Company registration number CWK-248859 (Cayman Islands)

FENIKSO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

FENIKSO LIMITED

COMPANY INFORMATION

Directors	Thomas Richardson Marco D'Attanasio Dipo Sofola	 (Appointed 31 July 2023)
Company number	CWK-248859	
Registered office	c/o Walkers Corporate Limited 190 Elgin Avenue George Town Grand Cayman Cayman Islands KY1 9008	
Auditor	Bright Grahame Murray Emperor's Gate 114a Cromwell Road Kensington London UK SW7 4AG	
Corporate Advisor	First Sentinel Corporate Finance Limited 72 Charlotte Street London UK W1T 4QQ	
Broker	Tennyson Securities 65 Petty France London SW1H9EU UK SW7 4AG	
Website	feniksoplc.com	

FENIKSO LIMITED

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FENIKSO LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

2023 was the first year of trading under the name, Fenikso Limited, following the settlement agreement with Lekoil Nigeria which had been entered in to on December 31st 2022. The first three quarters of 2023 were spent repaying creditors that had been built up over the course of the litigation against Lekoil Nigeria. The litigation was across multiple jurisdictions, extremely complex and costly. The legal fees relating to the litigation were paid off by the end of Q3 2023. The Company then started to repay the US$16,256,159 loan owed to Savanah Energy Investments Limited ("SEIL"). By the end of the year the Company had accumulated over US$2,603,000 of cash on its balance sheet.

At the outset of 2023 the board was focused on ensuring the Company paid off its creditors and established a stable financial position as quickly as possible. Achieving this would demonstrate that the settlement agreement with Lekoil Nigeria was working. Looking forward to 2024 the Board will start to look at possible options to best utilise the growing cash balance the Company will have built up. Based on the performance of the loan during 2023 the Company will soon be in a position to consider a number of different options that it can discuss with shareholders on how best to create value from the money on its balance sheet.

Financial Review

The Company's financial position at the start of the year was a loan outstanding to Lekoil Nigeria of US$51,919,467, approximately US$2.6 million owed to creditors and US$16,256,159 owed to SEIL. By the end of 2023 the Company had over US$2.6 million of cash on its balance sheet and had repaid over US$2m of the Savanah loan with over US$45m of the Lekoil Nigeria loan still outstanding. From this perspective the Company is now a stable going concern and has a valuable asset still sitting on its balance sheet. Currently the Company's only source of income is from the proceeds of oil sales at the Otakikpo field in Nigeria. The oil sales take place on approximately a six to eight week basis and so far the Company has received 12 payments under the settlement agreement. The Company has no subsidiaries and has no remaining liabilities in connection with any of its historic subsidiaries. The Company's only liability is the loan to SEIL which is only due for repayment if the Company receives repayment of the Lekoil Nigeria Loan. The Company passes a proportion of the proceeds to SEIL as repayment of the SEIL loan. The Company has three board members and is listed on the AQSE stock exchange in the United Kingdom.

Corporate Structure

The Company has simplified its corporate structure, having sold all its subsidiaries and restructured all its inter company loans into one loan owed by Lekoil Oil & Gas Investments ("LOGI") which in turn owns a 40% interest in the Otakikpo oil and gas field in Nigeria. The board consists of three people Marco D'Attanasio, Tom Richardson and Dipo Sofola. Dipo is a representative of Savanah Energy and sits on the board to ensure Savanah's rights under their loan are upheld. Tom Richardson carries out the executive functions required in the Company as it pays down its creditors. The Board does not intend to hire any management until such a point where its strategy would require a management team. The Board is able to carry out the day to day activities of the Company to keep it listed and manage the financial position of the business.

Outlook

The Board is now in a strong enough financial position where it can look at options on how to grow shareholder value from the cash received under the Lekoil Nigeria loan agreement. We thank our shareholders for their support during this period whilst we work on a new strategy for the Company.

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Thomas Richardson
Chairman

Date: 25th June 2024

FENIKSO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

Principal activities
The company is an exempted limited liability company incorporated and registered in the Cayman Islands on 3 December 2010.

Fenikso is the restructured holding company that used to be called Lekoil Limited. The company holds one main asset which is a US$51.9 million loan made to Lekoil Oil & Gas Investments ("LOGI"), a wholly owned subsidiary of Lekoil Nigeria. The total amount of the loan outstanding as at 31st December 2023 was US$45,187,584. The company is an AQSE listed enterprise company.

