OIL INDIA INTERNATIONAL B.V.

Amsterdam, the Netherlands

Reporting Package as at
31 March 2021

Statutory seat	: Amsterdam, the Netherlands
File number	: 60.60.57.31

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Management Board's statement

Disclaimer

This is a non-audited Reporting Package of the Company for the financial year ended 31 March 2021, based on IFRS principles, which has been prepared for internal use of Oil India Ltd. only.

Due to the significance of the matters described in the below "Basis for disclaimer", we have not been able to obtain sufficient appropriate evidence to present Financial Statements which give a true and fair view of the financial position of Oil India International B.V. as at 31 March 2021 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The Reporting Package comprises of:

1. The balance sheet as at 31 March 2021;
2. The profit and loss account for the year ended 31 March 2021; and
3. Notes.

Basis for our disclaimer

Due to its negative value, the Company's investment in its participation WorldAce Investments Ltd has already been impaired to USD 1.00 on the balance sheet. This reporting package has been prepared based on draft financial statements of WorldAce Investments Ltd. at 31 December 2020 and 31st March, 2021.
Furthermore, the Company is involved, since December 2020, in a legal dispute with its joint-venture partner Petroneft Resources Plc regarding the funding and financing of the indirect investment in Russia (Stimul-T LLC) through WorldAce Investments Ltd. As a result, we have been unable to determine whether any adjustments were necessary in respect of the valuation of the loans and interest due by WorldAce Investments Ltd. at the signing date of this Reporting Package.

Managing Directors:

Mr. B. Lahkar
(Director B)

Mrs. A.B.M. Appelman
(Director A)

Mr. S. Choudhuri
(Director B)

Mr. T.J. van Rijn
(Director A)

Amsterdam, 03 June 2021

OIL INDIA INTERNATIONAL B.V.

Balance sheet as at 31 March 2021

(before appropriation of the result and expressed in USD)

	Notes	31 March 2021	31 March 2020
NON-CURRENT ASSETS			
Loans due from joint venture	6	-	19,689,751
Interest due from joint venture	6	20,085,643	22,711,717
Investment in joint venture	5	1	1
		20,085,644	42,401,469
CURRENT ASSETS			
Loans due from joint venture	6	15,759,428	-
Interest due from joint venture	6	6,994,675	-
Trade and other receivables		10,428	5,987
Cash at bank		63,532	65,574
		22,828,062	71,562
CURRENT LIABILITIES			
Loans due to shareholder	7	13,200,000	-
Interest due to shareholder	7	6,785,509	-
Preliminary tax		-	147
Trade and other payables		130,406	76,192
		20,115,915	76,339
NET CURRENT ASSETS/(LIABILITIES)		2,712,147	(4,777)
TOTAL ASSETS LESS CURRENT LIABILITIES		22,797,791	42,396,692
LONG TERM LIABILITIES			
Loans due to shareholder	7	45,000,000	58,200,000
Interest due to shareholder	7	19,127,125	21,747,733
TOTAL LONG TERM LIABILITIES		64,127,125	79,947,733
		(41,329,335)	**(37,551,041)**
CAPITAL AND RESERVES			
Issued and paid-up capital	8	34,322,068	31,571,624
Share premium reserve	8	1	361,987
Currency translation reserve	8	1,612,235	3,804,814
Retained earnings	8	(73,289,466)	(58,654,343)
Result for the year	8	(3,974,173)	(14,635,123)
		(41,329,335)	**(37,551,041)**

OIL INDIA INTERNATIONAL B.V.

Profit and loss account for the period ended 31 March 2021

(expressed in USD)

	Notes	01/04/2020 - 31/03/2021	01/04/2019 - 31/03/2020
FINANCIAL INCOME/(EXPENSES)			
Interest income on loan	6	4,368,601	5,359,900
Interest expense on loan	7	(4,164,901)	(5,155,645)
Foreign exchange result		(50,144)	7,269
Share of profit of joint venture		(3,930,323)	(14,709,175)
		(3,776,767)	(14,497,650)
OTHER EXPENSES			
General and administrative expenses		196,779	165,095
OPERATING RESULT BEFORE TAXATION		(3,973,546)	(14,662,745)
TAXATION			
Corporate income tax		627	(27,622)
RESULT FOR THE YEAR		**(3,974,173)**	**(14,635,123)**

Notes

1. General

The Company is a private limited liability company incorporated on 5 May 2014. The registered and actual address of the Company is Herikerbergweg 238, 1101 CM Amsterdam, the Netherlands. The Company is a wholly owned subsidiary of Oil India ltd., India ("Shareholder"). The Company is registered at the trade register under number 60605731.

