RNS Number : 4650K
Wentworth Resources PLC
02 September 2021

2 September 2021

WENTWORTH RESOURCES PLC
("Wentworth" or the "Company")

Interim Results for the six months ended 30 June 2021

Wentworth achieves record financial results due to growing demand and increasingly stronger fundamentals in 2021; declaring increased interim dividend of $1.32 million

Wentworth Resources (AIM: WEN), the independent, Tanzania-focused natural gas production company , is pleased to announce its interim financial results for the six months ended 30 June 2021. All dollar values are expressed in US dollars unless stated otherwise.

HIGHLIGHTS

Health and Safety

- The health and safety of our people, partners and local communities remains our priority; on 2 August 2021, the Company celebrated a five year zero Lost Time Incident Rate milestone
- Robust precautionary measures remain in place related to COVID-19 to ensure the ongoing safety of our staff; to date, there has been no disruption to operations at Mnazi Bay due to COVID-19

Record Financial Results

- Interim dividend of $1.32 million declared, an increase of 10% from H1 2020 ($1.2 million), bringing the total dividend distribution declared in the last 12 months to $5.12 million, in line with the Company's stated progressive capital return policy
- Revenues grew 40% to $11.7 million (H1 2020: $8.3 million), due to record levels of production at Mnazi Bay
- Adjusted earnings before interest, taxes, depreciation, amortization, and exploration (EBITDAX) rose 75% to $7.0 million (H1 2020: $4.0 million)
- Strong financial position with $21.0 million cash in hand at 2 September 2021 (2 September 2020: $16.7 million) with zero debt
- Tanzania Petroleum Development Corporation ("TPDC") continues to remain fully current with all invoices for gas sales
- Payment plan to settle outstanding arrears from Tanzania Electric Supply Company ("TANESCO") established with over half the outstanding balance received in August

Strong Operational Performance

- Reiterate increased production guidance range for the year of 70 - 80 MMscf/day (gross) compared to previous guidance of 65 - 75 MMscf/day
- Production at Mnazi Bay averaged 80 MMscf/day (H1 2020: 58 MMscf/day), the highest H1 production performance achieved to date
- Production capacity of existing wells and production facilities increased to 100 MMscf/day
- Operational costs of production down 72% to $0.48/Mscf (H1 2020: $1.72/ Mscf), due to continued focus on cost efficiencies
- Wentworth's share of Gross 2P Reserves as at 31 December 2020 estimated by RPS to be 90.8 Bcf with a post-tax NPV10 of $116.6 million

Corporate Updates

- Appointed Juliet Kairuki, independent Non-Executive Director, as part of the ongoing process of Board refreshment
- Bob McBean retired as Chairman of the Board but continues to support the Company as President of Wentworth Tanzania
- Tim Bushell appointed Non-executive Chairman as part of planned Board succession
- Board refresh to continue with the appointment of an additional independent Non-Executive Director later this year
- Existing management team to be strengthened with a new senior hire identified and expected to be appointed shortly
- Growth within Tanzania continues to be a key focus to capitalise on in-country track record, improving demand dynamics and operational performance

Sustainability Remains a Priority

- Stakeholder engagement key to Wentworth's sustainability strategy; strong relationships with in-country partners including the Government of Tanzania and local communities evidenced by ongoing demand growth, operational performance and payment of receivables
- Maintaining a robust ESG framework remains a priority following the launch of the inaugural Sustainability Report this year
- A key focus for 2021 is Wentworth's climate strategy, to ensure effective measurement and mitigation of climate-related impacts; further updates will be shared in due course
- Announced membership of the United Nations ("UN") Global Compact, underlining our commitment to operating responsibly in line with the UN's Ten Principles on human rights, labour, environment and anti-corruption and to take strategic action to support the UN's Sustainable Development Goals

Robust 2021 Outlook

- Record H1 performance to date with average production volumes of 80.33 MMscf/day (gross) compared with H1 2020 average of 58.28 MMscf/day (gross)
- All-time production volume highs at Mnazi Bay of 110.65 MMscf/day including monthly average production of 101.85 MMscf/day (gross) during March 2021, demonstrating the ability to supply greater than 100 MMscf/day (gross) during periods of high demand
- Strong in-country natural gas demand in H1 2021 enabled an increase in annual average production guidance for 2021 to 70-80 MMscf/day (gross) from 65-75 MMscf/day (gross) - Wentworth remains on track to meet guidance
- Ongoing delivery of the Company's progressive capital returns policy

Increasing Dividend Declared

A dividend is declared of GBP 0.52 pence per share (US$1.32 million), payable by the end of October 2021. A final dividend for the year ending 31 December 2021 will be determined by the Board with the full year results and is expected to be approximately $2.64 million in line with the Company's stated policy of 1/3 : 2/3 split between the interim and final dividend. Assuming a final dividend is declared, subject to shareholder approval, this would equate to a total distribution of $3.96 million which represents a full year dividend of 1.55 pence per share, a yield of approximately 6.8% at the current share price.