Financial review
The company reported a profit of $0.16m (2022: loss of $15.4m) for the year ended 31 December 2023.

Net assets of the company at the year end were $19.7m (2022: $19.5m). Cash balances as at the year end were $2.6m (2022: $0.2m).

Operations report and asset summary
The company no longer operates or oversees operations of any Oil & Gas assets in Nigeria. The principal business of the Company is to manage the cash received under the loan and ensure the full recovery of the LOGI Loan. The Company has received twelve payments under the LOGI Loan as at the end of May 2024 and the Board will continue to monitor the compliance with the terms and conditions of the LOGI Loan. As at the end of May 2024 LOGI had complied with all conditions of the settlement agreement save for the cancellation of certain shares in the Company owned by Lekoil Nigeria, Lekan Akinyami and Samuel Olutu. The total shares that should have been cancelled are 1,215,210 ordinary shares and the Company is working with such parties to cancel such shares as soon as practicably possible. In the interim, the relevant holders have agreed to not vote such shares in any general meeting. All other conditions under the loan have been satisfied to date.

Principal risk and uncertainties
The principal risk of the business is the non-payment of the LOGI Loan, which leads to the Company having no income to cover costs and build shareholder value. This is the company's only current source of income. The possible risks to non payment are:

1. LOGI fails to pass on the proceeds from the sale of oil at the Otakikpo field
2. The Otakikpo field has to shut in all production and has no sales of oil
3. The Oil price falls to such an extent that the value of the oil sales is insufficient to cover the running costs of the company
4. The crude oil sales are from oil sales in Nigeria. This means the income of the company is exposed to changes in the political and economic environment in Nigeria that could prevent the repayment of the loan.
5. The lack of banking options for Fenikso exposes it to the risky financial institutions.

Going Concern
The assessment of the going concern risk has been detailed in the Directors' Report.

Liquidity risk
The company manages its liquidity through the repayment of the LOGI Loan by LOGI. The company's liquidity position could be at risk should the repayments stop for any reason.

Credit risk
The company's principal financial asset is the LOGI Loan. This is secured against the proceeds from oil sales at the Otakikpo field. There is always a risk with Oil & Gas that production may have to be shut in or that the Oil price could fall substantially both of which would impact the value of the company's assets.

On behalf of the board

....
Thomas Richardson
Director

Date: 25th June 2024

FENIKSO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

Results and dividends
The company made a profit of US$0.16m (2022: loss of US$15.4m).

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Thomas Richardson	
Marco D'Attanasio	
Dipo Sofola	(Appointed 31 July 2023)
Olapade Durotoye	(Resigned 31 July 2023)

The current Board is constituted by the following members:

Tom Richardson, Chairman
Mr. Richardson has over 20 years of experience across banking and oil & gas. Mr Richardson served as CFO of Nostrum Oil & Gas Plc a UK premium listed company. Prior to joining Nostrum in 2011, Mr Richardson has worked for ING, JP Morgan and NM Rothschild covering investment banking, capital markets and credit.

Dipo Sofola, Non-Executive Director
Mr. Sofola is a senior oil and gas executive with over a decade of energy experience, focused on energy commercialization and business development in the Nigerian oil and gas sector. He is a Business Development Manager for Savannah Energy, where he leads on significant strategic projects, in line with Savannah Energy's objective of delivering impactful and transformative energy projects on the African continent. Previously, Mr. Sofola was a Senior Commercial Advisor at Seven Energy (now Savannah Entergy), leading on commercial transactions. He has also previously worked as a Business Development analyst with multinational telecommunications group, Etisalat in Nigeria. Mr. Sofola holds a BA (Hons) in Business Finance from University of Durham and an MSc in Project and Enterprise Management from University College London.

Marco D'Attanasio, Non-Executive Director
Mr D'Attanasio is a senior banker and investment manager with over 23 years of experience in banking, finance, technology and oil & gas. He is the Founder and Portfolio Manager for Hadron Capital LLP and Hadron Capital (Cayman) Limited, each company managing numerous Alternative Investment Funds and being FCA and CIMA regulated, respectively. With Hadron Capital LLP he is the winner of multiple performance-based awards. He is the co-founder of Cricklo Ltd, an online community of professionals active in transforming their enterprises into sustainable businesses and a NED with Argo Blockchain plc. Mr D'Attanasio has a degree in physics ("Laurea") from Pisa University and a PhD in Theoretical Physics from Parma University.

