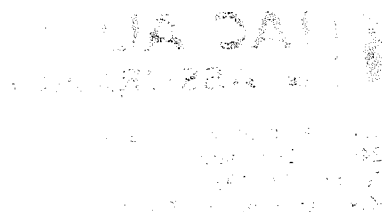


OIL INDIA INTERNATIONAL B.V.
Amsterdam, The Netherlands

Financial Statements as at
31st March 2023

Address of the Company : Bos en Lommerplein 280, 1055RW, Amsterdam
Chamber of Commerce : Amsterdam, the Netherlands
File number : 60.60.57.31



**IAC AUDIT
& ASSURANCE**

Laan van 's-Gravenhage 74
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Tel. nr: 070-2192770
KvK Den Haag nr: 77096134

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Management Board's report

The management herewith presents the financial statements of Oil India International B.V. (hereinafter "the Company") for the year ended 31st March 2023.

General

The limited liability Company was incorporated under the laws of the Netherlands on 2nd May 2014, having its statutory seat in Amsterdam and its business seat at Bos en Lommerplein 280, 1055RW, in Amsterdam, the Netherlands. The Company is a wholly owned subsidiary of Oil India Ltd, India.

The activity of the Company is to act as a holding and financing company for its Joint Venture WorldAce Investments Limited (hereinafter "WorldAce"). The Company holds 50% of the shares in WorldAce, the other 50% is owned by Petroneft. WorldAce is incorporated under the laws of Cyprus and its principal activities consist of oil and gas exploration, development and production. WorldAce owns 100% of the voting equity in Stimul-T LLC (hereinafter "Stimul-T"), a Russian registered legal entity, which owns and operates Licence 61 in the Tomsk region of the Russian Federation.

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 Joint Venture, WorldAce and the breach of loan covenants. The Company has net assets of USD 93,659,944 (negative).

Since the main assets of the WorldAce are in Russia and the subsidiary of WorldAce, Stimul-T has applied for bankruptcy on 10th May 2023. This will affect the repaying capacity of WorldAce. The actual status of liabilities/recoverabilities will be known/ensured only after the completion of Bankruptcy process of Stimul-T. As on the date of signing of these financial statements, no other information is available. Therefore, the management has decided to create provision for impairment of loans and interest receivables on 31st March 2023.

Review of the development and performance of the Business, Results and Dividends

The Company realized a loss of USD 45,301,312 as per 31st March 2023 which is mainly the result of the losses realized by WorldAce. The managing directors do not recommend payment of a dividend. Oil production in 2022 totalled 403,846 barrels (2021: 603,655).

Risk and uncertainties

Management is of the opinion that the Company has sufficient and adequate risk procedures implemented; further reference is made to the financial statements, note 3b financial instruments and note 5 risk management.

Board of directors

The board is aware of Article 2:276 of the Dutch Civil Code ("DCC"). This legislation became effective as per 1st January 2013 and includes specific guidelines for the composition of a board of directors. As of 31st March 2023, the minimum level of 30% female directors has not been achieved. For future appointments of the board members, all relevant aspects will be taken into consideration. Such aspects include, but are not limited to, the aforementioned articles of the DCC, other applicable guidelines and legislation, availability of appropriate candidates based on charter and internal Group quality guidelines. This to ensure an appropriate level of experience and expertise is available in the respective boards.

Management Board's report (cont'd)


Future developments

The pipeline connecting Licence 61 to the Transneft system is owned and operated by Nord Imperial (NI), a wholly owned subsidiary of OVL. As informed by Petroneft on 21st August 2022, following a long drawn tariff dispute between Stimul-T and NI, the pipeline was shut down by NI on the 21st August 2022. Despite numerous meetings between Stimul-T and NI and the continuing litigation proceedings, no resolution could be achieved.

