



**Bahar Energy Operating Company Limited**

**Operational and Financial Highlights**

Month Ended

**31-Dec-20**

**(Accrual Base)**

Description	Current Month Actuals	Current Month Budgeted	Prior Month Actuals
<b>Operational</b>			
<b>Active Natural Gas Wells</b>	<b>12</b>		<b>12</b>
Inactive Natural Gas Wells (Shut in)	11		11
Abandoned Natural Gas Wells	69		69
<b>Total Natural Gas Wells</b>	<b>92</b>		<b>92</b>
<b>Active Crude Oil Wells</b>	<b>29</b>		<b>30</b>
Inactive Crude Oil Wells (Shut in)	22		21
Abandoned Crude Oil Wells	76		76
<b>Total Crude Oil Wells</b>	<b>127</b>		<b>127</b>
<b>Total Active Wells</b>	<b>41</b>		<b>42</b>
Total Inactive Wells (Shut in)	33		32
Total Abandoned Wells	145		145
<b>Total Wells</b>	<b>219</b>		<b>219</b>
<b>Non-Compensatory Petroleum Delivered (daily - 90 % of total production)</b>			
Crude Oil and Condensate, (bbl/d)	560	722	594
Natural Gas, (mcf/d)	18,816	20,474	19,209
<b>Non-Compensatory Production Delivered, (boe/d)</b>	<b>3,696</b>	<b>4,135</b>	<b>3,796</b>
<b>Compensatory Petroleum Delivered</b>			
Crude Oil and Condensate, (bbl/d)	62	80	66
Natural Gas, (mcf/d)	2,091	2,275	2,134
<b>Compensatory Production Delivered, (boe/d)</b>	<b>411</b>	<b>459</b>	<b>422</b>
<b>Total Production Delivered (daily)</b>			
Crude Oil and Condensate, (bbl/d)	622	803	660
Natural Gas, (mcf/d)	20,906	22,749	21,343
<b>Total Production Delivered, (boe/d)</b>	<b>4,107</b>	<b>4,594</b>	<b>4,218</b>
<b>Non-Compensatory Petroleum Joint Lifting Entitlements (monthly)</b>			
<b>BEL's portion, %</b>	<b>97.50%</b>	<b>95.69%</b>	<b>97.50%</b>
Crude Oil and Condensate, (bbl/m)	16,931	21,426	17,383
Natural Gas, (mcf/m)	568,684	607,342	561,846
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>111,712</b>	<b>122,649</b>	<b>111,024</b>
<b>SOA's portion, %</b>	<b>0.65%</b>	<b>0.99%</b>	<b>0.65%</b>
Crude Oil and Condensate, (bbl/m)	113	222	116
Natural Gas, (mcf/m)	3,803	6,284	3,758
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>747</b>	<b>1,269</b>	<b>743</b>
<b>SOFAZ's portion, %</b>	<b>1.85%</b>	<b>3.32%</b>	<b>1.85%</b>
Crude Oil and Condensate, (bbl/m)	321	743	330
Natural Gas, (mcf/m)	10,793	21,072	10,663
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>2,120</b>	<b>4,255</b>	<b>2,107</b>
<b>Total NCP Joint Lifting Entitlements, (boe/m)</b>	<b>114,579</b>	<b>128,174</b>	<b>113,874</b>
<b>Saleable Compensatory Petroleum (monthly)</b>			
<b>SOA's portion, %</b>			
Crude Oil and Condensate, (bbl/m)	1,930	2,488	1,981
Natural Gas, (mcf/m)	64,809	70,522	64,030
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>12,731</b>	<b>14,242</b>	<b>12,653</b>
<b>Total Production, (boe/m)</b>	<b>127,310</b>	<b>142,415</b>	<b>126,527</b>
<b>Financial</b>			
<b>Joint Lifting Entitlement Revenue (monthly) - Based on best estimate of Oil Price</b>			
<b>BEL's portion</b>	<b>97.50%</b>	<b>95.69%</b>	<b>97.50%</b>



**Bahar Energy Operating Company Limited**  
**Operational and Financial Highlights**  
**Month Ended**  
**31-Dec-20**

(Accrual Base)

