Condensed Consolidated Interim Financial Statements (Unaudited)

for the financial period ended March 31, 2020

Q1

Contents

Jadestone Energy Inc
(Registration Number: BC 0350583 Canada)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial period ended March 31, 2020

	NOTES	THREE MONTHS ENDED MARCH 31, 2020 USD'000	THREE MONTHS ENDED MARCH 31, 2019* USD'000
Consolidated statement of profit or loss			
Revenue	4	74,220	56,366
Production costs	5	(30,553)	(22,721)
Depletion, depreciation and amortisation	6	(19,582)	(11,892)
Staff costs	7	(5,607)	(4,568)
Other expenses	8	(2,901)	(2,744)
Other income	9	820	303
Finance costs	10	(3,614)	(4,547)
Other financial gains	11	359	478
Profit before tax		**13,142**	**10,675**
Income tax expense	12	(12,810)	(2,315)
Profit for the period		**332**	**8,360**
Earnings per ordinary share			
Basic and diluted (US$)	13	0.00	0.02
Consolidated statement of comprehensive income			
Profit for the period		332	8,360
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss: Gain/(Loss) on unrealised cash flow hedges	23	35,300	(32,796)
Hedging gain reclassified to profit or loss	23	(8,162)	(5,752)
		27,138	(38,548)
Tax (expense)/credit relating to components of other comprehensive income/(loss)	12	(8,142)	11,564
Other comprehensive income/(loss)		**18,996**	**(26,984)**
Total comprehensive income/(loss) for the period		**19,328**	**(18,624)**

* Certain 2019 comparative information has been restated, as a result of reclassifications between line items. Please refer to Note 37.
All comprehensive income is attributable to the equity holders of the parent.
The accompanying notes are an integral part of the consolidated financial statements.

Condensed Consolidated Statement of Financial Position as at March 31, 2020

	NOTES	MARCH 31, 2020 USD'000	DECEMBER 31, 2019* USD'000
Assets			
Non-current assets			
Intangible exploration assets	14	134,040	117,440
Oil and gas properties	15	365,328	381,674
Plant and equipment	16	1,758	1,780
Right-of-use assets	17	55,391	59,787
Restricted cash	21	10,000	17,477
Deferred tax assets	18	15,719	16,012
Total non-current assets		**582,236**	**594,170**
Current assets			
Inventories	19	31,841	31,411
Trade and other receivables	20	24,534	42,283
Derivative financial instruments	30	32,411	5,275
Restricted cash	21	12,160	6,008
Cash and cash equivalents	21	97,244	75,934
Total current assets		**198,190**	**160,911**
Total assets		**780,426**	**755,081**
Equity and liabilities			
Equity			
Capital and reserves			
Share capital	22	466,573	466,573
Share-based payments reserve	24	24,233	23,857
Hedging reserves	23	22,684	3,688
Accumulated losses		(268,319)	(268,651)
Total equity		**245,171**	**225,467**
Non-current liabilities			
Provisions	25	281,562	280,418
Borrowings	28	-	7,328
Lease liabilities	26	38,649	42,533
Other payable	27	-	359
Deferred tax liabilities	18	70,605	64,825
Total non-current liabilities		**390,816**	**395,463**
Current liabilities			
Borrowings	28	36,566	41,795
Lease liabilities	26	19,648	19,739
Trade and other payables	29	35,943	27,962
Tax liabilities		52,282	44,655
Total current liabilities		**144,439**	**134,151**
Total liabilities		**535,255**	**529,614**
Total equity and liabilities		**780,426**	**755,081**

* Certain 2019 comparative information has been restated, as a result of reclassifications between line items. Please refer to Note 37.
The accompanying notes are an integral part of the consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity for the financial period ended March 31, 2020

	SHARE CAPITAL USD'000	SHARE BASED PAYMENTS RESERVE USD'000	HEDGING RESERVES USD'000	ACCUMULATED LOSSES USD'000	TOTAL USD'000
As at January 1, 2019	**466,562**	**22,375**	**35,480**	**(309,156)**	**215,261**
Profit for the period, representing total comprehensive profit	-	-	-	8,360	8,360
Other comprehensive loss for the period	-	-	(26,984)	-	(26,984)
Total comprehensive (loss)/income for the period	-	-	(26,984)	8,360	(18,624)
Shares issued	11	-	-	-	11
Share-based compensation, representing transaction with owners, recognised directly in equity (Note 24)	-	117	-	-	117
As at March 31, 2019	**466,573**	**22,492**	**8,496**	**(300,796)**	**196,765**
As at January 1, 2020	466,573	23,857	3,688	(268,651)	225,467
Profit for the period, representing total comprehensive profit	-	-	-	332	332
Other comprehensive income for the period	-	-	18,996	-	18,996
Total comprehensive income/(loss) for the period	-	-	18,996	332	19,328
Share-based compensation, representing transaction with owners, recognised directly in equity (Note 24)	-	376	-	-	376
As at March 31, 2020	**466,573**	**24,233**	**22,684**	**(268,319)**	**245,171**

The accompanying notes are an integral part of the consolidated financial statements.

