

CLONTARF

Energy PLC

2020

Reports and Consolidated Financial Statements



Cover image: BOLIVIAN HIGH GRADE, LOW IMPURITY SALT-LAKE

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for the year ended 31 December 2020

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Chairman's Statement

for the year ended 31 December 2020

As I wrote the Chairman's Statement one year ago the world was in a turbulent state. Thousands dying, the world economy imploding and nothing but doom and gloom everywhere. One year later, thanks to the brilliant minds of two Turkish doctors and one Hungarian creating the MRNA vaccines, two of the three, female, there is hope and optimism. Technology and production facilities were mobilised to do in months what previously took years. Already economies are opening up, and indeed booming. World growth rates for 2021 are being revised upwards and in those countries with high levels of vaccinations, growth rates will surpass anything seen in recent decades. For commodities, unprecedented falls in demand are being replaced by rapid growth. There is discussion of a Super Cycle in commodities.

Exploration companies live on hope and optimism. As well as hope, we sell romance, mystery and potential. The collapse in exploration was understandable and the lifeblood of speculative investing has yet to return, though there are a few positive signs.

Clontarf is an early stage explorer. Clontarf has ongoing interests in an oil block offshore Ghana and in proposals for lithium brine in Bolivia. You will note in the Review of Operations that we have revisited Chad, an emerging oil producer, and are part of a consortium bidding for offshore acreage in Nigeria.

For more than a decade we have tried to ratify a 2010 agreement on Tano block 2A offshore Ghana (60% Clontarf). It is a good block which explains why various interests want to be involved. Progress had been made in late 2019 and early 2020, however the cessation of international travel has stopped essential meetings. Zoom and telephone calls continue but face to face meetings are required. After more than a decade of frustration I cannot offer a timetable to a solution. But the Tano acreage offers upside.

Lithium in Bolivia is a very exciting possibility. The battle between Petrol / Diesel and Electric Engines is won by Electric Vehicles. It will take time and there will be delays but within the foreseeable future automobiles will be electric.

Electric engines need lithium. It is in scarce supply. Bolivia is known to hold 60% of world resources in the form of lithium brines in numerous salt pans high in the Andes. Therein lies some of the issues. The deposits are often at elevations above 14,000 feet with no infrastructure, little water and lower oxygen – not easy. Further some of the brines contain elements which make processing to battery grade lithium difficult. Clontarf have worked for a decade with various authorities in Bolivia. In recent times we have focused on smaller salt pans containing higher grades and purer brines. We have worked with the current authorities to submit proposals acceptable to the government who are keen to maintain majority control. We have brought skills to the country and believe that we can work together to develop the lithium industry. It will happen, we would like to be part of it.

Two decades ago we were active in Chad, a landlocked country in the Sahel Desert. Oil was discovered and developed by multinationals. Problems arose and development stalled. We have returned to the country and believe that significant opportunities exist. Working with local partners we have presented non-binding proposals to the Chadian authorities to acquire an exploration block. It is early stage and there is no guarantee that a successful outcome will be achieved. Further updates will be provided if appropriate.

Similarly, in Nigeria, we are once again active. We are part of a local consortium which has submitted a non-binding bid for an offshore block. Again, it is early stage and there is no guarantee that a successful outcome will be achieved. Further updates will be provided if appropriate.

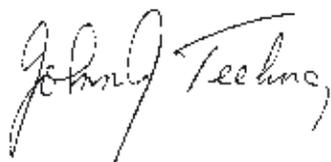
Conclusion

The world is in a far better state now than this time last year. Hope has replaced fear. Once again spending is rising as pent-up demand bursts forth. The oil price is at a level attractive to new investment. The structural move to electric vehicles (EVs) offers major possibilities for lithium producers.

Chairman's Statement *(continued)*

for the year ended 31 December 2020

Exploration companies spend money usually without any revenue. Clontarf is fortunate with a listed share which has significant market liquidity which allows the raising of fresh capital. We are fully funded, after a recent funding in May 2021, for at least the next eighteen months.



John Teeling
Chairman

Date: 18 May 2021

Review of Operations

for the year ended 31 December 2020

Clontarf Energy plc Review of Operations and Potential Opportunities

Our main focus in the period under review was on ratifying the signed Petroleum Agreement Ghanaian offshore Tano 2A Block, signing a Memorandum of Understanding on choice sedimentary acreage, close to existing infrastructure in southern Chad, while proceeding with our long-standing project to explore and develop mid-sized Bolivian lithium salt-lakes.

Clontarf Energy plc maintains cordial communications with the relevant authorities in all three countries, despite personnel changes and prevailing circumstances, and continues to operate efficiently on minimal expenditure.

Clontarf has also submitted a non-binding proposal, as part of a consortium, in the Nigerian oil & gas Bid Round process.

COVID-19 implications:

The pandemic impacted industry operations: Clontarf Energy plc's office stayed open and staffed during the COVID-19 (C-19) pandemic, supplemented with flexible work remotely. During 2020/21, business travel for face-to-face meetings has often been difficult or impossible. However, Clontarf Energy plc directors and contractors seized periodic opportunities for worthwhile business travel, conducting visits to Ghana, Chad, and Bolivia. As of May 2021, testing, quarantine, and documentation requirements remain onerous.

So far, both Ghanaian (777 deaths of 30 million population) and especially Chadian (167 deaths of 15 million) authorities report relatively modest C-19 casualties and disruption – at least compared to Europe. A greater concern for Chad was the death in battle of the Chadian president in April 2021, while commanding security forces against jihadis; the late president's son smoothly succeeded, with plans for internationally supervised elections within 18 months.

Investor appetite for oil explorers was further impacted by a sudden demand collapse in the first half of 2020, mainly due to lock-downs, and de-stocking – rather than any structural change in oil consumption. The annual fall in demand for barrels was less than many predicted (excepting aviation fuel), while demand for some petrochemicals was helped by pandemic-driven need for PPE, security screens, ethanol. Cleaning agents, etc. The bigger impact, however, was in provoking a breakdown of the prior OPEC + Russia supply limitations, leading to a price war, which briefly put the US financial price (WTI at Cushing, Oklahoma) of oil negative (for May 2020 delivery), as dominant players used their storage muscle to squeeze speculators.

Once output discipline was restored from May 2020, prices quickly stabilised. Saudi Arabia even unilaterally cut output by nearly a further one million barrels daily from September 2020 – effectively returning to the pre-1985 days of Saudi price leadership. As of end April 2021, the international price (Brent) is c.\$65 – about twice the real average oil price since 1980. Obituary notices for oil demand were premature.

Crude oil demand for 2020 was down by 10% - three times the worst quarter previously experienced at the end 2009. By early 2021, the Asian market had recovered, with Chinese demand again growing (27% for LNG). Periodic shut-downs and vaccine delays has kept average global demand about 5% below 2019 levels. Expectations are for strong demand recovery from late 2021, as trade and tourism recover.

Convergence of C-19 demand cuts, the 2020 oil price war, and environmental queries dramatically cut exploration activity, and delayed necessary developments. Asian demand has already recovered, and global consumption is expected to be above 2019 levels by 2022 (except for aviation fuel). However, necessary new projects have long lead-times, while underinvestment is expected to create a 10 million barrel daily supply shortfall by 2030.

Delays sometimes help producers by facilitating smarter tax treatment and improved technology (as with floating LNG platforms off the North West Australian coast). But current industry estimates are that an additional \$5 trillion of investment is required to meet 2030 requirements.

The collapse of speculative interest in the sector, and a depressed farm-out market, hurt immediate exploration – though currently low steel, services and salary rates are unlikely to endure.

Meanwhile, governments from Nigeria to Mexico are under pressure to sweeten fiscal terms – though this is difficult for populist politicians to grasp or explain.

C-19's impact on Bolivia (13k deaths out of 11.5 million population) was much greater than in Chad or Ghana. However C-19's impact on business was dwarfed by various electoral delays and disputes between September 2019 and January 2021. This uncertainty was resolved by a decisive 55% electoral victory of a modernised MAS party, under new leadership, in late-2020 elections, which have been accepted domestically and internationally.

Review of Operations *(continued)*

for the year ended 31 December 2020

The new Bolivian administration brings a fresh, pragmatic desire to convert Bolivia's acknowledged lithium potential into exports of battery-grade lithium. This is now a critical need for developed economies, if they are to achieve targeted penetration of lithium-ion battery powered Electric Vehicles (EVs), portable electronic equipment, and grid power storage to facilitate penetration of intermittent renewable electricity generation.

Bolivia seems determined to transform its resource dominance into a vibrant industry providing employment and wealth to local people. Since January 2021 we have extensively revised and updated our exploration and development proposal to expedite the process so as to meet the objective of early exports of battery grade lithium, while respecting Lithium Laws. It is also possible that the Lithium Law itself will be streamlined, so as to achieve Bolivia's objective of becoming a major lithium exporter.

Ghana – developments delayed

Clontarf Energy plc, and its partners, are ready to advance the Ghana Tano 2A work programme, subject to securing the necessary funding in an environment complicated by prevailing circumstances, as soon as the signed Petroleum Agreement is ratified.

Despite volatile oil prices, the carefully calibrated Ghanaian fiscal terms help make the Tano Basin oil play feasible, given the demonstrated source rock and Cretaceous sands which remain an industry favourite. Indeed, the industry's exploration contraction may assist Clontarf's focused strategy on the bigger potential stratigraphic traps.

Ghana achieved much after 2007, ramping oil production up to 215 kbpd by 2020. Jubilee started producing in 2010, just 3 years after discovery. Non-associated Sankofa gas (operated by the ENI, with World Bank finance) generates electricity cleanly and competitively. A further discovery well (Afina-1, at 4,085 meters depth) was announced by independent Springfield in 2019.

Unfortunately, a slow ratification process, exacerbated by conflicting policies, stymied efficient development: progress stagnated after 2018, and output slipped below 200kbpd. Jubilee's topside issues constrained water injection, and gas output stalled, when Ghana Gas prioritised Sankofa gas over Jubilee gas. A contributing factor was the former Energy Minister's desire for joint development of the Sankofa/Afina fields, which (with C-19 and a volatile oil price) contributed to a temporary exploration shut-down during 2020.

The Aker Energy operated Pecan field has been delayed, and split into northern and southern developments. But Ghana's Tano basin remains highly prospective, and Tullow's Greater Jubilee production ramp-up could boost output in 2021-2025.

How does Clontarf share in this expansion?

High-level official meetings immediately prior to and during the pandemic were productive. We understand that new shareholders in our 30% partner (Petrel Resources plc) in the Tano 2A Block, helped the Tano 2A Operating Company (Pan Andean Resources (Ghana) Ltd.) overcome financial capacity concerns following volatile oil prices and market capitalisation.

The Company also notes the passing of insolvency legislation that may assist in the recovery of all of Clontarf's original Tano 2A coordinates. There now appears to be a legal structure enabling the authorities to recover 529km² of the original acreage Tano 2A acreage over which Clontarf signed, with partners, a Petroleum Agreement, and which is now awaiting ratification.

During productive discussions in December 2019 on the early resolution of all outstanding issues, Clontarf's 60% owned project company, Pan Andean Resources (Ghana) Ltd. requested to finalize and implement the negotiated Petroleum Agreement on Tano 2A Block, with adjusted coordinates, in accordance with Section 10(9) of the Petroleum Exploration & Production Act 919, 2016.

It seems that the most practical way forward is to assume the available acreage as per the Ministry of Energy.

Tano 2A Block, Tano Basin, Ghana

The Joint Venture (JV) group, which consists of Clontarf 60%, Petrel Resources plc 30%, and local partner Abbey Oil & Gas 10% negotiated a Memorandum of Understanding (MoU) with GNPC in 2008, and signed (subject to ratification) a Petroleum Agreement in 2010.

The original 1,532km² in Tano 2A Block included 40% (less prospective onshore – since there are limited sediments from the target Cretaceous age), and 60% shallow offshore. The fillet of this original acreage was excised in 2014 and granted

Review of Operations *(continued)* **for the year ended 31 December 2020**

to the then Camac, now Erin Energy Inc., an American-listed company then controlled by Nigerian interests, which later entered Chapter 11 bankruptcy. The Ghanaian authorities are recovering this acreage, since the company is in default – both (a) of its work programme and (b) by ceasing to be solvent – but this has been a slow process, without clear deadlines. In discussions, GNPC and the Ministry offered to return this acreage to the JV group once it was again available. We understand that the recently passed bankruptcy legislation may assist.

The fiscal terms were agreed before many of the Tano discoveries (other than the original Mahogany – now renamed ‘Jubilee’) had become public.

The work programme was aggressive (by the standards of the time), including 2D seismic and a well commitment, but it was not bonded (other than by corporate guarantees).

Part of the Petroleum Agreement is a once-off “technology” grant (of US\$0.5mm) and “training” (of US\$0.2mm yearly) payments, together with land rentals, and standard fees.

Under previous administrations, the authorities raised periodic objections, usually concerning bonding (though this had been agreed to be unnecessary in the signed Petroleum Agreement), the market capitalisation of the original vehicle (Pan Andean Resources plc), they have encouraged us to admit additional Ghanaian partners – though to date these have proven to be ultimately Nigerian or other companies lacking substance.

The Company has had some initial partnership discussions with potential partners but could not advance these without full ratification of title. About 60% of Ghanaian Tano wells have been successful. Fiscal terms, in spite of upward creep, and lower oil prices, are competitive.

The current status of Tano 2A Petroleum Agreement, in which Clontarf has a 60% Working Interest, is that it awaits ratification (by passage through Cabinet and Parliament), after which there are exploration periods of 3 years initial term, plus 2 extension periods of a total 3.5 years.

In September 2018 Clontarf agreed that it could proceed with that portion of the original acreage that remains available – with the balance to be added when it is relinquished by Erin Energy (now in Chapter 11 bankruptcy), in accordance with law.

