276 | |
| Prepayments | 17 | | 300,310 | 291,808 | |
| Cash and Bank | 18 | | 11,438,824 | 5,107,783 | |
| Total current assets | | | 36,474,362 | 27,786,158 | |
| Total assets | | | 339,433,992 | 302,979,020 | |
| Equity and liabilities | | | | | |
| Shareholders' equity | | | | | |
| Share capital | 19 | | 2,172,422 | 2,172,422 | |
| Share premium | 19 | | 22,819,670 | 22,819,670 | |
| Translation reserve | | | 101,532,591 | 82,103,621 | |
| Fair value reserve of financial assets at FVOCI | | | 273,199 | (580,616) | |
| Retained earnings | | | 150,570,701 | 132,476,687 | |
| Non-controlling interest | | | 1,367,720 | 1,339,668 | |
| Total shareholders' equity | | | 278,736,303 | 240,331,452 | |
| Non-current liabilities | | | | | |
| Borrowings | 20 | | 14,684,283 | 19,073,603 | |
| Decommissioning liabilities | 21 | | 24,159,190 | 21,951,365 | |
| Total non-current liabilities | | | 38,843,472 | 41,024,968 | |
| Current liabilities | | | | | |
| Trade and other payables | 22 | | 13,985,518 | 14,115,853 | |
| Taxation | 23 | | 513,764 | 345,789 | |
| Borrowings | 20 | | 7,354,934 | 7,160,958 | |
| Total current liabilities | | | 21,854,216 | 21,622,600 | |
| Total liabilities | | | 60,697,689 | 62,647,568 | |
| Total equity & liabilities | | | 339,433,992 | 302,979,020 | |


 Mr. Adegbola Adesina
 Chief Financial Officer


 Mr. Gbite Falade
 Chief Executive Officer

NIGER DELTA EXPLORATION & PRODUCTION PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

THE GROUP

| | Issued capital ₦'000 | Share premium ₦'000 | Translation reserve ₦'000 | Fair value reserve of financial assets at FVOCI ₦'000 | Retained earnings \$'000 | Non- controlling interests \$'000 | Total equity - |
|---|-------------------------------------|------------------------------------|--|--|---|--|---------------------------|
| Balance at 1 January 2020 | 2,172,422 | 22,819,670 | 39,260,936 | (68,932) | 119,362,166 | 985,469 | 184,531,731 |
| Profit for the year | - | - | - | - | 11,466,744 | - | 11,466,744 |
| Total comprehensive income for the year | - | - | - | - | 11,466,744 | - | 11,466,744 |
| Dividends to equity holders of the company | - | - | - | - | (3,887,598) | - | (3,887,598) |
| Total contributions by and distributions to owners of the company, recognised directly in equity | - | - | - | - | (3,887,598) | - | (3,887,598) |
| Balance at 30 September 2020 (unaudited) | 2,172,422 | 22,819,670 | 39,260,936 | (68,932) | 126,941,312 | 985,469 | 192,110,877 |
| Balance at 1 January 2021 | 2,172,422 | 22,819,670 | 82,103,621 | (580,616) | 132,476,687 | 1,339,668 | 240,331,452 |
| Profit for the year | - | - | - | - | 19,744,695 | 28,052 | 39,201,717 |
| Foreign currency translation difference | - | - | 19,428,970 | - | - | - | 19,428,970 |
| Net loss on equity instruments at fair value through other comprehensive income | - | - | - | 853,815 | - | - | 853,815 |
| Total comprehensive income for the year | - | - | 19,428,970 | 853,815 | 19,744,695 | 28,052 | 59,484,502 |
| Dividends to equity holders of the company | - | - | - | - | (1,650,681) | - | (1,650,681) |
| Total contributions by and distributions to owners of the company recognised directly in equity | - | - | - | - | (1,650,681) | - | (1,650,681) |
| | | | | | - | | |
| Balance at 30 September 2021 (unaudited) | 2,172,422 | 22,819,670 | 101,532,591 | 273,199 | 150,570,701 | 1,367,720 | 278,736,303 |

NIGER DELTA EXPLORATION & PRODUCTION PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

| | | THE GROUP | |
|--------------|---|--------------------------|-------------------------------|
| | | 9 months ended 30 | 9 months ended 30 Sept |
| | | Sept 2021 | 2020 |
| Notes | | ₦'000 | ₦'000 |
| | Profit before taxation | 20,295,934 | 11,466,744 |
| | Adjustments: | | |
| | Interest expense | 2,367,044 | 2,002,562 |
| | Interest income | (1,116,948) | (2,168,337) |
| | Dividend received | (47,807) | (24,430) |
| | Exchange gain | (2,514,812) | (2,926,714) |
| | Share of profit from associate | (6,934,992) | (2,671,944) |
| | Depreciation of property, plant and equipment | 14,435,374 | 4,313,640 |
| | Gain on disposal of equipment | (8,692) | - |
| | Stock adjustment | 1,071,906 | (2,363,777) |
| | Operating cashflows before movement in working capital | 27,547,008 | 6,690,555 |
| | Movement in working capital: | | |
| | (Increase)/Decrease in trade and other receivables | (1,876,697) | 9,454,830 |
| | Increase in prepayment | (8,502) | (396,578) |
| | (Increase)/Decrease in inventory | (426,923) | 1,475,117 |
| | Increase in restricted cash | (2,183,745) | - |
| | Increase in trade and other payables | 2,426,676 | 1,148,367 |
| | Cash generated by operating activities | 25,477,817 | 18,372,291 |
| | Tax paid | (397,411) | (1,787,825) |
| | Net cash flows from operating activities | 25,080,405 | 16,584,466 |
| | Investing activities | | |
| | Interest received | 1,116,948 | 2,168,337 |
| | Dividend received | 682,970 | 24,430 |
| | Purchase of property, plant and equipment | (14,104,742) | (16,101,290) |
| | Purchase of intangible assets | (34,565) | (96,393) |
| | Proceeds from disposal of assets | 8,692 | - |
| | Sale/(Purchase) of financial assets | 297,019 | (727,122) |
| | Net cash used in investing activities | (12,033,678) | (14,732,038) |
| | Financing activities | | |
| | Dividend paid | (1,698,488) | (3,912,028) |
| | Interest paid | (1,922,557) | (2,177,571) |
| | Repayment of borrowing | (10,379,150) | (4,064,445) |
| | Additional borrowing | 4,097,000 | - |
| | Net cash flows used in financing activities | (9,903,195) | (10,154,044) |
| | Increase/(Decrease) in cash and cash equivalents | 3,143,532 | (8,301,616) |
| | Cash and cash equivalents - Beginning of year | 3,092,103 | 9,544,805 |
| | Exchange rate effects on cash and cash equivalents | 1,003,764 | 826,780 |
| | Cash and cash equivalents - End of year | 7,239,399 | 2,069,969 |

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1 REPORTING ENTITY

Niger Delta Exploration & Production Plc ("the Company") was incorporated on 25 March 1992. The interim condensed consolidated financial statements for the period ended 30 September 2021 comprise the Group and the Group's interest in associates.

The Group is engaged in the exploration, development and production of oil and natural gas.

The Head Office of the Company is located at:
15 Babatunde Jose Road,
Victoria Island,
Lagos,
Nigeria.

1.2 Composition of Financial Statements

The condensed consolidated financial statements are drawn up in United States Dollar and Nigerian Naira in accordance with International Financial Reporting Standards (IFRS) Accounting presentation.

The condensed financial statements comprise:

- Consolidated statement of profit and loss and other comprehensive income
- Consolidated statement of financial position
- Consolidated statement of changes in equity
- Consolidated statement of cash flows
- Notes to the financial statements

1.3 Financial Period

These condensed consolidated financial statements cover the period from 1 January 2021 to 30 September 2021 with comparative figures for the financial year from 1 January 2020 to 31 December 2020 and period ended 1 January 2020 to 30 September 2020

1.4 Basis of preparation

Statement of compliance

The condensed consolidated financial statements of Niger Delta Exploration & Production Plc subsidiaries ("the Group") have been prepared in accordance with IAS 34 'Interim Financial Reporting' and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS.