Condensed Consolidated Statement of Cash Flows for the financial period ended March 31, 2020

	NOTES	THREE MONTHS ENDED MARCH 31, 2020 USD'000	THREE MONTHS ENDED MARCH 31, 2019* USD'000
Operating activities			
Profit before tax		13,142	10,675
Adjustments for:			
Depletion, depreciation and amortisation	6	15,186	9,878
Depreciation of right-of-use assets	6 / 17	4,396	2,014
Other finance costs	10	2,686	2,539
Interest expense	10	928	2,008
Share based payments	7	376	117
Inventories written down	5	351	-
Loss on ineffective hedge recycled to profit or loss	8	2	471
Change in Stag FSO provision	9	(443)	-
Decrease in fair value of Montara contingent payments	11	(359)	(478)
Interest income	9	(218)	(303)
Oil and gas properties written off	8	-	533
Operating cash flows before movements in working capital		**36,047**	**27,454**
Decrease in trade and other receivables		17,749	16,461
Decrease/(Increase) in inventories		1,054	(8,865)
Decrease in trade and other payables		(7,752)	(8,143)
Cash generated from operations		**47,098**	**26,907**
Interest paid		(686)	(1,463)
Tax refunded		-	3,096
Net cash generated from operating activities		**46,412**	**28,540**
Investing activities			
Payment for oil and gas properties	15	(569)	(6,498)
Payment for plant and equipment	16	(84)	(94)
Payment for intangible exploration assets	14	(8,119)	(950)
Transfer from debt service reserve account	21	1,325	2,369
Interest received	9	218	303
Net cash used in investing activities		**(7,229)**	**(4,870)**
Financing activities			
Net proceeds from issuance of shares		-	11
Repayment of borrowings	28	(12,830)	(15,753)
Repayment of lease liabilities		(5,043)	(2,419)
Net cash used in financing activities		**(17,873)**	**(18,161)**
Net increase in cash and cash equivalents		21,310	5,509
Cash and cash equivalents at beginning of the period		75,934	52,981
Cash and cash equivalents at end of the period	21	**97,244**	**58,490**

* Certain 2019 comparative information has been restated, as a result of reclassifications between line items. Please refer to Note 37.
The accompanying notes are an integral part of the consolidated financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

for the financial period ended March 31, 2020

1 | Corporate Information

Jadestone Energy Inc. (the "Company" or "Jadestone") is an oil and gas company incorporated in Canada.

The Company's ordinary shares are listed on AIM, a market by the London Stock Exchange. The Company trades under the symbol "JSE". The Company was listed on the TSX-V, but delisted on March 25, 2020.

The financial statements are expressed in United States Dollars ("US$" or "USD").

The Company and its subsidiaries (the "Group") are engaged in production, development, exploration and appraisal activities in Australia, Vietnam and the Philippines. The Company's current producing assets are in the Vulcan (Montara) and Carnarvon (Stag) basins, offshore Western Australia.

On November 18, 2019, the Group executed a sale and purchase agreement ("SPA") with Österreichische Mineralölverwaltungs Aktiengesellschaft New Zealand ("OMV New Zealand") to acquire an operated 69% controlling interest in the Maari project for a total consideration of US$50.0 million, and subject to customary working capital adjustments. The transaction is subject to regulatory approvals and joint venture partners' acceptance. Following these approvals, the transaction will close and control of the Maari project will transfer to the Group. The economic benefits from January 1, 2019 until the closing date will be adjusted in the final consideration price. The Group anticipates to complete the acquisition in second half of 2020

The Company's head office is located at 3 Anson Road, #13-01 Springleaf Tower, Singapore 079909. The registered office of the Company is 10th Floor, 595 Howe Street, Vancouver, British Columbia V6C 2T5, Canada.

2 | Summary of Significant Accounting Policies

Statement of Compliance

These unaudited condensed interim financial statements (the "financial statements") are prepared in accordance with International Accounting Standard IAS 34 Interim Financial Reporting, on a going concern basis under the historical cost convention. They do not contain all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements and should be read in conjunction with Jadestone's audited consolidated financial statements for the year ended December 31, 2019.

These financial statements were approved for issuance by the Company's Board of Directors on May 28, 2020, on the recommendation of the Audit Committee.

3 | Basis of Preparation

These financial statements have been prepared on an historical cost basis, except for financial instruments classified as financial instruments at fair value, which are stated at their fair values, and operating leases which are stated at the present value of future cash payments.

In addition, these financial statements have been prepared using the accrual basis of accounting.

Adoption of new and revised standards

New and amended IFRS standards that are effective for the current period

The Group has applied the following standards and amendments for the first time with effect from January 1, 2020.

- Amendments to IFRS 3 *Business Combinations*;
- Amendments to IAS 1 and IAS 8 *Definition of Material*; and
- Amendments to References to the Conceptual Framework in IFRS Standards.

All amendments are effective for annual periods beginning on January 1, 2020 and generally require prospective application.

Amendments to IFRS 3 *Business Combinations*

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

Amendments to IAS 1 and IAS 8 *Definition of Material*

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework, which became effective upon publication on March 29, 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

New and revised IFRS's on issue but not yet effective

The Group has not applied the following new and revised IFRS that is relevant to the Group, and was issued, but not effective:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-Current.

The amendment is effective for annual periods beginning on or after January 1, 2022, and generally require prospective application. The Group is currently performing an assessment of the impact of this amendment and does not anticipate a material impact on the financial statements of the Group in future periods.

4 | Revenue

The Group derives its revenue from contracts with customers for the sale of oil and gas products. Revenue is presented net of royalties.