After a period of slow progress, Ghana’s current NPP Government sought to galvanise licensing. The administration is pro-development, and actively reviewing historic Petroleum Agreements, with stated focus on early exploration, discoveries and output. During 2018 the Ghanaian Ministry of Energy and the Ghanaian National Petroleum Commission considered the current re-application by Pan Andean Resources over the original Tano 2A licence block acreage in the prospective Tano Basin.

There seems a mutual desire to complete the ratification process. Our preference is to honour, as far as possible, the terms of the existing signed Petroleum Agreement, adjusting the revised coordinates and any other fine-tuning necessary.

Pan Andean Resources Ltd. purchased available reports and seismic data from GNPC for the Tano 2A onshore and shallow offshore area. The 45 reports purchased from GNPC, mostly containing raw geological data, together with the well logs, have been studied and incorporated within a prospect report. The well data have also been integrated into a number of cross sections. New structural models were developed, taking into account the known structural data, together with an analysis of play categories on the licence.

One constraint was that the historic 4 seismic campaigns (all 2D – there was no 3D over this acreage) over the original 1,532km² of Tano 2A Block are now regarded as “old data”. Access is not free, and GNPC was missing some key data. Quality control was variable, and some of the seismic data did not belong to the operators – though this is not unique to Ghana.

The seismic work was sometimes not well supervised, and the key work was under state aid to Ghana, and therefore imperfectly conducted.

But we reprocessed the data at the GSC (Input-Output) offices in Amman – which were excellent, and eventually merged the various lines.

That is why we included a new seismic 1,000km 2D programme in the agreed work programme – which will allow us to work up drillable targets. Much seismic, including 3D, has been done since 2005, which will help when acquired.

Review of Operations *(continued)* **for the year ended 31 December 2020**

It makes little sense to acquire 3D seismic in a shallow surf zone, such as in the shallow offshore of Tano 2A.

However, the Tano shelf plunges quite deeply on that acreage so any major company will want 3D before they will drill – though structure size tends to be big in Ghana Tano Basin, the edges of stratigraphic traps are hard to identify.

Generally, the closer to existing discoveries the more prospective – both technically, and for access recent seismic and drill logs.

Nevertheless, oil men understand that Tano remains prospective despite these challenges – the wildcat hit rate was an excellent 66% for Tullow during the most active exploration phase.

Accordingly, Pan Andean Resources Ltd. prepared digital base maps for the onshore and offshore areas, incorporating seismic lines and wells, and all available topographic data. All the data are held within a multi-level GIS system. In addition, satellite images covering the licence area and surrounding region have been acquired and processed. The images have been interpreted for elements of structural geology and have also been used to geo-rectify the base maps.

Ghana remains an attractive province, especially as many oil companies retreat from dying basins like the North Sea, and seek higher potential in relatively unexplored regions.

Chad:

One of the great exploration stories of the 21st century will be the unexplored interior basins of Africa. Our group has long been interested in Chad, despite logistical and security issues, provided we have access to export pipeline capacity, and sedimentary basin close-by.

Conflict has decreased, but not ended. Nigeria had halted exploration in its part of the Chad Basin, but is now targeting that area with renewed effort

International majors have operated in Chad. Shell and Total withdrew in 1999, due to regional conflict. The Exxon, Chevron and Petronas consortium then dominated, constructing the Cameroon export pipeline. In 2006 Chevron and Petronas left after a tax dispute. Both later reappeared, although Chevron eventually sold its interest in the consortium to the government. The Chinese entered Chad in 2006, and are now the leading industry player.

The majors' retreat opens opportunity for juniors: Exxon seeks to rationalise its properties, influenced by decreasing production from operated fields (having earlier been obliged to drop exploration acreage), so as to concentrate on mega discoveries elsewhere. Petronas shifts its focus to the Americas, whilst Glencore has so far enjoyed only modest success.

Chad is part of the West and Central Africa rift complex extending for 4,000km from Nigeria northwards to Libya and eastwards to Sudan and Kenya.

Oil exploration in the 1950s, during French colonial rule, resulted in discoveries in three areas in southern Chad - which were not developed, due to remoteness. After independence in 1960, Conoco made discoveries in the southern Doba Basin. Oil companies suspended operations during the 1970s Civil War, and little progress in exploration and development was achieved during the 1980s due to a conflict with Libya.

A new consortium, comprising Exxon, Chevron and Petronas, emerged in 2000, committed to drill further wells, and construct an export pipeline to the Cameroon coast. However, in 2006 a tax dispute resulted in the President ordering Chevron and Petronas to exit, although Exxon remained.

Review of Operations *(continued)*

for the year ended 31 December 2020



Chad-Cameroon pipeline

Construction of the Chad-Cameroon pipeline (1,090km) began in 2000, with funding from the consortium members (then Exxon, Chevron, and Petronas) and the World Bank. The pipeline was completed in 2003, with floating storage and offloading facilities near the Cameroon town of Kribi.

Improving relations with China brought the China National Petroleum Company (CNPC) into partnership with the Chadian National Petroleum Company in 2008. CNPC agreed to construct an oil refinery north of N'djamena with a capacity of 20,000 barrels per day. Despite disputes with the government in 2014 involving fines for alleged environmental infringements, CNPC remains active in Chad. Oil production in Chad began in 2003, reaching a peak of 200,000 bopd in 2004. This figure varies as fields declined, new fields came on stream and Enhanced Oil Recovery initiatives are introduced. 2017 production was ~114,000 bopd.

Petroleum Geology

Exploration identified five potential petroleum basins within Chad (Fig. 4). Of these, the three in the south of the country - the **Doba, Doseo and Bongor basins** - are related to part of the Central African Rift system. Production up to the present time has been confined to these basins and has been from the Cretaceous section. The Cretaceous rests on Palaeozoic and Precambrian basement. Following initial rifting, fluvial sands and gravels were deposited during the early-mid Cretaceous. These were overlain by a finer sequence of sands and shales, together with lacustrine sediments deposited in major developing lake environments. The deeper lakes preserved organic-rich sediments that later became oil source rocks on attaining thermal maturity. A Cretaceous section in excess of 4km thickness was deposited in the basin centres. Most of the

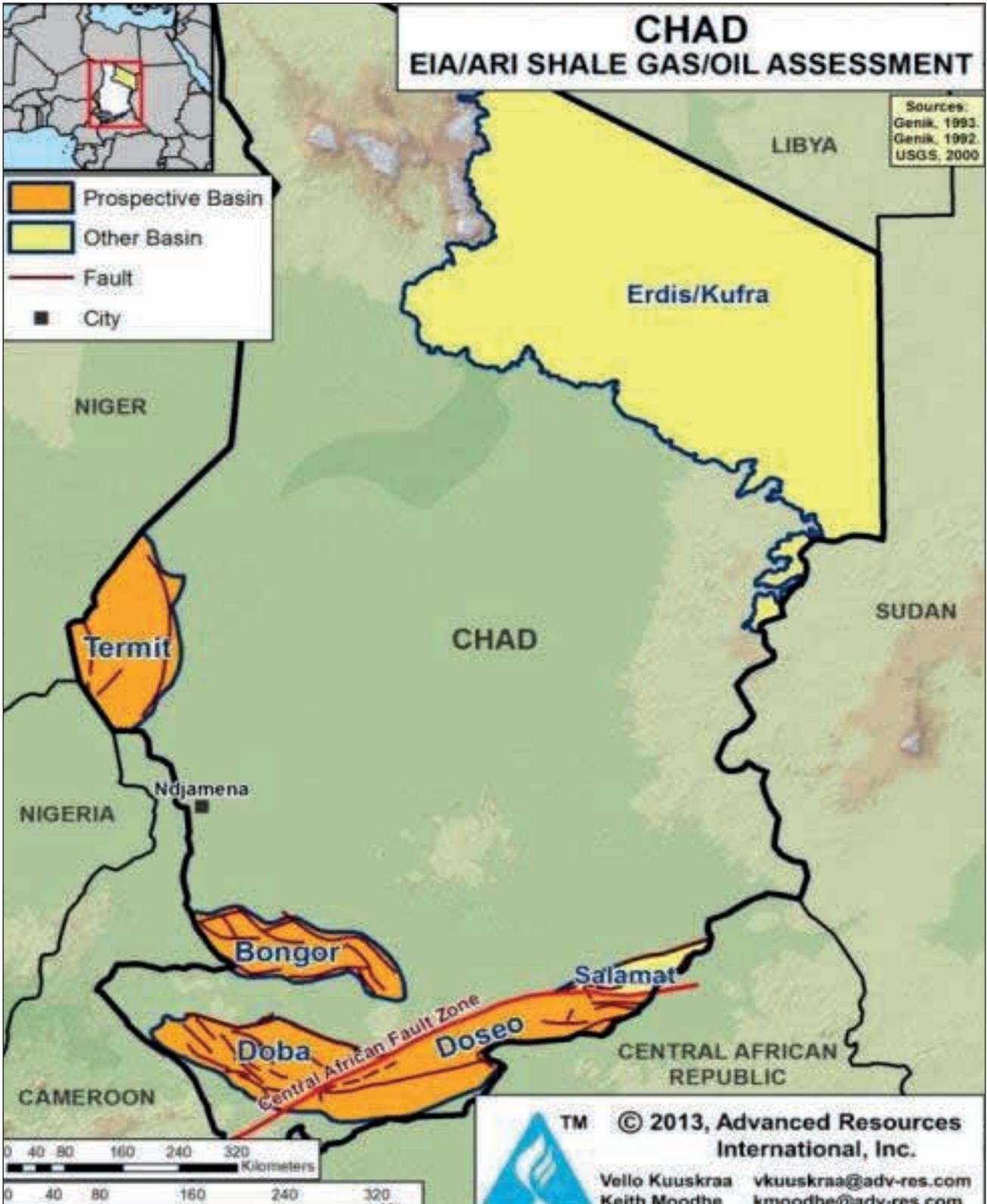
Review of Operations *(continued)*

for the year ended 31 December 2020

oils discovered in this group of sub-basin are relatively heavy (17-25 ° API), waxy, and under-saturated with gas. Reservoirs are provided by stacked fluvial sands. The traps are antiforms related to complex trans-pressional fault movements in the Tertiary, or fault-dip closures. The major discoveries in the Doba-Doseo basins are in late Cretaceous reservoirs, but a number of deeper wells have demonstrated further potential in the mid-Cretaceous section.

Source rock studies have shown that the Gongila and Bima formations and part of the Fika Shale Formation are within the oil window. The upper part of the Fika Shale Formation has the best source rock potential in terms of organic carbon content.

Review of Operations *(continued)* for the year ended 31 December 2020



Review of Operations *(continued)* **for the year ended 31 December 2020**

Petroleum Potential

The US Energy Information Administration estimate that *40 Billion Bbls of oil and 40 Tcf of gas* could reasonably be anticipated within conventional reservoirs in the Bongor, Doseo, Doba and Termit basins, of which 10 Billion Bbls of oil and 20 Tcf of gas might be recoverable. This represents a considerable undiscovered conventional resource. In addition, unconventional resources of shale oil and shale gas may also be present. BP statistical reviews suggests that of the 1.5 Bn Bbls of proven reserves in the producing fields of the southern basins, only 40% has been produced.

There is potential for major discoveries within the productive basin areas in Chad. The eastern Salamar sub-basin extension of the Doseo Basin appears under-explored, and the Termit Basin (where discoveries remain as contingent resources) has future potential.

This exploration potential in Chad suits Clontarf Energy plc. The location of exploration blocks is crucial, as are the terms. Thus we prefer the known productive basins and avoid higher risk areas such as the Erdis Basin in the north of the country.

In December 2020, Clontarf Energy plc signed a Memorandum of Understanding over the remaining sections of sedimentary basin close to the oil export pipeline.

Clontarf Energy plc work during 2020 confirmed that

- The major basins are fault-bounded grabens.
- The Doseo Basin and its bounding faults trend NE-SW, with a well-developed complementary NW-SE fault set within the basin.
- Closed structures within the Doseo are often associated with faults and commonly are roll-over anticlines.
- The main producing fields lie within the central part of the basin.
- Drill depths are modest – in the order of 3,000 metres.
- The Doba Basin, and many faults internal to the basin, have a NW-SE trend, with an E-W fault set also developed. Closed structures are again fault-related.

Regarding, the southern margin of the Doseo Basin, evidence from acreage further east shows a shallowing of the productive section towards the southern boundary faults.

So, despite political and logistical challenges, Chad offers considerable potential.

Lithium in Bolivia

Much of the world's economic lithium resource is in south-western Bolivia and neighbouring countries. Clontarf plans to participate in the coming lithium boom.

Clontarf and its processor companies operated in Bolivia since 1988. No other lithium player equals this record. The group's interest in evaporites dates from 1994.

Like most of the natural gas industry, Clontarf's subsidiary, Petrolex SA, was made unwelcome by the new radical indigenous government after 2006. Accordingly, Clontarf reluctantly withdrew from Bolivia without prejudice in 2013.

Nonetheless, the Group's work on evaporites since 1994, and Memorandum of Understanding with the Bolivian military between 2008 and 2011 (reluctantly dropped by both parties when the then government pursued 100% state control), established Clontarf's credibility. When the new State lithium company YLB, established in 2017, opened to foreign investment in 2018, Clontarf seized the opportunity to lever its country and industry expertise.

Respecting the Bolivian Lithium Law, Clontarf submitted proposals on select salt-lakes before the end-2019 Bolivian General Election. This was updated following discussions with the newly elected government in 2021.

Clontarf Energy Plc proposes exploration and development of salt lakes in three phases: exploration, pilot plant processing and industrialisation.

A secondary objective of the sampling was to establish the brines' chemical composition.

Results are interesting though not yet conclusive. We propose to conduct a 3D evaluation of several salt lakes.

