Company Registration No. 10233912
United Kingdom

Tullow New Ventures Limited

Annual report and Audited Financial Statements

For the year ended 31 December 2021

Tullow New Ventures Limited

Annual report and financial statements

Contents

Tullow New Ventures Limited

Officers and professional advisers

Directors

A Holland
R Miller
M Walsh

Secretary

Any director of the company has authority to perform company secretary duties.

Registered office

9 Chiswick Park
566 Chiswick High Road
London W4 5XT
United Kingdom

Solicitors

Dickson Minto W.S.
Broadgate Tower
20 Primrose Street
London EC2A 2EW
United Kingdom

Bankers

JP Morgan Chase and Co.
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Auditor

Ernst & Young LLP
Statutory Auditor
London

Tullow New Ventures Limited

Strategic report

The directors of Tullow New Ventures Limited (the "company") present their strategic report for the year ended 31 December 2021.

Principal activity and review of business

The principal activity of the company is to acquire exploration licences. Once the licence acquisition has been agreed then the licence is held in the Tullow group entity specific to the country of the licence. The company does not expect to change its principal activity in the 2022 financial year.

The company holds no licences, and all expenditure incurred during the current year to acquire new ventures is expensed as it is incurred.

Results and dividends

The company recorded a loss of US$4,509,053 (2020: US$7,408,740) for the year ended 31 December 2021.

The directors have not proposed, declared or paid any dividends during the current year (2020: $nil).

Principal risks and uncertainties

The principal risks and uncertainties are detailed below.

Financial risk management objectives and policies

The company seeks to minimise the effects of fair value interest rate risk, credit risk and price risk through active management processes where it is considered appropriate to do so. The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risks

Given the early stages of projects, the company is not currently exposed to market risk arising from its investment in the exploration of oil and gas, nor to risks arising from changes in the price of oil. However in future years, the company may become exposed to this risk. The board is responsible for the monitoring of exposure to market risk.

Credit risk

The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit risk on other receivables is limited because the counterparties are joint venture partners which are considered to be reputable companies.

Liquidity and interest risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company considers that it is able to actively source financing from its shareholder to manage its risk.

Key performance indicators (KPIs)

The directors of Tullow Oil plc manage the group's operations at a group level. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company's business. The development, performance and position of the group are discussed in the group's 2021 annual report which does not form part of this report.

Uncertainty around finding commercial reserves

There is a risk that the company may never discover commercial reserves while undertaking its oil exploration activities. The directors assess exploration projects, on an ongoing basis, for viability. All exploration costs are written off to the statement of comprehensive income unless commercial reserves are established or the determination process is not completed, and there are no indications of impairment.

Approved by the board of directors on 2 November 2022 and signed on its behalf by:

R Miller
Director
2 November 2022

Tullow New Ventures Limited

Directors' report

The directors of Tullow New Ventures Limited (the "company") present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 31 December 2021.

The financial risk management policy and dividends have been presented in the strategic report and form part of this report by cross-reference.

Directors, secretaries and their interests

The directors, who held office, at the date of this report, are listed on page 2. The changes to the company's directors during the year and between the accounting and the date of this report are as follows:

- Resignation of G Wood on 31 March 2022.

The directors did not have any interests in the shares of the company at any time during the year. In accordance with the Articles of Association, none of the directors retire by rotation.

The company secretary, who held office at the date of this report, is listed on page 2. There were no changes to the company's secretary during the year and between the accounting and the date of this report.

Going concern

The principal activity of the company is to acquire exploration licences. Once the licence acquisition has been agreed then the licence is held in the Tullow group entity specific to the country of the licence. The company does not expect to change its principal activity in the 2022 financial year.

The company recorded a loss of US$4,509,053 (2020: US$7,408,740) for the year ended 31 December 2021. As at 31 December 2021 the company had a net liability position of US$66,230,432 (2020: US$61,721,377).

A letter of support has therefore been provided by Tullow Oil plc, which states it will provide the necessary financial support to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements.