Interim Dividend Payment Timetable:

- Ex-dividend date: 9 September 2021
- Record Date: 10 September 2021
- UK Payment Date (for shareholders who hold shares on the UK Register): 8 October 2021
- VPS Payment Date (for shareholders who hold shares on the VPS Register): 22 October 2021

Shareholders who hold their shares on the VPS Register on the Record Date shall receive the dividend in NOK. The exchange rate shall be determined on the UK Payment Date and the Company shall inform VPS shareholders via RNS as soon as practicable thereafter of the NOK sum per share they will receive which shall be settled on the VPS Payment Date.

Interim Results Conference Calls

Analyst call

The Company is holding a conference call for analysts at 10:00am BST today, Thursday 2 September 2021 and an updated presentation will be available at that time on the Company's website: wentplc.com.

To register for the call, please click on the following link:

https://secure.emincote.com/client/wentworth/wentworth007/vip_connect

To view the presentation during the call, please click on the following link:

https://secure.emincote.com/client/wentworth/wentworth007

Investor call

The Company is also holding a conference call for investors at 12.00pm BST today, Thursday 2 September 2021, via Investor Meet Company.

To register for the call, please click on the following link:

https://www.investormeetcompany.com/wentworth-resources-plc/register-investor

Katherine Roe, CEO, commented:

"We are delighted to have delivered a record financial and operational performance in H1 2021 which underpins our decision to increase our interim dividend once again, to $1.32 million. Following a challenging period of global economic uncertainty, to have delivered this record performance demonstrates once again the strength of our fundamentals. Our commitment to maintaining these is unwavering.

"Whilst we have enjoyed a robust first half, we remain focused on meeting our full year potential and meeting the growing demand in Tanzania for reliable low-cost power. The strength of our team and partnerships, the reliable performance of the Mnazi Bay asset and the improving outlook in Tanzania ensures we are in a positive position for the future."

Enquiries:

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Ben Brewerton

About Wentworth Resources

Wentworth Resources plc (AIM: WEN) is a leading, domestic natural gas producer in Tanzania with a core producing asset at Mnazi Bay in the onshore Rovuma Basin in Southern Tanzania.

Inside Information

The information contained within this announcement is deemed by Wentworth to constitute inside information as stipulated under the Market Abuse Regulation (EU) no. 596/2014 ("MAR"). On the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
	Note	**2021 (unaudited) $000**	2020 (unaudited) $000
Total revenue	**4**	**11,663**	8,313
Production and operating costs		**(1,655)**	(1,734)
Depletion	**10**	**(3,324)**	(2,616)
Total cost of sales		**(4,979)**	(4,350)
Gross profit		**6,684**	3,963
Recurring administrative costs	**5**	**(2,974)**	(2,521)
New venture and pre-licence costs		**(263)**	(94)
Share-based payment charges	**13**	**(167)**	(137)
Depreciation	**10**	**(1)**	(2)
Total costs		**(3,405)**	(2,754)
Profit from operations		**3,279**	1,209
Finance income	**6**	**30**	91
Finance costs	**6**	**(590)**	(84)
Profit before tax		**2,719**	1,216
Current tax expense		**(118)**	(15)
Deferred tax expense		**759**	(187)
		641	(202)
Net and comprehensive profit after tax		**3,360**	1,014
Net profit per ordinary share			
Basic and diluted (US$/share)	**18**	**0.018**	0.005

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	**30 June 2021 (unaudited) $000**	31 December 2020 (audited) $000
ASSETS			
Current assets			
Cash and cash equivalents		**22,483**	17,787
Trade and other receivables	**7**	**6,899**	4,847
		29,382	22,634
Non-current assets			
Exploration and evaluation assets	**9**	**8,129**	8,129
Property, plant and equipment	**10**	**69,011**	72,307
Deferred tax asset		**7,618**	6,859
		84,758	87,295
Total assets		**114,140**	109,929
LIABILITIES			
Current liabilities			
Trade and other payables	**12**	**3,002**	2,382
Dividend payable	**19**	**2,600**	-

		5,602	2,382
Non-current liabilities			
Decommissioning provision	**14**	**1,578**	1,514
		1,578	1,514
EQUITY			
Share capital	**17**	**416,108**	416,426
Equity reserve		**27,118**	26,656
Accumulated deficit		**(336,266)**	(337,049)
		106,960	106,033
Total liabilities and equity		**114,140**	109,929

The condensed consolidated financial statements of Wentworth Resources plc, registered number 127571 were approved by the Board of Directors and authorised for issue on 2 September 2021.

