

**NATIONAL PETROLEUM COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS**

**30 JUNE 2023**

**Report on Review of the Interim Condensed Financial Statements  
To the Board of Directors of National Petroleum Public Shareholding Company  
Amman - Jordan**

**Introduction**

We have reviewed the accompanying interim condensed financial statements of National Petroleum Company (the "Company") as at 30 June 2023, comprising of the interim statement of financial position as at 30 June 2023 and the related interim statements of comprehensive income, changes in equity and cash flows for the six-months period then ended and explanatory information. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amman – Jordan  
26 July 2023

**ERNST & YOUNG**  
Amman - Jordan

**NATIONAL PETROLEUM COMPANY- PUBLIC SHAREHOLDING COMPANY**  
**INTERIM STATEMENT OF FINANCIAL POSITION**  
**As At 30 JUNE 2023**

	Notes	30 June 2023 JD (Unaudited)	31 December 2022 JD (Audited)
<b><u>ASSETS</u></b>			
<b>Non-current assets -</b>			
Property and equipment	5	2,183,411	2,339,992
Intangible assets		9,475	18,951
Gas assets	6	6,120,841	7,335,631
Projects in progress	7	5,181,015	3,744,036
		<u>13,494,742</u>	<u>13,438,610</u>
<b>Current assets -</b>			
Inventories		15,092,484	13,759,101
Accounts receivable	8	10,507,883	6,796,542
Other current assets		1,558,078	1,542,430
Cash at banks	9	9,995,797	11,707,267
		<u>37,154,242</u>	<u>33,805,340</u>
<b>Total assets</b>		<u>50,648,984</u>	<u>47,243,950</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity -</b>			
Paid in capital	1	15,000,000	15,000,000
Statutory reserve	19	7,496,702	7,496,702
Retained earnings		17,091,843	14,777,772
<b>Total equity</b>		<u>39,588,545</u>	<u>37,274,474</u>
<b>Liabilities -</b>			
<b>Non-current liabilities -</b>			
End of service indemnity provision		2,783,855	2,490,249
<b>Current liabilities -</b>			
Due to Ministry of Finance	10	6,697,645	6,275,421
Accounts payable		14,410	23,686
Other current liabilities		640,905	467,630
Income tax provision	14	923,624	712,490
		<u>8,276,584</u>	<u>7,479,227</u>
<b>Total liabilities</b>		<u>11,060,439</u>	<u>9,969,476</u>
<b>Total equity and liabilities</b>		<u>50,648,984</u>	<u>47,243,950</u>

The attached notes from 1 to 21 form part of these interim condensed financial statements

**NATIONAL PETROLEUM COMPANY- PUBLIC SHAREHOLDING COMPANY**  
**INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2023	2022	2023	2022
		JD	JD	JD	JD
Company's share of gas revenue	11	781,781	958,058	1,676,258	1,751,442
Recovered costs	11	2,345,341	2,874,174	5,028,773	5,254,326
		3,127,122	3,832,232	6,705,031	7,005,768
Sarhan field project income	12	2,249,754	-	2,322,848	-
Hamza field project income	12	5,213	50,145	106,093	481,082
Interest income		163,650	91,059	277,740	233,366
Other income		26,562	28,500	121,581	83,838
Operating expenses	13	(1,866,176)	(2,062,821)	(3,595,495)	(5,164,493)
Administrative expenses		(672,435)	(444,086)	(1,442,937)	(954,197)
Sarhan field project expense	12	(1,534,002)	-	(1,602,453)	-
Hamza field project expense	12	(37,463)	-	(67,196)	(119,403)
Al-Safawi exploration expenses		(11,096)	-	(15,011)	(9,240)
<b>Profit for the period before tax</b>		1,451,129	1,495,029	2,810,201	1,556,721
Income tax expense	14	(253,822)	(294,139)	(496,130)	(326,127)
<b>Profit for the period</b>		1,197,307	1,200,890	2,314,071	1,230,594
Add: other comprehensive income items		-	-	-	-
<b>Total comprehensive income for the period</b>		1,197,307	1,200,890	2,314,071	1,230,594
		JD/Fils	JD/Fils	JD/Fils	JD/Fils
<b>Basic and diluted earnings per share</b>		0/080	0/080	0/154	0/082