Review of Operations *(continued)* **for the year ended 31 December 2020**

To confirm how Lithium salts can be concentrated and recovered, we are working with research laboratories, expert in bench testing through pilot plant work.

Since lithium extraction depends on brine composition, we analyse brines throughout the production process - which include traditional evaporation, as well as alternative techniques. Among the processes of potential are:

- Li recovery evaporation to produce lithium carbonate (LiCO₃).
- Li recovery through ion exchange.
- Li recovery through solvent extraction.
- Li recovery through membrane technology.
- Direct production of lithium hydroxide (LiOH).

Weather stations in each salt lake will establish annual weather information via automatic data collection. Instruments collect temperature, wind strength and direction, barometric pressure and humidity, as well as precipitation and sun radiation.

The two dimensional areal extent of a salt flat is relatively easy to measure, while three dimensional volume is more difficult. The most efficient way to estimate the shape and depth of the individual salt flats basins is by airborne gravity study. We will complete airborne gravity surveys over the salt flats to be drilled.

We plan about 2,000 line km of airborne gravity surveys to survey targeted salt flats.

An important variable is the water balance: how much water enters the salt lake, less what evaporates. This defines the maximum brine which can be extracted from the salt lake sustainably. Establishing water balance requires regular sampling of surface drainage along the edge of salt lakes as well as multiple point evaporation points within the salar. For reliable calculation data collection has to be done at least 4 times yearly over a couple of years so this data collection should start as soon as possible.

The primary drilling objective is to identify aquifer paths within the salt lake. Regular brine samples collected during drilling will be analysed to establish brine chemical characteristics, and whether these are different from samples sent to laboratories for bench tests. If there are chemical differences between the brine aquifers and the surface brine samples used in the bench test additional bench will be required to address the chemical differences for the final pilot plant design and with multiple aquifers of different chemical composition also Pilot Plant daily feed mix.

Drilling will include both monitoring holes and pump holes: Pump holes are large diameter holes for lowering of pumps for measuring the brine draw down in adjacent and farther away monitoring holes.

The aquifer definition and pump tests lead to the independent reserves and resources estimation. Drill holes density defines the reserve and resource category that can be defined by the estimation. The higher the drill holes density is the higher reserves and resources categories can be estimated.

The higher reserves and resources categories defined, the better the independent Feasibility Study will be in designing all aspects of commercial operations, capital costs and operation costs. Higher reserves and resources categories will also reduce the risk of surprises during commercial operation of Li extraction in the future.

Work on potential borax fertilizer by-product will be deferred to post Lithium production start-up.

The Construction period for most salt lake commercial Li production is two to three years.

The rapid growth in battery-powered electric vehicles (EVs) to over 5.2 million vehicles worldwide by 2020, albeit from a small base, is generating high demand growth for scarce minerals with which Clontarf is familiar – especially battery-grade lithium and cobalt – as well as vanadium, zinc, and copper.

EVs are still an enigma: electric motors are efficient converters of power into torque, but power must be generated and transmitted.

Electric cars offer advantages: it is far easier to build state-of-the-art electric motors than petrol or Diesel internal combustion engines (ICEs). Electric motors generate maximum torque immediately – though tyres take time to grip, as with conventional vehicles. Electric motors are far more efficient (< 90%) than Internal Combustion Engines (35% - 50%) but the electricity

Review of Operations *(continued)* **for the year ended 31 December 2020**

must first be generated (typically 30% to 55% efficiency) and transmitted and/or stored – which is typically only about 70% efficient. So much energy is lost by all vehicle types.

Power storage remains the key problem: existing battery technologies are inefficient, heavy, and expensive. But faster and more efficient charging technologies are being developed.

For the fast growth electric vehicles and electronic devices market, ‘Lithium ion technology’ is the best economically feasible solution developed so far, though it has ‘only’ quadrupled its performance since 1992. As the lightest metal, lithium contains comparable energy potential to petrol. Safety requires the dilution of lithium into lithium salts, and the addition of cobalt to render the release and recharge of the batteries safe. Compared to alternatives, lithium ion technologies offer a weight advantage.

The appeal of electric vehicles is that they are emission-free at the point of use – though the electricity must be generated and transmitted. There is also storage capacity in EVs (including buses & taxis). But stationary batteries share the same efficiency loss (>30% loss) - which is aggravated if you expend energy moving storage batteries around.

The power supply concept is that daytime higher demand generation goes to the grid, while night-time lower demand generation goes to public transport EVs operating as mobile storage.

Emissions are currently moderately taxed (via carbon taxes and excise duties) and thus largely an externality - but the opportunity emerges as taxes on emissions rise or as emissions are disallowed - e.g. France plans banning sales of petrol and diesel vehicles post-2040, while Britain has promised 2030.

Any plausible demand forecast anticipates market needs greatly in excess of current supplies. Very aggressive forecasts may be hindered by lower oil prices after 2020 but official support, especially in Europe, remains strong.

Lithium from salt pan deposits is in high demand – though processing issues remain.

Subject to likely legal framework improvements, Clontarf plans to complete an exploration and laboratory work programme on a select group of salares, if required by law produce an initial precipitate product as an Engineering, Procurement and Construction (EPC) contractor, and then produce additional, enhanced high performance precipitated and processed salts as a joint venture partner. This formula fits with the spirit and letter of current Bolivian legislation, and offers a sustainable route to participate in the coming lithium ion battery boom.

There is no quick and easy way to process brine to produce Li. Each brine is unique, and the differences matter, as tests (such as the new German, and American technologies) show. Additional work is necessary to streamline evaporation, reduce costs and boost yields.

Bolivia needs effective exploration before attracting existing lithium producers, and battery manufacturers, in order to achieve the stated national ambition of moving from exploration to domestic production and value added.

Clontarf’s preference is to identify potential for improvement on the model used in similar Chilean and Argentine deposits to define resources and reserves with a pilot plant mainly designed for LiCO₃ output. The Group has, as yet, limited expertise in battery production, but are close to the leading Lithium metal and battery producers. They target involvement after successful completion of the first phase of exploration.

Clontarf plans to finalise a strategic alliance with leading Lithium metal / Lithium-ion battery producers for the advanced stage development, and may include a global car manufacturer to off-take and finance Lithium-ion battery production in Bolivia. The anticipated global demand surge is greatly in excess of current quality, purity and volume capacity. These manufacturers are anxious to secure a reliable supply of adequate high purity LiCO₃. Clontarf has the experience, presence and vision to help bring these diverse needs together.

The optimal way to exploit smaller salares is to cooperate with other potential LiCO₃ producers in order to achieve world scale LiCO₃ output necessary to sustain a battery factory in the Bolivian Altiplano.

Clontarf expects the new government to enact legislation to encourage investment for a mega Lithium-ion battery factory, which can be expanded with growing LiCO₃ production for the benefit of Clontarf, Bolivia, Lithium producers and battery producers.

Review of Operations *(continued)* **for the year ended 31 December 2020**

While evaporation of LiCO₃ is the primary initial goal of the Group's exploration, Clontarf continues to investigate alternative or supplementary lithium recovery technologies including membranes, electrolytic processes, and solvent extraction.

In summary, Clontarf progresses its interests in Bolivia, Chad and Ghana, maintaining cordial communications with the relevant authorities, and continues to operate efficiently on minimal expenditure.

Strategic Report

for the year ended 31 December 2020

The directors present their annual report and the audited financial statements of the Group and Company for the year ended 31 December 2020.

STRATEGY

Our strategy is the appraisal and exploitation of the assets currently owned. Concurrent with this process, the Group's management expects to continue to use its expertise to acquire further licence interests for lithium, oil and gas exploration. The Group has exploration interests in Ghana and Bolivia.

BUSINESS REVIEW

Clontarf Energy plc is a UK registered company, focused on lithium, oil and gas exploration. Further information concerning the activities of the Group and its future prospects is contained in the Chairman's Statement and the Review of Operations.

The loss after taxation for the year amounted to £361,308 (2019: £308,535).

The directors do not propose that a dividend be paid (2019: £Nil).

FUTURE DEVELOPMENTS

The directors intend to continue their involvement with the projects as disclosed in the Chairman's Statement and Review of Operations. They continue to seek further acquisition opportunities in relation to oil and gas exploration.

KEY PERFORMANCE INDICATORS

The two main KPIs for the Group are as follows. These allow the Group to monitor costs and plan future exploration and development activities:

	2020	2019
	£	£
KPI		
Exploration and evaluation costs capitalised during the year	64,328	32,924
Ability to raise finance on the alternative investment market	-	-

In addition, the Group reviews ongoing operating costs which relate to the Group's ability to run the corporate function. As detailed in note 4, the directors expect that adequate resources will be available to meet the Group's committed obligations as they fall due. Further details are set out in the Review of Operations and Chairman's Statement.

ENVIRONMENTAL MATTERS

There is currently no impact on the environment as the Group has not commenced exploration or drilling. Any impact on environmental matters will be determined once exploration work commences.

IMPAIRMENT

The directors monitor and assess the recoverability of intangible assets and successful development of economic reserves. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognised to the extent that carrying amount exceeds recoverable amount. The recoverable amount is determined as the higher of fair value less costs of disposal and value in use.

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

The Company's securities are traded on the AIM Market of the London Stock Exchange ("AIM"). In line with amendments to the AIM Rules for Companies which came into effect from 28 September 2018 the Company has adopted the QCA Corporate Governance Code to ensure compliance with the new AIM rules.

Strategic Report *(continued)* **for the year ended 31 December 2020**

Information is available on the company's website and in the Corporate Governance Report from pages 23 to 26.

The Board is committed to maintaining appropriate standards of corporate governance and to managing the company in an honest and ethical manner.

The Board approves the Group's strategy, investment plans and regularly reviews operational and financial performance, risk management and health, safety, environment and community (HSEC) matters.

The Chairman is responsible for the leadership of the Board, whilst the Executive Directors are responsible for formulating strategy and delivery, once agreed by the Board.

The Group aims to maximise the use of natural resources such as energy and water, and is committed to full reinstatement as part of its environmental obligations, where applicable. The Group works towards positive and constructive relationships with government, neighbours and the public, ensuring fair treatment of those affected by the Group's operations.

GOING CONCERN

The Group's consolidated Financial Statements have been prepared on a going concern basis as detailed in Note 4.

The Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the financial statements.

In performing their assessment of going concern, the Directors have reviewed operating and cash forecasts in respect of the group's assets to 31 December 2020. The expected cash flows, plus available cash on hand, after allowing for funds required for administration and development costs and working capital requirements are expected to cover these activities.

The Directors are of the view that the Group is sufficiently funded for the twelve-month period from the date of approval of these Financial Statements. However, the Directors note that there are material uncertainties as set out in Note 4, which if any should eventuate, would require the Group to raise additional funds in 2021.

Although the Directors consider the likelihood of all uncertainties eventuating to be remote, they are confident additional funding can be accessed should it be required. On the basis of the considerations set out above, the Directors have concluded that it is appropriate to prepare the Financial Statements on a going concern basis. These Financial Statements do not include any adjustments to the carrying amount and classification of assets and liabilities that may arise if the Group was unable to continue as going concern.

FINANCIAL RISK MANAGEMENT

Details of the Group's financial risk management policies are set out in note 19.

DIVERSITY

Both Group and Company have only the directors as employees and 100% of the directors are male.

RISKS AND UNCERTAINTIES

The Group is subject to a number of potential risks and uncertainties, which could have a material impact on the long-term performance of the Group and could cause actual results to differ materially from expectation. The management of risk is the collective responsibility of the Board of Directors and the Group has developed a range of internal controls and procedures in order to manage risk. The following risk factors, which are not exhaustive, are the principal risks relevant to the Group's activities:

Risks and Uncertainties

Risk	Nature of risk and mitigation
Licence obligations	<p>When licences are obtained, operations must be carried out in accordance with the terms of each licence agreed with the relevant ministry for natural resources in the host country. Typically, the law provides that operations may be suspended, amended or terminated if a contractor fails to comply with its obligations under such licences or fails to make timely payments of relevant levies and taxes. The Group has regular communication and meetings with relevant government bodies to discuss future work plans and receive feedback from those bodies.</p> <p>Country Managers in each jurisdiction monitor compliance with licence obligations and changes to legislation applicable to the company and report as necessary to the Board once licences are ratified or obtained.</p>
Requirement for further funding	<p>The Group will require additional funding to implement its exploration and development plans as well as finance its operational and administrative expenses. There is no guarantee that future market conditions will permit the raising of the necessary funds by way of issue of new equity, debt financing or farming out of interests. If unsuccessful, this may significantly affect the Group's ability to execute its long-term growth strategy.</p> <p>The Board regularly reviews Group cash flow projections and considers different sources of funds. The Group regularly meets with shareholders and the investor community and communicates through their website and regulatory reporting.</p>
Geological and development risks	<p>Exploration activities are speculative and capital intensive and there is no guarantee of identifying commercially recoverable reserves.</p> <p>The Group activities in Ghana are in proven resource basins. The Group uses a range of techniques to minimise risk prior to drilling and utilises independent experts to assess the results of exploration activity.</p>
Title to assets	<p>Title to oil, gas and lithium assets in Ghana and Bolivia can be complex due to local practices.</p> <p>The Directors monitor any threats to the Group's interest in its licences and employ the services of experienced and competent lawyers in relevant jurisdictions to defend those interests, where appropriate.</p>
Exchange rate risk	<p>The Group's expenses are incurred in US Dollar, Sterling and Euro. The Group is therefore exposed to fluctuations in the relative values of the Euro and Dollar.</p> <p>The Group seeks to minimise its exposure to currency risk by closely monitoring exchange rates and maintaining a level of cash in foreign denominated currencies sufficient to meet planned expenditure in that currency.</p>
Political risk	<p>The Group holds assets in Ghana and Bolivia and therefore the Group is exposed to country specific risks such as the political, social and economic stability of this country. The countries in which the Group operates are encouraging foreign investment.</p> <p>The Group's projects are longstanding and we have established strong relationships with local and national government which enable the Group to monitor the political and regulatory environment.</p>
Covid-19	<p>General economic uncertainty following the unprecedented spread of Covid-19 across the world represents a risk for the Group. The Directors continue to monitor the situation closely.</p>

Risks and Uncertainties *(continued)*

Risk	Nature of risk and mitigation
Going Concern	Group cashflows are rigorously monitored and managed to ensure that Group is in a liquid position and able to meet its ongoing commitments. The Directors and management regularly meet to agree the appropriate course of action to ensure that any matters that significantly, positively and negatively, impact the cash generation of the Group, are resolved in the best interest of the Group and its shareholders.