	THREE MONTHS ENDED MARCH 31, 2020 USD'000	THREE MONTHS ENDED MARCH 31, 2019 USD'000
Liquids revenue - including hedging		
Montara	40,443	44,922
stag	33,777	11,444
Total revenue derived from contracts with customers	**74,220**	**56,366**

5 | Production Costs

	THREE MONTHS ENDED MARCH 31, 2020 USD'000	THREE MONTHS ENDED MARCH 31, 2019 USD'000
Operating costs	11,660	15,495
Workovers	5,252	3,147
Logistics	4,552	8,064
Repairs and maintenance	6,408	4,489
Inventories written down	351	-
Movement in inventories	2,330	(8,474)
	30,553	**22,721**

6 | Depletion, Depreciation and Amortisation ("DD&A")

	THREE MONTHS ENDED MARCH 31, 2020 USD'000	THREE MONTHS ENDED MARCH 31, 2019 USD'000
Depletion and amortisation (Note 15):		
Montara	14,348	18,038
Stag	2,567	1,531
	16,915	19,569
Depreciation of plant and equipment (Note 16)	106	94
Right-of-use assets (Note 17)	4,396	2,014
Movement in inventories	(1,835)	(9,785)
	19,582	**11,892**

7 | Staff Costs

	THREE MONTHS ENDED MARCH 31, 2020 USD'000	THREE MONTHS ENDED MARCH 31, 2019 USD'000
Wages, salaries and fees	4,311	3,844
Staff benefits in kind	920	607
Share-based compensation	376	117
	5,607	**4,568**

The above staff cost includes director's and non-executive directors' salaries and fees.

8 | Other Expenses

	THREE MONTHS ENDED MARCH 31, 2020 USD'000	THREE MONTHS ENDED MARCH 31, 2019 USD'000
Professional fees/consultancies	984	803
Exploration expenses	972	-
Office costs	664	520
Travel and entertainment	148	173
Net loss on ineffective oil derivatives	2	471
Oil and gas properties written off	-	533
Net foreign exchange loss	-	143
Other expenses	131	101
	2,901	**2,744**

9 | Other Income

	THREE MONTHS ENDED MARCH 31, 2020 USD'000	THREE MONTHS ENDED MARCH 31, 2019 USD'000
Interest income	218	303
Net foreign exchange gain	159	-
Change in Stag FSO provision	443	-
	820	**303**

10 | Finance Costs

	THREE MONTHS ENDED MARCH 31, 2020 USD'000	THREE MONTHS ENDED MARCH 31, 2019 USD'000
Interest expense	928	2,008
Accretion expense for asset retirement obligations (Note 25)	1,556	1,732
Interest expense on lease liabilities (Note 17)	1,068	769
Accretion expense for Stag FSO provision (Note 25)	31	38
Other finance costs	31	-
	3,614	**4,547**

During the current period, the Group paid interest of US$0.7 million (2019: US$1.5 million) related to the reserve based loan ("RBL").

11 | Other Financial Gains

	THREE MONTHS ENDED MARCH 31, 2020 USD'000	THREE MONTHS ENDED MARCH 31, 2019 USD'000
Decrease in fair value of Montara contingent payments	359	478

12 | Income Tax Expense

	THREE MONTHS ENDED MARCH 31, 2020 USD'000	THREE MONTHS ENDED MARCH 31, 2019 USD'000
Current tax		
Corporate tax	(7,628)	(10,071)
Petroleum resource rent tax ("PRRT")	(7,251)	3,094
	(14,879)	(6,977)
Deferred tax		
Corporate tax (Note 18)	2,129	5,227
PRRT (Note 18)	(60)	(565)
	2,069	4,662
	(12,810)	**(2,315)**

The Australian corporate income tax rate is applied at 30%. PRRT is calculated at 40% of sales revenue less certain permitted deductions and is tax deductible for Australian corporate income tax purposes.

The above movement in deferred tax balances relates to temporary differences between the tax base of an asset or liability, and its carrying amount in the statement of financial position.

The Company is a resident in the Province of British Columbia and pays no Canadian tax; the Group has no operating business in Canada. Subsidiaries are resident for tax purposes in the territories in which they operate.

The tax expense on Group profit differs from the amount that would arise using the standard rates of income tax applicable in the countries of operation as explained below:

	THREE MONTHS ENDED MARCH 31, 2020 USD'000	THREE MONTHS ENDED MARCH 31, 2019 USD'000
Profit before tax	**13,142**	**10,675**
Tax calculated at the domestic tax rates applicable to the profit in the respective countries (Australia 30%, Indonesia 48%*, Canada 27% and Singapore 17%)	(4,254)	(4,110)
Effects of non-deductible expenses	(1,245)	(733)
PRRT tax expense	(10,194)	(2,512)
Effect of PRRT tax benefit	2,883	5,040
Tax expense for the period	**(12,810)**	**(2,315)**

* The Indonesian tax rate is based on the effective rate after taking into account the corporate tax rate of 35% and the branch profit tax of 20%.

In addition to the amount charged to the profit and loss, the following amounts relating to tax have been recognised in other comprehensive income.

	THREE MONTHS ENDED MARCH 31, 2020 USD'000	THREE MONTHS ENDED MARCH 31, 2019 USD'000
Other comprehensive income - deferred tax		
Income tax (expense)/credit related to carrying amount of cash flow hedges	(8,142)	11,564

13 | Profit Per Ordinary Share

The calculation of the basic and diluted profit per share is based on the following data:

	THREE MONTHS ENDED MARCH 31, 2020 USD'000	THREE MONTHS ENDED MARCH 31, 2019 USD'000
Profit for the purposes of basic and diluted per share, being the net profit for the period attributable to equity holders of the Company	332	8,360
	NUMBER OF SHARES	NUMBER OF SHARES
Weighted average number of ordinary shares for the purposes of basic EPS	461,042,811	461,034,663
Effect of diluted potential ordinary shares - share options	3,622,443	931,349
Weighted average number of ordinary shares for the purposes of dilutive EPS	**464,665,254**	**461,966,012**

The calculation of diluted EPS for the three months ended March 31, 2020 includes 3,622,443 of weighted average dilutive ordinary shares available for exercise from in-the-money vested options (three months ended March 31, 2019: 931,349). Additionally, 656,160 of weighted average potential ordinary shares available for exercise, are excluded as they are out-of-the-money (three months ended March 31, 2019: 607,821).

