

**Indoil Global B.V.**  
**Amsterdam, The Netherlands**

**Consolidated financial statements for the year ended 31.03.2022**

Address of the Company	:	Olympic Stadium 24, 1076DE Amsterdam, The Netherlands
Chamber of Commerce	:	Amsterdam
File Number	:	600 929 39

	<b>Page</b>
Managing Board's Report	3-5
<b>Consolidated financials statement</b>	
Consolidated balance sheet as at 31 March 2022	6-7
Consolidated profit and loss account for the period 01-04-2021 until 31-03-2022	8
Consolidated cash flow statement for the period 01-04-2021 until 31-03-2022	9
Notes to the financial statements of the consolidated annual report	10-15
Notes to the consolidated balance sheet	16-23
Notes to the consolidated profit and loss account	24-25
Income tax specification	26-27
<b>Company financials statement</b>	
Company-only balance sheet as at 31 March 2022	28-29
Company-only profit and loss account for the period 01-04-2021 until 31-03-2022	30
Notes to the financial statements of the company-only annual report	31-32
Notes to the company-only balance sheet	33-34
Notes to the company-only profit and loss account	35-36
Other information	37
<b>Appendices</b>	
Consolidated statement of changes in equity	38

**Management Board's Report****General information (in the management report)**

The Directors of Indoil Global B.V. ("Company") present herewith their reports for the period ended 31 March 2022 on the activities of the Company.

The Company having its statutory seat in Amsterdam, The Netherlands, was incorporated under the laws of the Netherlands on 25 February 2014. The Company has its business seat at Olympic Stadium 24, 1076DE Amsterdam, The Netherlands. The Company is registered with the Dutch Commercial Register under number 600 929 39.

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

The law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with the provisions of the applicable statutory provisions and GAAP. Under applicable law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable GAAP have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the applicable GAAP and legal requirements.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Core business**

The activities of Indoil Global B.V. consist mainly of acting as a holding company and its group companies include purchase/sale of Crude oil and sell/acquire, develop and produce natural gas and natural gas liquids.

The Company's result after tax for the period is a profit of CAD 8.85 million (2021: loss of CAD 37.19 million).

In the current year, share in profit from Falcon Oil & Gas BV has increased from profit of CAD 9.37 Million to profit of CAD 18.63 Million.

In the year 2019-20, Indoil Montney Ltd. received a term loan facility (the "Term Loan") in the amount of \$580 million from consortium of lenders and the Bank of Nova Scotia as the agent. The Term Loan is available until 26 February 2021, with each tranche drawn being payable in full 5 years after the date the tranche was drawn. The rate of interest applicable to each Tranche shall be the percentage rate per annum which is the aggregate of a margin of 0.89% and the CDOR rate. As per the term loan facility, IML (the borrower) is required to maintain a positive Total Net Worth. Total Net Worth means at any time the aggregate of the amounts paid up or credited as paid up on the issued ordinary share capital of the Borrower and the amounts standing to the credit of the reserves of the Borrower. For the year ended March 31, 2022, IML was in compliance with the covenant.

During the year, a Term Loan Facility Agreement was made between Indoil Montney Ltd. and Sumitomo Mitsui Banking Corporation (SMBC) for an aggregate amount of \$60 million. The Term Loan is available until January 31, 2023, with each advance made being payable in full on the earlier of (a) February 28, 2023, or (b) the date falling 13 months after the first advance is made. The rate of interest applicable to each advance shall be the percentage rate per annum which is the aggregate of a margin of 0.50% and the CDOR rate. The term loan and interest payable are guaranteed by the Ultimate Parent Company up to a maximum of \$63 million. A guarantee commission of 0.25% per annum is payable to the Ultimate Parent Company on the term loan balance outstanding every quarter.

**Legal structure**

Indoil Global B.V. is a wholly owned subsidiary of Indian Oil Corporation Ltd., India.

Indoil Global B.V. has a 100% subsidiary, Indoil Montney Ltd., in Canada and a joint venture Falcon Oil & Gas B.V., in Netherlands. The Company has 30% stake in Falcon Oil & Gas B.V.

**Information on risks and uncertainties**

The Company is subject to the control framework of the IOCL group of companies, which is designed to manage rather than eliminate the risk failure to achieve business objectives and only provides reasonable and not absolute assurance against material misstatement or loss.

**Managing Board's Report (continued)**

These risks discussed below could have a material adverse effect separately, or in combination, on our operational performance, earning, cash flows and financial conditions. The other activities and results that the Company is exposed to are a consequence of changing circumstances such as competitive position, economic, political, legal and social circumstances, development in industries and sectors as well as financial circumstances. The most significant risks in general terms are:

- The Company is exposed to fluctuating prices of crude oil, natural gas and oil products.
- The nature of the Company's operations exposes it, and the communities in which the Company works, to a wide range of health, safety, security and environment risks.
- The Company is exposed to treasury and trading risks, including liquidity risk, interest rate risk, foreign exchange risk, commodity price risk and credit risk. The Company is affected by the global macroeconomic environment as well as financial and commodity market conditions.
- The Company is exposed to changes in currency values and to exchange controls because of its substantial international operations. The Company may hold assets and is exposed to liabilities in other currencies than the reporting currency.
- The Company's ability to achieve strategic objectives depends on how the Company reacts to competitive forces.
- Rising climate change concerns have led and could lead to additional legal and/or regulatory measures which could result in project delays or cancellations, a decrease in demand for fossil fuels and additional compliance obligations, and therefore could adversely impact the Company's costs and/or revenue.
- The estimation of proved oil and gas reserves involves subjective judgements based on available information and the application of complex rules, so subsequent downward adjustments are possible.
- The Company's future performance depends on the successful development and deployment of new technologies and new products.
- Our projects and operations are conducted in joint arrangement. This could reduce our degree of control, as well as our ability to identify and manage risks. We have limited influence over, and control of, the behaviour, performance and costs of operation of such joint arrangement. Despite not having control, we could still be exposed to the risks associated with these operations, including reputational, litigation (where joint and several liabilities could apply) and government sanction risks.
- We rely heavily on information technology systems in our operations. Our business processes depend on reliable information technology (IT) systems. Our IT systems are increasingly concentrated in terms of number of systems and dependent on key contractors supporting the delivery of IT services. Timely detection is becoming increasingly complex, but we seek to detect and investigate all such security incidents, aiming to prevent their recurrence. Disruption of critical IT services, or breaches of information security, could harm our reputation and have a material adverse effect on our earnings, cash flows and financial condition.
- Developments in politics, laws and regulations can affect the Company's operations and earnings. These include forced divestments of assets, limits on production, imports and exports, international conflicts, including wars, civil unrest and local security concerns that threaten the safe operation of the Company facilities, price controls, tax increases and other retroactive tax claims, expropriation of property, cancellation of contract rights, and environmental regulations, pandemic diseases, such as the COVID-19 (coronavirus) outbreak, etc.

It is difficult to predict timing or severity of these occurrences or their effect upon the Company and when such risks materialize they could affect, reputation, operational performance and financial positions of the Company located in the country concerned.

As seen in recent years, these risks can manifest themselves in the countries in which we operate and elsewhere. These risks affect people and assets. These risks can threaten the safe operation of our facilities and transport of our products, cause disruption of operational activities, environmental harm, loss of life, injuries and impact the well-being of our people. Further, these risks could have a material adverse effect on our earnings, cash flows and financial condition. We seek to obtain the best possible information to enable us to assess threats and risks. We conduct detailed assessments for all our sites and activities, and implement appropriate measures to deter, detect and respond to security risks. Political developments in other countries in the region where the Company has an interest are monitored for their financial impact on an ongoing basis.

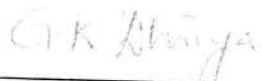


Disclosure of the distribution of seats

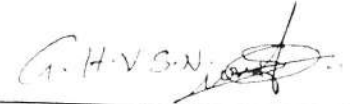
On 1st December, 2021, Mr. Debasish Roy was appointed as director in place of Mr. Om Parkash and on 6th April, 2022, Mr. Manoj Kumar Sharma was appointed as Director in place of Mr. Debasish Roy of Indoil Global B.V.

As a result, the female male percentage remain same to 25.75 in 2021-22 (25.75 in 2020-21).

