



Bahar Energy Operating Company Limited

Operational and Financial Highlights

Month Ended

28-Feb-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	69		69
<b>Total Natural Gas Wells</b>	<b>92</b>		<b>92</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>40</b>		<b>41</b>
Total Inactive Wells (Shut in)	34		33
Total Abandoned Wells	145		145
<b>Total Wells</b>	<b>219</b>		<b>219</b>
<b>Non-Compensatory Petroleum Delivered (daily - 90 % of total production)</b>			
Crude Oil and Condensate, (bbl/d)	438	636	532
Natural Gas, (mcf/d)	17,795	23,536	18,247
<b>Non-Compensatory Production Delivered, (boe/d)</b>	<b>3,403</b>	<b>4,558</b>	<b>3,573</b>
<b>Compensatory Petroleum Delivered</b>			
Crude Oil and Condensate, (bbl/d)	49	71	59
Natural Gas, (mcf/d)	1,977	2,615	2,027
<b>Compensatory Production Delivered, (boe/d)</b>	<b>378</b>	<b>506</b>	<b>397</b>
<b>Total Production Delivered (daily)</b>			
Crude Oil and Condensate, (bbl/d)	486	706	591
Natural Gas, (mcf/d)	19,772	26,151	20,274
<b>Total Production Delivered, (boe/d)</b>	<b>3,782</b>	<b>5,065</b>	<b>3,970</b>
<b>Non-Compensatory Petroleum Joint Lifting Entitlements (monthly)</b>			
<b>BEL's portion, %</b>	<b>98.55%</b>	<b>90.96%</b>	<b>98.55%</b>
Crude Oil and Condensate, (bbl/m)	12,075	16,190	16,256
Natural Gas, (mcf/m)	491,023	599,438	557,438
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>93,912</b>	<b>116,097</b>	<b>109,162</b>
<b>SOA's portion, %</b>	<b>0.10%</b>	<b>2.09%</b>	<b>0.10%</b>
Crude Oil and Condensate, (bbl/m)	12	372	16
Natural Gas, (mcf/m)	497	13,773	564
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>95</b>	<b>2,668</b>	<b>111</b>
<b>SOFAZ's portion, %</b>	<b>1.35%</b>	<b>6.95%</b>	<b>1.35%</b>
Crude Oil and Condensate, (bbl/m)	166	1,237	223
Natural Gas, (mcf/m)	6,733	45,801	7,644
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>1,288</b>	<b>8,871</b>	<b>1,497</b>
<b>Total NCP Joint Lifting Entitlements, (boe/m)</b>	<b>95,294</b>	<b>127,635</b>	<b>110,769</b>
<b>Saleable Compensatory Petroleum (monthly)</b>			
<b>SOA's portion, %</b>			
Crude Oil and Condensate, (bbl/m)	1,361	1,978	1,833
Natural Gas, (mcf/m)	55,361	73,224	62,850
<b>Barrel Oil Equivalent, (boe/m) - (1)</b>	<b>10,588</b>	<b>14,182</b>	<b>12,308</b>
<b>Total Production, (boe/m)</b>	<b>105,883</b>	<b>141,816</b>	<b>123,077</b>



**Bahar Energy Operating Company Limited**  
**Operational and Financial Highlights**  
**Month Ended**  
**28-Feb-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>98.55%</b>	<b>90.96%</b>	<b>98.55%</b>
Crude Oil and Condensate, 000' \$ - (2)	704	931	903
Natural Gas, 000' \$ - (3)	1,321	1,613	1,500
<b>Total BEL's Entitlement, 000' \$</b>	<b>2,025</b>	<b>2,543</b>	<b>2,402</b>
<b>SOA's portion</b>	<b>0.10%</b>	<b>2.09%</b>	<b>0.10%</b>
Crude Oil and Condensate, 000' \$ - (2)	1	21	1
Natural Gas, 000' \$ - (3)	1	37	2
<b>Total SOA's Entitlement, 000' \$</b>	<b>2</b>	<b>58</b>	<b>2</b>
<b>SOFAZ's portion</b>	<b>1.35%</b>	<b>6.95%</b>	<b>1.35%</b>
Crude Oil and Condensate, 000' \$ - (2)	10	71	12
Natural Gas, 000' \$ - (3)	18	123	21
<b>Total SOFAZ's Entitlement, 000' \$</b>	<b>28</b>	<b>194</b>	<b>33</b>
<b>Total Joint Lifting Entitlement Revenue, 000' \$</b>	<b>2,055</b>	<b>2,796</b>	<b>2,438</b>
<b>Compensatory Petroleum Revenue based on Protocol (monthly) - Based on best estimate of Oil Price</b>			
Crude Oil and Condensate, 000' \$ - (2)	79	114	102
Natural Gas, 000' \$ - (3)	149	197	169
<b>Total Compensatory Petroleum Revenue, 000' \$</b>	<b>228</b>	<b>311</b>	<b>271</b>
<b>Total Revenue, 000' \$</b>	<b>2,283</b>	<b>3,107</b>	<b>2,708</b>
<b>Crude Oil Revenue, \$/boe - (4)</b>	<b>58.30</b>	<b>57.50</b>	<b>55.53</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>21.56</b>	<b>21.91</b>	<b>22.01</b>
<b>Total Marketing and Transportation Costs, 000' \$</b>	<b>41</b>	<b>41</b>	<b>56</b>
<b>Total Operating Costs, 000' \$ - (5)</b>	<b>1,538</b>	<b>1,881</b>	<b>1,664</b>
<b>Total Marketing, Transportation, Operating Costs, 000' \$</b>	<b>1,579</b>	<b>1,922</b>	<b>1,719</b>
<b>Operating Costs, \$/boe</b>	<b>14.91</b>	<b>13.55</b>	<b>13.97</b>
<b>Operating Margin, \$/boe</b>	<b>6.65</b>	<b>8.36</b>	<b>8.04</b>
<b>Capital Costs (Recoverable), 000' \$</b>	<b>235</b>	<b>1,055</b>	<b>163</b>
<b>Cash Available, 000' \$</b>	<b>1,426</b>	<b>-</b>	<b>1,465</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**  
**28-Feb-21**

