



Bahar Energy Operating Company Limited

Operational and Financial Highlights

Month Ended

**31.Oct.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>24</b>		<b>26</b>
Inactive Crude Oil Wells (Shut in)	27		25
Abandoned Crude Oil Wells	75		75
<b>Total Crude Oil Wells</b>	<b>126</b>		<b>126</b>
<b>Total Active Wells</b>	<b>36</b>		<b>38</b>
Total Inactive Wells (Shut in)	38		36
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)	432	729	431
Natural Gas, (mcf/d)	14.214	26.246	15.269
<b>Non-Compensatory Production Delivered, (boe/d)</b>	<b>2.801</b>	<b>5.104</b>	<b>2.976</b>
<b>Compensatory Petroleum Delivered</b>			
Crude Oil and Condensate, (bbl/d)	48	81	48
Natural Gas, (mcf/d)	1.579	2.916	1.697
<b>Compensatory Production Delivered, (boe/d)</b>	<b>311</b>	<b>567</b>	<b>331</b>
<b>Total Production Delivered (daily)</b>			
Crude Oil and Condensate, (bbl/d)	480	811	479
Natural Gas, (mcf/d)	15.793	29.162	16.966
<b>Total Production Delivered, (boe/d)</b>	<b>3.113</b>	<b>5.671</b>	<b>3.307</b>
<b>Non-Compensatory Petroleum Joint Lifting Entitlements (monthly)</b>			
<b>BEL's portion, %</b>	<b>97,29%</b>	<b>90,96%</b>	<b>96,93%</b>
Crude Oil and Condensate, (bbl/m)	13.039	20.569	12.957
Natural Gas, (mcf/m)	428.683	740.064	444.000
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>84.486</b>	<b>143.913</b>	<b>86.957</b>
<b>SOA's portion, %</b>	<b>2,62%</b>	<b>2,09%</b>	<b>1,14%</b>
Crude Oil and Condensate, (bbl/m)	351	473	152
Natural Gas, (mcf/m)	11.534	17.005	5.216
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>2.273</b>	<b>3.307</b>	<b>1.022</b>
<b>SOFAZ's portion, %</b>	<b>0,09%</b>	<b>6,95%</b>	<b>1,93%</b>
Crude Oil and Condensate, (bbl/m)	13	1.572	259
Natural Gas, (mcf/m)	411	56.546	8.863
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>81</b>	<b>10.996</b>	<b>1.736</b>
<b>Total NCP Joint Lifting Entitlements, (boe/m)</b>	<b>86.840</b>	<b>158.216</b>	<b>89.714</b>
<b>Saleable Compensatory Petroleum (monthly)</b>			
<b>SOA's portion, %</b>			
Crude Oil and Condensate, (bbl/m)	1.489	2.513	1.485
Natural Gas, (mcf/m)	48.959	90.402	50.898
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>9.649</b>	<b>17.580</b>	<b>9.968</b>
<b>Total Production, (boe/m)</b>	<b>96.489</b>	<b>175.795</b>	<b>99.682</b>



**Bahar Energy Operating Company Limited**  
**Operational and Financial Highlights**  
 Month Ended  
**31.Oct.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>97,29%</b>	<b>90,96%</b>	<b>96,93%</b>
Crude Oil and Condensate, 000' \$ - (2)	959	823	913
Natural Gas, 000' \$ - (3)	1.153	1.991	1.194
<b>Total BEL's Entitlement, 000' \$</b>	<b>2.113</b>	<b>2.814</b>	<b>2.108</b>
<b>SOA's portion</b>	<b>2,62%</b>	<b>2,09%</b>	<b>1,14%</b>
Crude Oil and Condensate, 000' \$ - (2)	26	19	11
Natural Gas, 000' \$ - (3)	31	46	14
<b>Total SOA's Entitlement, 000' \$</b>	<b>57</b>	<b>65</b>	<b>25</b>
<b>SOFAZ's portion</b>	<b>0,09%</b>	<b>6,95%</b>	<b>1,93%</b>
Crude Oil and Condensate, 000' \$ - (2)	1	63	18
Natural Gas, 000' \$ - (3)	1	152	24
<b>Total SOFAZ's Entitlement, 000' \$</b>	<b>2</b>	<b>215</b>	<b>42</b>
<b>Total Joint Lifting Entitlement Revenue, 000' \$</b>	<b>2.171</b>	<b>3.093</b>	<b>2.175</b>
<b>Compensatory Petroleum Revenue based on Protocol (monthly) - Based on best estimate of Oil Price</b>			
Crude Oil and Condensate, 000' \$ - (2)	110	101	105
Natural Gas, 000' \$ - (3)	132	243	137
<b>Total Compensatory Petroleum Revenue, 000' \$</b>	<b>241</b>	<b>344</b>	<b>242</b>
<b>Total Revenue, 000' \$</b>	<b>2.413</b>	<b>3.437</b>	<b>2.416</b>
<b>Crude Oil Revenue, \$/boe - (4)</b>	<b>73,58</b>	<b>40,00</b>	<b>70,50</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>25,00</b>	<b>19,55</b>	<b>24,24</b>
<b>Total Marketing and Transportation Costs, 000' \$</b>	<b>46</b>	<b>57</b>	<b>49</b>
<b>Total Operating Costs, 000' \$ - (5)</b>	<b>2.068</b>	<b>1.848</b>	<b>1.644</b>
<b>Total Marketing, Transportation, Operating Costs, 000' \$</b>	<b>2.114</b>	<b>1.906</b>	<b>1.694</b>
<b>Operating Costs, \$/boe</b>	<b>21,91</b>	<b>10,84</b>	<b>16,99</b>
<b>Operating Margin, \$/boe</b>	<b>3,10</b>	<b>8,71</b>	<b>7,25</b>
<b>Cash Surplus/Deficit</b>	<b>299</b>	<b>1.531</b>	<b>722</b>
<b>Capital Costs (Recoverable), 000' \$</b>	<b>493</b>	<b>842</b>	<b>518</b>
<b>Cash Available, 000' \$</b>	<b>846</b>	<b>-</b>	<b>1.611</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.Oct.21**