Directors' interests
The directors' interests in the shares of the company were as stated below:
- Tom Richardson via TDR Enterprises: 21,807,151 shares (4.42% of the company's issued share capital)
- Marco D'Attanasio via Hadron Master Fund: 52,954,287 shares (10.74% of the company's issued share capital)

Qualifying third party indemnity provisions
The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date. However, neither the indemnity nor the insurance provides cover if the Director is proven to have acted dishonestly or fraudulently.

Review of Risks
The Board is responsible for setting the company's risk philosophy and appetite and approving the overall risk management policy. It is responsible for maintaining a sound system of internal control that supports the achievement of its goals and objectives.

The Board is also responsible for overseeing the establishment, implementation and review of the company's risk management systems and, to this end, has delegated certain functions relating to risk to the Audit and Risk Committee and to management.

The company has adopted a Risk Management Policy appropriate for a company of its size and resources.

Management framework
As at 31 December 2023, the Board comprised of an Executive Chairman and two Non-Executive Directors. The Company believes that its current composition is appropriate for the Company given its current corporate structure and financial resources. Each Board member brings a wealth of business leadership experience to foster the collective strength of the Board in setting the strategic goals of the Company and overseeing the effective performance of management in achieving these goals.

Under their appointment letters, the Company may call on the Directors to spend at least 20 days per year on Company business.

Directors
We believe that our Board has the appropriate balance of skills, experience and capabilities required to direct the management of the company. These include sector-specific experience in the oil and gas industry, as well as more general finance, accounting and business management skills.

The Board is supported by the Audit & Risk and Remuneration Committees, the terms of reference of which can be found on our website.

Succession planning is managed through regular reviews and management discussions. The composition of the Board will reflect the size of the company and the resources available to it.

Reward
The company manages its activities via the Board of Directors. Of the company's three directors, two are rewarded in cash, while the other receives no fee.

Post reporting date events
At 31 December 2023, $45,187,584 was due from LOGI. Post year end, the company received 3 receipts of funds totalling $2,938,750. There were no other post reporting events that have occurred since the year end.

Audit & Risk Committee Report

Composition
As at 31 December 2023, the Committee was composed of Tom Richardson and Marco D'Attanasio, each of whom have relevant financial experience.

Role and Responsibilities
The Audit & Risk Committee's terms of reference designate the role and responsibilities of the audit committee These are available on the company's website feniksoplc.com.

2023 Financial reporting
The following are the main key judgements and new accounting standards that were considered by the Committee in its review of the 2023 full year Financial Statements:

- Going Concern basis of accounting;
- Assessment of impairment;
- Assessment of impairment of inter-company receivables; and
- the impact of new accounting standards.

Internal Controls
The internal control framework is based on the company's assessment of the risks it faces. The effectiveness of the internal control system is monitored by the Board, and material exceptions are reported to the Committee. The company does not consider it appropriate, given its size and complexity, to have an internal audit function.

Remuneration report

Composition and Role
As at 31 December 2023, the remuneration committee (the "Remuneration Committee") was composed of Thomas Richardson and Marco D'Attanasio.

The Remuneration Committee is responsible for determining and reviewing the terms and conditions of service (including remuneration) and termination of employment of Executive Director(s), and the administration of the company's share option and share award schemes. It is responsible for determining individual remuneration packages including, where appropriate, bonuses, incentives and share options.

Remuneration Policy
The Remuneration Committee, in forming its policy on remuneration has given due consideration to the needs of the company, Shareholders and best practice provisions set out in the QCA Code.

There is no pension scheme for Non-Executive Directors.

Performance Share Plan
There were no share awards in 2023.

Options
There were no share awards in 2023.

Going concern
The Directors have assessed the ability of the Company to continue as a going concern having prepared detailed cash, funding and liquidity forecast through to December 2029. The Directors, having made due and careful enquiry, are of the opinion that the Company will have access to adequate working capital to meet its obligations over the next 12 months from the date of approval of these financial statements. The Directors therefore have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have adopted the going concern basis of accounting in the preparation of the annual financial statements.

