

Jura Energy Corporation

Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended

June 30, 2022

(expressed in US dollars)

(Unaudited)

Notice of no auditor review of Condensed Consolidated Interim Financial Statements

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

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

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

Jura Energy Corporation

Condensed Consolidated Interim Statements of Financial Position

As at June 30, 2022 (Unaudited)

(expressed in US dollars)

	June 30, 2022 \$	December 31, 2021 \$
Assets		
Current assets		
Cash and cash equivalents	1,693,251	4,552,705
Restricted cash	2,422,752	2,517,924
Accounts and other receivables (note 4)	12,004,880	8,874,418
	16,120,883	15,945,047
Non-current assets		
Property, plant and equipment (note 5)	21,034,082	23,639,508
Exploration and evaluation assets (note 6)	4,292,687	3,798,200
Long-term receivables	67,940	62,821
Total assets	41,515,592	43,445,576
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	13,004,884	16,651,801
Borrowings (note 7)	4,017,457	2,996,081
Amounts due to related parties (note 8)	2,142,418	2,435,566
	19,164,759	22,083,448
Non-current liabilities		
Borrowings (note 7)	4,252,732	6,117,040
Amounts due to related parties (note 8)	5,859	143,184
Deferred tax liability - net	475,410	106,755
Asset retirement obligation (note 10)	3,817,952	3,817,952
Total liabilities	27,716,712	32,268,379
Shareholders' equity		
Share capital (note 11)	65,203,045	65,203,045
Contributed surplus (note 11)	554,141	501,201
Warrants	140,265	140,265
Accumulated deficit	(52,098,571)	(54,667,314)
Total shareholders' equity	13,798,880	11,177,197
Total equity and liabilities	41,515,592	43,445,576

Going concern (note 2)

Contingencies and commitments (note 12)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

"Signed"

Nadeem Farooq
CEO and Director

"Signed"

Mehran I. Mirza
Director

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

Jura Energy Corporation

Condensed Consolidated Interim Statements of Comprehensive Income For the three and six months ended June 30, 2022 (Unaudited)

(expressed in US dollars)

	Three months ended		Six months ended	
	June	June	June	June
	30, 2022	30, 2021	30, 2022	30, 2021
	\$	\$	\$	\$
Net revenue	3,358,496	5,426,516	7,767,983	10,401,012
Cost of production (note 13)	(2,252,842)	(2,217,206)	(4,642,672)	(4,290,046)
Gross profit	1,105,654	3,209,310	3,125,311	6,110,966
Expenses				
General and administrative expenses (note 14)	(803,865)	(544,752)	(1,590,080)	(1,028,596)
Other income	75,600	-	277,040	-
Operating profit	377,389	2,664,558	1,812,271	5,082,370
Exchange gain/(loss) - net	1,367,822	645,997	1,959,067	(387,637)
Finance costs (note 15)	(457,310)	(535,442)	(833,940)	(1,178,085)
Profit before income tax	1,287,901	2,775,113	2,937,398	3,516,648
Income tax	(293,655)	(561,618)	(368,655)	(655,739)
Total comprehensive income for the period	994,246	2,213,495	2,568,743	2,860,909
Earnings per share (note 16)				
Basic and diluted	0.01	0.03	0.04	0.04
Going concern (note 2)				

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

Jura Energy Corporation

Condensed Consolidated Interim Statements of Cash Flows

For the six months ended June 30, 2022 (Unaudited)

(expressed in US dollars)

