



ADDAX PETROLEUM UK LIMITED

Addax Petroleum UK Limited

Company No. 08135892

Financial Statements

For the year ended 31 December 2015





ADDAX PETROLEUM UK LIMITED

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ADDAX PETROLEUM UK LIMITED

Company Information

Directors

Y. Zhang
C. Xu (resigned 3 January 2017)
J. M. Warrender
R. Liu (appointed 3 January 2017)

Secretary

Jordan Company Secretaries Ltd

Company number

08135892

Registered office

20-22 Bedford Row
London
WC1R 4JS
U.K.

Registered Auditor

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London
E1W 1YW
U.K.



ADDAX PETROLEUM UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report together with the audited financial statements of Addax Petroleum UK Limited ("the Company" or "APUK") for the year ended 31 December 2015.

Principal activities

APUK is an investment holding company. The Company was incorporated on 10 July 2012 for the purpose of holding and managing its 49% shareholding in Repsol Sinopec Resources UK Limited ("RSRUK"), formerly Talisman Sinopec Energy (UK) Limited (the name was changed on 4 July 2016), based in Aberdeen, United Kingdom. RSRUK's assets are located in the United Kingdom.

The investment is in the form of a joint arrangement, in particular a joint venture. RSRUK is governed by a Shareholders' Agreement, which requires that unanimous consent be obtained from the shareholders for significant operating and financing decisions.

Business review

Fluctuation in the prices of oil and gas and the impact on RSRUK's financial results have led to the directors and shareholders of RSRUK taking steps to improve its financial position. APUK, guaranteed by China Petrochemical Corporation, has committed to support financially RSRUK. Details are provided in the note 12 to the financial statements.

The Company incurred a consolidated loss of \$1,117million (2014: \$2,154million), after recording a share of loss of \$318million (2014: \$1,118million), an impairment loss of \$733million (2014: \$777million), and a provision on future obligation of \$40million (2014: \$220million) to the joint venture. Revenue for management services rendered amounts to \$24million (2014: \$17million). Finance costs of \$26million (2014: \$29million) were incurred relating to the advance received to finance the 49% acquisition of RSRUK in 2012. As at 31 December 2015, the Company had eight employees. The Company has no corporation tax liability in 2015 in the UK.

Considering the current low oil price environment, RSRUK has implemented a transformation programme focused on delivering improved performance over the next five years. The directors continue to closely monitor the development and management of APUK's investment in the joint venture.

Risk assessment

The Company has one principal investment, its shareholding in RSRUK. RSRUK's principal activity is the exploration, development and production of oil and gas. RSRUK is subject to a number of risks inherent to the nature of its business. These risks individually, or in the aggregate, can impact the net asset value of RSRUK and its subsidiaries, and therefore the assessment of the Company's investment values. These risks include, but are not limited to:

- Changes in Government and HSSE regulations applicable to RSRUK's assets;
- Ability of RSRUK to find, develop and acquire additional oil and gas reserves;
- Volatility of commodity prices; and
- Volatility in costs of materials and services and demand for drilling and related equipment.

The Company is subject to certain capital management and financial risk management risks. These are discussed in more detail in note 23 to the financial statements.



ADDAX PETROLEUM UK LIMITED

DIRECTORS' REPORT - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2015

Results and dividends

The results for the year and the Company's financial position at the end of the year are shown on page 10 and 11.

The Directors do not recommend any distribution by way of a dividend for the year ended 31 December 2015.

Directors

The directors who served the Company during the year were as follows:

Y. Zhang
C. Xu
J. M. Warrender

The directors had no interests in the shares of the Company at any time during the year.

Events after the reporting period

Extension of the subscription agreement

On 1 September 2016, the shareholders of RSRUK agreed to extend the subscription agreement signed in June 2015. The original agreement was to provide equity funding totalling \$1.7billion (APUK share: \$833million) to RSRUK for the purpose of funding capital, abandonment and operating expenditure from 1 July 2015 to 31 December 2016. The term of the subscription agreement was extended to 31 December 2017. Other terms and conditions remain unchanged. The remaining capacity of the agreement as at 31 December 2016 is \$730million, of which the APUK share is \$358 million.

Change in the ultimate parent

China Petrochemical Corporation ("CPC"), a company incorporated in the People's Republic of China is the ultimate parent of APUK at the reporting date of financial statements. From 9 February 2016 the ultimate beneficial owners of APUK are CPC, China Chengtong Holdings Group Ltd and China Reform Holdings Corporation Ltd, which are all state owned entities of the People's Republic of China.

