Seacrest Petroleo

Fourth quarter 2023

Interim report

About Seacrest Petroleo

Seacrest Petroleo is an independent oil and gas production company with an integrated portfolio of producing oil and gas fields, and export infrastructure onshore in Espírito Santo, Brazil. The Company has exclusive control over its infrastructure, from field production to an offshore tanker loading terminal, enabling cost-efficient operations, schedule control and direct access to markets for its premium grade products.

HIGH QUALITY ASSETS
140 MMBoe reserves with significant organic upside recovery factor potential. Proven success in Brazil through execution by top-performing development and operations team with the backing of industry leaders Seacrest and Mercuria.

FULLY OWNED INFRASTRUCTURE
Large-scale infrastructure enables us to process, transport and deliver our oil production directly to sea tankers through a uniquely integrated system providing control and risk mitigation.

POTENTIAL FOR GROWTH
Significant ramp up of production being anticipated through simple, low-risk workovers, recompletions and drilling.

HIGH MARGIN BARRELS
High cash-margin business with potential for growth and significant cash flow generation.

To learn more, please visit: www.seacrestpetroleo.com

Contents

Key figures fourth quarter 2023

Fourth quarter 2022 in brackets

Production	Petroleum revenues	EBITDA	Profit before tax
boepd	USD '000	USD '000	USD '000
8 221	64 664	12 034	- 9 642
(1 836)	(10 639)	(-2 316)	(-45 065)

CFFO [1]	Capex[2]	FCF
USD '000	USD '000	USD '000
21 796	17 851	3 946
(-4 975)	(1 117)	(6 092)

[1] Cash flow from operations
[2] Includes repayments of lease obligations in the fourth quarter of USD 3 041 000

Fourth quarter 2023 highlights

Seacrest Petroleo is positioning to execute on its growth strategy during 2024 with an improved financial situation and an organisation delivering solid operational performance during 2023, successfully managing difficult issues and capturing valuable learning from infill drilling.

Solid financial results

- Revenues of USD 64.7 million, a 28% increase from the third quarter
- EBITDA of USD 12.0 million, rising for the third quarter in a row
- CFFO of USD 21.8 million, a USD 18.5 million sequential improvement
- Average realised oil price of USD 84.7/bbl, up 7.1% sequentially
- Cash position of USD 50.5 million

Operational performance

- Total production 8 221 boepd in the quarter, down 11% sequentially due to the previously announced weather-related offtake force majeure
- Oil production 7 646 bopd for the year, above prior guidance on faster-than-expected recovery in December
- Production cost per boe USD 23.8 for the year and in line with guidance, despite a fourth quarter jump due to the offtake force majeure
- Drilled the first batch of three infill wells with two wells set for imminent production start
- Stable well reliability despite resources shifted to manage offtake situation in the quarter
- No serious incidents incurred in the fourth quarter and in 2023

Committed to execute on growth strategy

- USD 106 million of funding secured in recent months to execute on growth plans in 2024
- Expect to drill 40-50 new wells in 2024 with 3 mid size and heavy rigs secured, with a 4th in negotiation, and main impact expected to be seen in the second half of the year
- Fast payback on capex with substantial cash flow potential supporting future dividends

KPIs (USD '000 unless otherwise stated)	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Actual serious injury frequency (12 months rolling)	-	-	-	-	-
Total production (boepd) [3]	8 221	9 204	6 534	8 324	1 373
Offtake of oil ('000 bbls)	763	640	140	2 314	381
Production cost (USD/boe)	27.8	24.2	29.6	23.8	27.9
Cash flow from operations (CFFO)	21 796	3 329	(4 975)	(13 754)	(38 332)
Free cash flow (FCF, USD)	3 946	(6 136)	(6 092)	(109 594)	(80 362)
EPS Basic	(0.0404)	(0.0872)	(0.1609)	(0.3062)	(0.6825)
EPS Diluted	(0.0393)	(0.0848)	(0.1098)	(0.2988)	(0.5005)

"Seacrest Petroleo is heading into 2024 with a strengthened financial position to execute on our growth strategy. Valuable learning has been harvested from the initial phase of our drilling programme and our team has shown remarkable flexibility and skills managing the weather-induced offtake force majeure incurred in the fourth quarter.

We exited 2023 with an oil production 82% higher than a year ago, demonstrating our reserve base, expanding portfolio of producing wells and the revitalisation efforts driving up well productivity and reliability. We continue our safe and responsible operations, having recorded no serious incidents in our operations for two years in a row.

The Company is now fully focused on executing on our 300 infill well drilling programme – the largest onshore Brazil - and remains well positioned to deliver on our long-term production growth strategy."

-Scott Aitken, President of the Executive Committee, Seacrest Petroleo Bermuda Limited

[3] Includes Norte Capixaba on a pro forma basis for Q4'22 and on full quarter basis from Q2'23

Key metrics and targets

Production split (boepd)	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Oil	7 409	8 376	6 175	7 646	1 261
Gas	812	828	359	682	113
Total	**8 221**	**9 204**	**6 534**	**8 329**	**1 373**

Offtake volumes ('000 boe)	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Oil	763	640	140	2 314	381
Gas	-	-	-	-	-
Total	763	640	140	2 314	381

Realised oil price (USD/bbl)	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Gross realised oil prices	83.6	79.2	84.3	76.8	93.2
PIS/COFINS (Federal taxes on revenue)	1.1	0.0	(8.1)	(0.1)	(5.0)
Net realised oil price	**84.7**	**79.2**	**76.2**	**76.7**	**88.2**

Financials (USD '000)	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Total income	64 664	50 708	10 639	177 431	33 617
Operating profit / (loss)	(11 122)	489	(7 911)	(42 655)	(34 151)
Profit / (loss) before income taxes	(9 642)	(47 021)	(45 065)	(112 294)	(138 767)
Net earnings / (loss)	(13 562)	(28 554)	(25 470)	(90 020)	(119 172)
EBITDA	12 034	9 658	(2 316)	17 076	(11 117)
Earnings per share (USD)	(0.0404)	(0.0872)	(0.1609)	(0.3062)	(0.6825)

Targets and outlook [4]

2024 guidance

(USD million unless otherwise stated)

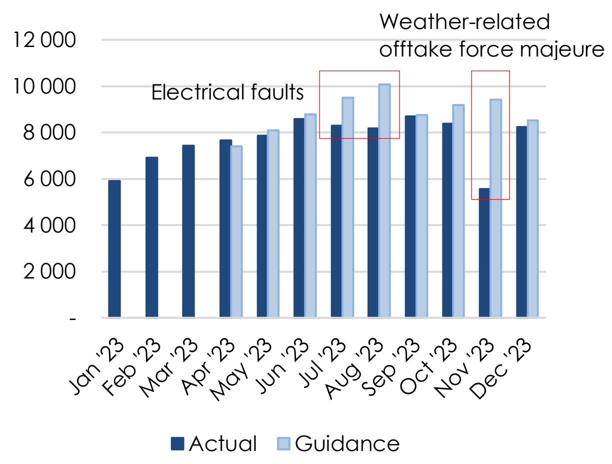
Oil production	8 500 – 11 000	*bopd*
Total production	9 500 – 12 500	*boepd*
Production cost	20-24	*USD/boe*
Capex	70 – 100	*USD million*

[4] Please refer to further details on page 14

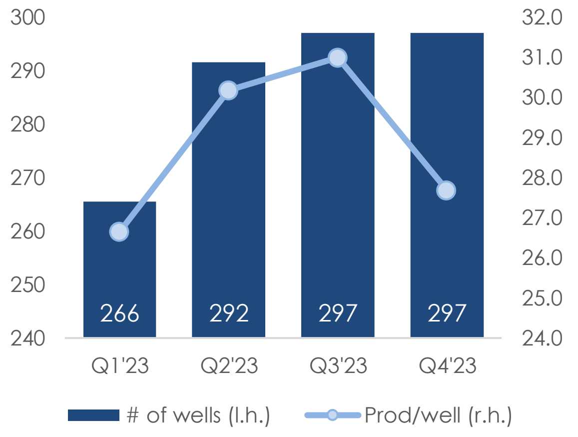
Operational review

Oil production (bopd)	Q4'23	Q3'23	Q2'23	FY'23	FY'22
Cricaré (bopd)	1 325	2 677	2 515	2 087	1 261
Norte Capixaba (bopd)[5]	6 084	5 699	5 518	5 559	5 320
Total (bopd)	**7 409**	**8 376**	**8 033**	**7 646**	**6 581**
Gas production (boepd)	**Q4'23**	**Q3'23**	**Q2'23**	**FY'23**	**FY'22**
Cricaré (boepd)	468	531	504	423	113
Norte Capixaba (boepd)[5]	344	298	259	259	200
Total (boepd)	**811**	**828**	**763**	**682**	**312**
Total production (boepd)	**Q4'23**	**Q3'23**	**Q2'23**	**FY'23**	**FY'22**
Cricaré (boepd)	1 793	3 208	3 018	2 579	1 373
Norte Capixaba (boepd)[5]	6 428	5 996	5 777	5 745	5 520
Total (boepd)	**8 221**	**9 204**	**8 796**	**8 324**	**7 154**
Offtake and production ('000 bbls)	**Q4'23**	**Q3'23**	**Q2'23**	**FY'23**	**FY'22**
Production of oil	682	771	669	2 312	460
Offtake of oil	763	640	777	2 314	381
Percentage total production	**Q4'23**	**Q3'23**	**Q2'23**	**FY'23**	**FY'22**
Cricaré	22 %	35 %	34 %	31 %	20 %
Norte Capixaba	78 %	65 %	66 %	69 %	80 %
Total	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**
Percentage by product	**Q4'23**	**Q3'23**	**Q2'23**	**FY'23**	**FY'22**
Oil	90 %	91 %	91 %	92 %	95 %
Gas	10 %	9 %	9 %	8 %	5 %
Total	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**

2023 production vs guidance (bopd)



Well count and production per well



Production

Production averaged 8 221 boepd in the fourth quarter, 11% lower than the preceding quarter. The decline was due to the previously announced delays to offtakes in October and November due to exceptional weather-induced offtake force majeure. As a result, the Company had to voluntarily curtail production for a period as oil storage reached full capacity. The effect can be clearly seen in the monthly production levels in the fourth quarter, which were 8 383 bopd in October, dropping to 5 562 bopd in November before jumping up to 8 223 bopd in December when the offtakes started to come back on track.