Description	Current Month Actuals	Current Month Budgeted	Prior Month Actuals
Crude Oil and Condensate, 000' \$ - (2)	857	1,232	786
Natural Gas, 000' \$ - (3)	1,530	1,634	1,511
<b>Total BEL's Entitlement, 000' \$</b>	<b>2,387</b>	<b>2,866</b>	<b>2,298</b>
SOA's portion	0.65%	0.99%	0.65%
Crude Oil and Condensate, 000' \$ - (2)	6	13	5
Natural Gas, 000' \$ - (3)	10	17	10
<b>Total SOA's Entitlement, 000' \$</b>	<b>16</b>	<b>30</b>	<b>15</b>
SOFAZ's portion	1.85%	3.32%	1.85%
Crude Oil and Condensate, 000' \$ - (2)	16	43	15
Natural Gas, 000' \$ - (3)	29	57	29
<b>Total SOFAZ's Entitlement, 000' \$</b>	<b>45</b>	<b>99</b>	<b>44</b>
<b>Total Joint Lifting Entitlement Revenue, 000' \$</b>	<b>2,448</b>	<b>2,995</b>	<b>2,357</b>
<b>Compensatory Petroleum Revenue based on Protocol (monthly) - Based on best estimate of Oil Price</b>			
Crude Oil and Condensate, 000' \$ - (2)	98	143	90
Natural Gas, 000' \$ - (3)	174	190	172
<b>Total Compensatory Petroleum Revenue, 000' \$</b>	<b>272</b>	<b>333</b>	<b>262</b>
<b>Total Revenue, 000' \$</b>	<b>2,720</b>	<b>3,328</b>	<b>2,619</b>
Crude Oil Revenue, \$/boe - (4)	50.61	57.50	45.24
Natural Gas Revenue, \$/mcf - (4)	2.69	2.69	2.69
<b>Total Revenue, \$/boe - (4)</b>	<b>21.36</b>	<b>23.37</b>	<b>20.70</b>
<b>Total Marketing and Transportation Costs, 000' \$</b>	<b>55</b>	<b>55</b>	<b>53</b>
<b>Total Operating Costs, 000' \$ - (5)</b>	<b>1,726</b>	<b>2,374</b>	<b>1,704</b>
<b>Total Marketing, Transportation, Operating Costs, 000' \$</b>	<b>1,781</b>	<b>2,429</b>	<b>1,758</b>
<b>Operating Costs, \$/boe</b>	<b>13.99</b>	<b>17.05</b>	<b>13.89</b>
<b>Operating Margin, \$/boe</b>	<b>7.37</b>	<b>6.31</b>	<b>6.80</b>
<b>Capital Costs (Recoverable), 000' \$</b>	<b>229</b>	<b>489</b>	<b>152</b>
<b>Cash Available, 000' \$</b>	<b>116</b>	<b>-</b>	<b>210</b>
<b>Changes in Working Capital, 000' \$</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) - Uses a conversion factor 6 mcf/boe;

(2) - Oil Price is based on best estimate;

(3) - Natural Gas price after 31.03.17 remains constant \$ 2.69 \$/mcf;

(4) - Revenue from and Production of Compensatory Petroleum is considered on calculation of these ratios

(5) - Following costs are not considered in this report:

\* Reallocation of Expenses for IFRS Purposes; \* Depreciation; \* Acreage Fee; \* Unrealised Forex; \* Admin Overhead; \* AOC WHT 6%



