



Barryroe Offshore Energy

2022 Half Year Results

Dublin and London – 30th September, 2022

Barryroe Offshore Energy (AIM and Euronext Growth: “BEY”), the Irish based energy company, today announces its unaudited interim results for the half year ended June 30, 2022.

Alan Curran, Interim Chief Executive, Barryroe Offshore Energy said:

“As Ireland grapples to define a secure energy transition plan in the face of the West’s economic war with Russia, the Barryroe Field presents a unique opportunity to develop an indigenous source of oil and gas. Successful development of the Field will not only contribute to Ireland’s energy security and transition to a carbon neutral economy, but will also create significant employment opportunities and provide strategic and fiscal value to the Irish economy, at no cost to the Irish taxpayer.”

Our successful summer fundraising confirmed the strength of our shareholder base and support for the company’s strategy. We await the long anticipated regulatory consent for the Lease Undertaking, which will unlock our plans and commitments for the essential appraisal prior to development of the Barryroe Field”.

2022 OPERATIONAL AND FINANCIAL HIGHLIGHTS

Operational

- Barryroe, North Celtic Sea (SEL 1/11)
 - In February 2022, the Board announced the full results of its strategic review.
 - Continued efforts to secure regulatory consent for the Lease Undertaking, without which the planned appraisal well cannot proceed.

Financial

- Operating Loss for the period of €0.947 million versus €1.065 million in 2021.
- Loss for the period of €2.345 million versus a profit of €1.628 million in 2021. The figure to 30 June 2022 included a net non-cash expense in relation to warrants of €1.293 million, versus a net non-cash gain of €3.155 million in 2021.
- Basic loss per share was €0.24 cents versus earnings of €0.18 in 2021.
- Diluted loss per share was €0.21 cents versus earnings of €0.14 in 2021.
- At 30 June 2022, total cash and cash equivalents were €2.188 million versus €3.645 million at 30 June 2021.
- The Company had no bank or bond debt as at 30 June 2022.

- In June 2022, the Company raised gross proceeds of \$1.8 million (equivalent to approximately £1.5 million) through the subscription for 45,312,316 Placing Securities and 51,686,693 Subscription Securities (each of which comprised one New Ordinary Share and one STG1.5 Warrant). The issue of the Warrants was approved by shareholders at the AGM in July 2022. The warrants are exercisable up to the 26 July 2023.
- The £0.09 warrants expired on the 6 May 2022. No £0.09 warrants were exercised before they expired.

2022 YEAR TO DATE IN REVIEW

Governance Changes

In July 2022, Alan Curran was appointed Interim Chief Executive and James Menton resumed the role of Non-Executive Chairman. On 25th August 2022, James Menton announced that he would stand down as Chairman and leave the Board within the following 90 days.

Strategy

Since the Board was reconstituted in July 2021, we have adopted a realistic and pragmatic approach to the formulation of our Barryroe Strategy. The Board continues to give careful regard to the dynamics of the current regulatory environment and the energy transition issues of security of supply, growing energy demand and the continuing need to attract foreign direct investment as Ireland progresses securely towards carbon neutrality by 2050. The Board's key near term objectives and priorities remain as follows:

- Follow-up and engagement with the GeoScience Regulation Office (GSRO) in relation to the application for the Lease Undertaking.
- Ensuring that the Company has the breadth and depth of experience, competency and skills within the technical team to support the Board in the formulation and delivery of the Barryroe Strategy.
- Enhancing the understanding of the Barryroe Project and the opportunities it presents for shareholders and all other key stakeholders.

The Barryroe Lease Undertaking – Status

Prompt regulatory granting of the Barryroe Lease Undertaking remains fundamental to the execution of the Board's strategy. Securing the Lease Undertaking continues to be the Board's main focus.

Since August 2021, the Board has proactively and repeatedly engaged with the GeoScience Regulation Office (GSRO) and the Minister for the Environment, Climate and Communications (DECC), expressing a sense of urgency over the granting of the Lease Undertaking. The Board has also engaged with a number of other key stakeholders, including public representatives, in order to move the DECC/GSRO review process forward. Despite these efforts, a decision on the Lease Undertaking is still outstanding.

In the Board's view, there is no reasonable justification for the ongoing delay. The Board believes that all required technical and financial information in relation to the Barryroe Lease Undertaking has been submitted to the GSRO. The Board is confident that the Barryroe Field offers a highly valuable resource that, at no cost to the State, could contribute to:

- Ireland's energy security over the next decade.

- Ireland’s energy transition to a carbon neutral economy.
- carbon reduction through import substitution.
- significant job creation and tax contributions.