Signed on behalf of the Board of Directors

Katherine Roe

Chief Executive Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Note	Number of shares	Share capital $000	Equity reserve $000	Accumulated deficit $000	Total equity $000
Balance at 31 December 2019 (audited)		186,488,465	416,426	26,651	(337,203)	105,874
Dividends	**19**				(3,274)	(3,274)
Net profit and comprehensive profit		-	-	-	3,428	3,428
Share based compensation	**15**	-	-	300	-	300
Repurchase of own shares		-	-	(295)	-	(295)
Balance at 31 December 2020 (audited)		186,488,465	416,426	26,656	(337,049)	106,033
Dividends	**19**				**(2,600)**	**(2,600)**
Repurchase of own shares	**16**	**(939,326)**	**(318)**	**295**	**23**	**-**
Net profit and comprehensive profit		**-**	**-**	**-**	**3,360**	**3,360**
Share based compensation	**15**	**-**	**-**	**167**	**-**	**167**
Balance at 30 June 2021 (unaudited)		**185,549,139**	**416,108**	**27,118**	**(336,266)**	**106,960**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	Six months ended 30 June 2021 (unaudited) $000	2020 (unaudited) $000
Operating activities			
Net profit for the year		**3,360**	1,014
Adjustments for:			
Depreciation and depletion	**10**	**3,325**	2,618
Net finance (income)/costs	**6**	**560**	(7)
Deferred tax		**(759)**	187
Share based compensation	**15**	**167**	137
		6,653	3,949
Change in non-cash working capital:			
Trade and other receivables		**(2,041)**	1,593
Trade and other payables		**545**	(1,056)
Net cash generated from operating activities		**5,157**	4,486

Investing activities			
Interest received		**19**	65
Additions to property, plant and equipment	**10**	**(29)**	(29)
Net cash (used in)/from investing activities		**(10)**	36
Financing activities			
Principal term loan repayments		**-**	(1,663)
Interest on term loan		**-**	(39)
Dividends paid	**19**	**-**	(2,119)
Other finance cost		**(451)**	(6)
Net cash used in financing activities		**(451)**	(3,827)
Net change in cash and cash equivalents		**4,696**	695
Cash and cash equivalents, beginning of the period		**17,787**	13,487
Cash and cash equivalents, end of the period		**22,483**	14,182

1. Incorporation and basis of preparation

Wentworth Resources plc ("Wentworth" or the "Company") is an East Africa-focused upstream natural gas company. These unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries (collectively referred to as the "Wentworth Group" or simply the "Group"). Wentworth is a gas exploration, development and production operations company incorporated in Jersey and listed on the AIM Market of the London Stock Exchange (ticker: WEN). The Company's principal place of business is located at 4th Floor, St Paul's Gate, 22-24 New Street, St Hellier, Jersey JE1 4TR.

The Company maintains offices in Dar es Salaam in the United Republic of Tanzania and Jersey.

2. Summary of significant accounting policies

Use of judgements and estimates

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 expenses. 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 2020 annual report and financial statements.

Going concern

In March 2021 it was announced that President John Magufuli had tragically passed away, however, despite this the country and its people have responded with stoicism and resilience and seem more determined than ever to enter a new period of prosperity under the leadership of their new leader, President Samia Suluhu Hassan, the first female president of the United Republic of Tanzania.

The Group has a long established and collaborative relationship with the Government of the United Republic of Tanzania, having operated in-country for many years, however the Directors do recognise that the Group is dependent upon the continued collection of gas sales invoices and ongoing operational support of the Government as its sole gas sales customer through its operating agencies TPDC and TANESCO.

The United Republic of Tanzania has experienced successive waves of COVID-19 at varying times throughout the period and whilst COVID-19 continues to present a potential risk to the continued health and well-being of our workforce, it has not affected the ability of the business to meet the ongoing offtake requirements of our customers, TPDC and TANESCO, both of whom have demanded increased volumes over the six-month period to 30 June 2021.

Given the essential nature of services provided and the forecasted impact of the virus in the country, the Group notes that an interruption of production and unavailability of key workforce is remote. The Directors however are mindful of the speed with which circumstances may change, both for the better or for the worse, and all modelling is based on information that is currently available.

The Directors have, therefore, judged that on a risk-weighted basis, which takes into consideration both the probability of occurrence and an estimate of the financial impact, the continued timely settlement of gas-sales invoices by the Government of the United Republic of Tanzania continues to be the most significant risk currently faced by the Group. To this end, should no settlement of future gas sales invoices be received from the date of approval of these financial statements, we have assessed that the Group would be able to continue to operate for the foreseeable future without the need for a further injection of working capital.