EARNINGS PER SHARE (US$)	THREE MONTHS ENDED MARCH 31, 2020 NUMBER OF SHARES	THREE MONTHS ENDED MARCH 31, 2019 NUMBER OF SHARES
- Basic	0.00	0.02
- Diluted	0.00	0.02

14 | Intangible Exploration Assets

	TOTAL USD'000
Cost	
As at January 1, 2020	117,440
Additions	16,600
As at March 31, 2020	**134,040**
Impairment	
As at January 1, 2020/ March 31, 2020	-
Net book value	
As at December 31, 2019	**117,440**
As at March 31, 2020	**134,040**

For the purpose of the consolidated statement of cash flows, intangible exploration assets of US$8.4 million remained unpaid as at March 31, 2020 (March 31, 2019: US$1.7 million).

15 | Oil and Gas Properties

	TOTAL Restated USD'000
Cost	
As at January 1, 2020	492,985
Additions	569
As at March 31, 2020	**493,554**
Accumulated depletion and amortisation	
As at January 1, 2020	111,311
Charge for the period (Note 6)	16,915
As at March 31, 2020	**128,226**
Net book value	
As at December 31, 2019	**381,674**
As at March 31, 2020	**365,328**

16 | Plant and Equipment

	COMPUTER EQUIPMENT USD'000	FIXTURES AND FITTINGS USD'000	TOTAL USD'000
Cost			
As at January 1, 2020	2,824	1,315	4,139
Additions	9	75	84
As at March 31, 2020	**2,833**	**1,390**	**4,223**
Accumulated depreciation			
As at January 1, 2020	1,334	1,025	2,359
Charge for the period (Note 6)	90	16	106
As at March 31, 2020	**1,424**	**1,041**	**2,465**
Net book value			
As at December 31, 2019	**1,490**	**290**	**1,780**
As at March 31, 2020	**1,409**	**349**	**1,758**

17 | Right-of-Use Assets

	PRODUCTION ASSETS USD'000	TRANSPORTATION AND LOGISTICS USD'000	BUILDINGS USD'000	TOTAL USD'000
Cost				
As at January 1, 2020/March 31, 2020	29,339	42,320	3,004	74,663
Accumulated depreciation				
As at January 1, 2020	5,334	8,519	1,023	14,876
Charge for the period	1,334	2,815	247	4,396
As at March 31, 2020	**6,668**	**11,334**	**1,270**	**19,272**
Net book value				
As at December 31, 2019	**24,005**	**33,801**	**1,981**	**59,787**
As at March 31, 2020	**22,671**	**30,986**	**1,734**	**55,391**

The Group leases several assets including the Stag FSO, helicopters, a supply boat, logistics facilities for the Montara field, and buildings. The average lease term is 4 years.

	THREE MONTHS ENDED MARCH 31, 2020 USD'000	THREE MONTHS ENDED MARCH 31, 2019 USD'000
Amount recognised in profit or loss		
Depreciation expense on right-of-use assets (Note 6)	4,396	2,014
Interest expense on lease liabilities (Note 10)	1,068	769
Expenses relating to short-term leases	6	-*
Expense relating to leases of low value assets	3	2

* Due to figure rounded to nearest thousand.

18 | Deferred Tax

The following are the deferred tax liabilities and assets recognised by the Group and movements thereon during the current reporting period.

	AUSTRALIAN PRRT USD'000	TAX DEPRECIATION USD'000	DERIVATIVES FINANCIAL INSTRUMENTS USD'000	TOTAL USD'000
As at January 1, 2020	13,215	(60,445)	(1,583)	(48,813)
(Charged)/Credited to profit or loss (Note 12)	(60)	2,129	-	2,069
Charged to OCI	-	-	(8,142)	(8,142)
As at March 31, 2020	**13,155**	**(58,316)**	**(9,725)**	**(54,886)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	MARCH 31, 2020 USD'000	DECEMBER 31, 2019 USD'000
Deferred tax liabilities	(70,605)	(64,825)
Deferred tax assets	15,719	16,012
	(54,886)	**(48,813)**

19 | Inventories

	MARCH 31, 2020 USD'000	DECEMBER 31, 2019 USD'000
Materials and spares	10,240	8,964
Crude oil inventories	21,601	22,447
	31,841	**31,411**

20 | Trade and Other Receivables

	MARCH 31, 2020 USD'000	DECEMBER 31, 2019 USD'000
Trade receivables	12,113	34,007
Prepayments	4,398	4,754
Other receivables and deposits	6,645	2,311
GST/VAT receivables	1,378	1,211
	24,534	**42,283**

21 | Cash and Bank Balances

	MARCH 31, 2020 USD'000	DECEMBER 31, 2019 USD'000
Current assets		
Cash and bank balances	109,404	81,942
Less: restricted cash	(12,160)	(6,008)
Cash and cash equivalents	97,244	75,934
Non-current assets		
Cash and bank balances	10,000	17,477
Less: restricted cash	(10,000)	(17,477)
Cash and cash equivalents	-	-
Cash and cash equivalents in the statement of cash flows	**97,244**	**75,934**