Basis of measurement

The condensed consolidated financial statements are prepared under the historical cost convention, except for certain financial instruments which are measured at amortised cost and fair value. The presentation currency is in Dollar and Naira.

The closing balance of assets and liabilities were translated at the rate of ₦409.7/\$1 as at 30 September 2021, while the income statement balances were translated at the rate of ₦395.1/\$1

There are no significant impacts from IFRS that were effective during the year.

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS - continued

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) New standards, interpretations and amendments to existing standards issued but not yet effective.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts - *effective date 1 January 2023*

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - *effective date yet to be set by the Board*

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent - *effective date 1 January 2023*

Amendments to IFRS 3 Business Combinations—Reference to the Conceptual Framework - *effective date 1 January 2022*

Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use - *effective date 1 January 2022*

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract - *effective 1 January 2022*

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period. It specifies that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explains that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

The group intends to adopt the amendments once effective.

Amendments to IFRS 3 – Reference to the Conceptual Framework

All other accounting policies are consistent with what was reported in 2020 Audited Financial Statements. Significant Accounting judgements are also as disclosed in the 2020 Audited Financial Statements.

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

3 Revenue

3.1 Disaggregated revenue information

| Segments | THE GROUP | | THE GROUP | |
|------------------------------|---|---|---|---|
| | 9 months ended 30 Sept 2021 ₦'000 | 9 months ended 30 Sept 2020 ₦'000 | 3 months ended 30 Sept 2021 ₦'000 | 3 months ended 30 Sept 2020 ₦'000 |
| Crude Oil | 35,108,191 | 15,446,740 | 6,643,211 | 784,737 |
| Diesel | 2,415,641 | 2,528,854 | 715,131 | 987,566 |
| Gas | 2,396,282 | 1,553,399 | 960,093 | 442,328 |
| *Heavy Fuel Oil (HFO) | 1,024,494 | 105,747 | 99,565 | - |
| *Naphtha | 576,846 | 130,526 | - | 45,545 |
| *Dual Purpose Kerosene (DPK) | 3,096,004 | 130,177 | 1,309,361 | - |
| *Marine Diesel Oil (MDO) | 1,902,011 | - | 692,215 | - |
| Total revenue | 46,519,469 | 19,895,443 | 10,419,577 | 2,260,176 |

*Additional production from Train II & III boosted revenue from refinery products.

Geographical markets

| | | | | |
|--|-------------------|-------------------|-------------------|------------------|
| Within Nigeria | 46,519,469 | 19,895,443 | 10,419,577 | 2,260,176 |
| Outside Nigeria | - | - | - | - |
| Total revenue from contracts with customers | 46,519,469 | 19,895,443 | 10,419,577 | 2,260,176 |

Timing of revenue recognition

| | | | | |
|--|-------------------|-------------------|-------------------|------------------|
| Goods transferred at a point in time | 46,519,469 | 19,895,443 | 10,419,577 | 2,260,176 |
| Goods transferred over time | - | - | - | - |
| Total revenue from contracts with customers | 46,519,469 | 19,895,443 | 10,419,577 | 2,260,176 |

Performance obligations

Information about the Group's performance obligations are summarised below:

Sale of Crude Oil

The performance obligation is satisfied at a point in time when the product is physically transferred into a vessel, pipe or other delivery mechanism and is generally due within 30 to 45 days from the date of issue of invoice.

Sale of Natural Gas

The performance obligation is satisfied at a point in time when the gas have been delivered at the buyer's delivery point for gas and is generally due within 30 to 90 days from the date of issue of invoice.

Sale of Refined Products

The performance obligation is satisfied at a point in time, when the product is lifted by the customer/distributor and payment is generally due within 0 to 30 days.

| Contract balances | 30-Sep-21 ₦'000 | 31-Dec-20 ₦'000 |
|-------------------|--------------------|--------------------|
| Trade receivables | 8,034,217 | 5,311,538 |

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

4 Cost of sales

| | THE GROUP | | THE GROUP | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | 9 months ended 30 Sept 2021 ₦'000 | 9 months ended 30 Sept 2020 ₦'000 | 3 months ended 30 Sept 2021 ₦'000 | 3 months ended 30 Sept 2020 ₦'000 |
| Consultancy fee | 677,201 | 1,137,042 | 246,147 | 309,214 |
| Crude oil handling charges | 2,744,365 | 2,342,139 | 956,932 | 917,521 |
| Depreciation and amortisation (Note 9) | 14,139,839 | 4,079,112 | 3,248,907 | 1,028,154 |
| Exploration costs - OPL 227 | - | - | - | - |
| Flowstation expenses | 550 | 478,828 | (174,479) | 96,324 |
| Materials, supplies and pollution control | 143,816 | 123,546 | 134,145 | 43,276 |
| Repairs and maintenance | 284,472 | 121,452 | 284,867 | 121,452 |
| Royalties to FGN | 4,273,402 | 1,770,950 | 1,003,554 | 638,932 |
| Statutory expenses | 42,276 | 18,497 | 8,297 | 1,047 |
| Staff costs (Note 7) | 4,241,794 | 2,405,308 | 1,495,454 | 845,278 |
| Stock Adjustments | 1,071,906 | (2,363,777) | 37,535 | (2,226,969) |
| Total | 27,619,620 | 10,113,097 | 7,241,359 | 1,774,229 |

Consultancy fee includes advisory and technical services.

Stock adjustment relates to the net movement in the value of inventory in the tank in the year.

5 Other income

| | THE GROUP | | THE GROUP | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | 9 months ended 30 Sept 2021 ₦'000 | 9 months ended 30 Sept 2020 ₦'000 | 3 months ended 30 Sept 2021 ₦'000 | 3 months ended 30 Sept 2020 ₦'000 |
| Dividend received from Financial assets | 47,807 | 24,430 | 47,807 | - |
| Gain on disposal of property, plant and equipment | 8,692 | - | - | - |
| Provision no longer required | - | 937,189 | - | 867,178 |
| Unrealised exchange gain/(loss) | 2,514,812 | 2,926,714 | 979,453 | (358,772) |
| Total | 2,571,311 | 3,888,333 | 1,027,260 | 508,406 |

Provision no longer required relates to royalties

(833,761) (1,003,554) 228,246
1,265,823

6 General and administrative expenses

| | THE GROUP | | THE GROUP | |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | 9 months ended 30 Sept 2021 ₦'000 | 9 months ended 30 Sept 2020 ₦'000 | 3 months ended 30 Sept 2021 ₦'000 | 3 months ended 30 Sept 2020 ₦'000 |
| Bank charges | 75,859 | 104,700 | 27,657 | 17,450 |
| Community development expenses | 176,215 | - | 176,215 | - |
| Depreciation and amortisation (Note 9) | 295,535 | 234,528 | 123,271 | 81,666 |
| Directors' fees | 97,590 | 42,578 | 82,181 | 33,853 |
| Fuel and Utilities | 70,723 | 25,826 | 53,339 | 7,329 |
| Information technology expenses | 417,226 | 385,994 | 173,844 | 101,559 |
| Insurance | 628,209 | 547,930 | 116,555 | 128,781 |
| Other expenses | 952,981 | 1,110,867 | 372,870 | 543,023 |
| Professional fees | 775,186 | 638,321 | 246,938 | 260,005 |
| Repairs and maintenance | 392,334 | 278,153 | (78,625) | 28,618 |
| Staff costs (Note 8) | 2,828,126 | 1,603,655 | 997,232 | 563,635 |
| Training | 18,965 | 32,108 | 9,482 | 27,222 |
| Travelling | 131,173 | 36,994 | 43,856 | 1,396 |
| Total | 6,860,121 | 5,041,654 | 2,344,814 | 1,794,537 |

Other expenses consist of donations, catering, printing and stationery, and other related administrative costs incurred during the year.

