



Bahar Energy Operating Company Limited

Operational and Financial Highlights

Month Ended

30-Jun-20

(Accrual Base)

Description	Current Month Actuals	Current Month Budgeted	Prior Month Actuals
<b>Operational</b>			
<b>Active Natural Gas Wells</b>	<b>11</b>		<b>11</b>
Inactive Natural Gas Wells (Shut in)	11		11
Abandoned Natural Gas Wells	69		69
<b>Total Natural Gas Wells</b>	<b>91</b>		<b>91</b>
<b>Active Crude Oil Wells</b>	<b>28</b>		<b>29</b>
Inactive Crude Oil Wells (Shut in)	23		22
Abandoned Crude Oil Wells	76		76
<b>Total Crude Oil Wells</b>	<b>127</b>		<b>127</b>
<b>Total Active Wells</b>	<b>39</b>		<b>40</b>
Total Inactive Wells (Shut in)	34		33
Total Abandoned Wells	145		145
<b>Total Wells</b>	<b>218</b>		<b>218</b>
<b>Non-Compensatory Petroleum Delivered (daily - 90 % of total production)</b>			
Crude Oil and Condensate, (bbl/d)	540	746	368
Natural Gas, (mcf/d)	16,716	20,745	16,855
<b>Non-Compensatory Production Delivered, (boe/d)</b>	<b>3,326</b>	<b>4,203</b>	<b>3,178</b>
<b>Compensatory Petroleum Delivered</b>			
Crude Oil and Condensate, (bbl/d)	60	83	41
Natural Gas, (mcf/d)	1,857	2,305	1,873
<b>Compensatory Production Delivered, (boe/d)</b>	<b>370</b>	<b>467</b>	<b>353</b>
<b>Total Production Delivered (daily)</b>			
Crude Oil and Condensate, (bbl/d)	600	829	409
Natural Gas, (mcf/d)	18,573	23,050	18,728
<b>Total Production Delivered, (boe/d)</b>	<b>3,695</b>	<b>4,671</b>	<b>3,531</b>
<b>Non-Compensatory Petroleum Joint Lifting Entitlements (monthly)</b>			
<b>BEL's portion, %</b>	<b>96.89%</b>	<b>95.69%</b>	<b>96.89%</b>
Crude Oil and Condensate, (bbl/m)	15,689	21,416	11,063
Natural Gas, (mcf/m)	485,853	595,521	506,232
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>96,664</b>	<b>120,670</b>	<b>95,435</b>
<b>SOA's portion, %</b>	<b>2.87%</b>	<b>0.99%</b>	<b>2.87%</b>
Crude Oil and Condensate, (bbl/m)	465	222	328
Natural Gas, (mcf/m)	14,395	6,161	14,999
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>2,864</b>	<b>1,248</b>	<b>2,828</b>
<b>SOFAZ's portion, %</b>	<b>0.24%</b>	<b>3.32%</b>	<b>0.24%</b>
Crude Oil and Condensate, (bbl/m)	40	743	28
Natural Gas, (mcf/m)	1,226	20,662	1,277
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>244</b>	<b>4,187</b>	<b>241</b>
<b>Total NCP Joint Lifting Entitlements, (boe/m)</b>	<b>99,772</b>	<b>126,105</b>	<b>98,504</b>
<b>Saleable Compensatory Petroleum (monthly)</b>			
<b>SOA's portion, %</b>			
Crude Oil and Condensate, (bbl/m)	1,799	2,487	1,269
Natural Gas, (mcf/m)	55,719	69,149	58,056
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>11,086</b>	<b>14,012</b>	<b>10,945</b>
<b>Total Production, (boe/m)</b>	<b>110,858</b>	<b>140,116</b>	<b>109,449</b>



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Operational and Financial Highlights

Month Ended

30-Jun-20

(Accrual Base)

