



Westmount Energy Limited

**Interim Report
For the six months ended
31 December 2023**

Westmount Energy Limited

COMPANY INFORMATION

Directors	G Walsh (Chairman) D R King T P O’Gorman D Corcoran
Secretary and Registered Office	Stonehage Fleming Corporate Services Limited No 2, The Forum, Grenville Street St Helier Jersey JE1 4HH Channel Islands
Nominated Advisor and Broker	Cavendish Securities Plc (formerly Cenkos Securities Plc) 1 Bartholomew Close London EC1A 7BL
Legal Advisers	Maples and Calder (Jersey) LLP Sir Walter Raleigh House 48-50, Esplanade St Helier Jersey JE2 3QB Channel Islands Forsters LLP 22 Baker Street London W1U 3BW
Auditor	Moore Stephens Audit & Assurance (Jersey) Limited 1 Waverley Place Union Street St Helier Jersey JE4 8SG Channel Islands
Bankers	The Royal Bank of Scotland International Limited 71, Bath Street St Helier Jersey JE2 8PJ Channel Islands
Registrar	Link Market Services (Jersey) Limited 12, Castle Street St Helier Jersey JE2 3RT Channel Islands
Custodian	Canaccord Genuity Wealth Management 88 Wood Street London EC2V 7QR

Westmount Energy Limited

CHAIRMAN'S REVIEW

2023 Highlights

- Company had cash of £0.34M and listed marketable securities of £0.61M at Period End, 31 December 2023; no debt
- Canje Block, Guyana - Cumulative Impact Assessment filed with Guyanese EPA in September 2023 suggests potential drilling on Canje from 2024 – though specific guidance on timeline not yet available from Canje partners
- Kaieteur Block - Exit of ExxonMobil and Hess with licence equity being returned to Ratio Petroleum 50% and CEC 50%; Ratio Petroleum farm-down process continues with a primary objective of bringing a new deepwater operator to the block before February 2025
- Full redemption of outstanding Loan Notes by CEC – with large American Private Equity Fund converting approximately USD \$22.2M of Loan Notes into circa 2.45M CEC common shares (an implied conversion metric of circa USD \$9.03 per share)
- Orinduik Block - ECO Atlantic becomes operator and continues in 2nd Renewal Period with 100% Participating Interest plus commitment to drill 1 well to Cretaceous; farm-down process underway
- Investment in Africa Oil Corp - confirmation that Orange Basin, offshore Namibia, is a major emerging hydrocarbon province with 7 significant discoveries reported since early 2022
- Major milestones reported in the appraisal of the giant Venus light oil discovery, with successful drilling of large step-out appraisal wells at Venus-1A, Mangetti-1x and the successful testing of sidetracked Venus-1X discovery well
- Continuing news-flow anticipated from Namibian investment in 2024 with ongoing drilling/testing operations at Venus appraisal wells, Mangetti-1x discovery plus additional exploration program
- JHI completes acquisition of 100% interest in Production Licence PL001 in the North Falkland Basin from Argos Resources Ltd.

Investment portfolio summary

As of 31 December 2023 Westmount had a cash balance of £0.34M, listed marketable securities of £0.61M, and is debt free.

As of 31 December 2023, Westmount holds 300,000 shares in Africa Oil Corp (“AOC”) representing approximately 0.065% of the issued common shares in AOC as of 29 February 2024. On 29 September 2023 AOC paid a cash dividend of USD\$0.025 per common share. On 4 March, 2024 AOC declared a semi-annual cash dividend of USD\$0.025 per common share, payable on 28 March 2024 to shareholders of record on 8 March 2024.

CHAIRMAN'S REVIEW (CONTINUED)

As of 31 December 2023 Westmount held a total of 5,651,270 shares in JHI Associates Inc ("JHI"). Upon completion of the Argos-JHI transaction, as announced on 25 September 2023, and subsequent to the voluntary liquidation of Argos and the distribution of JHI Consideration Shares to Argos shareholders it is estimated that Westmount will hold circa 5,684,866 shares in JHI, representing approximately 6.24% of the enlarged issued share capital of JHI.

As of 31 December 2023, Westmount holds 474,816 common shares in Cataleya Energy Corporation ("CEC") representing approximately 5.26% of the issued shares in CEC, as of 6 January 2023. Subsequent to period end CEC has redeemed in full USD \$43,782,722 in convertible loan notes previously issued to a certain noteholder (the "Noteholder"), a large American Private Equity Fund, between April 2020 and January 2023. The loan notes have been redeemed via the repayment of USD \$21,590,000 in cash and the conversion of USD \$22,192,722 into 2,458,705 CEC common shares. The transaction closed on the 15th March 2024 and CEC is now debt free. As a result of this loan note conversion the Noteholder has now become a significant shareholder in CEC, with a shareholding of approximately 21.4% of the enlarged CEC share capital. Post redemption of these loan notes, Westmount retains a holding of 474,816 common shares in CEC, representing approximately 4.13% of the enlarged issued share capital of CEC.