The recovery in production following this event exceeded expectations, resulting in full year average oil production of 7 646 bopd, above the upper end of the 7 400 – 7 600 bopd revised guidance range.

Oil production amounted to 90% of total production. The gas produced is used internally in operations and oil is the only product sold.

The volume of oil produced in the fourth quarter was 682 kbbls. The volume of oil sold in the quarter amounted to 763 kbbls, resulting in an overlift position.

[5] Norte Capixaba pro forma for Q3'22 and FY'22, full quarter basis for Q2'23 (P&L effect from 13 April)

The assets

In December 2021, the Company became the operator and sole owner of the Cricaré Cluster. The Cricaré Cluster was previously owned and operated by Petrobras. The fields in the Cricaré Cluster have an aggregate area of approximately 67,000 net acres (270 sq km). The Cricaré Cluster assets are comprised of 18 onshore concessions (26 fields), 4 oil treatment stations, and 4 satellite collection stations, all located in the State of Espírito Santo and organized in a cluster to optimise the sharing of logistics and production treatment facilities.

In April 2023, the Company became the operator and sole owner of the Norte Capixaba Cluster. The fields in the Norte Capixaba Cluster have an aggregate area of approximately 15,000 net acres (60 sq km). The Norte Capixaba Cluster assets are comprised of 5 mature onshore fields, 3 oil treatment stations, 4 satellite collection stations and a pipeline network.

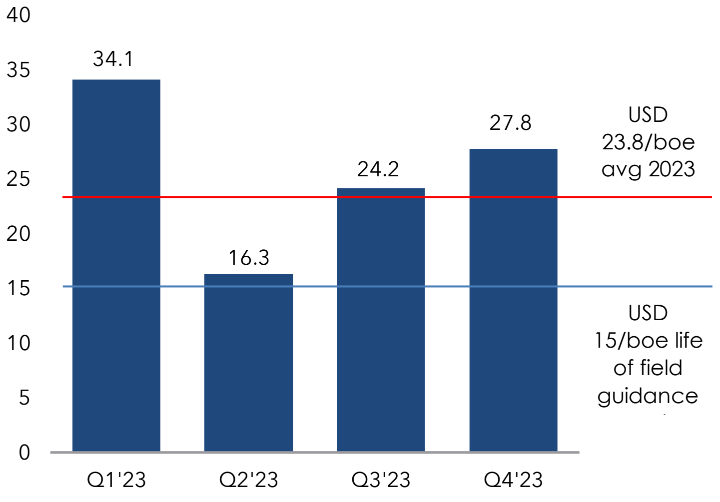
As part of its acquisition of the Norte Capixaba Cluster, the Company also acquired the Terminal Norte Capixaba, with approximately 80,000 m3 storage capacity (equal to 500 000 bbls).

Production Cost

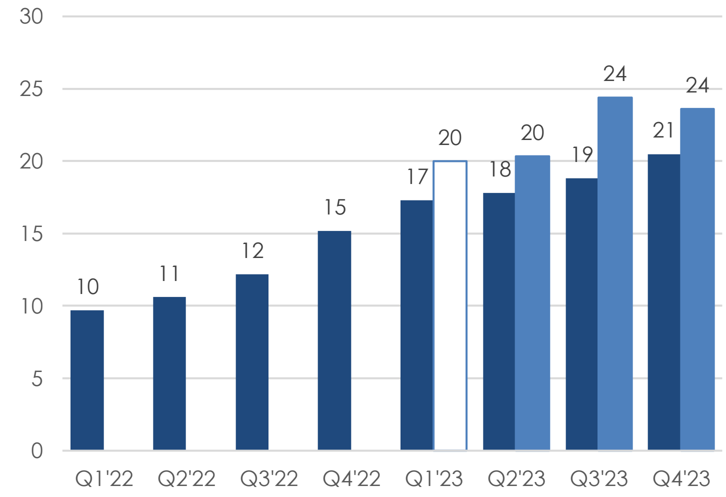
Total production cost was USD 27.8 per boe in the fourth quarter of 2023 compared to USD 24.2 in the previous quarter. Production cost for the year was USD 23.8 per boe, compared to USD 27.9 in 2022 and in line with the Company's guidance.

Nearly all of the sequential increase in production cost per boe was due to lower production volumes owing to the offtake force majeure related voluntary production curtailment in the quarter, while the efforts to preserve oil storage capacity also resulted in some incremental, non-recurring costs.

Production costs (USD/boe)



Mean time between failures (months)



Fourth quarter activities

The average number of producing wells remained at 297 in the fourth (297 in the third quarter) and the average production per well therefore decreased to 28 boepd in the fourth quarter from 31 boepd in the third quarter along with the overall sequential production decline.

Update on drilling program

The Inhambu infill drilling program commenced in September following the issuance of environmental permits from IEMA. A batch process approach has been taken to maximize cost synergy in each step of the well construction process. The batch drilling process is expected to drive down costs per well by around 15%. Preliminary drilling data has indicated net reservoir thickness consistent with the Competent Persons Report ("CPR").

For the first batch of three wells, the first two wells are in the steam cycle and expected to begin production imminently. The third well will require a mechanical sidetrack. Such operational challenges are not uncommon in the context of start-up of a 300 well programme. The anticipated deferral of production from this well is 50 boepd for 2024, compared with the Company's 9,000 boepd production base.

Well services activities

The Company serviced 29 wells during the period, down from 38 in the third quarter, as efforts needed to be reduced to manage the storage-related production curtailment. Nevertheless, the Mean Time Between Failures (MTBF) in Cricaré improved to 21 months, compared to 19 months in the third quarter. In Norte Capixaba, the MTBF was flat at 24, compared to 24 in the third quarter. For Cricarè this is up from 10 months in the first quarter of 2022, when the Company took over operations. This improvement in reliability of the wells is the result of continuous efforts in pumping and well operation optimisations, as well as preventive maintenance. A higher MTBF results in higher availability of production and lower use of rigs for corrective maintenance in favour of workover and production increase activities.

Workover activities

Seacrest initiated workovers of 32 wells in the quarter, down from 38 wells in the third quarter – again reflecting the production curtailment. These operations target the reopening of new zones within existing wells to increase well productivity, as well as the return to production of wells shut in by the previous operator to increase the overall production well count.

TNC maintenance programme

During Q1 2024 Petrobras has provided the Company with certification that the hydrostatic test carried out at the Terminal Norte Capixaba (TNC) in January 2024 concluded that the south pipeline is approved for its mechanical resistance and tightness. Based on the results of the hydrostatic test, the maximum permissible operating pressure (MPOP) of the south pipeline must be set, for the time being, at 12 kgf/cm2; and the maximum permissible operating temperature (MPOT) of the south pipeline must be set, for the time being, at 40° C.

For the Company to use either subsea pipeline for very low sulphur fuel oil (VLSFO), the relevant pipeline must be certified for use at an MPOP of 25 kgf/cm2 and an MPOT of 65° C. Petrobras has informed the Company that in carrying out the testing process it discovered that the seals it had used for repairs on the south pipeline flanges had been improperly labelled by the manufacturer and must be replaced in order for the south pipeline to be certified for operations at an MPOP of 25 kgf/cm2 and an MPOT of 65° C.

Petrobras is currently in the process of replacing the seals on the north pipeline, with a view to carrying out further hydrostatic testing when that is completed. Petrobras has commenced a project plan where testing will be completed and a certification issued by the end of March 2024. At which time, if such testing is successful, the north pipeline should be certified for operations at an MPOP of 25 kgf/cm2 and an MPOT of 65° C, thereby enabling the Company to use the north pipeline for VLSFO operations. Petrobras will thereafter replace the seals on the south pipeline and carry out further testing to ensure the south pipeline meets the required specifications.

Going forward

The Company is providing a guidance for 2024 oil production of 8 500 – 11 000 bopd with an exit rate of 11 000 – 15 000 bopd. This compares to an average oil production in 2023 of 7 646 bopd, including Norte Capixaba on a pro forma basis until takeover on 11 April 2023.

The increase in production will be driven by the drilling of new production wells, of which 40 - 50 are planned for the year. The drilling programme will be weighted towards the second half of the year as additional drilling capacity is contracted for delivery to Seacrest during Q2 and Q3 of 2024. The production guidance also includes an assumed productivity level for the new wells.

Production costs for 2024 are expected to be in the range of USD 20-24 per boe.

Capex (excluding lease payments) is forecast in the range of USD 70 – 100 million with the main variable being the number and type of wells drilled under the planned drilling programme.

Health, safety, security and the environment (HSSE)

Key Performance Indicators	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Hours worked own workforce	153 421	79 153	43 290	357 439	109 551
Hours worked contractors	697 315	710 067	311 832	2 247 498	898 349
Total hours worked	850 736	789 220	355 122	2 604 937	1 007 900
Serious incidents (SI)	-	-	-	-	-
Lost time injuries (LTI)	-	1	-	1	-
Total recordable injuries (TRI)	-	1	-	1	-
Serious incidents rate (SIR) (#/mill hrs)	-	-	-	-	-
Lost time injuries rate (LTIR) (#/ mill hrs)	-	1.27	-	0.38	-
Total recordable injuries rate (TRIR) (#/mill hrs)	-	1.27	-	0.38	-
Reportable hydrocarbon spills to the environment	3	-	-	5	-
Total fatalities	-	-	-	-	-
High potential incidents	-	-	-	1	1
Near misses	22	14	-	56	3
Restricted workday cases	1	1	-	3	-
Medical treatment cases	-	-	-	-	-

Seacrest Petroleo continues to grow the operations with the number of hours worked reaching over 850 000 hours during the quarter, an 8% sequential increase. The Company has a strong focus on health, safety, security and the environment (HSSE) with a well-developed framework of internal regulations to ensure performance.