Professional fees consist of cleaning service, advisory services, security service, legal fees and registrar management fee.

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

7 Finance cost and income

| | THE GROUP | | THE GROUP | |
|---|---|---|---|---|
| | 9 months ended 30 Sept 2021 ₦'000 | 9 months ended 30 Sept 2020 ₦'000 | 3 months ended 30 Sept 2021 ₦'000 | 3 months ended 30 Sept 2020 ₦'000 |
| Interest expense: | | | | |
| Bank borrowings | 1,922,557 | 2,002,562 | 506,123 | 564,706 |
| Provisions: unwinding of discount (Note 21) | 444,488 | - | 444,488 | - |
| Finance costs | 2,367,044 | 2,002,562 | 950,611 | 564,706 |
| Finance income: | | | | |
| Interest income | 1,116,948 | 2,168,337 | 374,555 | 1,419,156 |
| Finance income | 1,116,948 | 2,168,337 | 374,555 | 1,419,156 |
| Net finance (costs) and income | (1,250,096) | 165,775 | (576,056) | 854,450 |

8 Staff costs

| | THE GROUP | | THE GROUP | |
|--|---|---|---|---|
| | 9 months ended 30 Sept 2021 ₦'000 | 9 months ended 30 Sept 2020 ₦'000 | 3 months ended 30 Sept 2021 ₦'000 | 3 months ended 30 Sept 2020 ₦'000 |
| Included in cost of sales: | | | | |
| Salaries and other staff costs | 4,241,794 | 2,405,308 | 1,495,454 | 845,278 |
| Included in general admin expenses: | | | | |
| Salaries and other staff costs | 2,828,126 | 1,603,655 | 997,232 | 563,635 |
| Total in general admin expenses | 2,828,126 | 1,603,655 | 997,232 | 563,635 |
| Total | 7,069,919 | 4,008,963 | 2,492,686 | 1,408,913 |

9 Depreciation and amortisation

| | THE GROUP | | THE GROUP | |
|--|---|---|---|---|
| | 9 months ended 30 Sept 2021 ₦'000 | 9 months ended 30 Sept 2020 ₦'000 | 3 months ended 30 Sept 2021 ₦'000 | 3 months ended 30 Sept 2020 ₦'000 |
| Depreciation of oil and gas properties | 14,435,374 | 4,313,640 | 3,372,179 | 1,109,820 |
| Total | 14,435,374 | 4,313,640 | 3,372,179 | 1,109,820 |

10 Earnings per share

Basic - The GROUP

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.

| | 9 months ended 30 Sept 2021 ₦'000 | 9 months ended 30 Sept 2020 ₦'000 | 3 months ended 30 Sept 2021 ₦'000 | 3 months ended 30 Sept 2020 ₦'000 |
|---|--|---|---|---|
| | Profit attributable to equity holders of the Group | 19,772,747 | 11,466,744 | 4,192,667 |
| | 30-Sep-21 Number | 30 Sept 2020 Number | 30-Sep-21 Number | Sept 2020 Number |
| Weighted average number of ordinary shares in issue | 217,242,218 | 217,242,218 | 217,242,218 | 217,242,218 |
| Basic and diluted earnings per share (₦) | ₦91.02 | ₦52.78 | ₦19.3 | ₦2.54 |

11 Property, plant and equipment

| | THE GROUP | |
|---|---------------------|---------------------|
| | 30-Sep-21 \$'000 | 31-Dec-20 \$'000 |
| Oil and gas properties (11a) | 172,109,234 | 160,120,212 |
| Other property, plant and equipment (11b) | 2,301,285 | 2,215,249 |
| Total | 174,410,519 | 162,335,461 |

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

11a THE GROUP

OIL AND GAS PROPERTIES

| | Project equipment ₦'000 | Civil works ₦'000 | Gas pipeline ₦'000 | Gas plant facilities ₦'000 | Assets under development ₦'000 | Total ₦'000 |
|--|-------------------------------|----------------------|-----------------------|----------------------------------|--------------------------------------|--------------------|
| Cost at 31 December 2020 | 127,037,191 | 3,789,667 | 9,193,444 | 28,608,481 | 76,537,495 | 245,166,278 |
| Accumulated Depreciation | 74,113,396 | 2,913,422 | 2,253,194 | 5,766,055 | - | 85,046,067 |
| Net book value at 31 December 2020 | 52,923,795 | 876,246 | 6,940,250 | 22,842,426 | 76,537,495 | 160,120,212 |
| Cost at 30 September 2021 | 154,492,544 | 4,091,264 | 9,958,168 | 31,219,959 | 78,823,002 | 278,584,938 |
| Accumulated Depreciation | 93,687,328 | 3,321,028 | 2,654,037 | 6,813,311 | - | 106,475,704 |
| Net book value at 30 September 2021 | 60,805,216 | 770,236 | 7,304,132 | 24,406,648 | 78,823,002 | 172,109,234 |

11b THE GROUP

OTHER PROPERTY, PLANT AND EQUIPMENT

| | Plant and machinery ₦'000 | Furniture and Fittings ₦'000 | Office equipment ₦'000 | Motor vehicles ₦'000 | Building ₦'000 | Land ₦'000 | Total ₦'000 |
|--|---------------------------------|------------------------------------|---------------------------|----------------------------|-------------------|----------------|------------------|
| Cost at 31 December 2020 | 647,903 | 106,331 | 2,117,258 | 1,604,355 | 976,028 | 569,000 | 6,020,875 |
| Accumulated Depreciation | 352,910 | 104,715 | 1,840,660 | 1,396,897 | 110,444 | - | 3,805,626 |
| Net book value at 31 December 2020 | 294,993 | 1,616 | 276,598 | 207,458 | 865,584 | 569,000 | 2,215,249 |
| Cost at 30 September 2021 | 699,358 | 114,716 | 2,491,795 | 1,835,456 | 975,905 | 569,073 | 6,686,304 |
| Accumulated Depreciation | 417,075 | 114,306 | 2,126,753 | 1,605,614 | 121,271 | - | 4,385,019 |
| Net book value at 30 September 2021 | 282,283 | 410 | 365,043 | 229,842 | 854,634 | 569,073 | 2,301,285 |

During the nine months ended 30 September 2021, the Group invested ₦14b in all PPE

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

12 Intangible assets

| | THE GROUP |
|--|---------------------------|
| | Software ₦'000 |
| Cost at 31 December 2020 | 432,083 |
| Accumulated Depreciation | 402,301 |
| Net book value at 31 December 2020 | 29,782 |
| Cost at 30 September 2021 | 466,648 |
| Accumulated Depreciation | 454,357 |
| Net book value at 30 September 2021 | 12,291 |

Intangible assets consists of computer software used by the entity for recording transactions and reporting purposes. The entity's software has a finite life and is amortised on a straight line basis over the life of the software licenses.

13 Financial assets

Financial assets include the following:

| | THE GROUP | |
|-------------------------------------|----------------------------|----------------------------|
| | 30-Sep-21 ₦'000 | 31-Dec-20 ₦'000 |
| Fair value through OCI | | |
| <i>Listed securities:</i> | | |
| Consolidated Hallmark Insurance Plc | 1,805,548 | 881,422 |
| <i>Unlisted securities:</i> | | |
| PetroData Management Services Ltd | 132,333 | 122,769 |
| Dharmattan Gas and Power Ltd | 410 | 562 |
| <i>At amortised cost:</i> | | |
| Corporate Bonds | 35,234 | 411,976 |
| Total | 1,973,525 | 1,416,729 |

14 Investment in associate - ND Western Ltd

| | THE GROUP | |
|--|----------------------------|----------------------------|
| | 30-Sep-21 ₦'000 | 31-Dec-20 ₦'000 |
| At 1 January | 99,313,414 | 74,896,272 |
| Share of profit | 6,934,992 | 6,175,599 |
| Dividend received | (682,560) | - |
| Share of other comprehensive income(net of tax), may not be reclassified to profit or loss in subsequent periods | - | 18,241,543 |
| Carrying amount | 113,468,464 | 99,313,414 |

The principal place of business of ND Western Ltd is Nigeria and it is accounted for using the equity method.