The attached notes from 1 to 21 form part of these interim condensed financial statements

**NATIONAL PETROLEUM COMPANY- PUBLIC SHAREHOLDING COMPANY**  
**INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

	Paid in capital	Statutory reserve	Retained earnings	Total
	JD	JD	JD	JD
<b>2023 -</b>				
<b>Balance at 1 January</b>	15,000,000	7,496,702	14,777,772	37,274,474
Total comprehensive income for the period	-	-	2,314,071	2,314,071
<b>Balance at 30 June</b>	<u>15,000,000</u>	<u>7,496,702</u>	<u>17,091,843</u>	<u>39,588,545</u>
<b>2022 -</b>				
<b>Balance at 1 January</b>	15,000,000	7,073,066	12,339,089	34,412,155
Total comprehensive income for the period	-	-	1,230,594	1,230,594
<b>Balance at 30 June</b>	<u>15,000,000</u>	<u>7,073,066</u>	<u>13,569,683</u>	<u>35,642,749</u>

**The attached notes from 1 to 21 form part of these interim condensed financial statements**

**NATIONAL PETROLEUM COMPANY- PUBLIC SHAREHOLDING COMPANY**  
**INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

		For the six months ended 30 June	
	Notes	2023	2022
		JD	JD
<b><u>OPERATING ACTIVITIES</u></b>			
Profit for the period before tax		2,810,201	1,556,721
<b>Adjustments -</b>			
Depreciation and amortization		1,463,417	1,598,349
Interest income		(277,740)	(233,366)
Unsuccessful wells expenses		-	1,301,524
End of service indemnity provision		340,505	184,275
Gain on sale of property and equipment		-	(9,449)
<b>Working capital changes -</b>			
Inventories		(1,333,383)	(460,859)
Accounts receivable		(3,711,341)	(360,589)
Other current assets		(15,648)	(101,789)
Due to the Ministry of Finance		422,224	958,058
Accounts payable		(9,276)	(38,178)
Other current liabilities		173,275	92,746
End of service indemnity paid		(46,899)	(59,603)
Income tax paid	14	(284,996)	(931,162)
<b>Net cash flows (used in) from operating activities</b>		<b>(469,661)</b>	<b>3,496,678</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Interest income received		277,740	233,366
Purchase of property and equipment		(82,570)	(177,253)
Projects in progress		(1,436,979)	(2,647,585)
Deposits maturing within six months		2,000,000	(3,000,000)
Proceed from sale of property and equipment		-	9,800
<b>Net cash flows from (used in) investing activities</b>		<b>758,191</b>	<b>(5,581,672)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>288,530</b>	<b>(2,084,994)</b>
Cash and cash equivalents at the beginning of the period		9,707,267	14,964,582
<b>Cash and cash equivalents at the end of the period</b>	9	<b>9,995,797</b>	<b>12,879,588</b>

The attached notes from 1 to 21 form part of these interim condensed financial statements

**NATIONAL PETROLEUM COMPANY- PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2023 (UNAUDITED)**

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**(1) GENERAL**

National Petroleum Company (the "Company") is a Public Shareholding Company incorporated on 21 June 1995 with paid in capital of JD 20,000,000 divided into 20,000,000 shares of JD 1 each. The capital has been amended several times; the last amendment was on 1 November 2001, when a merger took place between Petra Drilling Company and National Petroleum Company at book value. As a result of this merger, the articles of association and bylaws were amended as per the Companies Law. The authorized and paid-in capital became JD 15,000,000 divided into 15,000,000 shares at par value of JD 1 each subscribed as follows:

	<u>Share/ JD</u>
Government Investments Management Company *	14,987,890
Safwa Islamic Bank	12,110

- \* According to the Council of Ministers decision No. (286) dated 28 June 2016 and in accordance with the letter from the Government Investments Management Company No. 47/2016 dated 1 August 2016, which included the transfer of the contribution of the Ministry of Finance in the National Petroleum Company to the Government Investments Management Company.

The main objectives of the Company are to explore oil and natural gas and other hydro carbonic materials, treatment and storing of hydro carbonic materials, establish, manage and invest in specialized ports for storing, transporting and exchanging oil and gas, trading in crude and untreated oil with its derivatives inside and outside Jordan, contribute in the establishment of related projects, perform drilling activities, and establish workshops to maintain, test and provide all support services for drilling activities.