Change in the guarantor structure of the letters of credit related to decommissioning

In 2015 APHL guaranteed 49% of all letters of credit issued by RSRUK. In 2016 the guarantor structure was changed so that 49% of the amount of letters of credit issued on behalf of RSRUK are secured by back to back letters of credit from facilities entered into either by APHL or Sinopec International Oil & Gas Exploration & Production Corporation ("SIPC"). This arrangement allows APUK to meet its obligations under the Shareholders Agreement.



ADDAX PETROLEUM UK LIMITED

DIRECTORS' REPORT - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2015

Going Concern

The financial position of the Company and its business activities are described in the financial statements and notes of this report. In 2016 and 2017, RSRUK will continue to undertake a significant programme of investment in capital projects and upgrades to existing assets in order to maximise future returns and cash flows of the business, subject to shareholders' unanimous consent.

Under the Shareholders' Agreement, among other things, China Petrochemical Corporation unconditionally and irrevocably guarantees the full, due and punctual performance and observation by APUK of all the obligations of APUK to Talisman Colombia Holdco Limited and RSRUK.

The Company has received a confirmation from its parent, APHL, that APHL will not require any repayment of the amount payable to APHL, amounting to \$3,093million, for minimum of twelve months after the date of this report. APHL itself has received a written confirmation on 31 August 2016, which provides that its parent, SIPC will continue to provide financial support and assist APHL in meeting its liabilities as and when they fall due. The funds injected into RSRUK by APUK during the year were provided by APHL which in turn received from SIPC.

As a result, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore the financial statements have been prepared on a going concern basis.

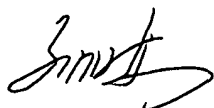
Auditor

Deloitte LLP resigned as auditor of the Company on 14 December 2016 and UHY Hacker Young LLP was subsequently appointed as auditor. UHY has expressed their willingness to continue in office as auditor. No notice in accordance with section 488 of the Companies Act 2006 (which would prevent the deemed reappointment of auditors under section 487(2) of the Act) has been and none is expected to be received and accordingly the necessary conditions are in place for the deemed reappointment of the auditors to take place in absence of an Annual General Meeting.

Disclosure of information provided to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditors are unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information. This confirmation should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the Board



Rudong Liu
Director
27 January 2017



ADDAX PETROLEUM UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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 the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 of the profit or loss of the group for that year. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and consistently 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF ADDAX PETROLEUM UK LIMITED**

We have audited the consolidated financial statements of Addax Petroleum UK Limited for the year ended 31 December 2015 which comprise the Company's consolidated statements of comprehensive income, the consolidated statements of financial position, the consolidated statements of changes in equity, the consolidated statements of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of responsibilities of those charged with governance, set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate

Opinion on consolidated financial statements

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of the Company's losses for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern

In forming our opinion on the consolidated financial statements, which is unqualified as described above, we have considered the adequacy of the disclosure made in directors' report page 5 and note 1(d) to the financial statements concerning the Company's ability to continue as a going concern. At year end, the Company's current liabilities exceeded its current assets and total assets by \$36.2million and \$35.8million, respectively. The Company's operation is currently relying on continuing financial support from its parent company, indicating the existence of an uncertainty which may cast doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include the adjustments that would result if the parent company was unable to continue in operation.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or proper 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
- we have not received any information or explanation that was necessary for our audit.



Julie Wilson (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young
Chartered Accountants
Statutory Auditor
Quadrant House
4 Thomas More Square
London
E1W 1YW

27 January 2017



ADDAX PETROLEUM UK LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

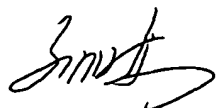
	Note	2015 \$'000	2014 \$'000
Other income	3	23,532	16,647
General and administrative expenses	4	<u>(22,546)</u>	<u>(11,664)</u>
Operating profit		986	4,983
Finance costs	19	(25,960)	(29,099)
Investment losses in Joint venture	9	<u>(1,092,377)</u>	<u>(2,119,819)</u>
Loss before income tax		(1,117,351)	(2,143,935)
Income tax expense	10	<u>-</u>	<u>-</u>
Loss for the year		<u>(1,117,351)</u>	<u>(2,143,935)</u>
Other comprehensive income			
Share of gain/(loss) on re-measurement of defined benefit pension scheme in joint venture	12	204	(9,775)
Total comprehensive loss for the year		<u>(1,117,147)</u>	<u>(2,153,710)</u>
Loss attributable to			
Equity holders of the Company		<u>(1,117,351)</u>	<u>(2,143,935)</u>
Total comprehensive loss attributable to			
Equity holders of the Company		<u>(1,117,147)</u>	<u>(2,153,710)</u>