Westmount continues to hold 1,500,000 shares in Eco (Atlantic) Oil & Gas Ltd. ("EOG"), representing approximately 0.4% of the common shares in issue as of 2 August 2023.

Westmount continues to hold 89,653 shares in Ratio Petroleum representing approximately 0.04% of the issued share capital.

The complete investment portfolio is summarised in Table 1. The reported financial loss for the period is primarily made up of a non-cash loss on financial assets held at fair value through the profit and loss, some of which is as a result of Foreign Exchange movements on the portfolio Investments when valued at the period end.

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CHAIRMAN'S REVIEW (CONTINUED)

Guyana and Namibia - Strategic Corporate Investments			
Unlisted - Private Corporations		Approximate holding	Main exploration asset
JHI Associates Inc.	5,651,270 common shares ¹	~6.24% issued shares ¹	17.5% Canje Block
Cataleya Energy Corp.	474,816 common shares ²	~4.13% issued shares ²	50% Kaieteur Block ³
Listed - Public Corporations			
Africa Oil Corp	300,000 common shares	~0.065% issued shares ⁴	6.2% eff. int. Venus Discv. ⁵
Eco Atlantic Oil & Gas Ltd.	1,500,000 common shares	~0.4% issued shares ⁶	100% Orinduik Block ⁷
Ratio Petroleum LP	89,653 share units	~0.04% issued shares	50% Kaieteur Block ³

¹ Post completion of the Argos-JHI transaction on 25 September 2023, and subsequent to the completion of Argos voluntary liquidation and distributions, it is estimated that WTE's shareholding in JHI will increase by approximately 33,600 shares, to 5,684,866 shares representing circa 6.24% of the enlarged share capital of JHI

² Post completion of Restructuring Agreement with Cataleya's Noteholder on 15 March 2024

³ Subject to successful reassignment of interests to original Kaieteur Black licence holders (CEC and Ratio Petroleum) post withdrawal of ExxonMobil and Hess from the block, announced on 27 September 2023

⁴ As of 29 February 2024

⁵ As of 31 December 2023, AOC holds effective interests of 6.2% and 5.9% in Blocks 2913B and 2912, offshore Namibia, respectively, via its 31% shareholding in Impact Oil & Gas Ltd. These blocks contain the giant Venus Discovery.

⁶ As of 2 August 2023

⁷ Upon completion of the acquisition of 60% operated interest from Tullow Oil on 21 November 2023, EOG's participating interest in Orinduik Block increased to 75%; further to TOQAP's decision to relinquish 25% in January 2024, EOG now holds 100% interest in Orinduik

Summary/Outlook

Notwithstanding the energy transition, exploration spending in deepwater and ultra-deepwater areas is forecast to continue to grow as the majors and NOCs seek to high-grade their portfolios, consolidate assets and to dominate this space. Exploration 'hotspots' with high success rates, such as the deepwater Guyana-Suriname Basin and the Orange Basin, are areas that are well positioned to capture their share of this increased exploration spending.

Westmount's strategy continues to be one of seeking value creation for shareholders via exposure to high impact exploration and appraisal drilling programs.

CHAIRMAN'S REVIEW (CONTINUED)

With respect to offshore Guyana, while most of the pieces of the jigsaw appear to be in place for the Canje Block, we await guidance with respect to timing of further discretionary drilling. We note the September 2023 filing by the operator ExxonMobil of a Cumulative Impact Assessment ("CIA") for the Canje Block with the EPA. This CIA report indicates that exploration drilling on the Canje Block could potentially recommence from 2024, though this guideline has not yet been confirmed by our investee, JHI, or any of the Canje partners. The exit of ExxonMobil and Hess from the Kaieteur Block is a setback with respect to drilling timeframes for Kaieteur, though a farm-down process is underway with a view to bringing new entrants, including a deepwater operator, to the block prior to February 2025. We are also encouraged that CEC's Noteholder, a large American Private Equity Fund, has elected to convert USD \$22,192,722 of its outstanding loan notes into 2,458,705 CEC common shares (an implied conversion metric of circa USD \$9.03 per share) and has now become a 21.4% shareholder in CEC. We believe that this new investment into CEC reflects confidence that the ongoing farm-down process can bring new partners and a resumption of drilling on the Kaieteur Block, which has been substantially derisked by the Tanager-1 discovery, yet remains underexplored.