As part of the reserve based lending agreement (Note 28), the Group must retain an aggregate amount of principal, interest, fees and costs payable at each quarter-end in the debt service reserve account ("DSRA"). An amount of US$12.2 million (December 31, 2019: US$13.5 million) is deposited in the DSRA as at March 31, 2020. In addition, the Group is required to maintain a minimum cash balance in the Montara cash operating account of US$15.0 million (December 31, 2019: US$15.0 million). The DSRA has been classified as restricted cash given certain restrictions under the loan agreement to withdraw amounts from the DSRA. The scheduled amounts of quarterly principal repayment under the loan, are sculpted, and decline over time, and hence the quantum required under the DSRA will fall, in line with reductions in the principal repayment, all other things being equal. As at March 31, 2020, the whole DSRA balance of US$12.2 million (December 31, 2019: US$6.0 million) has been recognised as current/able to be released within 12 months. As at December 31, 2019, US$7.5 million was treated as non-current/able to be released in 2021.

22 | Share Capital

Authorised share capital
Unlimited number of ordinary voting shares with no par value.

	NO. OF SHARES	USD'000
Issued and fully paid		
As at January 1, 2020/ March 31, 2020	461,042,811	466,573

The Company has one class of ordinary share. Fully paid ordinary shares carry one vote per share, without restriction, and carry a right to dividends as and when declared by the Company.

23 | Hedging Reserves

	TOTAL USD'000
As at January 1, 2020	(3,688)
Gain arising on changes in fair value of hedging instruments during the period	(35,300)
Income tax related to gain recognised in other comprehensive income	10,590
Net gain reclassified to profit or loss	8,162
Income tax related to amounts reclassified to profit or loss	(2,448)
As at March 31, 2020	**(22,684)**

24 | Share-Based Payments Reserve

The total expense arising from share based payments recognised for the period ended March 31, 2020 was US$0.4 million (March 31, 2019: US$0.1 million).

The Black-Scholes option-pricing model, with the following assumptions, was used to estimate the fair value of the options at the date of grant.

	OPTIONS GRANTED ON DECEMBER 3, 2019	MARCH 28, 2019
Risk-free rate	1.47% to 1.47%	1.46% to 1.47%
Expected life	5.5 to 6.5 years	5.5 to 6.5 years
Expected volatility	40.1% to 42.8%	39.9% to 42.3%
Share price	C$1.17	C$0.85
Exercise price	C$1.17	C$0.85
Expected dividends	Nil	Nil

The following table summarises the share options outstanding and exercisable as at March 31, 2020:

	SHARE OPTIONS			
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE C$	WEIGHTED AVERAGE REMAINING CONTRACT LIFE	NUMBER OF OPTIONS EXERCISABLE
As at January 1, 2020	19,867,842	0.68	8.21	7,019,480
Vested during the period		0.66	8.11	5,478,339
Cancelled during the period	(100,000)	0.85	-	-
As at March 31, 2020	**19,767,842**	**0.68**	**7.84**	**12,497,819**

25 | Provisions

	PROVISION FOR ASSET RESTORATION OBLIGATIONS USD'000	STAG FSO PROVISION USD'000	TOTAL USD'000
As at January 1, 2020	275,422	4,996	280,418
Accretion expense (Note 10)	1,556	31	1,587
Changes in discount rate and FX assumptions and estimates (Note 9)	-	(443)	(443)
As at March 31, 2020	**276,978**	**4,584**	**281,562**

The Group's asset restoration obligations ("ARO") result from the future estimated costs to decommission each of the Stag and Montara assets.

The carrying value of the provision comprises the discounted present value of the estimated future costs. Current estimated costs of the ARO for each of the Stag and Montara assets have been escalated to the estimated date at which the expenditure would be incurred, at an assumed blended inflation rate of 2.06% and 2.10% respectively, unchanged from the rate as at December 31, 2019. The estimates are a blend of assumed US and Australian inflation rates to reflect the underlying mix of US dollar and Australian dollar denominated expenditures. The present value of the future estimated ARO for each of the Stag and Montara assets has then been calculated based on blended risk-free rates of 2.24% and 2.31% respectively, unchanged from the rate as at December 31, 2019.

Management expects decommissioning expenditures to be incurred from 2033 and 2036 onwards for Montara and Stag, respectively.

The Stag FSO provision represents the fair value of amounts payable to the crew of the FSO on termination of the lease.

26 | Lease Liabilities

	MARCH 31, 2020 USD'000	DECEMBER 31, 2019 USD'000
Analysed as:		
Non-current	38,649	42,533
Current	19,648	19,739
	58,297	**62,272**

27 | Other Payable

	MARCH 31, 2020 USD'000	DECEMBER 31, 2019 USD'000
Montara contingent payments	-	359

28 | Borrowings

	MARCH 31, 2020 USD'000	DECEMBER 31, 2019 USD'000
Non-current secured borrowings		
Reserve based lending facility	-	7,328
Current secured borrowings		
Reserve based lending facility	36,566	41,795
	36,566	**49,123**

During the period, the Group made principal repayment and interest service costs of US$12.8 million and US$0.7 million respectively.

29 | Trade and Other Payables

	MARCH 31, 2020 USD'000	DECEMBER 31, 2019 USD'000
Trade payables	8,425	9,192
Other payables	16,163	14,355
Provision for long service leave	796	851
Other provisions	3,232	3,460
PRRT payable	7,251	-
GST/VAT payables	76	104
	35,943	**27,962**

These amounts are non-interest bearing. The Group believes that the carrying amount of trade payables approximates their fair value.