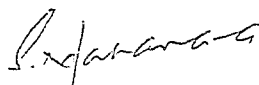
As informed by Petroneft, apart from minor volumes of oil exported during the winter months utilising ice roads, Stimul-T has had to suspend all operation on the oil fields in Licence 61 at the beginning of Q4 last year which has resulted in no revenue to pay its debts as they fall due. These include a RUB 190MM tax debt (US\$2.3M equivalent). The Tomsk Regional Court of Arbitrage ruling going against Stimul-T, as announced on the 17th March 2023, combined with the inability to be able to transport oil out of Licence 61, has led to the position where Stimul-T is legally obligated, under the Bankruptcy laws of the Russian Federation, to submit an application for bankruptcy administration.

Since the main assets of the WorldAce are in Russia and the subsidiary of WorldAce, Stimul-T has applied for bankruptcy on 10th May 2023. This will affect the repaying capacity of WorldAce. The actual status of liabilities/recoverabilities will be known/ensured only after the completion of Bankruptcy process of Stimul-T. As on the date of signing of these financial statements, no other information is available. Therefore, the management has decided to create provision for impairment of loans and interest receivables on 31st March 2023.

Managing Directors:



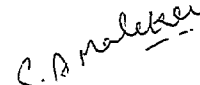
Mr. B. Lahkar



Mr. S. Maharana



Mr. R. Gangoli



Ms. S. A. Malekar

Signed on, 19 MAY, 2023

**IAC AUDIT
& ASSURANCE**

Laan van 's-Gravenmade 74
2495 AJ Den Haag
Tel. nr: 070-2192770
KvK Den Haag nr: 77096134

Statement of financial position as at 31st March 2023
(before appropriation of the result and expressed in USD)

	<u>Notes</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
NON-CURRENT ASSEST			
Investment in joint venture	6	1	1
Interest due from joint venture	7	-	22,863,538
		<u>1</u>	<u>22,863,539</u>
CURRENT ASSEST			
Loans due from joint venture	7	-	8,314,298
Interest due from joint venture	7	-	8,365,524
Trade and other receivable		-	8,110
Cash at bank		23,363	20,349
		<u>23,363</u>	<u>16,708,281</u>
CURRENT LIABILITIES			
Loans due to shareholder	8	13,200,000	13,200,000
Interest due to shareholder	8	35,414,009	8,110,158
Trade and other payables		69,299	42,199
		<u>48,683,308</u>	<u>21,352,358</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(48,659,945)</u>	<u>(4,644,077)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(48,659,944)	18,219,463
LONG TERM LIABILITIES			
Loans due to shareholder	8	45,000,000	45,000,000
Interest due to shareholder	8	-	21,747,521
TOTAL LONG TERM LIABILITIES		45,000,000	66,747,521
		<u>(93,659,944)</u>	<u>(48,528,058)</u>
CAPITAL AND RESERVES			
Issued and paid-up capital	9	32,198,236	32,683,905
Share premium reserve	9	1	1
Currency translation reserve	9	4,106,449	3,451,353
Retained earnings	9	(84,663,318)	(77,394,939)
Result for the year	9	(45,301,312)	(7,268,379)
		<u>(93,659,944)</u>	<u>(48,528,058)</u>

The accompanying notes form part of these accounts.

Statement of profit and loss and other comprehensive income for the year ended 31st March 2023
(expressed in USD)

	<u>Notes</u>	<u>01 Apr 2022 to 31 Mar 2023</u>	<u>01 Apr 2021 to 31 Mar 2022</u>
FINANCIAL INCOME/(EXPENSES)			
Interest income on loan	7	5,760,029	4,148,745
Interest expense on loan	8	(5,556,329)	(3,945,045)
Foreign exchange result		(429)	(2,467)
Provision for impairment of loans & interest		(42,543,981)	-
Share of profit of joint venture		(2,759,409)	(7,313,830)
		<u>(45,100,119)</u>	<u>(7,112,596)</u>
OTHER EXPENSES			
General and administrative expenses		<u>(200,429)</u>	<u>154,705</u>
OPERATING RESULT BEFORE TAXATION		<u>(45,300,548)</u>	<u>(7,267,301)</u>
TAXATION			
Corporate income tax		(764)	(1,077)
RESULT FOR THE YEAR		<u>(45,301,312)</u>	<u>(7,268,379)</u>
RESULT FOR THE YEAR			
		<u>(45,301,312)</u>	<u>(7,268,379)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent years		-	-
Foreign exchange result		-	-
Total comprehensive profit/(loss) for the year		<u><u>(45,301,312)</u></u>	<u><u>(7,268,379)</u></u>

