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To: Amman Stock Exchange

السادة بورصة عمان المحترمين

Subject: Quarterly Report as of 31/03/2020

الموضوع: التقرير ربع السنوي كما هو في
٢٠٢٠/٠٣/٣١

Good Greeting:

تحية طيبة وبعد:

Attached the Quarterly Report of National Oil
and Electricity Production from Oil Shale
Company P.L.C (Shale Energy) As of 31/03/2020

مرفق طيه نسخة من البيانات المالية ربع السنوية للشركة
الوطنية لإنتاج النفط والطاقة الكهربائية من الصخر
الزيتي كما هي بتاريخ ٢٠٢٠/٠٣/٣١.

With All Respect

وتفضلوا بقبول فائق الاحترام

المدير العام بالوكالة/ الدكتور مجدي برجوس

Acting General Manager/ Dr. Majdi Barjous

بورصة عمان
الدائرة الإدارية والمالية
الديوان
١٣ آب ٢٠٢٠
الرقم المتسلسل: ٧١٢٤
رقم الملف: ٤١٢٤
الجهة المختصة: المدير العام

**National Oil and Electricity Production
from Oil Shale Company
(SHALE ENERGY)
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan**

**Interim Condensed Financial Statements
and Review Report
for the three months ended March 31, 2020**

National Oil and Electricity Production
from Oil Shale Company
(SHALE ENERGY)
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

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Report on review of interim condensed financial information

To Messer's
National Oil and Electricity Production from Oil Shale Company
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

We have reviewed the interim condensed statement of financial position of National Oil and Electricity Production from Oil Shale Company (Public Shareholding Company), as at March 31, 2020, and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the three months period then ended. Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Financial Reporting Standard no. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion about this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement no. (2410) "Review of interim financial information performed by the independent auditor of the entity". A review of interim consolidated condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated condensed financial information is not prepared, in all material respects, in accordance with International Financial Reporting Standard no. (34) "Interim Financial Reporting".

Going concern

We would like to refer to note (3) in the financial statements where the accumulated losses has reached an amount of JD 3,791,423 which comprises a total of 76% from the company's capital on the date of the statement of financial position, these losses may cast significant doubt on the company ability to continue as a going concern.

Talal Abu-Ghazaleh & Co. International



Aziz Abdelkader
(License # 867)

Amman – July 29, 2020



National Oil and Electricity Production
from Oil Shale Company
(SHALE ENERGY)
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Interim condensed statement of financial position as at March 31, 2020 - (Reviewed and unaudited)

	Notes	March 31, 2020	December 31, 2019 (Audited)
		JD	JD
ASSETS			
Current Assets			
Cash and cash equivalents		1,017,559	1,021,425
Investment in financial assets at fair value through profit or loss		125,579	148,426
Other debit balances		105,338	97,524
Total Current Assets		1,248,476	1,267,375
Non-Current Assets			
Investments in an associate		1	1
Property and equipment		869	900
Total Non-Current Assets		870	901
TOTAL ASSETS		1,249,346	1,268,276
LIABILITIES AND EQUITY			
Current Liabilities			
Other credit balances		40,859	26,711
Equity			
Capital		5,000,000	5,000,000
Accumulated losses	3	(3,791,513)	(3,758,435)
Net Equity		1,208,487	1,241,565
TOTAL LIABILITIES AND EQUITY		1,249,346	1,268,276

National Oil and Electricity Production
from Oil Shale Company
(SHALE ENERGY)
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Interim condensed statement of comprehensive income for the three months ended March 31, 2020
- (Reviewed and unaudited)

	March 31, 2020	March 31, 2019
	JD	JD
Murabaha revenue	10,722	12,110
Change in fair value of investments in financial assets at fair value through profit and loss	(13,846)	13,162
Administrative expenses	(29,954)	(28,338)
Loss	(33,078)	(3,066)
Weighted average number of shares	5,000,000	5,000,000
Loss per share	(-/007) JD	(-/001) JD

National Oil and Electricity Production
from Oil Shale Company
(SHALE ENERGY)
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Interim condensed statement of changes in equity for the three months ended March 31, 2020
- (Reviewed and unaudited)

