Victoria Oil & Gas Plc

Unaudited Interim Condensed Consolidated Financial Statements
For the six months to 30 June 2020

Highlights

Interim Financial Report for the six months ended 30 June 2020 and Q3 2020 Operations Update

Victoria Oil & Gas Plc, the integrated natural gas producing utility, today announces its unaudited interim results for the six months ended 30 June 2020 and provides an operations update for Q3 2020.

Operational Highlights

- Average daily Logbaba field gross sales rate decreased by 51% to 4.8 mmscf/d (six months to 30 June 2019: 9.9 mmscf/d) due to grid power customer ENEO ceasing consumption.
- 881 mmscf of gross gas sold from Logbaba (six months to 30 June 2019: 1,785 mmscf).
- One additional industrial power customer consumed gas during the period.
- 13% increase in thermal and industrial customer gas consumption for thermal use compared to H1 19.
- Notice served to terminate ENEO gas sales agreement in June 2020.
- La-108 equipment mobilised but works put on hold due to Covid-19 restrictions.

Financial Highlights

- US$12.6 million Revenue (six months to 30 June 2019: US$10.7 million).
- Adjusted EBITDA loss of US$0.8 million (six months to 30 June 2019: US$3.7 million).
- US$6.1 million cash generated from operating activities prior to movements in working capital (six months to 30 June 2019: US$4.7 million).
- US$12.5 million Net Debt position (at 31 December 2019: US$10.7 million).

Corporate Highlights

- Robert Collins appointed as Non-Executive Director.
- Ahmet Dik stepped down as Chief Executive Officer.
- Appointment of Roy Kelly as Chief Executive Officer.
- Andrew Diamond, Finance Director resigned and working out six month notice period.

Subsequent Events

- Daily average gross gas sales rate for Q3 20 of 4.7 mmscf/d (Q2 20: 4.6 mmscf/d) of natural gas plus gross 2,438 bbls (Q2 20: 3,548 bbls) condensate was produced safely and sold to industrial customers, resulting in net revenues of US$3.3 million (unaudited).
- During October 2020 weekday gas sales have occasionally exceeded 5 mmscf/d with a peak at 6.1 mmscf/d. This is mainly the result of a seasonal swing and the reduction of Covid-19 related issues that our customers face. One more thermal and power customer will be tied in shortly.
- ENEO contract terminated on 3 July following expiry of 30 day remedy period, and receivables are being rigorously pursued.
- Appointment of Rob Collins as Chief Financial Officer on 11 August 2020.
- The Company continues discussions with the Cameroon State for the extension of the Matanda license.
- The workover crew returned to Cameroon and recommenced the La-108 well remediation in early October. At the time of writing, we have retrieved the fish from the well, and we are cleaning out the wellbore.
- The Company is pleased to announce the evolution of its CSR policies and procedures into a revised ESG initiative, to be headed by Kate Baldwin.
- Roger Kennedy stepped down from Executive Chairman to Non-Executive Chairman following the General Meeting held on 29 October 2020.

Chairman's Letter

Dear Shareholder,

On behalf of the Board, I set out below our unaudited interim results for the six months to 30 June 2020 ("H1 20" or "reporting period"), an operational update for Q3 20 and commentary on the Company's progress.

Victoria Oil & Gas Plc ("VOG", the "Company" or the "Group") currently generates revenue by reliably and safely supplying gas through its 57% participating interest in the Logbaba Project in Douala, Cameroon, which is held by its 100% owned subsidiary Gaz du Cameroun S.A. ("GDC").

Covid-19

The spread of the virus in Cameroon has been relatively contained in comparison to other countries. A crisis management team was established at GDC in Cameroon in accordance with the corporate management plan to manage the company's activities and coordinate with the State authorities as a result of Covid-19. As part of its emergency planning policies GDC, with the local regulatory bodies and stakeholders, ensured all precautions were put in place and responses have been managed and adapted as the situation changes.

Logbaba Operations Update

The sales figures from the Logbaba Project in Cameroon are as follows:

For the six-month period ended	**30 June 2020**	30 June 2019
Gross gas sales – Logbaba		
Thermal power (mmscf)	**833**	731
Industrial power (mmscf)	**48**	50
Grid power (mmscf)	**–**	1,004
Total (mmscf)	**881**	1,785
Attributable gas sales – Logbaba (mmscf)	**502**	1,018
Average daily gas production (mmscfd)	**4.8**	9.9
Condensate sales – Gross (bbls)	**4,891**	10,817
Condensate sales – Attributable (bbls)	**2,788**	6,166

The table refers to gross Logbaba Project sales, unless specified as attributable to GDC representing its 57% interest in the project.

Gas was produced and delivered to customers in Douala on an uninterrupted basis during the reporting period without any significant safety incidents, underlining our commitment to operate in a safe and environmentally friendly manner. Our customers continue to realise the benefits of natural gas, by far the cleanest burning fossil fuel, having converted from significantly higher priced diesel or heavy fuel oil and subsequently reducing their harmful emissions in the Douala area.

Post period, Q3 2020 production update:

Quarterly gross and net gas and condensate sales at Logbaba are as follows (amounts in bold are net gas and condensate sales attributable to GDC (57%)):

For the six-month period ended	**Q3 2020**	Q3 2020	**Q2 2020**	Q2 2020
Gas sales (mmscf)				
Thermal power	**232**	408	**224**	394
Industrial power	**15**	26	**13**	22
Grid power	**–**	–	**–**	–
Total (mmscf)	**247**	434	**237**	416
Daily average gross gas sales rate (mmscf/d)	**4.7**		**4.6**	
Condensate sold (bbls)	**1,390**	2,438	**2,022**	3,548

ENEO

At 30 June 2020, the outstanding balance due from ENEO was US$16.3 million (US$9.8 million net to GDC). The revenue for ENEO for the six months to 30 June 2020 is comprised of six take-or-pay invoices, a penalty payment of three months' fees as a result of the termination as per the binding term sheet and interest. Whilst GDC has an expected credit loss provision for the full outstanding balance due from ENEO, the Company continues to make every effort to recover these amounts.

Industrial Customers

Our focus continues to be to improve our customer diversification post the termination of the ENEO GSA. The focus on industrial customer growth around the existing pipeline continues to positively impact our results with an 13% increase in thermal and industrial gas consumption compared to H1 19, reaching 881 mmscf gross gas sales during the reporting period (H1 19: 781 mmscf). Attributable revenue for thermal and industrial customers in the reporting period was US$6.7 million compared to US$5.9 million.