The accompanying notes form part of these accounts.

Statement of changes in equity for the year ended 31st March 2023

	2022-23	2021-22
	USD	USD
<i>Issued and paid-up capital</i>		
Balance at beginning	32,683,905	34,322,068
Issuance of share capital	161,101	200,955
Exchange result	(646,770)	(1,839,118)
Balance at closing	<u>32,198,236</u>	<u>32,683,905</u>
<i>Currency translation reserve</i>		
Balance at beginning	3,451,353	1,612,235
Exchange result	655,096	1,839,118
Balance at closing	<u>4,106,449</u>	<u>3,451,353</u>
<i>Share premium reserve</i>		
Balance at beginning	1	1
Additions	169,427	202,974
Conversion to share capital	(161,101)	(200,955)
Exchange result	(8,326)	(2,019)
Balance at closing	<u>1</u>	<u>1</u>
<i>Accumulated deficit</i>		
Balance at beginning	(77,394,939)	(73,289,466)
Appropriation of result previous year	(7,268,379)	(4,105,473)
Balance at closing	<u>(84,663,318)</u>	<u>(77,394,939)</u>
<i>Result for the year</i>	<u>(45,301,312)</u>	<u>(7,268,379)</u>
Total capital and reserves	<u><u>(93,659,944)</u></u>	<u><u>(48,528,058)</u></u>

The accompanying notes form part of these accounts.

Cash Flow Statement for the year ended 31st Mar 2023

(expressed in USD)

	2022-23	2021-22
Net result	(45,301,312)	(7,268,379)
Adjustments for:		
Share in result of joint venture	2,759,409	7,313,830
Total	2,759,409	7,313,830
Operating Activities:		
Changes in working capital		
Movement in current assets	16,687,932	5,945,298
Movement in current liabilities	27,330,950	1,236,443
Total	44,018,882	7,181,741
Net cash generated from operations	1,476,979	7,227,192
Investment activities		
Other movements for financial fixed assets	20,104,128	(10,091,725)
Net cash generated from investment activities	20,104,128	(10,091,725)
Financing activities		
Long-term debt recognition	(21,747,521)	2,620,396
Movements in share capital	169,427	200,955
Net cash generated from financing activities	(21,578,094)	2,821,351
Movements in cash	3,014	(43,182)
Balance as at beginning of the year	20,349	63,532
Movements in cash during the year	3,014	(43,182)
Balance as at the end of the year	23,363	20,349

1. General

The Company is a limited liability company. The registered and actual address of the Company is Bos en Lommerplein 280, 1055RW Amsterdam, the Netherlands. The Company is a wholly owned subsidiary of Oil India Ltd., India. 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 2022/2023 covers the period from 1st April 2022 till 31st March 2023.

In view of the international operations of the Group, the annual accounts have been drawn up in US dollar, the Company's functional currency.

2. Basis of preparation

a) Statement of compliance

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards 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 financial statements have been prepared using the equity method of accounting unless specifically mentioned in the notes.

The principal accounting policies applied in the preparation of these financial statements 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.

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 Joint Venture, WorldAce and the breach of loan covenants. The Company has net assets of USD 93,659,944 (negative).