Signed on 5<sup>th</sup> May, 2022



Director A  
Dhivya Gopal Kanakaraj



Director A  
Hema Venkata Siva Nagasurendra  
Garjala



Director B  
Sandeep Kumar Gupta



Director B  
Manoj Kumar Sharma

**Consolidated Balance Sheet as at 31 March 2022**

(Before proposed appropriation of result)

	<u>Notes</u>	<u>31 Mar 2022</u> <b>CAD</b>	<u>31 Mar 2021</u> <b>CAD</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Tangible fixed assets</b>			
	<b>1</b>		
Plant and equipment		737,449,702	721,237,127
Exploration & evaluation assets		<u>289,018,407</u>	<u>285,052,927</u>
		1,026,468,109	1,006,290,054
<b>Financial fixed assets</b>			
Investment in Falcon Oil & Gas B.V.	<b>2</b>	254,363,414	255,678,299
<b>Current assets</b>			
Deferred Tax Asset		251,103	251,103
<b>Receivables</b>			
Trade receivables	<b>3</b>	20,056,849	12,425,335
Accruals and prepaid expenses	<b>4</b>	<u>124,584</u>	<u>49,574</u>
		20,181,433	12,474,909
Cash & Cash equivalents	<b>5</b>	2,058,317	28,436,004
<b>Total Assets</b>		<u><b>1,303,322,376</b></u>	<u><b>1,303,130,369</b></u>

**Consolidated Balance Sheet as at 31 March 2022**

(Before proposal appropriation of result)

	<u>Notes</u>	<u>31 Mar 2022</u> CAD	<u>31 Mar 2021</u> CAD
<b>Liabilities</b>			
Group equity	6	679,033,690	690,163,436
<b>Long term liabilities</b>			
Amounts owed to credit institutions	7	574,322,301	572,262,301
Other long-term liabilities	8	<u>25,011,458</u>	<u>28,041,617</u>
		599,333,759	600,303,918
<b>Current Liabilities</b>			
<b>Account payable &amp; Other liabilities</b>			
Short term loan		3,500,000	-
Accounts payable		1,689,975	1,476,133
Company tax		-	-
Other liabilities and accrued expenses		<u>19,764,952</u>	<u>11,186,882</u>
		24,954,927	12,663,015
		<u><u>1,303,322,376</u></u>	<u><u>1,303,130,369</u></u>

**Consolidated Profit and Loss account for the period 01-04-2021 until 31-03-2022**

	<u>Notes</u>	<u>2021-22</u> <u>CAD</u>	<u>2020-21</u> <u>CAD</u>
<b>Net turnover</b>	<b>10</b>	104,250,726	178,865,807
Cost of sales	<b>11</b>	-	(121,965,197)
<b>Gross margin</b>		<b>104,250,726</b>	<b>56,900,610</b>
Exploration & Production expenses	<b>12</b>	(53,335,434)	(44,319,290)
Personnel expenses	<b>13</b>	(744,487)	(712,906)
Depreciation on fixed assets	<b>14</b>	(46,701,568)	(43,456,219)
Accretion of decommissioning liability	<b>15</b>	(701,249)	(448,724)
Other operating expenses	<b>16</b>	(1,077,556)	(1,131,668)
<b>Total operating expenses</b>		<b>(102,560,294)</b>	<b>(90,068,807)</b>
<b>Operating result</b>		<b>1,690,432</b>	<b>(33,168,197)</b>
Financial income and expense	<b>17</b>	(11,466,607)	(13,647,140)
<b>Consolidated result of ordinary activities before taxation</b>		<b>(9,776,175)</b>	<b>(46,815,337)</b>
Taxation		-	251,103
		(9,776,175)	(46,564,234)
Share in result of participations	<b>18</b>	18,633,074	9,374,403
<b>Net consolidated results after taxation</b>		<b>8,856,899</b>	<b>(37,189,831)</b>



**Consolidated Cash Flow Statement for the period 01-04-2021 until 31-03-2022**

	2021-22 CAD	2020-21 CAD
<b>Cash flow from operating activities</b>		
Operating result	1,690,432	(33,168,197)
<b>Adjustments for</b>		
Depreciation of (in)tangible fixed assets	46,701,568	43,456,219
Accretion of decommissioning liability	701,249	448,724
	<b>47,402,817</b>	<b>43,904,943</b>
<b>Changes in working capital</b>		
Trade receivables	(7,631,514)	45,231,347
Other short-term receivables	-	(251,103)
Other accounts receivable	-	-
Accruals and prepaid expenses	(75,010)	18,732
Movements securities	26,902	(1,841,464)
Current liabilities, accruals and deferred income (excluding banks)	8,791,912	(49,863,317)
	<b>1,112,291</b>	<b>(6,705,805)</b>
<b>Cash flow from business activities</b>	<b>50,205,540</b>	<b>4,030,939</b>
Interest received	53,576	16,815
Interest paid	(11,547,086)	(11,822,490)
Taxation	-	251,103
	<b>(11,493,510)</b>	<b>(11,554,572)</b>
<b>Cash flow from operating activities</b>	<b>38,712,030</b>	<b>(7,523,633)</b>
<b>Cash flow from investment activities</b>		
Investments in tangible assets	(68,085,122)	(62,120,483)
Investments in financial fixed assets	-	-
Dividend received	18,796,315	32,464,691
Disposal of tangible fixed assets	-	-
	<b>(49,288,807)</b>	<b>(29,655,792)</b>
<b>Cash flow from financing activities</b>		
Receipts from issuance of share capital	-	-
Share premium in financial year	-	-
Receipts from long-term liabilities	-	93,000,000
Receipts from short-term liabilities	3,500,000	-
Repayments to long-term liabilities	-	-
Dividend paid	(18,835,000)	(41,750,000)
Correction: Accretion of decommissioning liabilities	(465,911)	512,076
	<b>(15,800,911)</b>	<b>51,762,076</b>
<b>Cash flow from financing activities</b>		
<b>Movements cash</b>	<b>(26,377,687)</b>	<b>14,582,651</b>
<b>Turnover movement cash and cash equivalents</b>		
Balance as at beginning of financial year	28,436,004	13,853,353
Movements during financial year	(26,377,687)	14,582,651
Balance as at financial year end	<b>2,058,317</b>	<b>28,436,004</b>

**Entity information****Registered address and registration number trade register**

The registered and actual address of Indoil Global B.V. is Olympic Stadium 24, 1076DE Amsterdam The Netherlands. Indoil Global B.V. is registered at the trade register under number 600 929 39.

**General notes****The most important activities of the entity**

The activities of Indoil Global B.V. consist mainly of acting as a holding company and its group companies consists of purchase/sale of Crude oil and sell/acquire, develop and produce natural gas and natural gas liquids.

**Disclosure of estimates**

In applying the principles and policies for drawing up the financial statements, the directors of Indoil Global B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

**Disclosure of consolidation**

Indoil Global B.V. prepared consolidated Dutch GAAP financial statements of IndOil Global B.V. and its subsidiary, IndOil Montney Ltd. These consolidated financial statements are also the statutory financial statements of the Company.

**Previous year's figures**

Previous year's figures have been regrouped/ reclassified wherever necessary, to confirm to current year's classification.

**The policies for consolidation**

The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

**General accounting principles****The accounting standards used to prepare the financial statements**

The consolidated financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Board for Annual Reporting').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

## Accounting principles

### Property, plant and equipment

The Company's property, plant and equipment primarily consists of oil and natural gas development and production assets. Property, plant and equipment is stated at cost, less accumulated depletion, depreciation, amortization and accumulated impairment losses. Development and production assets represent the cost of developing the commercial reserves and initiating production and are accumulated into major area cost centres for purposes of determining depletion, depreciation, impairment decommissioning and other financial measurements.

### Capitalization, Recognition and Measurement

The capital cost of an asset is the aggregate of its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning provision, and for qualifying assets, borrowing costs. For acquired assets or businesses, the purchase price is the aggregate amount paid and the fair value of any other consideration given up to acquire the asset or business. Expenditures on major maintenance, inspections or overhauls and well workovers are capitalized when the item enhances the life or performance of an asset above its original standard.

Where an asset or part of an asset that was separately depreciated is replaced and it is probable that future economic benefits associated with the replacement item will flow to the Company, the replacement expenditure is capitalized and the carrying amount of the replaced asset is charged to the statement of income and comprehensive income.

When an item of property, plant and equipment is disposed of, or when there are no net future economic benefits expected from the continued use of the asset, the asset is removed from the accounts (derecognized) and any gain or loss arising on derecognition (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognized in the statement of income and comprehensive income.

### Exploration and Evaluation Expenditures

Oil and gas exploration and evaluation expenditures are accounted for in accordance with IFRS 6, Exploration for and Evaluation of Mineral Resources. Costs incurred before acquiring the legal right to explore in an area (pre-license costs) are recognized in the statement of income (loss) and comprehensive income (loss). Costs incurred after the legal right to explore an area has been obtained, and before technical feasibility and commercial viability of the area have been established, are capitalized as E&E assets on an area by area basis. These costs include license acquisition, geological and geophysical, drilling, sampling, decommissioning and other directly attributable internal costs.