Auditor
Bright Grahame Murray were first appointed auditors of the company in May 2022. The Committee has recommended to the Board that the auditors are reappointed for the year ending 31 December 2024. Bright Grahame Murray has expressed a willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the next Annual General Meeting of the company.

Corporate governance
The company has formally adopted the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies ("QCA Code"). The company's application of the QCA Code is set out on its website (feniksoplc.com) and is updated from time to time.

The company recognises the importance of sound corporate governance commensurate with the size, corporate structure and nature of the company, even though there is no applicable regime of corporate governance to which Directors of a Cayman Islands company must adhere to over and above the general fiduciary duties of care, diligence and skill imposed on such Directors under Cayman Islands law.

The company updated its policies in line with the EU Market Abuse Regulation ("MAR") with effect from 3 July 2016 (and as applied in the United Kingdom pursuant to applicable English law).

The company will continue to implement internal policies as necessary to provide guidance on Corporate Governance issues. These policies are the same as those summarised in the company's Annual Report for the year ended 31 December 2022. These policies are reviewed periodically to ensure continued relevance:

- Related Party Transactions Policy
- Disclosure and Insider Trading Policy
- Share Dealing Code
- Whistleblowing Policy
- Anti-Bribery Policy
- Risk Management Policy
- Gifts and Hospitality Policy
- Code of Ethics
- Safety, Health, Environment and Security Policy

The company implements these policies in a manner commensurate with the size and available resources. In the course of preparing this Annual Report and Accounts, the Board has noted the need to review the Corporate Governance framework and its practical implementation.

Website publication
The company's Corporate Governance statement is published on its website. The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the Directors.

Business model and strategy
Information on our strategy is included in the Strategic Report set out above.

Obligations to our Stakeholders
We are committed to communicating openly with our shareholders and stakeholders to ensure that our strategy, our financial position and the effects of those on our stakeholder is clearly understood.

Further Information
The Corporate Governance section of our website sets out our approach to corporate governance, and the roles and responsibilities of the Chairman and any other Directors who have specific individual responsibilities or remits (e.g. for engagement with shareholders or other stakeholder groups) are shown.

The roles and terms of reference of the Audit & Risk Committee and Remuneration Committee, and a formal written schedule of matters reserved for the Board are also shown on the company's website feniksoplc.com.

Previous annual reports and other corporate documents, including notices of all general meetings held in the last five years, are also available on the company's website feniksoplc.com.

Health, Safety and Environment
The company is committed to fulfil its health, safety, and environmental responsibility. The company has limited operational activities outside of office based activities. There have been no known breaches of HSE or environmental laws during the reporting period.

Statement of directors' responsibilities
The directors are responsible for preparing the Strategic Report, the Directors' report and the annual report and the financial statements in accordance with applicable law and regulations.

Company law and the company's Articles of Association require the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (as adopted by the European Union (IFRSs)). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. The company is compliant with the Aquis Growth Market Rulebook regarding the company's website.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

....

Thomas Richardson
Director

Date: 24th June 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FENIKSO LIMITED

Opinion

We have audited the financial statements of Fenikso Limited (the 'company') for the year ended 31 December 2023 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally adopted International Accounting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - LOGI Loan

We draw attention to the principal risks and uncertainties surrounding the LOGI loan as set out in the Strategic Report. This loan is the company's sole source of income and any issues with the recoverability of this loan will have a consequential impact on the company's income and its ability to build shareholder value. These risks include:

- LOGI not adhering to the terms of the settlement agreement by failing to pass on the proceeds from the sale of oil at Otakikpo field.
- Production being shut with no consequential sale of oil.
- Fall in oil prices to such an extent that the overhead costs cannot be covered.
- Political and economic risks prevalent in Nigeria.