Irish Government Policy and Barryroe

In September 2019, the Irish Government affirmed that all existing licences, which included Barryroe, would be allowed to run their full term. It should be firmly understood that Barryroe is a discovered oil and gas field, not a wildcat prospect, in relatively shallow waters not far off the coast of Cork. It requires an appraisal well to be drilled to confirm the reservoir and hydrocarbon characteristics before a phased development can be initiated. That well can be progressed only once the Lease Undertaking is issued.

It is our view that the potential offered by the successful exploitation of the Barryroe Field would be an important element in the execution of Government policy, as enunciated by the Department of the Environment, Climate and Communications’ (DECC) “Policy Statement on Security of Electricity Supply” (November 2021) and Section 3.7 of the “National Risk Assessment 2021/2022 – Overview of Strategic Risk”.

Current Government policy does not restrict Ireland’s use of hydrocarbon fuels; it merely precludes new oil and gas exploration in Irish waters. The Board believes that the Irish Government’s delay in allowing progress on existing oil and gas licences adds unnecessarily to the risk of energy shortages.

The Case for Barryroe

Geopolitical Challenges

The war in Ukraine has re-emphasised the value of national self-sufficiency across the whole range of primary energy sources. As Ireland moves towards a much bigger share of renewable sources, through the transition to net-zero carbon by 2050, there will be an ongoing, albeit diminishing, level of residual demand for oil and gas to meet Ireland’s energy consumption needs. The impact of rising imported energy prices, and the growing potential for significant interruption to imported energy supplies, is currently a key focus for all Governments throughout Europe.

Energy Security and Vulnerability

The Economic and Social Research Institute (ESRI) recently ranked Ireland as the fourth-most energy insecure country in Europe. Currently, Ireland imports 70% of its gas needs through two interconnectors running from Scotland to Ireland. The remaining 30% comes from the Corrib Field, which is expected to be depleted by the end of the decade.

Ireland’s reliance on the UK for the bulk of its gas supply puts the country in an extremely vulnerable position. Following Brexit, Ireland is no longer compliant with the EU’s requirements for energy security, according to the Commission for Regulation of Utilities (CRU). Ireland’s gas import infrastructure runs through the UK, a “third country”. Ireland has a unique opportunity to harness its own supply of oil and gas by enabling appraisal and development of the Barryroe Field. Not to do so would, in the Board’s view, have a detrimental impact on resilience through the coming decade of Ireland’s energy transition and would represent a very significant missed opportunity from a strategic, fiscal and energy security perspective.

The Department of the Environment, Climate and Communications published its report on the security of energy supply to Ireland's Electricity and Natural Gas Systems on 19th September 2022. The Company will engage in the consultation process, with submissions due by 28th October 2022.

Energy Transition – The Need for Barryroe

Ireland has a clear goal of being carbon neutral by 2050 and we acknowledge that expanding renewable sources of energy must be the main focus in the years ahead. Barryroe is a confirmed oil and gas field. With contingent and prospective in place gas resources in excess of 1tcf, it has the potential to contribute significantly to Ireland's gas balance over the next 10 to 15 years.

Furthermore, most of Ireland's transport options, particularly freight transport and aviation, currently run on oil, all of it imported. Transitioning completely away from oil will not happen overnight. Successful optimisation of the Barryroe Field can contribute significantly to meeting Ireland's energy demand during the transition over the coming decade, without prejudicing achievement of a carbon neutral economy in Ireland by 2050.

Environmental Benefits – Carbon Reduction Through Import Substitution

The relative benefits of indigenous sources of energy are significant. For example, gas produced in Ireland results in up to 30% lower carbon emissions than gas from outside Europe. This is due to a combination of more efficient production technologies, and less energy expended due to shorter pipeline transport (given that long distance pipeline transport requires pumping booster stations).

Technical Strategy

Earlier this year, the completion of our strategic review along with the Competent Persons Report (CPR) confirmed a core area "base case" of 81.2 MMstb of Gross 2C oil resources that can be accessed through an initial two-phase development project, initially addressing just one reservoir in the central core segments of the Field. The CPR, which remains consistent with the 2013 whole field assessment, confirmed a Net Present Value (NPV) of \$401m to Barryroe Offshore Energy's interest in this initial project only, based on a 10% discount factor and a \$70 Brent oil price. The initial development project is predicated on the outcome of appraisal drilling to confirm the reservoir and hydrocarbon phase characteristics in the key Basal Wealden A Sands and the lateral extent of the shallower C Sands, with up to 400 bcf of gas resource in place. The initial project will advance the potential for further development of other Barryroe reservoirs, including those holding its discovered and prospective in place gas resources in excess of 1 tcf.

The technical strategy for the Barryroe Field is primed for implementation within a short timeframe. Subject to regulatory consent for the Lease Undertaking, the Board is seeking to proceed with appraisal drilling as soon as practicable. In expectation of a timely and satisfactory outcome, the Board intends to proceed to a phased development leading to first production in late 2026. The Company urgently requires a positive decision on the Lease Undertaking in order to ensure that the Barryroe Field can soon begin to play a key role in Ireland's energy future.