With respect to the Orinduik Block, there is now a firm commitment to drill a well to the Cretaceous, prior to January 2026 – and EOG has already commenced a farm-down process with a view to bringing new partners to the block to support this effort.

The pace of exploration activity in the Orange Basin, offshore Namibia, indicates the continuing appetite amongst major players for exploration drilling in this prolific emerging province, where seven discoveries have been reported since early 2022. While Westmount's investment in AOC offers exposure to the ongoing successes on Block 2913B, unfortunately, share price responses have been disappointing so far, in part due to the limited disclosure around these operations, and in our opinion, do not reflect the value being created. Nevertheless, an exciting program of drilling and testing lies ahead in 2024, with further appraisal drilling/testing at Venus and Mangetti discoveries and potential follow-on drilling of a portfolio of substantial exploration targets that have already been identified on the block, including the Kokerboom, Damara and Damara South prospects. In addition, the recent farm-down news reported by our investees AOC and EOG with respect to Block 3B/4B, offshore South Africa, offers line of sight to exposure to a further two high impact wells in the Orange Basin.

While Westmount's strategy continues to be one of seeking value creation for shareholders via exposure to high impact exploration and appraisal drilling programs, in this changing landscape we remain open to consolidation manoeuvres which offer shareholder value.

Gerard Walsh
Chairman

25 March 2024

Westmount Energy Limited

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	<i>Six months ended 31 December 2023 (unaudited) £</i>	<i>Six months ended 31 December 2022 (unaudited) £</i>	<i>Year ended 30 June 2023 (audited) £</i>
Net loss on financial assets held at fair value through profit or loss	(531,596)	(2,512,900)	(2,718,218)
Investment income	11,762	—	11,816
Finance income	1,928	2,393	9,096
Administration expenses	(139,930)	(143,932)	(253,071)
Foreign exchange (losses)/gains	(3,686)	1,985	(23,893)
Operating loss	<u>(661,522)</u>	<u>(2,652,454)</u>	<u>(2,974,270)</u>
Loss before tax	(661,522)	(2,652,454)	(2,974,270)
Tax	—	—	—
Comprehensive loss for the period / year	<u>(661,522)</u>	<u>(2,652,454)</u>	<u>(2,974,270)</u>
Basic loss per share (pence)	<u>(0.46)</u>	<u>(1.84)</u>	<u>(2.06)</u>
Diluted loss per share (pence)	<u>(0.46)</u>	<u>(1.84)</u>	<u>(2.06)</u>

All results are derived from continuing operations.

The Company had no items of other comprehensive income during the period / year.

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**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	<i>31 December 2023 (unaudited) £</i>	<i>31 December 2022 (unaudited) £</i>	<i>30 June 2023 (audited) £</i>
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	4,247,606	4,449,684	4,779,202
	<u>4,247,606</u>	<u>4,449,684</u>	<u>4,779,202</u>
Current assets			
Other receivables	29,397	300,562	44,977
Cash and cash equivalents	345,913	864,768	478,200
	<u>375,310</u>	<u>1,165,330</u>	<u>523,177</u>
Total assets	<u>4,622,916</u>	<u>5,615,014</u>	<u>5,302,379</u>
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	36,498	45,258	54,439
	<u>36,498</u>	<u>45,258</u>	<u>54,439</u>
Total liabilities	<u>36,498</u>	<u>45,258</u>	<u>54,439</u>
EQUITY			
Share capital	16,652,482	16,652,482	16,652,482
Share option account	469,670	469,670	469,670
Retained earnings	(12,535,734)	(11,552,396)	(11,874,212)
Total equity	<u>4,586,418</u>	<u>5,569,756</u>	<u>5,247,940</u>
Total liabilities and equity	<u>4,622,916</u>	<u>5,615,014</u>	<u>5,302,379</u>

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**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	<i>Share capital account £</i>	<i>Share option account £</i>	<i>Retained earnings £</i>	<i>Total equity £</i>
As at 1 July 2022	16,652,482	469,670	(8,899,942)	8,222,210
Comprehensive Income				
Loss for the year ended 30 June 2023	—	—	(2,974,270)	(2,974,270)
As at 30 June 2023	16,652,482	469,670	(11,874,212)	5,247,940
Comprehensive Income				
Loss for the period ended 31 December 2023	—	—	(661,522)	(661,522)
As at 31 December 2023	16,652,482	469,670	(12,535,734)	4,586,418
	<i>Share capital account £</i>	<i>Share option account £</i>	<i>Retained earnings £</i>	<i>Total equity £</i>
As at 1 July 2021	16,652,482	469,670	(1,472,692)	15,649,460
Comprehensive Income				
Loss for the year ended 30 June 2022	—	—	(7,427,250)	(7,427,250)
As at 30 June 2022	16,652,482	469,670	(8,899,942)	8,222,210