Since the main assets of the WorldAce are in Russia and the subsidiary of WorldAce, Stimul-T has applied for bankruptcy on 10th May 2023. This will affect the repaying capacity of WorldAce. The actual status of liabilities/recoverabilities will be known/ensured only after the completion of Bankruptcy process of Stimul-T. As on the date of signing of these financial statements, no other information is available. Therefore, the management has decided to create provision for impairment of loans and interest receivables on 31st March 2023.

2. Basis of preparation (cont'd)

d) Foreign currency

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 31st March 2023:

USD 1 = EUR 0.91954 (31st March 2022: USD 1 = EUR 0.90082).

e) Critical accounting judgments

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

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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.

The results and assets and liabilities of the joint venture are incorporated in these financial statements 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.

3. Significant accounting policies (cont'd)

Investments in joint venture (cont'd)

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.

The requirements of IFRS 9 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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

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

Dividends 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 financial statements.

3. Significant accounting policies (cont'd)

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.

4. Adoption of IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretation

As from 1st April 2021, the Company adopted all the IFRSs and International Accounting Standards (IAS), which are relevant to its operations.

The following new standards, interpretations and standard amendments became effective for the Group as of 1st April 2021:

- IFRS 16, 'Leases' – Covid-19 related rent concessions

The following new standards, interpretations and standard amendments became effective for the Group as of 1st January 2022:

- Amendments to IFRS 3 Business Combinations Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities, Contingent Assets Onerous Contracts – Cost of Fulfilling a Contract
- Annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16

The adoption of the new standards, interpretations and standard amendments did not have any effects on the Company's financial statements.

5. Financial risk management

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

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 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.

6. Investment in joint venture

On 3rd 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 31st December, because it is practically impossible to change the financial year-end due to local regulations.

	31 March 2023	31 March 2022
	USD	USD
Beginning of year	1	1
Adjustment for negative value	2,759,409	7,313,830
Result on investment for the period	(2,759,409)	(7,313,830)
Balance at closing	1	1

There is no unrecognized share of loss of the joint venture. No dividend has been paid by the joint venture.

WorldAce is not able to send audited financial statements. Therefore, the management has provided best estimates regarding financial position of WorldAce for the period ended on 31st December 2022 and 31st March 2023 on the basis of which NAV adjustment has been made by USD 2,759,409.

7. Loans and interest due from joint venture

On 3rd 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 31st December 2025, as agreed on 24th March 2017. Due to negative NAV of WorldAce, this loan has been fully adjusted for realization of loss of WorldAce.

On 21st 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. According to the Facility Agreement the loan should have been repaid in full on or before 31st March 2021. At the signing of these Financial Statements, the repayment has not taken place and the repayment term has not been amended. Due to negative NAV of WorldAce, this loan has been partly adjusted for realization of loss of WorldAce.

On 24th 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 31st December 2017. As long as the interest for the period to 31st December 2018 has not been paid by WorldAce, the interest on the amount withdrawn will be 14% + 3M LIBOR as from 1st January 2018. As per balance sheet date WorldAce did not pay the interest calculated on the period till 31st December 2017 nor the total amount of principal outstanding that exceeds USD 2,000,000. According to the Facility Agreement the loan should have been repaid in full on or before 31st March 2021. At the signing of these Financial Statements, the repayment has not taken place and the repayment term has not been amended.

Since WorldAce is not able to repay the loans due to continuous losses from Russian assets, the management of the Company has decided to make provision for impairment as on 31st March 2023.

Notes to the financial statements as at 31st March 2023 (cont'd)

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

The movements in loan due from joint venture can be summarised as follows:

	<u>31 March 2023</u>	<u>31 March 2022</u>
	USD	USD
Loans due from Joint venture at the beginning	8,314,298	15,628,128
Result on investment for the period	(2,759,409)	(7,313,830)
Provision for impairment	(5,554,889)	-
Loans due from Joint venture at the closing	<u>-</u>	<u>8,314,298</u>
Long term interest due from Joint venture at the beginning	22,863,538	20,085,643
Addition during the year	-	2,777,895
Reclasification during the year	(22,863,538)	-
Long Term interest due from Joint venture at the closing	<u>-</u>	<u>22,863,538</u>
Short term interest due from Joint venture at the beginning	8,365,524	6,994,675
Reclasification during the year	22,863,538	1,370,849
Addition during the year	5,760,030	-
Provision for impairment	(36,989,092)	-
Short term Interest due from Joint venture at the closing	<u>-</u>	<u>8,365,524</u>

8. Loans and interest due to shareholder

On 1st 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 31st December 2025.