Share Placing – June 2022

In June 2022, the Company raised gross proceeds of \$1.8 million (equivalent to approximately STG£1.5 million) through the subscription for 45,312,316 Placing Securities

and 51,686,693 Subscription Securities (each of which comprised one New Ordinary Share and one STG1.5p Warrant). The issue of the Warrants was approved by shareholders at the AGM in July 2022. The Board is thankful of the continuous, consistent support of its shareholders to develop the Barryroe Field.

Name Change – Barryroe Offshore Energy

The Company indicated in its annual results for 2021 that it intended to change its name to Barryroe Offshore Energy. The Board believes the new name properly reflects the focus of the company and serves as a reminder of the underlying potential of its primary asset, as part of Ireland's secure energy transition. To achieve this, an extraordinary resolution was included at the AGM held on 27th July and was duly passed by shareholders. The name change became effective from 27th September. It is important to note that there is no underlying change to the value or number of existing shares held by shareholders. The new ticker for both the AIM and Euronext market is BEY.

The Future

The Board is keenly aware of the global climate challenge, which has been exacerbated by an energy security crisis as a result of the war in Ukraine. The impact of rising energy prices, and the potential for significant interruption to energy supplies, is a focus for governments throughout Europe. The challenges we face are stark and disruption to energy supplies could lead to severe economic and social impacts.

It is a strategic imperative that Irish Government policy allows for pragmatism with regard to energy policy. Ireland is now at a critical juncture in planning for its energy future, though it is very widely accepted that Ireland will continue to require oil and gas to supplement available renewable sources for decades to come.

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BARRYROE OFFSHORE ENERGY P.I.c.

Condensed consolidated income statement

For the 6 months ended 30 June 2022

	Notes	6 months ended 30 June 2022 Unaudited €'000	6 months ended 30 June 2021 Unaudited €'000	Year ended 31 December 2021 Audited €'000
Continuing operations				
Administration expenses	2	(947)	(1,065)	(2,369)
Operating loss		(947)	(1,065)	(2,369)
Finance income	3	-	3,765	6,699
Finance expense	4	(1,398)	(1,072)	(888)
(Loss)/profit before income tax		(2,345)	1,628	3,442
Income tax expense		-	-	-
(Loss)/profit for the period		(2,345)	1,628	3,442
(Loss)/profit per share (cent)				
Basic (loss)/profit per share	11	(0.24)	0.18	0.36
Diluted (loss)/profit per share	11	(0.21)	0.14	0.30

The total recognised (loss)/profit for the period is entirely attributable to equity holders of the Company.
The accompanying notes are an integral part of these condensed consolidated financial statements.

BARRYROE OFFSHORE ENERGY P.I.c.

Consolidated statement of comprehensive income

For the 6 months ended 30 June 2022

	Notes	6 months ended 30 June 2022 Unaudited €'000	6 months ended 30 June 2021 Unaudited €'000	Year ended 31 December 2021 Audited €'000
(Loss)/profit for the financial period		(2,345)	1,628	3,442
<i>OCI Items that may be reclassified into profit or loss</i>				
Foreign exchange translation differences		5,918	1,930	4,982
Total income recognised in other comprehensive income from continuing operations		5,918	1,930	4,982
Total comprehensive income/(expense) for the period		3,573	3,558	8,424

The total comprehensive income/(expense) recognised for the period is entirely attributable to equity holders of the Company.

The accompanying notes are an integral part of these condensed consolidated financial statements.

BARRYROE OFFSHORE ENERGY P.I.c.

Consolidated statement of financial position

As at 30 June 2022

	Notes	30 June 2022 Unaudited €'000	30 June 2021 Unaudited €'000	31 December 2021 Audited €'000
Assets				
Exploration and evaluation assets	5	73,529	62,723	66,983
Property, plant and equipment		-	3	1
Total non-current assets		73,529	62,726	66,984
Trade and other receivables	6	275	154	388
Cash and cash equivalents		2,188	3,645	1,923
Total current assets		2,463	3,799	2,311
Total assets		75,992	66,525	69,295
Equity				
Share capital	7	71,926	71,829	71,829
Share premium	7	261,278	260,271	260,272
Undenominated capital		623	623	623
Foreign currency translation reserve		15,534	6,564	9,616
Share based payment reserve		893	962	767
Accumulated losses		(283,833)	(283,561)	(281,370)
Total equity attributable to equity holders of the company		66,421	56,688	61,737
Liabilities				
Decommissioning provision	9	6,225	6,346	6,056
Total non-current liabilities		6,225	6,346	6,056
Warrant liability	10	2,344	2,948	460
Trade and other payables	8	1,002	543	1,042
Total current liabilities		3,346	3,491	1,502
Total liabilities		9,571	9,837	7,558
Total equity and liabilities		75,992	66,525	69,295

The accompanying notes are an integral part of these condensed consolidated financial statements.