Financial risk management Details of the Group's financial risk management policies are set out in note 19.

In addition to the above there can be no assurance that current exploration programmes will result in profitable operations. The recoverability of the carrying value of exploration and evaluation assets is dependent upon the successful ratification of licences, discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Group to raise additional financing, if necessary, or alternatively upon the Group's and company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write down of the carrying values of the Group's assets.

FORWARD LOOKING STATEMENTS

This Strategic Report contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration industry. While the directors believe the expectation reflected within the Annual Report to be reasonable in light of the information available up to the time of their approval of this report, the actual outcome may be materially different owing to factors either beyond the Group's control or otherwise within the Group's control, for example owing to a change of plan or strategy.

Accordingly, no reliance may be placed on the forward-looking statements.

DIRECTORS' STATEMENT UNDER SECTION 172 (1) OF THE COMPANIES ACT 2006

Section 172 (1) of the Companies Act obliges the Directors to promote the success of the Company for the benefit of the Company's members as a whole. This section specifies that the Directors must act in good faith when promoting the success of the Company and in doing so have regard (amongst other things) to:

- a. the likely consequences of any decision in the long term,
- b. the interests of the Company's employees,
- c. the need to foster the Company's business relationship with suppliers, customers and others,
- d. the impact of the Company's operations on the community and environment,
- e. the desirability of the Company maintaining a reputation for high standards of business conduct, and
- f. the need to act fairly as between members of the Company.

The Board of Directors is collectively responsible for formulating the Company's strategy which is the appraisal and exploitation of the assets currently owned.

The Directors believe this key strategic decision will generate value for our shareholders in the long term. In executing the Company's strategy, the Directors remain focused on responsible and ethical business practices, and the Company strives to be a responsible corporate citizen in all its territories of operation.

The Board places equal importance on all shareholders and strives for transparent and effective external communications, within the regulatory confines of an AIM-listed company. The primary communication tool for regulatory matters and matters of material substance is through the Regulatory News Service, ("RNS"). The Company's website is also updated regularly, and provides further details on the business as well as links to helpful content such as our latest investor presentations.

Further detail illustrating how Directors adhere to the requirement set out in Section 172 (1) a to f above, are included in the Corporate Governance Report which begins on page 23.

Risks and Uncertainties *(continued)*

The Directors believe they have acted in the way they consider most likely to promote the success of the Company for the benefit of its members as a whole, as required by Section 172 (1) of the Companies Act 2006.

This Strategic Report was approved by the Board on 18 May 2021 and signed on its behalf by:

John Teeling
Chairman

Date: 18 May 2021

Directors' Report

for the year ended 31 December 2020

DIRECTORS

The directors and secretary, who served at all times during the financial year and since the financial year end except as noted, are as follows:

Directors:

John Teeling
David Horgan
James Finn
Peter O'Toole

Secretary:

James Finn

DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors holding office at 31 December 2020 had the following interests in the ordinary shares of the company:

	31 December 2020			1 January 2020		
	Ordinary Shares of 0.25p each Shares Number	Ordinary Shares of 0.25p each Options Number	%	Ordinary Shares of 0.25p each Shares Number	Ordinary Shares of 0.25p each Options Number	%
J.J. Teeling	38,192,755	10,000,000	5.33%	38,192,755	10,000,000	5.33%
J. Finn	38,312,722	10,000,000	5.34%	38,312,722	10,000,000	5.34%
D. Horgan	21,950,888	10,000,000	3.06%	21,950,888	10,000,000	3.06%
Peter O'Toole	-	10,000,000	-	-	10,000,000	-

There were no share options exercised by the directors during the year (2019: Nil).

Clontarf Energy Plc

Directors' Report *(continued)* for the year ended 31 December 2020

DIRECTORS' REMUNERATION REPORT

The remuneration of the directors for the years ended 31 December 2020 and 31 December 2019 was as follows:

	Salaries and Fees 2020 £	Share Based Payments 2020 £	Salaries and Fees 2018 £	Share Based Payments 2019 £
J.J. Teeling	30,000	20,566	30,000	5,142
J. Finn	30,000	20,566	30,000	5,141
D. Horgan	30,000	20,566	30,000	5,141
P O' Toole	30,000	20,566	20,000	5,141

Directors' Remuneration is disclosed in note 7 of these financial statements.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 23 June 2021 in accordance with the Notice of Annual General Meeting on pages 65 and 66 of these financial statements. Details of the resolutions to be passed are included in this notice.

CAPITAL STRUCTURE

Details of the authorised and issued share capital are shown in note 17. The company has one class of ordinary share which carries no right to fixed income. Each share carries the right to one vote at general meetings of the company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. With regard to the appointment and replacement of directors, the company is governed by the Articles of Association, the Companies Act 2006, and related legislation.

SUBSTANTIAL SHAREHOLDINGS

The share register records that the following shareholders, excluding directors, held 3% or more of the issued share capital of the company as at 31 December 2020 and 10 May 2021:

	10 May 2021		31 December 2020	
	No. of shares	%	No. of shares	%
Interactive Investor Services Nominees Limited	68,196,289	9.51%	60,333,072	8.41%
HSBC Global Custody Nominee (UK) Limited	58,989,067	8.23%	58,989,067	8.23%
Pershing International Nominees Limited	34,021,369	4.75%	35,299,769	4.92%
The Bank of New York (Nominees) Limited	33,974,600	4.74%	33,974,600	4.74%
Hargreaves Lansdown (Nominees) (15942)	33,642,564	4.69%	34,167,532	4.77%
Barclays Direct Investing Nominees Limited	29,092,913	4.06%	29,225,147	4.08%
Hargreaves Lansdown (Nominees) (VRA)	22,286,841	3.11%	20,450,348	2.85%
HSDL Nominees Limited	19,199,936	2.68%	24,690,806	3.44%

SUPPLIER PAYMENT POLICY

The Group's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction to ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

SUBSEQUENT EVENTS

Refer to note 23 for details of Post Balance Sheet Events.

DIRECTORS' INDEMNITIES

The company does not currently maintain directors' or officer's liability insurance.

Directors' Report *(continued)* for the year ended 31 December 2020

CHARITABLE AND POLITICAL CONTRIBUTIONS

There were no charitable and political contributions during the current year or prior year.

STATEMENT ON RELEVANT AUDIT INFORMATION

Each of the persons who are a director at the date of approval of this report confirms that:

- 1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- 2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act, 2006.

A resolution to reappoint Deloitte Ireland LLP will be proposed at the forthcoming Annual General Meeting.

By order of the Board:

James Finn
Secretary

John Teeling
Director

Date: 18 May 2021

Corporate Governance Report

for the year ended 31 December 2020

The Company's securities are traded on the AIM Market of the London Stock Exchange ("AIM"). The Company has adopted in September 2018 the Quoted Company Alliance ("QCA") corporate governance guidelines for AIM companies relevant to the Company but due to the size and nature of its current business has not adopted the UK Corporate Governance Code in its entirety. The Group have complied with the QCA corporate guidelines where practical; instances of noncompliance have been highlighted below.

In addition, the Company has an established code of conduct for dealings in the shares of the Company by directors and employees.

John Teeling, in his capacity as Chairman, has assumed responsibility for ensuring that the Company has appropriate corporate governance standards in place and that these requirements are communicated and applied.

The Board currently consists of 4 directors: Chairman, Managing Director, Financial Director (and Company Secretary) and an independent Non-Executive Director. This is not in compliance with the QCA Code which requires at least two independent non-executive directors. However the Board considers that appropriate oversight of the Company is provided by the currently constituted Board having regard to the current size and resources of the Company.

The 10 principles set out in the QCA Code are listed below, with an explanation of how Clontarf applies each of the principles and the reason for any aspect of non-compliance.

1. Establish a strategy and business model which promote long-term value for shareholders

The Company has a clearly defined strategy and business model that has been adopted by the Board.

The Company strategy is the appraisal and exploitation of the assets currently owned. Concurrent with this process the Group's management will continue to use its expertise to acquire additional license interests for lithium and oil & gas exploration. The key challenges in executing this are referred to in paragraph 4 below.

2. Seek to understand and meet shareholder needs and expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting and any other General Meetings that are held throughout the year.

The Company provides regulatory, financial and business news updates through the Regulatory News Service (RNS) and various media channels. Shareholders also have access to information through the Company's website <http://www.clontarfenergy.com/>, which is updated on a regular basis and which includes the latest corporate presentation on the Group. Contact details are also provided on the website.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board is committed to having the highest degree possible of corporate social responsibility in how the Company undertakes its activities. We aim to have an uncompromising stance on health, safety, environment and community relations. The Company policy is that all Company activities are carried out in compliance with safety regulations, in a culture where the safety of personnel is paramount. The Company will ensure an appropriate level of contact and negotiation with all stakeholders including landowners, community groups and regional and national authorities.

Corporate Governance Report *(continued)*

for the year ended 31 December 2020

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board regularly reviews the risks to which the Group is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible whilst recognising that its business opportunities carry an inherently high level of risk. The principal risks and uncertainties facing the Group at this stage in this development and in the foreseeable future are detailed on page 17 of the Annual Report together with risk mitigation strategies employed by the Board.

5. Maintain the board as a well-functioning, balanced team led by the chair

The Board's role is to agree the Group's long-term direction and strategy and monitor achievement of its business objectives. The Board meets formally at least four times a year for these purposes and holds additional meetings when necessary to transact other business. The Board receives reports for consideration on all significant strategic, operational and financial matters.

The Board is supported by the Audit, Remuneration and the Nomination Committees.

The Board comprises the Executive Chairman, John Teeling, the Managing Director David Horgan, Executive Director and Company Secretary, James Finn and independent Non-Executive Director Peter O'Toole.

The Board currently has one independent non-executive director, which is a departure from the QCA Code which requires at least two independent non-executive directors. However, the Board considers that appropriate oversight of the Company is provided by the currently constituted Board having regard to the current size and resources of the Company.

All directors are subject to re-election intervals as prescribed in the Company's Articles of Association. At each Annual General Meeting one-third of the Directors, who are subject to retirement by rotation shall retire from office. They can then offer themselves for re-election.

On appointment each director receives a letter of appointment from the Company. The Non- Executive Directors, will receive a fee for their services as a director which is approved by the Board, being mindful of the time commitment and responsibilities of their roles and of current market rates for comparable organisations and appointments. The non-executive Directors are reimbursed for travelling and other incidental expenses incurred on Company business.

6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board considers the current balance of sector, financial and public market skills and experience which it embodies is appropriate for the current size and stage of development of the Company and that the Board has the skills and experience necessary to execute the Company's strategy and business plan and discharge its duties effectively.

Details of the current Board of Directors' biographies are as follows:

John Teeling, Executive Chairman

John Teeling is executive chairman of Clontarf Energy plc. He has 40 years' resources experience. John Teeling is also involved in a number of other AIM exploration companies. He is a founder of a number of companies in the resource sector including African Diamonds, Pan Andean Resources, Minco, African Gold, Persian Gold and West African Diamonds, all listed on AIM. John Teeling holds degrees in Economics and Business from University College Dublin, an MBA from Wharton and a Doctorate in Business Administration from Harvard. He lectured for 20 years in business and finance at University College Dublin.

James Finn, Finance Director

James Finn is finance director of Clontarf Energy plc. He has over 20 years' experience in working with exploration companies. James Finn has extensive experience in the administration of oil and gas and minerals companies. He has been responsible for listing several resource sector companies on AIM in London, including two of the first companies ever listed on AIM, Pan Andean Resources and African Gold. John Finn was previously finance director of African Diamonds and West African Diamonds. He holds a degree in Management and an Association of Chartered Certified Accountants (ACCA) qualification.

Corporate Governance Report *(continued)*

for the year ended 31 December 2020

David Horgan, Managing Director

David Horgan has extensive African experience. He has over 20 years' experience in oil and gas and resources projects in Latin America, Africa and the Middle East through a number of AIM listed companies including Clontarf Energy, Petrel Resources and Pan Andean Resources. He previously worked at Kenmare where he raised finance, captured the premium graphite worldwide market and evaluated investment opportunities. Prior to that he worked with Boston Consulting Group internationally for seven years. He holds a first class law degree from Cambridge and an MBA with distinction from the Harvard Business School.

Peter O'Toole, Independent Non-Executive Director

Peter O'Toole has operated civil engineering and construction companies for over 30 years, specializing in the mining and government infrastructure sectors. He is also Honorary Consul General of Ireland in Bolivia. He is a Civil Engineer by discipline, educated at University of London – Queen Mary College and GMIT Institute of Technology, Galway, Ireland.

Directors and Management

All Directors have access to the Company Secretary who is responsible for ensuring that Board procedures and applicable rules and regulations are observed.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Review of the Company's progress against the long term strategy and aims of the business provides a means to measure the effectiveness of the Board. This progress is reviewed in Board meetings held at least four times a year. The Board meets regularly throughout the year. The Board is responsible for formulating, reviewing and approving the Group's strategy, financial activities and operating performance. The Managing Director performance is reviewed once a year by the rest of the Board and measured against a definitive list of short, medium and long-term strategic targets set by the Board.