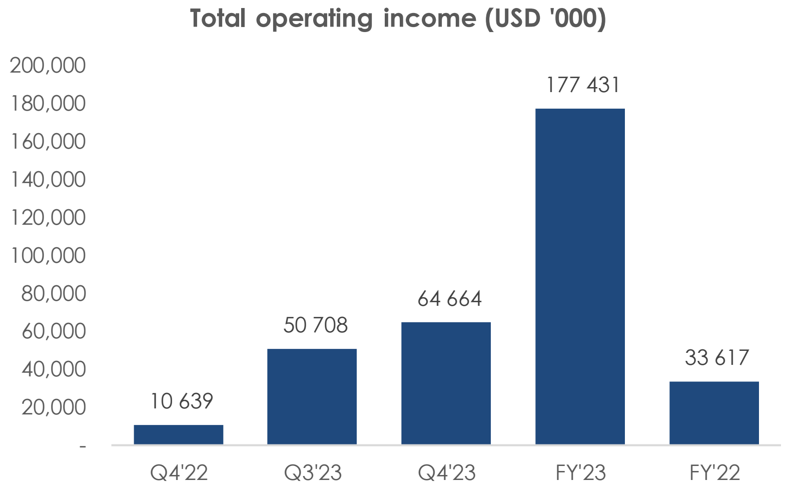
During the fourth quarter, the Company had no injuries. As a result, the full year record is very strong with an LTIR of 0.38. This is attributable to our dedicated workforce and our close cooperation with contractors employed by the Company.

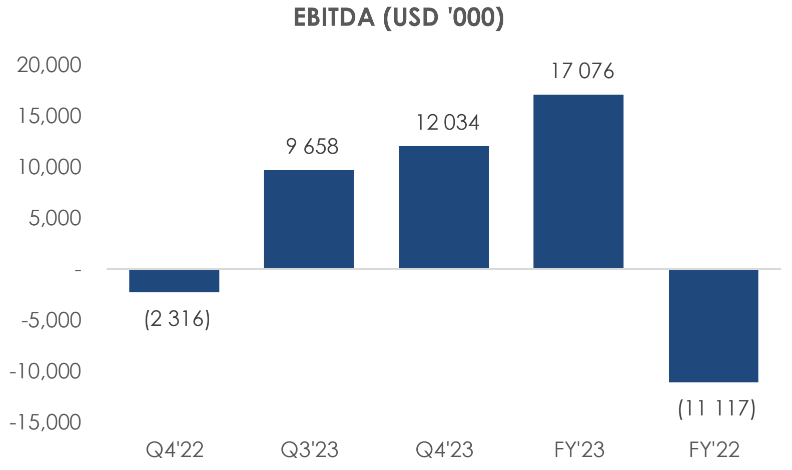
There were three reportable spills of hydrocarbons to the environment in the fourth quarter of 2023 and one restricted workday case. The volumes spilled were limited and were coordinated and reported to the authorities according to regulation. The Company is actively working towards safety culture improvements, and this has contributed to increased reporting of near miss incidents. The Company follows the Heinrich safety pyramid theory and takes all such incidents as valuable learning that will strengthen the HSSE performance going forward.

Financial review

Statement of income

(USD '000)	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Net revenue from oil sales	64 664	50 708	10 639	177 431	33 617
Other revenue	-	-	-	-	-
Total operating income	**64 664**	**50 708**	**10 639**	**177 431**	**33 617**
Production costs	(41 856)	(30 692)	(4 669)	(113 067)	(16 746)
Exploration expenses	-	-	-	-	-
Selling, General and administrative expenses	(10 774)	(10 358)	(8 286)	(47 288)	(27 988)
General and administrative expenses	*(5 325)*	*(3 240)*	*(4 879)*	*(21 696)*	*(14 735)*
Services hired	*(2 431)*	*(2 934)*	*(3 407)*	*(17 890)*	*(13 253)*
Marketing fee	*(3 018)*	*(4 184)*	*-*	*(7 702)*	*-*
Other operating expenses	-	-	-	-	-
EBITDA	**12 034**	**9 658**	**(2 316)**	**17 076**	**(11 117)**
Depreciation and amortisation	(23 155)	(9 169)	(5 595)	(59 731)	(23 034)
Impairment loss and reversals	-	-	-	-	-
Operating profit / (loss) (EBIT)	**(11 122)**	**489**	**(7 911)**	**(42 655)**	**(34 151)**
Operating margin	neg	1 %	neg	neg	neg
Financial income	3 532	(16 560)	2 349	5 263	5 499
Financial expenses	(2 053)	(30 950)	(39 503)	(74 902)	(110 115)
Profit / (loss) before income taxes	**(9 642)**	**(47 021)**	**(45 065)**	**(112 294)**	**(138 767)**
Tax (expense)/income	(3 920)	18 467	19 595	22 273	19 595
Profit / (loss) for the period	**(13 562)**	**(28 554)**	**(25 470)**	**(90 020)**	**(119 172)**





Petroleum revenue

Revenues from sale of oil in the fourth quarter of 2023 were USD 64.7 million, a 28% increase from the third quarter of 2023 owing to higher offtake volumes (+19%) and improved pricing (+7%). Revenues from sale of oil in 2023 were USD 177.4 million, up five-fold from 2022 on higher production and offtake volumes.

Production cost

Total production cost was USD 27.8 per boe in the fourth quarter of 2023, compared to USD 24.2 in the previous quarter. For the year, production cost was USD 23.8 per boe compared to USD 27.9 in 2022. The increase compared to the third quarter was due to lower production volumes and extra costs in connection with the management of the offtake issues. Full details are in note 3 in the Financial Statements.

Depreciation and amortization

The amortisation and depreciation in the fourth quarter was USD 23.2 million, compared to USD 9.2 million in third quarter. Upon review of the expected useful life of the intangible assets, third and fourth quarter amortisation was adjusted to more accurately reflect the remaining life of the assets. Going forward, management expects amortisation levels of approximately USD 8 million per quarter at forecasted production levels.

Net financial items

Interest expense was flat quarter-on-quarter. The other financial items are primarily related to changes in the value of financial instruments and present value adjustments.

Tax

The Company recorded a deferred tax expense of USD 3.9 million in the fourth quarter. For 2023, there was a tax benefit of USD 22.3 million due to the pre-tax losses. The total accumulated deferred tax asset is USD 41.7 million.

Profit for the period

Net loss for the quarter was USD 13.6 million, an improvement from the net loss of USD 28.6 million in the preceding quarter. Total comprehensive income after adjusting for currency translation differences was USD 20.2 million in the quarter.

Gross petroleum revenues (USD '000)	**Q4'23**	**Q3'23**	**Q4'22**	**FY'23**	**FY'22**
Revenue from oil sales	63 688	50 706	11 768	177 621	35 529
Revenue from gas sales	-	-	-	-	-
Gross petroleum revenues	**63 688**	**50 706**	**11 768**	**177 621**	**35 529**
Tax on revenues (USD '000)					
PIS	(4)	-	(201)	(190)	(341)
COFINS	(20)	2	(928)	-	(1 571)
Net petroleum revenues (USD '000)	**64 664**	**50 708**	**10 639**	**177 431**	**33 617**
Petroleum revenue split by type (percentage)	**Q4'23**	**Q3'23**	**Q4'22**	**FY'23**	**FY'22**
Revenue from oil sales	100 %	100 %	100 %	100 %	100 %
Revenue from gas sales	0 %	0 %	0 %	0 %	0 %
Total petroleum revenues	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**
Realised prices (USD/boe)	**Q4'23**	**Q3'23**	**Q4'22**	**FY'23**	**FY'22**
Gross	83.6	79.2	84.3	76.8	93.2
Net after PIS/COFINS (federal taxes on revenues)	84.7	79.2	76.2	76.7	88.2
Offtake volumes (mmboe)	**Q4'23**	**Q3'23**	**Q4'22**	**FY'23**	**FY'22**
Oil	763	640	140	2 314	381
Gas	-	-	-	-	-
Total	**763**	**640**	**140**	**2 314**	**381**
Over-/(underlift)	**81**	**(130)**	**(11)**	**2**	**(79)**
Production costs (USD '000)	**Q4'23**	**Q3'23**	**Q4'22**	**FY'23**	**FY'22**
Production costs based on sold volumes	41 856	30 692	4 669	113 067	16 746
Adjustments	(20 809)	(10 202)	339	(52 473)	(2 772)
Adjusted production cost based on produced volumes	**21 047**	**20 490**	**5 008**	**60 594**	**13 974**
Total produced volumes ('000 boe)	756	847	169	2 546	501
Production cost per boe produced (USD(boe)	**27.8**	**24.2**	**29.6**	**23.8**	**27.9**

Condensed statements of financial position

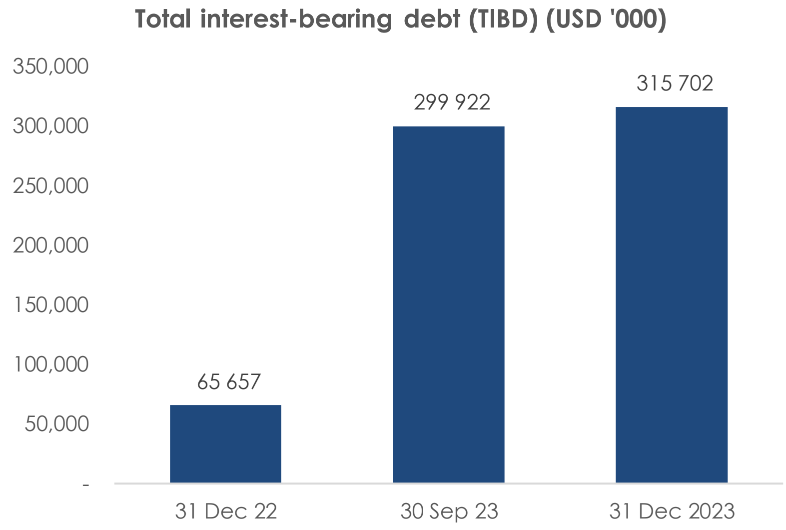
Financial position (USD '000)	31 Dec 2023	30 Sept 2023	31 Dec 2022
Current assets	98 178	67 048	25 327
Intangible assets	538 444	523 574	109 126
Tangible fixed assets	123 358	103 991	61 865
Other non-current assets	50 232	51 382	20 917
Total assets	**810 213**	**745 995**	**217 236**
Current liabilities	101 244	75 476	38 526
Non-current liabilities	547 222	551 051	231 453
Total liabilities	**648 465**	**626 526**	**269 979**
Total equity	**161 748**	**119 469**	**(52 743)**
Total equity and liabilities	**810 213**	**745 995**	**217 236**