15 Inventories

| | THE GROUP | |
|-----------------------------|----------------------------|----------------------------|
| | 30-Sep-21 ₦'000 | 31-Dec-20 ₦'000 |
| Crude Oil | 98,328 | 1,263,307 |
| Diesel | 89,315 | 67,041 |
| Heavy Fuel Oil (HFO) | 290,068 | 175,096 |
| Naphtha | 149,131 | 144,172 |
| Dual Purpose Kerosene (DPK) | 85,627 | 27,713 |
| Marine Diesel Oil (MDO) | 22,943 | 32,986 |
| Materials | 2,039,896 | 1,709,976 |
| Total | 2,775,308 | 3,420,291 |

There were no write-downs of inventory during the year. Inventory balances will be turned over within 12 months after the financial year.

16 Trade and other receivables

| | THE GROUP | |
|---|--------------------|--------------------|
| | 30-Sep-21 ₦'000 | 31-Dec-20 ₦'000 |
| Trade receivables | 8,034,217 | 5,311,538 |
| Other receivables | 77,843 | 1,740,131 |
| Related party receivables | 13,916,690 | 11,978,132 |
| | 22,028,750 | 19,029,801 |
| Allowance for expected credit losses | (68,830) | (63,525) |
| | 21,959,920 | 18,966,276 |

Trade receivables are non-interest bearing and are generally on 30-90 day terms. Other receivables relate principally to receivables from Community Trust.

17 Prepayments

| | THE GROUP | |
|-------------------|--------------------|--------------------|
| | 30-Sep-21 ₦'000 | 31-Dec-20 ₦'000 |
| Prepaid rent | 13,520 | 1,192 |
| Prepaid expenses | 86,037 | 72,031 |
| Prepaid insurance | 200,753 | 218,570 |
| Other prepayments | - | 15 |
| Total | 300,310 | 291,808 |

Other prepayments include prepaid internet access

18 Cash and Bank

| | THE GROUP | |
|---|--------------------|--------------------|
| | 30-Sep-21 ₦'000 | 31-Dec-20 ₦'000 |
| Cash and bank balances | 7,219,324 | 2,734,015 |
| Short term deposits | 20,075 | 358,088 |
| Cash and cash equivalents for statement of cashflow purposes | 7,239,399 | 3,092,103 |
| Restricted cash | 4,199,425 | 2,015,680 |
| Total Cash and Bank | 11,438,824 | 5,107,783 |

Cash and cash equivalents comprise balances with less than three months to maturity, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities less than three months. Restricted cash relates to cash used as collateral for the BOI and GTB loan.

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

19 Share capital and premium

Share capital and premium – THE GROUP

| | Number of shares | Ordinary shares ₦'000 | Share premium ₦'000 | Total (\$'000) |
|-------------------------------------|--------------------|--------------------------|------------------------|-------------------|
| Balance at 1 January 2020 | 217,242,218 | 2,172,422 | 22,819,670 | 24,992,092 |
| - Issue of shares | - | - | - | - |
| Balance at 31 December 2020 | 217,242,218 | 2,172,422 | 22,819,670 | 24,992,092 |
| Balance at 1 January 2021 | 217,242,218 | 2,172,422 | 22,819,670 | 24,992,092 |
| - Issue of shares | - | - | - | - |
| Balance at 30 September 2021 | 217,242,218 | 2,172,422 | 22,819,670 | 24,992,092 |

Share premium arose as a result of the issue of shares above par value.

| | Number of shares | Amount ₦'000 |
|---------------------------------|------------------|-----------------|
| Authorised Share capital | 275,000,000 | 2,750,000 |
| Issued and fully paid-up | 217,242,218 | 2,172,422 |

20 Borrowings

| | THE GROUP | |
|--------------|--------------------|--------------------|
| | 30-Sep-21 ₦'000 | 31-Dec-20 ₦'000 |
| *GTB | 10,920,554 | 17,604,605 |
| BOI loan | 11,011,917 | 8,523,209 |
| Petre IPINs | 106,747 | 106,747 |
| Total | 22,039,217 | 26,234,561 |
| Current | 7,354,934 | 7,160,958 |
| Non-current | 14,684,283 | 19,073,603 |
| Total | 22,039,217 | 26,234,561 |

*All other loans obligations have not changed and the disclosures in the 2020 Financial statements suffice

Bank of Industry (BOI)

BOI loan represents a \$25million facility from the Bank of Industry, obtained in October 2018. It is repayable monthly, over 6 years, with a one-year moratorium on principal. It is secured by a Bank Guarantee from Access Bank. Interest is payable at 9% per annum. An additional \$10million loan facility was obtained secured by a Bank Guarantee from Guaranty Trust Bank. Interest is payable at 6% per annum.

The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

| | THE GROUP | |
|--------------|--------------------|--------------------|
| | 30-Sep-21 ₦'000 | 31-Dec-20 ₦'000 |
| 6-12 months | 7,354,934 | 7,160,958 |
| 1-5 years | 14,684,283 | 19,073,603 |
| Over 5 years | - | - |
| Total | 22,039,217 | 26,234,561 |

21 Decommissioning liabilities

| | THE GROUP ₦'000 |
|--|--------------------|
| Balance at 1 January 2020 | 17,301,015 |
| Charged/(credited) to profit or loss: | - |
| Changes in estimated flows | 22,391 |
| Exchange difference | 4,175,006 |
| Unwinding of discount due to passage of time | 452,954 |
| Balance at 31 December 2020 | 21,951,365 |
| Balance at 1 January 2021 | 21,951,365 |
| Charged/(credited) to profit or loss: | - |
| Exchange difference | 1,763,337 |
| Unwinding of discount due to passage of time | 444,488 |
| Balance at 30 September 2021 | 24,159,190 |

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

22 Trade and other payables

| | THE GROUP | |
|--------------------|-------------------|-------------------|
| | 30-Sep-21 | 31-Dec-20 |
| | ₦'000 | ₦'000 |
| Royalty payable | 7,286,515 | 3,911,615 |
| Sundry creditors | 1,809,235 | 1,862,344 |
| Trade payables | 4,396,899 | 7,992,830 |
| Unclaimed dividend | 492,869 | 349,064 |
| | 13,985,518 | 14,115,853 |

- Trade payables are non-interest bearing and are normally settled on 30-day terms . Sundry creditors include accrued IPIN note dues, and staff payables.

- The Directors consider that the carrying amount of trade payables approximates to their fair value.