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

Description	Current Month Actuals	Prior Month Actuals
<b>Opening Balance</b>	<b>1.611</b>	<b>2.217</b>
Cash Call from BEL	1.763	1.985
Cash Call from SOA Cash Call Account	226	308
Gas Sales Collection	1.369	1.546
Recovery-Gas Transportation	-	-
Recovery-Transfer of Inventory	-	3
Loan	-	-
Oil Sales Collection	696	816
Reimbursement of VAT	246	279
Advances Returned	1	0
Exchange Gain	0	0
<b>Cash In</b>	<b>4.302</b>	<b>4.936</b>
Profit Petroleum payments to BEL	(1.791)	(2.084)
Profit Petroleum payments to SOA	-	-
Payments to SOA's Cash Call Account	(226)	(308)
Profit Petroleum payments to SOFAZ	-	-
Construction	(392)	(228)
Production Equipment and Facilities	(54)	(125)
CAPEX Other	(9)	(7)
Workover	(226)	(416)
Seismic and G&G	-	-
Drilling	-	-
Personnel Costs	(1.020)	(994)
Insurance	-	(19)
Electricity, Water, Sewage, Gas Usage	(78)	(112)
Fuel	(11)	(64)
SOCAR and State Services	(18)	(20)
Rental of Transportation and Other Equipment	(291)	(221)
Repair and Maintenance - Wells	(101)	(98)
Repair and Maintenance - Facilities	(96)	(81)
Materials and Spare Parts - Other	(14)	(1)
Third Party Services	(23)	(33)
General and Administrative Expenses	(20)	(20)
Services Provided by Shareholders	-	-
Marketing and Transportation Cost	(14)	(20)
Non Recoverable Training Cost	-	-
Value Added Tax	(279)	(289)
Advances Given	(1)	(0)
Long-Term Bank Credits	(401)	(401)
Exchange Loss	-	(0)
<b>Cash Out</b>	<b>(5.066)</b>	<b>(5.543)</b>
<b>Closing Balance</b>	<b>846</b>	<b>1.611</b>



**Bahar Energy Operating Company Limited**  
**Month Ended**  
**31.Oct.21**

**Treasury Report**

**000'USD**

Description	Opening Balance	Closing Balance
Cash on Hand	9	13
International Bank of Azerbaijan (IBA)	-	-
Pasha Bank (PB)	1.323	587
VAT Deposit Account	279	246
<b>Total Cash Available</b>	<b>1.611</b>	<b>846</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	1.154	31	1	132	1.318
Receivable from Oil Sales	2.904	49	40	332	3.325
Other Income AOC	1.402	-	-	-	1.402
<b>Total Receivable</b>	<b>5.460</b>	<b>80</b>	<b>41</b>	<b>464</b>	<b>6.045</b>

**Note 1: Sum of Carry 1 and Carry 3 Balance (Recoverable from SOA) at the end of Q2-2021 is approximately US\$ 28 mln.**

**Note 2: VAT Receivable from Gas Sales is approximately US\$ 237k, and other Receivable \$ 55k.**

**Accounts Payable Summary**

**000'USD**

Description	< 30 days	> 30 days < 60 days	> 60 days	Current Month Total	Previous Month Total
1 - Other Contractors Liabilities	71	187	1.107	1.365	1.344
2 - Government Related Liabilities	129	255	1.083	1.467	1.358
3 - SOCAR Related Liabilities	16	21	21	58	107
<b>Total Liabilities</b>	<b>216</b>	<b>463</b>	<b>2.211</b>	<b>2.890</b>	<b>2.809</b>

**Note 1: Other Liabilities related to Payroll and taxes is approximately US\$ 1.5 mln.**

**Note 2: Debt to SOA is US\$ 323k and debt to SOFAZ is US\$ 838k.**

**Inventory Movement Summary**

**000'USD**

Description	Opening Balance	Acquisition	Consumption	Closing Balance
Drilling & Workover	10.331	5	14	10.322
Construction	3.040	432	132	3.339
Production	3.397	174	290	3.281
Others	86	11	20	76
<b>Total Inventory</b>	<b>16.853</b>	<b>622</b>	<b>457</b>	<b>17.017</b>

**Note: Prepayment to Suppliers is approximately US\$ 6.452 mln.**