Our opinion is not modified in this regard.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FENIKSO LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements such as or that had a fundamental effect on its operations such as AQSE Growth Market regulations .
- We enquired of the directors and reviewed directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the directors have in place to ensure compliance.
- We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: related parties outside normal course of business, management override, misappropriation of cash and other assets and compliance with specific legal frameworks that are applicable to the client, as detailed above.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the directors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ahsan Miraj

Ahsan Miraj
Senior Statutory Auditor
For and on behalf of Bright Grahame Murray
Chartered Accountants
Statutory Auditor
Emperor's Gate
114a Cromwell Road
Kensington
London
SW7 4AG

Date: 25 June 2024

FENIKSO LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 $000	2022 $000
Revenue		-	-
Administrative expenses		(366)	(1,526)
Operating loss	4	(366)	(1,526)
Fair value gains and (losses) on receivables		2,109	(20,710)
Fair value gains and (losses) on borrowings		(1,582)	6,839
Profit/(loss) before taxation		161	(15,397)
Tax on profit/(loss)		-	-
Profit/(loss) for the financial year		161	(15,397)
Basic and diluted profit (loss) per share	9	-	(0.03)

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 18 to 27 form part of these financial statements.

FENIKSO LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 $000	2023 $000	2022 $000	2022 $000
Current assets					
Trade and other receivables	10	26,587		31,209	
Cash and cash equivalents		2,603		208	
		29,190		31,417	
Current liabilities	11	(3,488)		(4,501)	
Net current assets			25,702		26,916
Non-current liabilities	12		(6,023)		(7,398)
Net assets			19,679		19,518
Equity					
Called up share capital	14		25		30
Share premium account			264,729		264,729
Retained earnings			(245,075)		(245,241)
Total equity			19,679		19,518

The notes on pages 18 to 27 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 24th June and are signed on its behalf by:

....

Thomas Richardson
Director

Company registration number CWK-248859 (Cayman Islands)

FENIKSO LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Share capital	Share premium account	Retained earnings	Total
		$000	$000	$000	$000
Balance at 1 January 2022		27	264,004	(229,844)	34,187
Year ended 31 December 2022:					
Loss and total comprehensive income		-	-	(15,397)	(15,397)
Issue of share capital	**14**	13	1,863	-	1,876
Reduction of shares	**14**	(10)	(1,138)	-	(1,148)
Balance at 31 December 2022		30	264,729	(245,241)	19,518
Year ended 31 December 2023:					
Profit and total comprehensive income		-	-	161	161
Reduction of shares	**14**	(5)	-	5	-
Balance at 31 December 2023		25	264,729	(245,075)	19,679

The notes on pages 18 to 27 form part of these financial statements.

FENIKSO LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 $000	2023 $000	2022 $000	2022 $000
Cash flows from operating activities					
Cash generated from operations	16		2,395		158
Net increase in cash and cash equivalents			2,395		158
Cash and cash equivalents at beginning of year			208		50
Cash and cash equivalents at end of year			2,603		208

The notes on pages 18 to 27 form part of these financial statements.

1 Accounting policies

Company information
Fenikso Limited ("the company") is a company incorporated and domiciled in the Cayman Islands. The address of the registered office is 190 Elgin Avenue, George Town,Grand Cayman KY1-9008,Cayman Islands.

1.1 Accounting convention
These financial statements have been prepared in accordance with EU-endorsed International Financial Reporting Standards ('IFRSs'), IFRIC interpretations as adopted by the EU.

These financial statements are prepared in US dollars, because that is the currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest $000.

The financial statements have been prepared under the historical cost convention except for financial instruments and share based payments which are measured at fair value.

1.2 Going concern
As at 31 December 2023 the company had cash balances of $2,603,010 (2022: $207,550). The Directors have prepared a cash flow forecast for the coming 12 months which demonstrates the ability for the company to actively pursue its stated strategy. Accordingly the Directors consider it appropriate to continue to prepare the financial statements of the company on a going concern basis.

1.3 Cash and cash equivalents
Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.4 Financial instruments
Financial assets and liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Basic financial assets
Trade and other receivables are measured at initial recognition at fair value plus transaction costs, and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Provision against trade and other receivables is made when there is objective evidence that the company will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Other financial assets
Cash and cash equivalents comprises cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

1 Accounting policies **(Continued)**

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

The equity investment is measured at fair value with gains and losses recognised in other comprehensive income and reported within the available for sale financial asset reserve within equity, except for impairment losses, which are recognised in profit or loss, An assessment for impairment is undertaken at least at each balance sheet date. Reversals of impairment losses are not recognised in profit or loss and any subsequent increase in fair value is recognised in other comprehensive income.

When the asset is disposed of or determined to be impaired, the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any liability which gives rise to a contractual obligation to deliver cash or another financial asset to another entity.