E&E assets are not depreciated and are capitalized until technical feasibility and commercial viability of the area is determined, or the assets are determined to be impaired. Once technical feasibility and commercial viability have been established for an area, the carrying value of the E&E assets associated with that area are tested for impairment. The carrying value, net of any impairment loss, is then reclassified from E&E to development and production. If reserves are not identified, these costs are expensed in the statement of income (loss) and comprehensive income (loss).

### Development and Production Expenditures

Property, plant and equipment, which includes petroleum and natural gas development and production assets, is measured at cost (including directly attributable general and administration costs) less accumulated depletion and depreciation and accumulated impairment losses. Cost includes lease acquisition, drilling and completion, production facilities, decommissioning costs, geological and geophysical costs and directly attributable costs related to development and production activities, net of any government incentive programs.

### Asset Swaps and Exchanges

Exchanges of development and production assets are measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. The cost of the acquired asset is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. Where fair value is not used, the cost of the acquired asset is measured at the carrying amount of the asset given up. Any gain or loss on derecognition of the asset given up is recognized in the statement of income and comprehensive income. For exchanges or parts of exchanges that involve only exploration and evaluation assets, the exchange is accounted for at carrying value.



**Notes to the Financial Statements of the Consolidated Annual Report****Depletion, Depreciation and Amortization**

Proved property acquisition costs and proved property well and development costs are depleted on a unit-of-production basis. Proved property acquisition costs are depleted over total proved reserves and costs related to area cost centres for petroleum and natural gas properties are depleted on the total proved developed reserves allocated to the area.

The net carrying value of oil and gas properties is depleted using the unit of production method by reference to the ratio of production in the period to the related total proved reserves and proved developed reserves as per the most recent reserve reports prior to the reporting date. Total proved reserves are estimated using independent reservoir engineering reports and represent the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Petroleum and natural gas assets are not depleted until commercial production commences in the Cash Generating Unit (CGU).

Other capitalized costs, such as pipelines, facilities, and office furniture and fixture, lease hold improvements and computer equipment are depreciated principally using the straight-line method based on the estimated useful life of the assets. The Company determines the average useful lives to be 25 years for pipelines and processing facilities, 5 years for office furniture and fixture and lease hold improvements, and 3 years for computer equipment.

Depreciation methods, useful and residual values are reviewed at each financial year end and adjustments relating to changes in estimates are recorded prospectively.

**Impairment of property, plant and equipment**

At each reporting period the Company assesses whether there are indicators of impairment for its PP&E. If indicators exist, the Company determines if the recoverable amount of the asset or CGU is greater than its carrying amount. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has used geographical proximity, geological similarities, analysis of shared infrastructure, commodity type, assessment of exposure to market risks and materiality to define its CGUs. If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in net income in depletion expense. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model. The Company uses the present value of the CGU's estimated future cash flows from both proved and probable reserves in its fair value model. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in net income. The recovery is limited to the original carrying amount less depletion and depreciation that would have been recorded had the asset not been impaired.

All impairment losses are recognized in the statement of income and comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

E&E costs are subject to regular technical, commercial and management review to confirm the continued intent to develop the resources. If an area is determined to no longer be technically feasible or commercially viable and Management decides not to continue the exploration and evaluation activity, the unrecoverable costs are charged to exploration expense in the period in which the determination occurs. Any gains or losses from the divestiture of E&E assets are recognized in statement of income and comprehensive income. The Company includes E&E assets with producing assets as one CGU grouping for the purpose of impairment testing.

**Financial Instruments****a) Fair Value of Financial Instruments:**

Financial instruments comprise cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and term loan.

There are three levels of fair value by which a financial instrument can be classified:

Level 1 - Quoted prices in active markets for identical assets and liabilities such as traded securities on a registered exchange where there are a sufficient frequency and volume of transactions to provide ongoing pricing information.

Level 2 - Inputs other than quoted prices that are observable for the asset and liability either directly and indirectly such as quoted forward prices for commodities, time value and volatility factors which can be substantially observed or corroborated in the marketplace; and

Level 3 - Inputs that are not based on observable market data.

The fair value of cash and cash equivalents, accounts receivable and accounts payable, approximate their carrying amounts due to their short-term maturities.

**b) Recognition of Financial Instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions that define the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Financial assets and financial liabilities are initially recognized at fair value. For those at amortized cost this amount is normally the transaction price plus directly attributable transaction costs. All other transaction costs are expensed as incurred.

The subsequent measurement of the Company's financial instruments depends on their classification determined by the purpose for which the instruments were acquired, as follows:

**i. Amortized Cost**

Accounts receivable, deposits, accounts payable and accrued liabilities, term loan are measured at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. The financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method.

**ii. Fair Value Through Profit and Loss (FVTPL)**

As at March 31, 2022, the Company did not have any financial instruments measured at FVTPL.

**iii. Fair Value Through Other Comprehensive Income (FVTOCI)**

As at March 31, 2022, the Company did not have any financial instruments measured at FVTOCI.

**c) Impairment of Financial Instruments:**

The Company has expected credit loss ("ECL") impairment model for all financial assets and certain off-balance sheet loan commitments and guarantees. The ECL model will result in an allowance for credit losses being recorded on financial assets regardless of whether there has been an actual loss event.

The ECL model requires the recognition of credit losses based on 12 months of expected losses for financial assets (Stage 1) and the recognition of lifetime ECL on financial assets that have experienced a significant increase in credit risk since origination (Stage 2). IFRS 9 permits entities to apply a simplified approach to trade receivables, contract assets and lease receivables, where a lifetime ECL will be measured at initial recognition of the financial asset.

The Company recognizes loss allowances for ECL on its financial assets measured at amortized cost. The Company does not have any financial assets that contain a financing component. The Company has not designated any financial instruments as FVOCI, nor does the Company use hedge accounting.



**Notes to the Financial Statements of the Consolidated Annual Report**

---

**Receivables**

Accounts receivable and deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest rate method if the time value of money is significant. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process. The Company's accounts receivable are comprised of accounts receivable which are included in current assets due to their short-term nature as are deposits, cash and cash equivalents, and cash call receivable.

**Other Financial Liabilities at Amortized Cost**

Financial liabilities at amortized cost include accounts payables and term loan. Accounts payables are initially recognized at fair value. Subsequently, accounts payables are measured at amortized cost using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are classified as non-current liabilities.

**Cash and Cash Equivalents**

Cash and Cash Equivalents include cash on hand, deposit held with banks and other short-term highly liquid investments with maturities of three months or less from inception.

**Non-Current Liabilities**

Financial liabilities at amortized cost include accounts payables and term loan. Accounts payables are initially recognized at fair value. Subsequently, accounts payables are measured at amortized cost using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are classified as non-current liabilities.

**Share Capital**

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

**Non-Current Other Payables****Decommissioning Liabilities**

A decommissioning liability is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be reasonably estimated, and it is probable that a future outflow of economic benefits will be required to settle the obligation. Decommissioning liabilities are determined by discounting the expected future cash flows at a risk-free rate at the reporting date. The obligation is recorded as a liability on a discounted basis using the relevant risk-free rate, with a corresponding increase to the carrying amount of the related asset.

Over time, the liabilities are accreted for the change in their present value and the capitalized costs are depleted on a unit-of-production basis over the life of the asset. Revisions to the discount rate, estimated timing or amount of future cash flows would also result in an increase or decrease to the decommissioning liability and related asset and the related earnings impact reported in current and future periods.

**Accounting Principles for determining the result**

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

**Revenue recognition**

Revenue associated with the sales of natural gas, natural gas liquids ("NGLs") and crude oil owned by the Company is recognized when title passes from the Company to its customer. This generally occurs when product is physically transferred into a vessel, pipeline or other delivery mechanism.

**Income Taxes**

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

The Company follows the liability method of accounting for income taxes. Under this method, deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the deferred tax asset or liability is settled based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The effect of a change in income tax rates on deferred income taxes is recognized in net income in the period in which the change occurs.

**Cash Flow Statement**

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than twelve months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates.

Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. The purchase consideration paid for the acquired group corporation has been recognised as cash used in investing activities where it was settled in cash. Any cash at banks and in hand in the acquired group corporation have been deducted from the purchase consideration. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

**Leases**

At the inception of a contract, the Company assesses whether a contract is or contains a lease. The Company then determines if the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and that the Company has the right to direct the use of the identified assets. The term of the lease is defined as the non-cancellable period of the lease, plus periods in which there is reasonable certainty that the Company will exercise and option to extend or to cancel the lease.

