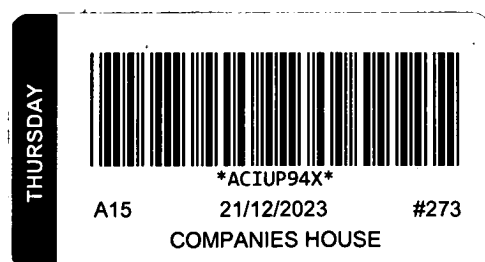


Company Registration No. 03084447

PETRO-CANADA ENERGY NORTH SEA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



PETRO-CANADA ENERGY NORTH SEA LIMITED

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PETRO-CANADA ENERGY NORTH SEA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and the audited financial statements for the year ended 31 December 2022. The directors' report has been prepared in accordance with the special provisions relating to small companies under section 415 (A) of the Companies Act 2006.

Principal activities

The company has no trading activities or income generating activities.

General information

Petro-Canada Energy North Sea Limited (the company) is a limited liability company, incorporated and domiciled in England.

The company's registered office is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

The immediate parent company throughout the period was Suncor Energy UK Limited. On 30 March 2023 the immediate parent changed to Suncor Energy UK Holdings Limited.

Suncor Energy Inc. is the parent undertaking of the largest company of undertakings to consolidate these financial statements as at 31 December 2022. The consolidated financial statements of Suncor Energy Inc. are available from:

Suncor Energy Inc. 150 – 6th Avenue SW, Calgary, Alberta, Canada, T2P 3E3

Business review and future developments

There was no significant events or transactions for the company in the year.

Results and dividends

The company's profit for the financial year amounted to £82,000 (2021: £5,000). The company did not pay dividends in 2022 to Suncor Energy UK Limited (2021: £nil).

Financial risk management objectives and policies

The company's main activities expose it to the financial risks of foreign exchange. The Board will, however, continue to closely monitor the risks associated with the currency fluctuations and manage these with regard to the company's commitments.

Foreign exchange risk

The company's activities expose it primarily to the financial risks in changes of foreign currency exchange rates. Any foreign currency exposure is managed at corporate level in compliance with Suncor group policies.

Directors and their interests

The directors of the company who were in office during the year were:

A. Campbell (resigned 15 June 2022)
S. Sikkema (appointed 15 June 2022)
S. Sikkema (resigned 30 June 2023)
A. Eggerton (resigned 30 June 2023)
S. Trueman (resigned 30 June 2023)

Subsequent to year end and up to the date of signing the financial statements were:

C Watkins (appointed 30 June 2023)
C Watkins (resigned 19 October 2023)
T. Bell (appointed 19 October 2023)
A. Wood Hill (appointed 19 October 2023)
R. Harris (appointed 19 October 2023)

PETRO-CANADA ENERGY NORTH SEA LIMITED

DIRECTORS REPORT (continued)

The directors who held office at the end of the financial year do not have any interests in the shares of the company or any other UK group company, nor received any remuneration from the company.

Going concern

The directors are considering the future of the company. At this stage there is no intention to seek another trade for the company. The financial statements have therefore not been prepared on a going concern basis. No adjustments have been required at the Balance Sheet date to reflect this basis of accounting.

Charitable and political contributions

The company did not make any charitable or political contributions during the year (2021: nil).

Disclosure of information to auditor

Each of the persons who is 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 auditor is 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 is aware of that information.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the directors' 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. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 2, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

PETRO-CANADA ENERGY NORTH SEA LIMITED

DIRECTORS REPORT (continued)

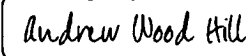
Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Independent Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Directors and signed on behalf of the Board.

DocuSigned by:

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Andrew Wood Hill, Director

18 December 2023

Company Number 03084447

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETRO-CANADA ENERGY NORTH SEA LIMITED

Opinion

We have audited the financial statements of Petro-Canada Energy North Sea Limited ("the company") for the year ended 31 December 2022 which comprise the income statement, statement of financial position, statement of changes in equity and related notes, including the accounting policies in note 2. These financial statements have not been prepared on the going concern basis for the reason set out in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to Suncor Energy Inc's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unbalanced journals; those posted to unusual accounts; and journals containing key words which may indicate higher risk.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a non trading company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETRO-CANADA ENERGY NORTH SEA LIMITED (CONTINUED)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETRO-CANADA ENERGY
NORTH SEA LIMITED (CONTINUED)**