The Company sold its entire production of natural gas from Al Reesha field (located in the east of Jordan) to the Central Electricity Generating Company (CEGCO) until 17 October 2022 and started to sell its entire production to National Electric Power Company from 21 December 2022.

According to the Council of Ministers decision no. 58/11/1/25161 dated 28 May 2017, the selling price of gas has been changed from JD 0.05 per cubic meter to become 70% the average price of natural gas available to the National Electric Power Company (NEPCO) and the manufacturing sector from all available sources. The average price for the monthly production of natural gas from Al-Risha field is determined by the pricing committee appointed by the Council of Ministers.

**NATIONAL PETROLEUM COMPANY- PUBLIC SHAREHOLDING COMPANY**  
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According to the Council of Ministers decision no. 58/1/11/45109 dated 31 October 2019, the selling price of gas produced and sold by the company in excess of the first 9 million cubic foot is set at 50% the average price of natural gas available to the National Electric Power Company (NEPCO) and the manufacturing sector from all available resources with a maximum price of JD 4 for each million British Thermal Unit (BTU) and a minimum price of JD 2.5 for each million BTU.

The Company's main location is in, Za'al Abu Tayeesh Street, Um Al-Summaq, Amman – Jordan.

The interim condensed financial statements were authorized for issuance by the Company's Board of Directors on 25 July 2023.

**(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES**

**(2-1) BASIS OF PREPARATION –**

The interim condensed financial statements are prepared in accordance with International Accounting Standard 34, ("Interim Financial Reporting").

The interim condensed financial statements have been prepared on a historical cost basis.

The interim condensed financial statements are presented in Jordanian Dinars which represents the functional currency of the Company.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual financial statements as of 31 December 2022. In addition, results of the six months period ended 30 June 2023 are not necessarily indicative of the results expected for the financial year ending 31 December 2023.

**(2-2) CHANGES IN ACCOUNTING POLICIES-**

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2022 except for the adoption of new amendments on the standards effective as of 1 January 2023 shown below:

**Definition of Accounting Estimates - Amendments to IAS 8**

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendment had no material impact on the Company's interim condensed financial statements.



**Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendment had no material impact on the Company's interim condensed financial statements.

**Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12**

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendment had no material impact on the Company's interim condensed financial statements.

**(3) GAS RESERVES**

Based on the latest study conducted during 2006 by the International Specialized Consultant (IPR) in relation to gas reserves, it has been determined that the estimated reserves at the end of 2006 were 102.3 billion cubic feet. The study indicated that there is an overstatement in the degree of conservatism in this estimation since it was conducted in the area nearby the wells and it excluded the estimation of any gas reserve in most of the Al Risha field area.

Based on the results of continuous internal studies updated in 2007 and carried out by in accordance with the most realistic and conservative measurement methods for the productive wells only, the minimum estimated gas reserves were 443 billion cubic feet.

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**(4) RECOVERED COSTS**

The Petroleum Operations Cost Reimbursement Committee (the "Committee"), formed by the Minister of Energy and Mineral Resources, approved petroleum operations costs of JD 111,941,063 for the period from 1 May 2002 to 31 December 2021 as reimbursable costs. The Company was reimbursed the following costs:

<u>Period</u>	<u>Amount</u>
	JD
2023	5,028,773
2022	9,016,424
2021	10,099,015
2020	8,340,151
2019	6,626,857
2018	7,405,606
2017	5,070,370
2016	3,493,253
2015	3,687,713
2014	4,116,873
2013	4,529,903
2012	4,909,185
2011	5,437,738
2010	5,538,635
2005	1,769,570
	<u>85,070,066</u>

The remaining and approved balance (for previous years) is JD 26,870,997 as at 30 June 2023.

The Committee reviewed the petroleum operations cost for the period between 1 January 2022 to 31 December 2022 in the amount of JD 10,082,781. The Committee has not issued their reports up to the date of these interim condensed financial statements.

The Committee reviewed the petroleum operations cost for the period between 1 January 2023 to 31 March 2023 in the amount of JD 1,857,770. The Committee did not review the petroleum operations costs for the period from 1 April 2023 to 30 June 2023 in the amount of JD 1,965,867.