When a lease is identified, a right of use asset and a lease liability are recognized at the present value of the lease payments discounted using the interest rate implicit in the lease or if that rate is not determinable at the Company's incremental rate of borrowing. Payments on the lease have a finance cost component, which are reported on the consolidated statement of comprehensive income, and a liability repayment portion.

The initial cost of right of use assets are adjusted for any lease incentives received and any initial direct costs. Right of use assets are depreciated over the shorter of the lease term or the useful life of the assets. Right of use assets are presented net of accumulated depreciation and impairment losses.

## Notes to the Consolidated Balance Sheet

	31 Mar 2022 CAD	31 Mar 2021 CAD
<b>1 Tangible fixed assets</b>		
<b>Property, plant and equipment</b>		
Petroleum and natural gas assets at cost	1,133,488,281	1,070,574,138
Other fixed assets	320,646	320,646
Accumulated depletion, depreciation, amortization and Impairment	(396,359,225)	(349,657,657)
	<u><b>737,449,702</b></u>	<u><b>721,237,127</b></u>
Included in property, plant and equipment is \$167 million (31 March 2021 - \$190 million) that is not subject to depletion.		
This portion relates to the probable portion of the purchase price allocation (PPA) which is transferred to the depletable portion of acquisition cost on a straight-line basis over 12 years.		
<b>Cost</b>		
Balance as per 1 April	1,070,894,784	1,030,670,676
Additions	-	-
Dispositions	-	-
Transfers from exploration and evaluation	64,119,642	39,070,715
Changes in decommissioning cost	(1,205,499)	1,153,393
Balance as per 31 March	<u><b>1,133,808,927</b></u>	<u><b>1,070,894,784</b></u>
<b>Accumulated depletion</b>		
Balance as per 1 April	(349,657,657)	(306,201,438)
Accumulated depletion associated with disposition	-	-
Depletion, depreciation, amortization and impairment	(46,701,568)	(43,456,219)
Total	<u><b>(396,359,225)</b></u>	<u><b>(349,657,657)</b></u>
Property, Plant and Equipment - Balance as per 31 March	<u><b>737,449,702</b></u>	<u><b>721,237,127</b></u>
<b>Exploration and evaluation assets</b>		
Balance, beginning of year	285,052,927	262,003,159
Additions	68,918,429	62,120,483
Disposition	(833,307)	-
Impairment	-	-
Transfer to property, plant and equipment	(64,119,642)	(39,070,715)
Balance, end of year	<u><b>289,018,407</b></u>	<u><b>285,052,927</b></u>

Exploration and evaluation assets consist of the Company's undeveloped land and exploration projects that are pending the determination of technical feasibility and commercial viability.

During the year, Company has incurred capital expenditure of CAD 68,918,429 and disposition of CAD 833,307 at Indoil Montney Ltd. level towards NMJV Project.



**Notes to the Consolidated Balance Sheet (continued)**

---

**Impairment**

Impairment is assessed based on the recoverable amount compared with the asset's carrying amount to measure the amount of the impairment. The recoverable amount is estimated based upon the higher of the value in use or FVLCD. In addition, where a non-financial asset does not generate largely independent cash inflows, the Company is required to perform its test at a CGU, which is the smallest identifiable grouping of assets that generates largely independent cash inflows. The Company only has one CGU, the NMJV (North Montney Joint Venture) CGU.

The Company evaluated the indicators of impairment as at March 31, 2022 on all of its petroleum and natural gas assets, and no indicators of impairment existed.

**PPE impairment**

For the year ended March 31, 2022, the Company did not identify any indicators of impairment in its PPE assets in the NMJV CGU.

**E&E Impairment**

For the year ended March 31, 2022, the Company did not identify any indicators of impairment in its E&E assets in the NMJV CGU.

The estimates of the recoverable amounts were determined based on the following information, as applicable:

- i. Proved plus probable reserves as estimated by the Company's independent reserves evaluator, and;
- ii. A commodity price forecast as noted below, adjusted for location and quality differentials.

**Notes to the Consolidated Balance Sheet (continued)****Financial fixed assets****North Montney Joint Venture (NMJV)**

On 25 March 2014, Indoil Global B.V. acquired assets via its subsidiary Indoil Montney Ltd. of British Columbia from a third party (Vendor) for consideration of \$1.12 billion (inclusive of the final statement of adjustments) and a contingent consideration of \$100 million (the Acquisition). The assets acquired consisted of producing properties, reserves, facilities, undeveloped land and a 9.999% interest in Pacific Northwest LNG Limited Partnership (the Partnership or PNW LNG LP).

**Pacific NorthWest LNG Partnership (PNW)**

The Partnership is engaged in a proposed liquefied natural gas liquefaction and export facility on Lelu Island within the District of Port Edward on land administered by the Port of Prince Rupert (the LNG project). The facility would liquefy and export natural gas produced in the northeastern British Columbia. At acquisition, the value attributed to the investment in the Partnership, which is classified as an available for sale financial asset, was \$ 17.5 million. On 25 July 2017, Pacific NorthWest LNG announced that the LNG Project will not proceed as previously planned due to the challenging environment brought about by the prolonged depressed prices and shifts in the energy industry. As a result, Indoil Montney Ltd. wrote off the \$44 million cumulative capital investment in the LNG project. Additionally, the \$90 million contingent consideration liability associated with the final investment decision of the natural gas liquefaction facility was realized against income, as payment of the contingent consideration is no longer expected.

Progress Energy Canada Ltd ("PECL"), as operator of NMJV, entered into a Project Development Agreement ("PDA") with TransCanada to build the Prince Rupert Gas Transmission ("PRGT") Pipeline. PRGT was intended to transport gas to LNG Plant proposed to be built by PNW LNG on Lelu Island. Under the terms of the agreement PECL was required to reimburse TransCanada for costs incurred in relation to the PDA if positive FID would not happen, otherwise the costs would be included in tolls charged by TransCanada.

In relation to the LNG Project, PECL issued a Termination Letter dated 31 July 2017 to PRGT with an effective Termination Date of 10 August 2017. As per the PDA, the Corporation's share of expense reimbursed by PECL is \$60 million on account of expenditure incurred by PRGT for initial work related to approvals, technical design, studies for pipeline and interest on funds invested by PRGT related to work on the Pipeline Project. The Corporation received a six-month term loan facility in the amount of \$60 million from Sumitomo Mitsui Banking Corporation ("SMBC") to pay the pipeline capital cost. On March 27, 2018, the Corporation paid off the SMBC term loan including \$0.5 million interest expense with a capital contribution from Indoil Global B.V.'s ("Parent Corporation").

The cancelling of the PNW LNG project resulted in the write-off of the \$44 million investment in PNW, reversal of \$90 million contingent consideration, and \$60 million reimbursement to TCPL related to pipeline development in the financial year 2017/2018.

**Pacific NorthWest LNG Limited (PNW Ltd)**

PNW Ltd act as General Partner in LNG Project. At acquisition, the value attributed to the investment in the Indoil Global B.V., which is classified as an available for sale financial asset, was \$ 0.10 Million. Due to closure of LNG Project, the Indoil Global B.V wrote off the \$0.1 million investment in PNW Ltd. in the financial year 2017/2018.