8. Promote a corporate culture that is based on ethical values and behaviours

The corporate culture of the Company is promoted throughout its contractors and is underpinned by compliance with local regulations and the implementation and regular review and enforcement of various policies: Health and Safety Policy; Share Dealing Policy; Code of Conduct; Privacy Policy and Social Media Policy. The Company policy is that all Company activities are carried out in compliance with safety regulations, in a culture where the safety of personnel is paramount. The Company will ensure an appropriate level of contact and negotiation with all stakeholders including landowners, community groups and regional and national authorities.

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company and that this will impact performance. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company and the way that employees behave. The exploration for and development of oil and gas and lithium resources can have significant impact in the areas where the Company and its contractors are active and it is important that the communities in which we operate view the Company's activities positively. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company successfully to achieve its corporate objectives. The Board places great importance on this aspect of corporate life and monitors all activities to ensure that this is reflected in all the Company does.

The Company has an established code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM, and is in accordance with Rule 21 of the AIM rules and the Market Abuse Regulation.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Board has overall responsibility for all aspects of the business. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making. The Chairman has overall responsibility for corporate governance matters in the Company and chairs the Nomination Committee. The Managing Director has the responsibility for implementing the strategy of the Board and managing the day-to-day business activities of the Company. The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

Corporate Governance Report *(continued)*

for the year ended 31 December 2020

The Nomination Committee

The Nomination Committee comprises all the directors and meets at least once per year to examine Board appointments and to make recommendations to the Board in accordance with best practice and other applicable rules and regulations. The Nominations Committee met once during 2019 to discuss the appointment of Peter O'Toole to the board of directors.

The Nomination Committee did not meet in 2020, and this is not in compliance with the QCA Code which requires the Committee to meet at least once during the year. However, the Board considers this to be reasonable as there have been no changes to the current directors during the year.

The Audit Committee

The Audit Committee, chaired by Managing Director, David Horgan, and including Executive Director, James Finn, meets at least twice a year and assists the Board in meeting responsibilities in respect of external financial reporting and internal controls. The Audit Committee also keeps under review the scope and results of the audit. It also considers the cost-effectiveness, independence and objectivity of the Auditor taking account of any non-audit services provided by them. The Audit Committee does not include any non-executive directors.

The Remuneration Committee

The Remuneration Committee is comprised of Directors David Horgan and James Finn. The Remuneration Committee meets at least once a year to determine the appropriate remuneration for the Company's executive directors, ensuring that this reflects their performance and that of the Company. The remuneration committee met once during 2020 to approve the share option scheme for directors.

The Company's Audit Committee Report is presented on page 28 and provides further details on the committee's activities during 2020, and while a separate report from the Remuneration Committee was not produced in the current year due to the size of the company, the Company intends to review this requirement on an annual basis.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company.

Investors also have access to current information on the Company through its website <http://www.clontarfenergy.com/> and through David Horgan, Managing Director who is available to answer investor relations enquiries. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

The Company's financial reports can be found here: http://www.clontarfenergy.com/investor-centre/annual-reports_.aspx

Directors' Responsibility Statement

for the year ended 31 December 2020

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

Company law requires the directors to prepare financial statements for each financial year. Company law requires the Directors to prepare Group and parent company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law and have elected to prepare the parent company financial statements in accordance with IFRSs as adopted by the EU and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the Group profit or loss for that period. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report and a Directors' report that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Audit Committee Report **for the year ended 31 December 2020**

Dear Shareholders,

I am pleased to present this report on behalf of the Audit Committee and to report on the progress made by the Committee during the year. During 2020 the Company's internal financial reporting and control systems were both expanded and streamlined in compliance with good corporate governance guidelines outlined in the QCA Corporate Governance Code (2018) and with advice from our Nomad.

Aims of the Audit Committee

Our purpose is to assist the Board in managing risk, discharging its duties regarding the preparation of financial statements, ensure that a robust framework of accounting policies is in place and enacted and oversee the maintenance of proper internal financial controls.

The Audit Committee, which is chaired by Managing Director, David Horgan, and also includes James Finn meets at least twice a year and assists the Board in meeting responsibilities in respect of external financial reporting and internal controls. The Audit Committee also keeps under review the scope and results of the audit. It also considers the cost-effectiveness, independence and objectivity of the Auditors taking account of any non-audit services provided by them.

The Audit Committee is committed to:

- Maintaining the integrity of the financial statements of the Company and reviewing any significant reporting matters therein;
- Reviewing the Annual & Interim Report and Accounts and monitoring the accuracy and fairness of the Company's financial statements;
- Ensuring compliance of financial statements with applicable accounting standards and the AIM Rules;
- Reviewing the adequacy and effectiveness of the internal financial control environment and risk management systems; and
- Overseeing the relationship with and the remuneration of the external auditor, reviewing their performance and advising the Board members on their appointment.

The Audit Committee met three times in 2020.

Activities of the Audit Committee during the year

On behalf of the Board, the Audit Committee has closely monitored the maintenance of internal controls and risk management during the year. Key financial risks are reported during each Audit Committee meeting, including developments and progress made towards mitigating these risks.

The Audit committee received and reviewed reports from the Chief Financial Officer, other members of management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group.

The external auditors attended one of the meetings to discuss the planning and conclusions of their work and meet with members of the committee. The committee was able to call for information from management and consult with the external auditors directly as required.

The objectivity and independence of the external auditors was safeguarded by reviewing the auditors' formal declarations and monitoring relationships between key audit staff and the Company.

As noted above, the committee met three times during the year, to review the 2019 annual accounts and the interim accounts to 30 June 2020 and audit planning for the year ended 31 December 2020. Members of the committee reviewed with the independent auditor its judgements as to the acceptability of the Company's accounting principles.

Audit Committee Report *(continued)* **for the year ended 31 December 2020**

Since the year end the committee has met further with the auditors to consider the 2020 financial statements. In particular, the committee discussed the significant audit risks and conclusions on those risks from the audit. In addition, the committee monitors the auditor firm's independence from Company management and the Company.

David Horgan
Chairman Audit Committee

Date: 18 May 2021

Independent Auditor's Report to the Members of Clontarf Energy Plc for the year ended 31 December 2020

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Clontarf Energy plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- the group and parent company financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company cash flow statements; and
- the related notes 1 to 23, including a summary of significant accounting policies as set out in note 3.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

3. Material uncertainty related to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

We draw attention to note 4 in the financial statements, which indicates that the group incurred a net loss for the year of £361,308 and had net current liabilities of £1,275,498 at the balance sheet date. These conditions represent a material uncertainty that may cast doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our evaluation of the directors' assessment of the group's and parent company's ability to adopt the going concern basis of accounting included:

- Obtained an understanding of the group and parent company's controls over the preparation and review of cash flow projections and assumptions used in the cash flow forecasts to support the going concern assumption
- Challenged the key assumptions used in the cash flow forecasts by agreement to historical run rates, expenditure commitments and other supporting documentation;
- Tested the clerical accuracy of the cash flow forecasts;
- Assessed the company's ability to raise additional finance; and
- Assessed the adequacy of the disclosures in the financial statements.

Independent Auditor's Report to the Members of Clontarf Energy Plc *(continued)* for the year ended 31 December 2020

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

4. Summary of our audit approach

Key audit matters

The key audit matters that we identified in the current year were:

- Going concern (see material uncertainty related to going concern section above)
- Recoverability of intangible assets and investment in subsidiary – group and parent company

Within this report, key audit matters are identified as follows:



Newly identified



Increased level of risk



Similar level of risk



Decreased level of risk

Materiality

The materiality that we used for the group financial statements was £27,000 (parent company £20,000) which was determined on the basis of the carrying value of intangible assets.

Scoping

We identified two significant components, Clontarf Energy plc and Bolivian Hydrocarbon Limited. Full scope audits were performed on both.

Significant changes in our approach

No significant changes in our audit approach.

Independent Auditor's Report to the Members of Clontarf Energy Plc *(continued)* for the year ended 31 December 2020

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

5.1. Recoverability of intangible assets and investments in subsidiaries

Key audit matter description	<p>The carrying value of group intangible assets at 31 December 2020 amounted to £915,117 (parent company: £670,117). During the year, the group did not record an impairment charge. The value of investment in subsidiaries at 31 December 2020 amounted to £52,104 (company). Intangible assets relate to costs capitalised in relation to the group's exploration activities in both the consolidated balance sheet and parent company balance sheet.</p> <p>As disclosed in note 11 to the financial statements, the realisation of the intangible assets is dependent on the successful discovery and development of economic oil & gas and lithium reserves, which is subject to a number of risks and uncertainties, including obtaining title to licences and the ability of the group to raise sufficient finance to develop the projects.</p> <p>As disclosed in note 12 to the financial statements, the carrying value of the investment in subsidiaries is dependent on the successful discovery and development of economic deposit reserves and the ability of the group to raise sufficient finance to develop the projects.</p> <p>Refer to the accounting policy in note 3 and the disclosure in note 11 and 12 of the financial statements.</p>
How the scope of our audit responded to the key audit matter	<p>We evaluated the design and determined the implementation of relevant key controls in relation to the impairment of intangible assets and investments in subsidiaries.</p> <p>We considered and challenged the directors' assessment of indicators of impairment in relation to exploration and evaluation assets in accordance with IFRS 6. This included a review of the board of directors' minutes of meetings and press releases in relation to the status of the exploration activities and funding strategies, including a review of the group's budgeted expenditure for the next 12 months.</p> <p>In addition, we reviewed and challenged the Director's assumptions and methodology regarding assessing the carrying value of the investment in subsidiaries held on the Company balance sheet in accordance with IAS 36.</p> <p>We also considered the adequacy of the disclosures included in the financial statements.</p>

Clontarf Energy Plc

Independent Auditor's Report to the Members of Clontarf Energy Plc *(continued)* for the year ended 31 December 2020

Key observations	An inherent uncertainty exists in relation to the ability of the group to realise the exploration and evaluation assets capitalised as intangible assets. As noted above, recoverability of these assets is dependent on the discovery and the successful exploration of economic oil & gas and lithium reserves, obtaining title to the license, the future profitable production or process from the asset and the ability of the group to raise sufficient finance to develop the projects. The financial statements do not include any adjustments relating to this uncertainty and the ultimate outcome cannot, at present, be determined. Our opinion is not modified in respect of this matter.
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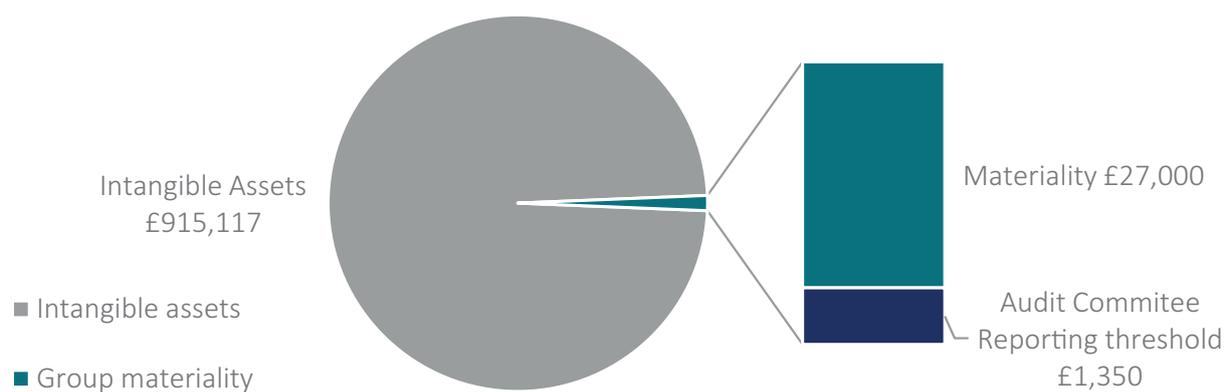
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£27,000 (2019: £26,000)	£20,000 (2019: £19,000)
Basis for determining materiality	Approximately 3% of intangible assets	Approximately 3% of intangible assets
Rationale for the benchmark applied	We have determined that intangible assets is the appropriate benchmark considering this makes up approximately 91% of the group's total assets.	We have determined that intangible assets is the appropriate benchmark considering this makes up approximately 82% of the parent company's total assets.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	80% (2019: 80%) of group materiality	80% (2019: 80%) of parent company materiality

Independent Auditor's Report to the Members of Clontarf Energy Plc *(continued)* for the year ended 31 December 2020

Basis and rationale for determining performance materiality	<p>We have incorporated a number of factors in determining what level to set performance materiality at for the current year.</p> <p>The nature of the business has remained consistent to that of the prior year. We have been the group and parent company auditors for a number of years and thus have factored in our experience with and understanding of the group's control environment including entity-level controls and any turnover of key personnel. We have also taken into the account the group's history of uncorrected misstatements as well as those areas which require significant judgement during the year.</p> <p>As a result of the points noted above, we determined it was appropriate to set performance materiality at a level similar to that of the previous year. The amount determined is 80% of materiality.</p>
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6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £1,350 (2019: £1,300), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

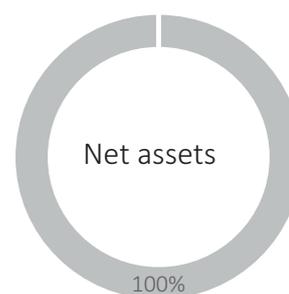
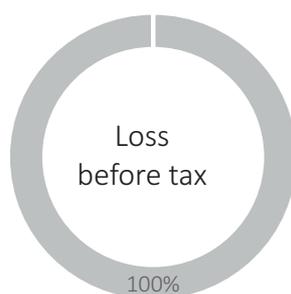
7. An overview of the scope of our audit

7.1. Identification and scoping of components

The structure of the group's finance function is such that they provide support to group entities for the accounting of the majority of transactions and balances. The audit work was undertaken and performed by an audit team working remotely in the current year due to COVID-19 restrictions.