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Daniel Crighton (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Marischal Square
Broad Street
Aberdeen
AB10 1DD

19 December 2023

PETRO-CANADA ENERGY NORTH SEA LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Administrative expenses	4	<u>(11)</u>	(15)
Operating loss		(11)	(15)
Interest receivable and similar income	5	17	-
Other income		<u>81</u>	-
		98	-
Profit / (loss) before income tax		87	(15)
Tax on profit / (loss)	6	<u>(5)</u>	20
Profit for the financial year		<u>82</u>	<u>5</u>

The accompanying notes form part of these financial statements

There is no other comprehensive income during the year other than the profit for the financial year. Accordingly, a statement of other comprehensive income is not presented.

The company's results are all derived from continuing activities.

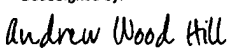
PETRO-CANADA ENERGY NORTH SEA LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Current Assets			
Debtors	8	<u>1,984</u>	<u>1,973</u>
		1,984	1,973
Creditors: amounts falling due within one year	9	<u>(1,760)</u>	<u>(1,831)</u>
Net current assets and net assets		<u><u>224</u></u>	<u><u>142</u></u>
Capital and reserves			
Called up share capital	10	<u>128</u>	<u>128</u>
Profit and loss account		<u>96</u>	<u>14</u>
Total shareholder's funds		<u><u>224</u></u>	<u><u>142</u></u>

The accompanying notes form part of these financial statements

The financial statements on pages 8 to 15 were approved by the Board of Directors and were signed on its behalf by:

DocuSigned by:

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Andrew Wood Hill, Director

18 December 2023

Company Number 03084447

PETRO-CANADA ENERGY NORTH SEA LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up Share capital £000	Share Premium Account £000	Profit and loss account £000	Total shareholder's funds £000
Balance as at December 31, 2020	128	-	9	137
Profit for the financial year	-	-	5	5
Dividends	-	-	-	-
Balance as at December 31, 2021	128	-	14	142
Profit for the financial year	-	-	82	82
Dividends	-	-	-	-
Balance as at December 31, 2022	128	-	96	224

The accompanying notes form part of these financial statements

PETRO-CANADA ENERGY NORTH SEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

1. General information

Petro-Canada Energy North Sea Limited (the company) is a limited liability company, incorporated and domiciled in England.

The company's registered office is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

The immediate parent company throughout the period was Suncor Energy UK Limited. On 30 March 2023 the immediate parent changed to Suncor Energy UK Holdings Limited.

Suncor Energy Inc. is the parent undertaking of the largest company of undertakings to consolidate these financial statements as at 31 December 2022. The consolidated financial statements of Suncor Energy Inc. are available from:

Suncor Energy Inc. 150 – 6th Avenue SW, Calgary, Alberta, Canada, T2P 3E3.

2. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below:

2.1. Basis of preparation

These financial statements have been prepared in accordance with United Kingdom Accounting standards, in particular, Financial Reporting Standards 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006.

The company is a qualifying entity for purposes of FRS 101. Note 11 gives details of the company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The financial statements have been prepared under historical cost convention.

2.2. Disclosure requirements

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Disclosures in respect of capital management.

Cash Flow Statement and related notes.

Disclosures in respect of the compensation of Key Management Personnel.

Disclosures in respect of transactions with wholly owned subsidiaries.

The effects of new but not yet effective IFRSs.

2.3. Foreign currencies

Transactions in foreign currencies are recorded at the relevant rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

PETRO-CANADA ENERGY NORTH SEA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

2.4. Financial instruments

Trade receivables and debt securities held by the company are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument. These instruments are initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Financial liabilities held by the company are classified as measured at amortised cost. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Any gains or losses on derecognition of these financial instruments are also recognised in profit or loss.

2.5. Taxation

Accounting policies relating to corporation tax payable to the UK government are as follows:

- i) Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Tax losses are surrendered or claimed in the form of group relief with consideration being received or paid accordingly. The group relief amount is recorded separately within the debtors and creditors amounts in the balance sheet as appropriate and is calculated by applying the tax rate enacted or substantively enacted at the balance sheet date to the loss amount.