**Notes to the Consolidated Balance Sheet (continued)**

	<u>31 Mar 2022</u> CAD	<u>31 Mar 2021</u> CAD
<b>2 Investment in Falcon Oil &amp; Gas B.V.</b>		
30% Participation in associated company Falcon Oil & Gas B.V.	<u>254,363,414</u>	<u>255,678,299</u>
<b>30% Participation in associated company Falcon Oil &amp; Gas B.V.</b>		
<u>Balance as at 1 April</u>		
Participation	- 255,678,299	313,296,183
Book value as at 1 April	<u>255,678,299</u>	<u>313,296,183</u>
<u>Movements</u>		
Adjustment done during the year 2020-21	(782,780)	-
Profit/(Loss)	19,415,854	9,374,403
Currency translation reserve	(1,151,644)	(34,527,597)
Dividend received	(18,796,315)	(32,464,691)
	<u>(1,314,885)</u>	<u>(57,617,885)</u>
<u>Balance as at 31 March</u>		
Participation	254,363,414	255,678,299
Book value as at 31 March	<u>254,363,414</u>	<u>255,678,299</u>
On 6 February 2018, Indoil Global B.V. entered into joint venture agreement with ONGC Nile Ganga B.V. and BPRL International Ventures B.V. to invest (30%) in a joint venture. The Company has a residual interest in Falcon Oil and Gas B.V.'s net assets. Accordingly, the Company has classified its interest in the investments as joint venture, which are equity-accounted.		
The following summarises the financial information of the Company's joint ventures based on the financial statements as at 31 March 2022 (previous period 31 March 2021) prepared in accordance with Dutch GAAP.		
An adjustment has been done in the current year for the value of Participation in Falcon Oil & Gas BV amounting to CAD 782,780.49. The same is done to reach at the NAV as per signed financials of the participation. The amount has been arrived by converting the foreign currency amount on the average rate of the previous year.		
Summarized financial information joint venture		
<b>Summarized balance sheet</b>		
Current assets	354,716,423	267,264,234
Non-current assets	979,682,387	957,107,434
Total assets	<u>1,334,398,810</u>	<u>1,224,371,668</u>
Current liabilities	198,097,784	135,633,038
Non-current liabilities	288,422,980	236,477,633
Total liabilities	<u>486,520,764</u>	<u>372,110,671</u>
<b>Total Equity</b>	<b>847,878,046</b>	<b>852,260,997</b>

	31 Mar 2022 CAD	31 Mar 2021 CAD
<b>Summarized statement of comprehensive income</b>		
Revenue	1,250,957,351	609,563,588
Other income	207,447	1,017,397
Cost of sales	(374,512,091)	(222,889,050)
Expenses	(59,770,704)	(50,043,280)
Income tax expenses	(752,162,487)	(306,400,647)
Profit/loss for the year ended	<b>64,719,516</b>	<b>31,248,008</b>
Other comprehensive income	(3,838,815)	(115,091,990)
	<b>60,880,701</b>	<b>(83,843,982)</b>
<b>Reconciliation of summarised financial information</b>		
Opening balance net assets attributable to equity holders	852,260,993	1,044,320,611
Profit for the period	62,110,247	31,248,008
Other comprehensive income for the year ended	(3,838,815)	(115,091,990)
Dividend	(62,654,383)	(108,215,636)
Total	<b>847,878,043</b>	<b>852,260,993</b>
<b>Investment in Joint Venture - Carrying Value - 30%</b>	254,363,414	255,678,299
<b>3 Trade receivables</b>		
Trade receivables	20,056,849	12,364,153
To be invoiced	-	61,182
	<b>20,056,849</b>	<b>12,425,335</b>
These receivables are undisputed and concerns with a term of not longer than one year.		
<b>4 Accruals and prepaid expenses</b>		
Interest receivable on term deposit	1,155	1,073
Prepaid expenses	32,410	45,853
Security deposit - rent	278	156
Advance tax paid	90,741	2,492
	<b>124,584</b>	<b>49,574</b>
<b>5 Cash &amp; Cash equivalents</b>		
Current Account	671,011	623,012
Term Deposit Account (Short term investment)	1,387,306	27,812,992
	<b>2,058,317</b>	<b>28,436,004</b>
<b>6 Group equity</b>		
The shareholders' equity is explained in the notes to the non-consolidated balance sheet.		

## 7 Amounts owed to credit institutions

	Balance as at 31 March 2022	Remaining pay- back time > 1 year	Remaining pay- back time > 5 year	Weighted ave- rage Interest percentage
	CAD	CAD	CAD	CAD
Amounts owed to credit institutions-Long term	574,322,301	574,322,301	-	1.50%
	574,322,301	574,322,301	-	-

	31 Mar 2022	31 Mar 2021
	CAD	CAD
Term loan facilities-Long term	574,322,301	572,262,301
Term loan facilities-Short term	3,500,000	-
	<u>577,822,301</u>	<u>572,262,301</u>
<b>Term loan facilities</b>		
Bank of Nova Scotia - term loan facility	574,322,301	572,262,301
	<u>574,322,301</u>	<u>572,262,301</u>
Balance as at 1 April	<u>572,262,301</u>	<u>477,202,301</u>
<u>Movements</u>		
Increase	2,060,000	95,060,000
<b>Balance movements</b>	<u>2,060,000</u>	<u>95,060,000</u>
<b>Balance as at 31 March</b>	<u>574,322,301</u>	<u>572,262,301</u>

As per the term loan facility, Indoil Montney Ltd. (the borrower) is required to maintain a positive Total Net Worth. Total Net Worth means at any time the aggregate of the amounts paid up or credited as paid up on the issued ordinary share capital of the Borrower and the amounts standing to the credit of the reserves of the Borrower. For the year ended March 31, 2022, Indoil Montney Ld.was in compliance with the covenant.

**Notes to the Consolidated Balance Sheet (continued)**

The term loan and interest payable are guaranteed by the Ultimate Parent Company up to a maximum of \$609 million. A guarantee commission of 0.25% per annum is payable to the Ultimate Parent Company on the term loan balance outstanding every quarter.

For the year ended March 31, 2022, Indoil Montney Ltd. incurred \$8 million (March 31, 2021 - \$8.4 million) in interest on the advances under the Term Loan.

	<u>31 Mar 2022</u>	<u>31 Mar 2021</u>
	CAD	CAD
<b>Bank of Nova Scotia - Term loan facility</b>		
Long-term portion of term loan	580,000,000	580,000,000
Unamortized debt issue costs	(5,677,699)	(7,737,699)
<b>Total</b>	<u>574,322,301</u>	<u>572,262,301</u>

**8 Other long-term liabilities**

	Balance as at 31 March 2022	Remaining pay- back time > 1 year	Remaining pay- back time > 5 year
	CAD	CAD	CAD
Other long-term liabilities	25,011,458	25,011,458	-
	<u>25,011,458</u>	<u>25,011,458</u>	<u>-</u>
		<u>31 Mar 2022</u>	<u>31 Mar 2021</u>
		CAD	CAD
Decommissioning liability		<u>25,011,458</u>	<u>28,041,617</u>

Decommissioning liability

The Company's future asset retirement obligation was estimated by management based on the Company's net ownership interest in all oil and natural gas wells and facilities, for the estimated costs to reclaim and abandon these wells and facilities and the estimated timing to do so. Costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities and the discount rate applied in measuring the liability. The liability, the related asset and the expense are impacted by estimates with respect to the costs and timing of decommissioning.

The Company estimates its total undiscounted amount of cash flow required to settle its decommissioning liability is approximately \$55.5 million as at March 31, 2022 (March 31, 2021 - \$50.7 million), which will be incurred over the remaining life of the assets with the majority of costs to be incurred in future periods. The estimated future cash flows have been discounted using a risk-free rate of approximately 2.11% (March 31, 2021 - 1.97%) and adjusted inflation rate of 1.90% (March 31, 2021 - 1.69%). The adjusted inflation rate was calculated to provide a more accurate measurement of the decommissioning liability.

**The following table shows changes in the decommissioning liability:**

Balance beginning of the period	28,041,617	27,987,426
Increase in liabilities relating to development activities	1,282,125	450,246
Increase/-decrease in liab. relating to change in estimates and discount rates	(2,487,623)	703,147
Accretion	701,249	448,724
Settlement of obligations	(2,525,911)	(1,547,925)
<b>Total</b>	<u>25,011,458</u>	<u>28,041,617</u>

**Notes to the Consolidated Balance Sheet (continued)**

	<u>31 Mar 2022</u>	<u>31 Mar 2021</u>
	<u>CAD</u>	<u>CAD</u>
<b>9 Account payable &amp; Other liabilities</b>		
Accounts payable - non related party	38,739	104,885
Accounts payable - related party	1,651,235	1,371,248
Taxes	-	-
Accrued liabilities - non related party	18,782,977	10,490,762
Accrued liabilities - related party	-	-
Interest accrued but not due on loan	981,975	696,120
<b>Total</b>	<b><u>21,454,926</u></b>	<b><u>12,663,015</u></b>

These payables are undisputed and concerns with a term of not longer than one year.

**Contingent assets and liabilities****Disclosure of off-balance sheet commitments**

The Company is committed to certain payments over the next five fiscal years and thereafter as follows:

(\$million)	2023	2024	2025	2026	2027	Thereafter	Total
Short-term loan	3.5	-	-	-	-	-	3.50
Long-term loan	-	-	487.00	93.00	-	-	580.00
Interest payable on term loan*	16.53	16.53	2.65	1.33	-	-	37.04
Pipeline Commitment	23.27	23.18	23.06	23.23	22.83	104.76	220.33
Other	0.05	-	-	-	-	-	0.05
<b>Total</b>	<b>43.35</b>	<b>39.71</b>	<b>512.71</b>	<b>117.56</b>	<b>22.83</b>	<b>104.76</b>	<b>840.92</b>

\*Given that the interest rate is variable, the interest payable over the next five (5) years has been estimated at 2.85% which is the aggregate of a margin of 0.89% and applicable CDOR rate for the year ended March 31, 2022.