On 17 May 2021, the Group announced the completion of its offering of $1.8 billion 2026 Notes. The net proceeds, together with cash on balance sheet, have been used to (i) repay all amounts outstanding under, and cancel all commitments made available pursuant to, the Company's RBL Facility, (ii) redeem in full the Company's senior notes due 2022, (iii) at maturity, repay in full and cancel the Company's convertible bonds due 2021 and (iv) pay fees and expenses incurred in connection with the transactions. The Group also entered into a $600 million SSRCF which is undrawn and will be primarily used for working capital purposes. The 2026 Senior Notes and the SSRCF do not have any maintenance covenants. Following completion of these transactions the Directors have concluded that the material uncertainties noted in the 2020 Annual Report and Accounts, associated with implementing a Refinancing Proposal and obtaining amendments or waivers in respect of covenant breaches or, in the event a Refinancing Proposal is implemented, the revised covenants are subsequently breached, no longer exist.

The Directors consider the going concern assessment period to be up to 30 November 2023. The Group closely monitors and manages its liquidity headroom. Cash forecasts are regularly produced, and sensitivities run for different scenarios including, but not limited to, changes in commodity prices, different production rates from the Group's producing assets and different outcomes on ongoing disputes or litigation.

Management has applied the following oil price assumptions for the going concern assessment:

Base Case: $100/bbl for 2022, $90/bbl for 2023; and
Low Case: $80/bbl for 2022, $70/bbl for 2023.

The Low Case includes, amongst other downside assumptions, a 5 per cent production decrease compared to the Base Case as well as increased outflows associated with an ongoing dispute.

Going concern (continued)

The Group had $0.6 billion liquidity headroom of unutilised debt capacity and free cash as at 30 June 2022. The Group's forecasts show that the Group will be able to operate within its current debt facilities and have sufficient financial headroom for the going concern assessment period under its Base Case and Low Case. Based on the analysis above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they have adopted the going concern basis of accounting in preparing these statutory results.

Events subsequent to year end

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Supplier payment policy

It is company policy to settle all debts with creditors on a timely basis and in accordance with the terms of credit agreed with each supplier.

Directors' indemnities

As at the date of this report, indemnities are in force under which the ultimate parent company of the company has agreed to indemnify the directors, to the extent permitted by the Companies Act 2006, against claims from third parties in respect of certain liabilities arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the company.

Charitable and political donations

The company did not make any charitable or political contributions during the year (2020: US$nil).

Auditor

Each person who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Ernst & Young LLP indicated their willingness to act and their appointment was approved at the 2021 Annual General Meeting.

Approved by the board of directors on 2 November 2022 and signed on its behalf by:

R Miller
Director
2 November 2022

Tullow New Ventures Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Tullow New Ventures Limited

Opinion

We have audited the financial statements of Tullow New Ventures Limited for the year ended 31 December 2021 which comprise of the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS 101 "Reduced Disclosure Framework", Companies Act 2006, Bribery Act 2010, UK Criminal Finances Act 2017, those laws and regulations relating to health and safety and employee matters and relevant tax compliance regulations in the United Kingdom.
- We understood how Tullow New Ventures Limited is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation:
  - All minutes of board meetings held throughout the year;
  - Tullow group's code of ethical conduct setting out the key principles and requirements for all staff in relation to compliance with laws and regulations;
  - Any relevant correspondence with local tax authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company established to address risks identified by the entity or that otherwise seek to prevent, deter, or detect fraud. We gained an understanding of the entity level controls and policies that the Company applies being part of the Tullow group.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
  - Testing of journal entries;
    - with a focus on journals indicating larger or unusual transactions;
    - meeting our risk criteria based on our understanding of the business;
  - Enquiries of management, legal counsel and the audit committee of the Tullow group and;
  - review of all minutes of board meetings held throughout the year.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

P Wallek

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Paul Wallek (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
03 November 2022

Tullow New Ventures Limited

Statement of comprehensive income
For the year ended 31 December

	Notes	2021 US$'000	2020 US$'000
Continuing activities			
Administrative costs	4	(1,245)	(2,499)
Exploration costs written off		(2,476)	(6,040)
Operating loss		(3,721)	(8,539)
Reversal of allowance / (allowance) for related party loan receivables		(435)	1,043
Foreign exchange (loss) / gain		(344)	996
Restructuring costs		(9)	(912)
Interest income		-	3
Loss from continuing activities before tax		(4,509)	(7,409)
Income tax expense	5	-	-
Loss for the year from continuing activities		(4,509)	(7,409)
Other comprehensive income		-	-
Total comprehensive loss for the year		(4,509)	(7,409)

The notes on pages 15 – 22 form an integral part of these financial statements.