- ii) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2.6. Interest receivable and payable

Interest arising is charged or credited to the profit and loss account in the year in which it is payable or receivable.

2.7. Going concern

The directors are considering the future of the company. At this stage there is no intention to seek another trade for the company. The financial statements have therefore not been prepared on a going concern basis. No adjustments have been required at the Balance Sheet date to reflect this basis of accounting.

2.8. Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management have considered the estimates and assumptions that have been made in calculating the carrying amounts of assets and liabilities and do not consider any to have a significant risk of causing a material adjustment within the next financial year.

PETRO-CANADA ENERGY NORTH SEA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

3. Changes in accounting policy and disclosures

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 January 2022 have had a material impact on the company.

4. Expenses and auditor's remuneration

	2022	2021
	£000	£000
Professional fees	1	7
<i>Auditor's remuneration</i>		
Audit of the financial statements	10	8
	11	15

No directors exercised stock options in the ultimate parent company during 2022 (2021: nil).

The directors did not receive any remuneration from the Company in the current or preceding years as no qualifying services were provided. There are no retirement benefits accruing to any directors.

This company had no employees for the year to 31 December 2022 (2021: nil).

5. Interest receivable

	2022	2021
	£000	£000
Interest received and receivable from group undertakings	17	-
	17	-

PETRO-CANADA ENERGY NORTH SEA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

6. Tax on profit

(a) Analysis of tax credit in the year

	2022	2021
	£000	£000
Current tax		
Group relief	5	(11)
Deferred tax		
Group relief	-	(9)
Total tax charge (credit) on profit	5	(20)

(b) Reconciliation of tax credit in the year

	2022	2021
	£000	£000
Profit / (loss) before income tax	87	(15)
Tax at 19.00% (2021: 19.00%)	16	(3)
Adjustment in respect of previous years	(11)	(17)
Total tax charge (credit) for the year	5	(20)

(c) Factors affecting the future tax charge

The Finance Act 2021 (enacted on 10th June 2021) included an increase to the UK's main corporation tax rate to 25%, which was effective from 1 April 2023. This will have a consequential effect on the company's current and future tax charges.

7. Dividends paid

The company did not pay dividends in 2022 to Suncor Energy UK Limited (2021: £nil).

8. Debtors

	2022	2021
	£000	£000
Amounts falling due within one year		
Amounts owed by group undertakings:		
-Inter-company current accounts	1,970	1,964
Other debtors, including tax	14	9
	1,984	1,973

PETRO-CANADA ENERGY NORTH SEA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

9. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Amounts falling due within one year		
Amounts owed to fellow subsidiary undertakings	1,752	1,754
Other creditors, including tax	8	77
	<u>1,760</u>	<u>1,831</u>

Amounts owed to fellow subsidiary undertaking are unsecured, interest free and repayable upon demand.

10. Called up share capital

Called up, allotted and fully paid

	2022	2021
	£000	£000
234,588 (2021: 234,588) Class A ordinary Shares at US\$1 each	128	128
1,000 (2021: 1,000) Class B ordinary shares of £0.01 each	-	-
	<u>128</u>	<u>128</u>

Class B ordinary shares carry full voting rights; however, they carry no right to receive dividends from the company and their economic worth is limited to the nominal value of the shares.

11. Ultimate parent company

The immediate parent undertaking is Suncor Energy UK Limited as at 31 December 2022. The ultimate parent company and controlling entity at 31 December 2022 was Suncor Energy Inc., a company incorporated in Canada. As the company is a wholly owned subsidiary of Suncor Energy Inc., the company has taken advantage of the exemption available under paragraph 8 of FRS 101 which allows exemption from disclosure of related party transactions with other group companies. The consolidated financial statements of the Suncor group, the smallest and largest to include the financial statements of the company, are available for Suncor Energy Inc., at 150 – 6th Avenue S.W., Calgary, Alberta, Canada T2P 3E3.

12. Subsequent events

In 2022, Suncor Energy Inc announced its intention to divest its UK assets. In 2023, Suncor Energy UK Holdings Limited reached an agreement for the sale of Suncor Energy UK Limited to Equinor UK Limited, with the transaction closing in June 2023. As a result of the sale, Petro Canada Energy North Sea Limited was sold to Suncor Energy UK Holdings Limited.