BARRYROE OFFSHORE ENERGY P.I.c.

Consolidated statement of changes in Equity

For the 6 months ended 30 June 2022

	Share Capital €'000	Undenominated capital €'000	Share Premium €'000	Foreign Currency Translation Reserve €'000	Share Based Payment Reserve €'000	Accumulated losses €'000	Total €'000
At 1 January 2022	71,829	623	260,272	9,616	767	(281,370)	61,737
Loss for financial period	-	-	-	-	-	(2,345)	(2,345)
Currency translation	-	-	-	5,918	-	-	5,918
Total comprehensive income	-	-	-	5,918	-	(2,345)	3,573
<i>Transactions with owners, recorded directly in equity</i>							
Shares issued in period	97	-	1,006	-	-	(118)	985
Share based payments in period	-	-	-	-	126	-	126
At 30 June 2022	71,926	623	261,278	15,534	893	(283,833)	66,421
At 1 January 2021	71,743	623	256,773	4,634	806	(285,189)	49,390
Loss for financial period	-	-	-	-	-	1,628	1,628
Currency translation	-	-	-	1,930	-	-	1,930
Total comprehensive income	-	-	-	1,930	-	1,628	3,558
<i>Transactions with owners, recorded directly in equity</i>							
Shares issued in period	86	-	3,498	-	-	-	3,584
Share based payments in period	-	-	-	-	156	-	156
At 30 June 2021	71,829	623	260,271	6,564	962	(283,561)	56,688
At 1 January 2021	71,743	623	256,773	4,634	806	(285,189)	49,390
Loss for financial year	-	-	-	-	-	3,442	3,442
Currency translation	-	-	-	4,982	-	-	4,982
Total comprehensive income	-	-	-	4,982	-	3,442	8,424
<i>Transactions with owners, recorded directly in equity</i>							
Share based payment expense	-	-	-	-	338	-	338
Share options lapsed in year	-	-	-	-	(377)	377	-
Shares issued in year	86	-	3,499	-	-	-	3,585
<i>Transactions with owners, recorded directly in equity</i>	86	-	3,499	-	(39)	377	3,923
At 31 December 2021	71,829	623	260,272	9,616	767	(281,370)	61,737

BARRYROE OFFSHORE ENERGY P.I.c.

Consolidated statement of cash flows

For the 6 months ended 30 June 2022

	6 months ended 30 June 2022	6 months ended 30 June 2021	Year ended 31 December 2021
	Unaudited	Unaudited	Audited
	€'000	€'000	€'000
Cash flows from operating activities			
(Loss)/profit before income tax for the period	(2,345)	1,628	3,442
Adjustments for:			
Depreciation	1	3	15
Finance income	-	(3,765)	(6,699)
Finance expense	1,398	1,072	888
Equity settled share based payment charge	126	156	338
Foreign exchange	-	(19)	(16)
Change in trade and other receivables	113	69	(165)
Change in trade and other payables	(40)	(272)	227
Net cash outflow from operating activities	(747)	(1,128)	(1,970)
Cash flows from investing activities			
Acquisition of exploration and evaluation assets	(517)	(331)	(1,492)
Cash calls in respect of exploration and evaluation assets	25	-	262
Acquisition of property, plant and equipment	-	(2)	(2)
Net cash used in investing activities	(492)	(333)	(1,232)
Cashflows from financing activities			
Proceeds from issue of security instruments (see note 7)	1,695	2,974	2,974
Security instrument Issue costs	(182)	-	-
Net cash from financing activities	1,513	2,974	2,974
Net increase in cash and cash equivalents	274	1,513	(228)
Cash and cash equivalents at beginning of period	1,923	2,110	2,110
Effect of exchange rate fluctuations on cash and cash equivalents	(9)	22	41
Cash and cash equivalents at end of period	2,188	3,645	1,923

The accompanying notes are an integral part of these condensed consolidated financial statements.

BARRYROE OFFSHORE ENERGY P.I.c.

Note 1 – Accounting Policies

General Information

BARRYROE OFFSHORE ENERGY P.I.c. (previously known as “Providence Resources P.I.c”) (“the Company”) is a Company incorporated and domiciled in the Republic of Ireland. The registration number of the Company is 268662 and the address of the registered office is Paramount Court, Corrig Road, Sandyford Business Park, Dublin 18, D18 R9C7. The unaudited consolidated interim financial statements of the Company for the six months ended 30 June 2022 (the "Interim Financial Statements") include the Company and its subsidiaries (together referred to as the "Group"). The Interim Financial Statements were authorised for issue by the Directors on 30 September 2022.

