

# **Jura Energy Corporation**

Condensed Consolidated Interim Financial Statements  
For the Three and Nine Months Ended  
**September 30, 2022**  
(expressed in US dollars)  
(Unaudited)

## **Notice of no auditor review of Condensed Consolidated Interim Financial Statements**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Corporation as at and for the three and nine months period ended September 30, 2022 have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

**Jura Energy Corporation**  
Condensed Consolidated Interim Statements of Financial Position  
As at September 30, 2022 (Unaudited)

(expressed in US dollars)

	September 30, 2022 \$	December 31, 2021 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,575,039	4,552,705
Restricted cash	2,251,545	2,517,924
Accounts and other receivables (note 4)	9,423,593	8,874,418
	<b>14,250,177</b>	<b>15,945,047</b>
<b>Non-current assets</b>		
Property, plant and equipment (note 5)	20,398,087	23,639,508
Exploration and evaluation assets (note 6)	4,397,035	3,798,200
Long-term receivables	68,917	62,821
<b>Total assets</b>	<b>39,114,216</b>	<b>43,445,576</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	9,355,527	16,651,801
Borrowings (note 7)	4,545,274	2,996,081
Amounts due to related parties (note 8)	2,811,038	2,435,566
	<b>16,711,839</b>	<b>22,083,448</b>
<b>Non-current liabilities</b>		
Borrowings (note 7)	3,265,126	6,117,040
Amounts due to related parties (note 8)	6,021	143,184
Deferred tax liability - net	728,805	106,755
Asset retirement obligation (note 10)	3,817,952	3,817,952
<b>Total liabilities</b>	<b>24,529,743</b>	<b>32,268,379</b>
<b>Shareholders' equity</b>		
Share capital (note 11)	65,203,045	65,203,045
Contributed surplus (note 11)	367,407	501,201
Warrants	-	140,265
Accumulated deficit	(50,985,979)	(54,667,314)
<b>Total shareholders' equity</b>	<b>14,584,473</b>	<b>11,177,197</b>
<b>Total equity and liabilities</b>	<b>39,114,216</b>	<b>43,445,576</b>

Going concern (note 2)

Contingencies and commitments (note 12)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

*"Signed"*

*Nadeem Farooq*  
CEO and Director

*"Signed"*

*Mehran I. Mirza*  
Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# Jura Energy Corporation

## Condensed Consolidated Interim Statements of Comprehensive Income/(Loss)

For the three and nine months ended September 30, 2022 (Unaudited)

(expressed in US dollars)

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	\$	\$	\$	\$
Net revenue	2,588,746	5,561,455	10,356,729	15,962,467
Cost of production (note 13)	(1,584,978)	(4,717,609)	(6,227,650)	(9,007,655)
<b>Gross profit</b>	<b>1,003,768</b>	<b>843,846</b>	<b>4,129,079</b>	<b>6,954,812</b>
<b>Expenses</b>				
General and administrative expenses (note 14)	(613,060)	(389,509)	(2,203,140)	(1,418,105)
Impairment of oil and gas properties (note 5)	-	(5,953,709)	-	(5,953,709)
Other income	75,808	-	352,848	-
<b>Operating profit/(loss)</b>	<b>466,516</b>	<b>(5,499,372)</b>	<b>2,278,787</b>	<b>(417,002)</b>
Exchange gain - net	1,363,333	1,652,213	3,322,400	1,264,576
Finance costs (note 15)	(463,862)	(440,742)	(1,297,802)	(1,618,827)
<b>Profit/(loss) before income tax</b>	<b>1,365,987</b>	<b>(4,287,901)</b>	<b>4,303,385</b>	<b>(771,253)</b>
Income tax (charge)/reversal	(253,395)	1,508,626	(622,050)	852,887
<b>Total comprehensive income/(loss) for the period</b>	<b>1,112,592</b>	<b>(2,779,275)</b>	<b>3,681,335</b>	<b>81,634</b>
<b>Basic and diluted earnings/(loss) per share</b> (note 16)	0.02	(0.04)	0.05	0.00
<b>Going concern</b> (note 2)				

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# Jura Energy Corporation

## Condensed Consolidated Interim Statements of Cash Flows For the nine months ended September 30, 2022 (Unaudited)

(expressed in US dollars)