**(5) PROPERTY AND EQUIPMENT**

During the six months ended 30 June 2023, the Company purchased property and equipment in the amount of JD 82,570 (30 June 2022: JD 177,253). The Company did not dispose any property and equipment during the period ended 30 June 2023 (30 June 2022: Disposed of property and equipment with a net book value of JD 351 resulting in a gain of JD 9,449).

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**(6) GAS ASSETS**

This amount represents the re-entry costs of Al Risha wells (well 28) as well as drilling of new Risha wells (well 48, well 49, well 50, well 51, well 53, well 54 and well 55) as of 30 June 2023.

Movements on gas assets during the period / year were as follows:

	30 June 2023 JD (Unaudited)	31 December 2022 JD (Audited)
Beginning balance for the period / year	7,335,631	6,208,734
Transferred from projects in progress (note 7)	-	3,695,073
Amortization during the period / year	(1,214,790)	(2,568,176)
Ending balance for the period / year	6,120,841	7,335,631

**(7) PROJECTS IN PROGRESS**

This amount represents the cost of drilling of new wells (well 56 and well 57) and Al Sarhan field well (WSD1, WSD2, and JF-3) in addition to other construction projects in progress as of 30 June 2023.

Movements on projects in progress during the period / year were as follows:

	30 June 2023 JD (Unaudited)	31 December 2022 JD (Audited)
Beginning balance for the period / year	3,744,036	4,096,067
Additions during the period / year	1,436,979	4,738,924
Transferred to property and equipment (note 5)	-	(94,358)
Unsuccessful wells expenses (note 13)	-	(1,301,524)
Transferred to gas assets	-	(3,695,073)
Ending balance for the period / year	5,181,015	3,744,036

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**(8) ACCOUNTS RECEIVABLE**

	30 June 2023 JD	31 December 2022 JD
National Electric Power Company (Note 16)	8,381,289	551,621
Ministry of Energy and Mineral Resources	2,119,759	3,845,356
Trans-Global International Company	927,340	927,340
Reda Kannan & Sons Company	46,222	46,222
Central Electricity Generating Company (Note 16)	-	2,393,431
Others	6,835	6,134
	11,481,445	7,770,104
Less: Provision for expected credit losses	(973,562)	(973,562)
	10,507,883	6,796,542

Central Electricity Generation Company and National Electric Power Company settle their outstanding balances every (45) days after the end of each month according to its agreements. Accordingly, receivables do not exceed (90) days from the due date.

Doubtful debts in the amount of JD 973,562 as at 30 June 2023 (31 December 2022: 973,562) and have been fully provisioned for.

The Company expects unimpaired receivables to be fully recoverable. The Company does not obtain collateral against accounts receivable.

**(9) CASH AT BANKS**

	30 June 2023 JD (Unaudited)	31 December 2022 JD (Audited)
Deposits maturing within three months*	7,500,000	8,000,000
Deposits maturing within six months**	-	2,000,000
On demand deposits***	2,495,797	1,707,267
	9,995,797	11,707,267

\* Time deposits are held in Jordanian Dinars for periods not exceeding 3 months and bear an interest rate between 6% and 6.3% (31 December 2022: 4.63%).

\*\* Time deposits are held in Jordanian Dinars for periods not exceeding 6 months and bear an interest rate of 5.5% as of 31 December 2022.

\*\*\* On demand deposits bear an interest rate between 1% to 2.5% (31 December 2022: between 1% to 2.5%).

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For the purpose of the interim statement of cash flows, cash and cash equivalents consist of:

	For the six months ended 30 June	
	2023	2022
	JD	JD
Cash and cash equivalent	9,995,797	15,879,588
Less: Deposits maturing within six months	-	(3,000,000)
Cash and cash equivalent	9,995,797	12,879,588

**(10) DUE TO THE MINISTRY OF FINANCE**

According to the Council of Ministers decision no. 58/1/11/28800 dated 15 July 2019, an agreement was reached for the Company to retain the Ministry of Finance's share of Company revenues for the years 2020 and 2021 as part of the Company's budget, as well as to undertake the necessary procedures to provide the Company with the facilities, for the purpose of exploration and to reach the excavation stage.