	June 30, 2022 \$	June 30, 2021 \$
Cash provided by/(used in)		
Operating activities		
Profit before tax for the period	2,937,398	3,516,648
Adjustments for:		
Depletion of oil and gas properties (note 13)	2,621,465	2,650,755
Depreciation of other operating assets (note 14)	7,153	8,717
Accrued finance costs on:		
- Amounts due to related parties (note 15)	156,593	463,580
- Borrowings (note 15)	677,347	691,194
- Accretion on asset retirement obligation (note 15)	-	23,311
Stock based compensation (note 11)	52,940	10,124
Other income	(277,040)	-
Net unrealized exchange loss/(gain) on borrowings and amounts due to related parties	(1,391,808)	260,410
Funds flow	4,784,048	7,624,739
Changes in working capital		
Increase in accounts and other receivables	(2,853,422)	(618,863)
(Decrease)/increase in accounts payable and accrued liabilities	(3,646,917)	2,075,780
Decrease/(increase) in restricted cash	95,172	(1,300,703)
Net cash generated (used in)/from operating activities	(1,621,119)	7,780,953
Investing activities		
Property, plant and equipment	(23,192)	(988,596)
Exploration and evaluation assets	(494,487)	(214,899)
Changes in long-term receivables	(5,119)	(43,959)
Net cash used in investing activities	(522,798)	(1,247,454)
Financing activities		
Amounts due to related parties – proceeds	15,511	-
Amounts due to related parties – repayment	(97,324)	(5,233,649)
Borrowings – proceeds	1,452,131	-
Borrowings – repayment	(1,398,324)	(803,411)
Finance costs paid	(687,531)	(1,100,218)
Net cash used in financing activities	(715,537)	(7,137,278)
Net decrease in cash and cash equivalents	(2,859,454)	(603,779)
Cash and cash equivalents at beginning of the period	4,552,705	2,629,558
Cash and cash equivalents at end of the period	1,693,251	2,025,779

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

Jura Energy Corporation

Condensed Consolidated Interim Statements of Changes in Equity

For the six months ended June 30, 2022 (Unaudited)

(expressed in US Dollars)

	Number of shares	Share capital \$	Contributed surplus \$	Warrants \$	Accumulated Deficit \$	Total \$
Balance at January 1, 2021	69,076,328	65,203,045	412,264	140,265	(47,857,770)	17,897,804
Net profit for the period	-	-	-	-	2,860,909	2,860,909
Stock based compensation (note 11)	-	-	10,124	-	-	10,124
Balance at June 30, 2021	69,076,328	65,203,045	422,388	140,265	(44,996,861)	20,768,837
Balance at January 1, 2022	69,076,328	65,203,045	501,201	140,265	(54,667,314)	11,177,197
Net profit for the period	-	-	-	-	2,568,743	2,568,743
Stock based compensation (note 11)	-	-	52,940	-	-	52,940
Balance at June 30, 2022	69,076,328	65,203,045	554,141	140,265	(52,098,571)	13,798,880

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

Jura Energy Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 (Unaudited)

(expressed in US Dollars)

1 Company and its operations

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

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

2 Going concern

Management has prepared these condensed consolidated interim financial statements in accordance with the International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates that the assets will be realized, and liabilities will be discharged in the normal course of business as they become due. The Company had a working capital deficiency of \$3.04 million at June 30, 2022 (December 31, 2021: \$6.14 million). During the six months period ended June 30, 2022, the Company reported a net profit of \$2.57 million (June 30, 2021: \$2.86 million) and net cash (used in)/generated from operating activities of (\$1.62) million (June 30, 2021: \$7.78 million). As at June 30, 2022, the Company had an accumulated deficit of \$52.10 million (December 31, 2021: \$54.67 million). In addition to its ongoing working capital requirements, the Company also had financial commitments as at June 30, 2022 that amounted to \$6.71 million. Furthermore, there could be uncertainties related to consistent decline in daily production from Zarghun South, economic dependence on joint venture partners and the current economic and political conditions in Pakistan.

These events and conditions create material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern, and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company's ability to continue its operations and to realize assets at the carrying values is dependent upon obtaining additional debt or equity financing, maintaining continued support from its majority shareholder, generating positive cash flows and compliance with its capital expenditure commitments.

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

3 Basis of preparation

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

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

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

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Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 (Unaudited)

(expressed in US Dollars)

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

4 Accounts and other receivables

	June 30, 2022	December 31, 2021
	\$	\$
Trade receivables (note 4 a)	10,601,175	7,654,288
Due from related parties (note 4 b)	1,069,688	1,069,688
Prepayments	17,227	38,055
Security deposits	42,062	42,062
Other receivables	1,092,946	888,543
	12,823,098	9,692,636
Provision for impairment (note 4 b)	(818,218)	(818,218)
	12,004,880	8,874,418

a) The trade receivables are provided as a security by way of irrevocable assignment into the collection accounts maintained with Askari Bank Limited ("AKBL"), the lead arranger, acting on behalf of the participants, pursuant to the terms of the AKBL Syndicated term finance facilities (*refer to note 7 (a) for further details*).

b) This represents \$818,218 and \$251,470 (December 31, 2021: \$818,218 and \$251,470) receivable from Energy Exploration Limited ("EEL") and JS Energy Limited ("JSEL") respectively. The balances are receivable on demand and carry no interest.