Basic financial liabilities

Interest-bearing bank loans and overdrafts are initially recorded at fair value, net of direct issue costs and subsequently at amortised cost using the effective interest rate method. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest rate method.

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1 Accounting policies **(Continued)**

Convertible loan notes containing embedded derivatives

The company may issue convertible loan notes which carry an option for the issuer to convert the liability into a variable number of equity shares.

Contracts which result in the entity delivering a variable number of its own equity instruments are classed as financial liabilities.

The conversion option is an embedded derivative and is carried at fair value through profit and loss.
The convertible loan is also classified as a financial liability. It is recorded initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

When shares are issued in consideration for extinguishment of debt any difference between the face value of the loan notes and the fair value of shares issued is recognised in profit and loss.

Convertible loan notes accounted for as compound instruments

The company may issue convertible loan notes which carry an option for the issuer to convert the liability into a fixed number of equity shares.

Contracts which result in the entity delivering a fixed number of its own equity instruments are classed as compound instruments, containing both a financial liability and an equity instrument.

Equity instruments are instruments that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Therefore, when the initial carrying amount of the compound financial instrument is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

No gain or loss arises from initially recognising the components of the instrument separately.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.5 Equity instruments

Equity instruments issued by the company or company are recorded at the proceeds received, net of direct issue costs.

The company has issued share warrants which have been accounted for as equity instruments as the substance of the contractual arrangement is such that the warrants evidence a residual interest in the assets of the company after deducting all liabilities.

1.6 Taxation

Under current laws of the Cayman Islands, there is no income, estate, transfer, sales or other Cayman Islands taxes payable by the company and management believes the company is not liable for tax in any other jurisdiction. Accordingly no tax charges or tax liabilities are reflected in the financial statements.

1 Accounting policies **(Continued)**

1.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.8 Equity and reserves

Share capital

Share capital represents the nominal value of shares that have been issued.

Share premium

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, to the extent there is a premium on that issue, net of any related income tax benefits.

Equity-settled share based payment

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All equity-settled share-based payments are ultimately recognised as an expense in profit and loss with a corresponding credit to equity reserve.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

1.9 Exceptional items

The company identified and reports material, non-recurring costs and income as exceptional items separately from underlying operating expenses and income. Exceptional items may include impairment charges and acquisition costs.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- The assessment of recoverability of intercompany receivables (Note 10).
- The assessment of going concern (Note 3).

3 Going concern

The Directors have assessed the ability of the company to continue as a going concern having prepared detailed cash, funding and liquidity forecast through to December 2029. The Directors, having made due and careful enquiry, are of the opinion that the company will have access to adequate working capital to meet its obligations over the next 12 months from the date of approval of these financial statements. The Directors therefore have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have adopted the going concern basis of accounting in the preparation of the annual financial statements.

4 Operating loss

Operating loss for the year is stated after charging:	2023 $000	2022 $000
Exchange losses	21	-

5 Administrative expenses

Details	**2023** **$000**	**2022** **$000**
Corporate services	166	873
Accounting services	56	68
Insurance, salaries and other items	144	585
Total administrative expenses	366	1,526

6 Auditor's remuneration

	2023	2022
Fees payable to the company's auditor and associates:	$000	$000
For audit services		
Audit of the financial statements of the company	25	43

7 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
	3	6

Their aggregate remuneration comprised:

	2023	2022
	$000	$000
Wages and salaries	(11)	220
Social security costs	28	-
	17	220

8 Directors' remuneration

	2023	2022
	$000	$000
Remuneration for qualifying services (net)	169	220
Taxes and social secuity	133	-
Remuneration for qualifying services (gross)	302	220
Remuneration settled in year	(285)	-
	17	220

9 Earnings per share

The basic and diluted earnings per share is calculated by reference to the earnings attributable to ordinary shareholders divided by the number of shares in issue during the year as follows:

	2023 $000	2022 $000
Profit/(loss) for the year	161	(15,397)
Weighted average number of shares	492,952,784	599,396,421
Basic and diluted profit (loss) per shares	0.0003	(0.03)

There were no potential dilutive ordinary shares during the financial years ended 31 December 2022 and 2023.

