



Bahar Energy Operating Company Limited

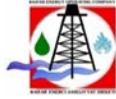
Operational and Financial Highlights

Month Ended

31-Jul-21

(Accrual Base)

Description	Current Month Actuals	Current Month Budgeted	Prior Month Actuals
<b>Operational</b>			
<b>Active Natural Gas Wells</b>	<b>12</b>		<b>12</b>
Inactive Natural Gas Wells (Shut in)	11		11
Abandoned Natural Gas Wells	68		68
<b>Total Natural Gas Wells</b>	<b>91</b>		<b>91</b>
<b>Active Crude Oil Wells</b>	<b>29</b>		<b>29</b>
Inactive Crude Oil Wells (Shut in)	22		22
Abandoned Crude Oil Wells	75		75
<b>Total Crude Oil Wells</b>	<b>126</b>		<b>126</b>
<b>Total Active Wells</b>	<b>41</b>		<b>41</b>
Total Inactive Wells (Shut in)	33		33
Total Abandoned Wells	143		143
<b>Total Wells</b>	<b>217</b>		<b>217</b>
<b>Non-Compensatory Petroleum Delivered (daily - 90 % of total production)</b>			
Crude Oil and Condensate, (bbl/d)	636	743	472
Natural Gas, (mcf/d)	17,341	25,948	17,046
<b>Non-Compensatory Production Delivered, (boe/d)</b>	<b>3,526</b>	<b>5,068</b>	<b>3,313</b>
<b>Compensatory Petroleum Delivered</b>			
Crude Oil and Condensate, (bbl/d)	71	83	52
Natural Gas, (mcf/d)	1,927	2,883	1,894
<b>Compensatory Production Delivered, (boe/d)</b>	<b>392</b>	<b>563</b>	<b>368</b>
<b>Total Production Delivered (daily)</b>			
Crude Oil and Condensate, (bbl/d)	707	826	525
Natural Gas, (mcf/d)	19,268	28,831	18,939
<b>Total Production Delivered, (boe/d)</b>	<b>3,918</b>	<b>5,631</b>	<b>3,682</b>
<b>Non-Compensatory Petroleum Joint Lifting Entitlements (monthly)</b>			
<b>BEL's portion, %</b>	<b>96.93%</b>	<b>90.96%</b>	<b>93.98%</b>
Crude Oil and Condensate, (bbl/m)	19,116	20,956	13,320
Natural Gas, (mcf/m)	521,047	731,664	480,570
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>105,957</b>	<b>142,900</b>	<b>93,415</b>
<b>SOA's portion, %</b>	<b>1.14%</b>	<b>2.09%</b>	<b>0.00%</b>
Crude Oil and Condensate, (bbl/m)	225	481	-
Natural Gas, (mcf/m)	6,122	16,812	-
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>1,245</b>	<b>3,283</b>	<b>-</b>
<b>SOFAZ's portion, %</b>	<b>1.93%</b>	<b>6.95%</b>	<b>6.02%</b>
Crude Oil and Condensate, (bbl/m)	382	1,601	854
Natural Gas, (mcf/m)	10,401	55,904	30,795
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>2,115</b>	<b>10,919</b>	<b>5,986</b>
<b>Total NCP Joint Lifting Entitlements, (boe/m)</b>	<b>109,317</b>	<b>157,101</b>	<b>99,401</b>
<b>Saleable Compensatory Petroleum (monthly)</b>			
<b>SOA's portion, %</b>			
Crude Oil and Condensate, (bbl/m)	2,191	2,560	1,575
Natural Gas, (mcf/m)	59,730	89,376	56,818
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>12,146</b>	<b>17,456</b>	<b>11,045</b>
<b>Total Production, (boe/m)</b>	<b>121,463</b>	<b>174,557</b>	<b>110,446</b>



**Bahar Energy Operating Company Limited**  
**Operational and Financial Highlights**  
 Month Ended  
**31-Jul-21**

(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>96.93%</b>	<b>90.96%</b>	<b>93.98%</b>
Crude Oil and Condensate, 000' \$ - (2)	1,307	1,205	913
Natural Gas, 000' \$ - (3)	1,402	1,968	1,293
<b>Total BEL's Entitlement, 000' \$</b>	<b>2,708</b>	<b>3,173</b>	<b>2,206</b>
<b>SOA's portion</b>	<b>1.14%</b>	<b>2.09%</b>	<b>0.00%</b>
Crude Oil and Condensate, 000' \$ - (2)	15	28	-
Natural Gas, 000' \$ - (3)	16	45	-
<b>Total SOA's Entitlement, 000' \$</b>	<b>32</b>	<b>73</b>	<b>-</b>
<b>SOFAZ's portion</b>	<b>1.93%</b>	<b>6.95%</b>	<b>6.02%</b>
Crude Oil and Condensate, 000' \$ - (2)	26	92	59
Natural Gas, 000' \$ - (3)	28	150	83
<b>Total SOFAZ's Entitlement, 000' \$</b>	<b>54</b>	<b>242</b>	<b>141</b>
<b>Total Joint Lifting Entitlement Revenue, 000' \$</b>	<b>2,794</b>	<b>3,489</b>	<b>2,347</b>
<b>Compensatory Petroleum Revenue based on Protocol (monthly) - Based on best estimate of Oil Price</b>			
Crude Oil and Condensate, 000' \$ - (2)	150	147	108
Natural Gas, 000' \$ - (3)	161	240	153
<b>Total Compensatory Petroleum Revenue, 000' \$</b>	<b>310</b>	<b>388</b>	<b>261</b>
<b>Total Revenue, 000' \$</b>	<b>3,105</b>	<b>3,876</b>	<b>2,608</b>
<b>Crude Oil Revenue, \$/boe - (4)</b>	<b>68.36</b>	<b>57.50</b>	<b>68.56</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>25.56</b>	<b>22.21</b>	<b>23.61</b>
<b>Total Marketing and Transportation Costs, 000' \$</b>	<b>54</b>	<b>53</b>	<b>42</b>
<b>Total Operating Costs, 000' \$ - (5)</b>	<b>1,598</b>	<b>1,849</b>	<b>1,880</b>
<b>Total Marketing, Transportation, Operating Costs, 000' \$</b>	<b>1,652</b>	<b>1,901</b>	<b>1,922</b>
<b>Operating Costs, \$/boe</b>	<b>13.60</b>	<b>10.89</b>	<b>17.40</b>
<b>Operating Margin, \$/boe</b>	<b>11.96</b>	<b>11.31</b>	<b>6.21</b>
<b>Capital Costs (Recoverable), 000' \$</b>	<b>429</b>	<b>1,234</b>	<b>519</b>
<b>Cash Available, 000' \$</b>	<b>847</b>	<b>-</b>	<b>1,804</b>
<b>Changes in Working Capital, 000' \$</b>	<b>-</b>	<b>-</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**  
**31-Jul-21**