Basis of accounting

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2021 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The 30 June 2022 figures and the 30 June 2021 comparative figures do not constitute statutory financial statements of the Group within the meaning of the Companies Act, 2014. The consolidated financial statements of the Group for the year ended 31 December 2021, together with the independent auditor's report thereon, were filed with the Irish Registrar of Companies following the Company's Annual General Meeting and are also available on the Company's Website. The auditor's report on those financial statements was unqualified and contains a “material uncertainty related to going concern” paragraph.

The condensed set of financial statements included in this half-yearly financial report has been prepared on a going concern basis as the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future (See below for further details on the Directors assessment of going concern).

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual report.

The Interim Financial Statements are presented in Euro, rounded to the nearest thousand, which is the functional currency of the Company and also the presentation currency for the Group's financial reporting.

The significant accounting policies applied in these interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ending 31

BARRYROE OFFSHORE ENERGY P.I.c.

Note 1 – Accounting Policies *(continued)*

December 2021. Amendments to standards and interpretations which are effective for the Group from 1 January 2022 do not have a material effect on the results or financial posting in the interim financial statements as at and for the period ending 30 June 2022.

Going concern

The Group had net assets of €66.4m, including cash on hand of €2.2m as at 30 June 2022. It recognised a loss after taxation of €2.3m for the six month period, after a non-cash charge of €1.75m in respect of warrants issued on 17 June 2022, offset by a non-cash gain of €0.46m on the expiry in May 2022 of warrants that had been issued in May 2020. The Directors have carefully considered the financial position of the Group and, in that context, have prepared the interim financial statements on a going concern basis.

The Group's principal interest is the development of the Barryroe oil and gas Field. The Barryroe Standard Exploration Licence period continued up until the 13 July 2021. Prior to its expiry, having met all the conditions attaching to that Licence, the Group applied for the follow-on permit, being a Lease Undertaking, which is subject to government approval. The approval process is ongoing and the Directors anticipate that the Lease Undertaking will be granted. The Directors note that the Irish Government has stated that all existing licences will be allowed to run their full life cycle.

The Directors have carefully considered the financial position of the Group and have prepared cashflow forecasts for the next 12 months, considering both current and future expenditure commitments and the options available to fund such commitments, including equity funding and other financing options in the twelve month period from the date of approval of these interim financial statements. In making their cashflow forecasts, critical underlying assumptions, include the granting of the Barryroe Lease Undertaking on terms and conditions that are acceptable and the subsequent successful completion of an appropriate fund raising to meet the costs of the proposed Barryroe work programme within the expected Lease Undertaking period.

The Directors have considered the matters set out above and determined that the critical assumptions represent a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. The Directors note that, if either assumption were not fulfilled, the Group may be unable to continue realising its assets and discharge its liabilities in the normal course of business. After making enquiries and considering the uncertainties described above, the Directors have a reasonable expectation that the Group will have sufficient funds available over the next 12 months to meet all its commitments as they fall due and will have adequate resources to continue in operational existence for the foreseeable future. The Directors note that the Group has continued to have the strong support of its shareholders.

For these reasons, the Directors have adopted the going concern basis in preparing the interim financial statements which do not include any adjustments that would be necessary if this basis were subsequently adjudged to be inappropriate.

BARRYROE OFFSHORE ENERGY P.I.c.

Note 2 – Administration Expenses

	6 months ended 30 June 2022	6 months ended 30 June 2021	Year ended 31 December 2021
	Unaudited	Unaudited	Audited
	€'000	€'000	€'000
Corporate, exploration and development expenses	947	1,084	2,385
Foreign exchange gains net	-	(19)	(16)
Total administration expenses for the period	947	1,065	2,369
Total charged to the income statement	947	1,065	2,369

Note 3 – Finance Income

	6 months ended 30 June 2022	6 months ended 30 June 2021	Year ended 31 December 2021
	Unaudited	Unaudited	Audited
	€'000	€'000	€'000
Movement in fair value of warrants (note 10)	-	3,765	5,643
Redetermination of decommissioning provision (note 9)	-	-	1,056
Total finance expense recognised in income statement	-	3,765	6,699

Note 4 – Finance Expense

	6 months ended 30 June 2022	6 months ended 30 June 2021	Year ended 31 December 2021
	Unaudited	Unaudited	Audited
	€'000	€'000	€'000
Unwinding of discount on decommissioning provision (note 8)	40	302	593
Foreign exchange on decommissioning provision	-	159	294
Interest on right to use asset	-	1	1
Issue costs associated with warrants	65	-	-
Movement in fair value of warrants (note 10)*	1,293	610	-
Total finance expense recognised in income statement	1,398	1,072	888

*The €1.293m finance expense arises on the €0.015 warrant instruments issued as part of the 17 June 2022 equity raise being fair valued at 30 June 2022 (expense of €1.753m) offset by that in respect of the €0.09 warrants which expired on the 6 May 2022 (gain of €0.460m).