	September 30, 2022 \$	September 30, 2021 \$
<b>Cash provided by/(used in)</b>		
<b>Operating activities</b>		
Profit/(loss) before tax for the period	4,303,385	(771,253)
Adjustments for:		
Impairment of oil and gas properties (note 5)	-	5,953,709
Depletion of oil and gas properties (note 13)	3,440,491	6,223,304
Depreciation of other operating assets (note 14)	11,883	10,308
Accrued finance costs on:		
- Amounts due to related parties (note 15)	256,403	583,918
- Borrowings (note 15)	1,041,399	999,942
- Accretion on asset retirement obligation (note 15)	-	34,967
Stock based compensation (note 11)	52,940	16,324
Other income	(352,848)	-
Net unrealized exchange gain on borrowings and amounts due to related parties	(2,728,153)	(836,352)
	6,025,500	12,214,867
Changes in working capital		
(Increase)/decrease in accounts and other receivables	(196,327)	608,736
(Decrease)/increase in accounts payable and accrued liabilities	(7,623,273)	682,382
Decrease/(increase) in restricted cash	266,379	(2,061,966)
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,527,721)</b>	<b>11,444,019</b>
<b>Investing activities</b>		
Property, plant and equipment	(210,953)	(2,625,843)
Exploration and evaluation assets	(598,835)	(318,700)
Changes in long-term receivables	(6,096)	(83,428)
<b>Net cash used in investing activities</b>	<b>(815,884)</b>	<b>(3,027,971)</b>
<b>Financing activities</b>		
Amounts due to related parties - proceeds	915,033	-
Amounts due to related parties - repayment	(97,324)	(6,965,348)
Borrowings - proceeds	2,618,187	-
Borrowings - repayment	(2,008,944)	(1,601,764)
Finance costs paid	(1,061,013)	(1,522,359)
<b>Net cash generated from/(used in) financing activities</b>	<b>365,939</b>	<b>(10,089,471)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,977,666)</b>	<b>(1,673,423)</b>
Cash and cash equivalents at beginning of the period	4,552,705	2,629,558
<b>Cash and cash equivalents at end of the period</b>	<b>2,575,039</b>	<b>956,135</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

## Jura Energy Corporation

### Condensed Consolidated Interim Statements of Changes in Equity

For the nine months ended September 30, 2022 (Unaudited)

(expressed in US Dollars)

	Number of shares	Share capital \$	Contributed surplus \$	Warrants \$	Accumulated Deficit \$	Total \$
Balance at January 1, 2021	69,076,328	65,203,045	412,264	140,265	(47,857,770)	17,897,804
Net profit for the period	-	-	-	-	81,634	81,634
Stock based compensation (note 11)	-	-	16,324	-	-	16,324
<b>Balance at September 30, 2021</b>	<b>69,076,328</b>	<b>65,203,045</b>	<b>428,588</b>	<b>140,265</b>	<b>(47,776,136)</b>	<b>17,995,762</b>
Balance at January 1, 2022	69,076,328	65,203,045	501,201	140,265	(54,667,314)	11,177,197
Net profit for the period	-	-	-	-	3,681,335	3,681,335
Stock based compensation (note 11)	-	-	52,940	-	-	52,940
Transfer of warrants to contributed surplus	-	-	140,265	(140,265)	-	-
Directors' RSUs settled in cash	-	-	(326,999)	-	-	(326,999)
<b>Balance at September 30, 2022</b>	<b>69,076,328</b>	<b>65,203,045</b>	<b>367,407</b>	<b>-</b>	<b>(50,985,979)</b>	<b>14,584,473</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# Jura Energy Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2022 (Unaudited)

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(expressed in US Dollars)

### 1 Company and its operations

Jura Energy Corporation ("JEC", "Jura" or the "Company") is listed on the TSX Venture Exchange ("TSX-V") and trades under the symbol "JEC". The registered office of Jura Energy Corporation is located at Suite 2100, 144 - 4th Avenue SW, Calgary, T2P 3N4, Alberta, Canada. These condensed consolidated interim financial statements include the financial statements of JEC, and its wholly owned subsidiaries Spud Energy Pty Limited ("SEPL"), PetExPro Ltd. ("PEPL"), Frontier Oil and Gas Holdings Limited ("FOGHL") and Frontier Holdings Limited ("FHL").

These condensed consolidated interim financial statements were approved and authorized for issue by the Company's board of directors on November 29, 2022.

### 2 Going concern

Management has prepared these condensed consolidated interim financial statements in accordance with the International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates that assets will be realized, and liabilities will be discharged in the normal course of business as they become due. The Company had a working capital deficiency of \$2.46 million at September 30, 2022 (December 31, 2021: \$6.14 million). During the nine months period ended September 30, 2022, the Company reported a net profit of \$3.68 million (September 30, 2021: \$0.08 million) and has negative operating cashflows of \$1.53 million (September 30, 2021: positive operating cashflows of \$11.44 million). As at September 30, 2022, the Company had an accumulated deficit of \$50.98 million (December 31, 2021: \$54.67 million). In addition to its ongoing working capital requirements, the Company also had financial commitments as at September 30, 2022 that amounted to \$6.71 million. Additional cash resources will be required to exploit the Company's petroleum and natural gas properties.