## Notes to the Consolidated Profit and Loss account

	2021-22 CAD	2020-21 CAD
<b>10 Net Turnover</b>		
Sale of crude oil and natural gas	104,250,726	178,865,807
<b>Geographic segmentation turnover</b>		
India	153	122,119,689
Canada	104,250,573	56,746,118
<b>11 Cost of sales</b>		
Cost of sales	-	(121,965,197)
<b>12 Exploration &amp; Production expenses</b>		
Operating expenses	(26,603,139)	(19,996,295)
Transportation expenses	(23,996,573)	(24,002,573)
Royalties	(2,735,722)	(320,422)
	<b>(53,335,434)</b>	<b>(44,319,290)</b>
<b>13 Personnel expenses</b>		
Wages and salaries	(744,487)	(712,906)
<b>Employees cost</b>	Active within the Netherlands	Active outside the Netherlands
Average number of employees 2021-22	-	2
Average number of employees 2020-21	-	2
<b>14 Depreciation on fixed assets</b>		
Depletion, depreciation, amortization and impairment	(46,701,568)	(43,456,219)
Depletion, depreciation, amortization and impairment		
Depreciation costs on plant & equipment	(46,701,568)	(43,456,219)
Impairment loss on exploration & evaluation	-	-
	(46,701,568)	(43,456,219)
Loss on disposition of assets	-	-
	(46,701,568)	(43,456,219)
<b>15 Accretion of decommissioning liability</b>		
Accretion of decommissioning liability	(701,249)	(448,724)
<b>16 Other operating expenses</b>		
Housing expenses	(77,170)	(68,095)
Office expenses	(7,090)	(9,043)
General expenses	(993,296)	(1,054,530)
	<b>(1,077,556)</b>	<b>(1,131,668)</b>
<b>Housing expenses</b>		
Rental expenses	(74,466)	(65,719)
Insurance premium property	(2,704)	(2,376)
	(77,170)	(68,095)

## Notes to the Consolidated Profit and Loss account (continued)

	2021-22	2020-21
	CAD	CAD
<b>Office expenses</b>		
Office supplies	(721)	(1,998)
Telephone and fax expenses	(6,369)	(7,045)
	<u>(7,090)</u>	<u>(9,043)</u>

**General expenses**

Audit costs, review of the annual accounts	(54,088)	(150,440)
Notarial expenses	(149,222)	(32,846)
Professional and consulting expenditure	(498,913)	(638,300)
Other general expenses	(143,844)	(215,774)
Miscellaneous expenses	(654)	(1,614)
Bank expenses	(43,899)	(15,322)
Travel and related business expenses	(1,488)	(234)
G & A accrual	(101,188)	-
	<u>(993,296)</u>	<u>(1,054,530)</u>

**Specification audit fees**

Description audit fee type	Amount external auditor and audit firm	Amount network organization	Total amount
	CAD	CAD	CAD
Audit costs, review of the annual accounts	(54,088)	-	(54,088)
Total audit fees	<u>(54,088)</u>	<u>-</u>	<u>(54,088)</u>

**17 Financial income and expense**

Interest income	53,576	16,815
Currency exchange result	26,902	(1,841,465)
Interest and similar expenses	(11,547,086)	(11,822,490)
	<u>(11,466,607)</u>	<u>(13,647,140)</u>

**Interest and similar expenses**

Interest expense	(8,036,562)	(8,448,257)
Financing cost	(3,510,524)	(3,374,233)
	<u>(11,547,086)</u>	<u>(11,822,490)</u>

Included in finance cost is amortization of debt issuance cost of \$2.06 million (March 31, 2021 - \$2.06 million) and guarantee commission of \$1.45 million (March 31, 2021 - \$1.31 million).

For the year ended March 31, 2022, the weighted average interest rate on the credit facilities and term loan was 1.4 % (March 31, 2021 - 1.5%)

**18 Results from Holding activities**

Share in result of joint venture	18,633,074	9,374,403
	<u>18,633,074</u>	<u>9,374,403</u>

The result of participation is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to Indoil Global B.V. The results during the year are converted to reporting currency by taking average exchange rate. The amount of participation is revalued at closing rate. The gain or loss on foreign currency translation is directly transferred to Shareholder's Equity as Currency translation reserve.

During the previous year 2020-21, the amount of CAD 34,527,597 was shown under Profit & Loss account and not under Other reserves. Due to which the loss in the previous year was amounting to CAD 71,717,428. For better presentation, the re-classification of the same has been done. Hence, the Net loss of the comparatives has been decreased from CAD 71,717,428 to CAD 37,189,831.

During the current year 2021-22, the amount of Gain/(Loss) on Foreign Currency Translation amounting to CAD 1,151,644 has been shown as a part of Shareholders Equity as there is direct movement to Shareholder's Equity as Currency translation reserve

**Notes to the Consolidated Financial Statements as at 31 March 2022****Income Taxes**

The following table reconciles the income tax expense/(recovery) computed by applying the Dutch/Canadian statutory rate to the consolidated result of ordinary activities before taxes with the income tax expense/(recovery) actually recorded:

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
	<b>CAD</b>	<b>CAD</b>
Net income/(loss) before taxes subsidiary	(9,697,979)	(44,969,079)
Net income/(loss) before taxes company	(78,196)	(1,846,259)
Total net income before taxation	<u><b>(9,776,175)</b></u>	<u><b>(46,815,338)</b></u>
Income tax(charge) subsidiary	2,405,220	11,462,618
Income tax benefit company	<u>-</u>	<u>251,103</u>
Income tax(charge)	2,405,220	11,713,721
Full valuation allowance against income tax benefit	<u>-</u>	<u>-</u>
Income (loss) before income tax expense	<b>(2,405,220)</b>	<b>(11,713,721)</b>
<b>Effect on taxes resulting from:</b>		
Non-deductible expenses		-
Impact of income tax rate change	-	260,426
Unrecognized tax benefit	2,199,496	12,461,011
Provision to return adjustment	205,724	(1,258,819)
Other	<u>-</u>	<u>-</u>
Total Tax Expense (Recovery)	<u><b>-</b></u>	<u><b>(251,103)</b></u>

The Canadian statutory tax rate of 25% (31 March 2021 = 25.49%) used in the reconciliation above represents the combined federal and provincial corporate tax rate.

The statutory tax rate declined due to the reduction of the Alberta corporate income tax rate on July 1, 2020 from 10% to 8%.

The components of the net deferred income tax asset/(liability) at 31 March 2022 and 31 March 2021 were as follows:

**Deferred tax assets :**

Non-capital losses	-	-
Debt financing fees	-	-
Decommissioning liability	-	-
Short term recovery of tax paid in previous year	-	251,103
	<u>-</u>	<u>251,103</u>

**Deferred tax liabilities :**

Property, Plant and Equipment	-	-
Investments in partnerships	-	-
Debt issue costs and others	-	-
	<u>-</u>	<u>-</u>

**Net deferred income tax asset/(liability)**

Unrecognized Deferred tax asset	-	251,103
Net Deferred tax assets/(liabilities)	<u>-</u>	<u>251,103</u>

## Notes to the Consolidated Financial Statements as at 31 March 2022

**Income Taxes (cont'd)**

The components of the net deferred income tax asset/(liability) at 31 March 2022 and 31 March 2021 were as follows:

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
	<b>CAD</b>	<b>CAD</b>
<b>Deferred tax assets :</b>		
Non-capital losses	-	-
Contingent liability	-	-
Decommissioning liability	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Deferred tax liabilities :</b>		
Property, Plant and Equipment	-	-
Debt issue costs and others	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Net deferred income tax asset/(liability)</b>	<u>-</u>	<u>-</u>

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related benefit through future taxable profits is probable.

During the year, the following temporary differences were not recognized as there was insufficient future taxable profits to support their recognition.

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
	<b>CAD</b>	<b>CAD</b>
Property, plant and equipment	306,493,107	258,833,723
Debt financing fee	(34,527,597)	511,346
Decommissioning liability	25,011,458	28,041,618
Non-capital losses	425,959,426	461,881,827
Capital losses	28,815,665	28,815,665
	<u>751,752,059</u>	<u>778,084,179</u>

The Company has estimated tax pools totaling:

		<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
		<b>CAD</b>	<b>CAD</b>
	Rate of claim		
Canadian development expense	30%	258,315,205	220,906,470
Canadian oil and gas property expense	10%	721,022,535	722,886,946
Canadian exploration expense	100%	3,255,562	3,255,562
Non-capital losses	100%	425,959,426	461,881,827
Net capital losses	100%	14,407,833	14,407,833
Undepreciated capital cost	Various	350,367,914	318,074,799
Undepreciated capital cost (not available for use)	N/A	-	-
		<u>1,773,328,475</u>	<u>1,741,413,437</u>

Non-capital losses of \$425,959,426 will begin to expire in 2034. There are net capital losses of \$14,407,730 which do not expire.