We determined the scope of our group audit on an entity level basis, assessing components against the risks of material misstatement at the group level. Based on this assessment, we focused our work on two legal entities covering 100% of intangible assets. These legal entities, which were subject to a full scope audit, were Clontarf Energy plc and Bolivian Hydrocarbon Limited.

At the group level, we also tested the consolidation process and carried out review procedures to confirm our conclusion that there were no additional risks of material misstatement within the aggregated financial information of the remaining components not subject to a full scope audit or specified audit procedures.



Independent Auditor's Report to the Members of Clontarf Energy Plc *(continued)* **for the year ended 31 December 2020**

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and parent company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the group and parent company to cease to continue as a going concern.

Independent Auditor's Report to the Members of Clontarf Energy Plc *(continued)* **for the year ended 31 December 2020**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).
- Where the auditor is required to report on consolidated financial statements, obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. The group auditor is responsible for the direction, supervision and performance of the group audit. The group auditor remains solely responsible for the audit opinion.

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

For listed entities and public interest entities, we also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, including the FRC's Ethical Standard, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Where we are required to report on key audit matters, from the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: Management override of controls.

We also obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the

Independent Auditor's Report to the Members of Clontarf Energy Plc *(continued)* **for the year ended 31 December 2020**

financial statements. The key laws and regulations we considered in this context included the UK Companies Act, tax legislation and AIM Listing Rules.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included; employment law, health and safety legislation, data protection and legislation in relation to mining and exploration in the countries in which the group operates.

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the audit committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Independent Auditor's Report to the Members of Clontarf Energy Plc *(continued)* **for the year ended 31 December 2020**

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of these matters.

14. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sinéad McHugh (Senior statutory auditor)
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date: 19 May 2021

Clontarf Energy Plc

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2020

	Notes	2020 £	2019 £
Administrative expenses	5	<u>(361,308)</u>	<u>(308,535)</u>
LOSS FOR THE YEAR BEFORE TAXATION	5	(361,308)	(308,535)
Income tax expense	9	<u>-</u>	<u>-</u>
LOSS AFTER TAX AND TOTAL			
COMPREHENSIVE INCOME FOR THE YEAR		(361,308)	(308,535)
Loss per share – basic and diluted	10	(0.05p)	(0.04p)

Clontarf Energy Plc

Consolidated Balance Sheet as at 31 December 2020

	Notes	2020 £	2019 £
ASSETS:			
NON CURRENT ASSETS			
Intangible assets	11	915,117	850,789
		915,117	850,789
CURRENT ASSETS			
Other receivables	13	1,786	3,344
Cash and cash equivalents	14	89,423	301,292
		91,209	304,636
TOTAL ASSETS		1,006,326	1,155,425
LIABILITIES:			
CURRENT LIABILITIES			
Trade payables	15	(66,140)	(56,195)
Other payables	16	(1,300,567)	(1,180,567)
		(1,366,707)	(1,236,762)
TOTAL LIABILITIES		(1,366,707)	(1,236,762)
NET LIABILITIES		(360,381)	(81,337)
EQUITY			
Called-up share capital	17	1,792,450	1,792,450
Share premium	17	10,900,373	10,900,373
Retained deficit		(13,157,083)	(12,795,775)
Share based payment reserves	21	103,879	21,615
TOTAL EQUITY		(360,381)	(81,337)

The financial statements of Clontarf Energy plc, registered number 4967918, were approved by the Board of Directors on 18 May 2021 and signed on its behalf by:

John Teeling
Director

Clontarf Energy Plc

Company Balance Sheet as at 31 December 2020

	Notes	2020 £	2019 £
ASSETS:			
NON CURRENT ASSETS			
Intangible assets	11	670,117	635,789
Investment in subsidiaries	12	52,104	52,104
		722,221	687,893
CURRENT ASSETS			
Other receivables	13	1,784	3,342
Cash and cash equivalents	14	89,423	301,292
		91,207	304,634
TOTAL ASSETS		813,428	992,527
LIABILITIES:			
CURRENT LIABILITIES			
Trade payables	15	(116,143)	(106,198)
Other payables	16	(761,527)	(671,527)
TOTAL LIABILITIES		(877,670)	(777,725)
NET ASSETS		(64,242)	214,802
EQUITY			
Called-up share capital	17	1,792,450	1,792,450
Share premium	17	10,900,373	10,900,373
Retained deficit		(12,860,944)	(12,499,636)
Share based payment reserve	21	103,879	21,615
TOTAL EQUITY		(64,242)	214,802

The company reported a loss for the financial year ended 31 December 2020 of £361,308 (2019: Loss of £308,535).

The financial statements of Clontarf Energy plc, registered number 4967918, were approved by the Board of Directors on 18 May 2021 and signed on its behalf by:

John Teeling
Director

Clontarf Energy Plc

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

	Called-up Share Capital £	Share Premium £	Share Based Payment Reserve £	Retained Deficit £	Total £
At 1 January 2019	1,792,450	10,900,373	191,646	(12,677,836)	206,633
Share options vested	–	–	20,565	–	20,565
Share options expired	–	–	(190,596)	190,596	–
Loss for the year and total comprehensive income	–	–	–	(308,535)	(308,535)
At 31 December 2019	1,792,450	10,900,373	21,615	(12,795,775)	(81,337)
Share options vested	–	–	82,264	–	82,264
Loss for the year and total comprehensive income	–	–	–	(361,308)	(361,308)
At 31 December 2020	1,792,450	10,900,373	103,879	(13,157,083)	(360,381)

Share premium

The share premium reserve comprises of a premium arising on the issue of shares. Share issue expenses are deducted against the share premium reserve when incurred.

Share based payment reserve

The share based payment reserve arises on the vesting of share options under the share option plan. Share options expired are reallocated from share based payment reserve to retained deficit at their grant date fair value.

Retained deficit

Retained deficit comprises of losses incurred in the current and prior years.

Clontarf Energy Plc

Company Statement of Changes in Equity

For the year ended 31 December 2020

	Called-up Share Capital £	Share Premium £	Share Based Payment Reserve £	Retained Deficit £	Total £
At 1 January 2019	1,792,450	10,900,373	191,646	(12,381,697)	502,772
Share options vested	–	–	20,565	–	20,565
Share options expired	–	–	(190,596)	190,596	–
Loss for the year	–	–	–	(308,535)	(308,535)
At 31 December 2019	1,792,450	10,900,373	21,615	(12,499,636)	214,802
Share options vested	–	–	82,264	–	82,264
Loss for the year	–	–	–	(361,308)	(361,308)
At 31 December 2020	1,792,450	10,900,373	103,879	(12,860,944)	(64,242)

Share premium

The share premium reserve comprises of a premium arising on the issue of shares. Share issue expenses are deducted against the share premium reserve when incurred.

Share based payment reserve

The share based payment reserve arises on the vesting of share options under the share option plan. Share options expired are reallocated from share based payment reserve to retained deficit at their grant date fair value.

Retained deficit

Retained deficit comprises of losses incurred in the current and prior years.

Clontarf Energy Plc

Consolidated Cash Flow Statement

For the year ended 31 December 2020

	Notes	2020 £	2019 £
CASH FLOW USED IN OPERATING ACTIVITIES			
Loss for the year		(361,308)	(308,535)
Share options vested		51,415	20,565
Foreign exchange gains		102	4,697
		<u>(309,791)</u>	<u>(283,273)</u>
MOVEMENTS IN WORKING CAPITAL			
Increase in trade and other payables		99,945	80,057
Decrease in trade and other receivables		1,558	565
		<u>101,503</u>	<u>80,622</u>
NET CASH USED IN OPERATING ACTIVITIES			
CASH FLOWS USED IN INVESTING ACTIVITIES			
Additions to exploration and evaluation assets		(3,479)	(2,924)
		<u>(3,479)</u>	<u>(2,924)</u>
NET CASH FROM INVESTING ACTIVITIES			
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of the financial year		301,292	511,564
Effect of foreign exchange rate changes		(102)	(4,697)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	14	<u><u>89,423</u></u>	<u><u>301,292</u></u>

Clontarf Energy Plc

Company Cash Flow Statement

For the year ended 31 December 2020

	Notes	2020 £	2019 £
CASH FLOW USED IN OPERATING ACTIVITIES			
Loss for the year		(361,308)	(308,535)
Share options granted		51,415	20,565
Foreign exchange gains		102	4,697
		<u>(309,791)</u>	<u>(283,273)</u>
MOVEMENTS IN WORKING CAPITAL			
Increase in trade and other payables		99,945	80,059
Decrease in trade and other receivables		1,558	565
		<u>101,503</u>	<u>80,624</u>
NET CASH USED IN OPERATING ACTIVITIES		<u>(208,288)</u>	<u>(202,649)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES			
Additions to exploration and evaluation assets		(3,479)	(2,924)
NET CASH USED IN INVESTING ACTIVITIES		<u>(3,479)</u>	<u>(2,924)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>(211,767)</u>	<u>(205,573)</u>
Cash and cash equivalents at beginning of the financial year		301,292	511,562
Effect of foreign exchange rate changes		(102)	(4,697)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	14	<u>89,423</u>	<u>301,292</u>

Notes to the Financial Statements

for the year ended 31 December 2020

1. GENERAL INFORMATION

Clontarf Energy plc (the Company) is a public Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England. The address of the Company's registered office is shown on the inside back cover.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out on page 15.

2. INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied a number of amendments to IFRS Standards and Interpretations adopted by the European Union that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New and amended IFRS Standards that are effective for the current year

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3 (October 2018): Definition of Business
- Amendments to IAS 1 and IAS 8 (October 2018): Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7 (September 2019): Interest Rate Benchmark Reform

Standards in issue but not yet effective:

The following standards, amendments to the existing standards and new interpretations, have been adopted by the EU but are not yet mandatorily effective and have not been early adopted by the company.

- Amendment to IFRS 16: Covid-19 Related Rent Concessions
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2
- Amendments to IAS 16: Property, Plant and Equipment –Proceeds before intended use
- Annual Improvements to IFRS Standards 2018-2020 (May 2020)
- Amendments to IFRS 3 (May 2020): Reference to the Conceptual Framework
- Amendments to IAS 37 (May 2020): Onerous Contracts –Cost of Fulfilling a Contract
- IFRS 17: Insurance Contracts
- Amendments to IFRS 17
- Amendments to IAS 1: Classification of liabilities as current or non-current
- Amendments to IAS 1: Classification of liabilities as current or non-current –Deferral of effective date
- Amendments to IFRS 4: Extension of the Temporary Exemption from applying IFRS 9
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies
- Amendments to IAS 8: Definition of accounting estimates

The Directors are currently assessing the impact in relation to the adoption of these standards, amendments to the existing standards and a new interpretations for future periods of the Group. However, at this point they do not believe they will have a significant impact on the financial statements of the Group in the financial year of initial application.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2020

3. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted by the Group and Company are summarised below:

(i) Basis of preparation

The financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in pound sterling.

(ii) Statement of compliance

The financial statements for the year ended 31 December 2020, for the Group and Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and in accordance with the Companies Act 2006.

(iii) Basis of consolidation

The consolidated financial statements comprise the financial statements of Clontarf Energy plc and its subsidiaries as at 31 December 2020. Subsidiaries are fully consolidated from the date of acquisition, being the date which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies. All intragroup balances, income and expenses and unrealized gains and losses resulting from intragroup transactions are eliminated in full.

(iv) Investment in Subsidiaries

The company's investments in subsidiaries are stated at cost, less any accumulated impairment losses.

(vi) Foreign currencies

The functional and presentation currency of both the Group and parent financial statements is pound sterling. The individual financial statements of each Group Company are maintained in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group Company are expressed in pound sterling, the presentation currency.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was re-determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2020

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(vi) Foreign currencies *(continued)*

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Statement of Comprehensive Income for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the Statement of Comprehensive Income for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the year in which the operation is disposed of.

(vii) Intangible assets

Exploration and evaluation assets

The assessment of whether general administration costs and salary costs are capitalised or expensed involves judgement. Management considers the nature of each cost incurred and whether it is deemed appropriate to capitalise it within intangible assets. Costs which can be demonstrated as project related are included within exploration and evaluation assets. Exploration and evaluation assets relate to prospecting, exploration and related expenditure in Bolivia and Ghana. The Group's exploration activities are subject to a number of significant and potential risks and uncertainties including:

- licence obligations;
- exchange rate risks;
- uncertainties over development and operational costs;
- political and legal risks, including arrangements with Governments for licences, profit sharing and taxation;
- foreign investment risks including increases in taxes, royalties and renegotiation of contracts;
- title to assets;
- financial risk management;
- going concern;
- ability to raise finance; and
- operational and environmental risks.

The recoverability of these intangible assets is dependent on the discovery and successful development of economic reserves, which is subject to the risks and uncertainties set out above. Should this prove unsuccessful, the value included in the balance sheet would be written off to the Statement of Comprehensive Income.

Exploration expenditure relates to the initial search for deposits with economic potential in Bolivia and Ghana. Evaluation expenditure arises from a detailed assessment of deposits that have been identified as having economic potential.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2020

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(vii) Intangible assets *(continued)*

Exploration and evaluation assets *(Continued)*

The cost of exploration rights and costs incurred in exploration and evaluation activities are capitalised as part of exploration and evaluation assets.

Exploration costs are capitalised until technical feasibility and commercial viability of extraction of reserves are demonstrable. Exploration costs include an allocation of administration and salary costs (including share based payments) attributable to exploration activities as determined by management.

Impairment of intangible assets

The assessment of intangible assets for any indications of impairment involves judgment. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognised to the extent that the carrying amount exceeds recoverable amount. Recoverable amount is determined as the higher of fair value less costs of disposal and value in use.

Prior to reclassification to property, plant and equipment, exploration and evaluation assets are assessed for impairment, and any impairment loss is recognised immediately in the statement of comprehensive income.