23 Taxation

| | THE GROUP | |
|--|------------------|------------------|
| | 30-Sep-21 | 30-Sep-20 |
| | ₦'000 | ₦'000 |
| Petroleum profit tax | - | - |
| Income tax expense | 490,411 | - |
| Education tax | 74,975 | - |
| Under/(Over) provision of prior year taxes | - | - |
| Total current tax | 565,386 | - |
| Deferred taxation | | |
| Origination of temporary differences | (42,199) | - |
| Total deferred tax | (42,199) | - |
| Income tax (credit)/expense | 523,187 | - |

Income tax liability

The movement in the current and petroleum income tax liability is as follows:

| | THE GROUP | |
|-------------------------------------|------------------|------------------|
| | 30-Sep-21 | 31-Dec-20 |
| | ₦'000 | ₦'000 |
| At 1 Jan | 345,789 | 1,314,270 |
| Tax paid | (397,411) | (1,572,755) |
| Prior period under/(over) provision | - | (148) |
| Income tax charge for the year | 565,386 | 369,860 |
| Foreign exchange difference | - | 234,562 |
| At 30 September | 513,764 | 345,789 |

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

24 Subsidiaries

The Niger Delta Exploration and Production Company('the parent') controls the following subsidiaries:

| | | 30-Sep-21 | 31-Dec-20 |
|--|--------------------|-------------------|-------------------|
| | Ownership interest | ₦'000 | ₦'000 |
| Niger Delta Petroleum Resources Limited (NDPR) | 100% | 50,000 | 50,000 |
| NDEP Investments Limited | 100% | 1,243,205 | 1,243,205 |
| ND Refineries Limited (NDRE) | 94.0345% | 14,149,460 | 14,149,460 |
| ND Gas Limited (ND Gas) | 100% | 10,000 | 10,000 |
| | | 15,452,665 | 15,452,665 |

25 Fair value reserve

This represents the fair value changes in financial assets measured at fair value through other comprehensive income.

26 Events after the reporting period

No significant events have occurred after the reporting period which have a material effect on the financial statements, or the omission of which will make the financial statements misleading as to the financial position or results of operations.

NIGER DELTA EXPLORATION & PRODUCTION PLC
Lagos, Nigeria

CONDENSED CONSOLIDATED INTERIM ACCOUNTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021
(IN US DOLLARS)

NIGER DELTA EXPLORATION & PRODUCTION PLC

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

| | Notes | THE GROUP | | THE GROUP | |
|--|-------|---|---|---|---|
| | | 9 months ended 30 Sept 2021 Unaudited \$'000 | 9 months ended 30 Sept 2020 Unaudited \$'000 | 3 months ended 30 Sept 2021 Unaudited \$'000 | 3 months ended 30 Sept 2020 Unaudited \$'000 |
| Revenue | 3 | 117,741 | 57,007 | 26,372 | 6,477 |
| Cost of sales | 4 | (70,454) | (28,385) | (18,121) | (4,870) |
| Gross profit | | 47,287 | 28,622 | 8,251 | 1,607 |
| Other income | 5 | 6,508 | 10,549 | 2,033 | 1,243 |
| General and administrative expenses | 6 | (17,363) | (14,446) | (5,831) | (5,121) |
| Operating profit | | 36,432 | 24,725 | 4,453 | (2,271) |
| Finance income | 7 | 2,827 | 6,213 | 948 | 4,066 |
| Finance costs | 7 | (5,991) | (5,738) | (2,406) | (1,618) |
| Net Finance (cost)/income | | (3,164) | 475 | (1,458) | 2,448 |
| Share of profit of an associate | 14 | 16,927 | 7,656 | 6,244 | 1,425 |
| Profit before taxation | | 50,195 | 32,856 | 9,239 | 1,602 |
| Tax (expense)/credit | 23 | (1,277) | - | 538 | - |
| Profit after taxation | | 48,918 | 32,856 | 9,777 | 1,602 |
| Profit attributable to: | | | | | |
| Equity holders of the parent | | 48,847 | 32,856 | 9,777 | 1,602 |
| Non-controlling interest | | 71 | - | - | - |
| Other comprehensive income: | | | | | |
| Net loss on equity instruments at fair value through other comprehensive income | | 2,084 | - | - | - |
| Other comprehensive income for the year, net of tax | | 2,084 | - | - | - |
| Total comprehensive income for the year | | 51,002 | 32,856 | 9,777 | 1,602 |
| Equity holders of the parent | | 50,931 | 32,856 | 9,777 | 1,602 |
| Non-controlling interest | | 71 | - | - | - |
| Basic and diluted earnings per share | 10 | \$0.23 | \$0.15 | \$0.05 | \$0.01 |

NIGER DELTA EXPLORATION & PRODUCTION PLC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

| | | | | THE GROUP | |
|---|----|--|----------------|------------------|------------------|
| | | | | 30-Sep-21 | 31-Dec-20 |
| | | | | Unaudited | Audited |
| | | | | \$'000 | \$'000 |
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 11 | | 425,703 | 427,762 | |
| Intangible assets | 12 | | 30 | 80 | |
| Deferred tax assets | | | 31,962 | 31,877 | |
| Financial assets | 13 | | 4,817 | 3,733 | |
| Investment in associate | 14 | | 276,955 | 261,696 | |
| Total non-current assets | | | 739,467 | 725,148 | |
| Current assets | | | | | |
| Inventories | 15 | | 6,774 | 9,013 | |
| Trade and other receivables | 16 | | 53,600 | 50,025 | |
| Prepayments | 17 | | 733 | 768 | |
| Cash and Bank | 18 | | 27,920 | 13,459 | |
| Total current assets | | | 89,027 | 73,265 | |
| Total assets | | | 828,494 | 798,413 | |
| Equity and liabilities | | | | | |
| Shareholders' equity | | | | | |
| Share capital | 19 | | 19,316 | 19,316 | |
| Share premium | 19 | | 78,955 | 78,955 | |
| Fair value reserve of financial assets at FVOCI | 25 | | (276) | (2,360) | |
| Retained earnings | | | 578,675 | 533,857 | |
| Non-controlling interest | | | 3,271 | 3,200 | |
| Total shareholders' equity | | | 679,941 | 632,968 | |
| Non-current liabilities | | | | | |
| Borrowings | 20 | | 36,218 | 50,616 | |
| Decommissioning liabilities | 21 | | 58,968 | 57,843 | |
| Total non-current liabilities | | | 95,186 | 108,459 | |
| Current liabilities | | | | | |
| Trade and other payables | 22 | | 34,161 | 37,206 | |
| Taxation | 23 | | 1,254 | 911 | |
| Borrowings | 20 | | 17,952 | 18,869 | |
| Total current liabilities | | | 53,367 | 56,986 | |
| Total liabilities | | | 148,553 | 165,445 | |
| Total equity & liabilities | | | 828,494 | 798,413 | |

Mr. Adegbola Adesina
Chief Financial Officer

Mr. Gbite Falade
Chief Executive Officer

NIGER DELTA EXPLORATION & PRODUCTION PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

THE GROUP

| | Issued capital \$'000 | Share premium \$'000 | Translation reserve \$'000 | Fair value reserve of financial assets at FVOCI \$'000 | Retained earnings \$'000 | Non- controlling interests \$'000 | Total equity \$'000 |
|---|--------------------------------------|-------------------------------------|---|---|---|--|--------------------------------|
| Balance at 1 January 2020 | 19,316 | 78,955 | - | (223) | 500,781 | 3,231 | 602,060 |
| Profit for the year | - | - | - | - | 32,856 | - | 32,856 |
| Total comprehensive income for the year | - | - | - | - | 32,856 | - | 32,856 |
| Dividends to equity holders of the company | - | - | - | - | (10,244) | - | (10,244) |
| Total contributions by and distributions to owners of the company, recognised directly in equity | - | - | - | - | (10,244) | - | (10,244) |
| Balance at 30 September 2020 (unaudited) | 19,316 | 78,955 | - | (223) | 523,393 | 3,231 | 624,672 |
| Balance at 1 January 2021 | 19,316 | 78,955 | - | (2,360) | 533,857 | 3,200 | 632,968 |
| Profit for the year | - | - | - | - | 48,847 | 71 | 48,918 |
| Net loss on equity instruments at fair value through other comprehensive income | - | - | - | 2,084 | - | - | 2,084 |
| Total comprehensive income for the year | - | - | - | 2,084 | 48,847 | 71 | 51,002 |
| Dividends to equity holders of the company | - | - | - | - | (4,029) | - | (4,029) |
| Total contributions by and distributions to owners of the company recognised directly in equity | - | - | - | - | (4,029) | - | (4,029) |
| | | | | | - | | |
| Balance at 30 September 2021 (unaudited) | 19,316 | 78,955 | - | (276) | 578,675 | 3,271 | 679,941 |