In March 2020 one new industrial power customer commenced consuming gas.

La-108 Remediation Update

The remediation work on well La-108 was expected to recommence during April 2020 upon the arrival of the additional equipment which was sourced to perform the project. The equipment arrived on site, however, due to safety concerns related to measures taken in-country regarding Covid-19, the snubbing rig contractor evacuated their expatriate personnel and the work was put on hold.

Post period, the workover crew returned to Cameroon and recommenced the La-108 well remediation in early October. At the time of writing, we have retrieved the fish from the well, and we are cleaning out the wellbore.

Logbaba Subsurface

As stated in our recently published Annual Report and Accounts for the year ended 31 December 2019, following a thorough review of field and well performance data, and recognising there are no short-term plans for further drilling at this time, management reduced its estimated Proved Reserves ("1P") for the Logbaba Field effective 1 January 2020 to 19 Bcf. Other categories of reserves remained unchanged, as did other classifications (e.g. Contingent and Prospective Resources).

All nine penetrations of the primary reservoir in the Logbaba Field have encountered mobile gas in reservoir quality sands in what is undoubtedly a significant in-place resource, and we are not downgrading previous estimates of gas in place. Our reduction in

Chairman's Letter continued

Proved Reserves at this time reflects our finite well stock, an assessment of the La-107 performance, which did not meet our pre-drill expectations, and recognition that the project was designed to be a staged development, involving more wells drilled over time and in line with an improved understanding of the reservoir and growth in demand. As mentioned above, we don't propose to drill more capital-intensive and operationally risky wells at this time. Given a successful remediation of La-108, the Proved Reserves level would support sustained production at current demand levels (which excludes grid power) for several years. Additional wells in previously undrilled areas of the field would immediately add to the Proved Reserves.

Matanda Subsurface

Phase Two of the Matanda Work Programme commenced in early June 2019 with risk mitigation. The initial stages of this work flow included an analysis of the gathered data over each prospect to refine the understanding of the risk of the identified prospects to enable detailed well planning to geological prognosis.

The Environmental and Social Impact Assessment is ongoing. This work ensures all aspects of risks to the environment and social factors have been assessed and necessary precautions taken, in accordance with the requisite rules and regulations.

As announced during the period, the Group was pleased to report a material increase of management's estimate of Prospective Resources onshore Matanda, with gross unrisked, mean Prospective Resources increased to 1,196 Bcf in the Matanda Licence (onshore) from the previously reported 903 Bcf (ERCL Consultants Evaluation: 'Prospectivity and Volumetrics Report, Matanda Block, Cameroon', 2017). This increase is the result of a detailed internal prospect evaluation which has identified 19 gas prospects in shallower Tertiary-aged reservoirs, plus 7 prospects in deeper, Cretaceous-aged prospects. The Company believes the larger of these prospects has mean unrisked, Prospective Resources of over 65 Bcf, with geological Chance of Success estimated at better than 40%. This acreage is contiguous with the Logbaba license, offering an easy monetisation route for gas discoveries.

The Company continues discussions with the State for the extension of the Matanda license.

West Medvezhye ("West Med")

A third-party Technical Report was been completed by a specialist Russian consultancy on the Company's 100% owned Western Medvezhye Licence in the prolific West Siberian basin, containing the 2006 oil discovery during the period. Based on this Technical Report, the Company has commenced a process to divest the Western Medvezhye Field and is in discussions with potential buyers of the field. Whilst a prospective buyer is still conducting due diligence, the Company expects an extended sales process due to the Covid-19 crisis and the volatility of crude prices. This asset is fully impaired in the Company's accounts.

Going Concern

The Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the unaudited interim condensed consolidated financial statements. Further details of our current financial position and uncertainties which may affect the Company's ability to continue operating as a going concern are to be found in the Financial Review and in Note 3 of the unaudited interim condensed consolidated financial statements set out below.

Corporate

During the reporting period the following board changes were affected:

- Feb 2020 Robert Collins appointed NED and Senior Independent Director.
- Mar 2020 Roy Kelly appointed as CEO.
- Mar 2020 Ahmet Dik resigned as CEO.
- May 2020 Andrew Diamond resigned as Finance Director.

Post period

- Aug 2020 Robert Collins appointed Chief Financial Officer and ceased in his NED capacity.
- Oct 2020 Roger Kennedy has assumed the role of Non-Executive Chairman.
- The Company published its Annual Report and Accounts to 31 December 2019 ("2019 Accounts") at the end of September and a General Meeting to receive and consider these accounts was held on 29 October 2020. Due to the Coronavirus (COVID-19) pandemic and the restrictions imposed by the Government on public gatherings, it was not possible for the Shareholders to attend the General Meeting in person. The General Meeting took place with a minimum quorum arranged by the Company and the resolution to approve the 2019 Accounts was duly passed.

Environmental Social and Governance (ESG) Initiative

The Company is evolving its CSR systems into an ESG initiative. Kate Baldwin has been appointed to head up this initiative. This role is to ensure that the Company's Environmental, Social and Governance policies and practices are integrated into all aspects of the organisation, ensuring Board oversight and improved communications to its stakeholders. Environmental criteria will cover, amongst other things, the Company's impact in relation to emissions, waste management and energy efficiencies. The Social criteria examines the Company's relationships with its employees, suppliers, customers, and the communities within which it operates. Governance refers to the sets of rules and principles within which the Company operates to ensure best practices in its corporate activities; from Board and management structures, executive pay, Codes of Business Conduct, audit processes, internal controls, and shareholder rights.

Final Word

We are pleased with the resilience that our Cameroon business has shown through recent times and the early strides made to replace the gas sales volumes previously allotted to ENEO. The Logbaba reserves reduction reflects adjustments based on the current well stock but leaves the Company with several years of supply with or without the grid power demand even without further development drilling. The work programme on Matanda has yielded encouraging and significant prospectivity on the licence, in what is a rich hydrocarbon province. We are also encouraged by the interest in our West Med asset.

Roger Kennedy
Chairman
29 October 2020

Financial Review

The interim report for the six-month period ended 30 June 2020 ("reporting period" or "H1 20") is compared to the six month period ended 30 June 2019 ("prior period" or "H1 19") as required by International Financial Reporting Standards ("IFRS").