The Company had addressed the Minister of Finance through letter no. 32/3/237 dated 2 February 2020 requesting that the revenues which were retained as part of the agreement to be considered as non-refundable grants. There has been no response to the Company's request as of the date of preparation these interim condensed financial statements.

**(11) COMPANY'S SHARE OF GAS REVENUE**

	For the six months ended 30 June	
	2023	2022
	JD	JD
Gross gas revenue during the period (Note 16) allocated as below:	8,381,289	8,757,210
- Petroleum operations recovered costs (Note 4)	5,028,773	5,254,326
- Jordanian Government share (Note 16)	1,676,258	1,751,442
- Company's share from gas revenue	1,676,258	1,751,442

**NATIONAL PETROLEUM COMPANY- PUBLIC SHAREHOLDING COMPANY**  
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**(12) HAMZA/SARHAN FIELD PROJECT**

This item represents revenue and expenses for providing improved infrastructure development services for Hamza's Field and Sarhan's Field performed during the six months ended 30 June 2023 in favor of the Ministry of Energy and Mineral Resources based on the Council of Ministers decision No. 58/11/1/18026 and 22/9/06192.

**(13) OPERATING EXPENSES**

	For the six months ended 30 June					
	2023					2022
	Gas	Exploration	Excavators	Al Risha	Total	Total
	Station			Wells		
	JD	JD	JD	JD	JD	JD
Depreciation and amortization	24,195	9,865	169,682	1,214,790	1,418,532	1,557,125
Salaries, wages and other benefits	350,281	193,367	718,139	-	1,261,787	1,421,017
Spare parts and maintenance	110,144	1,890	372,692	307,898	792,624	599,723
End of service indemnity	30,251	17,251	56,325	-	103,827	119,862
Insurance expenses	4,948	206	13,571	-	18,725	18,954
Geophysical and reservoir studies	-	-	-	-	-	146,288
Unsuccessful gas well expenses amortization (Note 7)	-	-	-	-	-	1,301,524
Total operating expenses	519,819	222,579	1,330,409	1,522,688	3,595,495	5,164,493

**(14) INCOME TAX**

The income tax provision for the period ended 30 June 2023 was calculated in accordance with the Income Tax Law No. (34) for the year 2014 and its amendment and as mandated by the Concession Law No. (1) for the year 2010 which states that the statutory income tax rate for the Company is fixed at 15% of taxable income related to its operations under the Concession in addition to a national contribution at a rate of 1% of taxable income.

Movements on the provision for income tax during the period / year were as follows:

	30 June 2023 JD (Unaudited)	31 December 2022 JD (Audited)
Beginning balance for the period / year	712,490	956,324
Income tax expense during the period / year	496,130	712,490
Prior year income tax	-	661,555
Paid during the period / year	(284,996)	(1,617,879)
Ending balance for the period / year	923,624	712,490

The Company has submitted tax returns up to the year 2022. The Company did not obtain a final clearance from the Income Tax Department up to the date of these interim condensed financial statements.

The Company obtained final clearance from the Income Tax Department up to the year 2021.

**NATIONAL PETROLEUM COMPANY- PUBLIC SHAREHOLDING COMPANY**  
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**(15) CONTINGENT LIABILITIES**

As at the date of the interim condensed financial statements, the Company had the following contingent liabilities:

	30 June 2023 (Unaudited)		31 December 2022 (Audited)	
	Amount JD	Cash margin JD	Amount JD	Cash margin JD
Letters of guarantee	1,143,000	58,100	1,143,000	65,100
Letters of credit	-	-	905,526	27,165

**(16) RELATED PARTY TRANSACTIONS**

Related parties represent, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of the transactions with related parties are approved by the Company's Board of Directors.