NIGER DELTA EXPLORATION & PRODUCTION PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

| | | THE GROUP | |
|-------|---|--------------------------|-----------------------|
| | | 9 months ended 30 | 9 months ended |
| | | Sept 2021 | 30 Sept 2020 |
| Notes | | \$'000 | \$'000 |
| | Profit before taxation | 50,195 | 32,856 |
| | Adjustments: | | |
| | Interest expense | 7 5,991 | 5,738 |
| | Interest income | 7 (2,827) | (6,213) |
| | Dividend received | 5 (121) | (70) |
| | Exchange gain | 5 (6,365) | (8,386) |
| | Share of profit from associate | (16,927) | (7,656) |
| | Depreciation of property, plant and equipment | 9 36,536 | 12,360 |
| | Gain on disposal of equipment | 5 (22) | - |
| | Stock adjustment | 4 2,713 | (6,773) |
| | Operating cashflows before movement in working capital | 69,173 | 19,763 |
| | Movement in working capital: | | |
| | (Increase)/Decrease in trade and other receivables | (748) | 25,760 |
| | Decrease/(Increase) in prepayment | 35 | (1,045) |
| | (Increase)/Decrease in inventory | (474) | 3,887 |
| | Increase in restricted cash | (4,939) | - |
| | (Decrease)/Increase in trade and other payables | 512 | 3,026 |
| | Cash generated by operating activities | 63,559 | 51,391 |
| | Tax paid | 23 (1,037) | (4,711) |
| | Net cash flows from operating activities | 62,522 | 46,680 |
| | Investing activities | | |
| | Interest received | 2,827 | 6,213 |
| | Dividend received | 1,788 | 70 |
| | Purchase of property, plant and equipment | (34,427) | (43,421) |
| | Purchase of intangible assets | 12 - | (254) |
| | Proceeds from disposal of assets | 22 | - |
| | Sale/(Purchase) of financial assets | 1,000 | (1,916) |
| | Net cash used in investing activities | (28,790) | (39,308) |
| | Financing activities | | |
| | Dividend paid | (4,029) | (10,244) |
| | Interest paid | (4,866) | (5,738) |
| | Repayment of borrowing | (25,315) | (10,710) |
| | Additional borrowing | 10,000 | - |
| | Net cash flows used in financing activities | (24,210) | (26,692) |
| | Increase/(Decrease) in cash and cash equivalents | 9,522 | (19,320) |
| | Cash and cash equivalents - Beginning of year | 18 8,148 | 25,151 |
| | Cash and cash equivalents - End of year | 18 17,670 | 5,831 |

3 Revenue**3.1 Disaggregated revenue information**

| Segments | THE GROUP | | THE GROUP | |
|------------------------------|--|--|--|--|
| | 9 months ended 30 Sept 2021 \$'000 | 9 months ended 30 Sept 2020 \$'000 | 3 months ended 30 Sept 2021 \$'000 | 3 months ended 30 Sept 2020 \$'000 |
| Crude Oil | 88,859 | 44,260 | 16,814 | 2,249 |
| Diesel | 6,114 | 7,246 | 1,810 | 2,830 |
| Gas | 6,065 | 4,451 | 2,430 | 1,267 |
| *Heavy Fuel Oil (HFO) | 2,593 | 303 | 252 | - |
| *Naphtha | 1,460 | 374 | - | 131 |
| *Dual Purpose Kerosene (DPK) | 7,836 | 373 | 3,314 | - |
| *Marine Diesel Oil (MDO) | 4,814 | - | 1,752 | - |
| Total revenue | 117,741 | 57,007 | 26,372 | 6,477 |

*Additional production from Train II & III boosted revenue from refinery products.

Geographical markets

| | | | | |
|--|----------------|---------------|---------------|--------------|
| Within Nigeria | 117,741 | 57,007 | 26,372 | 6,477 |
| Outside Nigeria | - | - | - | - |
| Total revenue from contracts with customers | 117,741 | 57,007 | 26,372 | 6,477 |

Timing of revenue recognition

| | | | | |
|--|----------------|---------------|---------------|--------------|
| Goods transferred at a point in time | 117,741 | 57,007 | 26,372 | 6,477 |
| Goods transferred over time | - | - | - | - |
| Total revenue from contracts with customers | 117,741 | 57,007 | 26,372 | 6,477 |

Performance obligations

Information about the Group's performance obligations are summarised below:

Sale of Crude Oil

The performance obligation is satisfied at a point in time when the product is physically transferred into a vessel, pipe or other delivery mechanism and is generally due within 30 to 45 days from the date of issue of invoice.

Sale of Natural Gas

The performance obligation is satisfied at a point in time when the gas have been delivered at the buyer's delivery point for gas and is generally due within 30 to 90 days from the date of issue of invoice.

Sale of Refined Products

The performance obligation is satisfied at a point in time, when the product is lifted by the customer/distributor and payment is generally due within 0 to 30 days.

| Contract balances | 30-Sep-21 \$'000 | 31-Dec-20 \$'000 |
|-------------------|---------------------|---------------------|
| Trade receivables | 19,610 | 13,996 |

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

4 Cost of sales

| | THE GROUP | | THE GROUP | |
|---|-------------------|----------------|-------------------|----------------|
| | 9 months ended 30 | 9 months ended | 3 months ended 30 | 3 months ended |
| | Sept 2021 | 30 Sept 2020 | Sept 2021 | 30 Sept 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Consultancy fee | 1,714 | 3,258 | 623 | 886 |
| Crude oil handling charges | 6,946 | 6,711 | 2,422 | 2,629 |
| Depreciation and amortisation (Note 9) | 35,788 | 11,688 | 8,223 | 2,946 |
| Flowstation expenses | 550 | 1,372 | 107 | 276 |
| Gas flaring | - | - | - | - |
| Materials, supplies and pollution control | 364 | 354 | 151 | 124 |
| Repairs and maintenance | 720 | 348 | 721 | 348 |
| Royalties to FGN | 10,816 | 4,482 | 1,973 | 1,617 |
| Statutory expenses | 107 | 53 | 21 | 3 |
| Staff costs (Note 7) | 10,736 | 6,892 | 3,785 | 2,422 |
| Stock Adjustments | 2,713 | (6,773) | 95 | (6,381) |
| Total | 70,454 | 28,385 | 18,121 | 4,870 |

Consultancy fee includes advisory and technical services.

Stock adjustment relates to the net movement in the value of inventory in the tank in the year.

5 Other income

| | THE GROUP | | THE GROUP | |
|---|----------------|----------------|----------------|----------------|
| | 9 months ended | 9 months ended | 3 months ended | 3 months ended |
| | 30 Sept 2021 | 30 Sept 2020 | 30 Sept 2021 | 30 Sept 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Dividend received from Financial assets (note 13) | 121 | 70 | 121 | - |
| Gain on disposal of property, plant and equipment | 22 | - | - | - |
| Provision no longer required | - | 2,093 | (567) | 2,271 |
| Unrealised exchange gain | 6,365 | 8,386 | 2,479 | (1,028) |
| Total | 6,508 | 10,549 | 2,033 | 1,243 |

6 General and administrative expenses

| | THE GROUP | | THE GROUP | |
|--|----------------|----------------|-------------------|----------------|
| | 9 months ended | 9 months ended | 3 months ended 30 | 3 months ended |
| | 30 Sept 2021 | 30 Sept 2020 | Sept 2021 | 30 Sept 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Bank charges | 192 | 300 | 70 | 50 |
| Community development expenses | 446 | - | 446 | - |
| Depreciation and amortisation (Note 9) | 748 | 672 | 312 | 234 |
| Directors' fees | 247 | 122 | 208 | 97 |
| Fuel and Utilities | 179 | 74 | 135 | 21 |
| Information technology expenses | 1,056 | 1,106 | 440 | 291 |
| Insurance | 1,590 | 1,570 | 295 | 369 |
| Other expenses | 2,412 | 3,183 | 310 | 1,535 |
| Permits, registrations and subscriptions | - | - | - | - |
| Professional fees | 1,962 | 1,829 | 625 | 745 |
| Repairs and maintenance | 993 | 797 | 331 | 82 |
| Staff costs (Note 8) | 7,158 | 4,595 | 2,524 | 1,615 |
| Training | 48 | 92 | 24 | 78 |
| Travelling | 332 | 106 | 111 | 4 |
| Total | 17,363 | 14,446 | 5,831 | 5,121 |

Other expenses consist of donations, catering, printing and stationery, and other related administrative costs incurred during the year.