ADDAX PETROLEUM UK LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	Note	2015 \$'000	2014 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	375	538
Investment in a joint venture	12	-	-
		<u>375</u>	<u>538</u>
Current assets			
Trade receivables	13	147	158
Other receivables	14	48	1,138
Cash and cash equivalents	15	113	178
		<u>308</u>	<u>1,474</u>
TOTAL ASSETS		<u>683</u>	<u>2,012</u>
LIABILITIES			
Current liabilities			
Trade and other payables	16	36,504	925,259
Income tax payable	10	-	-
		<u>36,504</u>	<u>925,259</u>
Non-current liabilities			
Long term borrowings	17	3,092,806	1,128,937
Provisions	12	260,989	220,285
		<u>3,353,795</u>	<u>1,349,222</u>
TOTAL LIABILITIES		<u>3,390,299</u>	<u>2,274,481</u>
EQUITY			
Capital and reserves attributable to Equity holders of the Company			
Share capital	18	1	1
Other reserves	18	(13,443)	(13,647)
Accumulated deficit		(3,376,174)	(2,258,823)
		<u>(3,389,616)</u>	<u>(2,272,469)</u>
TOTAL EQUITY		<u>683</u>	<u>2,012</u>

The financial statements of Addax Petroleum UK Limited, registered number 08135892 were approved and authorised for issue by the Board of Directors on 27 January 2017.



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Rudong Liu
Director



ADDAX PETROLEUM UK LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER

	Share capital \$'000	Retained Deficit \$'000	Revaluation reserve \$'000	Total deficit \$'000
At 1 January 2014	1	(114,888)	(3,872)	(118,760)
Loss for the year	-	(2,143,935)	-	(2,143,935)
Other comprehensive losses	-	-	(9,775)	(9,775)
Total comprehensive losses for the year	<u>1</u>	<u>(2,143,935)</u>	<u>(9,775)</u>	<u>(2,153,710)</u>
At 31 December 2014	<u>1</u>	<u>(2,258,823)</u>	<u>(13,647)</u>	<u>(2,272,470)</u>
At 1 January 2015	1	(2,258,823)	(13,647)	(2,272,470)
Loss for the year	-	(1,117,351)	-	(1,117,351)
Other comprehensive income	-	-	204	204
Total comprehensive loss for the year	<u>1</u>	<u>(1,117,351)</u>	<u>204</u>	<u>(1,117,147)</u>
At 31 December 2015	<u>1</u>	<u>(3,376,174)</u>	<u>(13,443)</u>	<u>(3,389,617)</u>

ADDAX PETROLEUM UK LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

	Note	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Receipts from related party for service rendered		1,035	958
VAT refund		250	286
Cash paid to suppliers and employees		<u>(7,292)</u>	<u>(6,375)</u>
Net cash used in operating activities		<u>(6,007)</u>	<u>(5,131)</u>
Cash flows from investing activities			
Investment in Joint Venture	12	(531,650)	(306,250)
Payments for property, plant and equipment	11	<u>(29)</u>	<u>(54)</u>
Net cash used in investing activities		<u>(531,679)</u>	<u>(306,304)</u>
Cash flows from financing activities			
Cash advances from parent company		5,987	4,841
Proceeds from long-term borrowings		<u>531,650</u>	<u>306,250</u>
Net cash from financing activities		<u>537,637</u>	<u>311,091</u>
Net decrease in cash and cash equivalents		(49)	(344)
Cash and cash equivalents as at 1 January	15	178	543
Effect of foreign exchange change on the balance of cash held in foreign currencies		<u>(16)</u>	<u>(21)</u>
Cash and cash equivalents as at 31 December	15	<u>113</u>	<u>178</u>



ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Principal Activities, Organisation and Basis of Preparation

a) Organisation

The Company is incorporated in England & Wales under the Companies Act 2006 as a private company. Its registered office address is 20-22 Bedford Row, London WC1R 4JS, U.K.

The Company's direct parent and the lowest level at which a consolidation is prepared is Addax Petroleum Holdings Limited ("APHL"), a company incorporated in the British Virgin Islands under the BVI Business Companies Act 2004 (as amended).

Addax Petroleum UK Limited is an indirect wholly-owned subsidiary of Sinopec International Petroleum Exploration and Production Corporation ("SIPC"), a state-owned enterprise in China.