Revenue and Results

For the six-month period ended	**30 June 2020 US$000**	30 June 2019 US$000
Performance		
Revenue	**12,607**	10,682
Operating loss	**(3,092)**	(6,798)
Depreciation	**811**	4,918
Impairment charges	**1,489**	5,556
Adjusted EBITDA	**(792)**	3,676
Loss per share – basic and diluted (cents)	**(1.45)**	(3.68)

As at	**30 June 2020 US$000**	31 December 2019 US$000
Financial Position		
Trade and other receivables	**11,779**	13,711
Cash and cash equivalents	**3,280**	7,237
Trade and other payables	**7,847**	9,272
Borrowings	**15,759**	17,922
Net debt	**12,479**	10,685

Performance

The Group's revenue for the reporting period was US$12.6 million, US$1.9 million higher than the prior period (H1 19: US$10.7 million).

Post period end on 3 July 2020, GDC issued a notice of termination to of the GSA to ENEO. Approximately US$5.9 million of the revenue in the period related to ENEO. This revenue comprised of six take-or-pay invoices, a penalty payment of three months' fees as a result of the termination as per the binding term sheet and interest. An additional expected credit loss provision of US$6.7 million was raised, following which the ENEO receivables are fully provided against. The Company is making every effort to recover the outstanding amounts.

If the ENEO revenue is stripped out, then the attributable revenue for thermal and industrial customers in the reporting period was US$6.7 million compared to US$5.9 million in the prior period, an increase of 14%.

Revenue is derived entirely from the Logbaba Project in Cameroon. Gas is sold to customers for thermal energy production and electricity generation, with revenue also generated from the sale of condensate, a by-product from gas production and processing.

Adjusted EBITDA, a non-IFRS measure which excludes depreciation and impairment charges from operating profit prior to financing charges and tax, reflects a loss of US$0.8 million (H1 19: US$3.7 million). If the non-cash ENEO provision, of US$6.7 million, is excluded, then the underlying adjusted EBITDA is US$5.9 million.

The loss after taxation of the Group for the six months to 30 June 2020, which incorporates the items mentioned above, amounted to US$3.7 million (H1 19: US$7.3 million). Loss per share for the six months to 30 June 2020 was 1.45 cents (H1 19: 3.68 cents).

Financial Position

Trade and other receivables

Trade receivables have decreased by US$1.9 million in the six month period to 30 June 2020 due primarily to the provision for expected credit losses with respect to receivables due from ENEO in H1 2020 as disclosed in Note 9.

Other receivables include amounts due from partners on the Logbaba and Matanda projects, including Société Nationale des Hydrocarbures ("SNH") receivable following their participation on Logbaba.

Cash and cash equivalents

Cash as at 30 June 2020 was US$3.3 million (31 December 2019: US$7.2 million).

Trade and other payables

Trade and other payables have decreased US$1.4 million in the six month period to 30 June 2020.

Accruals includes an amount of US$1.0 million (31 December 2019: US$1.2 million) in relation to the land claim on the Logbaba Project. Other payables include an amount of US$1.7 million (31 December 2019: US$2.1 million) due under the reserve bonus settlement.

Borrowings

Total borrowings of US$15.8 million compares to US$17.9 million at 31 December 2019.

Net Debt

The Group was in a net debt position of US$12.5 million at 30 June 2020 (31 December 2019: US$10.7 million).

Financial Review continued

Cash Flow

Operating activities

The Group generated cash from operating activities of US$6.1 million during the reporting period (H1 19: generated cash of US$4.7 million). Working capital increased by US$5.7 million (H1 19: US$8.3 million). Net cash utilised in operating activities was US$0.3 million (H1 19: $4.7 million).

Contingent liabilities

Cameroon Holdings Limited ("CHL")

CHL has commenced proceedings against both GDC and the Company with regard to payments CHL believes it is entitled to under the Royalty Agreement. Whilst the Company owns 35% of CHL, the Company has not accrued for CHL royalties during 2019 and has fully impaired this investment, resulting in an impairment charge of US$5.6 million during 2019. In the event that the legal proceedings result in GDC being obliged to continue paying royalty payments, the Group's liability at 30 June 2020 would be US$4.9 million.

Royalty Obligations

The separation of the business into upstream and downstream business units is a requirement of the Petroleum and Gas Codes in Cameroon, and is an industry norm.

Operationally, the separation and a downstream framework makes sense for the Company as the Logbaba Field depletes over time and the Company seeks to source other gas for the pipeline network. In order to comply with the Gas and Petroleum Codes in Cameroon, the Logbaba partners are working with the Cameroonian Government to separate the business into its upstream and downstream components. The parties are in ongoing negotiations with SNH regarding the mechanism and fiscal arrangements for, amongst others: the potential participation of SNH in the downstream activities; the allocation of assets, liabilities, revenues and costs, and the associated transfer pricing mechanisms; and the net settlement required by SNH to take ownership of their entitlement. One of the matters under negotiation has been the parties' obligation to pay state royalties. In prior years this potential liability was disclosed as a contingent liability. Following a GDC decision post year-end, the royalty liability has now been crystalised and the Company has accordingly provided US$10.2 million at 30 June 2020; however, GDC has requested to "net out" against amounts that may be owed by SNH. The presentation of the consolidated Financial Statements has required management's judgement with regard to the outcome of these negotiations to ensure that the Financial Statements present a fair and reasonable view of the financial position and results of the Company.

RSM

RSM has instituted an arbitration in Texas, USA under ICC rules in which it is asserting material claims primarily related to final invoices for the drilling of the two wells, La-107 and La-108, and certain audit exceptions raised by RSM following audits of the Logbaba operations between 2015 and 2018. RSM has made two attempts to obtain interim rulings which GDC has successfully defended and the substantive matter is currently scheduled for hearing at the end of January 2021.

Separately, on 3 February 2020, RSM filed an arbitration application under UNCITRAL Rules pursuant to a Participation Agreement for the project. Much of the relief sought in this second arbitration duplicates the claims in the ICC arbitration save that it also challenges the validity of cash calls GDC issued in November 2019 for RSM's share of expenses in relation to the La-108 well remediation (in aggregate US$2.9 million) and raises issues relating to the primacy of the underlying governing documents relating to the Logbaba Project, and the process of approvals for certain actions of GDC as the Operator on the Logbaba Project.

This arbitration will be heard in London under Cameroon Law.

Arbitrations under ICC and UNCITRAL rules are confidential processes. VOG is not permitted to provide detailed comments on them, beyond saying that it continues to vigorously defend the claims raised by RSM.