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

5 Property, plant and equipment

	Other operating assets					Total
	Oil and gas properties	Computer equipment	Furniture and fixtures	Office equipment	Motor vehicles	
	\$	\$	\$	\$	\$	\$
Cost	72,822,048	121,278	24,011	48,949	220,304	73,236,590
Accumulated depletion, depreciation and impairment	(49,198,006)	(110,533)	(24,011)	(48,949)	(215,583)	(49,597,082)
Opening net book value	23,624,042	10,745	-	-	4,721	23,639,508
Period ended June 30, 2022						
Additions during the period	23,192	-	-	-	-	23,192
Depletion and depreciation for the period	(2,621,465)	(2,432)	-	-	(4,721)	(2,628,618)
Carrying amount at June 30, 2022	21,025,769	8,313	-	-	-	21,034,082
Cost	72,845,240	121,278	24,011	48,949	220,304	73,259,782
Accumulated depletion, depreciation and impairment	(51,819,471)	(112,965)	(24,011)	(48,949)	(220,304)	(52,225,700)
Carrying amount at June 30, 2022	21,025,769	8,313	-	-	-	21,034,082
Cost	70,737,070	114,603	24,011	48,949	220,304	71,144,937
Accumulated depletion, depreciation and impairment	(25,757,125)	(105,243)	(23,942)	(48,949)	(208,716)	(26,143,975)
Opening net book value	44,979,945	9,360	69	-	11,588	45,000,962
Year ended December 31, 2021						
Additions during the year	2,625,601	6,675	-	-	-	2,632,276
Addition in asset retirement obligation	20,710	-	-	-	-	20,710
Revision in asset retirement obligation	(561,333)	-	-	-	-	(561,333)
Depletion and depreciation for the year	(9,045,172)	(5,290)	(69)	-	(6,867)	(9,057,398)
Impairment for the year	(14,395,709)	-	-	-	-	(14,395,709)
Carrying amount at December 31, 2021	23,624,042	10,745	-	-	4,721	23,639,508

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Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 (Unaudited)

(expressed in US Dollars)

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

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

	June 30, 2022	December 31, 2021
Leasehold motor vehicles	\$	\$
Cost	146,086	146,086
Accumulated depreciation	(146,086)	(141,365)
Carrying amount at end of the period	<u>-</u>	<u>4,721</u>

6 Exploration and evaluation assets

	June 30, 2022	December 31, 2021
	\$	\$
Balance at beginning of the period	3,798,200	3,317,483
Additions during the period	494,487	487,565
Exploration and evaluation assets written off	-	(6,848)
Carrying amount at end of the period	<u>4,292,687</u>	<u>3,798,200</u>

7 Borrowings

	June 30, 2022	December 31, 2021
Current	\$	\$
AKBL syndicated term finance facilities (note 7 a)	2,496,460	2,995,823
ABPL running musharaka facility (note 7 b)	1,520,997	-
Finance lease obligations	-	258
	<u>4,017,457</u>	<u>2,996,081</u>
Non-current		
AKBL Syndicated term finance facilities (note 7 a)	4,252,732	6,117,040
	<u>4,252,732</u>	<u>6,117,040</u>
Total borrowings	<u>8,270,189</u>	<u>9,113,121</u>

- a) On January 31, 2020, SEPL entered into long term syndicated term finance facilities of PKR 2,000 million (approximately \$9.72 million) with AKBL, the lead arranger acting on behalf of the participants (the "AKBL Facility").

The syndicate is comprised of AKBL, JS Bank Limited ("JSBL"), a related party of Jura, and Al Baraka Bank Pakistan Limited ("ABPL") with participation of PKR 1,000 million (approximately \$4.86 million), PKR 550 million (approximately \$2.67 million) and PKR 450 million (approximately \$2.19 million) respectively. The AKBL Facility carries interest at the rate of 3-month KIBOR plus 2.50%. The interest is payable quarterly in arrears whereas the principal is repayable in sixteen equal quarterly installments commencing after a grace period of one year from the date of first disbursement.