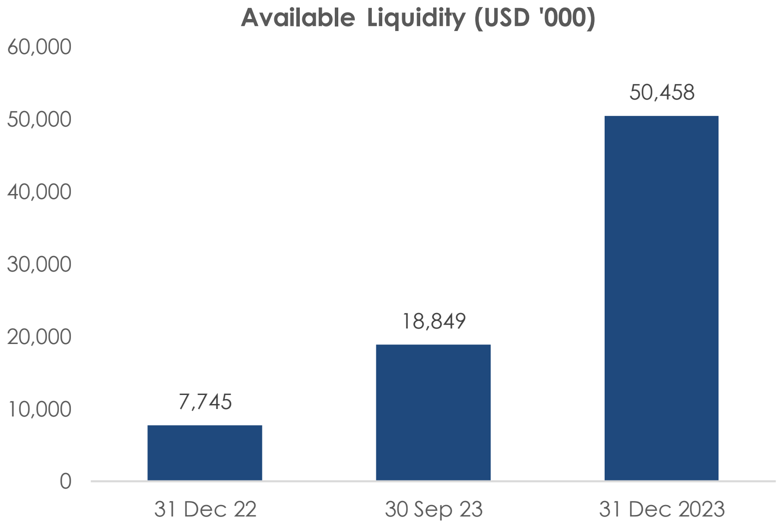
Total assets at the end of the quarter increased by USD 64.2 million, primarily due to an increase in the cash holdings due the private placement of common stock in December and positive cash flows from operations.

Total interest-bearing debt at the end of the quarter increased by USD 15 million due to the drawdown of working capital facilities made available during the quarter. Adjusted net interest-bearing debt decreased from USD 299 million to USD 282 million due to the proceeds from the private placement.

The Group's equity ratio was 20% at the end of the fourth quarter 2023, up from 16% in the third quarter 2023.

Interest bearing debt including leasing (USD '000)	31 Dec 2023	30 Sept 2023	31 Dec 2022
Interest-bearing loans and borrowings	296 305	295 944	63 764
Interest-bearing loans, current	19 397	3 978	1 893
Lease liabilities, non-current	7 289	4 927	3 201
Lease liabilities, current	9 515	12 519	3 447
Adjusted total interest-bearing debt	**332 507**	**317 367**	**72 305**
Cash and cash equivalents	50 458	18 849	7 745
Adjusted NIBD	**282 049**	**298 518**	**64 560**





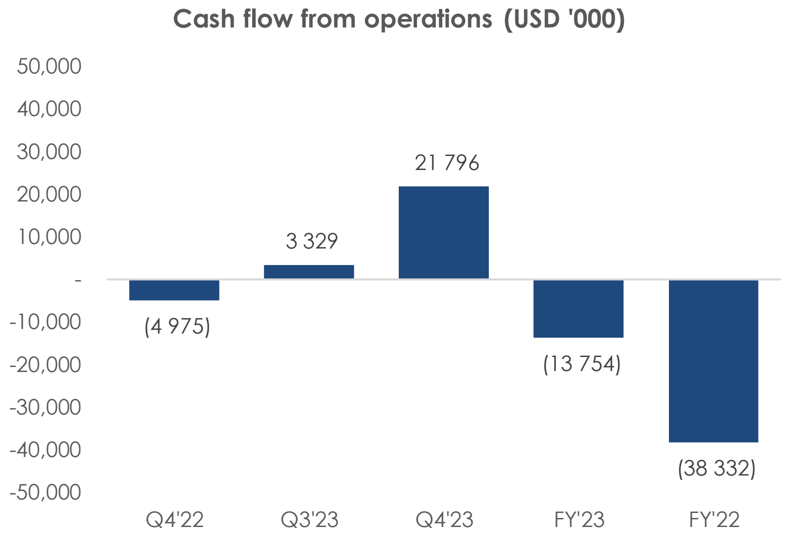
Condensed statement of cash flow

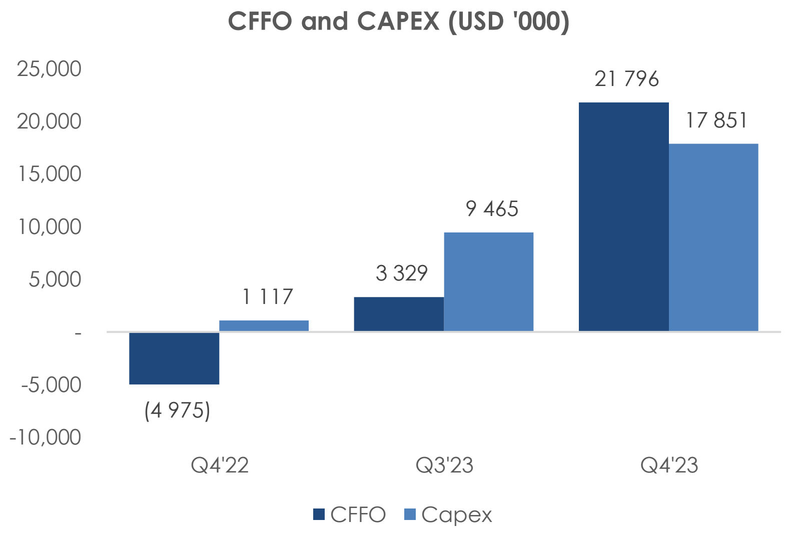
Statement of cash flows (USD '000)	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Cash flow from operating activities (CFFO)	21 796	3 329	(4 975)	(13 754)	(38 332)
Cash flows used in investing activities	(21 640)	(8 599)	4 136	(457 558)	(39 666)
Cash flows from financing activities	37 275	2 692	1 265	509 134	67 583
Net change in cash and cash equivalents	**37 431**	**(2 579)**	**426**	**34 855**	**(10 414)**
Cash and cash equivalents, beginning of period	18 849	19 793	12 828	7 745	16 909
Effect of exchange rate fluctuation on cash held	(5 823)	1 635	(5 508)	4 891	1 250
Cash and cash equivalents, end of period	**50 458**	**18 849**	**7 745**	**50 458**	**7 745**

Cash flows from operating activities were impacted by a positive development in net working capital. Cash used in investment activities was related to capex for the period and hedging costs. Cash flows from financing activities represent draw down on the working capital facility and the proceeds from the private placement of common stock in December.

Cash flows used in investing activities (USD '000)	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Hedging costs	(6 830)	(1 646)	-	(17 084)	-
Advances for the acquisition of oil and gas assets	-	-	-	-	(35 850)
Property, plant & equipment acquisition	(14 810)	(6 953)	(485)	(87 368)	(3 816)
Intangible acquisition	-		4 620	(353 106)	-
Total cash used in investing activities	**(21 640)**	**(8 599)**	**4 136**	**(457 558)**	**(39 666)**

Cash flows from financing activities (USD '000)	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Capital increase	24 535	-	1 054	258 980	50 054
Borrowing costs	-	-	-	(10 937)	-
Financial loan	15 780	5 204	843	269 564	19 893
Lease payments	(3 041)	(2 512)	(632)	(8 473)	(2 364)
Dividends paid	-	-	-	-	-
Total cash flows from financing activities	**37 275**	**2 692**	**1 265**	**509 134**	**67 583**





Capex including leases

Outlook

Seacrest Petroleo has an ambition to more than triple its production of oil and gas in the next three years. This is expected to result from a comprehensive programme of well completion activities, steam injection and drilling of new production wells, as well as from generating synergies through utilising its fully owned infrastructure from well to terminal.

2024 guidance

Seacrest Petroleo has raised a total of USD 106 millions of funds in recent months to safeguard the execution of its growth plan. The funds will primarily be used to support a comprehensive plan to drill new wells in the coming years. For 2024, the Company plans to drill a total of 40 - 50 new production wells, of which a majority are expected to come into production by the end of the year. Three rigs have been secured and are scheduled to come into service from the middle of the second quarter through to the start of the third quarter, with a fourth rig under negotiation, meaning that the execution of the drilling programme will be weighted towards the second half of the year.

For 2024, The Company is introducing a guidance for oil production of 8 500 – 11 000 bopd. The production profile is expected to be rising during the second half of the year with a target exit rate between 11 000 – 15 000 bopd at year end.

Total production including gas is expected to be between 9 500 – 12 500 boepd with an exit rate of 11 000 – 17 000 boepd.

For 2024, the Company expects production costs per boe of USD 20-24, excluding terminal and storage costs, purchased oil and royalties.

The Company expects capex to amount to USD 70 to 100 million for the year, with the vast majority spent on drilling.

Transactions with related parties

For details on positions and transactions with related parties, see note 12 in the Financial Statements.

Subsequent events

On 18 January 2024 the Company successfully issued USD 80 million of senior unsecured bonds with a three-year tenor and coupon of 16% p.a. The net proceeds from the bond issue will be used to further strengthen the Company's balance sheet by paying down working capital facilities and enabling the Company to continue growing production through drilling, work-overs and other field development optimisations at the Norte Capixaba and Cricaré Clusters, as well as for general corporate purposes.

Risks and uncertainty

Seacrest Petroleo is exposed to a variety of risks associated with its oil and gas operations in Brazil, as well as uncertainties arising from exploration, and reserve and resource estimates.