Tullow New Ventures Limited

Statement of financial position
At 31 December

	Notes	2021 US$'000	2020 US$'000
Assets			
Current assets			
Trade and other receivables	6	6	229
Related party loans receivable	7	127	2,473
Cash and cash equivalents	8	28	75
		161	2,777
Total assets		161	2,777
Liabilities			
Current liabilities			
Trade and other payables	9	(26)	(1,047)
Related party loans payable	10	(66,365)	(63,451)
		(66,391)	(64,498)
Total liabilities		(66,391)	(64,498)
Net current liabilities		(66,230)	(61,721)
Total assets less current liabilities		(66,230)	(61,721)
Net liabilities		(66,230)	(61,721)
Equity			
Share capital	11	-	-
Accumulated loss		(66,230)	(61,721)
Total equity		(66,230)	(61,721)

The notes on pages 15 – 22 form an integral part of these financial statements.

The financial statements of the company, Tullow New Ventures Limited (company no: 10233912), on pages 3 to 8 and 12 to 22 were approved by the board of directors on 2 November 2022 and signed on its behalf by:

Director – R Miller
2 November 2022

Tullow New Ventures Limited

Statement of changes in equity
For the year ended 31 December

	Note	Share capital US$'000	Accumulated loss US$'000	Total US$'000
Balance at 1 January 2020		-	(54,312)	(54,312)
Total comprehensive loss for the year		-	(7,409)	(7,409)
Balance at 31 December 2020		-	(61,721)	(61,721)
Total comprehensive loss for the year		-	(4,509)	(4,509)
Balance at 31 December 2021		-	(66,230)	(66,230)

The notes on pages 15 – 22 form an integral part of these financial statements.

Tullow New Ventures Limited

Notes to the financial statements
For the year ended 31 December 2021

1. General information

Tullow New Ventures Limited is a private company, limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is shown on page 2. The principal activity of the company is given on page 3.

2. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework'. As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

The financial statements have been prepared on the historical cost basis.

The principal accounting policies adopted by the company are set out below.

Going concern

A letter of support has therefore been provided by Tullow Oil plc, which states it will provide the necessary financial support to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements.

On 17 May 2021, the Group announced the completion of its offering of $1.8 billion 2026 Notes. The net proceeds, together with cash on balance sheet, have been used to (i) repay all amounts outstanding under, and cancel all commitments made available pursuant to, the Company's RBL Facility, (ii) redeem in full the Company's senior notes due 2022, (iii) at maturity, repay in full and cancel the Company's convertible bonds due 2021 and (iv) pay fees and expenses incurred in connection with the transactions. The Group also entered into a $600 million SSRCF which is undrawn and will be primarily used for working capital purposes. The 2026 Senior Notes and the SSRCF do not have any maintenance covenants. Following completion of these transactions the Directors have concluded that the material uncertainties noted in the 2020 Annual Report and Accounts, associated with implementing a Refinancing Proposal and obtaining amendments or waivers in respect of covenant breaches or, in the event a Refinancing Proposal is implemented, the revised covenants are subsequently breached, no longer exist.

The Directors consider the going concern assessment period to be up to 30 November 2023. The Group closely monitors and manages its liquidity headroom. Cash forecasts are regularly produced, and sensitivities run for different scenarios including, but not limited to, changes in commodity prices, different production rates from the Group's producing assets and different outcomes on ongoing disputes or litigation.

Management has applied the following oil price assumptions for the going concern assessment:

Base Case: $100/bbl for 2022, $90/bbl for 2023; and

Low Case: $80/bbl for 2022, $70/bbl for 2023.

The Low Case includes, amongst other downside assumptions, a 5 per cent production decrease compared to the Base Case as well as increased outflows associated with an ongoing dispute.

The Group had $0.6 billion liquidity headroom of unutilised debt capacity and free cash as at 30 June 2022. The Group's forecasts show that the Group will be able to operate within its current debt facilities and have sufficient financial headroom for the going concern assessment period under its Base Case and Low Case. Based on the analysis above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they have adopted the going concern basis of accounting in preparing these statutory results.

Tullow New Ventures Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

2. Accounting policies (continued)

Foreign currencies

The US dollar is the presentation currency and the functional currency of the company.

Transactions in foreign currencies are recorded at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities are translated into functional currency at the exchange rate ruling at the statement of financial position date, with a corresponding charge or credit to the statement of comprehensive income. However, exchange gains and losses arising on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Tax

Current and deferred tax, including UK corporation tax and overseas corporation tax, are provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred corporation tax is recognised on all temporary differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more, or right to pay less, tax in the future have occurred at the statement of financial position date. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying temporary differences can be deducted. Deferred tax is measured on a non-discounted basis.