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

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

Jura Energy Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 (Unaudited)

(expressed in US Dollars)

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

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

- b) In November 2021, SEPL entered into short-term running musharaka facility ("RM Facility") of PKR 500 million (approximately \$2.43 million) with ABPL. The proceeds of the RM Facility are utilized to fund the operating expenses of SEPL. The outstanding amount of RM Facility carries interest at the rate of 3-month KIBOR plus 2% payable semi-annually in arrears. The RM Facility is secured by corporate guarantees of Jura and FHL, a ranking hypothecation charge on the moveable fixed assets of SEPL and FHL with a 25% margin, to be upgraded to a pari passu charge within 90 days of first disbursement, a ranking assignment of present and future receivables of SEPL and FHL with a 25% margin and a lien on SEPL and FHL bank accounts maintained with ABPL.

8 Amounts due to related parties

	June 30, 2022	December 31, 2021
Current	\$	\$
Running finance facility (note 8 a)	2,142,418	2,435,566
	<u>2,142,418</u>	<u>2,435,566</u>
Non-current		
Shareholder loan (note 8 b)	5,859	143,184
	<u>5,859</u>	<u>143,184</u>
Total amounts due to related parties	<u>2,148,277</u>	<u>2,578,750</u>

- a) This represents a running finance facility ("RF Facility") of PKR 425 million (approx. \$2.07 million) with JSBL, a related party. The outstanding amount of RF Facility carries interest at the rate of 1-month KIBOR plus 2% payable quarterly in arrears. The RF Facility is secured by corporate guarantees of Jura and FHL, a first hypothecation charge on the moveable fixed assets of FHL with a 25% margin, a ranking hypothecation charge on the moveable fixed assets of SEPL with a 25% margin, to be upgraded to a pari passu charge within 180 days of first disbursement, a ranking assignment of present and future receivables of SEPL and FHL with a 25% margin and a lien on SEPL and FHL bank accounts maintained with JSBL.
- b) This represents unsecured bridge loan from the majority shareholder of the Company, JSEL. The principal amount bears interest at the rate of 11% per annum compounded quarterly. The principal and accrued interest outstanding as at June 30, 2022 are payable on demand, however, the shareholder has provided a written undertaking to the Company, pursuant to which the shareholder loans shall not be called for repayment for a minimum period of twelve months from the date of approval of these condensed consolidated interim financial statements.

Further, JSEL has the option to convert, in whole or in part, the principal and accrued interest under the bridge loan for a subscription of JEC shares, on the basis of one JEC share for each C\$1.00 so converted ("the Conversion Option") subject to the restriction that, during any six month period, the aggregate number of JEC shares issuable to JSEL under the Conversion Option may not exceed 10% of the number of JEC shares outstanding, on a non-diluted basis, prior to the date of the first conversion. As at June 30, 2022, a maximum of 7,296 shares are issuable under the Conversion Option.

At June 30, 2022, the bridge loan comprised two components: (i) the host agreement and (ii) the embedded derivative representing the Conversion Option. The host agreement has been accounted for using the amortized cost method and the embedded derivative has been accounted for at fair value

Jura Energy Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 (Unaudited)

(expressed in US Dollars)

determined using the Black-Scholes Option Pricing Model. The fair value of the embedded derivative at June 30, 2022, was \$nil (December 31, 2021: \$nil).

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

	Carrying value \$	Not later than one year \$	Later than one year and not later than five years \$	Later than five years \$
At June 30, 2022				
AKBL syndicated term finance facilities	6,749,192	2,496,460	4,252,732	-
ABPL running musharaka facility	1,520,997	1,520,997	-	-
Shareholder loan	5,859	-	5,859	-
Running finance facility	2,142,418	2,142,418	-	-
	10,418,466	6,159,875	4,258,591	-
	Carrying value \$	Not later than one year \$	Later than one year and not later than five years \$	Later than five years \$
At December 31, 2021				
AKBL syndicated term finance facilities	9,112,863	2,995,823	6,117,040	-
Finance lease obligations	258	258	-	-
Shareholder loan	143,184	-	143,184	-
Running finance facility	2,435,566	2,435,566	-	-
	11,691,871	5,431,647	6,260,224	-

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

10 Asset retirement obligation

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

11 Share capital

Authorized share capital

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

Restricted Share Units

The Company has a restricted share unit plan pursuant to which restricted share units ("RSU") may be granted to directors and officers of the Company. The RSU generally vest over a period of up to three years

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Notes to the Condensed Consolidated Interim Financial Statements For the three and six months ended June 30, 2022 (Unaudited)

(expressed in US Dollars)

and expire no more than five years from the date of grant. As at June 30, 2022, 1,844,237 restricted share units were outstanding.