The principal activities of the Company are to act as a holding and financing company.

The financial year 2020/2021 covers the period from 1 April 2020 till 31 March 2021.

In view of the international operations of the Group, the Reporting Package has been drawn up in US dollar, the Company's functional currency.

2. Basis of preparation

a) Statement of compliance

The Reporting Package has been prepared based on International Financial Reporting Standards principles adopted by the European Union ("EU-IFRS"), IFRIC interpretations, in accordance with Part 9 of Book 2 of the Dutch Civil Code.

b) Basis of measurement

The Reporting Package has been prepared using the equity method of accounting unless specifically mentioned in the notes.

The principal accounting policies applied in the preparation of this Reporting Package are set out below. These policies have been consistently applied to all these as presented, unless otherwise stated.

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is disclosed in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Income and expenses are accounted for in the period to which they relate. Profit is only included when realised on balance sheet date. Losses are recognised when realised or foreseen.

Notes

2. Basis of preparation (cont'd)

c) Going concern

There is a potential material uncertainty regarding the going concern. This is based upon the negative shareholders' equity of the Company as well as of its subsidiary, WorldAce Investments Limited ("WorldAce") and the breach of loan covenants. The Company has net assets of USD 22,797,791 and USD 58,200,000 in loans due to the Shareholder. The Shareholder has agreed not to seek repayments of these loans for the foreseeable future. Also, the Shareholder has indicated its willingness to provide further funding up to 30 June 2022.

In 2018, WorldAce appointed a financial adviser to explore the market to ascertain the possibility of a potential sale of all or part of WorldAce's assets. That process is ongoing and is expected to continue during 2021/2022.

The outbreak of the pandemic Coronavirus may negatively affect economic conditions regionally as well as globally, and disrupt operations situated in countries particularly exposed to the contagion. For the Company, any future impact will be limited to the operations of WorldAce. The ultimate severity of the Coronavirus outbreak is uncertain at this time and therefore the Company cannot reasonably estimate the impact it may have on the investments' end markets and its operations.

On this basis, Management believes it is appropriate to prepare the Reporting Package on a going concern basis.

d) Foreign currency translation

All monetary assets and liabilities expressed in currencies other than USD have been translated at the rates of exchange prevailing at the balance sheet date, whereas non-monetary assets expressed in currencies other than USD are translated at historical rates. All transactions in foreign currencies have been translated into USD at the rates of exchange approximating those ruling at the date of the transactions. Resulting exchange differences have been recognised in the Profit and loss account except for the exchange differences arising from translation of share capital denominated in EUR, which are booked in the currency translation reserve.

The following exchange rate has been applied as at 31 March 2021:
USD 1 = EUR 0.85288 (31 March 2020: USD 1 = EUR 0.91274).

e) Critical accounting judgments

The preparation of the Reporting Package requires management to make judgements, estimates and assumptions that affect the reported amounts in the Reporting Package. Management

e) *Critical accounting judgments* (cont'd)

continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, Management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy
The Company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined using valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets ???
The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment.

If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate several key estimates and assumptions.

3. Significant accounting policies

a) *Financial fixed assets*

Investments in joint venture

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

3. Significant accounting policies (cont'd)

a) Financial fixed assets (cont'd)

The results and assets and liabilities of the joint venture are incorporated in this Reporting Package using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the joint venture. When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint venture), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

b) *Financial instruments*

Long-term assets and liabilities are initially measured at fair value, which includes attributable transaction costs. Subsequent to initial measurement, the long-term assets and liabilities are stated at amortised cost using the effective interest method.

c) *Trade and other receivables*

Trade and other receivables are recognized and carried at the lower of their original face value and their recoverable amount. A provision is made where the estimated recoverable amount is lower than the carrying amount. Given the short-term maturity of these financial assets their book value is deemed to approximate their fair value.

d) *Cash and cash equivalents*

Cash and cash equivalents include bank balances. Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

3. Significant accounting policies (cont'd)

e) *Trade accounts payable*

Accounts payable are classified as current liabilities if payment is due within one year or less. Trade payables are recognized at fair value and subsequently measured and amortized using the effective interest method. Given the short-term maturity of these trade accounts payable their book value is deemed to approximate their fair value.

f) *Determination of income*

Dividend will be recognised when declared.