Further to this based on the application of reasonable and foreseeable sensitivities, which include potential changes in demand, capital spend and operating costs, the Directors believe that the Group is well placed to manage its financial exposures The Directors have judged that owing to the stability of this relationship which has seen payment terms sustained with its main customer, TPDC, during 2021 and an agreement reached with TANESCO for the settlement of their historic debt, the Group has sufficient cash resources for its working capital needs, committed capital and operational expenditure programmes for the foreseeable future based on the Directors worst case scenario of no settlement of future gas sales as noted above.

Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Basis of presentation and statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared by management in accordance with International Accounting Standard 34, "Interim Financial Reporting". The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

These unaudited condensed consolidated interim financial statements have been prepared following the same accounting policies as the annual audited consolidated financial statements for the year ended 31 December 2020 and should be read in conjunction with the annual audited consolidated financial statements and the notes thereto. These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on 2 September 2021. The disclosures provided below are incremental to those included in the 2020 annual consolidated financial statements.

The information for the year ended 31 December 2020 included in the report was derived from the statutory accounts for that year which were prepared in accordance with International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations committee ('IFRIC') of the IASB as adopted by the EU up to 31 December 2020, a copy of which has been delivered to the Registrar of Companies. The auditor's opinion in relation to those accounts was unqualified, did not draw attention to any matters by way of emphasis and also did not contain a statement under section 498 (2) or 498 (3) if the Companies Act 2006.

Functional and presentation currency

These consolidated financial statements are presented in US dollars which is the functional currency of the Group.

Basis of consolidation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities that the Company controls. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its authority over the investee. The existence and effect of potential voting rights are considered when assessing whether a company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The following legal entities are within the Wentworth Group:

Legal entity	Registered	Holdings at 30 June 2021	Functional currency
Wentworth Resources plc	Jersey	Ultimate Parent	US dollar
Wentworth Resources (UK) Limited	United Kingdom	100%	GBP
Wentworth Holdings (Jersey) Limited	Jersey	100%	US dollar
Wentworth Tanzania (Jersey) Limited	Jersey	100%	US dollar
Wentworth Gas (Jersey) Limited	Jersey	100%	US dollar
Wentworth Gas Limited	Tanzania	100%	US dollar
Cyprus Mnazi Bay Limited	Cyprus	39.925%	US dollar
Wentworth Mozambique (Mauritius) Limited	Mauritius	100%	US dollar
Wentworth Moçambique Petroleos, Limitada[(1)]	Mozambique	100%	US dollar

[1] Wentworth Moçambique Petroleos, Limitada is in the process of voluntary liquidation after relinquishment of the Tembo Block Appraisal Licence.
All inter-company transactions, balances and unrealized gains on transactions between the parent and subsidiary companies are eliminated on consolidation.

Changes in accounting policies.

The following accounting standards, amendments and interpretations, which had no significant impact on these financial statements, became effective in the current reporting period on adoption in the United Kingdom of Great Britain through the newly established UK Endorsement Board ("UKEB"):

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (amendments) 'Interest Rate Benchmark Reform': The IASB effective date is 1 January 2021 and the UKEB adopted the amendment on 5 January 2021. The amendment requires that for interest rate hedges affected by Interbank Offered Rate ('IBOR') reform, the interest rate benchmark is not altered when considering whether a forecast transaction is highly probable, or whether there is an economic relationship between the hedged cash flow and the hedging instrument. This would apply for a limited period until there is no longer uncertainty relating to IBOR reform. This amendment is not expected to have an impact on the Group's consolidated financial statements.

IFRS 16 (amendments) 'Covid-19-Related Rent Concessions': The IASB effective date is 1 April 2021 and the UKEB adopted the amendment on 12 May 2021. The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. This amendment is not expected to have an impact on the Group's consolidated financial statements.

Future accounting pronouncements

At the date of these financial statements the standards and interpretations listed below were issued but not yet effective. The adoption of these standards may result in future changes to existing accounting policies and disclosures. The Company is currently evaluating the impact that these standards will have on results of operations and financial position:

IFRS 17 (Amendments) 'Insurance Contracts': The IASB effective date is 1 January 2023. IFRS 17 will replace IFRS 4 'Insurance Contracts' and applies to all types of insurance contracts as well as to certain guarantees and financial instruments with discretionary participation features. This standard is not expected to have an impact on the Group's consolidated financial statements.

IAS 1 (Amendments) 'Classification of Liabilities as Current or Non-current': The IASB effective date is 1 January 2023. The amendment provides a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. This amendment is not expected to have an impact on the Group's consolidated financial statements.

IAS 16 (Amendments) 'Property, Plant and Equipment': The IASB effective date is 1 January 2022. The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. This amendment is not expected to have an impact on the Group's consolidated financial statements.

IAS 37 (Amendments) 'Onerous Contracts - Cost of Fulfilling a Contract': The IASB effective date is 1 January 2022. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). This amendment not expected to have an impact on the Group's consolidated financial statements.