BARRYROE OFFSHORE ENERGY P.I.c.

Note 5 – Exploration and evaluation assets

	€'000
Cost and book value	
At 1 January 2021	60,425
Additions	331
Foreign exchange translation	1,967
At 30 June 2021	62,723
At 1 January 2021	60,425
Additions	1,492
Cash calls received in year	(262)
Decommissioning redetermination	287
Foreign exchange translation	5,041
At 31 December 2021	66,983
At 1 January 2022	66,983
Additions	517
Cash calls received in period	(25)
Foreign exchange translation	6,054
At 30 June 2022	73,529

The exploration and evaluation asset balance as at 30 June 2022 relates to the Group's Barryroe interest.

The directors assessed all activities ongoing within exploration and evaluation assets and determined that no impairment charge was required at 30 June 2022 (30 June 2021 - €nil). The directors recognise that the future realisation of the Barryroe asset is dependent on the granting of the lease undertaking which is subject to government approval, future successful appraisal activities and the subsequent economic production of hydrocarbons.

Note 6 – Trade and other receivables

	30 June 2022	30 June 2021	31 December 2021
	Unaudited	Unaudited	Audited
	€'000	€'000	€'000
VAT recoverable	40	22	48
Prepayments	68	98	89
Amounts due from joint operation partner	167	34	251
Total	275	154	388

BARRYROE OFFSHORE ENERGY P.I.c.
Note 7 – Share Capital and Share Premium

		Number	
Authorised:		'000	€'000
At 1 January 2022			
Deferred shares of €0.011 each		9,944,066	109,385
Ordinary shares of €0.001 each		1,800,000	1,800
At 30 June 2022			
Deferred shares of €0.011 each		9,944,066	109,385
Ordinary shares of €0.001 each		1,800,000	1,800
	Number	Share Capital	Share Premium
Issued:	'000	€'000	€'000
Deferred shares of €0.011 each			
At 1 January 2021	6,441,373	70,854	5,691
At 31 December 2021 and 30 June 2022	6,441,373	70,854	5,691
Ordinary shares of €0.001 each			
At 1 January 2021	888,803	889	251,082
Warrants exercised during 2021	86,062	86	3,498
At 30 June 2021 and at 31 December 2021	974,865	975	254,580
Shares issued in June 2022	96,999	97	1,007
At 30 June 2022	1,071,864	1,072	255,587
At 30 June 2022 (Total deferred and Ordinary shares)	7,513,237	71,926	261,278

On 17 June 2022, the Company issued 96,999,006 Ordinary Shares as part of placing and subscription agreements which raised gross proceeds of \$1.8 million (equivalent to €1.7 million) from security instruments before expenses. Each of these security instruments comprised of one Ordinary Share of €0.001 and one €0.015 Warrant.

The allotment and issue of the Warrants was subject to the passing of the Warrant Resolutions by the shareholders. On 27 July 2022, the Warrant Resolutions were successfully passed at the AGM.

On issuance, a fair value of €1.1m was attributed to the Ordinary Shares and €0.6m to the Warrants, based on the effective share price at that date. In line with the Group's accounting policies these Warrants are presented as financial liabilities (note 10).

The holder of each Warrant can exercise its rights which allows that holder to convert the Warrant into one ordinary share, with a par amount of €0.001, by payment of the exercise price of €0.015. The warrants are non-transferable and have an expiry date of 26 July 2023.

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Note 8 – Trade and other payables

	30 June 2022	30 June 2021	31 December 2021
	Unaudited	Unaudited	Audited
	€'000	€'000	€'000
Accruals	915	379	836
Other payables	87	164	206
Total	1,002	543	1,042

Note 9 – Decommissioning provision

	30 June 2022	30 June 2021	31 December 2021
	Unaudited	Unaudited	Audited
	€'000	€'000	€'000
At beginning of year	6,056	5,853	5,853
Unwinding of discount	40	302	593
Foreign exchange gain	-	159	294
Redetermination of decommissioning provision	-	-	(769)
Translation adjustment	129	32	85
Total	6,225	6,346	6,056

The decommissioning provision is reviewed annually to ensure that it reflects the current market conditions and updated accordingly.

During 2021, the Board undertook a strategic review of Barryroe. The outcome was that an appraisal well is planned to be drilled in 2023 preparatory to a phased development, with first oil production expected by the end of 2026, subject to Ministerial approval.

The Group anticipates that a decommissioning programme for other licence areas (since relinquished) will be undertaken at the same time as the Group's Barryroe wells, subject to regulatory consent and approval. Accordingly all, decommissioning is projected to take place in 2047. The decommissioning provision covers six wells of which five of are held in the Parent Company, while one is held in Exola DAC.