Other income and expenses are recognised in the year to which they are related. Profit is only recognised when realised on balance sheet date. Losses originating before the end of the financial year are taken into account if they become known before preparation of the Reporting Package.

g) *Corporation tax*

Corporation tax is calculated at the applicable tax rates based on the result before taxation shown in the Profit and loss account and taking into account tax allowances and tax adjustments. Deferred tax assets arising from tax loss carry forwards are only recognised if recovery is reasonably certain.

h) *Capital risk management*

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default?? on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the Reporting Package at 31 March 2021.

4. Financial risk management

The Company is to a certain level exposed to the following risks:

Currency risk

Currency risk is the risk that fluctuations in the prevailing foreign currency exchange rates will affect the Company's financial position and cash flows. The Company does run limited currency risk, due to invoices in euros from its local suppliers.

Interest rate risk

Interest rate risk is the risk that fluctuations in the prevailing levels of market interest rates will affect the Company's financial position and cash flows. The Company does not run any interest rate risk on the loans as the floating base interests used are the same on both paid and received interest within the loan agreements.

Credit risk

Credit risk is the risk that a counterpart will be unable to pay amounts in full when due. Management assesses the credit quality of the party, taking into account its financial position, past experience and other factors. Standard contracts for oil sales include advanced payment terms and collections are monitored vigorously. As the Company does not have any trade receivables outstanding from third parties, this risk is minimal.

Liquidity risk

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

5. Investment in joint venture

On 3 July 2014, the Company acquired 50% of the shares of WorldAce.

Details of the joint venture at year end are as follows.

Name of joint venture	Principal activity	Registered office	Proportion of ownership interest
WorldAce Investments Limited	Oil and gas exploration	Cyprus	50%

The financial year-end date of WorldAce is 31 December, because it is practically impossible to change the financial year-end due to local regulations. However, for the purposes of applying the equity method of accounting, Management would make use of audited financial statements as per 31 December 2020. This method could not be applied as audited Financial Statements of Worldace Investments Ltd., as at 31 December 2020, have not yet been made available at the signing date of this Reporting Package.

Summarized financial information in respect to WorldAce's financial performance in the joint venture's financial statements prepared with IFRS could not be prepared as the audited Financial Statements of WorldAce as at 31 December 2020, have not yet been made available at the signing date of this Reporting Package.

6 Loans and interest due from joint venture

On 3 July 2014, the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 45,000,000 with WorldAce. As per balance sheet date the amount withdrawn under this agreement amounted to USD 45,000,000. Interest is payable at an interest rate of 6% + 3M LIBOR. The loan shall be repaid in full on or before 31 December 2025. Part of this loan has been reported as doubtful debts due to the realized loss of WorldAce.

Effective 21 March 2016 the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 10,000,000 with WorldAce. As per balance sheet date the amount withdrawn under this agreement amounted to USD 10,000,000. Interest is payable at an interest rate of 9% +3M LIBOR. Part of this loan has been reported as doubtful debts due to the realized loss of WorldAce. According to the Facility Agreement the loan shall be repaid in full on or before 31 March 2021. At the signing date of this Reporting Package the repayment has not taken place.

6 Loans and interest due from joint venture (cont'd)

Effective 24 March 2017 the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 4,000,000 with WorldAce. As per balance sheet date the amount withdrawn under this agreement amounted to USD 3,200,000. Interest is payable at an interest rate of 9% + 3M LIBOR for interest accrued for the period to 31 December 2017. As long as the interest for the period to 31 December 2018 has not been paid by WorldAce, the interest on the amount withdrawn will be 14% + 3M LIBOR as from 1 January 2018. As per balance sheet date WorldAce did not pay the interest calculated on the period till 31 December 2017 nor the total amount of principal outstanding that exceeds USD 2,000,000. According to the Facility Agreement the loan shall be repaid in full on or before 31 March 2021. At the signing date of this Reporting Package the repayment has not taken place.