**Company-Only Balance Sheet as at 31 March 2022**

(Before proposed appropriation of result)

	<u>Notes</u>	<u>31 Mar 2022</u> CAD	<u>31 Mar 2021</u> CAD
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Financial fixed assets</b>			
	<b>19</b>		
Investment in IndOil Montney Ltd.		422,771,422	432,469,401
Investment in Falcon Oil & Gas B.V.		<u>254,363,413</u>	<u>255,678,299</u>
		677,134,835	688,147,700
<b>Current assets</b>			
Deferred Tax Asset		251,103	251,103
<b>Receivables</b>			
Trade receivables	<b>20</b>	-	61,183
Accruals and prepaid expenses	<b>21</b>	<u>93,132</u>	<u>4,741</u>
		93,132	65,924
		-	
Cash & cash equivalents	<b>22</b>	1,596,430	1,752,781
<b>Total Assets</b>		<u><u>679,075,500</u></u>	<u><u>690,217,508</u></u>



**Company-Only Balance Sheet as at 31 March 2022**

(Before proposed appropriation of result)

	<u>Notes</u>	<u>31 Mar 2022</u> <u>CAD</u>	<u>31 Mar 2021</u> <u>CAD</u>
<b>Liabilities</b>			
<b>Shareholders' equity</b>			
	<b>23</b>		
Issued share capital	1,131,302,435	1,131,302,435	
Share premium	324,035,459	324,035,459	
Currency translation reserve	(5,528,855)	(4,377,211)	
Other legal reserves	23,631,958	23,631,958	
Other reserves	(803,264,205)	(747,239,373)	
Undistributed result	8,856,899	(37,189,832)	
		679,033,690	690,163,436
<b>Current liabilities</b>			
<b>Account payable &amp; Other liabilities</b>			
Accounts payable	17,857	9,666	
Company tax	-	-	
Purchases to be invoiced	-	-	
Accruals and deferred income	<b>24</b> 23,954	41,810	54,072
		<u>679,075,500</u>	<u>690,217,508</u>

Company-Only Profit and Loss account for the period 01-04-2021 until 31-03-2022

	<u>Notes</u>	<u>2021-22</u> <u>CAD</u>	<u>2020-21</u> <u>CAD</u>
Net turnover	25	153	122,119,689
Cost of sales	26	<u>-</u>	<u>(121,965,197)</u>
<b>Gross margin</b>		<b>153</b>	<b>154,492</b>
Other operating expenses	27	<u>(103,801)</u>	<u>(172,848)</u>
<b>Operating result</b>		<b>(103,648)</b>	<b>(18,356)</b>
Financial income and expense	28	<u>25,452</u>	<u>(1,827,903)</u>
		-	
<b>Result of ordinary activities before taxation</b>		<b>(78,196)</b>	<b>(1,846,259)</b>
Taxation	29	<u>-</u>	<u>251,103</u>
		(78,196)	(1,595,156)
Share in result of participations	30	8,935,095	(35,594,676)
<b>Net results after taxation</b>		<b>8,856,899</b>	<b>(37,189,832)</b>

**Notes to the Financial Statements of the Company-Only Annual Report**

---

**Entity information****Registered address and registration number trade register**

The registered and actual address of Indoil Global B.V. is Olympic Stadium 24, 1076DE Amsterdam The Netherlands. Indoil Global B.V. is registered at the trade register under number 60092939.

**General notes****The most important activities of the entity**

The activities of Indoil Global B.V. consist mainly of oil and gas extraction services, extraction and distribution of water and act as a holding company.

**General accounting principles****The accounting standards used to prepare the financial statements**

The consolidated financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Board for Annual Reporting').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

**Accounting principles****Financial assets**

Up till the financial year 2018/2019 Indoil Global B.V. made use of article 408, book 2 of the Dutch Civil Code and did not prepare consolidated accounts and its investments in participations were stated at acquisition cost.

From the financial year 2019/2020 Indoil Global B.V. prepared consolidated accounts and the valuation of the investments in the stand alone financials changed to net asset value.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized.

**Impairment of financial assets**

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. Impairments, if any, are recognised in the Profit and Loss account. If it is established that a previously recognised impairment no longer applies or has decreased, the impairment will be reversed, whereby the carrying amount of the related asset will not be set higher than the carrying amount that would have been resulted had no asset impairment been recognised.

**Prepayments and accrued income**

On initial recognition accrued income are recognised at fair value. After initial recognition accrued income are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

**Cash and cash equivalents**

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

**Current liabilities**

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

**Notes to the Financial Statements of the Company-Only Annual Report**

---

**Accounting principles for determining the result**

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

**General and administrative expenses**

General and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods and services sold.

**Other operating expenses**

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

**Operating expenses**

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

**Financial income and expenses**

Interest income and expenses consist of interest received from or paid to third parties.

**Income tax expense**

Corporation tax is calculated at the applicable tax rates based on the results before taxation shown in the Profit and Loss account and taking into account tax allowances and tax adjustments. Deferred tax assets arising from tax loss carry forwards are only recognised if recovery is reasonably certain.

**Share in results of participating interests**

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to Indoil Global B.V. The results during the year are converted to reporting currency by taking average exchange rate. The amount of participation is revalued at closing rate. The gain or loss on foreign currency translation is directly transferred to Shareholder's Equity as Currency translation reserve.



## Notes to the Company-Only Balance Sheet

	31 Mar 2022 CAD	31 Mar 2021 CAD
<b>Fixed assets</b>		
<b>19 Financial fixed assets</b>		
<b>(i) 100% Participation in group company IndOil Montney Ltd., Canada</b>		
Book value as at 1 April	432,469,401	477,438,480
Investments	-	-
Profit/(Loss)	(9,697,979)	(44,969,079)
Book value as at 31 March	<u><u>422,771,422</u></u>	<u><u>432,469,401</u></u>
<b>(ii) 30% Participation in associated company Falcon Oil &amp; Gas B.V.</b>		
Book value as at 1 April	255,678,299	313,296,183
Investments	(782,780)	-
Profit/(Loss)	19,415,854	9,374,403
Currency translation reserve	(1,151,644)	(34,527,597)
Dividend received	(18,796,315)	(32,464,691)
Book value as at 31 March	<u><u>254,363,413</u></u>	<u><u>255,678,299</u></u>
<b>20 Trade receivables</b>		
To be invoiced	<u><u>-</u></u>	<u><u>61,183</u></u>
<b>21 Accruals and prepaid expenses</b>		
Interest receivable on term deposit	1,155	1,073
Prepaid expenses	958	1,020
Security deposit - rent	278	156
Advance tax paid	90,741	2,492
	<u><u>93,132</u></u>	<u><u>4,741</u></u>
<b>22 Cash &amp; Cash equivalents</b>		
Current account	215,602	365,327
Term deposit account (short term investment)	1,380,828	1,387,454
	<u><u>1,596,430</u></u>	<u><u>1,752,781</u></u>

## Notes to the Company-Only Balance Sheet (continued)

## 23 Shareholders' equity

Movements in equity were as follows:

	Issued share capital	Share premium	Currency Translation Reserve	Other Legal Reserves	Other reserve	Undistributed Results	Total
	CAD	CAD	CAD	CAD	CAD	CAD	CAD
Balance as at 01.04.2020	1,131,302,435	324,035,459	30,150,385	46,722,245	(314,263,794)	(414,315,866)	803,630,864
Dividend	-	-	-	-	(41,750,000)	-	(41,750,000)
Adjustment	-	-	-	-	(34,527,596)	-	(34,527,596)
Share issue	-	-	-	-	-	-	-
Allocation of past year's result	-	-	(34,527,596)	-	(379,788,270)	414,315,866	-
Result for the year	-	-	-	(23,090,287)	23,090,287	(37,189,832)	(37,189,832)
<b>Balance as at 31.03.2021</b>	<b>1,131,302,435</b>	<b>324,035,459</b>	<b>(4,377,211)</b>	<b>23,631,958</b>	<b>(747,239,373)</b>	<b>(37,189,832)</b>	<b>690,163,436</b>
Balance as at 01.04.2021	1,131,302,435	324,035,459	(4,377,211)	23,631,958	(747,239,373)	(37,189,832)	690,163,436
Dividend	-	-	-	-	(18,835,000)	-	(18,835,000)
Adjustment	-	-	-	-	-	-	-
Share issue	-	-	-	-	-	-	-
Allocation of past year's result	-	-	-	-	(37,189,832)	37,189,832	-
Result for the year	-	-	(1,151,644)	-	-	8,856,899	7,705,255
<b>Balance as at 31.03.2022</b>	<b>1,131,302,435</b>	<b>324,035,459</b>	<b>(5,528,855)</b>	<b>23,631,958</b>	<b>(803,264,205)</b>	<b>8,856,899</b>	<b>679,033,690</b>