Professional fees consist of cleaning service, advisory services, security service, legal fees and registrar management fee.

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

7 Finance cost and income

| | THE GROUP | | THE GROUP | |
|---|--|--|--|--|
| | 9 months ended 30 Sept 2021 \$'000 | 9 months ended 30 Sept 2020 \$'000 | 3 months ended 30 Sept 2021 \$'000 | 3 months ended 30 Sept 2020 \$'000 |
| Interest expense: | | | | |
| Bank borrowings | 4,866 | 5,738 | 1,281 | 1,618 |
| Provisions: unwinding of discount (Note 21) | 1,125 | - | 1,125 | - |
| Finance costs | 5,991 | 5,738 | 2,406 | 1,618 |
| Finance income: | | | | |
| Interest income | 2,827 | 6,213 | 948 | 4,066 |
| Finance income | 2,827 | 6,213 | 948 | 4,066 |
| Net finance (costs) and income | (3,164) | 475 | (1,458) | 2,448 |

8 Staff costs

| | THE GROUP | | THE GROUP | |
|--|--|--|--|--|
| | 9 months ended 30 Sept 2021 \$'000 | 9 months ended 30 Sept 2020 \$'000 | 3 months ended 30 Sept 2021 \$'000 | 3 months ended 30 Sept 2020 \$'000 |
| Included in cost of sales: | | | | |
| Salaries and other staff costs | 10,736 | 6,892 | 3,785 | 2,422 |
| Included in general admin expenses: | | | | |
| Salaries and other staff costs | 7,158 | 4,595 | 2,524 | 1,615 |
| Total in general admin expenses | 7,158 | 4,595 | 2,524 | 1,615 |
| Total | 17,894 | 11,487 | 6,309 | 4,037 |

9 Depreciation and amortisation

| | THE GROUP | | THE GROUP | |
|--|--|--|--|--|
| | 9 months ended 30 Sept 2021 \$'000 | 9 months ended 30 Sept 2020 \$'000 | 3 months ended 30 Sept 2021 \$'000 | 3 months ended 30 Sept 2020 \$'000 |
| Depreciation of oil and gas properties | 36,536 | 12,360 | 8,535 | 3,180 |
| Total | 36,536 | 12,360 | 8,535 | 3,180 |

10 Earnings per share

Basic - The GROUP

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.

| | 9 months ended | | 3 months ended 30 | |
|---|------------------------|------------------------|---------------------|------------------------|
| | 30 Sept 2021 \$'000 | 30 Sept 2020 \$'000 | Sept 2021 \$'000 | 30 Sept 2020 \$'000 |
| Profit attributable to equity holders of the Group | 48,918 | 32,856 | 9,777 | 1,602 |
| | 30-Sep-21 Number | 30 Sept 2020 Number | 30-Sep-21 Number | 30 Sept 2020 Number |
| Weighted average number of ordinary shares in issue | 217,242,218 | 217,242,218 | 217,242,218 | 217,242,218 |
| | 30-Sep-21 | 30 Sept 2020 | 30-Sep-21 | 30 Sept 2020 |
| Basic and diluted earnings per share (\$) | \$0.23 | \$0.15 | \$0.05 | \$0.01 |

11 Property, plant and equipment

| | THE GROUP | |
|---|---------------------|---------------------|
| | 30-Sep-21 \$'000 | 31-Dec-20 \$'000 |
| Oil and gas properties (11a) | 420,086 | 421,925 |
| Other property, plant and equipment (11b) | 5,617 | 5,837 |
| Total | 425,703 | 427,762 |

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

11a THE GROUP

OIL AND GAS PROPERTIES

| | Project equipment \$'000 | Civil works \$'000 | Gas pipeline \$'000 | Gas plant facilities \$'000 | Assets under development \$'000 | Total \$'000 |
|--|--------------------------------|-----------------------|------------------------|-----------------------------------|---------------------------------------|-----------------|
| Cost at 31 December 2020 | 334,749 | 9,986 | 24,225 | 75,385 | 201,680 | 646,025 |
| Accumulated Depreciation | 195,292 | 7,677 | 5,937 | 15,194 | - | 224,100 |
| Net book value at 31 December 2020 | 139,457 | 2,309 | 18,288 | 60,191 | 201,680 | 421,925 |
| Cost at 30 September 2021 | 377,087 | 9,986 | 24,306 | 76,202 | 192,392 | 679,973 |
| Accumulated Depreciation | 228,673 | 8,106 | 6,478 | 16,630 | - | 259,887 |
| Net book value at 30 September 2021 | 148,414 | 1,880 | 17,828 | 59,572 | 192,392 | 420,086 |

11b THE GROUP

OTHER PROPERTY, PLANT AND EQUIPMENT

| | Plant and machinery \$'000 | Furniture and Fittings \$'000 | Office equipment \$'000 | Motor vehicles \$'000 | Building \$'000 | Land \$'000 | Total \$'000 |
|--|----------------------------------|-------------------------------------|----------------------------|-----------------------------|--------------------|----------------|-----------------|
| Cost at 31 December 2020 | 1,707 | 280 | 5,580 | 4,228 | 2,572 | 1,499 | 15,866 |
| Accumulated Depreciation | 929 | 276 | 4,851 | 3,682 | 291 | - | 10,029 |
| Net book value at 31 December 2020 | 778 | 4 | 729 | 546 | 2,281 | 1,499 | 5,837 |
| Cost at 30 September 2021 | 1,707 | 280 | 6,082 | 4,480 | 2,382 | 1,389 | 16,320 |
| Accumulated Depreciation | 1,018 | 279 | 5,191 | 3,919 | 296 | - | 10,703 |
| Net book value at 30 September 2021 | 689 | 1 | 891 | 561 | 2,086 | 1,389 | 5,617 |

During the nine months ended 30 September 2021, the Group invested \$34m in all PPE

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

12 Intangible assets

| | THE GROUP |
|--|----------------------------|
| | Software \$'000 |
| Cost at 31 December 2020 | 1,139 |
| Accumulated amortisation | 1,059 |
| Net book value at 31 December 2020 | 80 |
| Cost at 30 September 2021 | 1,139 |
| Accumulated Depreciation | 1,109 |
| Net book value at 30 September 2021 | 30 |

Intangible assets consists of computer software used by the entity for recording transactions and reporting purposes. The entity's software has a finite life and is amortised on a straight line basis over the life of the software licenses.

13 Financial assets

Financial assets include the following:

| | THE GROUP | |
|-------------------------------------|-----------------------------|-----------------------------|
| | 30-Sep-21 \$'000 | 31-Dec-20 \$'000 |
| Fair value through OCI | | |
| <i>Listed securities:</i> | | |
| Consolidated Hallmark Insurance Plc | 4,407 | 2,323 |
| <i>Unlisted securities:</i> | | |
| PetroData Management Services Ltd | 323 | 323 |
| Dharmattan Gas and Power Ltd | 1 | 1 |
| <i>At amortised cost:</i> | | |
| Corporate Bonds | 86 | 1,086 |
| Total | 4,817 | 3,733 |

14 Investment in associate - ND Western Ltd

| | THE GROUP | |
|------------------------|-----------------------------|-----------------------------|
| | 30-Sep-21 \$'000 | 31-Dec-20 \$'000 |
| At 1 January | 261,696 | 244,360 |
| Share of profit | 16,927 | 17,336 |
| Dividend received | (1,666) | - |
| Carrying amount | 276,955 | 261,696 |

The principal place of business of ND Western Ltd is Nigeria and it is accounted for using the equity method.