Estimates for capital and operating cost expenditures are uncertain, and the production performance of oil and gas fields may vary over time.

The effects of the ongoing war in Ukraine, the Hamas/Israel war, global inflation and monetary tightening impact market and financial risks. Such risks include, but are not limited to, commodity price fluctuations, exchange rates, interest rates and capital requirements.

Seacrest Petroleo is also exposed to uncertainties relating to the capital markets and access to capital. This may influence the Company's ability to access financing in general, and specifically its ability to refinance existing debt, as well as securing adequate flexibility in terms of working capital financing requirements.

The Company's operational, financial, strategic and compliance risks and the steps taken to mitigate these risks are described in the Company's annual report, available at www.seacrestpetroleo.com.

Alternative performance measures

Capex (USD'000)	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Investments in fixed assets (excluding capitalised interest)	14 810	6 953	485	87 368	3 816
Advances for the acquisition of oil and gas assets	-	-	-	-	35 850
Investments in intangible assets	-	-	(4 620)	353 106	-
Payments of lease debt (investments in fixed assets)	3 041	2 512	632	8 473	2 364
Accounting and FX adjustments to intangible assets	-	-	4 620	(353 106)	-
CAPEX	**17 851**	**9 465**	**1 117**	**95 841**	**42 030**

EBITDA and EBITDAX (USD'000)	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Total Income	64 664	50 708	10 639	177 431	33 617
Production costs	(41 856)	(30 692)	(4 669)	(113 067)	(16 746)
General and administrative expenses	(10 774)	(10 358)	(8 286)	(47 288)	(27 988)
EBITDA	**12 034**	**9 658**	**(2 316)**	**17 076**	**(11 117)**
Exploration Expenses	-	-	-	-	-
EBITDAX	**12 034**	**9 900**	**(2 316)**	**17 076**	**(11 117)**

Equity ratio	31 Dec 2023	30 Sept 2023	31 Dec 2022
Total equity (USD '000)	161 748	119 469	(52 743)
Total assets (USD'000)	810 213	745 995	217 236
Equity ratio	**20 %**	**16 %**	**-24 %**

Net interest-bearing debt (USD '000)	31 Dec 2023	30 Sept 2023	31 Dec 2022
Long-term financial loans	296 305	295 944	63 764
Long-term lease debt	7 289	4 927	3 201
Short-term financial loans	19 397	3 978	1 893
Short-term lease debt	9 515	12 519	3 447
Cash and cash equivalents	(50 458)	(18 849)	(7 745)
Net interest-bearing debt	**282 049**	**298 518**	**64 560**

Free cash flow (USD '000)	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Net cash from/(used) in operating activities	21 796	3 329	(4 975)	(13 754)	(38 332)
Capital expenditures	(17 851)	(9 465)	(1 117)	(95 841)	(42 030)
Free cash flow	**3 946**	**(6 136)**	**(6 092)**	**(109 594)**	**(80 362)**

Seacrest Petroleo discloses alternative performance measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with international financial reporting standards (IFRS).

The Company believes that the alternative performance measures provide useful supplement information to management, investors, lenders, and other stakeholders and are meant to provide an enhanced insight into and better understanding of the financial development of Seacrest Petroleo and improve comparability between periods.

Financial statements with note disclosures

Unaudited statement of income

USD '000	Note	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Net revenue from oil sales	2	64 664	50 708	10 639	177 431	33 617
Other revenue		-	-	-	-	-
Total operating income		**64 664**	**50 708**	**10 639**	**177 431**	**33 617**
Production costs	3	(41 856)	(30 692)	(4 669)	(113 067)	(16 746)
Depreciation and amortisation	5	(23 155)	(9 169)	(5 595)	(59 731)	(23 034)
Impairment loss and reversals		-	-	-	-	-
General and administrative expenses	4	(10 774)	(10 358)	(8 286)	(47 288)	(27 988)
Total operating expenses		**(75 786)**	**(50 218)**	**(18 550)**	**(220 086)**	**(67 768)**
Operating profit / (loss) (EBIT)		**(11 122)**	**489**	**(7 911)**	**(42 655)**	**(34 151)**
Operating margin		*neg*	*0*	*neg*	*neg*	*neg*
Financial income	6	3 532	(16 560)	2 349	5 263	5 499
Financial expenses	6	(2 053)	(30 950)	(39 503)	(74 902)	(110 115)
Profit / (loss) before income taxes		**(9 642)**	**(47 021)**	**(45 065)**	**(112 294)**	**(138 767)**
Tax (expense) / income		(3 920)	18 467	19 595	22 273	19 595
Net profit (loss) for the period		**(13 562)**	**(28 554)**	**(25 470)**	**(90 020)**	**(119 172)**
Other comprehensive income:						
Items that may be reclassified subsequently to the income statement:						
Currency translation differences		33 717	(29 901)	(582)	39 598	6 176
Other comprehensive income for the period, net of tax		**33 717**	**(29 901)**	**(582)**	**39 598**	**6 176**
Total comprehensive income		**20 155**	**(58 454)**	**(26 052)**	**(50 422)**	**(112 995)**
Earnings per share (USD)						
EPS Basic		(0.0404)	(0.0872)	(0.1609)	(0.2878)	(0.6825)
EPS Diluted		(0.0393)	(0.0848)	(0.1098)	(0.2812)	(0.5005)

Seacrest Petroleo

Unaudited balance sheet statement

USD '000	Note	31. Dec 2023	30. Sept 2023	31. Dec 2022
ASSETS				
Current assets				
Cash and cash equivalents		50 458	18 849	7 745
Securities		6 077	5 877	5 608
Advances, prepaid expenses and others		5 466	4 625	1 362
Accounts receivable with related parties	12	35	33	33
Recoverable taxes		2 616	217	403
Inventory		33 526	37 446	10 177
Total current assets		**98 178**	**67 048**	**25 327**
Non-current assets				
Accounts receivable with related parties	12	320	320	297
Recoverable taxes		8 186	7 735	1 168
Advances for the acquisition of oil & gas assets		-	-	35 850
Deferred tax asset		41 726	43 326	19 453
Property, plant & equipment	8	123 358	103 991	26 015
Intangible assets	7	538 444	523 574	109 126
Total non-current assets		**712 035**	**678 947**	**191 909**
TOTAL ASSETS		**810 213**	**745 995**	**217 236**

Seacrest Petroleo

Unaudited balance sheet statement – continued

USD '000	Note	31. Dec 2023	30. Sept 2023	31. Dec 2022
Current liabilities				
Taxes payable		1 835	1 443	710
Supplier and other accounts payable		41 730	25 332	9 426
Accounts payable to related parties	12	10 321	-	-
Lease payable	11	9 515	12 519	3 447
Employee benefits and compensation payable		1 968	2 033	1 026
Financial loans		19 397	3 978	1 893
Derivative financial instruments with related parties	12, 14	10 541	24 876	22 025
Derivative financial instruments	14	5 936	5 295	-
Total current liabilities		**101 244**	**75 476**	**38 526**
Non-current liabilities				
Accounts payable to related parties	12	3 698	3 609	270
Financial loans with related parties	12	-	-	60 546
Financial loans	13	296 305	295 944	3 218
Lease payable	11	7 289	4 927	3 201
Provision for decommissioning costs	8	43 827	35 716	27 938
Contingent consideration	10	186 792	191 746	115 430
Derivative financial instruments with related parties	12, 14	8 727	3 739	20 851
Derivative financial instruments	14	584	15 370	-
Total non-current liabilities		**547 222**	**551 051**	**231 453**
Total liabilities		**648 465**	**626 526**	**269 980**
EQUITY AND LIABILITIES				
Equity	9			
Share capital		7	7	2
Share premium		345 133	320 598	76 052
Other reserves		3 094	2 539	4 301
Currency translation adjustments		43 992	13 242	7 361
Accumulated losses		(230 479)	(216 916)	(140 458)
Total equity		**161 748**	**119 469**	**(52 743)**
TOTAL EQUITY AND LIABILITIES		**810 213**	**745 995**	**217 236**

Seacrest Petroleo

Unaudited statement of changes in equity

USD '000	Share capital	Share premium	Reserves: Currency translation	Reserves: Other	Accumulated losses	Total equity
Balance at 1 January 2022	**1**	**25 998**	**1 185**	**3 355**	**(21 287)**	**9 252**
Profit / (loss) for the period	-	-	-	-	(119 172)	(119 172)
Other comprehensive income / (loss)	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	-	-
Total comprehensive income / (loss)	-	-	-	-	(119 172)	(119 172)
Capital increase	1	50 054	-	-	-	50 055
Share-based payment	-	-	-	945	-	945
Others	-	-	6 176	-	-	6 176
Total transactions with owners of Group, recognised directly in equity	1	50 054	6 176	945	-	57 176
Balance at 31 December 2022	**2**	**76 052**	**7 361**	**4 300**	**(140 458)**	**(52 743)**
Profit / (loss) for the period	-	-	-	-	(90 020)	(90 020)
Other comprehensive income / (loss)	-	-	-	-	-	-
Currency translation adjustment	-	-	36 631	-	-	36 631
Total comprehensive income / (loss)	-	-	36 631	-	(90 020)	(53 389)
Capital increase	5	269 081	-	-	-	269 086
Share-based payment	-	-	-	(1 206)	-	(1 206)
Others	-	-	-	-	-	-
Total transactions with owners of Group, recognised directly in equity	**-**	269 081	-	(1 206)	-	267 880
Balance at 31 December 2023	**7**	**345 133**	**43 992**	**3 094**	**(230 478)**	**161 747**