Further, flash floods caused by unusually heavy monsoon rains in Pakistan have damaged approximately 10km of Zarghun South's sales gas pipeline, as a result of which, the production from the Zarghun South Lease has been suspended. Furthermore, there could be uncertainties related to economic dependence on joint venture partners and the current economic and political conditions in Pakistan. These events and conditions create material uncertainties that raise significant doubt as to the ability of the Company to continue as a going concern and, accordingly, the appropriateness of the use of the accounting principles applicable to a going concern.

Therefore, the condensed consolidated interim financial statements of the Company do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenues and expenses and balance sheet classifications that would be necessary if the Company was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

### 3 Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with IFRS, as applicable to the interim financial reports including IAS 34 - Interim Financial Reporting. These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2021 which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board.

The accounting policies adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Company's consolidated annual audited financial statements for the year ended December 31, 2021.

The preparation of these condensed consolidated interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience including the expectation of

# Jura Energy Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2022 (Unaudited)

(expressed in US Dollars)

future events that are believed to be reasonable under the circumstances. Estimates and judgements made by the management in the preparation of these condensed consolidated interim financial statements are the same as those used in the preparation of Company's consolidated annual audited financial statements for the year ended December 31, 2021.

### 4 Accounts and other receivables

	September 30, 2022	December 31, 2021
	\$	\$
Trade receivables (note 4 a)	7,908,034	7,654,288
Due from related parties (note 4 b)	818,218	1,069,688
Prepayments	21,085	38,055
Security deposits	42,062	42,062
Other receivables	1,452,412	888,543
	<b>10,241,811</b>	<b>9,692,636</b>
Provision for impairment (note 4 b)	(818,218)	(818,218)
	<b>9,423,593</b>	<b>8,874,418</b>

- a) The trade receivables are provided as a security by way of irrevocable assignment into the collection accounts maintained with Askari Bank Limited ("AKBL"), the lead arranger, acting on behalf of the participants, pursuant to the terms of the AKBL syndicated term finance facilities (*refer to note 7 (a) for further details*).
- b) This represents \$818,218 and \$nil (December 31, 2021: \$818,218 and \$251,470) receivable from Energy Exploration Limited ("EEL") and JS Energy Limited ("JSEL") respectively. The balances are receivable on demand and carry no interest.

Amount due from EEL represents expenses recharged and payments made on behalf of EEL. EEL has a 12% working interest in Zamzama North exploration license. However, owing to the expiry of the term of the Zamzama North exploration license, the Company has fully provided for the balance receivable from EEL.

### 5 Property, plant and equipment

	Other operating assets					Total
	Oil and gas properties	Computer equipment	Furniture and fixtures	Office equipment	Motor vehicles	
	\$	\$	\$	\$	\$	\$
Cost	72,822,048	121,278	24,011	48,949	220,304	73,236,590
Accumulated depletion, depreciation and impairment	(49,198,006)	(110,533)	(24,011)	(48,949)	(215,583)	(49,597,082)
Opening net book value	<b>23,624,042</b>	<b>10,745</b>	-	-	<b>4,721</b>	<b>23,639,508</b>
<b>Period ended September 30, 2022</b>						
Additions during the period	53,038	2,764	-	-	155,151	210,953
Depletion and depreciation for the period	(3,440,491)	(3,972)	-	-	(7,911)	(3,452,374)
Carrying amount at September 30, 2022	<b>20,236,589</b>	<b>9,537</b>	-	-	<b>151,961</b>	<b>20,398,087</b>
Cost	72,875,086	124,042	24,011	48,949	375,455	73,447,543
Accumulated depletion, depreciation and impairment	(52,638,497)	(114,505)	(24,011)	(48,949)	(223,494)	(53,049,456)
Carrying amount at September 30, 2022	<b>20,236,589</b>	<b>9,537</b>	-	-	<b>151,961</b>	<b>20,398,087</b>
Cost	70,737,070	114,603	24,011	48,949	220,304	71,144,937
Accumulated depletion, depreciation and impairment	(25,757,125)	(105,243)	(23,942)	(48,949)	(208,716)	(26,143,975)
Opening net book value	<b>44,979,945</b>	<b>9,360</b>	<b>69</b>	-	<b>11,588</b>	<b>45,000,962</b>
<b>Year ended December 31, 2021</b>						
Additions during the year	2,625,601	6,675	-	-	-	2,632,276
Addition in asset retirement obligation	20,710	-	-	-	-	20,710
Revision in asset retirement obligation	(561,333)	-	-	-	-	(561,333)
Depletion and depreciation for the year	(9,045,172)	(5,290)	(69)	-	(6,867)	(9,057,398)
Impairment for the year	(14,395,709)	-	-	-	-	(14,395,709)
Carrying amount at December 31, 2021	<b>23,624,042</b>	<b>10,745</b>	-	-	<b>4,721</b>	<b>23,639,508</b>