10 Trade and other receivables

Amounts falling due within one year:	2023 $000	2022 $000
Other receivables	6,336	2,114

Amounts falling due after more than one year:	2023 $000	2022 $000
Other receivables	20,251	29,095
Total debtors	26,587	31,209

Under the settlement deed of 7 December 2022, the company granted a new loan of approximately $51,919,467 to Lekoil Oil and Gas Investments Limited ("LOGI") (the "LOGI Loan") in consideration for the transfer of certain loans granted to Lekoil Nigeria and its related entities to LOGI, the release of security related to such loans and the waiver of any repayment of amounts due under such loans. The loan is to be repaid by 8.653% of the aggregate proceeds of the sales received from Shell Western in respect of each lifting of crude oil by LOGI. Thus far, in 2023, the company has announced it has received a total of $6,731,883 as partial repayment of the loan of US$51,919,467. The amount received equates to 8.653% of the value of the crude oil sales by LOGI. The proceeds will go towards reducing the company's creditor balances. At 31 December 2023, $45,187,584 was due from LOGI.

The company has carried out an assessment of the value of the amounts due at 31 December 2023 on a discounted basis using a rate of 18.112% (2022: 16.821%) to effect a current market value of the loan of $26,586,056. A gain of $2,108,531 has been recognised in the statement of comprehensive income.

Intercompany receivable:	2023	2022
	$000	$000
Book value	**45,187**	**51,919**
Fair value adjustment	**(18,601)**	**(20,710)**
At 31 December	**26,586**	**31,209**

11 Current liabilities

	Notes	2023 $000	2022 $000
Other borrowings	13	2,783	2,019
Trade payables		474	1,495
Accruals and deferred income		231	987
		3,488	4,501

12 Non-current liabilities

	Notes	2023 $000	2022 $000
Other borrowings	13	6,023	7,398

13 Borrowings

	2023 $000	2022 $000
Other loans	8,806	9,417
Payable within one year	2,783	2,019
Payable after one year	6,023	7,398

13 Borrowings **(Continued)**

Under the framework agreement dated 7 December 2022 with Savannah Energy Investments Limited (SEIL), SEIL shall surrender all of its shares in the company (the "SEIL Shares").

In consideration for the surrender of Savannah Energy's interests, the termination of the Option Agreement, the release by Savannah Energy of any security interests in favour of it in respect of the Mayfair Loan and the release of all remaining amounts due under the CFA2, the company has entered into a loan agreement with Savannah Energy pursuant to which the company shall agree to pay Savannah Energy certain upfront payments together with 25% of all amounts received by the company from LOGI pursuant to the LOGI Loan, subject to a maximum total payment of $16,256,159.

During the year, the company made a total repayment of $2,193,983 to SEIL. As at 31 December 2023, an amount of $14,062,176 was due to Savannah Energy. The company has assessed the value of the loan amount at 31 December 2023 on a discounted basis using a rate of 18.112% (2022: 16.821%) to effect a current market value of $8,805,773. A loss of $1,582,201 has been recognised in the statement of comprehensive income.

Borrowings:	2023	2022
	$000	**$000**
Book value	**14,062**	**16,256**
Fair value adjustment	**(5,256)**	**(6,838)**
At 31 December	**8,806**	**9,418**

14 Share capital

	2023	2022	2023	2022
Ordinary share capital	**Number**	**Number**	**$000**	**$000**
Issued and fully paid				
Ordinary shares of 0.00005 each	492,952,784	599,396,421	25	30

The authorised share capital is 1,000,000,000 shares at par value of $0.00005 each

As part of the settlement deed dated 9 December 2022, 106,443,637 ordinary shares held by Lekoil Nigeria Limited were cancelled for a nil consideration in August 2023.

The remaining 1,215,210 ordinary shares are required to be surrendered by Lekoil Nigeria Limited. The company is working with such parties to cancel such shares as soon as practicably possible.

15 Ultimate controlling party

There is no single ultimate controlling party.

16 Cash generated from operations

	2023 $000	2022 $000
Profit/(loss) for the year after tax	161	(15,397)
Movements in working capital:		
Decrease in trade and other receivables	4,622	20,710
Decrease in trade and other payables	(2,389)	(5,155)
Cash generated from operations	2,394	158

17 Analysis of changes in net debt

	1 January 2023 $000	Cash flows $000	31 December 2023 $000
Cash at bank and in hand	208	2,395	2,603
Borrowings excluding overdrafts	(9,417)	611	(8,806)
	(9,209)	3,006	(6,203)