**Bahar Energy Operating Company Limited**  
**Cash Reconciliation Report**  
**Month Ended**  
**31-Dec-20**

**(Cash Base) - 000'USD**

Description	Current Month Actuals	Prior Month Actuals
<b>Opening Balance</b>	<b>210</b>	<b>249</b>
Cash Call from BEL	764	1,606
Cash Call from SOA Cash Call Account	132	188
Gas Sales Collection	765	1,176
Recovery-Transfer of Inventory	-	-
Loan	1,382	843
Oil Sales Collection	170	549
Reimbursement of VAT	138	212
Advances Returned	2	5
Exchange Gain	0	0
<b>Cash In</b>	<b>3,352</b>	<b>4,579</b>
Profit Petroleum payments to BEL	(804)	(1,526)
Profit Petroleum payments to SOA	-	-
Payments to SOA's Cash Call Account	(132)	(188)
Profit Petroleum payments to SOFAZ	-	-
Construction	(356)	(167)
Production Equipment and Facilities	(134)	(275)
CAPEX Other	-	-
Workover	(168)	(245)
Seismic and G&G	-	-
Drilling	-	-
Personnel Costs	(806)	(869)
Insurance	(24)	(18)
Electricity, Water, Sewage, Gas Usage	(94)	(98)
Fuel	(46)	(29)
SOCAR and State Services	(10)	(12)
Rental of Transportation and Other Equipment	(399)	(511)
Repair and Maintenance - Wells	(69)	(81)
Repair and Maintenance - Facilities	(124)	(213)
Materials and Spare Parts - Other	(4)	(5)
Third Party Services	(29)	(30)
General and Administrative Expenses	(46)	(59)
Services Provided by Shareholders	-	-
Marketing and Transportation Cost	(17)	(12)
Non Recoverable Training Cost	-	-
Value Added Tax	(138)	(244)
Advances Given	(0)	-
Exchange Loss	(45)	(36)
<b>Cash Out</b>	<b>(3,446)</b>	<b>(4,618)</b>
<b>Closing Balance</b>	<b>116</b>	<b>210</b>



**Bahar Energy Operating Company Limited**  
**Month Ended**  
**31-Dec-20**

**Treasury Report**

**000'USD**

Description	Opening Balance	Closing Balance
Cash on Hand	4	6
International Bank of Azerbaijan (IBA)	1	2
Pasha Bank (PB)	206	109
VAT Deposit Account	-	-
<b>Total Cash Available</b>	<b>210</b>	<b>116</b>

**Note 1: Restricted cash at BA in amount of \$ US 5.7 mln. Provision for Doubtful Accounts was recorded on Dec-15.**

**Accounts Receivable Summary**

**000'USD**

Description	BEL's Share	SOA's Share	SOFAZ's Share	COMP's Share	Total
Receivable from Gas Sales	8,445	105	238	976	9,764
Receivable from Oil Sales	2,064	14	39	235	2,352
Other Income AOC	1,402	-	-	-	1,402
Other Income KGIT	59	-	-	-	59
<b>Total Receivable</b>	<b>11,970</b>	<b>119</b>	<b>277</b>	<b>1,211</b>	<b>13,578</b>

**Note 1: Sum of Carry 1 and Carry 3 Balance (Recoverable from SOA) at the end of Q3-2020 is approximately US\$ 29.9 mln.**

**Note 2: VAT Receivable from Gas Sales is approximately US\$ 1.768 mln, and other Receivable \$ 27k.**

**Accounts Payable Summary**

**000'USD**

Description	< 30 days	> 30 days < 60 days	> 60 days	Current Month Total	Previous Month Total
1 - Other Contractors Liabilities	664	98	2,310	3,072	3,222
2 - Government Related Liabilities	103	221	1,710	2,034	2,035
3 - SOCAR Related Liabilities	214	174	1,349	1,737	1,652
<b>Total Liabilities</b>	<b>980</b>	<b>493</b>	<b>5,369</b>	<b>6,842</b>	<b>6,909</b>

**Note 1: Other Liabilities related to Payroll and taxes is approximately US\$ 4.1 mln.**

**Note 2: Debt to SOA is US\$ 323k and debt to SOFAZ is US\$ 1.131k.**

**Inventory Movement Summary**

**000'USD**

Description	Opening Balance	Acquisition	Consumption	Closing Balance
Drilling & Workover	10,493	-	20	10,474
Construction	1,638	7	63	1,581
Production	3,053	370	146	3,278
Others	61	3	2	62
<b>Total Inventory</b>	<b>15,245</b>	<b>380</b>	<b>231</b>	<b>15,394</b>

**Note: Prepayment against inventory is approximately US\$ 1.134 mln.**