On 21st March 2016 the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 10,000,000 with 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. The loan should have been repaid in full on or before 7th April 2021. At the signing of these Financial Statements, the repayment has not taken place and the repayment term has not been amended.

8. Loans and interest due to shareholder (cont'd)

On 24th March 2017 the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 4,000,000 with 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 31st December 2017. As long as the interest for the period to 31st December 2018 has not been paid by the Company, the interest on the amount withdrawn will be 13.65% + 3M LIBOR as from 1st January 2018. As per balance sheet date the Company did not pay the interest calculated on the period till 31st December 2017 nor the total amount of principal outstanding that exceeds USD 2,000,000. The loan should have been repaid in full on or before 7th April 2021. At the signing of these Financial Statements, the repayment has not taken place and the repayment term has not been amended.

Due to bankruptcy of Stimul-T, the actual status of liabilities will be known only after the completion of Bankruptcy process. As on the date of signing of these financial statements, no other information is available. Therefore, the management has decided to keep the liabilities intact until further developments.

Notes to the financial statements as at 31st March 2023 (cont'd)

9. Capital and reserves

The issued and paid up share capital consists of 29,607,573 shares (31st March 2022: 29,442,307) of EUR 1 each, amounting to EUR 29,607,573/ USD 32,198,236 at 31st March 2023 (31st March 2022: EUR 29,442,307/ USD 32,683,905).

On 9th September 2021, the Company issued 169,754 new shares with a nominal value of 1 EUR each. These new shares were fully paid up by conversion of the share premium reserve to the same amount of the total nominal value of the new shares. The total amount involved was EUR 169,754/ USD 200,955.

On 26th October 2022, the Company issued 165,266 new shares with a nominal value of 1 EUR each. These new shares were fully paid up by conversion of the share premium reserve to the same amount of the total nominal value of the new shares. The total amount involved was EUR 165,266/ USD 161,101.

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

	<u>31 March 2023</u>	<u>31 March 2022</u>
	USD	USD
Issued and paid-up capital		
Balance at beginning	32,683,905	34,322,068
Issuance of share capital	161,101	200,955
Exchange result	(646,770)	(1,839,118)
Balance at closing	<u>32,198,236</u>	<u>32,683,905</u>
Currency translation reserve		
Balance at beginning	3,451,353	1,612,235
Exchange result	655,096	1,839,118
Balance at closing	<u>4,106,449</u>	<u>3,451,353</u>
Share premium reserve		
Balance at beginning	1	1
Additions	169,427	202,974
Conversion to share capital	(161,101)	(200,955)
Exchange result	(8,326)	(2,019)
Balance at closing	<u>1</u>	<u>1</u>
Accumulated deficit		
Balance at beginning	(77,394,939)	(73,289,466)
Appropriation of result previous period	(7,268,379)	(4,105,473)
Balance at closing	<u>(84,663,318)</u>	<u>(77,394,939)</u>
Result for the year	<u>(45,301,312)</u>	<u>(7,268,379)</u>
Total capital and reserves	<u><u>(93,659,944)</u></u>	<u><u>(48,528,058)</u></u>

Disclosure of off-balance sheet commitments

According to the Joint Venture Agreement concluded between partners viz Oil India Limited, Oil India International B.V., WorldAce and PetroNeft, WorldAce, is making cash calls for financing of its operations.