# Jura Energy Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2022 (Unaudited)

(expressed in US Dollars)

Cost	72,822,048	121,278	24,011	48,949	220,304	73,236,590
Accumulated depletion, depreciation and impairment	(49,198,006)	(110,533)	(24,011)	(48,949)	(215,583)	(49,597,082)
<b>Carrying amount at December 31, 2021</b>	<b>23,624,042</b>	<b>10,745</b>	<b>-</b>	<b>-</b>	<b>4,721</b>	<b>23,639,508</b>
Annual rate of depreciation (%)		33.33%	20.00%	33.33%	20.00%	

- a) Motor vehicles include the following amounts where the Company is a lessee under a finance lease (refer to note 7 (b) for further details):

	September 30, 2022	December 31, 2021
<b>Leasehold motor vehicles</b>	<b>\$</b>	<b>\$</b>
Cost	146,086	146,086
Accumulated depreciation	(146,086)	(141,365)
	<u>-</u>	<u>4,721</u>

### 6 Exploration and evaluation assets

	September 30, 2022	December 31, 2021
	<b>\$</b>	<b>\$</b>
Balance at beginning of the period	3,798,200	3,317,483
Additions during the period	598,835	487,565
Exploration and evaluation assets written off	-	(6,848)
<b>Carrying amount at end of the period</b>	<b>4,397,035</b>	<b>3,798,200</b>

### 7 Borrowings

	September 30, 2022	December 31, 2021
<b>Current</b>	<b>\$</b>	<b>\$</b>
AKBL syndicated term finance facilities (note 7 a)	2,244,543	2,995,823
ABPL running musharaka facility (note 7 b)	2,300,731	-
Finance lease obligations	-	258
	<u>4,545,274</u>	<u>2,996,081</u>
<b>Non-current</b>		
AKBL Syndicated term finance facilities (note 7 a)	3,265,126	6,117,040
	<u>3,265,126</u>	<u>6,117,040</u>
<b>Total borrowings</b>	<b>7,810,400</b>	<b>9,113,121</b>

- a) On January 31, 2020, SEPL entered into long term syndicated term finance facilities of PKR 2,000 million (approximately \$8.70 million) with AKBL, the lead arranger acting on behalf of the participants (the "AKBL Facility").

The syndicate is comprised of AKBL, JS Bank Limited ("JSBL"), a related party of Jura, and Al Baraka Bank Pakistan Limited ("ABPL") with participation of PKR 1,000 million (approximately \$4.35 million), PKR 550 million (approximately \$2.39 million) and PKR 450 million (approximately \$1.96 million) respectively. The AKBL Facility carries interest at the rate of 3-month KIBOR plus 2.50%. The interest is payable quarterly in arrears whereas the principal is repayable in sixteen equal quarterly installments commencing after a grace period of one year from the date of first disbursement.

The AKBL Facility is secured by corporate guarantees of Jura and FHL, a first hypothecation charge on the moveable fixed assets of SEPL with a 25% margin, an assignment of present and future receivables of SEPL and FHL with a 25% margin, a lien on collection accounts of SEPL and FHL maintained with AKBL and a lien on SEPL's debt service reserve account and debt payment account maintained with AKBL.

Under the terms of the AKBL Facility, the Pakistan Branch of SEPL must comply at each year-end (i.e. December 31) with the following financial covenants:



# Jura Energy Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2022 (Unaudited)

(expressed in US Dollars)

- i) Debt service coverage ratio of at least 1.20 times;
- ii) Current ratio of 1:1; and
- iii) Debt to equity ratio of not more than 60:40.

As at December 31, 2021, the Pakistan Branch of SEPL was compliant with the above financial covenants.