Description	Current Month Actuals	Current Month Budgeted	Prior Month Actuals
<b>Financial</b>			
<b>Joint Lifting Entitlement Revenue (monthly) - Based on best estimate of Oil Price</b>			
<b>BEL's portion</b>	<b>96.89%</b>	<b>95.69%</b>	<b>96.89%</b>
Crude Oil and Condensate, 000' \$ - (2)	604	1,231	308
Natural Gas, 000' \$ - (3)	1,307	1,602	1,362
<b>Total BEL's Entitlement, 000' \$</b>	<b>1,911</b>	<b>2,833</b>	<b>1,669</b>
<b>SOA's portion</b>	<b>2.87%</b>	<b>0.99%</b>	<b>2.87%</b>
Crude Oil and Condensate, 000' \$ - (2)	18	13	9
Natural Gas, 000' \$ - (3)	39	17	40
<b>Total SOA's Entitlement, 000' \$</b>	<b>57</b>	<b>29</b>	<b>49</b>
<b>SOFAZ's portion</b>	<b>0.24%</b>	<b>3.32%</b>	<b>0.24%</b>
Crude Oil and Condensate, 000' \$ - (2)	2	43	1
Natural Gas, 000' \$ - (3)	3	56	3
<b>Total SOFAZ's Entitlement, 000' \$</b>	<b>5</b>	<b>98</b>	<b>4</b>
<b>Total Joint Lifting Entitlement Revenue, 000' \$</b>	<b>1,972</b>	<b>2,961</b>	<b>1,723</b>
<b>Compensatory Petroleum Revenue based on Protocol (monthly) - Based on best estimate of Oil Price</b>			
Crude Oil and Condensate, 000' \$ - (2)	69	143	35
Natural Gas, 000' \$ - (3)	150	186	156
<b>Total Compensatory Petroleum Revenue, 000' \$</b>	<b>219</b>	<b>329</b>	<b>191</b>
<b>Total Revenue, 000' \$</b>	<b>2,191</b>	<b>3,290</b>	<b>1,914</b>
<b>Crude Oil Revenue, \$/boe - (4)</b>	<b>38.49</b>	<b>57.50</b>	<b>27.80</b>
<b>Natural Gas Revenue, \$/mcf - (4)</b>	<b>2.69</b>	<b>2.69</b>	<b>2.69</b>
<b>Total Revenue, \$/boe - (4)</b>	<b>19.77</b>	<b>23.48</b>	<b>17.49</b>
<b>Total Marketing and Transportation Costs, 000' \$</b>	<b>68</b>	<b>55</b>	<b>36</b>
<b>Total Operating Costs, 000' \$ - (5)</b>	<b>1,976</b>	<b>2,260</b>	<b>1,870</b>
<b>Total Marketing, Transportation, Operating Costs, 000' \$</b>	<b>2,044</b>	<b>2,316</b>	<b>1,907</b>
<b>Operating Costs, \$/boe</b>	<b>18.44</b>	<b>16.53</b>	<b>17.42</b>
<b>Operating Margin, \$/boe</b>	<b>1.33</b>	<b>6.96</b>	<b>0.07</b>
<b>Capital Costs (Recoverable), 000' \$</b>	<b>141</b>	<b>1,108</b>	<b>592</b>
<b>Cash Available, 000' \$</b>	<b>45</b>	<b>-</b>	<b>65</b>
<b>Changes in Working Capital, 000' \$</b>		<b>-</b>	

