



SDX Energy Plc

Report on payments to governments for the year 2019

Introduction and basis for preparation

This report sets out details of the payments made to governments by SDX Energy Plc and its subsidiary undertakings ('**SDX Energy**') for the year ended 31 December 2019 as required under the Disclosure and Transparency Rules of the UK Financial Conduct Authority and in accordance with our interpretation of the Industry Guidance issued for the UK's Report on Payments to Governments Regulations 2014, as amended in December 2015.

Payments to governments are required to be reported in the following categories:

- production entitlements;
- taxes levied on the income, production or profits of companies, excluding taxes levied on consumption such as value added taxes, personal income taxes or sales taxes;
- royalties;
- dividends, other than dividends paid to a government as an ordinary shareholder unless they are paid in lieu of a production entitlement or royalty;
- signature, discovery and production bonuses;
- licence fees, rental fees, entry fees and other considerations for licences and/or concessions; and
- payments for infrastructure improvements.

A breakdown of the basis of preparation for the categories relevant to SDX Energy is set out below.

Payments included in the Report are amounts paid, whether in money or in kind, for relevant activities. However, as permitted under the Regulations, where a payment or series of related payments do not exceed £86,000 they do not need to be disclosed. When preparing this Report, a threshold of £86,000 (approximately US\$110,000) was applied.

Payments made in currencies other than US Dollars are translated for this Report based on the foreign exchange rate at the transaction date.



Summary table showing payments to governments and payees for the period ended 31 December 2019 (in US\$)

| Country | Payee | Production entitlements | Taxes | Fees | Total |
|--------------|--|-------------------------|------------------|----------------|-------------------|
| Egypt | Egyptian General Petroleum Company | 13,741,223 | | | 13,741,223 |
| Egypt | Egyptian Natural Gas Holding Company | 1,467,490 | | | 1,467,490 |
| Egypt | Investment tax authority | | 1,305,982 | | 1,305,982 |
| Morocco | Office National des Hydrocarbures et des Mines | | | 356,468 | 356,468 |
| Total | | 15,208,713 | 1,305,982 | 356,468 | 16,871,163 |

Note:

- (1) For the year ended 31 December 2019, SDX Energy did not make any reportable dividend, royalties, bonus or infrastructure improvement payments to any government.

Summary table showing government payments split by project for the period ended 31 December 2019 (in US\$)

| Project | Project | Production entitlements | Taxes | Fees | Total |
|--------------|-------------------|-------------------------|------------------|----------------|-------------------|
| Egypt | NW Gemsa | 13,741,223 | | | 13,741,223 |
| Egypt | South Disouq | 1,467,490 | | | 1,467,490 |
| Egypt | West Gharib | | 1,305,982 | | 1,305,982 |
| Morocco | Gharb concessions | | | 356,468 | 356,468 |
| Total | | 15,208,713 | 1,305,982 | 356,468 | 16,871,163 |

Notes:

- (1) For the year ended 31 December 2019, SDX Energy did not make any reportable dividend, royalties, bonus or infrastructure improvement payments to any government.
- (2) SDX Energy sold its interest in the NW Gemsa project to Gulf Energy, a private Egyptian oil and gas company, on 14 July 2020.