Cameroon Tax Assessment

GDC received a tax assessment for the period 2014 through 2016 in the amount of US$6.6 million on 22 May 2020, which was revised to US$5.6 million on 10 August 2020 following an initial appeal by GDC. Management contends that it has paid all taxes owed in Cameroon and believes the assessment is spurious as it seeks to levy double-taxation on GDC. Consequently, GDC intends to vigorously challenge this assessment. As at the date of approval of the Interim Financial Statements, the outcomes of the various submissions that GDC has lodged with the relevant regulatory bodies is unknown and therefore it is not possible to quantify any potential impact. An adverse outcome in this dispute will have a material impact upon the results and position of the Group.

Going Concern

The Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the Interim Financial Statements. There are a number of uncertainties which may affect the Group's ability to continue operating as a going concern, these are disclosed in Note 3 of the Interim Financial Statements.

On this basis, the Directors have concluded that it is appropriate to prepare the Interim Financial Statements on a going concern basis. Accordingly, these Interim Financial Statements do not include any adjustments to the carrying amount or classifications of assets and liabilities that may arise if the Group was unable to continue as a going concern.

Directors' Responsibility Statement

The Directors confirm that to the best of their knowledge the unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'.

Changes in Directors during the period is discussed in the Corporate section of the Chairman's letter. A list of the current Directors is available on the Company's website:

www.victoriaoilandgas.com

Robert Collins
Chief Finance Director
29 October 2020

Condensed Consolidated Income Statement

For the six-month period ended	Note	**30 June 2020 Unaudited US$000**	30 June 2019 Unaudited US$000
Continuing operations			
Revenue	5	**12,607**	10,682
Cost of sales		**(1,645)**	(4,801)
Gross profit		**10,962**	5,881
Administrative expenses		**(12,442)**	(6,703)
Other losses		**(123)**	(420)
Impairment of investment in associate	4	**–**	(5,556)
Impairment of assets	4	**(1,489)**	–
Operating loss		**(3,092)**	(6,798)
Finance costs		**(511)**	(959)
Loss before taxation		**(3,603)**	(7,757)
Tax		**(133)**	414
Loss for the period – attributable to shareholders of the parent		**(3,736)**	(7,343)

		Cents	Cents
Loss per share – basic and diluted	6	**(1.45)**	(3.68)

Condensed Consolidated Statement of Comprehensive Income

For the six-month period ended	**30 June 2020 Unaudited US$000**	30 June 2019 Unaudited US$000
Loss for the period	**(3,736)**	(7,343)
• • Items that may be reclassified subsequently to profit or loss • •		
Exchange differences on translation of foreign operations	**(57)**	(8)
Total comprehensive loss for the period – attributable to shareholders of the parent	**(3,793)**	(7,351)

Condensed Consolidated Statement of Financial Position

As at	Note	30 June 2020 Unaudited US$000	31 December 2019 Audited US$000
Assets:			
Non-current assets			
Intangible assets	7	**8,596**	8,620
Property, plant and equipment	8	**19,808**	20,606
		28,404	29,226
Current assets			
Inventories		**4**	12
Trade and other receivables	9	**11,779**	13,711
Cash and cash equivalents	13	**3,280**	7,237
		15,063	20,960
Total assets		**43,467**	50,186
Liabilities:			
Current liabilities			
Trade and other payables	10	**7,847**	9,272
Provisions	11	**10,186**	9,638
Borrowings	12,13	**6,181**	5,969
		24,214	24,879
Net current liabilities		**(9,151)**	(3,919)
Non-current liabilities			
Borrowings	12,13	**9,578**	11,953
Provisions	11	**2,151**	2,037
		11,729	13,990
Net assets		**7,524**	11,317
Equity:			
Called-up share capital		**1,826**	1,826
Share premium		**42,817**	42,817
Translation reserve		**(17,782)**	(17,725)
Other reserve		**1,093**	1,093
Retained losses		**(20,430)**	(16,694)
Total equity		**7,524**	11,317

Condensed Consolidated Statement of Changes in Equity

	Share capital US$000	Share premium US$000	ESOP Trust reserve US$000	Translation reserve US$000	Other reserves US$000	Retained earnings/ (deficit) US$000	Total US$000
For the six months ended 30 June 2019 (Unaudited)							
At 31 December 2018	1,130	26,254	(4)	(17,634)	401	93,505	103,652
Shares issued	693	16,369	–	–	(110)	–	16,952
Shares granted to ESOP members	–	–	4	–	–	81	85
Total comprehensive loss for the period	–	–	–	(8)	–	(7,343)	(7,351)
At 30 June 2019	**1,823**	**42,623**	**–**	**(17,642)**	**291**	**86,243**	**113,338**
For the six months ended 30 June 2020 (Unaudited)							
At 31 December 2018	1,826	42,817	–	(17,725)	1,093	(16,694)	11,317
Total comprehensive loss for the period	–	–	–	(57)	–	(3,736)	(3,793)
At 30 June 2020	**1,826**	**42,817**	**–**	**(17,782)**	**1,093**	**(20,430)**	**7,524**

Condensed Consolidated Cash Flow Statement

For the six-month period ended	**30 June 2020 Unaudited US$000**	30 June 2019 Unaudited US$000
Cash flows from operating activities		
Loss for the period	**(3,736)**	(7,343)
Adjustment for non-cash and other items:		
Tax	**133**	(414)
Impairment of investment in associate	**–**	5,556
Impairment of assets	**1,489**	–
Finance costs	**511**	959
Depreciation and amortisation	**811**	4,918
Expected credit losses	**6,737**	496
Other losses	**123**	420
Other non-cash items	**26**	–
Shares vested by ESOP Trust	**–**	81
	6,094	4,673
Movements in working capital		
Increase in trade and other receivables	**(4,863)**	(5,182)
Decrease in inventories	**8**	2
Decrease in trade and other payables and provisions	**(862)**	(3,167)
Net movements in working capital	**(5,717)**	(8,347)
Tax paid	**–**	(119)
Interest paid	**(700)**	(902)
Net cash utilised in operating activities	**(323)**	(4,695)
Cash flows from investing activities		
Payments for intangible assets	**(1,489)**	(320)
Payments for property, plant and equipment	**(15)**	(488)
Proceeds from disposal of property, plant and equipment	**–**	388
Net cash utilised investing activities	**(1,504)**	(420)
Cash flows from financing activities		
Repayments of borrowings	**(2,158)**	(474)
Net cash generated from equity raise	**–**	16,956
Net cash (utilised in)/generated by financing activities	**(2,158)**	16,482
Net (decrease)/increase in cash and cash equivalents	**(3,985)**	11,367
Cash and cash equivalents – beginning of period	**7,237**	3,467
Effects of exchange rate changes on the balance of cash held in foreign currencies	**28**	(454)
Cash and cash equivalents – end of period	**3,280**	14,380

Notes to the Interim Condensed Consolidated Financial Statements

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements ("Interim Financial Statements") of Victoria Oil & Gas Plc and its subsidiaries ("the Group") for the six months ended 30 June 2020 have been prepared in accordance with International Financial Reporting Standards adopted for use by the European Union ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting.