15 Inventories

| | THE GROUP | |
|-----------------------------|-----------------------------|-----------------------------|
| | 30-Sep-21 \$'000 | 31-Dec-20 \$'000 |
| Crude Oil | 240 | 3,329 |
| Diesel | 218 | 177 |
| Heavy Fuel Oil (HFO) | 708 | 461 |
| Naphtha | 364 | 380 |
| Dual Purpose Kerosene (DPK) | 209 | 73 |
| Marine Diesel Oil (MDO) | 56 | 87 |
| Materials | 4,979 | 4,506 |
| Total | 6,774 | 9,013 |

There were no write-downs of inventory during the year. Inventory balances will be turned over within 12 months after the financial year.

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

16 Trade and other receivables

| | THE GROUP | |
|---|------------------|------------------|
| | 30-Sep-21 | 31-Dec-20 |
| | \$'000 | \$'000 |
| Trade receivables | 19,610 | 13,996 |
| Other receivables | 190 | 4,586 |
| Related party receivables | 33,968 | 31,610 |
| | 53,768 | 50,192 |
| Allowance for expected credit losses | (168) | (167) |
| | 53,600 | 50,025 |

Trade receivables are non-interest bearing and are generally on 30-90 day terms. Other receivables relate principally to receivables from Community Trust.

17 Prepayments

| | THE GROUP | |
|-------------------|------------------|------------------|
| | 30-Sep-21 | 31-Dec-20 |
| | \$'000 | \$'000 |
| Prepaid rent | 33 | - |
| Prepaid expenses | 210 | 3 |
| Prepaid insurance | 490 | 190 |
| Other prepayments | - | 575 |
| Total | 733 | 768 |

Other prepayments include prepaid internet access

18 Cash and Bank

| | THE GROUP | |
|---|------------------|------------------|
| | 30-Sep-21 | 31-Dec-20 |
| | \$'000 | \$'000 |
| Cash and bank balances | 17,621 | 7,204 |
| Short term deposits | 49 | 944 |
| Cash and cash equivalents for statement of cashflow purposes | 17,670 | 8,148 |
| Restricted cash | 10,250 | 5,311 |
| Total Cash and Bank | 27,920 | 13,459 |

Cash and cash equivalents comprise balances with less than three months to maturity, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities less than three months. Restricted cash relates to cash used as collateral for the BOI and GTB loan.

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

19 Share capital and premium

Share capital and premium – THE GROUP

| | Number of shares | Ordinary shares (\$'000) | Share premium (\$'000) | Total (\$'000) |
|-------------------------------------|--------------------|-----------------------------|---------------------------|-------------------|
| Balance at 1 January 2020 | 217,242,218 | 19,316 | 78,955 | 98,271 |
| – Issue of shares | - | - | - | - |
| Balance at 31 December 2020 | 217,242,218 | 19,316 | 78,955 | 98,271 |
| Balance at 1 January 2021 | 217,242,218 | 19,316 | 78,955 | 98,271 |
| - Issue of shares | - | - | - | - |
| Balance at 30 September 2021 | 217,242,218 | 19,316 | 78,955 | 98,271 |

Share premium arose as a result of the issue of shares above par value.

| | Number of shares | Amount (\$'000) |
|---------------------------------|------------------|--------------------|
| Authorised Share capital | 275,000,000 | 27,500 |
| Issued and fully paid-up | 217,242,218 | 19,316 |

20 Borrowings

| | THE GROUP | |
|--------------|---------------------|---------------------|
| | 30-Sep-21 \$'000 | 31-Dec-20 \$'000 |
| GTB | 26,655 | 46,389 |
| BOI loan | 26,878 | 22,459 |
| Petre IPINs | 637 | 637 |
| Total | 54,170 | 69,485 |
| Current | 17,952 | 18,869 |
| Non-current | 36,218 | 50,616 |
| Total | 54,170 | 69,485 |

Bank of Industry (BOI)

An additional \$10million loan facility was obtained secured by a Bank Guarantee. Interest is payable at 6% per annum. The loan was used to refinance the GTB loan. All other loans obligations have not changed and the disclosures in the 2020 Financial statements suffice.

The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

| | THE GROUP | |
|--------------|---------------------|---------------------|
| | 30-Sep-21 \$'000 | 31-Dec-20 \$'000 |
| 6-12 months | 17,952 | 18,869 |
| 1-5 years | 36,218 | 50,616 |
| Over 5 years | - | - |
| Total | 54,170 | 69,485 |

21 Decommissioning liabilities

| | THE GROUP \$'000 |
|--|---------------------|
| Balance at 1 January 2020 | 56,447 |
| Charged/(credited) to profit or loss: | |
| Changes in estimated flows | 125 |
| Unwinding of discount due to passage of time | 1,271 |
| Balance at 31 December 2020 | 57,843 |
| Balance at 1 January 2021 | 57,843 |
| Charged/(credited) to profit or loss: | |
| Unwinding of discount due to passage of time | 1,125 |
| Balance at 30 September 2021 | 58,968 |

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

22 Trade and other payables

| | THE GROUP | |
|--------------------|------------------|------------------|
| | 30-Sep-21 | 31-Dec-20 |
| | \$'000 | \$'000 |
| Royalty payable | 17,785 | 10,307 |
| Sundry creditors | 4,416 | 4,916 |
| Trade payables | 10,757 | 21,063 |
| Unclaimed dividend | 1,203 | 920 |
| | 34,161 | 37,206 |

- Trade payables are non-interest bearing and are normally settled on 30-day terms . Sundry creditors include accrued IPIN note dues, and staff payables.

- The Directors consider that the carrying amount of trade payables approximates to their fair value.

23 Taxation

| | THE GROUP | |
|--|------------------|------------------|
| | 30-Sep-21 | 30-Sep-20 |
| | \$'000 | \$'000 |
| Petroleum profit tax | - | - |
| Income tax expense | 1,197 | - |
| Education tax | 183 | - |
| Under/(Over) provision of prior year taxes | - | - |
| Total current tax | 1,380 | - |
| Deferred taxation | | |
| Origination of temporary differences | (103) | - |
| Total deferred tax | (103) | - |
| Income tax (credit)/expense | 1,277 | - |

Income tax liability

The movement in the current and petroleum income tax liability is as follows:

| | THE GROUP | |
|--------------------------------|------------------|------------------|
| | 30-Sep-21 | 31-Dec-20 |
| | \$'000 | \$'000 |
| At 1 Jan | 911 | 4,288 |
| Tax paid | (1,037) | (4,415) |
| Income tax charge for the year | 1,380 | 1,038 |
| At 30 September | 1,254 | 911 |

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

24 Subsidiaries

The Niger Delta Exploration and Production Company('the parent') controls the following subsidiaries:

| | | 30-Sep-21 | 31-Dec-20 |
|--|---------------------------|------------------|------------------|
| | Ownership interest | \$'000 | \$'000 |
| Niger Delta Petroleum Resources Limited (NDPR) | 100% | 300 | 300 |
| NDEP Investments Limited | 100% | 4,097 | 4,097 |
| ND Refineries Limited (NDRE) | 94.0345% | 46,392 | 46,392 |
| ND Gas Limited (ND Gas) | 100% | 64 | 64 |
| | | 50,853 | 50,853 |

25 Fair value reserve

This represents the fair value changes in financial assets measured at fair value through other comprehensive income.

26 Events after the reporting period

No significant events have occurred after the reporting period which have a material effect on the financial statements, or the omission of which will make the financial statements misleading as to the financial position or results of operations.