During the three and six months ended June 30, 2022, stock based compensation of \$19,591 and \$52,940 (three and six months ended June 30, 2021: \$4,873 and \$10,124) was charged to the condensed consolidated interim statement of comprehensive income.

12 Contingencies and commitments

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

Commitments

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

13 Cost of production

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	\$	\$	\$	\$
Production costs	1,127,214	817,494	2,021,207	1,639,291
Depletion of oil and gas properties	1,125,628	1,399,712	2,621,465	2,650,755
	<u>2,252,842</u>	<u>2,217,206</u>	<u>4,642,672</u>	<u>4,290,046</u>

14 General and administrative expenses

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	\$	\$	\$	\$
Employees' benefits	291,882	156,073	612,644	419,202
Directors' compensation	42,791	71,081	127,962	93,297
Depreciation of other operating assets	1,211	1,362	7,153	8,717
Legal and professional charges	183,995	33,691	297,894	55,503
Travelling expenses	25,999	5,339	41,539	8,552
Consultancy (note 14 a)	97,082	53,068	184,016	128,434
Office rent and utilities	57,509	63,150	125,184	104,044
Provision for workers' profit participation fund	103,396	160,988	193,688	210,847
	<u>803,865</u>	<u>544,752</u>	<u>1,590,080</u>	<u>1,028,596</u>

a) Consultancy includes an amount of \$20,000 and \$40,000, charged by JS North Asia Investments Limited, a related party, for the three and six months ended June 30, 2022 (three and six months ended June 30, 2021: \$20,000 and \$40,000).

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Notes to the Condensed Consolidated Interim Financial Statements For the three and six months ended June 30, 2022 (Unaudited)

(expressed in US Dollars)

15 Finance costs

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	\$	\$	\$	\$
Interest on amounts due to related parties	81,573	174,042	156,593	463,580
Interest on borrowings	375,737	349,745	677,347	691,194
Accretion on asset retirement obligation	-	11,655	-	23,311
	<u>457,310</u>	<u>535,442</u>	<u>833,940</u>	<u>1,178,085</u>

16 Earnings per share

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	\$	\$	\$	\$
Net profit for the period	994,246	2,213,495	2,568,743	2,860,909
Weighted average number of outstanding shares				
- Basic	<u>69,076,328</u>	<u>69,076,328</u>	<u>69,076,328</u>	<u>69,076,328</u>
- Diluted	<u>70,920,565</u>	<u>70,920,565</u>	<u>70,920,565</u>	<u>70,920,565</u>
Basic and diluted earnings per share	<u>0.01</u>	<u>0.03</u>	<u>0.04</u>	<u>0.04</u>

For the three and six months ended June 30, 2022 and 2021, 7,296 stock options under shareholder loans were excluded from the calculation of diluted shares as they would be anti-dilutive.

17 Financial risk management

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

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

Fair value of financial assets and liabilities

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

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

The fair value of cash and cash equivalents, restricted cash, accounts and other receivables and accounts payable and accrued liabilities approximate their carrying amount due to the short-term nature of the instruments.

The fair value of borrowings and amounts due to related parties approximates their carrying value as the interest rates charged on these instruments is comparable to the prevailing interest rates.

Jura Energy Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 (Unaudited)

(expressed in US Dollars)

18 Transactions with related parties

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

Majority Shareholder

- JS Energy Limited

Wholly owned subsidiaries

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

Associated entity

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

Key management personnel

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

	June 30, 2022	December 31, 2021
	\$	\$
JSEL - majority shareholder		
Bridge loan		
Balance payable at beginning of the period	143,184	7,489,109
Interest accrued during the period	2,417	354,075
Principal repaid during the period	(97,324)	(7,350,270)
Interest paid during the period	(42,418)	(349,730)
Balance payable at end of the period	<u>5,859</u>	<u>143,184</u>
JSBL - associated company		
AKBL syndicated term finance facilities		
Balance payable at beginning of the period	2,506,039	3,385,343
Interest accrued during the period	167,331	350,875
Principal repaid during the period	(384,469)	(642,971)
Interest paid during the period	(140,654)	(322,270)
Exchange gain on retranslation	(292,217)	(264,938)
Balance payable at end of the period	<u>1,856,030</u>	<u>2,506,039</u>

Jura Energy Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 (Unaudited)

(expressed in US Dollars)