3. Segment information

Net income/(loss) for the six months ended 30 June 2021

	Tanzania Operations (unaudited) $000	Corporate (unaudited) $000	Consolidated (unaudited) $000
Total revenue	**11,663**	**-**	**11,663**
Production and operating costs	**(1,655)**	**-**	**(1,655)**
Depletion	**(3,324)**	**-**	**(3,324)**
Total cost of sales	**(4,979)**	**-**	**(4,979)**
Gross profit	**6,684**	**-**	**6,684**
Recurring administrative costs	**(767)**	**(2,207)**	**(2,974)**
New venture and pre - licence costs	**-**	**(263)**	**(263)**
Share-based payment charges	**(36)**	**(131)**	**(167)**
Depreciation	**(1)**	**-**	**(1)**
Total costs	**(804)**	**(2,601)**	**(3,405)**
Profit/(loss) from operations	**5,880**	**(2,601)**	**3,279**
Net finance costs	**(44)**	**(516)**	**(560)**
Profit/(loss) before tax	**5,836**	**(3,117)**	**2,719**
Current tax expense	**(118)**	**-**	**(118)**
Deferred tax expense	**759**	**-**	**759**
Net and comprehensive Profit/(loss) from continued operations	**6,477**	**(3,117)**	**3,360**

Net income/(loss) for the six months ended 30 June 2020

	Tanzania Operations (unaudited) $000	Corporate (unaudited) $000	Consolidated (unaudited) $000
Total revenue	**8,313**	**-**	**8,313**
Production and operating costs	**(1,734)**	**-**	**(1,734)**
Depletion	**(2,616)**	**-**	**(2,616)**
Total cost of sales	**(4,350)**	**-**	**(4,350)**
Gross profit	**3,963**	**-**	**3,963**
Recurring administrative costs	**(1,030)**	**(1,491)**	**(2,521)**
New venture and pre - licence costs	**-**	**(94)**	**(94)**
Share-based payment charges	**(36)**	**(101)**	**(137)**
Depreciation	**(2)**	**-**	**(2)**
Total costs	**(1,068)**	**(1,686)**	**(2,754)**
Profit/(loss) from operations	**2,895**	**(1,686)**	**1,209**
Net finance (costs) / income	**(58)**	**65**	**7**
Profit/(loss) before tax	**2,837**	**(1,621)**	**1,216**
Current tax expense	**(15)**	**-**	**(15)**
Deferred tax expense	**(187)**	**-**	**(187)**
Net and comprehensive Profit/(loss) from continued operations	**2,635**	**(1,621)**	**1,014**

Selected balances at 30 June 2021

	Tanzania Operations (unaudited) $000	Mozambique Operations (Discontinued) (unaudited) $000	Corporate (unaudited) $000	Consolidated (unaudited) $000
Current assets	**14,934**	**101**	**14,347**	**29,382**
Exploration and evaluation assets	**8,129**	**-**	**-**	**8,129**
Property, plant and equipment	**69,010**	**-**	**1**	**69,011**
Deferred tax asset	**7,618**	**-**	**-**	**7,618**

Total assets	**99,691**	**101**	**14,348**	**114,140**
Current liabilities	**2,730**	**-**	**2,872**	**5,602**
Non-current liabilities	**1,578**	**-**	**-**	**1,578**
Total Liabilities	**4,308**	**-**	**2,872**	**7,180**

Capital additions for the six months ended 30 June 2021

Additions to property, plant and equipment	**29**	**-**	**-**	**29**

Selected balances at 30 June 2020

	Tanzania Operations (unaudited) $000	Mozambique Operations (Discontinued) (unaudited) $000	Corporate (unaudited) $000	Consolidated (unaudited) $000
Current assets	**6,613**	**118**	**11,934**	**18,665**
Exploration and evaluation assets	**8,129**	**-**	**-**	**8,129**
Property, plant and equipment	**74,968**	**-**	**2**	**74,970**
Deferred tax asset	**5,361**	**-**	**-**	**5,361**
Total assets	**95,071**	**118**	**11,936**	**107,125**
Current liabilities	**462**	**-**	**607**	**1,069**
Non-current liabilities	**1,150**	**-**	**-**	**1,150**
Total Liabilities	**1,612**	**-**	**607**	**2,219**

Capital additions for the six months ended 30 June 2020

Additions to property, plant and equipment	**29**	**-**	**-**	**29**

4. Revenue

	Six months ended 30 June	
	2021 (unaudited) $000	**2020 (audited) $000**
Revenue from gas sales	**11,530**	8,310
Revenue from condensate sales	**12**	3
Other revenue	**121**	-
	11,663	8,313

Other revenue represents the recovery of corporate income taxes incurred through adjustments to TPDC gas sales entitlements