Unaudited statement of cash flows

USD '000	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Cash flows from operating activities					
Net loss for the period	**(13 562)**	**(28 554)**	**(25 470)**	**(90 020)**	**(119 172)**
Adjustments to reconcile net loss to net cash flows:					
Depreciation and amortisation	20 387	15 336	6 538	70 833	26 977
Share-based payment	556	(1 409)	(313)	(1 206)	945
Contingent liability adjustment	(4 954)	5 465	8 504	16 362	32 553
Asset retirement obligation adjustment	6 495	(449)	5 916	(2 297)	5 916
Hedging costs (unrealised)	(16 662)	32 865	12 492	(4)	42 876
Interest on leasing	775	603	1 003	2 385	1 003
Interest on financial loan	9 220	9 951	2 319	29 668	8 089
Interest on bank deposits	(200)	419	(502)	(469)	(502)
Deferred taxes	1 601	(16 147)	(19 453)	(22 273)	(19 453)
Working capital adjustments:					
Changes in inventories, accounts payable and receivables	29 885	(1 689)	5 005	18 573	(10 965)
Other items					
Interest paid	(9 220)	(9 951)	(1 643)	(29 413)	(6 571)
Income tax received / (paid)	(2 458)	(3 294)	495	(8 107)	(897)
Employee benefits and compensation payable	(64)	90	133	943	868
Options converted to equity	-	93	-	1 270	-
Net cash flows from operating activities	**21 796**	**3 329**	**(4 975)**	**(13 754)**	**(38 332)**

Unaudited statement of cash flows - continued

USD '000	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Cash flows from investing activities					
Hedging costs	(6 830)	(1 646)	-	(17 084)	-
Advances for the acquisition of oil and gas assets	-	-	-	-	(35 850)
Property, plant & equipment acquisition	(14 810)	(6 953)	(485)	(87 368)	(3 816)
Intangible acquisition	-)	-	4 620	(353 106)	0
Net cash flow from investing activities	**(21 640)**	**(8 599)**	**4 136**	**(457 558)**	**(39 666)**
Cash flow from financing activities					
Capital increase	24 535	0	1 054	258 980	50 054
Borrowing costs	-	-	-	(10 937)	-
Financial loan	15 780	5 204	843	269 564	19 893
Lease payments	(3 041)	(2 512)	(632)	(8 473)	(2 364)
Dividends paid	-	-	-	-	-
Net cash flows from financing activities	**37 275**	**2 692**	**1 265**	**509 134**	**67 583**
Net increase/(decrease) in cash and cash equivalents	**34 464**	**(2 579)**	**426**	**34 855**	**(10 414)**
Cash and cash equivalents, beginning of period	18 849	19 793	12 828	7 745	16 909
Effect of movements in exchange rates on cash held	(5 823)	1 635	(5 508)	4 891	1 250
Cash and cash equivalents, end of period	**50 458**	**18 849**	**7 745**	**50 458**	**7 745**

Notes

(All figures in USD '000 unless otherwise stated)

The interim condensed financial statements for the period ended 31 December 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. Thus, the interim financial statements do not include all information required by IFRS and should be read in conjunction with the 2022 annual financial statements. The interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the dates and interim periods presented. Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. These interim financial statements have not been subject to review or audit by independent auditors.

These interim financial statements were authorised for issue by the Company's Board of Directors on 26 February 2024

Note 1 Summary of IFRS accounting principles

The accounting principles adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2022. Seacrest Petroleo has not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective.

Note 2 Revenue from oil sales

USD '000	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Petroleum revenues	64 664	50 708	10 639	177 421	33 617
Other operating income	-	-	-		-
Total income	**64 664**	**50 708**	**10 639**	**177 431**	**33 617**
Revenue split by petroleum type (USD '000)	**Q4'23**	**Q3'23**	**Q4'22**	**FY'23**	**FY'22**
Revenue from oil sales	63 812	50 699	11 768	176 621	35 529
Revenue from gas sales	-	-	-	-	-
Gross petroleum revenues	**63 812**	**50 699**	**11 768**	**177 621**	**35 529**
Tax on revenues					
PIS	(4)	2	(201)	(190)	(341)
COFINS	857	7	(928)	-	(1 571)
Net petroleum revenues	**64 664**	**50 708**	**10 639**	**177 431**	**33 617**
Revenue split by petroleum type (percentage)	**Q4'23**	**Q3'23**	**Q4'22**	**FY'23**	**FY'22**
Revenue from crude oil sales	100 %	100 %	100 %	100%	100 %
Revenue from gas sales	0 %	0 %	0 %	0%	0 %
Total petroleum revenues	**100 %**	**100 %**	**100 %**	**100%**	**100 %**
Realised commodity prices	**Q4'23**	**Q3'23**	**Q4'22**	**FY'23**	**FY'22**
Gross crude oil price (before tax on revenues)	83 6	79.2	84.3	76.8	93.2
Net crude oil price (after tax on revenues)	84.7	79.2	76.2	76.7	88.2

Note 3 Production costs

Production costs (USD '000)	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Employee benefits and charges	2 369	1 909	399	9 127	1 372
Field operation and stations	3 864	3 677	582	10 673	2 844
Maintenance and preservation	7 075	5 101	831	16 208	2 498
Oil treatment	(280)	-	336	252	1 106
Royalties	4 197	3 944	349	12 804	2 411
Storage	5 128	4 771	867	15 470	2 584
Transportation	4 902	3 517	254	10 651	991
Ground production rig-service	433	475	297	2 572	871
Oil acquired	1 063	10 208	-	20 717	-
Other operating costs	13 104	(2 910)	753	14 583	2 070
Production cost based on sold volumes	**41 856**	**30 692**	**6 839**	**113 067**	**16 746**
- Less storage costs	(5 128)	(4 772)	(1 205)	(15 470)	(3 059)
- Less royalties	(4 197)	(3 944)	(627)	(12 804)	(2 855)
- Less oil acquired	(1 063)	(10 208)	-	(20 717)	-
- Less other adjustments	(3 057)	-	-	(3 057)	-
Adjusted production cost based on sold volumes	**28 411**	**11 768**	**2 837**	**61 019**	**10 832**
Adjustment for over (-) / under lift (+)	(7 364)	8 721	2 170	(426)	3 142
Production cost based on produced volumes	**21 047**	**20 490**	**5 008**	**60 594**	**13 974**
Total produced volumes ('000 boe)	756	847	169	2 546	501
Production cost per boe produced (USD/boe)	**27.8**	**24.2**	**29.6**	**23.8**	**27.9**

Note 4 Selling general and administrative expenses

USD '000	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Employee benefit and compensation	2 966	231	2 642	7 677	7 061
Travel and other sundry items	533	706	533	2 274	1 426
Office rent and running costs	123	140	31	483	137
Taxes and fees	795	673	517	4 419	1 205
Contractual guarantee fees [1]	918	892	892	3 595	3 540
Services hired [2]	2 431	2 934	3 407	17 890	13 253
Marketing costs	3 018	4 184	-	7 702	-
Other operating expenses	(9)	597	263	3 748	1 366
Total	**10 774**	**10 358**	**8 286**	**47 288**	**27 988**

1. Fees associated with the financial guarantee that was contractually required in order to acquire Cricaré Cluster.
2. Professional and technical services, such as lawyers, environmental specialists, geological and geophysical consultants were engaged as support for operations.

Note 5 Depreciation and amortisation

USD '000	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Amortisation of exploration rights [1]	23 391	5 368	2 586	48 213	14 352
Amortisation with deactivation cost [2]	(708)	1 344	2 043	3 636	5 410
Depreciation related to production [3]	455	2 442	966	7 827	3 272
Other depreciation	17	15	5	55	17
Total	**23 155**	**9 169**	**5 600**	**59 731**	**23 034**

1. Refers to the amortisation of exploration rights. Upon review of the expected useful life of the intangible assets, Q3 and Q4 amortisation were adjusted to more accurately reflect the remaining life of the assets. Going forward, management expect amortisation levels of approximately USD 8 million per quarter, at forecasted production levels.
2. Refers to the amortisation of the provision for asset decommissioning costs, as outlined in note 8.
3. This is the depreciation of items used in production.

Note 6 Net financial results

USD '000	Q4'23	Q3'23	Q4'22	FY'23	FY'22
Interest on bank deposits	576	438	186	1 905	723
Financial instrument gains [1]	2 620	(17 053)	2 349	2 620	4 661
Other financial income	(120)	118	(244)	186	57
Exchange rate gains	457	(63)	59	552	58
Total financial income	**3 532**	**(16 560)**	**2 349**	**5 263**	**5 499**
Present value adjustment (contingent payments) [2]	2 706	6 516	17 650	34 424	34 545
Hedging costs (FX and commodity) [3]	(15 228)	15 228	15 523	-	55 146
Standby letter of credit costs (Norte Capixaba) [4]	125	682	4 219	4 605	7 201
Interest on financial loans (Note 12, 13)	9 220	9 951	2 318	29 668	8 089
Interest on lease debt	-	-	378	-	0
Interest on contingent payment (Note 10)	-	-	4 928	-	4 928
Other financial expenses	5 229	(1 427)	(5 513)	6 205	206
Total financial expenses	**2 053**	**30 950**	**39 503**	**74 902**	**110 115**
Net financial results	**1 480**	**(47 510)**	**(37 154)**	**(69 639)**	**-104 616**

1. Represents gains from foreign exchange and Brent hedges (Note 14)
2. For 2023, this is comprised of the present value adjustment of USD 16.4 million (December 2022 USD 27.6 million) for the contingent consideration (Note 10), the present value adjustment for the decommissioning provision of USD 15.7 million (December 2022 USD 5.9 million) (Note 8) and a present value adjustment related to the Groups leases of USD 2.4 million (December 2022 USD 1 million)
3. Represents losses from oil commodity and foreign exchange hedges
4. Under the terms of the Norte Capixaba transaction Seacrest Petròleo SPE Norte Capixaba Ltda was required to procure a standby letter of credit in favour of Petrobras for USD 59.8 million. The guarantee backing such letter of credit was issued by Mercuria Energy Trading S.A. and the Group was charged a fee of 14% per annum on the outstanding letter of credit amount.