Related party balances included in the interim statement of financial position:

	30 June 2023 JD (Unaudited)	31 December 2022 JD (Audited)
<b>Current Assets -</b>		
Central Electricity Generating Company (associate of Government Investments Management Company)	-	2,393,431
National Electric Power Company (Subsidiary of Government Investment Management Company)	8,381,289	551,621
Ministry of Energy and Mineral Resources	2,119,759	3,845,356
<b>Current Liabilities -</b>		
Due to Ministry of Finance	6,697,645	6,275,421

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Related party transactions included in the interim statement of comprehensive income:

	For the six months ended 30 June	
	2023	2022
	JD	JD
Gas invoices billed to Central Electricity Generating Company (associate of Government Investments Management Company) (note 11)	-	8,757,210
Total gas invoices billed to National Electric Power Company (Subsidiary of Government Investment Management Company) (note 11)	8,381,289	-
Hashemite Kingdom of Jordan – Ministry of Energy and Mineral Resources (Hamza field project income) (note 12)	106,093	481,082
Hashemite Kingdom of Jordan – Ministry of Energy and Mineral Resources (Sarhan field project income) (note 12)	2,322,848	-
Jordanian Government share for the period (note 11)	1,676,258	1,751,442
Key management salaries and other benefits	187,805	157,143
Board of Directors fees	9,000	9,000
Board of Directors transportation	18,500	16,300
Board of Directors remuneration	675	975

**17. FAIR VALUE FINANCIAL INSTRUMENTS**

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash at banks, accounts receivable, and some other current assets. Financial liabilities consist of accounts payable, balance due Ministry of Finance and some other current liabilities.

The fair value of the financial instruments is not materially different from their book values as of the date of these interim condensed financial statements.



**NATIONAL PETROLEUM COMPANY- PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2023 (UNAUDITED)**

The table below shows the book value and fair value of the financial assets and liabilities which is not measured on continuous basis as of 30 June 2023 and 31 December 2022:

	30 June 2023		31 December 2022	
	Book Value	Fair Value	Book Value	Fair Value
	JD	JD	JD	JD
<b>Financial Assets -</b>				
Accounts receivable	10,507,883	10,507,883	6,796,542	6,796,542
Other current assets	1,558,078	1,558,078	1,542,430	1,542,430
Cash at banks	9,995,797	9,995,797	11,707,267	11,707,267
<b>Financial Liabilities -</b>				
Accounts payable	14,410	14,410	23,686	23,686
Due to Ministry of Finance	6,697,645	6,697,645	6,275,421	6,275,421
Other current liabilities	640,905	640,905	467,630	467,630

**(18) LITIGATION**

The Company is a defendant in a number of lawsuits totaling JD 86,058 as at 30 June 2023 (31 December 2022: JD 37,796). Management and legal consultant believe that the provision booked is sufficient to meet the obligations that may result from these cases. The Company has no lawsuits filed against others as at 30 June 2023 (31 December 2022: nil).

**(19) STATUTORY RESERVE**

The Company did not provide for any statutory reserve according to the Companies Law as these financial statements are interim financial statements.

**(20) SEGMENT INFORMATION**

As shown in the interim statement of comprehensive income, the Company's operations are limited to the activity of extraction and sale of gas in Jordan and their operations do not include other segments.

**(21) TEMPORARY STOPPAGE OF THE PRODUCTION DURING THE YEAR 2022**

On 18 October 2022, the Company's gas production and supply to the Central Electricity Generating Company was stopped in accordance with the letter of the Minister of Energy and Mineral Resources No. (٢٢/٩/٦٨٩٩/ع م ن) dated 29 September 2022 which referred to the letter of the CEO of the Central Electricity Generating Company No. (6/1/27/1938) dated 27 September 2022, which includes disconnection of the fourth and fifth gas units in the Risha station from the electrical network by the end of 17 October 2022, The Company's gas production continued to be stopped for a period of (65) days, which negatively affected the gas sales as a result of the government's decision to transfer the ownership of the gas units from the Central Electricity Generating Company to Al-Samra Electricity Generation Company.

The Company has signed gas sale and purchase agreements with the National Electricity Power Public Shareholding Company to supply the Company's gas produced through the operator - Al-Samra Electricity Generation Company - with a maximum quantity of 18.5 million British Thermal Units per day, subject to increase up to 120% of the amount agreed upon with the approval of both parties. The gas selling price is determined according to the Petroleum Derivatives Pricing Committee assigned by the Council of Ministers. The term of the agreement is valid from 21 December 2022 to 31 December 2027.

The Company is in the process of concluding several gas sale and purchase agreements with several parties. An agreement was signed with one of the Companies to purchase quantities equivalent to 12 million British Thermal Units per day. The Company's management expects to start on these agreements during the last quarter of 2023.