(Cash Base) - 000'USD

Description	Current Month Actuals	Prior Month Actuals
<b>Opening Balance</b>	<b>1,465</b>	<b>116</b>
Cash Call from BEL	3,691	4,351
Cash Call from SOA Cash Call Account	268	1,125
Gas Sales Collection	1,691	9,762
Recovery-Gas Transportation	-	1
Recovery-Transfer of Inventory	-	59
Loan	-	-
Oil Sales Collection	942	432
Reimbursement of VAT	304	1,768
Advances Returned	0	1
Exchange Gain	-	0
<b>Cash In</b>	<b>6,897</b>	<b>17,499</b>
Profit Petroleum payments to BEL	(2,309)	(8,818)
Profit Petroleum payments to SOA	-	-
Payments to SOA's Cash Call Account	(268)	(1,125)
Profit Petroleum payments to SOFAZ	(100)	(100)
Construction	(133)	(661)
Production Equipment and Facilities	(34)	(13)
CAPEX Other	-	-
Workover	(170)	(1,120)
Seismic and G&G	(5)	(10)
Drilling	-	-
Personnel Costs	(932)	(1,980)
Insurance	-	(3)
Electricity, Water, Sewage, Gas Usage	(94)	(99)
Fuel	(82)	(66)
SOCAR and State Services	(114)	(66)
Rental of Transportation and Other Equipment	(341)	(968)
Repair and Maintenance - Wells	(24)	(343)
Repair and Maintenance - Facilities	(343)	(104)
Materials and Spare Parts - Other	(17)	(13)
Third Party Services	(47)	(131)
General and Administrative Expenses	(20)	(169)
Services Provided by Shareholders	-	-
Marketing and Transportation Cost	(13)	(49)
Non Recoverable Training Cost	-	-
Value Added Tax	(1,759)	(138)
Advances Given	-	(1)
Exchange Loss	(130)	(172)
<b>Cash Out</b>	<b>(6,936)</b>	<b>(16,150)</b>
<b>Closing Balance</b>	<b>1,426</b>	<b>1,465</b>



**Bahar Energy Operating Company Limited**  
**Month Ended**  
**28-Feb-21**

**Treasury Report**

**000'USD**

Description	Opening Balance	Closing Balance
Cash on Hand	2	5
International Bank of Azerbaijan (IBA)	74	6
Pasha Bank (PB)	52	1,110
VAT Deposit Account	1,337	304
<b>Total Cash Available</b>	<b>1,465</b>	<b>1,426</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	1,321	1	18	149	1,490
Receivable from Oil Sales	2,496	8	39	283	2,825
Other Income AOC	1,402	-	-	-	1,402
<b>Total Receivable</b>	<b>5,220</b>	<b>9</b>	<b>57</b>	<b>431</b>	<b>5,717</b>

**Note 1: Sum of Carry 1 and Carry 3 Balance (Recoverable from SOA) at the end of Q3-2020 is approximately US\$ 29.9 mln.**

**Note 2: VAT Receivable from Gas Sales is approximately US\$ 268k, and other Receivable \$ 31k.**

**Accounts Payable Summary**

**000'USD**

Description	< 30 days	> 30 days < 60 days	> 60 days	Current Month Total	Previous Month Total
1 - Other Contractors Liabilities	281	42	986	1,308	1,532
2 - Government Related Liabilities	89	191	1,476	1,755	1,740
3 - SOCAR Related Liabilities	44	36	275	355	682
<b>Total Liabilities</b>	<b>414</b>	<b>268</b>	<b>2,736</b>	<b>3,419</b>	<b>3,954</b>

**Note 1: Other Liabilities related to Payroll and taxes is approximately US\$ 3.6 mln.**

**Note 2: Debt to SOA is US\$ 323k and debt to SOFAZ is US\$ 1 mln.**

**Inventory Movement Summary**

**000'USD**

Description	Opening Balance	Acquisition	Consumption	Closing Balance
Drilling & Workover	10,469	22	125	10,366
Construction	1,625	9	17	1,618
Production	3,196	47	137	3,107
Others	46	3	1	48
<b>Total Inventory</b>	<b>15,337</b>	<b>81</b>	<b>279</b>	<b>15,138</b>

**Note: Prepayment against inventory is approximately US\$ 1.9 mln.**