Westmount Energy Limited

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	<i>Six months ended 31 December 2023 (unaudited) £</i>	<i>Six months ended 31 December 2022 (unaudited) £</i>	<i>Year ended 30 June 2023 (audited) £</i>
Cash flows from operating activities			
Total comprehensive loss for the period / year	(661,522)	(2,652,454)	(2,974,270)
<i>Adjustments for:</i>			
Net loss on financial assets at fair value through profit or loss	531,596	2,512,900	2,718,218
Movement in other receivables	15,580	(290,416)	(34,831)
Movement in trade and other payables	(17,941)	(7,672)	1,509
Net cash out flow from operating activities	<u>(132,287)</u>	<u>(437,642)</u>	<u>(289,374)</u>
Cash flows from investing activities			
Proceeds from return of capital on investment	—	299,320	299,320
Purchase of investments	—	—	(534,836)
Net cash inflow/(outflow) from investing activities	<u>—</u>	<u>299,320</u>	<u>(235,516)</u>
Net decrease in cash and cash equivalents	(132,287)	(138,322)	(524,890)
Cash and cash equivalents at the beginning of the period / year	<u>478,200</u>	<u>1,003,090</u>	<u>1,003,090</u>
Cash and cash equivalents at the end of the period / year	<u>345,913</u>	<u>864,768</u>	<u>478,200</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023**

1. Accounting Policies

Basis of accounting

The interim financial statements have been prepared in accordance with the 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 Company’s annual financial statements for the year ended 30 June 2023. The annual financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The same accounting policies and methods of computation are followed in the interim financial statements as in the Company’s annual financial statements for the year ended 30 June 2023.

2. Investments

	<i>Six months ended 31 December 2023 (unaudited) £</i>	<i>Six months ended 31 December 2022 (unaudited) £</i>	<i>Year ended 30 June 2023 (audited) £</i>
Africa Oil Corp , at market value	442,680	—	503,317
Cost, 300,000 shares	534,836	—	534,836
(31 December 2022: nil shares, 30 June 2023: 300,000 shares)			
Argos Resources Limited , at market value	—	9,900	3,480
Cost, nil shares	—	310,775	310,775
(31 December 2022: 1,000,000 shares, 30 June 2023: 1,000,000 shares)			
Cataleya Energy Corporation , at market value	1,454,796	1,973,660	1,867,404
Cost, 474,816 shares	3,751,907	4,218,895	3,751,906
(31 December 2022: 474,816 shares, 30 June 2023: 474,816 shares)			
Eco Atlantic Oil & Gas Oil Limited , at market value	165,000	276,750	216,750
Cost, 1,500,000 shares	240,000	240,000	240,000
(31 December 2022: 1,500,000 shares, 30 June 2023: 1,500,000 shares)			

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)**

2. Investments (continued)

	<i>Six months ended 31 December 2023 (unaudited) £</i>	<i>Six months ended 31 December 2022 (unaudited) £</i>	<i>Year ended 30 June 2023 (audited) £</i>
JHI Associates Inc , at market value	2,182,521	2,182,520	2,182,521
Cost, 5,651,270 shares	7,770,027	7,770,027	7,770,027
(31 December 2022: 5,651,270 shares, 30 June 2023: 5,651,270 shares)			
Ratio Petroleum Energy Limited Partnership shares, at market value	2,609	6,854	5,730
Cost, 89,653 shares	22,256	22,256	22,256
(31 December 2022: 89,653 shares, 30 June 2023: 89,653 shares)			
Total market value	<u>4,247,606</u>	<u>4,449,684</u>	<u>4,779,202</u>
Total cost	<u>12,319,026</u>	<u>12,561,953</u>	<u>12,629,800</u>
Total fair value adjustment	(8,071,420)	(8,112,269)	(7,850,598)
Reverse prior year fair value adjustment	7,850,598	5,599,369	5,599,369
Current period fair value movement	<u>(220,822)</u>	<u>(2,512,900)</u>	<u>(2,251,229)</u>
Unrealised loss	(220,822)	(2,512,900)	(2,251,229)
Realised loss	(310,774)	—	—
Current period income statement impact	<u>(531,596)</u>	<u>(2,512,900)</u>	<u>(2,251,229)</u>