- b) In November 2021, SEPL entered into short-term running musharaka facility ("RM Facility") of PKR 500 million (approximately \$2.18 million) with ABPL. The proceeds of the RM Facility are utilized to fund the operating expenses of SEPL. The outstanding amount of RM Facility carries interest at the rate of 3-month KIBOR plus 2% payable semi-annually in arrears. The RM Facility is secured by corporate guarantees of Jura and FHL, a ranking hypothecation charge on the moveable fixed assets of SEPL and FHL with a 25% margin, to be upgraded to a pari passu charge within 90 days of first disbursement, a ranking assignment of present and future receivables of SEPL and FHL with a 25% margin and a lien on SEPL and FHL bank accounts maintained with ABPL.

### 8 Amounts due to related parties

	September 30, 2022	December 31, 2021
<b>Current</b>	<b>\$</b>	<b>\$</b>
Running finance facilities (note 8 a)	2,811,038	2,435,566
	<u>2,811,038</u>	<u>2,435,566</u>
<b>Non-current</b>		
Shareholder loan (note 8 b)	6,021	143,184
	<u>6,021</u>	<u>143,184</u>
<b>Total amounts due to related parties</b>	<u>2,817,059</u>	<u>2,578,750</u>

- a) This represents a running finance facility ("RF Facility") of PKR 625 million (approx. \$2.72 million) with JSBL, a related party. The outstanding amount of RF Facility carries interest at the rate of 3-month KIBOR plus 2% payable quarterly in arrears. The RF Facility is secured by corporate guarantees of Jura and FHL, a first hypothecation charge on the moveable fixed assets of FHL with a 25% margin, a ranking hypothecation charge on the moveable fixed assets of SEPL with a 25% margin, to be upgraded to a pari passu charge within 180 days of first disbursement, a ranking assignment of present and future receivables of SEPL and FHL with a 25% margin and a lien on SEPL and FHL bank accounts maintained with JSBL.
- b) This represents unsecured bridge loan from the majority shareholder of the Company, JSEL. The principal amount bears interest at the rate of 11% per annum compounded quarterly. The principal and accrued interest outstanding as of September 30, 2022, are payable on demand, however, the shareholder has provided a written undertaking to the Company, pursuant to which the shareholder loans shall not be called for repayment for a minimum period of twelve months from the date of approval of these condensed consolidated interim financial statements.

Further, JSEL has the option to convert, in whole or in part, the principal and accrued interest under the bridge loan for a subscription of JEC shares, on the basis of one JEC share for each C\$1.00 so converted ("the Conversion Option") subject to the restriction that, during any six month period, the aggregate number of JEC shares issuable to JSEL under the Conversion Option may not exceed 10% of the number of JEC shares outstanding, on a non-diluted basis, prior to the date of the first conversion. As at September 30, 2022, a maximum of 7,888 shares are issuable under the Conversion Option.

# Jura Energy Corporation

## Notes to the Condensed Consolidated Interim Financial Statements For the three and nine months ended September 30, 2022 (Unaudited)

(expressed in US Dollars)

9 The contractual maturities of borrowing and amounts due to related parties are as follows:

	Carrying value \$	Not later than one year \$	Later than one year and not later than five years \$	Later than five years \$
<b>At September 30, 2022</b>				
AKBL Syndicated term finance facilities	5,509,669	2,244,543	3,265,126	-
ABPL running musharaka facility	2,300,731	2,300,731	-	-
Shareholder loan	6,021	-	6,021	-
Running finance facilities	2,811,038	2,811,038	-	-
	<b>10,627,459</b>	<b>7,356,312</b>	<b>3,271,147</b>	-
<b>At December 31, 2021</b>				
AKBL Syndicated term finance facilities	9,112,863	2,995,823	6,117,040	-
Finance lease obligations	258	258	-	-
Shareholder loan	143,184	-	143,184	-
Running finance facilities	2,435,566	2,435,566	-	-
	<b>11,691,871</b>	<b>5,431,647</b>	<b>6,260,224</b>	-

The fair value of borrowings and amounts due to related parties is not materially different to their carrying amount since the interest payable is close to the current market rate. The fair values are determined based on discounted cash flows using the Company's weighted average current cost of borrowing.

### 10 Asset retirement obligation

	September 30, 2022 \$	December 31, 2021 \$
Balance at beginning of the period	3,817,952	4,358,575
Additions during the period	-	20,710
Revisions due to change in estimates	-	(561,333)
Carrying amount at end of the period	<b>3,817,952</b>	<b>3,817,952</b>

### 11 Share capital

#### Authorized share capital

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. The preferred shares may be issued in one or more series, with rights and privileges for each series as determined by the Board. As at September 30, 2022, 69,076,328 (December 31, 2021: 69,076,328) common share of C\$ 1 were outstanding.