(Cash Base) - 000'USD

Description	Current Month Actuals	Prior Month Actuals
<b>Opening Balance</b>	<b>1,804</b>	<b>2,441</b>
Cash Call from BEL	1,683	2,351
Cash Call from SOA Cash Call Account	206	286
Gas Sales Collection	1,528	1,556
Recovery-Gas Transportation	-	-
Recovery-Transfer of Inventory	-	-
Loan	-	-
Oil Sales Collection	538	1,326
Reimbursement of VAT	275	280
Advances Returned	3	25
Exchange Gain	0	0
<b>Cash In</b>	<b>4,233</b>	<b>5,825</b>
Profit Petroleum payments to BEL	(1,755)	(2,432)
Profit Petroleum payments to SOA	-	-
Payments to SOA's Cash Call Account	(206)	(286)
Profit Petroleum payments to SOFAZ	-	(204)
Construction	(839)	(402)
Production Equipment and Facilities	(181)	(0)
CAPEX Other	(3)	(3)
Workover	(168)	(598)
Seismic and G&G	-	-
Drilling	-	-
Personnel Costs	(811)	(1,094)
Insurance	-	(19)
Electricity, Water, Sewage, Gas Usage	(73)	(85)
Fuel	(77)	(55)
SOCAR and State Services	(18)	(18)
Rental of Transportation and Other Equipment	(407)	(442)
Repair and Maintenance - Wells	(23)	(100)
Repair and Maintenance - Facilities	(110)	(186)
Materials and Spare Parts - Other	(27)	(3)
Third Party Services	(42)	(33)
General and Administrative Expenses	(9)	(34)
Services Provided by Shareholders	-	-
Marketing and Transportation Cost	(6)	(29)
Non Recoverable Training Cost	-	-
Value Added Tax	(280)	(279)
Advances Given	(19)	(25)
Exchange Loss	(136)	(136)
<b>Cash Out</b>	<b>(5,190)</b>	<b>(6,462)</b>
<b>Closing Balance</b>	<b>847</b>	<b>1,804</b>



**Bahar Energy Operating Company Limited**  
**Month Ended**  
**31-Jul-21**

**Treasury Report**

**000'USD**

Description	Opening Balance	Closing Balance
Cash on Hand	7	6
International Bank of Azerbaijan (IBA)	55	1
Pasha Bank (PB)	1,462	565
VAT Deposit Account	280	275
<b>Total Cash Available</b>	<b>1,804</b>	<b>847</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	1,402	16	28	161	1,607
Receivable from Oil Sales	2,542	15	105	296	2,959
Other Income AOC	1,402	-	-	-	1,402
<b>Total Receivable</b>	<b>5,347</b>	<b>32</b>	<b>133</b>	<b>457</b>	<b>5,968</b>

**Note 1: Sum of Carry 1 and Carry 3 Balance (Recoverable from SOA) at the end of Q4-2020 is approximately US\$ 29 mln.**

**Note 2: VAT Receivable from Gas Sales is approximately US\$ 289k, and other Receivable \$ 41k.**

**Accounts Payable Summary**

**000'USD**

Description	< 30 days	> 30 days < 60 days	> 60 days	Current Month Total	Previous Month Total
1 - Other Contractors Liabilities	308	45	1,111	1,464	1,464
2 - Government Related Liabilities	74	160	1,234	1,468	1,491
3 - SOCAR Related Liabilities	25	20	155	199	153
<b>Total Liabilities</b>	<b>407</b>	<b>225</b>	<b>2,499</b>	<b>3,131</b>	<b>3,109</b>

**Note 1: Other Liabilities related to Payroll and taxes is approximately US\$ 1.7 mln.**

**Note 2: Debt to SOA is US\$ 323k and debt to SOFAZ is US\$ 856k mln.**

**Inventory Movement Summary**

**000'USD**

Description	Opening Balance	Acquisition	Consumption	Closing Balance
Drilling & Workover	10,311	19	2	10,327
Construction	1,894	737	57	2,574
Production	3,064	150	148	3,066
Others	66	7	13	60
<b>Total Inventory</b>	<b>15,335</b>	<b>912</b>	<b>220</b>	<b>16,027</b>

**Note: Prepayment against inventory is approximately US\$ 3.95 mln.**