Note 7 Intangible assets

USD '000	Note	Right to exploration	Other intangible assets	Total
Cost as at 1 January 2023		128 271	-	128 271
Additions		433 760	-	433 760
Currency translation effects		5 510	-	5 510
Balances on 30 September 2023		**567 542**	**-**	**567 542**
Amortisation and impairment as at 1 January 2023		(19 145)	-	(19 145)
Depreciation		(24 823)	-	(24 823)
Impairment reversal / (loss)		-	-	-
Currency translation effects		-	-	-
Amortisation and impairment as at 30 September 2023		**(43 968)**	**-**	**(43 968)**
Net book value as at 30 September 2023		**523 574**	**-**	**523 574**

USD '000	Note	Right to exploration	Other intangible assets	Total
Cost as at 1October 2023		567 542	-	567 542
Additions		10 196	-	10 196
Currency translation effects		26 469	-	26 469
Balances on 31 December 2023		**604 207**	**-**	**604 207**
Amortisation and impairment as at 1 October 2023		(43 968)	-	(43 968)
Amortisation		(21 796)	-	(21 796)
Impairment reversal / (loss)		-	-	-
Currency translation effects		-	-	-
Depreciation and impairment as at 31 December 2023		**(65 763)**	**-**	**(65 763)**
Net book value as at 31 December 2023		**538 444**	**-**	**538 444**

The intangible asset at the start of the year 2023 refers to Cricaré and is a result of the purchase contract signed between SPE Cricaré and Petrobras on August 27, 2020. Please refer to the Company's Q1'23 and FY'22 financial statements for details.

The addition during the second quarter to the Company's intangible assets refers to the value of the 100% concession assets of the Norte Capixaba cluster, acquired on 12 April 2023 pursuant to the contract signed by SPE Norte Capixaba with Petróleo Brasileiro S.A. ("Petrobras").

It was concluded that the integrated set of assets and activities acquired does not qualify as a "business", due to the lack of a substantive process that would link the inputs in the acquisition (the concession contracts acquired and fixed assets) to the outputs (oil produced).

The Norte Capixaba cluster was already producing oil on the date of acquisition, but the inputs acquired did not include the workforce and, therefore, it was considered that it was not a business combination, but rather an acquisition of assets.

Management then went through the process of identifying the individual assets and liabilities acquired in the transaction on the acquisition date and performed an assessment of their value based on their relative fair values at the acquisition date.

The Norte Capixaba cluster began operations in the 1990s; however, it is expected to be economically productive until 2059. Norte Capixaba's concession contracts signed with the ANP for the concession rights related to the 5 fields, known as the Norte Capixaba cluster, will expire between 2025 and 2052. By recognizing this intangible asset and realizing the value of the reserves assigned to the asset, management has exercised professional judgment to come to the conclusion that it is highly likely that certain concessions will be extended (given that it will be in the best interest of all parties to the concession that the contracts be extended).

Amortisation is calculated according to the method of units produced in relation to proven reserves.

Note 8 Property, plant & equipment

USD '000	Facilities, machinery and equipment	Decommis-sioning costs	Other property, plant and equipment	Total
Cost as at 1 January 2023	12 760	22 672	1 097	36 529
Additions	81 473	16 524	4 289	102 286
Currency translation effects	468	792	55	1 314
Balances on 30 September 2023	**94 701**	**39 987**	**5 440**	**140 128**
Depreciation and impairment as at 1 January 2023	(3 511)	(6 977)	(26)	(10 514)
Depreciation	(7 972)	(3 685)	(96)	(11 753)
Impairment reversal / (loss)	(1 688)	(12 155)	(28)	(13 871)
Currency translation effects	-	-	-	-
Depreciation and impairment as at 30 Sept. 2023	**(13 171)**	**(22 817)**	**(150)**	**(36 138)**
Net book value as at 30 September 2023	**81 529**	**17 171**	**5 290**	**103 991**

USD '000	Facilities, machinery and equipment	Decommis-sioning costs	Other property, plant and equipment	Total
Cost as at 1 October 2023	94 701	39 987	5 440	140 128
Additions	14 334	593	2 051	16 978
Currency translation effects	349	592	40	981
Balances on 31 December 2023	**109 383**	**41 173**	**7 531**	**158 087**
Depreciation and impairment as at 1 October 2023	(13 171)	(22 817)	(150)	(36 138)
Depreciation	(724)	(568)	(68)	(1 360)
Impairment reversal / (loss)	(2 924)	5 746	(53)	2 769
Currency translation effects	-	-	-	-
Depreciation and impairment as at 31 Dec. 2023	**(16 819)**	**(17 639)**	**(271)**	**(34 729)**
Net book value as at 31 December 2023	**92 564**	**23 533**	**7 261**	**123 358**

Provision for decommissioning costs

Assets

USD '000	31 Dec 2023	30 Sept 2023	31 Dec 2022
Initial balance	15 696	15 696	44 164
Additions to the period of acquisition	17 116	16 524	-
Remeasurement	5 688	(9 345)	(23 894)
Cumulative translation adjustment	1 383	792	2 403
Write-off	(12 097)	(2 810)	-
Depreciation	(4 253)	(3 685)	(6 977)
Final balance	**23 533**	**17 172**	**15 696**

Liabilities

USD '000	31 Dec 2023	30 Sept 2023	31 Dec 2022
Initial balance	27 938	27 938	44 164
Additions to the period of acquisition	15 651	15 109	-
Remeasurement	2 254	(10 740)	(23 894)
Cumulative translation adjustment	2 534	1 460	1 752
Depreciation	(4 551)	1 949	5 916
Final balance	**43 827**	**35 716**	**27 938**

The future obligation for the abandonment of assets (Cricaré and Norte Capixaba clusters) was estimated based on the Group's interest in (i) all oil wells and facilities, (ii) the estimated plugging and restoration costs for these wells and facilities, and (iii) the estimate of future adjustments to these costs.

As of 31 December 2023, the estimated amount required in order to meet asset abandonment obligations is USD 30.5 million (2022: USD 27.9 million), which is in accordance with what is prescribed in the contract and in the Annual Working Plan and Budget (PAT) sent to the ANP, which will be incurred over the remaining useful lives of the wells. This amount is amortized into the consolidated profit or loss. The obligation was revised at 31 December 2022 based on revised requirements approved by the ANP.

As of 31 December 2023, considering the assumptions adopted and the fact that the assets remain in the condition as acquired, the Group's management did not identify any triggering event to perform the test of the cash-generating units' recoverable value.

Note 9 Equity

Share capital

Issued capital at 31 December 2023 comprised:

USD	Share capital	Share premium	Total
Opening 1 January 2023			
(185 926 155 fully paid ordinary shares)	2	76 052	76 054
Issued during the period			
(499 887 820 fully paid ordinary shares)	5	269 081	269 086
Reverse share split			
(327 263 958 fully paid ordinary shares)	-	-	-
Balance at 31 December 2023			
(358 550 017 fully paid ordinary shares)	**7**	**345 133**	**345 140**

USD	Share capital	Share premium	Total
Opening 1 January 2022			
(114 922 237 fully paid common shares)	1	25 998	25 999
Issued during the period			
(71 003 918 fully paid common shares)	1	50 054	50 055
Balance at 31 December 2022			
(185 926 155 fully paid common shares)	**2**	**76 052**	**76 054**

Common shares

On 6 December, 2023, the Company completed a private share placement of 31 111 111 new common shares which in turn raised gross proceeds of USD 25.6 million (equal to approximately NOK 280 million).

Other reserves

The Group has granted share options to selected employees. Total options issued to each individual were divided into tranches. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The fair value of options is determined using the Black-Scholes valuation model. The significant inputs into the model were: share price at the grant date, an exercise prices per share and volatility. The volatility measured at the standard deviation of continuously compounded share returns was based on statistical analysis of the daily share prices of two comparable quoted share over a period of one year.

As at 31 December 2023, 9 436 250 options were outstanding compared to 7 238 742 as at 31 December, 2022. During the quarter ended 31 December 2023 no further options were granted and no options were converted to common shares.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant-vest	Expiry date	Exercise price per share option	Share option
2020-2023	7 October 2025	USD 0.00002	596 250
2020-2024	31 August 2025	USD 0.20000	125 000
2022-2025	31 March 2025	USD 0.20000	175 000
2023-2026	19 January 2033	NOK 12.00	2 075 000
2023-2027	31 July 2033	NOK 10.74	6 465 000
			9 436 250

As at 31 December 2023, the weighted average remaining option life was 9.19 years.

For the period ended 31 December 2023, the expense recognised in the Consolidated Statement of Profit or Loss arising from the share options issuance is USD 60 000 (USD 1 999 513 for the year ended 31 December 2022). The cost associated with issuing new options has been partially offset by a negative adjustment associated with the cancellation/conversion adjustment of previously issued share options.

Note 10 Commitments, provisions and contingent consideration

Contingent consideration

USD '000	31 Dec 2023	30 Sept 2023	31 Dec 2022
Cricaré Cluster acquisition	131 441	132 996	115 430
Norte Capixaba acquisition	55 351	58 751	
Total	**186 792**	**191 746**	**115 430**

Changes in the period	Q4'23	9M'23	FY'22
Opening balance	191 746	115 430	82 877
Initial recognition	-	55 000	-
Interest component	1 310	11 756	4 928
Present value adjustment	(6 264)	9 560	27 626
Change in the discount	-	-	
Closing balance	**186 792**	**191 746**	**115 430**

Cricaré
This relates to the contingent consideration for the acquisition of the Cricaré Cluster, of which USD 30 million will be paid on 31 December 2025 as a contingent payment, linked to the approval of the concession term extension by the National Petroleum Agency ("ANP"), and USD 68 million, which will be paid as follows: USD 45 million in December 2024 and USD 23 million in December 2025. The payments are contingent on the reference price of Brent reaching a moving average equal to or greater than USD 50 per barrel in the respective payment years, adjusted by a fixed rate plus USD 3 months SOFR and the US dollar exchange rate at the end of the period.

Norte Capixaba
This refers to the disbursement obligation for the acquisition of Norte Capixaba, of which USD 11 million was paid in January 2024. An additional USD 55 million will be paid as follows: USD 11 million in December 2024, USD 11 million in December 2025, USD 11 million in December 2026, USD 11 million in December 2027 and USD 11 million in December 2028, conditional on the Brent Crude index reaching a moving average equal to or greater than USD 50 per barrel in the respective payment years.