30 | Derivative Financial Instruments

The Group uses derivatives to manage its exposure to oil price fluctuations. Oil price hedges are undertaken using swaps and call options. All contracts are based on Dated Brent oil price swaps and options. In the current period, the Group has designated its capped swap as a cash flow hedge of highly probable sales.

	MARCH 31, 2020 USD'000	DECEMBER 31, 2019 USD'000
Derivative financial assets		
Designated as cash flow hedges		
Commodity capped swap	32,411	5,275

The following is a summary of the Group's outstanding derivative contracts:

Contracts designated as hedges

CONTRACT QUANTITY	TYPE OF CONTRACTS	TERMS	CONTRACT PRICE	HEDGE CLASSIFICATION	FAIR VALUE ASSET AT MARCH 31, 2020 USD'000	FAIR VALUE ASSET AT DECEMBER 31, 2019 USD'000
32% (December 31, 2019: 32%) of Group's anticipated planned production in the nine months to September 30, 2020	Commodity capped swap: swap component	Oct 2018 - Sep 2020	US$78.26/bbl for Q4 2018, US$71.72/bbl for 2019 and US$68.45/bbl for the nine months to September 30, 2020	Cash flow	32,404	5,203
67% (December 31, 2019: 67%) of swapped barrels in the nine months to September 30, 2020	Commodity capped swap: call component	Jan 2019 - Sep 2020	US$80.00/bbl for the nine months to September 30, 2019, then US$85.00/bbl to September 2020		7	72

The following tables detail the commodity swap contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items. Commodity swap contract assets are included in the "derivative financial instruments" line item in the consolidated statement of financial position.

Hedging instruments - outstanding contracts

	OIL VOLUMES BBLS	NOTIONAL VALUE USD'000	CHANGE IN FAIR VALUE USED FOR CALCULATING HEDGE INEFFECTIVENESS USD'000	FAIR VALUE ASSETS USD'000
March 31, 2020				
Cash flow hedges				
Commodity swap component	716,100	48,515	2	32,404
Commodity call component	358,050	30,434	-	7
			2	**32,411**
December 31, 2019				
Cash flow hedges				
Commodity swap component	1,136,940	77,829	633	5,203
Commodity call component	568,470	48,320	-	72
			633	**5,275**

Hedged items

	CHANGE IN VALUE USED FOR CALCULATING HEDGE INEFFECTIVENESS USD'000	BALANCE IN CASH FLOW HEDGE RESERVE FOR CONTINUING HEDGES USD'000	BALANCE IN CASH FLOW HEDGE RESERVE ARISING FROM HEDGING RELATIONSHIPS FOR WHICH HEDGE ACCOUNTING IS NO LONGER APPLIED USD'000
March 31, 2020			
Cash flow hedges			
Forecast sales	2	22,684	-
December 31, 2019			
Cash flow hedges			
Forecast sales	633	3,688	-

The following table details the effectiveness of the hedging relationships and the amounts reclassified from hedging reserve to profit or loss:

	CURRENT PERIOD HEDGING (LOSS)/GAIN RECOGNISED IN OCI USD'000	AMOUNT OF HEDGE INEFFECTIVENESS RECOGNISED IN PROFIT OR LOSS USD'000	LINE ITEM IN PROFIT OR LOSS IN WHICH HEDGE INEFFECTIVENESS IS INCLUDED USD'000	AMOUNT RECLASSIFIED TO PROFIT OR LOSS DUE TO HEDGED ITEM AFFECTING PROFIT OR LOSS USD'000	LINE ITEM IN PROFIT OR LOSS IN WHICH RECLASSIFICATION ADJUSTMENT IS INCLUDED
March 31, 2020					
Cash flow hedges					
Forecast sales	24,710	2	Other expenses	8,160	Revenue
December 31, 2019					
Cash flow hedges					
Forecast sales	(21,380)	633	Other expenses	14,241	Revenue

31 | Business Risks and Uncertainties

The Group has processes and systems in place designed to identify the principal risks of the business and has established what is considers reasonable mitigation strategies wherever possible.

The Group has processes and systems in place designed to identify the principal risks of the business and has established what is considers reasonable mitigation strategies wherever possible.

For a detailed analysis of how the Group manages its business risks and uncertainties, see the Group's financial statements for the year ended December 31, 2019. Aside from the below, the Group's business risks and uncertainties have not materially changed since the disclosure in the audited consolidated financial statements.

Impact of Coronavirus outbreak ("Covid-19")

On January 30, 2020, the World Health Organisation declared the Covid-19 outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of Covid-19 include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. Covid-19 and the actions taken to mitigate it, have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Group operates.

On April 12, 2020, members of Organisation of the Petroleum Exporting Countries and certain other countries including the Russian Federation, have agreed to cut global daily oil production by almost 10%, representing 9.7mm bbls/d effectively from May 2020.

The substantially lower crude oil price will reduce the Group's revenue in 2020, but the Group has no plan to reduce its crude oil production as the Group has significant downside protection in place, including via its capped swap and a relatively competitive cash operating cost base. The Group has hedged about a third of its planned production for the first nine months of 2020. Additionally, the crude at both Stag and Montara has generated a premium above benchmark crude oil prices.

In the absence of Vietnamese Government approvals for the Nam Du/U Minh field development plan in Q1 2020, and the decline in oil prices, the Group announced on March 19, 2020 to defer the Nam Du/U Minh gas field development. In respect of the Block 46/07 PSC appraisal well commitment, the Group will seek Vietnam Government approval for a further extension to the existing June 29, 2021 deadline, in order to align drilling of the appraisal well with development of Nam Du/U Minh. The Group is committed to the project and expects to receive approval for the extension request.

