



Bahar Energy Operating Company Limited

Operational and Financial Highlights

Month Ended

31-May-20

(Accrual Base)

Description	Current Month Actuals	Current Month Budgeted	Prior Month Actuals
Operational			
Active Natural Gas Wells	11		10
Inactive Natural Gas Wells (Shut in)	11		12
Abandoned Natural Gas Wells	69		69
Total Natural Gas Wells	91		91
Active Crude Oil Wells	29		30
Inactive Crude Oil Wells (Shut in)	22		21
Abandoned Crude Oil Wells	76		76
Total Crude Oil Wells	127		127
Total Active Wells	40		40
Total Inactive Wells (Shut in)	33		33
Total Abandoned Wells	145		145
Total Wells	218		218
Non-Compensatory Petroleum Delivered (daily - 90 % of total production)			
Crude Oil and Condensate, (bbl/d)	368	722	608
Natural Gas, (mcf/d)	16,855	19,408	17,358
Non-Compensatory Production Delivered, (boe/d)	3,178	3,957	3,501
Compensatory Petroleum Delivered			
Crude Oil and Condensate, (bbl/d)	41	80	68
Natural Gas, (mcf/d)	1,873	2,156	1,929
Compensatory Production Delivered, (boe/d)	353	440	389
Total Production Delivered (daily)			
Crude Oil and Condensate, (bbl/d)	409	802	676
Natural Gas, (mcf/d)	18,728	21,564	19,287
Total Production Delivered, (boe/d)	3,531	4,396	3,890
Non-Compensatory Petroleum Joint Lifting Entitlements (monthly)			
BEL's portion, %	96.89%	95.69%	96.89%
Crude Oil and Condensate, (bbl/m)	11,063	21,423	17,680
Natural Gas, (mcf/m)	506,232	575,713	504,521
Barrel Oil Equivalent, (boe/m) - (1)	95,435	117,375	101,767
SOA's portion, %	2.87%	0.99%	2.87%
Crude Oil and Condensate, (bbl/m)	328	222	524
Natural Gas, (mcf/m)	14,999	5,956	14,948
Barrel Oil Equivalent, (boe/m) - (1)	2,828	1,214	3,015
SOFAZ's portion, %	0.24%	3.32%	0.24%
Crude Oil and Condensate, (bbl/m)	28	743	45
Natural Gas, (mcf/m)	1,277	19,975	1,273
Barrel Oil Equivalent, (boe/m) - (1)	241	4,072	257
Total NCP Joint Lifting Entitlements, (boe/m)	98,504	122,662	105,039
Saleable Compensatory Petroleum (monthly)			
SOA's portion, %			
Crude Oil and Condensate, (bbl/m)	1,269	2,488	2,028
Natural Gas, (mcf/m)	58,056	66,849	57,860
Barrel Oil Equivalent, (boe/m) - (1)	10,945	13,629	11,671
Total Production, (boe/m)	109,449	136,291	116,709



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(Accrual Base)

Description	Current Month Actuals	Current Month Budgeted	Prior Month Actuals
Financial			
Joint Lifting Entitlement Revenue (monthly) - Based on best estimate of Oil Price			
BEL's portion	96.89%	95.69%	96.89%
Crude Oil and Condensate, 000' \$ - (2)	308	1,232	532
Natural Gas, 000' \$ - (3)	1,362	1,549	1,357
Total BEL's Entitlement, 000' \$	1,669	2,781	1,889
SOA's portion	2.87%	0.99%	2.87%
Crude Oil and Condensate, 000' \$ - (2)	9	13	16
Natural Gas, 000' \$ - (3)	40	16	40
Total SOA's Entitlement, 000' \$	49	29	56
SOFAZ's portion	0.24%	3.32%	0.24%
Crude Oil and Condensate, 000' \$ - (2)	1	43	1
Natural Gas, 000' \$ - (3)	3	54	3
Total SOFAZ's Entitlement, 000' \$	4	96	5
Total Joint Lifting Entitlement Revenue, 000' \$	1,723	2,906	1,950
Compensatory Petroleum Revenue based on Protocol (monthly) - Based on best estimate of Oil Price			
Crude Oil and Condensate, 000' \$ - (2)	35	143	61
Natural Gas, 000' \$ - (3)	156	180	156
Total Compensatory Petroleum Revenue, 000' \$	191	323	217
Total Revenue, 000' \$	1,914	3,229	2,167
Crude Oil Revenue, \$/boe - (4)	27.80	57.50	30.10
Natural Gas Revenue, \$/mcf - (4)	2.69	2.69	2.69
Total Revenue, \$/boe - (4)	17.49	23.69	18.57
Total Marketing and Transportation Costs, 000' \$	36	55	62
Total Operating Costs, 000' \$ - (5)	1,870	2,302	2,005
Total Marketing, Transportation, Operating Costs, 000' \$	1,907	2,357	2,067
Operating Costs, \$/boe	17.42	17.29	17.71
Operating Margin, \$/boe	0.07	6.40	0.85
Capital Costs (Recoverable), 000' \$	592	2,050	157
Cash Available, 000' \$	65	-	859
Changes in Working Capital, 000' \$		-	