## Issued share capital

The issued and paid-up share capital amounts to CAD 1,131,302,435 and consists of 1,131,302,435 shares with a nominal value of CAD 1 each as on balance sheet date (31 March 2021: 1,131,302,435 shares)

During the previous year 2020-21, the amount of CAD 34,527,597 was shown under Undistributed Reserves and not under Other reserves. Due to which the loss in the previous year was amounting to CAD 71,717,428. For better presentation, the re-classification of the same has been done. Hence, the Net loss of the comparatives has been decreased from CAD 71,717,428 to CAD 37,189,831.

## 24 Accruals and deferred income

	31 Mar 2022 CAD	31 Mar 2021 CAD
Tax advisory fees	6,791	8,263
Audit fees	16,814	35,772
Professional fees	-	-
Other payable	348	371
	<b>23,954</b>	<b>44,406</b>

## Notes to the Company-Only Profit and Loss Account

	2020-21 CAD	2019-20 CAD	
<b>25 Net Turnover</b>			
Sale of oil	153	122,119,689	
<b>Geographic segmentation turnover</b>			
India	153	122,119,689	
<b>26 Cost of sales</b>			
Cost of sales	-	(121,965,197)	
<b>27 Other operating expenses</b>			
General expenses	(103,801)	(172,848)	
<b>General expenses</b>			
Audit costs, review of the annual accounts	(34,945)	(37,340)	
Bank charges	(4,881)	(5,446)	
Management fees	(13,642)	(11,495)	
Professional and consulting expenditure	(50,333)	(118,567)	
	<b>(103,801)</b>	<b>(172,848)</b>	
<b>Specification audit fees</b>			
Description audit fee type	Amount external auditor and audit firm	Amount network organization	Total amount
	CAD	CAD	CAD
Audit costs, review of the annual accounts	(34,945)	-	(34,945)
Total audit fees	<b>(34,945)</b>	-	<b>(34,945)</b>
<b>28 Financial income and expense</b>			
Interest income	3,323	16,815	
Currency exchange result	22,128	(1,844,718)	
Interest and similar expenses	-	-	
	<b>25,452</b>	<b>(1,827,903)</b>	
<b>Interest income</b>			
Interest from bank and term deposit	3,323	16,815	

	2020-21 CAD	2021-22 CAD
<b>Interest and similar expenses</b>		
Interest expense	-	-
<b>29 Taxation</b>		
Income tax expense from current financial year	-	-
Provision for Deferred Tax	251,103	251,103
	<u>251,103</u>	<u>251,103</u>
<b>Provision for Deferred Tax</b>		
Opening Balance	251,103	-
Movement during the year	-	251,103
<b>Closing Balance</b>	<u>251,103</u>	<u>251,103</u>

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. The Management of the Company estimates that the amount of tax paid for the year 2019-20 of CAD 251,103 will be recovered or adjusted in the next year, hence deferred tax asset has been recognised in the books of company.

	%	%
Effective tax rate	23.04	23.10
Applicable tax rate	23.04	23.10

**30 Results from holding activities**

Result from IndOil Montney Ltd., Canada	(9,697,979)	(44,969,079)
Share in result of joint venture	18,633,074	9,374,403
Gain/ (loss) on currency translation	(1,151,644)	(34,527,597)
	<u>7,783,451</u>	<u>(70,122,273)</u>

**32 Employees cost**

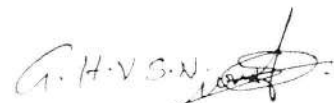
Average number of employees 2021-22  
Average number of employees 2020-21

Active within the Netherlands	Active outside the Netherlands
-	-

Signed on 5<sup>th</sup> May, 2022



Director A  
Dhivya Gopal Kanakaraj



Director A  
Hema Venkata Siva Nagasurendra Garjala



Director B  
Sandeep Kumar Gupta



Director B  
Manoj Kumar Sharma



**Other information**

---

**Reference to the auditor's opinion**

The auditor's opinion is set out in the following pages.

**Provisions of the Articles of Association relating to profit appropriation**

According to Article 21 of the Articles of Association of the Company the appropriation of the result of the Company is at the disposal of the general meeting.

## Notes to the Balance Sheet (continued)

## 23 Shareholders' equity

Movements in equity were as follows:

	Issued share capital	Share premium	Currency Translation Reserve	Other Legal Reserves	Other Reserves	Undistributed Result	Total
	CAD	CAD	CAD	CAD	CAD	CAD	CAD
Balance as at 01.04.2020	1,131,302,435	324,035,459	30,150,385	46,722,245	(314,263,794)	(414,315,866)	803,630,864
Dividend	-	-	-	-	(41,750,000)	-	(41,750,000)
Adjustment	-	-	-	-	(34,527,597)	-	(34,527,597)
Share issue	-	-	-	-	-	-	-
Allocation of past year's result	-	-	(34,527,597)	-	(379,788,269)	414,315,866	-
Result for the year	-	-	-	(23,090,287)	23,090,287	(37,189,831)	(37,189,831)
<b>Balance as at 31.03.2021</b>	<b>1,131,302,435</b>	<b>324,035,459</b>	<b>(4,377,212)</b>	<b>23,631,958</b>	<b>(747,239,373)</b>	<b>(37,189,831)</b>	<b>690,163,436</b>

	Issued share capital	Share premium	Currency Translation Reserve	Other Legal Reserves	Other Reserves	Undistributed Result	Total
	CAD	CAD	CAD	CAD	CAD	CAD	CAD
Balance as at 01.04.2021	1,131,302,435	324,035,459	(4,377,212)	23,631,958	(747,239,373)	(37,189,831)	690,163,436
Dividend	-	-	-	-	(18,835,000)	-	(18,835,000)
Share issue	-	-	-	-	-	-	-
Allocation of past year's result	-	-	-	-	(37,189,831)	37,189,831	-
Result for the period	-	-	(1,151,644)	-	-	8,856,899	7,705,255
<b>Balance as at 31.03.2022</b>	<b>1,131,302,435</b>	<b>324,035,459</b>	<b>(5,528,856)</b>	<b>23,631,958</b>	<b>(803,264,204)</b>	<b>8,856,899</b>	<b>679,033,690</b>

The issued and paid-up share capital amounts to CAD 1,131,302,435 and consists of 1,131,302,435 shares with a nominal value of CAD 1 each as on balance sheet date (31 March 2021: 1,131,302,435 shares)

During the previous year 2020-21, the amount of CAD 34,527,597 was shown under Undistributed Reserves and not under Other reserves. Due to which the loss in the previous year was amounting to CAD 71,717,428. For better presentation, the re-classification of the same has been done. Hence, the Net loss of the comparatives has been decreased from CAD 71,717,428 to CAD 37,189,831.

## **INDEPENDENT AUDITOR'S REPORT**

To: The shareholders of IndOil Global B.V.

### **A. Report on the audit of the financial statements 2021-2022 included in the annual report**

#### **Our opinion**

We have audited the financial statements: for the year ended 31 March 2022 of IndOil Global B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of IndOil Global B.V. as at 31 March 2022, and of its result for 1 April 2021 to 31 March 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 March 2022;
2. the consolidated and company profit and loss account for 1 April 2021 to 31 March 2022 and
3. the notes comprising a summary of the accounting policies and other explanatory information.

#### **Basis for our opinion**

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of IndOil Global B.V. accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

#### **Scope of group audit**

IndOil Global B.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of IndOil Global B.V.

Our group audit mainly focused on significant group entities. We have:

- used the work of other auditors when auditing entity IndOil Montney Ltd;
- performed review procedures or specific audit procedures at other group entities.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

### **B. Report on the other information included in the annual report**

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

### **C. Description of responsibilities regarding the financial statements**

#### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

#### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;



- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Yours sincerely,  
Audit Next B.V.



M.A. Lodder AA

Amsterdam, 21 April 2022  
Our ref.: 1019257/29860