Under the Joint Venture Agreement between partners, PetroNeft provides certain corporate management services to WorldAce. The outstanding amount due to PetroNeft as of 31st December 2022 was \$0.98M and Petroneft has issued a Demand Letter to WorldAce for immediate payment of this amount. However, WorldAce has not raised any cash call on the partners up to the date of signing of these financial statements.

10. Audit fees

With reference to Section 2:382a (1) and (2) of the DCC, the following fees for the year under review have been charged by IAC Audit & Assurance to the Company for the year 2022-23 EUR 21,363/ USD 23,232 (2021-22: EUR 24,200 / USD 25,412 charged by Texture Audit B.V.).

11. Managing directors

The Company has four managing directors (31st March 2022: four) who received no remuneration during the year under review or previous year. The Company has no Supervisory Directors.

During the year, Mrs. A.B.M. Appelman, Mr. T.J. van Rijn and Mr. S. Choudhuri had resigned from the directorship in the Company. Subsequently, on 9th December 2022, Romit Gangolli, Sujata Anantkumar Malekar and on 28th February 2023 Mr. Sachidananda Maharana have been appointed as director in the Company.

12. Employees

The Company does not employ any staff and hence incurred no salary, related social security charges or pension costs in the year under review or previous year.

13. Related party transactions

Loan due from shareholder and loan to joint venture:

Related party transactions are priced at an arm's length basis. For the terms and conditions on the loans to related parties, reference is made to Note 7 Loan and interest due from joint venture and Note 8 Loans and interest due to shareholder.

14. Proposed appropriation of result

The Management proposes to carry forward the result for the financial period under review.

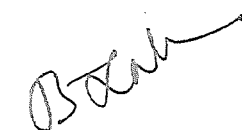
15. Post balance sheet events

The pipeline connecting Licence 61 to the Transneft system is owned and operated by Nord Imperial (NI), a wholly owned subsidiary of OVL. As informed by Petroneft on 21st August 2022, following a long drawn tariff dispute between Stimul-T and NI, the pipeline was shut down by NI on the 21st August 2022. Despite numerous meetings between Stimul-T and NI and the continuing litigation proceedings, no resolution could be achieved.

As informed by Petroneft, apart from minor volumes of oil exported during the winter months utilising ice roads, Stimul-T has had to suspend all operation on the oil fields in Licence 61 at the beginning of Q4 last year which has resulted in no revenue to pay its debts as they fall due. These include a RUB 190MM tax debt (US\$2.3M equivalent). The Tomsk Regional Court of Arbitrage ruling going against Stimul-T, as announced on the 17th March 2023, combined with the inability to be able to transport oil out of Licence 61, has led to the position where Stimul-T is legally obligated, under the Bankruptcy laws of the Russian Federation, to submit an application for bankruptcy administration.

Since the main assets of the WorldAce are in Russia and the subsidiary of WorldAce, Stimul-T has applied for bankruptcy on 10th May 2023. This will affect the repaying capacity of WorldAce. The actual status of liabilities/recoverabilities will be known/ensured only after the completion of Bankruptcy process of Stimul-T. As on the date of signing of these financial statements, no other information is available. Therefore, the management has decided to create provision for impairment of loans and interest receivables on 31st March 2023.

Managing Directors,

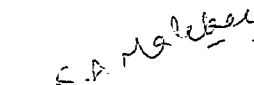


Mr. B. Lahkar



Mr. S. Maharana

Mr. R. Gangoli



Ms. S. A. Malekar

Signed on, 19 MAY, 2023

Statutory provision of appropriation of result

In accordance with article 21 of the Articles of Association the result for the year is at the disposal of the General Meeting of Shareholders. Dutch law stipulates that distributions may only be made to the extent the Company's equity is in excess of the reserves it is required to maintain by law and its Articles of Association. Moreover, no distributions may be made if the Management Board is of the opinion that, by such distribution, the Company will not be able to fulfil its financial obligations in the foreseeable future.