The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2019. The Interim Financial Statements are presented in US Dollars, rounded to the nearest thousand (US$000) except as otherwise indicated.

The condensed set of financial statements for the six months ended 30 June 2020 is unaudited and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. They have been prepared using accounting bases and policies consistent with those used in the preparation of the audited financial statements of the Company and the Group for the year ended 31 December 2019 and those to be used for the year ending 31 December 2020. The comparative figures for the half-year ended 30 June 2019 are unaudited. The comparative figures for the year ended 31 December 2019 are not the Company's full statutory accounts but have been extracted from the financial statements for the year ended 31 December 2019 which have been delivered to the Registrar of Companies and the auditors' report thereon was unqualified and did not contain a statement under sections 498(2) and 498(3) of the Companies Act 2006.

The Interim Financial Statements have been prepared on a going concern basis, under the historical cost convention, except for the revaluation of certain financial instruments.

The prior period's comparatives have been regrouped on a basis consistent with the current period to enhance the understanding of the Interim Financial Statements.

These Interim Financial Statements were approved by the Board of Directors on 29 October 2020.

2. ACCOUNTING POLICIES

New amended standards adopted by the group

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 by the EU through the European Financial Reporting Advisory Group ("EFRAG"):

- *IFRS 3 (amendments) 'Definition of a Business'*: The IASB effective date is 1 January 2020 and the amendment is yet to be endorsed by the EU. The amendment provides clearer application guidance to help companies distinguish between a business and a group of assets when applying IFRS 3 'Business Combinations'. The amendment also clarifies that applying the classification of a business would not be appropriate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. This amendment is not expected to have an impact on the Group's Consolidated Financial Statements
- *IAS 1 and IAS 8 (amendments) 'Definition of Material'*: The IASB effective date is 1 January 2020 and the amendment has been endorsed by the EU. The amendment revises the definition of material stating that 'information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. This amendment is not expected to have an impact on the Group's Consolidated Financial Statements.
- *IFRS 9, IAS 39 and IFRS 7 (amendments) 'Interest Rate Benchmark Reform'*: The IASB effective date is 1 January 2020 and the amendment has been endorsed by the EU. 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 amendment is not expected to have an impact on the Group's Consolidated Financial Statements.

Critical Accounting Judgements

In the process of applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the Interim Financial Statements (apart from those involving estimations, which are dealt with below.).

Going concern

The assessment of the Group's ability to execute its strategy by funding future working capital requirements involves judgement.

The Directors monitor future cash requirements and are, despite the existence of material uncertainties, confident that the Group can continue as a going concern and accordingly no adjustment is required to the Interim Financial Statements. Further information regarding going concern is outlined in Note 3.

As part of the assessment, management reviewed budgets and cash flow forecasts and compared the requirements to available resources, existing funding facilities and potential sources of additional funds.

Notes to the Interim Condensed Consolidated Financial Statements continued

2. ACCOUNTING POLICIES CONTINUED

Recoverability of receivables

The Group has one significant customer with long outstanding invoices issued on both a provision of gas and a take-or-pay basis in accordance with the terms of the relevant GSA. The Group's ability to recover the amounts due from this customer requires judgement. The Group has terminated the GSA with this customer post the reporting period and is pursuing legal means to recover the outstanding amounts. The Directors have recognised a loss allowance in relation to the expected credit loss associated with this customer.

Accounting for joint operations

On 12 June 2017, Société Nationale des Hydrocarbures ("SNH") exercised its right in accordance with the Participation Agreement to participate for 5% of the upstream operations of the Logbaba Project. This participation is retrospective and therefore SNH are deemed to have participated since first production. The net share of this venture that has been included in these Interim Financial Statements is 57% of the upstream operations and 60% of the downstream operations.

The Interim Financial Statements are prepared on the basis that downstream operations charge cost plus 15% to the upstream operations as a fee for marketing the gas. This transfer pricing mechanism has not been formally agreed to by the Parties of the Logbaba Concession but represents management judgement of the most likely outcome of the current negotiations. Shared services have been allocated between upstream and downstream operations based on management's assessment of the activity during the period.

Key Sources of Estimation Uncertainty

The preparation of unaudited Interim Financial Statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenues and expenses during the period. The nature of estimation means that actual outcomes could differ from those estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial period are consistent with those disclosed in the Group's consolidated financial statements for the year ended 31 December 2019, namely the potential effects of the risks associated with operating in Cameroon, Russia and Kazakhstan; the uncertainties surrounding the determination of various provisions; and considerations regarding the impairment of the Group's assets.

3. GOING CONCERN

The Directors are required to give careful consideration to the appropriateness of the going concern basis in the preparation of the Interim Financial Statements.

In their consideration of the appropriateness of applying the going concern assumption, the Directors have reviewed cash flow forecasts for the period to 31 December 2021, the factors, estimates and assumptions included in the forecasts and the related sensitivities. Future outcomes may differ materially from these estimates.

The significant factors, estimates and assumptions applied in the cash flow forecast are as follows:

Grid power and recovery of receivable amounts

In September 2019 the generator supplier to ENEO suspended operations at ENEO's Logbaba site due to non-payment of invoices by ENEO. Consequently, GDC has not provided gas to ENEO since that date but has continued to invoice ENEO based on a take-or-pay basis in accordance with the GSA. In June 2020, GDC issued a notice of Event of Default to ENEO, which included a 30-day remedy period. On 3 July 2020, with ENEO having failed to remedy the breaches identified in the notice of Event of Default, GDC issued a notice of termination to ENEO. At 30 June 2020, the outstanding balance due from ENEO was US$16.3 million (US$9.8 million net to GDC). The revenue for ENEO for the six months to 30 June 2020 is comprised of six take-or-pay invoices, a penalty payment of three months' fees as a result of the termination as per the binding term sheet and interest. An additional expected credit loss provision of US$6.7 million was raised, following which the ENEO receivables are fully provided against. The Company is making every effort to recover the outstanding amounts. (see Note 9).

Failure to recover amounts outstanding by ENEO and any other significant debtors, would have a material impact on the Group's ability to continue as a going concern.