5. General and administrative costs

	Six months ended 30 June	
	2020 (unaudited) $000	**2019 (audited) $000**
Employee salaries and benefits	**1,054**	903
Contractors and consultants	**476**	524
Travel and accommodation	**58**	71
Professional, legal and advisory	**326**	232
Office and administration	**225**	249
Corporate and public company costs	**835**	542
Total general and administrative costs	**2,974**	2,521

6. Finance income and finance costs

	Six months ended 30 June	
	2021 (unaudited) $000	**2020 (audited) $000**
Finance income		
Interest received	**19**	66
Finance costs amortization	**-**	25
Writeback credit losses on TANESCO receivable	**11**	-
	30	91
Finance costs		
Dividend withholding tax costs	**(440)**	-
Accretion - decommissioning provision	**(63)**	(65)
Interest expense	**-**	(13)

Bank Fees & Service Charge	**(11)**	(6)
Foreign exchange loss	**(76)**	-
	(590)	(84)
Net finance income/(costs)	**(560)**	7

In May 2021, Wentworth Gas Limited fully repaid its intercompany loan facility with Wentworth Gas (Jersey) Limited, its parent company. The loan was made to Wentworth Gas Limited to fund the ongoing development and operation of its share of Mnazi Bay operations prior to the production of natural gas at commercial rates. Subsequent to this, surplus cash generated from Mnazi Bay was repatriated to Jersey by way of dividend, which incurred dividend withholding tax deductions at a rate of 10% in Tanzania.

7. Trade and other receivables

	Balance at 30 June 2021 (unaudited)	**Balance at 31 December 2020 (audited)**
Trade receivable from TPDC	**3,096**	1,943
Other receivables from TPDC	**336**	215
Trade receivable from TANESCO	**1,893**	1,316
Other receivables	**1,574**	1,373
	6,899	4,847

The receivable from TPDC represents June 2021 gas sales of $1.9 million, paid in August 2021, and the 2020 take-or-pay ("TOP") gas sales invoice of $1.2 million, paid in July 2021 (December 2020: 1.9 million representing one months of gas sales and no take-or-pay shortfall gas).

Commencing on the commercial operations date for each contract year, TPDC as the buyer of Mnazi Bay gas, must either; purchase, take delivery of and pay for Mnazi Bay gas supplied to them; or pay a minimum of at least 85% of the agreed adjusted annual contract quantity ("ACQ"). The ACQ is set by the Operator on annual basis and 85% of this amount, adjusted for any shortfalls in supply and/or any other contractual requirements, becomes the take-or-pay ("TOP") obligation for the contract year. If TPDC do not take full delivery of gas purchased by them in any contract year, then they shall be entitled to receive that gas as make-up gas in subsequent years subject to certain time constraints. During 2020 the ACQ was set at 21.2 BCF which crystallised a TOP obligation of 18.0 BCF, of which 1.6 BCF was invoiced to them but not supplied by Mnazi Bay due to in-country gas demand constraints.

The receivable from TANESCO as at 30 June 2021 was $1.9 million representing twenty months of gas sales (December 2020: $1.3 million representing fourteen months of gas sales). In August 2021 TANESCO paid $930k representing ten months of gas sales. The balance is expected to be paid as per an agreed plan to settle all currently outstanding Mnazi Bay arrears.

Other receivables from TPDC represent income tax of $336k (December 2020: $215k) paid by Wentworth Gas Limited, a wholly owned subsidiary of the Company. The income tax is anticipated to be recovered from TPDC's share of profit gas within the next 12-months under the terms of the Mnazi Bay PSA, which provides for the recovery of all corporate taxes imposed upon partners from TPDC's share of profit gas sales.

Other receivables include VAT recoverable of $818k (December 2020: $600k), gas condensate sales of $59k (December 2020: $47k), corporate tax prepayments of $483k (December 2020: $508k) and other prepayments of $214 (December 2020: $218k).

8. Tanzania Government receivables

As at 30 June 2021, the undiscounted Tanzanian Government receivable is $6.5 million (December 2020: $6.5 million).

	$000
Balance at 31 December 2019	-
Accretion	565
Change in estimated timing of receipt	(565)
Balance of amortised cost at 31 December 2020	**-**
Accretion	**282**
Change in estimated timing of receipt	**(282)**
Balance of amortised cost at 31 December 2021	**-**

The Group has an agreement with the Government of the United Republic of Tanzania (TANESCO, TPDC and the Ministry of Energy and Minerals) to be reimbursed for all the project development costs associated with Umoja T&D expenditures at cost. An audit of the Mtwara Energy Project ("MEP") development expenditures was completed in November 2012 and costs of approximately $8.1 million were verified to be reimbursable. After deducting costs associated with the Tariff Equalisation Fund and VAT input credits associated with the MEP totaling $1.6 million, the amount agreed to be reimbursed was $6.5 million.