The Company reviews and tests for impairment on an ongoing basis and specifically if the following occurs:

- a) the period for which the Group has a right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; and
- d) sufficient data exists to indicate that although a development in the specific area is likely to proceed the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

(viii) Financial Instruments

Financial instruments are recognised in the Group and Company's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables and other receivables are carried at amortised cost using the effective interest rate adjusted for any expected loss allowance.

A loss allowance for expected credit losses is determined for all financial assets, other than those at fair value through profit and loss (FVTPL), at the end of each reporting period. The expected credit loss recognized represents a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2020

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(viii) Financial Instruments *(continued)*

For all other financial assets at amortised cost, the Group recognizes lifetime expect credit losses using the simplified model within IFRS 9.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery

Recoverability of amounts due from subsidiaries

The carrying value of amounts due by Group undertakings is dependent on the successful discovery and development of economic deposit resources and the ability of the Group to raise sufficient finance to develop the projects.

Cash and cash equivalents

Cash and cash equivalents comprises cash held by the Group and short-term bank deposits with an original maturity of three months or less.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into, mainly trade payables.

Trade payables

Trade payables classified as financial liabilities, are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(ix) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax payable is based on the taxable profit for the year. Taxable profit differs from the loss as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences arising on investments in subsidiaries and associates, only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2020

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(ix) Taxation *(continued)*

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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.

(x) Share-based payments

The Group issues equity-settled share based payments only to certain employees and directors. Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares that will eventually vest and adjusted for the effect of market based vesting conditions.

The fair value determined at grant date is measured by use of a Black Scholes Model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

(xi) Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies above, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Exploration and evaluation assets

The assessment of whether general administration costs and salary costs are capitalised or expensed involves judgement. Management considers the nature of each cost incurred and whether it is deemed appropriate to capitalise it within intangible assets. Costs which can be demonstrated as project related are included within exploration and evaluation assets.

Impairment of intangible assets

The assessment of intangible assets for any indications of impairment (note 3 (vii)) involves judgement. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognised to the extent that carrying amount exceeds recoverable amount. Recoverable amount is determined as the higher of fair value less costs to sell and value in use.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2020

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(xi) Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Critical judgements in applying the Group's accounting policies (continued)

Going concern

The preparation of financial statements requires an assessment on the validity of the going concern assumption. The validity of the going concern concept is dependent on finance being available for the continuing working capital requirements of the group and finance for the development of the group's projects becoming available. Based on the assumptions that such finance will become available, the directors believe that the going concern basis is appropriate for these accounts. Should the going concern basis not be appropriate, adjustments would have to be made to reduce the value of the group's assets, in particular the intangible assets, to their realisable values. Further information concerning going concern is outlined in Note 4.

Key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of Intangible Assets

The assessment of intangible assets for any indication of impairment involves uncertainty. There is uncertainty as to whether the exploration activity will yield any economically viable discovery. Aspects of uncertainty surrounding the Group's intangible assets include the recoverability of the asset, which is dependent upon the discovery and successful development of economic reserves, ability to be awarded exploration licences and the ability to raise sufficient finance to develop the Group's projects. If the directors determine that an intangible asset is impaired, an allowance is recognised in the statement of comprehensive income. Further information concerning the impairment of Intangible Assets is outlined in note 11.

4. GOING CONCERN

The Group incurred a loss for the year of (£361,308) (2019: £308,535), had net current liabilities of £1,275,498 (2019: £932,126) and net liabilities of (£360,381) (2019: £81,337) at the balance sheet date. These conditions, as well as those noted below, represent a material uncertainty that may cast doubt on the Group's ability to continue as a going concern.

Included in current liabilities is an amount of £1,300,567 (2019: £1,180,567) owed to directors in respect of directors' remuneration due at the balance sheet date. The directors have confirmed that they will not seek settlement of these amounts in cash for a period of at least one year after the date of approval of the financial statements or until the Group has generated sufficient funds from its operations after paying its third party creditors.

The Group had a cash balance of £89,423 (2019: £301,292) at the balance sheet date. The directors have prepared cashflow projections for a period of at least 12 months from the date of report which indicate that the group may require additional finance to fund working capital requirements and develop existing projects. The cashflow projections include any anticipated impacts of the Covid-19 pandemic on the Group. The scale and duration of these impacts remain uncertain as at the date of this report, however they are not significantly impacting the Group's operations. As the Group is not revenue or cash generating it relies on raising capital from the public market. On 6th May 2021 the Group raised £500,000 by placing 153,846,153 new ordinary shares. Further details are outlined in note 23.

As in previous years the Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the financial statements and believe the going concern basis is appropriate for these financial statements. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

Clontarf Energy Plc

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2020

5. LOSS BEFORE TAXATION

	2020 £	2019 £
The loss before taxation is stated after charging:		
Auditor's remuneration	31,750	28,850
The analysis of auditor's remuneration is as follows:		
Fees payable to the Group's auditors for the audit of the Group's annual accounts	26,000	23,100
Tax compliance services	5,750	5,750
	31,750	28,850
Administration expenses comprise:		
Professional fees	120,953	167,215
Foreign exchange losses	102	4,697
Director's remuneration (note 7)	90,000	80,000
Share based payment (total minus amounts capitalised) (note 7)	51,415	20,565
Other administrative expenses	98,838	36,058
	361,308	308,535

6. SEGMENTAL ANALYSIS

IFRS 8 Operating Segments requires operating assets to be identified on the basis of internal reports about the Group that are regularly reviewed by the chief operating decision maker. The Board is deemed the chief operating decision maker within the Group.

In the opinion of the Directors the Group has one class of business, being the exploration for, and development and production of, oil and gas reserves, and other related activities.

The Group's primary reporting format is determined to be the geographical segment according to the location of its assets. The Group is organised into two segments in the current period: Bolivia and Ghana. The accounting policies of the reportable segments are the same as the Group's accounting policies as described in Note 1.

The following tables present revenue, loss and certain asset and liability information regarding the Group's business segments:

6A. Segment revenue and segment result

	Segment Revenue		Segment Result	
	2020 £	2019 £	2020 £	2019 £
Group and Company				
Ghana	-	-	-	-
Bolivia	-	-	-	(12,033)
Total continuing operations	-	-	-	-
Unallocated head office	-	-	(361,308)	(296,502)
	-	-	(361,308)	(308,535)

Clontarf Energy Plc

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2020

7. RELATED PARTY AND OTHER TRANSACTIONS

Group and Company

Key Management Compensation and Directors' Remuneration

The remuneration of the directors, who are considered to be the key management personnel, is set out below.

	Fees: Services as director £	Fees: Other services £	Share Based Payments £	Total £	2019 Fees: Services as director £	2019 Fees: Other services £	2019 Share Based Payments £	2019 Total £
John Teeling	5,000	25,000	20,566	50,566	5,000	25,000	5,142	35,142
James Finn	5,000	25,000	20,566	50,566	5,000	25,000	5,141	35,141
David Horgan	5,000	25,000	20,566	50,566	5,000	25,000	5,141	35,141
Peter O'Toole	5,000	25,000	20,566	50,566	5,000	15,000	5,141	25,141
	20,000	100,000	82,264	202,264	20,000	90,000	20,565	130,565

All remuneration related to short term employee benefits.

The number of directors to whom retirement benefits are accruing is Nil.

Included in the above is £30,000 (2019: £30,000) of directors' remuneration and £30,849 (2019: £Nil) of share based payments which were capitalised within intangible assets. The other payables, as outlined in note 16, relate to amounts due to directors of £1,300,567 (2019: £1,180,567) accrued but not paid at year end.

Other

The Group and Company shares offices and overheads with a number of other companies also based at 162 Clontarf Road. These companies have some common directors.

Transactions with these companies during the year are set out below:

	Botswana Diamonds Plc £	Petrel Resources Plc £	Arkle Resources Plc £	Great Northern Distillery £	Total £
Group and Company					
At 1 January 2019	–	–	–	–	–
Overhead and office costs recharged	(13,243)	(8,303)	(8,571)	(9,139)	(39,256)
Repayments	13,243	8,303	8,571	9,139	39,256
At 31 December 2019	–	–	–	–	–
Overhead and office costs recharged	(12,111)	(10,626)	(7,766)	(7,252)	(37,755)
Repayments	12,111	10,626	7,766	7,252	37,755
At 31 December 2020	–	–	–	–	–

Amounts due to and from the above companies are unsecured and repayable on demand.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2020

7. RELATED PARTY AND OTHER TRANSACTIONS *(continued)*

Company

At 31 December the following amount was due to the company by its subsidiaries:

	2020	2019
	£	£
Amounts due from Bolivian Hydrocarbon Limited	-	-
Amounts due to Hydrocarbon Prospecting Limited	(50,000)	(50,000)
	(50,000)	(50,000)
	(50,000)	(50,000)

Amounts due to and from the above companies are unsecured and repayable on demand. The balance above are net of an allowance of £574,519 (2019: £574,519) against an amount due from Bolivian Hydrocarbon Limited.

8. EMPLOYEE INFORMATION

There were no employees of the Group or company other than the directors during the current or prior year.

Further information on directors' remuneration during the current and prior year is outlined in note 7.

9. INCOME TAX EXPENSE

	2020	2019
	£	£
Current tax:		
Tax on loss	-	-
Factors affecting the tax expense:		
Loss on ordinary activities before tax	(361,308)	(308,535)
Income tax calculated at 19% (2019: 19%)	(68,649)	(58,622)
Effects of:		
Tax losses carried forward	68,649	58,622
Tax charge	-	-
	-	-

No charge to corporation tax arises in the year due to losses incurred.

At the balance sheet date, the Group had unused tax losses of £8,344,577 (2019: £7,983,629) which equates to an unrecognised deferred tax asset of £1,878,129 (2019: £1,516,890).

No deferred tax asset has been recognised due to the unpredictability of the future profit streams.

Clontarf Energy Plc

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2020

10. LOSS PER SHARE

Basic loss per share is computed by dividing the loss after taxation for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend during the year. Diluted loss per share is computed by dividing the loss after taxation for the year by the weighted average number of ordinary shares in issue, adjusted for the effect of all dilutive potential ordinary shares that were outstanding during the year.

The following table sets out the computation for basic and diluted earnings per share (EPS):

	2020 £	2019 £
Numerator		
For basic and diluted EPS loss for the year	(361,308)	(308,535)
	No.	No.
Denominator		
For basic and diluted EPS	716,979,964	716,979,964
Basic EPS	(0.05p)	(0.04p)
Diluted EPS	(0.05p)	(0.04p)

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of shares for the purpose of the diluted earnings per share:

	No.	No.
Share options	40,500,000	40,500,000

11. INTANGIBLE ASSETS

Exploration and evaluation assets:

	2020 Group £	2019 Group £	2020 Company £	2019 Company £
Cost:				
At 1 January	8,561,001	8,528,077	8,008,501	8,005,577
Additions	64,328	32,924	34,328	2,924
At 31 December	8,625,329	8,561,001	8,042,829	8,008,501
Impairment:				
At 1 January	7,710,212	7,710,212	7,372,712	7,372,712
Allowance for impairment	-	-	-	-
At 31 December	7,710,212	7,710,212	7,372,712	7,372,712
Carrying Value:				
At 1 January	850,789	817,865	635,789	632,865
At 31 December	915,117	850,789	670,117	635,789

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2020

11. INTANGIBLE ASSETS *(continued)*

	2020	2019	2020	2019
	Group	Group	Company	Company
	£	£	£	£
Segmental analysis				
Bolivia	62,074	16,225	47,074	16,225
Ghana	853,043	834,564	623,043	619,564
	915,117	850,789	670,117	635,789

Exploration and evaluation assets relate to expenditure incurred in prospecting and exploration for lithium, oil and gas in Bolivia and Ghana. The directors are aware that by its nature there is an inherent uncertainty in exploration and evaluation assets and therefore inherent uncertainty in relation to the carrying value of capitalised exploration and evaluation assets.

During 2018 the Group resolved the outstanding issues with the Ghana National Petroleum Company (GNPC) regarding a contract for the development of the Tano 2A Block. The Group has signed a Petroleum Agreement in relation to the block and this agreement awaits ratification by the Ghanaian government.

The Company is in negotiations with the Vice-Ministry of Electrical Technologies and the State Lithium Company in Bolivia on exploration and development of salt-lakes in accordance with law. Samples have been analysed and process work is underway.

The directors believe that there were no facts or circumstances indicating that the carrying value of intangible assets may exceed their recoverable amount and thus no impairment review was deemed necessary by the directors. The realisation of these intangibles assets is dependent on the successful discovery and development of economic deposit resources and the ability of the Group to raise sufficient finance to develop the projects. It is subject to a number of potential significant risks, as set out in note 3 (vii).

Included in the additions for the year are £60,849 (2019: £30,000) of directors' remuneration. The remaining balance pertains to the amounts capitalised to the respective projects held by the entity.

Clontarf Energy Plc

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2020

12. INVESTMENTS IN SUBSIDIARIES

	2020 £	2019 £
At 1 January	52,104	52,104
At 31 December	<u>52,104</u>	<u>52,104</u>

Based on a review performed by the directors at 31 December 2020, the fair value of the investments in subsidiaries is assessed to be equal to or higher than their carrying amounts.

The subsidiaries of the company at 31 December 2020 were:

Name of subsidiary	Total allotted Capital	Country of Incorporation	% Ownership	Principal activity
Hydrocarbon Prospecting plc	5,000,000 Shares At 1p each	England & Wales	100%	Dormant
Petrolex SA	1,000 Shares at Bs1,000 each	Bolivia	100%	Exploration & Production
*Endeavour Oil & Gas Ltd	100 Shares at £1 each	England & Wales	100%	Dormant
*Endeavour Oil & Gas Inc	10,000 Shares at 10cent each	USA	100%	Dormant
Bolivian Hydrocarbons Ltd	2 Shares at £1 each	Management Jersey	100%	Company
Pan Andean Oil & Gas Ltd	200 Shares At 1p each	England & Wales	100%	Dormant
Pan Andean Resources Limited	30,000 Shares of GHC1 each	Ghana	60%	Dormant

* indirectly held

The carrying value of the investments in subsidiaries is dependent on the successful discovery and development of economic deposit reserves and the ability of the Group to raise sufficient finance to develop the projects. It is subject to a number of significant potential risks set out in note 3 (vii).