Notes to the Interim Condensed Consolidated Financial Statements continued

3. GOING CONCERN CONTINUED

Cameroonian State royalty obligation

Following a protracted negotiation with the State of Cameroon, in August 2020 the Group has concluded a long-standing dispute regarding the Logbaba Concession agreement, and in so doing has crystalised a liability to pay back-dated royalties to the Cameroonian State in the amount of US$10.2 million (net amount due by GDC). GDC and its joint venture partner are seeking to ensure that the royalty amounts payable are netted against amounts due by the Cameroon State for their participating interest in the Logbaba Project and accordingly the Directors have included an assumption in their forecast that the amount of US$10.2 million will not be paid within the next twelve months as discussions continue in relation to the State's participating interest in the Logbaba Project. There is no guarantee that the State of Cameroon will accede and any requirement to pay the royalty in the short term would have a material impact on the Group's ability to continue as a going concern.

Other Items

The Group is exposed to further contingent liabilities as outlined in Note 15. The amounts concerned in each of the matters have material impacts on the Group's ability to continue as a going concern.

Conclusion

The Directors have reviewed operating and cash forecasts in respect of the operating activities and planned work programmes of the Group's assets. The expected cash flows, plus available cash on hand, after allowing for funds required for administration and development costs, working capital improvement and debt servicing, are expected to cover these activities.

Based on the cash flow forecasts prepared the Directors are of the view that the Group and the Parent Company is sufficiently funded for the twelve-month period from the date of approval of these Interim Financial Statements. However, the Directors note that there are material uncertainties as listed above, which if any should eventuate, would require them to raise additional funds in 2021.

Although the Directors consider the likelihood of these uncertainties eventuating to be remote, they are confident additional funding can be accessed should it be required.

On the basis of the considerations set out above, the Directors have concluded that it is appropriate to prepare the Interim Financial Statements on a going concern basis. These Interim Financial Statements do not include any adjustments to the carrying amount and classification of assets and liabilities that may arise if the Group or the Parent Company was unable to continue as a going concern.

4. IMPAIRMENT OF ASSETS

	30 June 2020 Unaudited US$'000	31 December 2019 Audited US$'000
Intangible assets – Exploration and evaluation assets	**1,489**	27,367
Tangible assets – Property, Plant and Equipment	**–**	69,922
Investment in associate	**–**	5,556
	1,489	95,845

Directors have decided to impair amounts capitalised in the period in respect of exploration and evaluation assets.

Notes to the Interim Condensed Consolidated Financial Statements continued

5. SEGMENTAL ANALYSIS

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about the Group that are regularly reviewed by the chief operating decision maker. The Board is deemed the chief operating decision maker within the Group. The Group has one class of business: oil and gas exploration, development and production and the sale of hydrocarbons and related activities. This is analysed on a location basis. Only the Cameroon segment is generating revenue, which is from the sale of hydrocarbons. For the purposes of segmental reporting, the Russia and Kazakhstan segments have been combined as the assets of these segments have both been fully impaired. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following tables present revenue, loss and certain asset and liability information regarding the Group's business segments:

Six months to 30 June 2020 (Unaudited)	Cameroon US$'000	Russia and Kazakhstan US$'000	Corporate US$'000	Total US$'000
Revenue				
Gas sales – thermal power	6,350	–	–	6,350
Gas sales – industrial power	316	–	–	316
Gas sales – grid power	3,889	–	–	3,889
Gas revenue	10,565	–	–	10,565
Condensate sales	73	–	–	73
Other revenue	1,969	–	–	1,969
Total revenue	12,607	–	–	12,607
Segment result	821	(61)	(2,363)	(1,603)
Impairment of assets	(1,489)	–	–	(1,489)
Finance costs	(386)	(52)	(73)	(511)
Loss before tax	(1,054)	(113)	(2,436)	(3,603)
Tax	(133)	–	–	(133)
Loss for the period	(1,187)	(113)	(2,436)	(3,736)
Total assets	42,499	45	923	43,467
Total liabilities	(33,035)	(286)	(2,622)	(35,943)
Other segment information				
Capital expenditure:				
Intangible assets	1,489	–	–	1,489
Property, plant and equipment	15	–	–	15
Depreciation, amortisation and impairment	2,300	–	–	2,300

Notes to the Interim Condensed Consolidated Financial Statements continued

5. SEGMENTAL ANALYSIS CONTINUED

Six months to 30 June 2019 (Unaudited)	Cameroon US$'000	Russia and Kazakhstan US$'000	Corporate US$'000	Total US$'000
Revenue				
Gas sales – thermal power	5,591	–	–	5,591
Gas sales – industrial power	324	–	–	324
Gas sales – grid power	4,298	–	–	4,298
Gas revenue	10,213	–	–	10,213
Condensate sales	469	–	–	469
Total revenue	10,682	–	–	10,682
Segment result	1,632	177	(3,051)	(1,242)
Impairment of investment in associate	–	–	(5,556)	(5,556)
Finance costs	(881)	(5)	(73)	(959)
Profit/(loss) before tax	751	172	(8,680)	(7,757)
Tax	414	–	–	414
Profit/(loss) for the period	1,165	172	(8,680)	(7,343)
Total assets	131,746	105	11,940	143,791
Total liabilities	(28,172)	(316)	(1,965)	(30,453)
Other segment information				
Capital expenditure:				
Intangible assets	320	–	–	320
Property, plant and equipment	486	–	2	488
Depreciation, amortisation	4,903	–	5,571	10,474

As disclosed in Note 3, the GSA for ENEO was terminated on 3 July 2020. The Gas Sales – Grid power revenue for the period to 30 June 2020 of US$3.9 million represents take-or-pay invoicing during the period. Other revenue of US$2.0 million represents an accrual for termination penalties levied upon ENEO

6. LOSS PER SHARE

Basic loss per share is computed by dividing the loss after tax for the period available to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend during the period. Diluted loss per share is computed by dividing the profit or loss after tax for the period by the weighted average number of ordinary shares in issue, each adjusted for the effect of all dilutive potential ordinary shares that were outstanding during the period.

The following table sets forth the computation for basic and diluted loss per share.

For the six-month period ended	**30 June 2020 Unaudited US$'000**	30 June 2019 Unaudited US$'000
Loss for the period	**3,736**	7,343
	Number	Number
Weighted number of ordinary shares for the purpose of basic earnings per share	**256,861,796**	199,802,376
Dilutive potential of share options	**12,205,905**	–
Weighted number of ordinary shares – basic and diluted	**269,067,701**	199,802,376
	Cents	Cents
Loss per share – basic and diluted	**(1.45)**	(3.68)

Basic and diluted loss per share are the same in the current period, as the effect of any potential shares is anti-dilutive, and is therefore excluded.