During 2017, the Government initiated its first review of the costs to verify the balance owing by it. On 8 February 2018 the Government issued the results which differed from the previously audited and approved gross receivable of $6.5 million, which the Group maintains was accurate and correct.

The Government is conducting a second review and due to the age and uncertainty surrounding the receivable and its recoverability, the Group made a provision in-full during 2018 against the carrying amount without prejudice to the ongoing commercial discussions with the Government, the Group has reviewed this at the year-end and continues to feel the provision is appropriate.

9. Exploration and evaluation assets

	$000
Balance at 31 December 2020 (audited) and 30 June 2021 (unaudited)	**8,129**

Exploration costs comprise the acquisition and interpretation of 3D Seismic 225 Km² and 2D High Resolution Seismic 281 Km² at Mnazi Bay.

There have been no indicators of impairment during the period and as such no full impairment review has been undertaken.

10. Property, plant and equipment

Natural gas properties	**Office and other equipment**	**Total**
$000	**$000**	**$000**

Cost			
Balance at 31 December 2020 (audited)	104,400	613	105,013
Additions	**29**	**-**	**29**
Balance at 30 June 2021 (unaudited)	**104,429**	**613**	**105,042**
Accumulated depreciation and depletion			
Balance at 31 December 2020 (audited)	(32,097)	(609)	(32,706)
Depletion	**(3,324)**	**-**	**(3,324)**
Depreciation	**(1)**	**-**	**(1)**
Balance at 30 June 2021 (unaudited)	**(35,422)**	**(609)**	**(36,031)**
Carrying amounts			
31 December 2020 (audited)	72,303	4	72,307
30 June 2021 (unaudited)	**69,007**	**4**	**69,011**

There have been no indicators of impairment during the period and as such no full impairment review has been undertaken

11. Subsidiary undertakings

The principal subsidiary undertakings at 30 June 2021 are:

Name of Company	**Country of incorporation**	**Class of shares held**	**Types of ownership**	**Percentage holding**	**Nature of business**
Wentworth Resources (UK) Limited	United Kingdom	Ordinary	Direct	100%	Investment holding company
Wentworth Holdings (Jersey) Limited	Jersey	Ordinary	Direct	100%	Investment holding company
Wentworth Tanzania (Jersey) Limited	Jersey	Ordinary	Indirect	100%	Investment holding company
Wentworth Gas (Jersey) Limited	Jersey	Ordinary	Indirect	100%	Investment holding company
Wentworth Gas Limited	Tanzania	Ordinary	Indirect	100%	Exploration production company
Cyprus Mnazi Bay Limited	Cyprus	Ordinary	Indirect	39.925%	Exploration production company
Wentworth Mozambique (Mauritius) Limited	Mauritius	Ordinary	Indirect	100%	Investment holding company
Wentworth Moçambique Petroleos, Limitada [1]	Mozambique	Ordinary	Indirect	100%	Exploration company

[1] Wentworth Moçambique Petroleos, Limitada is in the process of liquidation after relinquishment of the Tembo Block Appraisal Licence.

12. Trade and other payables

	Balance at 30 June 2021 (unaudited) \$000	**Balance at 31 December 2020 (audited) \$000**
Payable to Mnazi Bay Operator	**891**	884
Trade payables	**607**	181
Other payables and accrued expenses	**1,504**	1,317
	3,002	2,382

The payable to Mnazi Bay Operator represents the accrued cash call for the second quarter of 2021 for field costs between 1 April and 30 June 2021 totaling $891k which was settled on 22 July 2021.
Other payables and accrued expenses include $1.2 million (December 2020: nil) deferred revenue liability for the 2020 TOP gas sales invoice which was paid by TPDC in July 2021 (see note 7 for details on TOP and how this is calculated).

13. Overdraft credit facility

The Company is in the process of signing a one-year, $2.5 million overdraft credit facility with a United Republic of Tanzania Government owned bank, TPB Bank which merged with TIB Commercial Bank (the previous lender) in June 2020.
The overdraft facility will have an interest rate of 8% per annum to be paid monthly when the facility funds are drawn down. Security provided to the lender is first ranking debenture over the fixed and floating assets of the Company's United Republic of Tanzania assets to secure $3.125 million being 125% of the facility.