	Capital	Accumulated Losses	Total
	JD	JD	JD
<u>For the three month ended March 31, 2020</u>			
Balance as at January 1, 2020	5,000,000	(3,758,435)	1,241,565
Loss	-	(33,078)	(33,078)
Balance as at March 31, 2020	<u>5,000,000</u>	<u>(3,791,513)</u>	<u>1,208,487</u>
<u>For the three month ended March 31, 2019</u>			
Balance as at January 1, 2019	5,000,000	(3,665,230)	1,334,770
Loss	-	(3,066)	(3,066)
Balance as at March 31, 2019	<u>5,000,000</u>	<u>(3,668,296)</u>	<u>1,331,704</u>

National Oil and Electricity Production
from Oil Shale Company
(SHALE ENERGY)
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Interim condensed statement of cash flows for the three months ended March 31, 2020
- (Reviewed and unaudited)

	March 31, 2020	March 31, 2019
	JD	JD
Cash Flow From Operating Activities		
Loss	(33,078)	(3,066)
Adjustment for:		
Change in fair value of investments in financial assets at fair value through profit or loss	13,846	(13,162)
Depreciation	31	178
Change in Operating Assets and Liabilities:		
Other debit balances	(7,813)	(8,028)
Other credit balances	14,148	5,192
Net Cash Flow From Operating Activities	(12,866)	(18,886)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in financial assets at fair value through profit or loss	9,000	-
Net cash from investing activities	9,000	-
Net change in cash and cash equivalents	(3,866)	(18,886)
Cash and cash equivalents - beginning of period	1,021,425	1,074,134
Cash and cash equivalents - end of period	1,017,559	1,055,248

National Oil and Electricity Production
from Oil Shale Company
(SHALE ENERGY)
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Notes to the interim condensed financial statements

1. Legal status and activity

- The Company was established on May 13, 2007 and registered as a public shareholding company with the Ministry of Industry and Trade under the number (437).
- The main Company's activities are as follows:
 - Oil Shale mining and its use in petrochemical and construction industries and the production of oil shale and gas by desalinated and electricity, cement, bricks, sulfur and chemical fertilizers.
 - Mining for oil shale throughout all of the Jordanian territories.
 - Exploitation of similar resources such as oil sand.
- The company operates through the trademark of (SHALE ENERGY).
- The financial statements were approved by the Board of Directors in its meeting held on July 28, 2020.

2. Financial statements preparation framework and significant accounting policies

- The interim condensed financial information for the company were prepared according to the International Accounting Standard (34) "Interim Financial Reporting".
- Accounting policies used in preparing the interim condensed financial statement are consistent with those policies used in preparing the financial statements for the year ended December 31, 2019.

3. Accumulated losses

- The accumulated losses for the company amounted to JD 3,791,423 representing 76% of the company's capital, management plans for the company line of business and its ability to continue as a going concern.
- The company has filed a feasibility study for the oil shale distillation project for Alsultani area based on the understanding memorandums that was delegated with the energy and minerals regulatory commission (EMRC) which has been approved.
- The company is now following up on the ministry approval and to take the needed procedures to get the Sultani area privilege.
- The company is viewing safe options for the financial situation and is working on minimizing expenses to continue on the upcoming phases of the project.

4. Covid-19 impact on a company's business

- As a result of the spread of the new Corona virus (Covid-19) in the beginning of 2020 and its outbreak in several geographical regions around the world including the Hashemite Kingdom of Jordan and its impact on the global economy, in addition to disrupting economic activities, this has affected the oil shale mining and its use in petrochemical and construction industries and the production of oil shale and gas by desalinated and electricity, cement, bricks, sulfur and chemical fertilizers and Mining for oil shale throughout all of the Jordanian territories, in addition to the result of the quarantine measures established by the Defense Law. The company has formed a team to evaluate the expected effects on the company's business inside and outside the Kingdom and to conduct a preliminary study with a view to reviewing and evaluating the potential risks related to ensuring continuity and operation without interruption at this stage, the administration does not consider that it is possible to quantify the potential impact of this outbreak on the company's future financial statements at this stage.
- Management and those charged with governance will continue to monitor the situation in all geographic regions in which the company operates and provide stakeholders with developments as required by laws and regulations. In the event of any changes to the current conditions, additional disclosures or amendments to the company's financial statements.