Notes to the Interim Condensed Consolidated Financial Statements continued

7. INTANGIBLE ASSETS

Six months to 30 June 2020 (Unaudited)	Exploration and evaluation assets US$'000	Software US$'000	Total US$'000
Cost			
Opening balance	**110,115**	**279**	**110,394**
Additions	**1,489**	**–**	**1,489**
Effects of movement in foreign exchange	**(2,134)**	**–**	**(2,134)**
Closing balance	**109,470**	**279**	**109,749**
Accumulated amortisation and impairment			
Opening balance	**101,586**	**188**	**101,774**
Charge for the period	**–**	**24**	**24**
Impairment of assets	**1,489**	**–**	**1,489**
Effects of movement in foreign exchange	**(2,134)**	**–**	**(2,134)**
Closing balance	**100,941**	**212**	**101,153**
Carrying amount 30 June 2020	**8,529**	**67**	**8,596**

Twelve months to 31 December 2019 (Audited)	Exploration and evaluation assets US$'000	Software US$'000	Total US$'000
Cost			
Opening balance	102,279	383	102,662
Additions	320	–	320
Disposals	–	(97)	(97)
Other movements	(1,016)	–	(1,016)
Effects of movement in foreign exchange	1,728	–	1,728
Closing balance	103,311	286	103,597
Accumulated amortisation and impairment			
Opening balance	72,026	191	72,217
Disposal	–	(72)	(72)
Charge for the period	–	51	51
Effects of movement in foreign exchange	1,728	(1)	1,728
Closing balance	73,754	170	73,924
Carrying amount 31 December 2019	29,557	116	29,673

The exploration and evaluation assets relate to the Logbaba drilling programme on well La-108.

Recoverability of exploration and evaluation assets of US$8.6 million is dependent on the successful development of reserves within the license period, which is subject to a number of uncertainties including the ability of the Group to access financial resources to develop the projects and bring the assets to economic maturity and profitability.

Notes to the Interim Condensed Consolidated Financial Statements continued

8. PROPERTY, PLANT AND EQUIPMENT

Six months to 30 June 2020 (Unaudited)	Plant and equipment US$'000	Oil and gas interest US$'000	Assets under construction US$'000	Total US$'000
Cost				
Opening balance	**46,940**	**94,506**	**4,220**	**145,666**
Additions	**15**	**–**	**–**	**15**
Disposals	**–**	**–**	**(26)**	**(26)**
Closing balance	**46,955**	**94,506**	**4,194**	**145,655**
Accumulated Depreciation and impairment				
Opening balance	**34,196**	**90,864**	**–**	**125,060**
Charge for the period	**374**	**413**	**–**	**787**
Closing balance	**34,570**	**91,277**	**–**	**125,847**
Carrying amount 30 June 2020	**12,385**	**3,229**	**4,194**	**19,808**

Twelve months to 31 December 2019 (Audited)	Plant and equipment US$'000	Oil and gas interest US$'000	Assets under construction US$'000	Total US$'000
Cost				
Opening balance	46,080	95,467	3,609	145,156
Additions	49	–	439	488
Transfers	233	104	(337)	–
Disposals	(132)	–	(357)	(489)
Closing balance	46,230	95,571	3,354	145,155
Accumulated depreciation and impairment				
Opening balance	6,617	47,452	–	54,069
Disposals	(118)	–	–	(118)
Charge for the period	926	3,941	–	4,867
Closing balance	7,425	51,393	–	58,818
Carrying amount 31 December 2019	38,805	44,178	3,354	86,337

Assets under construction consists of expenditure relating to the pipeline network and surface infrastructure on the Logbaba Project in Cameroon.

The realisation of property, plant and equipment of US$19.8 million is dependent on the continued successful development of economic reserves within the license period, which is subject to a number of uncertainties including the Group's ability to access financial resources to continue to successfully generate revenue from the assets.

Notes to the Interim Condensed Consolidated Financial Statements continued

9. TRADE AND OTHER RECEIVABLES

	30 June 2020 Unaudited US$'000	31 December 2019 Audited US$'000
Amounts due within one year:		
Trade receivables	**3,772**	6,059
Taxes recoverable	**1,417**	930
Prepayments	**108**	101
Other receivables	**6,482**	6,621
	11,779	13,711

Trade receivables are disclosed net of provision for expected credit losses.

Other receivables include a receivable from joint ventures partners (RSM, SNH and AFEX) of US$5.1 million (31 December 2019: US$5.6 million) for their share in their participating interest in the Logbaba and Matanda Blocks.

The Company has provided for an expected credit loss of the total ENEO invoices receivables. During the period an additional provision for expected credit loss of US$6.7 million was raised (31 December 2019: US$3.7 million).

Movement in Expected Credit Loss	**30 June 2020 Unaudited US$'000**	31 December 2019 Audited US$'000
Balance at the beginning of the period	**3,817**	156
Movement in the period	**6,737**	3,661
Balance at end of the period	**10,554**	3,817

The change in expected credit loss during the period is included in administrative expenses.

The carrying value of trade and other receivables approximates to fair value.

10. TRADE AND OTHER PAYABLES

	30 June 2020 Unaudited US$'000	31 December 2019 Audited US$'000
Amounts due within one year:		
Trade payables	**3,172**	2,842
Taxes and social security costs	**1,176**	1,258
Accruals	**1,796**	3,034
Other payables	**1,703**	2,138
	7,847	9,272

Accruals includes an amount of US$1.0 million (31 December 2019: US$1.2 million) in relation to the land claim on the Logbaba Project. Other payables include an amount of US$1.7 million (31 December 2019: US$2.1 million) due under the reserve bonus settlement.

The carrying value of trade and other payables approximates to fair value.

Notes to the Interim Condensed Consolidated Financial Statements continued

11. PROVISIONS

	30 June 2020 Unaudited US$'000	31 December 2019 Audited US$'000
Decommissioning and rehabilitation provisions	**1,172**	1,118
Production bonus provision	**398**	388
Provision for State Royalty	**10,186**	9,638
Other	**581**	531
	12,337	11,675
Disclosed as:		
Current liabilities	**10,186**	9,638
Non-current liabilities	**2,151**	2,037
	12,337	11,675

Non-current provisions represent the present value, as at the Balance Sheet date, of the amounts payable in future periods discounted at a rate that reflects both the time value of the money and the risks inherent in the liability.