13. OTHER RECEIVABLES

	2020 Group £	2019 Group £	2020 Company £	2019 Company £
Prepayments	1,786	3,344	1,784	3,342
	<u>1,786</u>	<u>3,344</u>	<u>1,784</u>	<u>3,342</u>

Clontarf Energy Plc

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2020

14. CASH AND CASH EQUIVALENTS

	2020	2019	2020	2019
	Group	Group	Company	Company
	£	£	£	£
Cash and cash equivalents	89,423	301,292	89,423	301,292

Cash at bank earns interest at floating rates based on daily bank deposit rates.

15. TRADE & OTHER PAYABLES

	2020	2019	2020	2019
	Group	Group	Company	Company
	£	£	£	£
Trade payables	40,140	38,195	40,143	38,198
Other accruals	26,000	18,000	26,000	18,000
Due to group undertaking	-	-	50,000	50,000
	66,140	56,195	116,143	106,198

It is the company's normal practice to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the agreed terms, payment is made accordingly. In the absence of agreed terms it is the company's policy that the majority of payments are made between 30 – 40 days. The carrying amount of trade and other payables approximates to their fair value.

16. OTHER PAYABLES

	2020	2019	2020	2019
	Group	Group	Company	Company
	£	£	£	£
Amounts due to directors	1,300,567	1,180,567	761,527	671,527
	1,300,567	1,180,567	761,527	671,527

Other payables relate to amounts due to directors' remuneration of £1,300,567 (2019: £1,180,567) accrued but not paid at year end.

17. CALLED-UP SHARE CAPITAL

Ordinary Shares

Allotted, called-up and fully paid:

	Number	Share	Share
	£	Capital	Premium
	£	£	£
At 1 January 2019	716,979,964	1,792,450	10,900,373
Issued during the year	-	-	-
At 31 December 2019	716,979,964	1,792,450	10,900,373
Issued during the year	-	-	-
At 31 December 2020	716,979,964	1,792,450	10,900,373

Share Options

A total of 40,500,000 share options were in issue at 31 December 2020 (2019: 40,500,000). These options are exercisable, at prices ranging between 0.70p and 0.725p, up to seven years from the date of granting of the options unless otherwise determined by the board. Further information relating to Share Options is outlined in Note 21.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2020

18. MATERIAL NON-CASH TRANSACTIONS

Material non-cash transactions during the year have been outlined in notes 7, 11, note 17 and 21.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Group and Company

The Group's financial instruments comprise cash and cash equivalent balances, investments and various items such as trade and other payables which arise directly from operations.

The Group undertakes certain transactions denominated in foreign currencies. Hence exposures to exchange rate fluctuations arise.

The Group holds cash as a liquid resource to fund obligations to the Group. The Group's cash balances are held in Pound Sterling, Euro and US Dollars. The Group's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. This is achieved by regular monitoring of interest rates and monthly review of expenditure.

The Group has a policy of not hedging due to no significant dealings in currencies other than the reporting currency Euro and US Dollar denominated transactions and therefore takes market rates in respect of foreign exchange risk; however, it does review its currency exposure on an ad hoc basis.

The Group does not enter into any derivative transactions, and it is the Group's policy that no trading in derivatives shall be undertaken.

The main financial risks arising from the Group's financial instruments are as follows:

Interest rate risk

The Group has no outstanding bank borrowings at the year end. New projects and acquisitions are financed by a combination of existing cash surpluses and through funds raised from equity share issues. The Group may use project finance in the future to finance exploration and development costs on existing licences. There would be no material impact on the company should there be a change in the interest rates.

Liquidity risk

In regards to liquidity, the Group's policy is to ensure continuity of funding primarily through fresh issues of shares and by maintaining adequate cash reserves. Short-term funding is achieved through utilising and optimising the management of working capital. The directors are confident that adequate cash resources exist to finance operations in the short term, including exploration and development.

Foreign currency risk

In the normal course of business, the Group enters into transactions denominated in foreign currencies (US Dollar and Euro). As a result, the Group is subject to exposure from fluctuations in foreign currency exchange rates; however, it does review its currency exposures on an ad hoc basis.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2020

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Foreign currency risk *(continued)*

The carrying amounts of the Group and Company foreign currency denominated monetary assets and monetary liabilities at the reporting dates are as follows. There would be no material impact on the company should there be a change in the foreign exchange rates:

	Assets		Liabilities	
	2020	2019	2020	2019
	£	£	£	£
Group				
Euro	8,839	14,639	-	1,237
US Dollar	971	2,940	-	-
	Assets		Liabilities	
	2020	2019	2020	2019
	£	£	£	£
Company				
Euro	8,839	14,639	-	1,237
US Dollar	971	2,940	-	-

Capital Management

The primary objective when managing capital is to safeguard the ability of the Group to continue as a going concern in order to support its business and maximise shareholder value. The capital structure of the Group consists of issued share capital, share premium and reserves.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2020 and 31 December 2019. The Group's only capital requirement is its authorised minimum capital as a plc. The Companies Act 2006 specifies that the authorized minimum is £50,000 with 25% paid up.

Credit risk

Credit risk arises from cash and cash equivalents.

The maximum credit exposure of the Group as at 31 December 2020 amounted to £89,423 (2019: 301,292) relating to the Group's cash and cash equivalents and receivables. The directors believe there is a limited exposure to credit risk as the Group's cash and cash equivalents are held with major financial institutions.

The Group manages its credit risk in cash and cash equivalents by holding surplus funds in high credit worthy financial institutions and maintains minimum balances with financial institutions in remote locations.

	2020	2019
	£	£
Cash held in institutions with S&P A- rating or higher	89,423	301,292

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2020

20. CAPITAL COMMITMENTS

There is no capital expenditure authorised or contracted for which is not provided for in these accounts.

21. SHARE-BASED PAYMENTS

The Group issues equity-settled share-based payments to certain directors and individuals who have performed services for the Group. Equity-settled share-based payments are measured at fair value at the date of grant. Shares granted to individuals and directors will vest 3 years from the period that the awards relates.

Fair value is measured by the use of a Black-Scholes model.

The Group plan provides for a grant price equal to the average quoted market price of the ordinary shares on the date of grant.

	2020		2019
	Weighted		Weighted
	average		average
	exercise		exercise price
	price		in pence
	in pence		in pence
	31/12/2020	31/12/2019	
	Options	Options	
Outstanding at beginning of year	40,500,000	8,900,000	4.25
Issued	–	40,000,000	0.7
Expired	–	(8,400,000)	4.25
Outstanding at end of the year	40,500,000	40,500,000	0.7
Exercisable at end of the year	27,166,667	13,833,333	0.7

During the prior year 40,000,000 options were granted with a fair value of £246,788. These fair values were calculated using the Black-Scholes valuation model. These options will vest over a 3 year period and will be capitalized or expensed on a straight line basis over the vesting period.

The inputs into the Black-Scholes valuation model were as follows:

Grant 2 October 2019

Weighted average share price at date of grant (in pence)	0.7p
Weighted average exercise price (in pence)	0.7p
Expected volatility	116.23%
Expected life	7 years
Risk free rate	1.3%
Expected dividends	none

Expected volatility was determined by management based on their cumulative experience of the movement in share prices.

The terms of the options granted do not contain any market conditions within the meaning of IFRS 2.

The Group capitalised expenses of £30,849 (2019: £Nil) and expensed costs of £51,415 (2019: £20,565) relating to equity-settled share-based payment transactions during the year.

22. PARENT COMPANY INCOME STATEMENT

As permitted by Section 408 of the Companies Act, 2006 the Parent Company's income statement has not been presented in this document. The loss after taxation, as determined in accordance with IFRS, for the Parent Company for the year is £361,308 (2019: £308,535).

23. POST BALANCE SHEET EVENTS

On 6 May 2021 the Company announced that it had raised £500,000 via the placing of 153,846,153 ordinary shares with new and existing investors at a price of 0.325p per placing share.

Notice of Annual General Meeting

for the year ended 31 December 2020

STATEMENT ACCOMPANYING NOTICE OF AGM

To holders of ordinary shares of 0.25p each in the Company

Dear Shareholder,

This letter accompanies the Notice of the Annual General Meeting of the Company (the "AGM") to be held at The Granite Exchange, 5-6 Kildare St., Newry BT34 1DQ on 23 June 2021 at 11.00 am.

We are closely monitoring the Coronavirus (COVID-19) situation. The Board takes its responsibility to safeguard the health of its shareholders, stakeholders and employees very seriously and so the following measures will be put in place for the AGM in response to the COVID-19 pandemic.

The holding of the AGM will be kept under review in line with current Covid-19 guidelines. However, it will be attended only by the minimum number of Directors of the Company permissible and other officers and professional advisers will not be in attendance, unless required for the AGM.

In order to reduce the risk of infection, the meeting will end immediately following the formal business of the AGM and there will be no refreshments.

Shareholders are actively encouraged to consider whether their attendance at the AGM is necessary given the current guidelines. In order to safeguard the well-being of our shareholders and employees, we are encouraging shareholders to appoint the Chairman as their proxy (either electronically or by post) with their voting instructions rather than attend the AGM in person.

If you have questions which you would like to discuss in advance of the AGM, please contact the Board by emailing info@clontarfenery.com or send them in writing with your Form of Proxy to the Registrar, by no later than four days in advance of the AGM and a member of the Board will respond to you in writing as soon as possible.

Shareholders still wishing to attend the meeting in person should not do so if they or someone living in the same household feels unwell or has been in contact with anyone who has the virus or who feels unwell. The Board will put in place security arrangements and to gain entrance to the meeting, shareholders will be required to sign a certificate to confirm that this is the case.

These requirements and confirmations are subject to change to reflect the latest Covid-19 guidelines at the time of the AGM. The Company will continue to monitor the impact of COVID-19. Any relevant updates regarding the AGM will be available on the Company's website.

By order of the Board

James Finn
Secretary

18 May 2021

Notice of Annual General Meeting *(continued)*

for the year ended 31 December 2020

Notice is hereby given that an Annual General Meeting of Clontarf Energy plc ("the Company") will be held at The Granite Exchange, 5-6 Kildare St., Newry BT34 1DQ on 23 June 2021 at 11.00 am for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the Directors' Report, Audited Accounts and Auditor's Report for the year ended 31 December 2020.
2. To re-elect Director: James Finn retires in accordance with Article 25 and seeks re-election.
3. To re-elect Deloitte as auditors and to authorise the Directors to fix their remuneration.
4. To transact any other ordinary business of an annual general meeting.

Special Business

Ordinary Resolution

5. That, in accordance with section 551 of the Companies Act 2006 ("2006 Act"), the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £5,000,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on a date no longer than five years from the date the resolution is passed save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substituting for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the 2006 Act.

Special Resolution

6. That, subject to the passing of resolution 5 and in accordance with sections 570 and 573 of the 2006 Act, the Directors be and are generally empowered to allot equity securities as defined in section 560 of the ("2006 Act") for cash pursuant to the authority conferred by resolution 5, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall:
 - 6.1 be limited to that allotment of equity securities up to an aggregate nominal amount of £5,000,000; and
 - 6.2 expire on a date no longer than five years from the date the resolution is passed (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

For Consideration

To consider in accordance with section 656 Companies Act 2006 whether any, and if so what, steps should be taken to deal with the situation that the net assets of the Company are less than half its called up share capital.

By order of the Board

James Finn
Secretary

18 May 2021

Registered Office: Suite 1 3rd Floor, 11-12 St. James Square, London, SW1Y 4LB
Registered in England and Wales with company number: 04967918

Notice of Annual General Meeting *(continued)*

for the year ended 31 December 2020

Notes:

1. A member who is unable to attend and vote at the above Annual General Meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy need not be a member of the Company. The appointment of a proxy will not preclude a member from the Meeting and voting in person.
2. To be effective, the completed Form of Proxy duly signed, together with the power of attorney (if any) or other authority under which it is executed, or a notarially certified copy thereof, must be deposited at the Company's Registrars, Computershare Investor Services (Ireland) Ltd., 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82, not less than forty-eight hours before the time appointed for the Meeting or any adjournment thereof at which the person named in the form of Proxy is to vote. A shareholder wishing to appoint a proxy by electronic means may do so on www.eproxyappointment.com. A shareholder who wishes to appoint more than one proxy by electronic means must contact the Registrar by sending an email to clientservices@computershare.ie.
3. A shareholder may appoint more than one proxy to attend, speak, ask questions and vote at the meeting provided each proxy is appointed to exercise rights attached to different shares held by that shareholder. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on +353 1 216 3100 or you may photocopy the proxy form. Please indicate in the box next to the proxy holder's name on the Form of Proxy the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided in the Form of Proxy if the proxy instruction is one of multiple instructions being given. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name on the Form of Proxy the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if the Form of Proxy has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account). All Forms of Proxy must be signed and should be returned together in the same envelope. Where a poll is taken at the Meeting, a shareholder, present in person or proxy, holding more than one share is not required to cast all their votes in the same way.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
5. The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
6. Pursuant to the Regulation 41 of the Uncertificated Securities Regulation 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the date of the meeting (or in the case of an adjournment as at close of business on the day which is 2 days before the date of the adjourned meeting). Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 11.00a.m. on 21 June 2021 (or in the case of an adjournment as at 48 hours before the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Clontarf Energy Plc

Directors and Other Information

DIRECTORS

John Teeling (Chairman)
David Horgan (Managing Director)
James Finn (Finance Director)
Peter O'Toole (Non-executive Director)

SECRETARY

James Finn

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