Statement regarding the Auditor's report

In order to comply with the group audit requirements of the ultimate Indian holding company, these financial statements are being prepared for the period 1st April 2022 to 31st March 2023. The independent auditor's report is set out on next the page.

INDEPENDENT AUDITOR'S REPORT

KvK Den Haag 77096134
BTW nr. NL 860898738B01

To: The shareholders of Oil India International B.V.

Report on the audit of the financial statements 2022/2023 included in the annual report.

Our disclaimer of opinion

We were engaged to audit the financial statements 2022/2023 of Oil India International BV based in Amsterdam.

Due to the significance of the matters described in the 'Basis for our disclaimer of opinion' section, we do not express an opinion on the accompanying financial statements of the company as a whole. We have not been able to obtain sufficient appropriate audit evidence regarding the joint venture "World Ace Investment Ltd" to provide a basis for an audit opinion on the accompanying financial statements as a whole.

The financial statements 2022/2023 are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1 the statement of financial position as at 31 March 2023;
- 2 the following statements for 2022/2023:
the income statement, the statements of comprehensive income, changes in equity and cashflows; and
- 3 the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our disclaimer of opinion

Oil India International B.V.'s joint venture investment in WorldAce Investments Limited, a foreign associate acquired during the year 2014-2015 and accounted for by the equity method, is carried at USD 1 on the balance sheet as at 31 March 2023.

The loan due from WorldAce Investments Limited had been carried at USD 8.314.298, Oil India International B.V.'s share of WorldAce Investments Limited's net loss of USD 2.759.409 and the provision for impairment of USD 5.554.889, is included in Oil India International BV's result for the year then ended. On the balance date as at 31 March 2023 the aforementioned loan is carried at nil.

We were unable to obtain sufficient appropriate audit evidence about the carrying amounts of Oil India International B.V.'s loan due from WorldAce Investments Limited as at 31 March 2023 and Oil India International B.V.'s share of WorldAce Investments Limited's result for the year, as well as for the figures as disclosed in note 6 and 7, due to the fact that there were no audited financial statements of WorldAce Investments Limited available as at 31 March 2023. As a result, we were unable to determine whether any adjustments were necessary with regards to the share in the joint venture "World Ace Investment Ltd".

Material uncertainty related to going concern

We draw attention to the going concern paragraph on page 9 of the financial statements, which indicates that the company's joint venture WorldAce Investments Ltd incurred significant losses during the previous years and the subsidiary Stimul-T LLC of the joint venture WorldAce Investments Limited has filed for bankruptcy on 10 May 2023.

As of 31 March 2023, the company's equity remain negative, due to the aforementioned circumstances as well as the breach of the loan covenants.

These conditions, along with ether matters as set forth in the note 'going concern', indicate the existence of a material uncertainty, which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on the other information included in the annual report

Except for the possible effects of the matters described in the 'Basis for our disclaimer of opinion', we conclude, based on the following procedures performed, that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information as required by Part 9 of Book 2 of the Dutch Civil Code.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of these performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of

accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The management is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

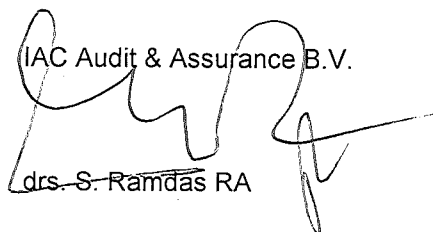
Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with Dutch law, including the Dutch Standards on Auditing. However, due to the matter/matters described in the 'Basis for our disclaimer of opinion' section, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

We are independent of Oil India International BV in accordance with the Dutch Standards on Auditing as well as the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

For a further explanation of our responsibilities and audit procedures, we refer to the website of the NBA: Koninklijke Nederlandse Beroepsorganisatie van Accountants: <http://www.nba.nl/ENG> algemeen 01.

The Hague, 19th May 2023

IAC Audit & Assurance B.V.



drs. S. Ramdas RA