At the time the Group undertook the impairment review of its non-financial assets, as at March 31, 2020, the spot price for Dated Brent was US$17.68/bbl. Since that time, Dated Brent oil prices have climbed to US$32.85/bbl as at May 22, 2020. Aside from a US$0.4 million adjustment to the net realisable value of the Stag inventories as at March 31, 2020, no impairment has been made by the Group to its non-financial assets as at the reporting date. The current lower oil price is not regarded as indicative of medium and longer term oil prices for the purpose of impairment assessment of the Group' medium- and long-term non-financial assets including intangible exploration assets and oil and gas properties.

The Group will reflect updated oil price data during its next impairment review, including spot oil prices, but will also give due consideration to both the medium- and long-term outlook for crude oil prices.

The Group will closely monitor the development of the Covid-19 outbreak and related oil prices outlook, and continue to evaluate its impact on the business, the Group's financial position and operating results. As part of the preparation of the current financial statements, a forward-looking going concern analysis was undertaken at some of the lower current third-party downside Brent crude oil price outlooks, including US$21/bbl in Q2 2020 and US$30/bbl in H2 2020. The Group was able to generate positive operating cashflow without resorting to significant cuts in operating costs, and continue as a going concern.

32 | Financial Instruments, Financial Risks and Capital Managements

For a detailed analysis on how the Group manages its financial instruments, financial risks and capital management, see the Group's consolidated financial statements for the year ended December 31, 2019. The financial risks, instruments and capital market strategies have not materially changed since the year end.

Capital management

The Group manages its capital structure and makes adjustments to it, based on the funds available to the Group, in order to support the acquisition, exploration and development of resource properties and the ongoing operations of its producing assets. Given the nature of the Group's activities, the Board of Directors works with management to ensure that capital is managed effectively, and the business has a sustainable future.

To carry out planned asset acquisitions, exploration and development, and to pay for administrative costs, the Group may utilise excess cash generated from its ongoing operations and may utilise its existing working capital, and will work to raise additional funds should that be necessary.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is reasonable. There were no changes in the Group's approach to capital management during the financial period ended March 31, 2020. The Group is not subject to externally imposed capital requirements.

	MARCH 31, 2020 USD'000	DECEMBER 31, 2019 USD'000
Borrowings (Note 28)	(36,566)	(49,123)
Cash and cash equivalents (Note 21)	97,244	75,934
Restricted cash (Note 21)	12,160	13,485
Cash less borrowings	**72,838**	**40,296**

Borrowings comprise long and short-term borrowings, incorporating effective interest method financing costs, and excludes derivatives, as detailed in Note 28. Cash and cash equivalents includes the Montara Assets' minimum working capital cash balance of US$15.0 million required under the RBL, while restricted cash comprises the US$12.2 million in the RBL debt service reserve account (December 31, 2019: US$13.5 million). Restricted cash, as shown here, excludes the US$10.0 million deposited in support of a bank guarantee to a key supplier in respect of the Stag FSO.

33 | Segment Information

Information reported to the Group's Chief Executive Officer (the Chief Operating Decision Maker), for the purposes of resource allocation, is focused on two reportable/business segments driven by different types of activities within the upstream oil and gas value chain, namely producing assets and development and exploration assets. The geographic focus of the business is on SEA and Australia.

Revenue and non-current assets information based on the geographical location of assets respectively are as follows:

	THREE MONTHS ENDED MARCH 31, 2020			
	PRODUCING ASSETS AUSTRALIA USD'000	EXPLORATION/ DEVELOPMENT SEA USD'000	CORPORATE USD'000	TOTAL USD'000
Revenue				
Liquids revenue	74,220	-	-	74,220
Production cost	(30,553)	-	-	(30,553)
DD&A	(19,481)	(28)	(73)	(19,582)
Staff costs	(2,288)	(1,061)	(2,258)	(5,607)
Other expenses	(1,494)	(82)	(1,325)	(2,901)
Other income	892	5	(77)	820
Finance costs	(3,604)	(1)	(9)	(3,614)
Other financial gains	359	-	-	359
Profit/(Loss) before tax	**18,051**	**(1,167)**	**(3,742)**	**13,142**
Additions to non-current assets	5,955	11,223	75	17,253
Non-current assets	438,218	127,357	942	566,517

	THREE MONTHS ENDED MARCH 31, 2019			
	PRODUCING ASSETS AUSTRALIA USD'000	EXPLORATION/ DEVELOPMENT SEA USD'000	CORPORATE USD'000	TOTAL USD'000
Revenue				
Liquids revenue	56,366	-	-	56,366
Production cost	(22,721)	-	-	(22,721)
DD&A	(11,782)	-	(110)	(11,892)
Staff costs	(1,727)	(775)	(2,066)	(4,568)
Other expenses	(2,298)	(97)	(349)	(2,744)
Other income	302	-	1	303
Finance costs	(4,920)	-	373	(4,547)
Other financial gains	478	-	-	478
Profit/(Loss) before tax	**13,698**	**(872)**	**(2,151)**	**10,675**
Additions to non-current assets	6,071	2,543	-	8,614
Non-current assets	517,157	98,214	1,229	616,600

Non-current assets include oil and gas properties, intangible exploration assets, right-of-use assets, restricted cash and plant and equipment used in corporate offices.