Following clause 7.2b of the Facility Agreements, considering that the value of the assets of WorldAce are less than its liabilities, the Company has decided not to recall the provided loans and accumulated interest until at least 12 months after balance sheet date.

The movements in loan due from WorldAce could not be prepared as the audited Financial Statements of WorldAce , as at 31 December 2020, have not yet been made available at the signing date of this Reporting Package.

7 Loans and interest due to shareholder

On 1 July 2014, the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 45,000,000 with its shareholder Oil India Ltd. As per balance sheet date the amount withdrawn under this agreement amounted to USD 45,000,000. Interest is payable at an interest rate of 5.65% + 3M LIBOR. The loan shall be repaid in full on or before 31 December 2025.

Effective 21 March 2016 the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 10,000,000 with its shareholder Oil India Ltd. As per balance sheet date the amount withdrawn under this agreement amounted to USD 10,000,000. Interest is payable at an interest rate of 8.65% + 3M LIBOR. According to the Facility Agreement the loan shall be repaid in full on or before 7 April 2021. At the signing date of this Reporting Package the repayment has not taken place.

7 Loans and interest due to shareholder (cont'd)

Effective 24 March 2017 the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 4,000,000 with its shareholder Oil India Ltd. As per balance sheet date the amount withdrawn under this agreement amounted to USD 3,200,000. Interest is payable at an interest rate of 8.65% + 3M LIBOR for interest accrued for the period to 31 December 2017. As long as the interest for the period to 31 December 2018 has not been paid by the Company, the interest on the amount withdrawn will be 13.65% + 3M LIBOR as from 1 January 2017. As per balance sheet date the Company did not pay the interest calculated on the period till 31 December 2017 nor the total amount of principal outstanding that exceeds USD 2,000,000. According to the Facility Agreement the loan shall be repaid in full on or before 31 March 2021. At the signing date of this Reporting Package the repayment has not taken place.

Following clause 7.2b of the Facility Agreements, considering that the value of the assets of the Company are less than its liabilities, the Shareholder has decided not to recall the provided loans and accumulated interest until at least 12 months after balance sheet date.

8 Capital and reserves

On 22 December 2020, the Company issued 455,810 new shares. These new shares were fully paid up by conversion of the share premium. The total amount involved was EUR 455,810.00/ USD 557,865.

The issued and paid up share capital consists of 29,272,553 shares (31 March 2020: 28,816,743) of EUR 1 each, amounting to EUR 29,272,553/ USD 34,322,068 at 31 March 2021 (31 March 2020: EUR 28,816,743/ USD 31,571,624).

8 Capital and reserves (cont'd)

The movements in capital and reserves can be summarised as follows:

	01/04/2020-31/03/2021 USD	01/04/2019-31/03/2020 USD
Issued and paid-up capital		
At the begin of the year	31,571,624	32,375,611
Issuance of share capital	557,865	-
Result on change functional currency	-	-
Exchange result	2,192,579	(803,987)
Balance at the end of the year	34,322,068	31,571,624
Currency translation reserve		
At the beginning of the year	3,804,814	3,000,827
Exchange result	(2,192,579)	803,987
Balance at the end of the year	1,612,235	3,804,814
Share premium reserve		
At the beginning of the year	361,987	172,908
Additions	171,676	189,080
Conversion to share capital	(557,865)	-
Exchange result	24,203	
Conversion to share capital	-	-
Balance at the end of the year	1	361,987
Accumulated deficit		
At the begin of the year	(58,654,343)	(46,452,975)
Result on change functional currency	-	-
Appropriation of result previous period	(14,635,123)	(12,201,368)
Balance at the end of the year	(73,289,466)	(58,654,343)
Result for the year	(3,974,173)	(14,635,123)
Total capital and reserves	**(41,329,335)**	**(37,551,041)**