#### Restricted Share Units

The Company has a restricted share unit plan pursuant to which restricted share units ("RSU") may be granted to directors and officers of the Company. The RSU generally vest over a period of up to three years and expire no more than five years from the date of grant.

During the current period, the RSUs issued to the directors were settled against a cash consideration.

# Jura Energy Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2022 (Unaudited)

(expressed in US Dollars)

### Stock based compensation and contributed surplus

During the three and nine months ended September 30, 2022, stock based compensation of \$nil and \$52,940 (three and nine months ended September 30, 2021: \$6,200 and \$16,324) was charged to the condensed consolidated interim statement of comprehensive income/(loss).

### 12 Contingencies and commitments

There has been no material change in contingencies as disclosed in the latest consolidated annual audited financial statements of the Company for the year ended December 31, 2021, except for the following:

From time to time, the Company may become involved in legal or administrative proceedings in the normal conduct of business. During the current period, PEL has attempted to invoke the forfeiture of FHL's 27.5% working interest in the Badin IV North block for alleged non-payment of a cash call, which FHL maintains was improper, that was raised under the Badin IV North Joint Operating Agreement. FHL disputes PEL's actions and the cash call, and is evaluating all legal and other options and will take all necessary measures against PEL's conduct and the forfeiture attempt.

#### Commitments

	September 30, 2022	December 31, 2021
	\$	\$
Minimum capital commitments related to exploration licenses	6,594,114	6,594,114
Commitments under approved AFEs	115,658	115,658
Commitment under share purchase agreement for the acquisition of EEL	1,000	1,000
	<u>6,710,772</u>	<u>6,710,772</u>

### 13 Cost of production

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	\$	\$	\$	\$
Production costs	765,952	1,145,060	2,787,159	2,784,351
Depletion of oil and gas properties	819,026	3,572,549	3,440,491	6,223,304
	<u>1,584,978</u>	<u>4,717,609</u>	<u>6,227,650</u>	<u>9,007,655</u>

### 14 General and administrative expenses

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	\$	\$	\$	\$
Employees' benefits	283,065	279,341	895,709	698,543
Directors' compensation	32,897	23,021	160,859	116,318
Depreciation of other operating assets	4,730	1,591	11,883	10,308
Legal and professional charges	51,551	49,006	349,445	104,509
Travelling expenses	2,798	7,440	44,337	15,992
Consultancy (note 14 a)	104,731	39,840	288,747	168,274
Office rent and utilities	53,338	45,336	178,522	149,380
Provision for workers' profit participation fund	79,950	(56,066)	273,638	154,781
	<u>613,060</u>	<u>389,509</u>	<u>2,203,140</u>	<u>1,418,105</u>

- a) Consultancy includes an amount of \$20,000 and \$60,000, charged by JS North Asia Investments Limited, a related party, for the three and nine months ended September 30, 2022 (three and nine months ended September 30, 2021: \$20,000 and \$60,000).

# Jura Energy Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2022 (Unaudited)

(expressed in US Dollars)

### 15 Finance costs

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	\$	\$	\$	\$
Interest on amounts due to related parties	99,810	120,338	256,403	583,918
Interest on borrowings	364,052	308,748	1,041,399	999,942
Accretion on asset retirement obligation	-	11,656	-	34,967
	<u>463,862</u>	<u>440,742</u>	<u>1,297,802</u>	<u>1,618,827</u>

### 16 Earnings/(loss) per share

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	\$	\$	\$	\$
Net profit / (loss) for the period	1,112,592	(2,779,275)	3,681,335	81,634
Weighted average number of outstanding shares				
- Basic and diluted	69,076,328	69,076,328	69,076,328	69,076,328
Basic and diluted earnings/(loss) per share	<u>0.02</u>	<u>(0.04)</u>	<u>0.05</u>	<u>0.00</u>

For the three and nine months ended September 30, 2022 and 2021, 7,888 stock options under shareholder loans were excluded from the calculation of diluted shares as they would be anti-dilutive.

### 17 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

These condensed consolidated interim financial statements do not include all financial risk management information and disclosure required in the annual financial statements; they should be read in conjunction with the Company's consolidated annual audited financial statements for the year ended December 31, 2021. There has been no change in the risk management policies since December 31, 2021.

#### Fair value of financial assets and liabilities

The fair value of financial assets and liabilities is determined using different levels defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3).

The fair value of cash and cash equivalents, restricted cash, accounts and other receivables and accounts payable and accrued liabilities approximate their carrying amount due to the short-term nature of the instruments. The fair value of borrowings and amounts due to related parties approximates their carrying value as the interest rates charged on these instruments is comparable to the prevailing interest rates.