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

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

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

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

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

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



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

(Cash Base) - 000'USD

Description	Current Month Actuals	Prior Month Actuals
Opening Balance	859	1,791
Cash Call from BEL	823	1,332
Cash Call from SOA Cash Call Account	106	165
Gas Sales Collection	647	588
Recovery-Transfer of Inventory	-	-
Loan	-	-
Oil Sales Collection	360	951
Reimbursement of VAT	116	106
Advances Returned	5	-
Exchange Gain	0	-
Cash In	2,058	3,143
Profit Petroleum payments to BEL	(901)	(1,358)
Profit Petroleum payments to SOA	-	-
Payments to SOA's Cash Call Account	(106)	(165)
Profit Petroleum payments to SOFAZ	-	-
Construction	(5)	(33)
Production Equipment and Facilities	(12)	(95)
CAPEX Other	-	(6)
Workover	(90)	(199)
Seismic and G&G	-	(0)
Drilling	-	-
Personnel Costs	(998)	(1,206)
Insurance	(1)	(9)
Electricity, Water, Sewage, Gas Usage	(94)	(104)
Fuel	(35)	(4)
SOCAR and State Services	(29)	(32)
Rental of Transportation and Other Equipment	(266)	(218)
Repair and Maintenance - Wells	(1)	(187)
Repair and Maintenance - Facilities	(115)	(113)
Materials and Spare Parts - Other	(2)	(1)
Third Party Services	(18)	(15)
General and Administrative Expenses	(15)	(36)
Services Provided by Shareholders	-	(24)
Marketing and Transportation Cost	(9)	(25)
Non Recoverable Training Cost	(3)	(0)
Value Added Tax	(116)	(206)
Advances Given	-	(5)
Exchange Loss	(35)	(35)
Cash Out	(2,852)	(4,074)
Closing Balance	65	859



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Treasury Report

000'USD

Description	Opening Balance	Closing Balance
Cash on Hand	1	0
International Bank of Azerbaijan (IBA)	10	7
Pasha Bank (PB)	737	57
VAT Deposit Account	111	1
Total Cash Available	859	65

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

Accounts Receivable Summary

000'USD

Description	BEL's Share	SOA's Share	SOFAZ's Share	COMP's Share	Total
Receivable from Gas Sales	4,647	99	36	531	5,312
Receivable from Oil Sales	378	10	2	43	433
Other Income AOC	1,402	-	-	-	1,402
Other Income KGIT	59	-	-	-	59
Total Receivable	6,486	108	38	574	7,207

Note 1: Sum of Carry 1 and Carry 3 Balance (Recoverable from SOA) at the end of Q4-2019 is approximately US\$ 31.8 mln.

Note 2: VAT Receivable from Gas Sales is approximately US\$ 967k, and other Receivable \$ 27k.

Accounts Payable Summary

000'USD

Description	< 30 days	> 30 days < 60 days	> 60 days	Current Month Total	Previous Month Total
1 - Other Contractors Liabilities	806	119	2,537	3,462	3,268
2 - Government Related Liabilities	98	211	1,628	1,936	1,843
3 - SOCAR Related Liabilities	164	134	1,025	1,323	1,327
Total Liabilities	1,068	463	5,190	6,721	6,437

Note 1: Other Liabilities related to Payroll and taxes is approximately US\$ 2.570 mln.

Note 2: Debt to SOA is US\$ 323k and debt to SOFAZ is US\$ 862k.

Inventory Movement Summary

000'USD

Description	Opening Balance	Acquisition	Consumption	Closing Balance
Drilling & Workover	10,775	6	15	10,767
Construction	2,330	0	12	2,318
Production	3,480	74	163	3,391
Others	63	0	3	60
Total Inventory	16,648	81	194	16,536

Note: Prepayment against inventory is approximately US\$ 548 k.