Provision for State Royalty

Following a protracted negotiation with the State of Cameroon, in August 2020 the Group concluded a long-standing dispute regarding the Logbaba Concession agreement, and in so doing has crystalised a liability to pay back-dated royalties to the Cameroonian State in the amount of US$10.2 million (31 December 2019: US$9.6 million). The royalty obligation is disclosed as a current liability.

12. BORROWINGS

	30 June 2020 Unaudited US$'000	31 December 2019 Audited US$'000
Short-term borrowings	**6,181**	5,969
Long-term borrowings	**9,578**	11,953
	15,759	17,922

The outstanding balance on the BGFI Bank loan facility at 30 June 2019 was US$14.3 million (31 December 2019: US$16.4 million). The loan has a remaining term of three years at 30 June 2020, and bears interest at 7.15% p.a. The loan is secured by a pledge over the revenue of certain customers, a pledge over attributable gas production volumes equivalent to the monthly instalments and the ceding of GDC's rights in relation to proceeds from an event resulting in an insurance claim for the tenor of the loan.

13. NET DEBT

As at	30 June 2020 Unaudited US$'000	31 December 2019 Audited US$'000
Cash and cash equivalents	**3,280**	7,237
Borrowings: Current liabilities	**(6,181)**	(5,969)
Borrowings: Non-current liabilities	**(9,578)**	(11,953)
	(12,479)	(10,685)

14. RELATED PARTY TRANSACTIONS

The Group did not have any transactions with related parties during the six month period ended 30 June 2020, other than as listed below (31 December 2019: NIL purchased from related parties).

John Daniel is a Non-Executive Director of the Company and sole Director of JD Oil and Gas Consultancy Limited. During the period the Group paid US$66,290 to JD Oil and Gas Consultancy Limited for consultancy services provided.

Notes to the Interim Condensed Consolidated Financial Statements continued

15. CONTINGENT LIABILITIES

Royalty Obligations

The Group has certain royalty obligations in respect of the Logbaba Project. The royalties and related expenses are as follows:

- 8% of gas production to the Cameroon State as provided by the Concession Contract. Following a protracted negotiation with the State of Cameroon, in August 2020 the Group has concluded a long-standing dispute regarding the Logbaba Concession agreement, and in so doing has crystalised a liability to pay back-dated royalties to the Cameroonian State in the amount of US$10.2 million (31 December 2019: US$9.6 million) (net amount). GDC and its joint venture partner are seeking to ensure that the royalty amounts payable are netted against amounts due by Cameroon for their participating interest in the Logbaba Project. There is no guarantee that the State of Cameroon will accede and the Group may be exposed to material financial exposure and liquidity risk. The royalty obligation, which has been disclosed as a contingent liability in previous year's financial statements, is disclosed as a current liability.
- Sliding scale production royalty to CHL ranging from 0-15% of GDC revenue from the Logbaba Project for the life of the Logbaba field (0% up to US$30.0 million of cumulative GDC revenue from the Logbaba Project; 15% of cumulative revenue greater than US$30.0 million up to US$240.0 million; 6% of cumulative revenues in excess of US$240.0 million). All royalty payments are subject to 15% withholding tax in Cameroon. The Company has a 35% interest in CHL. Since January 2019 the Company has ceased to make payments under the CHL Royalty Agreement. CHL has commenced legal proceedings against both GDC and the Company with regard to payments CHL believes it is entitled to under the Royalty Agreement. In the event that the legal proceedings result in GDC being obliged to continue paying royalty payments, the Groups liability at 30 June 2020 would be US$4.9 million (31 December 2019: US$3.0 million). The amounts under dispute are significant, and an adverse outcome will have a material impact upon the results and position of the Group.

Other Contingent Liabilities

RSM

RSM has instituted an arbitration in Texas, USA under ICC rules in which it is asserting material claims primarily related to final invoices for the drilling of the two wells, La-107 and La-108, and certain audit exceptions raised by RSM following audits of the Logbaba operations between 2015 and 2018. RSM has made two attempts to obtain interim rulings which GDC has successfully defended and the substantive matter is currently scheduled for hearing at the end of January 2021.

Separately, on 3 February 2020, RSM filed an arbitration application under UNCITRAL Rules pursuant to a Participation Agreement for the project. Much of the relief sought in this second arbitration duplicates the claims in the ICC arbitration save that it also challenges the validity of cash calls GDC issued in November 2019 for RSM's share of expenses in relation to the La-108 well remediation (in aggregate US$2.9 million) and raises issues relating to the primacy of the underlying governing documents relating to the Logbaba Project, and the process of approvals for certain actions of GDC as the Operator on the Logbaba Project. This arbitration will be heard in London under Cameroon Law.

Arbitrations under ICC and UNCITRAL rules are confidential processes. VOG is not permitted to provide detailed comments on them, beyond saying that it continues to vigorously defend the claims raised by RSM.

The amounts under dispute in these arbitrations are significant, and an adverse finding by either of the Tribunals would have a material impact upon the results and position of the Group.

Cameroon Tax Assessment

GDC received a tax assessment for the period 2014 through 2016 in the amount of US$6.6 million on 22 May 2020, which was revised to US$5.6 million on 10 August 2020 following an initial appeal by GDC. Management contends that it has paid all taxes owed in Cameroon and believes the assessment is spurious as it seeks to levy double-taxation on GDC. Consequently, GDC intends to vigorously challenge this assessment. As at the date of approval of the Interim Financial Statements, the outcomes of the various submissions that GDC has lodged with the relevant regulatory bodies is unknown and therefore it is not possible to quantify any potential impact. An adverse outcome will have a material impact upon the results and position of the Group.

Notes to the Interim Condensed Consolidated Financial Statements continued

16. POST BALANCE SHEET EVENTS

Board Changes

- On 11 August 2020, Robert Collins was appointed Chief Financial Officer.
- Roger Kennedy resigned as Executive Chairman and took up the role of Non-Executive Chairman following the General Meeting held on 29 October 2020.

Other subsequent events

- A General Meeting was held on the 29 October 2020 for the shareholders to approve the Annual Report and Accounts for the year ending 31 December 2019. The Resolution to approve the accounts was duly passed.
- On 3 July 2020, GDC terminated the ENEO Gas Sales Agreement following protracted efforts to get ENEO to abide by the contractual terms of the binding term sheet between the Parties.
- La-108 remediation programme recommenced in early October.

17. SEASONALITY

With the exclusion of ENEO revenues, the revenues and operating profits for all other customers are evenly spread across the year. COVID-19 has had limited impact on this trend.

Copies of the Interim Financial Statements are available by download from the Company's website at: www.victoriaoilandgas.com