### 18 Transactions with related parties

The Company's related parties include its majority shareholder, JSEL. Amounts due from/(to) related parties have been disclosed under respective receivable and payable balances. Related parties and their relationship with the Company are as follows:

*Majority Shareholder*

- JS Energy Limited

# Jura Energy Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2022 (Unaudited)

(expressed in US Dollars)

### Wholly owned subsidiaries

- Spud Energy Pty Limited
- PetExPro Ltd.
- Frontier Oil and Gas Holdings Limited
- Frontier Holdings Limited
- 4515226 Canada Inc.
- 1428112 Alberta Ltd.
- Onni Wilson Avenue Development Limited Partnership
- Onni Elmbridge Development Limited Partnership
- Onni The Point Development Limited Partnership
- Onni IOCO Road One Development Limited

### Associated entity

- JS Bank Limited
- Energy Exploration Limited
- JS North Asia Investments Limited
- Konnect Gas (Private) Limited

### Key management personnel

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company. The Company's key management includes its Chief Executive Officer, Chief Financial Officer and its directors. Transactions with related parties other than those which have been disclosed elsewhere in the financial statements are:

	September 30, 2022	December 31, 2021		
	\$	\$		
<b>JSEL - majority shareholder</b>				
Balance payable at beginning of the period	143,184	7,489,109		
Interest accrued during the period	2,579	354,075		
Principal repaid during the period	(97,324)	(7,350,270)		
Interest paid during the period	(42,418)	(349,730)		
Balance payable at end of the period	<u>6,021</u>	<u>143,184</u>		
<b>JSBL - associated company</b>				
<b>AKBL syndicated term finance facilities</b>				
Balance payable at beginning of the period	2,506,039	3,385,343		
Interest accrued during the period	245,706	350,875		
Principal repaid during the period	(552,389)	(642,971)		
Interest paid during the period	(220,501)	(322,270)		
Exchange gain on retranslation	(463,694)	(264,938)		
Balance payable at end of the period	<u>1,515,161</u>	<u>2,506,039</u>		
<b>Running finance facility</b>				
Balance payable at beginning of the period	2,435,566	3,968,181		
Facility (settled)/utilized during the period	915,033	(1,189,381)		
Interest accrued during the period	253,824	350,520		
Interest paid during the period	(210,847)	(350,447)		
Exchange gain on retranslation	(582,538)	(343,308)		
Balance payable at end of the period	<u>2,811,038</u>	<u>2,435,566</u>		
	<b>Three months ended</b>	<b>September</b>	<b>September</b>	<b>September</b>
	<b>September</b>	<b>September</b>	<b>September</b>	<b>September</b>
	<b>30, 2022</b>	<b>30, 2021</b>	<b>30, 2022</b>	<b>30, 2021</b>
<b>Key management personnel compensation</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Management salaries and benefits	129,813	140,962	389,105	370,875
Directors' fees and compensation	32,897	23,021	160,859	116,318
	<u><b>162,710</b></u>	<u><b>163,983</b></u>	<u><b>549,964</b></u>	<u><b>487,193</b></u>

# Jura Energy Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2022 (Unaudited)

(expressed in US Dollars)

### 19 Operating segment information

Management has determined the operating segments based on the information that is presented to the Company's board of directors for allocation of resources and assessment of performance. The Company is organized into two operating segments based on geography, namely oil and gas operations in Pakistan ("Pakistan") and corporate activities in Canada ("Canada").

The Pakistan segment derives its revenue primarily from the sale of petroleum products in Pakistan. During the three and nine months ended September 30, 2022, the Pakistan segment had two main customers, Sui Southern Gas Company Limited ("SSGCL") and Engro Fertilizers Limited ("EFL") to whom all the gas from (i) Zarghun South, Ayesha, Aminah and Ayesha North and (ii) Reti, Maru, Maru South, Maru East, Khamiso and Umair is sold respectively. SSGCL is a state-owned entity and EFL is a large publicly-listed company. Percentage breakup of customer wise sales for the three and nine months ended September 30, 2022 and 2021 and trade receivables at September 30, 2022 and December 31, 2021 are as follows:

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
<b>Net revenue</b>				
SSGCL	89%	93%	88%	93%
EFL	10%	5%	8%	5%
Others	1%	2%	4%	2%
	100%	100%	100%	100%

  

	September 30, 2022	December 31, 2021
	<b>Trade receivables</b>	
SSGCL	90%	95%
EFL	2%	2%
Others	8%	3%
	100%	100%