14. Decommissioning and Abandonment provision

A reconciliation of the decommissioning obligations is provided below:

	Balance at 30 June 2021 (unaudited) $000	Balance at 31 December 2020 (audited) $000
Balance at 1 January	**1,514**	1,085
Change in accounting estimates	**-**	299
Accretion	**64**	130
Balance at 30 June and 31 December	**1,578**	1,514

15. Share-based payments

	Six months ended 30 June 2021 (unaudited) $000	2020 (audited) $000
Share based compensation recognized in the statement of Comprehensive income	**167**	137

Movement in the total number of share options outstanding and their related weighted average exercise prices are summarized as follows:

	Number of options	Weighted average exercise price (US$))
Outstanding at 1 January 2021	**7,813,711**	**0.30**
Lapse	**(500,000)**	**-**
Outstanding at 30 June 2021	**7,313,711**	**0.25**

The following table summarizes share options outstanding and exercisable at 30 June 2021:

		Outstanding		Exercisable
Exercise price (NOK)	Exercise price (US$)[1]	Number of options	Weighted average remaining life (years)	Number of options
3.85	0.45	750,000	4.5	750,000
4.08	0.48	250,000	1.8	250,000
5.18	0.61	1,500,000	2.9	1,500,000
-	-	890,075	7.4	-
-	-	495,422	7.9	-
-	-	2,485,621	8.5	-
-	-	942,593	9.1	-
		7,313,711		**2,500,000**

[1] The US Dollar to Norwegian Kroner exchange rate used for determining the exercise price at 30 June 2021 is 0.11686.

16. Repurchase of own shares

On 18 December 2020, the Company entered into a settlement agreement with a dissenting shareholder to purchase 702,874 ordinary shares of the Company at NOK 2.91 ($0.339) per ordinary share less dividend payments made with respect to those shares from the notification of dissent. The cost to the Company with respect to this buyback was NOK 2.04 million ($237k).

On 21 December 2020, the Company entered into a second settlement agreement with a separate dissenting shareholder to purchase a further 236,452 ordinary shares of the Company at NOK 2.91 ($0.338) per ordinary share less dividend payments made with respect to those shares from the notification of dissent. The cost to the Company with respect to this buyback was NOK 688k ($80k).

The following table summarises dissenting shareholder settlements and fair valuation:

	Gross amount $000	Dividend deducted $000	Settled amount $000
Settlement of 702,874 ordinary shares at NOK 2.91 (US$0.339) each	237	(17)	220
Settlement of 236,452 ordinary shares at NOK 2.91 (US$0.338) each	80	(5)	75
Exchange rate difference	1	-	-
	318	**(22)**	**295**

The $295k was recognised within equity reserves at 31 December 2020 (see note 17) and was transferred to the share capital reserve on 3 February 2021, the date that the shares were cancelled and removed from the Company register.

17. Share capital

Authorised, called up, allotted and fully paid	**2021 (unaudited)**		**2020 (audited)**	
	Ordinary shares	**$000**	Ordinary shares	$000
Balance at 1 January	**186,488,465**	**416,426**	186,488,465	416,426
Repurchase of own shares	**(939,326)**	**(318)**	-	-
Balance at 30 June and 31 December	**185,549,139**	**416,108**	186,488,465	416,426

All of the 939,326 ordinary shares repurchased were cancelled and removed from the Company register on 3 February 2021.

Reserves

	Balance at	**Balance at**

	30 June 2021 (unaudited) $000	31 December 2020 (audited) $000
Balance at 1 January	**26,656**	26,651
LTIP charges	**167**	300
Repurchase of own shares (note 16)	**295**	(295)
Balance at 31 December	**27,118**	26,656

The buyback of stock from dissenting shareholders totalling 939,326 ordinary shares (note 16) was settled in-full in December 2020, cancelled and removed from the share register on 3 February 2021. At 31 December 2020 these shares were included within equity reserves and were removed in year 2021.

18. Earnings per share

Basic and diluted EPS

	2021 (unaudited) $000	2020 (audited) $000
Net profit for the period	**3,360**	**1,014**
Weighted average number of ordinary shares outstanding	**185,720,397**	186,488,465
Dilutive weighted average number of ordinary shares outstanding	**185,720,397**	186,488,465
Net profit per ordinary share	**0.018**	**0.005**

19. Dividends

The following dividends were declared (2020: declared and paid) by the Company during the year.

	2021 (unaudited) $000	**2020 (audited) $000**
1.0 pence (2020: 0.9 pence) per ordinary share	**2,600**	**2,120**

On 26 June 2020, the Company paid an interim dividend of 0.9 pence per ordinary share, being a total dividend distribution of $2.1 million for the financial year ended 31 December 2019.

On 21 April 2021, the Company declared a final dividend of 1.0 pence per ordinary share which was paid on 23 July 2021, being a total dividend distribution of $2.6 million. The declared and paid final dividend bring distributions to shareholders with regard to the financial year ended 31 December 2020 to $3.8 million, an increase of 27% from 2019 distributions of $3.0 million and in line with the Company's stated commitment to a sustainable and progressive dividend. The interim dividend of NOK 0.05683 (GBP 0.48 pence, US$ 0.00619) per ordinary share, being a total dividend distribution of $1.1 million was paid on 23 October 2020.