Intangible, exploration and evaluation assets and Oil and gas assets

The entity adopts the successful efforts method of accounting for exploration and evaluation costs. Pre-licence costs are written off as exploration costs in the income statement in the period in which they are incurred.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL); financial assets 'at fair value through other comprehensive income (FVTOCI); 'and amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market as classified as financial assets held at amortised cost, less impairment or allowance based on the expected credit loss of the balance under IFRS 9.

2. Accounting policies (continued)

Impairment of financial assets

The entity recognises lifetime expected credit losses (ECL) for other receivables and related party receivables, as the receivables are from loans with non-contractual payment terms. The expected credit losses on these financial assets are estimated using a provision matrix based on the entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Measurement and recognition of expected credit losses (ECL)

Under IFRS 9, lenders of intercompany loans will be required to consider forward-looking information to calculate expected credit losses, regardless of whether there has been an impairment trigger. The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

As the receivables are from related party loans with non-contractual payment terms, the IFRS 9 ECL measurement will be calculated for lifetime ECL. IFRS 9 stipulates that for performing loans the ECL will only be measured for a 12 month period. A loan can only be classified as performing when contractual payments are met, which is not applicable for related party loans. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

All the loans across the group are repayable on demand. Consequently, IFRS 9 requires that each loan is assessed for its ability to be repaid on demand at each reporting date (i.e. within a day from liquid assets such as cash and cash equivalents). Where the amount of any loan outstanding exceeds the value of the borrower's liquid assets, the loan would be in default if called. If the borrower could not repay the loan if demanded at the reporting date, the lender should consider the expected manner of recovery to measure expected lifetime credit losses.

The entity recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Notes to the financial statements (continued)
For the year ended 31 December 2021

3. Critical accounting judgements

The company assesses critical accounting judgements annually. The following are the critical judgements, apart from those involving estimations (which are dealt with below) that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- Application of the going concern basis of accounting:

The financial statements have been prepared on the going concern basis. In order to determine whether it is appropriate for the company to report as a going concern, the directors consider financial position of the company, its business activities, principal risks and uncertainties, as well as the company's reliance on its ultimate parent company, Tullow Oil plc, providing financial support during the period of assessment. The details of the going concern assessment performed and conclusion reached, including the identification of a material uncertainty related to going concern, are discussed in the Director's Report on pages 5 and 6.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

- Related party loan receivable (note 7):

The Company is required to assess the carrying values of each of the related party loans receivable, considering the requirements established by IFRS 9 Financial Instruments.

The IFRS 9 impairment model requires the recognition of 'expected credit losses'. Where conditions exist for impairment on the related party loan receivable expected credit losses assume that repayment of a loan is demanded at the reporting date. If the subsidiary has sufficient liquid assets to repay the loan if demanded at the reporting date, the expected credit loss is likely to be immaterial. However, if the subsidiary could not demonstrate the ability to repay the loan, if demanded at the reporting date, the Company calculates an expected credit loss. This calculation considers the percentage of loss of the amount due from subsidiary undertakings, which involves judgement around how amounts would likely be recovered, and over what time they would be recovered. Despite this requirement, the Company does not intend to demand repayment of any related party loan receivable in the near future.

4. Administrative costs

The current year fee for the audit of the company's financial statements of US$8,532 was borne by another group company. Included in the prior year auditor's remuneration of US$24,341 were fees borne on behalf of fellow group companies. The statutory auditor did not provide any non-audit services to Tullow New Ventures Limited during the year.

5. Income tax expense

(a) Analysis of tax charge for the year

The tax charge for the year is US$nil (2020: US$nil).

(b) Factors affecting the current tax charge for the year

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2021 US$'000	2020 US$'000
Loss from continuing activities before tax	(4,509)	(7,409)
Tax on loss from continuing activities at standard UK corporation tax rate of 19% (2020: 19%)	(857)	(1,408)
Effect of:		
Expenses not deductible for tax purposes	2	-
Losses (claimed) / surrendered as group relief	855	1,408
	-	-

The company is subject to UK corporation tax. The Finance Act 2020 sets the Corporation Tax main rate at 19% for the financial year beginning 1 April 2021. The Finance Act 2021 sets the Corporation Tax main rate at 19% for the financial year beginning 1 April 2022 and at 25% for the financial year beginning 1 April 2023. These changes were enacted on 10 June 2021 and hence the effect of the change on the deferred tax balances has been included, depending upon when deferred tax is expected to reverse.