	June 30, 2022	December 31, 2021
Running finance facility	\$	\$
Balance payable at beginning of the period	2,435,566	3,968,181
Facility (settled)/utilized during the period	15,511	(1,189,381)
Interest accrued during the period	154,176	350,520
Interest paid during the period	(133,642)	(350,447)
Exchange gain on retranslation	(329,193)	(343,308)
Balance payable at end of the period	<u>2,142,418</u>	<u>2,435,566</u>

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Key management personnel compensation	\$	\$	\$	\$
Management salaries and benefits	129,646	117,078	259,292	229,913
Directors' fees and compensation	42,791	71,081	127,962	93,297
	<u>172,437</u>	<u>188,159</u>	<u>387,254</u>	<u>323,210</u>

19 Operating segment information

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

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

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net revenue				
SSGCL	92%	93%	91%	93%
EFL	5%	5%	6%	5%
Others	3%	2%	3%	2%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

	June 30, 2022	December 31, 2021
Trade receivables		
SSGCL	92%	95%
EFL	2%	2%
Others	6%	3%
	<u>100%</u>	<u>100%</u>

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

Jura Energy Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 (Unaudited)

(expressed in US Dollars)

	For the three months ended			For the six months ended		
	June 30, 2022			June 30, 2022		
	Canada	Pakistan	Consolidated	Canada	Pakistan	Consolidated
	\$-----					
Net revenue	-	3,358,496	3,358,496	-	7,767,983	7,767,983
Cost of production	-	(2,252,842)	(2,252,842)	-	(4,642,672)	(4,642,672)
Gross profit	-	1,105,654	1,105,654	-	3,125,311	3,125,311
General and administrative expenses	(180,412)	(623,453)	(803,865)	(364,302)	(1,225,778)	(1,590,080)
Other income	-	75,600	75,600	-	277,040	277,040
Operating profit/(loss)	(180,412)	557,801	377,389	(364,302)	2,176,573	1,812,271
Exchange gain/ (loss) - net	(5,655)	1,373,477	1,367,822	(9,224)	1,968,291	1,959,067
Finance costs	-	(457,310)	(457,310)	-	(833,940)	(833,940)
Net profit/(loss) for the period	(186,067)	1,473,968	1,287,901	(373,526)	3,310,924	2,937,398
Income tax	-	(293,655)	(293,655)	-	(368,655)	(368,655)
	(186,067)	1,180,313	994,246	(373,526)	2,942,269	2,568,743
Additions/(adjustment) during the period						
Property, plant and equipment	-	(7,365)	(7,365)	-	23,192	23,192
Exploration and evaluation assets	-	411,987	411,987	-	494,487	494,487

	As at June 30, 2022		
	Canada	Pakistan	Consolidated
	\$-----		
Segment assets	448,531	41,067,061	41,515,592
Segment liabilities	90,568	27,626,144	27,716,712

	For the three months ended			For the six months ended		
	June 30, 2021			June 30, 2021		
	Canada	Pakistan	Consolidated	Canada	Pakistan	Consolidated
	\$-----					
Net revenue	-	5,426,516	5,426,516	-	10,401,012	10,401,012
Cost of production	-	(2,217,206)	(2,217,206)	-	(4,290,046)	(4,290,046)
Gross profit	-	3,209,310	3,209,310	-	6,110,966	6,110,966
General and administrative expenses	(97,631)	(447,121)	(544,752)	(128,098)	(900,498)	(1,028,596)
Operating profit/(loss)	(97,631)	2,762,189	2,664,558	(128,098)	5,210,468	5,082,370
Exchange gain/ (loss) - net	(5,075)	651,072	645,997	(6,807)	(380,830)	(387,637)
Finance costs	-	(535,442)	(535,442)	-	(1,178,085)	(1,178,085)
Net profit/(loss) for the period	(102,706)	2,877,819	2,775,113	(134,905)	3,651,553	3,516,648
Income tax	-	(561,618)	(561,618)	-	(655,739)	(655,739)
	(102,706)	2,316,201	2,213,495	(134,905)	2,995,814	2,860,909
Additions during the period						
Property, plant and equipment	-	290,582	290,582	-	988,596	988,596
Exploration and evaluation assets	-	91,494	91,494	-	214,899	214,899

	As at June 30, 2021		
	Canada	Pakistan	Consolidated
	\$-----		
Segment assets	139,377	63,671,473	63,810,850
Segment liabilities	213,462	42,828,551	43,042,013