Note 11 Lease agreements

Right of use assets

USD '000	Vehicles	Drilling rigs	Natural Gas Compression	Machine and equipment	Total
As of 1 January 2023	2 466	-	-	2 608	5 074
Initial recognition of right-of-use assets	5 379	3 702	892	1 862	11 805
Remeasurement adjustments	1659	(365)	(11)	(614)	670
Cumulative conversion adjustment	125	-	-	132	257
Depreciation expenses for the period	(2 257)	(610)	(213)	(1 510)	(4 590)
30 September 2023	**7 372**	**2 727**	**638**	**2 478**	**13 125**
As of 1 October 2023	7 372	2 727	638	2 478	13 125
Initial recognition of right-of-use assets	3 650	133	1 253	(273)	4 763
Remeasurement adjustments	(2 254)	146	(58)	587	(1 579)
Cumulative conversion adjustment	93	-	-	98	191
Depreciation expenses for the period	(2 512)	(1 731)	(477)	(261)	(4 980)
31 December 2023	**6 349**	**1 275**	**1 356**	**2 629**	**11 610**

Leases payable

USD '000	Vehicles	Drilling rigs	Natural Gas Compression	Machine and equipment	Total
As of 1 January 2023	3 230	-	-	3 418	6 648
Initial recognition of right-of-use assets	8 398	3 702	862	1 855	14 816
Remeasurement adjustments	(434)	(62)	(11)	(26)	(532)
Cumulative conversion adjustment	165	-	-	170	335
Payments	(2 277)	(640)	(174)	(2 341)	(5 432)
Interest	872	254	58	425	1 610
30 September 2023	**9 954**	**3 254**	**735**	**3 502**	**17 445**
As of 1 October 2023	9 954	3 254	735	3 502	17 445
Initial recognition of right-of-use assets	301	133	1 253	(267)	1 421
Remeasurement adjustments	169	(157)	(58)	(1)	(46)
Cumulative conversion adjustment	125	-	-	126	251
Transfers	-	3 261	-	(3 261)	-
Payments	(1 212)	(1 791)	(433)	394	(3 041)
Interest	429	394	93	(140)	775
31 December 2023	**9 767**	**5 094**	**1 591**	**353**	**16 805**

Note 12 Related party transactions

Accounts receivables with related parties - current

USD '000	31 Dec 2023	30 Sept 2023	31 Dec 2022
Azibras Exploracao de Petróleo e Gás Ltda	18	17	17
Azinam	2	2	-
Seacrest Partners III, L.P.	7	6	6
SeaPulse Limited	-	-	1
Seacrest Group Limited	8	8	9
Total	**35**	**33**	**33**

Accounts receivables with related parties - non-current

USD '000	31 Dec 2023	30 Sept 2023	31 Dec 2022
Azibras Exploracao de Petróleo e Gás Ltda	320	320	296
Total	**320**	**320**	**296**

Accounts payable to related parties

USD '000	31 Dec 2023	30 Sept 2023	31 Dec 2022
Mercuria Energy Trading S.A.	10 321	-	-
Seacrest Group Limited	3 518	3 426	49
Azimuth Group Services Limited	180	184	221
Total	**14 019**	**3 609**	**270**

Financial Loans

USD '000	31 Dec 2023	30 Sept 2023	31 Dec 2022
Mercuria Energy Trading S.A. ("Senior facility")	-	-	34 207
Mercuria Energy Trading S.A. ("Junior facility")	-	-	10 038
Mercuria Asset Holdings (Hong Kong) Limited	-	-	16 300
Total	**-**	**-**	**60 545**

Changes in financial loans with related parties

USD '000	31 Dec 2023	30 Sept 2023	31 Dec 2022
Opening balance	-	-	44 245
Senior facility principal	-	-	-
Junior facility principal	-	-	-
Senior facility interest	-	-	4 874
Junior facility interest	-	-	1 697
Convertible loan notes	-	-	15 000
Convertible loan note interest	-	-	1 300
Interest paid	-	.	(6 571)
Conversion to equity	-	-	-
Principal paid	-	-	
Closing balance	-	-	**60 545**

Derivative instruments - current liabilities

USD '000	31 Dec 2023	30 Sept 2023	31 Dec 2022
Mercuria Energy Trading S.A. [1]	10 541	24 876	19 925
Mercuria Energy Trading S.A. [2]	-	-	2 100
Total	**10 541**	**24 876**	**22 025**

Derivative instruments – non-current liabilities

USD '000	31 Dec 2023	30 Sept 2023	31 Dec 2022
Mercuria Energy Trading S.A. [1]	8 727	3 739	20 851
Total	**8 727**	**3 739**	**20 851**

1 The Company uses Brent oil hedges (forward contracts) to reduce its risk exposure to fluctuations in the price of oil (Note 14). The Company has entered into hedging contracts with Mercuria Energy Trading S.A., Morgan Stanley Ltd and Banco ABC (Note 14). During the quarter, the Company recorded financial instrument income of USD 20.3 million related to the Mercuria Brent oil derivative contracts which is recorded in finance expenses in the consolidated statement of profit and loss. The corresponding income 2023 is USD 2.6 million (31 December 2022: USD 53.0 million finance expense).

2 The Company uses foreign exchange hedge contracts to reduce exposure to foreign exchange risk (Note 14). The company has entered into hedging contracts with Mercuria Energy Trading S.A., Morgan Stanley Ltd and Banco ABC. During the quarter, the Company recorded no financial instrument income related to the Mercuria derivative contracts which is recorded in finance revenues in the consolidated statement of profit and loss. The corresponding income for 2023 is USD 2.5 million (31 December 2022: USD 4.7 million).

Note 13 Financial loans

Changes in financial loans

USD '000	30 Dec 2023	30 Sept 2023	31 Dec 2022
Opening balance	295 944	3 218	-
Principal [1]	-	300 000	-
Facility interest	9 521	17 736	-
Convertible loan notes	-	-	3 000
Convertible loan note interest	-	-	218
Interest paid	(9 409)	(11 677)	-
Principal paid	-	-	-
Conversion to equity	-	(3 218)	-
Borrowing costs [2]	250	(10 116)	-
Closing balance	**296 305**	**295 944**	**3 218**

1. On 3 February 2023, Seacrest SPE Cricaré and Seacrest Petróleo SPE Norte Capixaba Ltds., as borrowers, and Seacrest Petróleo S.A., Seacrest Petróleo Cricaré Bermuda Limited and Seacrest Uruguay S.A., as guarantors, entered into a syndicated credit agreement dated 3 February 2023 (the "New Credit Agreement") with five banks in Brazil led by Morgan Stanley Senior Funding Inc. as lead manager.

   On 10 April 2023, the loans under the Mercuria Junior Facility Agreement and the Mercuria Senior Facility Agreement were acquired by the lenders and thereafter restructured under the New Credit Agreement (the "Restructured Indebtedness") into a single tranche loan in the aggregate principal amount of USD 45 million. Each lender purchased and assumed the amounts outstanding under the Restructured Indebtedness in accordance with the terms and conditions set out in the New Credit Agreement. Following the purchase, the Junior Facility Agreement and the Senior Facility Agreement were amended and restated in their entirety on the terms set out in the New Credit Agreement, i.e., the Restructured Indebtedness will continue and remain outstanding and be governed by and subject only to the terms and conditions set forth in the Credit Agreement.

   On 10 April 2023, an additional loan tranche was made available to SPE Norte Capixaba in the aggregate principal amount of USD 255 million, which was used by SPE Norte Capixaba to pay the balance of the purchase price owed to Petrobras for the Norte Capixaba acquisition. Accordingly, together with the Restructured Indebtedness, the total amount drawn up under the New Credit Agreement was USD 300 million, which the borrowers will repay from the proceeds of export of hydrocarbons.

2. In accordance with the terms of the New Credit Agreement, the lenders received USD 12 051 463 in fees, which will be amortised over the life of the loan. USD 2 185 626 was amortised during 2023, of which USD 250 194 during the fourth quarter.

Note 14 Derivative financial instruments

The Group uses derivative instruments to manage its exposure to commodity risk. The origin of the commodity risk is a revenue base priced at Brent Crude, As such, the Group is exposed to the risk of a price decrease in Brent Crude. To protect against this risk, the Group has entered into Commodity Price Swaps.

The following presents the summary of derivative positions held by the Company as at 31 December 2023:

Statement of financial position

USD '000	Notional Value		Fair Value Position		
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	Maturity Date
Forward contracts					
Long position / Foreign currency forward (BRL/USD) [1]	-	51 121	-	(2 100)	2023
Swap					
Commodity price swap [2]	3 403	2 543	(25 788)	(40 776)	2026
Total recognised in statement of financial position	**-**	**-**	**(25 788)**	**(42 876)**	

1 - notional amounts in USD '000
2 - notional amounts in '000 bbl

Gains/(losses) recognized in the statement of profit and loss

USD '000	31 Dec 2023	31 Dec 2022
Forward contracts		
Long position / foreign currency forward (BRL/USD)	2 510	2 561
Swap		
Commodity price swap	110	(53 046)
Total recognised in statement of profit and loss	**2 620**	**(50 485)**

A sensitivity analysis of the derivative financial instruments has been performed. The base level of the sensitivity are the market prices used in the fair value positions disclosed for the related instruments. The base level for the Swap is the Brent Crude Futures Curve at reporting date. The amounts have been sensitised as follows:

Financial instruments	Risk	Possible scenario <25%>	Remote scenario <50%>
NDF	Exchange rate - depreciation of the Real compared to USD	-	-
Swap	Crude oil - price changes	63 431	126 862
Total		**63 431**	**126 862**

The possible and remote scenarios reflect the potential effect on the result of outstanding transactions, considering an unfavourable variation in market prices, to the extent of increasing the risk factor by 25% and 50%, respectively.

Note 15 – Subsequent events

In January 2024 the Company successfully closed the book on a USD 80 million senior unsecured bond issue with a three-year tenor and a coupon of 16% p.a.

Important information and disclaimer

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