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

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

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

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

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

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



**Bahar Energy Operating Company Limited**  
**Cash Reconciliation Report**  
**Month Ended**  
**30-Jun-20**

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

Description	Current Month Actuals	Prior Month Actuals
<b>Opening Balance</b>	<b>65</b>	<b>859</b>
Cash Call from BEL	666	823
Cash Call from SOA Cash Call Account	72	106
Gas Sales Collection	682	647
Recovery-Transfer of Inventory	-	-
Loan	-	-
Oil Sales Collection	80	360
Reimbursement of VAT	123	116
Advances Returned	25	5
Exchange Gain	0	0
<b>Cash In</b>	<b>1,647</b>	<b>2,058</b>
Profit Petroleum payments to BEL	(691)	(901)
Profit Petroleum payments to SOA	-	-
Payments to SOA's Cash Call Account	(72)	(106)
Profit Petroleum payments to SOFAZ	-	-
Construction	(5)	(5)
Production Equipment and Facilities	(1)	(12)
CAPEX Other	(4)	-
Workover	(8)	(90)
Seismic and G&G	-	-
Drilling	-	-
Personnel Costs	(278)	(998)
Insurance	(25)	(1)
Electricity, Water, Sewage, Gas Usage	(98)	(94)
Fuel	(30)	(35)
SOCAR and State Services	(0)	(29)
Rental of Transportation and Other Equipment	(251)	(266)
Repair and Maintenance - Wells	-	(1)
Repair and Maintenance - Facilities	(14)	(115)
Materials and Spare Parts - Other	-	(2)
Third Party Services	(8)	(18)
General and Administrative Expenses	(12)	(15)
Services Provided by Shareholders	-	-
Marketing and Transportation Cost	-	(9)
Non Recoverable Training Cost	(3)	(3)
Value Added Tax	(106)	(116)
Advances Given	(25)	-
Exchange Loss	(35)	(35)
<b>Cash Out</b>	<b>(1,668)</b>	<b>(2,852)</b>
<b>Closing Balance</b>	<b>45</b>	<b>65</b>



**Bahar Energy Operating Company Limited**  
**Month Ended**  
**30-Jun-20**

**Treasury Report**

**000'USD**

Description	Opening Balance	Closing Balance
Cash on Hand	0	2
International Bank of Azerbaijan (IBA)	7	2
Pasha Bank (PB)	57	23
VAT Deposit Account	1	18
<b>Total Cash Available</b>	<b>65</b>	<b>45</b>

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

**Accounts Receivable Summary**

**000'USD**

Description	BEL's Share	SOA's Share	SOFAZ's Share	COMP's Share	Total
Receivable from Gas Sales	5,354	132	30	613	6,129
Receivable from Oil Sales	922	27	2	106	1,057
Other Income AOC	1,402	-	-	-	1,402
Other Income KGIT	59	-	-	-	59
<b>Total Receivable</b>	<b>7,738</b>	<b>159</b>	<b>33</b>	<b>719</b>	<b>8,648</b>

**Note 1: Sum of Carry 1 and Carry 3 Balance (Recoverable from SOA) at the end of Q1-2020 is approximately US\$ 31.4 mln.**

**Note 2: VAT Receivable from Gas Sales is approximately US\$ 1.114 mln, and other Receivable \$ 28k.**

**Accounts Payable Summary**

**000'USD**

Description	< 30 days	> 30 days < 60 days	> 60 days	Current Month Total	Previous Month Total
1 - Other Contractors Liabilities	856	127	2,752	3,735	3,462
2 - Government Related Liabilities	99	213	1,646	1,958	1,936
3 - SOCAR Related Liabilities	170	138	1,061	1,370	1,323
<b>Total Liabilities</b>	<b>1,125</b>	<b>478</b>	<b>5,459</b>	<b>7,062</b>	<b>6,721</b>

**Note 1: Other Liabilities related to Payroll and taxes is approximately US\$ 3.449 mln.**

**Note 2: Debt to SOA is US\$ 323k and debt to SOFAZ is US\$ 875k.**

**Inventory Movement Summary**

**000'USD**

Description	Opening Balance	Acquisition	Consumption	Closing Balance
Drilling & Workover	10,767	-	45	10,722
Construction	2,318	0	131	2,188
Production	3,391	142	199	3,334
Others	60	5	15	50
<b>Total Inventory</b>	<b>16,536</b>	<b>147</b>	<b>389</b>	<b>16,294</b>

**Note: Prepayment against inventory is approximately US\$ 487 k.**