34 | Contingent Liabilities

Stag

The Group may be responsible for certain contingent payments after March 31, 2020 of up to US$10.0 million linked to future expansion of the Stag Oilfield. At this time, Jadestone's management does not consider it probable that the conditions necessary to trigger the contingent payments will occur. Accordingly, as at March 31, 2020, no provision has been recognised in the financial statements.

Montara

The Group may be responsible for certain contingent payments after March 31, 2020 of up to US$110.0 million linked to oil price appreciation, and/or volumes of production from the first infill well in its first year, and/or future expansion of the Montara Assets. At this time, Jadestone's management only considers the contingent payments of up to US$10.0 million (fair value of US$ Nil) linked to oil price appreciation above US$80/bbl in 2020 as possible but remote, while also noting the uncertain nature of future changes in oil prices; in this case future prices of Dated Brent. Accordingly, as at March 31, 2020, no provision has been recognised in the financial statements.

35 | Related Party Transactions

During the period, the Group entities did not enter into transactions with related parties, other than the following:

Compensation of key management personnel

	THREE MONTHS ENDED MARCH 31, 2020 USD'000	THREE MONTHS ENDED MARCH 31, 2019 USD'000
Short-term benefits	1,706	1,089
Other benefits	215	212
Share-based payments	237	123
	2,158	**1,424**

The total remuneration of members of key management for three months ended March 31, 2020 (including salaries and benefits) was US$2.2 million (March 31, 2019: US$1.4 million).

As at March 31, 2020, the Group has seventeen key management personnel (March 31, 2019: thirteen).

36 | Events After the End of the Reporting Period

Australian dollar forward contracts

On April 22, 2020, the Group entered into a series of forward exchange contracts under which it is contracted to purchase AU$10.0 million per month, for six months, commencing May 21, 2020, at a fixed forward AU$/US$ exchange rate of 0.6344.

Stocks options, performance shares and restricted shares

On April 27, 2020 Jadestone granted an aggregate of 6,525,000 incentive stock options to a number of employees, officers, directors, and consultants, exercisable over a period of ten years, at an exercisable price of GBP 0.44 per share. The stock options will vest upon the third anniversary of the grant date.

The Group also issued an aggregate of 695,200 performance share awards to a number of its employees, and 101,063 restricted share awards to the Company's President and CEO, A. Paul Blakeley.

The market value of the performance shares to be issued upon their vesting is approximately GBP 0.56 per share. The performance share awards will vest on the third anniversary of the grant date. The number of performance shares to be issued will be determined against two performance measures comprising relative total shareholder return and absolute total shareholder return, weighted at 70% and 30% respectively.

The market value of the restricted shares to be issued upon their vesting is approximately GBP 0.40 per share. The restricted share award will vest on the third anniversary of the grant date. With a view to further aligning interests with shareholders, A. Paul Blakeley elected to receive the restricted share award in lieu of cash with respect to a base salary increase, effective 1 January 2020.

The stock option awards, performance share awards and restricted share awards were granted in accordance with the terms of the Company's stock option plan, performance share plan and restricted share plan respectively, each of which has been approved by the Company's shareholders.

37 | Reclassification of Comparative Figures

Certain comparative figures in the financial statements of the Group have been reclassified to conform to the presentation in the current financial period.

These reclassifications were made to better reflect the nature of the expenses in the respective lines in the statement of profit or loss, and the nature of the assets in the respective lines of the statement of financial position.

The reclassification in the statement of cash flows were made to align with the presentation in the current financial period, and in accordance with the audited consolidated financial statements for the year ended December 31, 2019. The changes mainly relate to the reclassification of the movement in inventory from adjustment items to the movement in working capital, the reclassification of lease payments from an investing activity to a financing activity, and the reclassification of the DSRA cash balance from cash and cash equivalents to pick up movements in the DSRA cash balance as an investing activity. Consequently, the restricted cash balance has been excluded from the cash and cash equivalents at the beginning and end of the prior financial period.

The reclassifications impact the following items:

	AS PREVIOUSLY REPORTED USD'000	RECLASSIFICATION USD'000	AS RECLASSIFIED USD'000
Statement of profit or loss and other comprehensive income for the financial period ended March 31, 2019			
Staff costs	(3,778)	(790)	(4,568)
Other expenses	(2,867)	123	(2,744)
Other income	160	143	303
Finance costs	(5,071)	524	(4,547)
Statement of financial position as at December 31, 2019			
Intangible exploration assets	116,096	1,344	117,440
Oil and gas properties	383,018	(1,344)	381,674
Statement of cash flows for the financial period ended March 31, 2019			
Depletion, depreciation and amortisation	21,677	(11,799)	9,878
Depreciation of right-of-use assets	-	2,014	2,014
Other finance costs	3,085	(546)	2,539
Interest expense	1,462	546	2,008
Oil and gas properties written off	-	533	533
Decrease in trade and other receivables	19,555	(3,094)	16,461
Increase in inventories	(18,650)	9,785	(8,865)
Decrease in trade and other payables	(7,485)	(658)	(8,143)
Interest paid	(1,462)	(1)	(1,463)
Tax refunded	-	3,096	3,096
Payment for oil and gas properties	(5,965)	(533)	(6,498)
Payment for intangible exploration assets	(1,607)	657	(950)
Transfer from debt service reserve account	-	2,369	2,369
Lease payments	(2,419)	2,419	-
Repayment of borrowings	(15,754)	1	(15,753)
Repayment of lease liabilities	-	(2,419)	(2,419)
Net increase in cash and cash equivalents	3,139	2,370	5,509
Cash and cash equivalents at beginning of the period	71,626	(18,645)	52,981
Cash and cash equivalents at end of the period	74,765	(16,275)	58,490