The decommissioning provision has been calculated assuming industry established oilfield decommissioning techniques and technology at current prices, based on external expert reports where available and is discounted at 1.3% per annum, reflecting the associated risk profile. During 2021, the Group undertook a review of the discount rate applied to the projected costs to derive

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Note 9 – Decommissioning provision (*continued*)

the net present value. The Group has used the 20 year Irish Government Bond rates of 1.30% as an appropriate discount rate.

In relation to cost inflation, experience over the last decade indicates that advances in technology and operations in the decommissioning of wells, suggests that cost inflation may reasonably be expected to be offset by gains in efficiency so the net effective cost inflation rate used was zero.

There was a €0.769 million adjustment to the decommissioning provision at the end of 2021.

Note 10 - Warrants

On 17 June 2022, the Company raised gross proceeds of \$1.8 million (equivalent to €1.7 million) by the issue of security instruments with each security instrument comprising one ordinary share, with a par amount of €0.001, one £0.015 warrant (expiry 26 July 2023). The fair value of the shares was calculated using the Black Scholes model with the data from the date of issue on 17 June 2022. The value ascribed to the shares issued was €1,104,850. This figure was then deducted from the total cash proceeds of €1,695,431, leaving the remaining value attributable to the warrants of €590,581.

The following key input assumptions were applied to the initial valuation on issuance of the shares:

	£0.015 Shares
Number of shares issued	96,999,009
Volatility	148%
Time period	1 Year
Dividend yield	0%
Risk free interest rate	(0.01%)
Issue price	£0.015
Closing share Price	€0.02
Initial fair value of each share	€0.01139
Fair value at issue date	€1,104,850

On 30 June 2022, the warrants were fair valued using appropriate inputs including the closing share price on that day of €0.035. The period of 12 months was used for the volatility calculation for the £0.015 warrants which would expire on 26 July 2023. The key assumption in the calculation of the warrants is the volatility rate used in the Black Scholes model. The fair value movement of €1.753m, being the difference between the issue date valuation on 17 June 2022 and that on 30 June 2022, is recorded as a finance expense in the income statement.

	£0.015 Warrants
Number of warrants	96,999,009
Volatility	148%
Time period	1 Year
Dividend yield	0%
Risk free interest rate	0.002%
Exercise price	£0.015
Closing share price 30 June 2022	€0.035
Fair value as at 30 June 2022	€2,344,303

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Note 10 – Warrants (*continued*)

The large movement in the warrant valuation from the 17 June 2022 to 30 June 2022 is driven by the increase in the closing share price. The closing price on 17 June 2022 was €0.02 while on the 30 June 2022, it was €0.035.

During 2021, there were 86,061,529 £0.03 warrants exercised before they expired on 6 May 2021. The fair value of the £0.03 warrants exercised during the period to June 2021 was recognised as a finance expense of €0.61m in the income statement with a corresponding increase in share premium.

	January 21	February 21	March 21	April 21	May 21
Number of warrants	287,372	1,666,666	1,000,000	65,975,822	17,131,669
Volatility	135%	135%	135%	206%	208%
Time period	0.30 Year	0.18 Year	0.10 Year	0.016 Year	0.003 Year
Dividend yield	0%	0%	0%	0%	0%
Risk free interest rate	(0.61%)	(0.61%)	(0.61%)	(0.61%)	(0.61%)
Exercise price	€0.0337	€0.0342	€0.035	€0.035	€0.035
Weighted average closing share price	€0.075	€0.075	€0.054	€0.0392	€0.038
Fair value	€12,685	€71,219	€23,419	€439,557	€62,804

At 30 June 2021 and 31 December 2021, the £0.09 warrants were fair valued. No £0.09 warrants were exercised, and they expired on 6 May 2022. The assumptions are shown in the table below for the fair valuation as at 30 June 2021.

	£0.09 Warrants
Number of warrants	177,973,004
Volatility	176%
Time period	0.83 Year
Dividend yield	0%
Risk free interest rate	(0.61%)
Exercise price	£0.09
Closing share price 30 June 2021	€0.043
Fair value as at 30 June 2021	€2,948,469

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Note 10 – Warrants (*continued*)

The table below shows the fair value movements:

	Number of Warrants	£0.03 Warrants €'000	Number of Warrants	£0.09 Warrants €'000	Number of Warrants	£0.015 Warrants €'000	Total €'000
Fair value as at 31 December 2020	130,684,190	€3,158	177,973,004	€3,555	-	-	€6,713
January 21 exercised	287,372	€13	-	-	-	-	€13
February 21 exercised	1,666,666	€71	-	-	-	-	€71
March 21 exercised	1,000,000	€23	-	-	-	-	€23
April 21 exercised	65,975,822	€440	-	-	-	-	€440
May 21 exercised	17,131,669	€63	-	-	-	-	€63
Exercised fair value movement recognised in the income statement to 30 June 2021 (see note 3)	86,061,529	€610	-	-	-	-	€610
Fair value as at 30 June 2021	-	-	177,973,004	€2,948	-	-	€2,948
Total fair value movement recognised in the income statement for the period to 30 June 2021 (see note 4)		(€3,158)		(€607)			(€3,765)
Fair Value as at 31 December 2021	-	-	177,973,004	€460			€460
Total fair value gain recognised in the income statement to 31 December 2021		(€2,548)		(€3,095)			(€5,643)
Initial fair value on 17 June 2022	-	-	-	-	96,999,009	€591	€591
Fair value as at 30 June 2022	-	-	-	-	96,999,009	€2,344	€2,344
Total fair value (gain)/loss recognised in the income statement to 30 June 2022	-	-	-	(€460)	-	€1,753	€1,293