On 23 September 2022, the Chancellor of the Exchequer announced that the UK corporation tax rate will remain at 19% from 1 April 2023 - reversing a previously enacted measure to increase the rate to 25%. The announcement of the reversal in the tax rate from 1 April 2023 was not enacted or substantively enacted at the balance sheet date and accordingly has no impact on the tax balances at year end.

If the tax rate change had been substantively enacted or enacted at the balance sheet date, the impact on the deferred tax balances at the balance sheet date would have been immaterial.

The company has unutilised tax losses of US$nil (2020: US$nil).

6. Trade and other receivables

	2021 US$'000	2020 US$'000
Other receivables	6	229

Other receivables above relates to an intercompany receivable.

Notes to the financial statements (continued)
For the year ended 31 December 2021

7. Related party loans receivable

	2021 US$'000	2020 US$'000
Tullow Cote d'Ivoire Onshore Limited	-	17
Tullow Ghana Limited	13	13
Tullow Peru Limited	144	130
Tullow Guyana B.V.	-	6
Tullow Namibia Limited	-	15
Tullow Comoros Limited	13	68
Tullow Argentina Limited	778	710
Tullow Suriname B.V.	-	42
Tullow South Africa Proprietary Limited	2,818	4,658
Tullow Kenya B.V.	-	16
Tullow Oil Limited	-	2
Allowance for related party loan receivables	(3,639)	(3,204)
	127	2,473

The loans above are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8. Cash and cash equivalents

	2021 US$'000	2020 US$'000
JP Morgan & Chase - USD bank account	28	75

9. Trade and other payables

	2021 US$'000	2020 US$'000
Trade payables	14	64
Other payables	-	5
Accruals	12	978
	26	1,047

Tullow New Ventures Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

10. Related party loans payable

	2021 US$'000	2020 US$'000
Tullow Group Services Limited	479	332
Tullow Oil Finance Limited	65,885	62,851
Tullow Mauritania Limited	1	238
Tullow Uganda Operations Pty Limited	-	30
	66,365	63,451

The loans above are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11. Called up share capital

Allotted, called up and fully paid share capital

	Share capital allotted and fully paid Number	Share capital US$'000
At 31 December 2019	1	1
Issued during the year	-	-
At 31 December 2020	1	1
Issued during the year	-	-
At 31 December 2021	1	1

On 15 June 2016, 1 share was issued to Tullow Overseas Holdings B.V. for a consideration of £1. The £/US$ exchange rate at incorporation was US$0.704.

The company does not have an authorised share capital. The par value of the company's shares is £1.

The rights attached to the ordinary shares are as follows:
- On a show of hands each member holding Ordinary Shares has one vote and on a poll each member holding Ordinary Shares has one vote for each Ordinary Share held;
- The Ordinary Shares have the right, as respects dividends, to participate in a distribution;
- The Ordinary Shares have the right, as respects capital, to participate in a distribution (including on winding up); and
- The Ordinary Shares are not to be redeemed or liable to be redeemed at the option of the Company or the Shareholders.

Notes to the financial statements (continued)
For the year ended 31 December 2021

12. Directors' emoluments and employees

None of the directors received any remuneration for their services to the company during the year (2020: US$nil).

No employees were employed during the year (2020: none).

13. Capital commitments and contingencies

The directors have not committed to capital expenditure at the end of the year (2020: US$nil) for exploration and appraisal.

There were no contingent liabilities at the end of the year (2020: US$nil).

14. Immediate parent and ultimate holding company

Tullow Overseas Holdings B.V., a company incorporated in the Netherlands, is the immediate parent company of Tullow New Ventures Limited. Its registered address is Martinus Nijhofflaan 2, 2624 ES Delft, The Netherlands.

Tullow Oil plc, a company incorporated in the United Kingdom, is Tullow Overseas Holdings B.V.'s immediate parent company and controlling entity of Tullow New Ventures Limited.

The ultimate holding company is the only group which includes the company and for which consolidated financial statements is produced. These consolidated financial statements can be obtained from Tullow Oil plc, 9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, which is its registered address.

15. Events subsequent to the year end

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.