The Canada segment does not have any revenue generating operations. The Company's board of directors monitors the results of the above-mentioned segments for the purpose of making decisions about the resources to be allocated and for assessing performance based on historical results and the purpose of their existence. The segment information for the reportable segments is as follows:

	For the three months ended			For the nine months ended		
	September 30, 2022			September 30, 2022		
	Canada	Pakistan	Consolidated	Canada	Pakistan	Consolidated
	-----\$-----					
Net revenue	-	2,588,746	2,588,746	-	10,356,729	10,356,729
Cost of production	-	(1,584,978)	(1,584,978)	-	(6,227,650)	(6,227,650)
<b>Gross profit</b>	-	<b>1,003,768</b>	<b>1,003,768</b>	-	<b>4,129,079</b>	<b>4,129,079</b>
General and administrative expenses	(70,874)	(542,186)	(613,060)	(435,176)	(1,767,964)	(2,203,140)
Other income	-	75,808	75,808	-	352,848	352,848
<b>Operating profit/(loss)</b>	<b>(70,874)</b>	<b>537,390</b>	<b>466,516</b>	<b>(435,176)</b>	<b>2,713,963</b>	<b>2,278,787</b>
Exchange gain/(loss) - net	(2,402)	1,365,735	1,363,333	(11,626)	3,334,026	3,322,400
Finance costs	-	(463,862)	(463,862)	-	(1,297,802)	(1,297,802)
<b>Net profit/(loss) for the period</b>	<b>(73,276)</b>	<b>1,439,263</b>	<b>1,365,987</b>	<b>(446,802)</b>	<b>4,750,187</b>	<b>4,303,385</b>
Income tax charge	-	(253,395)	(253,395)	-	(622,050)	(622,050)
	<b>(73,276)</b>	<b>1,185,868</b>	<b>1,112,592</b>	<b>(446,802)</b>	<b>4,128,137</b>	<b>3,681,335</b>
Additions during the period						
Property, plant and equipment	-	187,761	187,761	-	210,953	210,953
Exploration and evaluation assets	-	104,348	104,348	-	598,835	598,835

# Jura Energy Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2022 (Unaudited)

(expressed in US Dollars)

	As at September 30, 2022		
	Canada	Pakistan	Consolidated
	-----\$-----		
Segment assets	463,055	38,651,161	39,114,216
Segment liabilities	78,320	24,451,423	24,529,743

	For the three months ended September 30, 2021			For the nine months ended September 30, 2021		
	Canada	Pakistan	Consolidated	Canada	Pakistan	Consolidated
	-----\$-----					
Net revenue	-	5,561,455	5,561,455	-	15,962,467	15,962,467
Cost of production	-	(4,717,609)	(4,717,609)	-	(9,007,655)	(9,007,655)
<b>Gross profit</b>	-	<b>843,846</b>	<b>843,846</b>	-	<b>6,954,812</b>	<b>6,954,812</b>
General and administrative expenses	(29,723)	(359,786)	(389,509)	(157,821)	(1,260,284)	(1,418,105)
Impairment of oil and gas properties	-	(5,953,709)	(5,953,709)	-	(5,953,709)	(5,953,709)
<b>Operating loss</b>	<b>(29,723)</b>	<b>(5,469,649)</b>	<b>(5,499,372)</b>	<b>(157,821)</b>	<b>(259,181)</b>	<b>(417,002)</b>
Exchange gain/(loss) - net	(1,419)	1,653,632	1,652,213	(8,226)	1,272,802	1,264,576
Finance costs	-	(440,742)	(440,742)	-	(1,618,827)	(1,618,827)
<b>Net loss for the period</b>	<b>(31,142)</b>	<b>(4,256,759)</b>	<b>(4,287,901)</b>	<b>(166,047)</b>	<b>(605,206)</b>	<b>(771,253)</b>
Income tax reversal	-	1,508,626	1,508,626	-	852,887	852,887
	<b>(31,142)</b>	<b>(2,748,133)</b>	<b>(2,779,275)</b>	<b>(166,047)</b>	<b>247,681</b>	<b>81,634</b>
Additions during the period						
Property, plant and equipment	-	1,637,247	1,637,247	-	2,625,843	2,625,843
Exploration and evaluation assets	-	103,801	103,801	-	318,700	318,700

	As at September 30, 2021		
	Canada	Pakistan	Consolidated
	-----\$-----		
Segment assets	48,656	54,205,162	54,253,818
Segment liabilities	115,370	36,142,686	36,258,056