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Note 11 – Earnings per share

	6 months ended 30 June 2022	6 months ended 30 June 2021	Year ended 31 December 2021
	Unaudited	Unaudited	Audited
	€'000	€'000	€'000
(Loss)/profit attributable to equity holders of the company from continuing operations	(2,345)	1,628	3,442
The basic weighted average number of Ordinary shares in issue ('000)			
In issue at beginning of year and end of period	974,864	888,803	888,803
Adjusted for share issue in the period	7,462	30,675	58,520
Weighted average number of ordinary shares	982,326	919,478	947,323
Basic (loss)/profit per share (cent)	(0.24)	0.18	0.36
Dilutive share options	39,683	39,927	39,683
Dilutive warrants	96,999	177,973	177,973
Weighted average number of ordinary shares	1,119,008	1,137,378	1,164,979
Diluted (loss)/profit per share (cent)	(0.21)	0.14	0.30

In the current period all potentially dilutive ordinary shares outstanding are anti-dilutive, as shown above.

For prior periods, there is a difference in the basic and dilutive profit attributable to ordinary shares for the periods ended 30 June 2021 and 31 December 2021. There were 39,683,000 (2021: 39,927,000) anti-dilutive share options and 96,999,006 (2021: 177,973,004) anti-dilutive warrants in issue as at 30 June 2022.

Note 12 – Share schemes

Options are recommended at a level to attract retain and motivate participants in the competitive environment in which the Group operates, The Remuneration Committee reviews and assesses proposals to grant share options to participants.

Share option schemes were introduced in August 1997 (expired August 2007), May 2005 (expired October 2015) and June 2009 (expired in June 2019) under which share options could be offered to employees, Directors and consultants. In addition, a long-term incentive plan was introduced in 2016.

The Group now operates only the following employee share scheme ("2020 Scheme"):

2020 Scheme

In 2020, the directors adopted a share option scheme which contains certain performance criteria. No options can be issued after 10 years of the scheme. The option price is the market price immediately preceding the date of the grant. The 2020 Scheme operates as an equity-settled share

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Note 12 – Share schemes (*continued*)

option scheme and the options granted are subject to certain conditions. No option is exercisable more than seven years after grant date and no option is exercisable within one year of grant.

The applicable criteria for the exercise of the options are;

- (i) 33% of the total number of options granted are exercisable after one year.
- (ii) 33% of the total number of options granted are exercisable after two years.
- (iii) The remaining 33% of the total number of options granted are exercisable after a further year has elapsed.

No Share options were issued in the period to 30 June 2022.

During the period to 30 June 2021, 9,000,000 share options were granted to Directors under the 2020 Scheme.

Grant Date	21 May 2021
Number of options granted	9,000,000
Volatility	150%
Time period	7 Years
Dividend yield	0%
Risk free interest rate	(0.0156%)
Exercise price	€0.038

During the period to 31 December 2021, another 9,000,000 share options were granted to Directors under the 2020 Scheme.

Grant Date	18 August 2021
Number of options granted	9,000,000
Volatility	98%
Time period	7 Years
Dividend yield	0%
Risk free interest rate	(0.0156%)
Exercise price	€0.046

The total share based payments expense in the period to 30 June 2022 charged to the income statement was €126,000 (2021: €156,000).

Note 13 - Commitments

As at 30 June 2022, the Group has capital commitments of approximately €0.1m (30 June 2021: €1.5m) to contribute to its share of costs of exploration, evaluation and appraisal activities for the remaining part of the year. However, subject to the timing of the Barryroe Lease Undertaking

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Note 13 – Commitments *(continued)*

being granted, then the Group could have an additional commitments of €1.3m which comprises two years Lease Undertaking licence fees (back dated to July 2021).

Note 14 – Post Balance Sheet Events

On 4 July 2022, Alan Curran was appointed Interim Chief Executive.

On 25 August 2022, James Menton announced that he would stand down as Chairman and leave the Board within the following 90 days.

On 27 September 2022, the company changed it's name from Providence Resources Plc to Barryroe Offshore Energy Plc.

There have been no other significant events since the balance sheet date which would require disclosure in or amendment to these interim financial statements.