China Petrochemical Corporation ("CPC"), a company incorporated in the People's Republic of China is the ultimate parent of APUK at the statement of financial position date.

b) Principal activities

The Company's principal activity is management of its 49% shareholding in Repsol Sinopec Resources (UK) Ltd ("RSRUK") based in Aberdeen, United Kingdom. The assets of RSRUK are in the United Kingdom. The Company has contractually agreed to share control over RSRUK with another party from the acquisition date (17 December 2012), making RSRUK a joint venture.

c) Basis of accounting

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union and in accordance with the full IFRS that comprise standards issued by the International Accounting Standard Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

d) Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate financial resources to continue its operations for the foreseeable future. Therefore, they continue to adopt the going concern basis for the preparation of the financial statements. Refer to the Directors' report on page 6.

e) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities it controls (together, the "Group"). Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.



ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

f) Standards and interpretations in issue but not yet effective

The Group has adopted all relevant standards effective for accounting periods beginning on or after 1 January 2015. As at end of the reporting year, the Group has not adopted the following standards as it is either not effective or not applicable to the Group's business.

Standards, amendments and interpretations

- IFRS 9 Financial Instruments (July 2014) – EU effective date 1 January 2018
- IFRS 15 Revenue from Contracts with Customers (May 2014) including amendments to IFRS 15: Effective date of IFRS 15 (September 2015) – EU effective date 1 January 2018
- Amendments to IFRS 10, IFRS 12 and ISA 28: Investment Entities (December 2014) – EU effective date 1 January 2016
- Amendments to IAS 27: Equity Method in Separate Financial Statements (August 2014) – EU effective date 1 January 2016
- Amendments to IAS 1: Disclosure Initiative (December 2014) - EU effective date 1 January 2016
- Annual Improvements to IFRSs 2012-2014 Cycle (September 2014) - EU effective date 1 January 2016
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (May 2014) - EU effective date 1 January 2016
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (May 2014) - EU effective date 1 January 2016
- Amendments to IAS 16 and IAS 41: Bearer Plants (Jun 2014) - EU effective date 1 January 2016

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements in future periods.

2 Significant accounting policies

a) Basis of preparation

The historical cost basis has been used in the preparation of the financial statements, and explained in the accounting policies below. The historical cost is generally based on the fair value of the consideration given in exchange for assets.

The financial statements are presented in United States ("US") dollars.

b) Estimation uncertainty

In application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. The estimates and associated assumptions are based upon historical experience and other factors that are not readily apparent from other sources but management considered to be relevant. Actual results may differ from these estimates and the differences could be significant.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.



ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

c) Foreign currencies

The US dollar is the presentation and functional currency as it best reflects the underlying transactions, events and conditions for the Company.

For the purposes of presenting financial statements, the assets and liabilities are translated into US dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at exchange rates prevailing on the last day of the month prior to the date of the transaction unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in the statement of income.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated to US dollars at the rates prevailing at the end of each reporting period. Non-monetary items in a foreign currency that are measured in terms of historical cost are not retranslated. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash equivalents are stated at cost, which approximates fair value.

e) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortized cost less accumulated impairment losses for bad and doubtful debts. Trade and other receivables are derecognised if APUK's contractual rights to the cash flows from these financial assets expire or if APUK transfers these assets to another party without retaining control of substantially all risks and rewards of the assets.

f) Investment in a joint venture

RSRUK qualifies as a joint venture as the Company has contractually agreed to share control with another party.

APUK accounts for its interest in RSRUK using the equity method. When the entity's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

g) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.



ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

h) Property, plant and equipment

All property, plant and equipment assets are stated at cost less accumulated depreciation.

i) Depreciation method

Depreciation is provided on a straight line method to write off the cost or valuation, less any residual value, of each asset evenly over its anticipated useful life as follows:

Asset	Useful life in years
Furniture and office equipment	3-5

Residual value, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate.

j) Financial instruments

Financial assets and financial liabilities are recognised when APUK becomes a party to the contractual provisions of the instrument. APUK classifies its financial instruments into one of the following categories: held-for-trading (financial assets and financial liabilities), available-for-sale financial assets, loans and receivables, and other financial liabilities. The classification depends on the nature and purpose of the financial instrument and is determined at the time of initial recognition.

Financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets or financial liabilities held-for-trading) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial instruments held-for-trading are recognised immediately in the profit or loss. Measurement in subsequent periods depends on the classification of the financial instrument.

Financial assets and liabilities held-for-trading are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'finance income/costs' lines in the statement of income.

Financial assets available-for-sale is subsequently re-measured to their fair value with changes in fair value recognised directly in equity, net of tax. All other categories of financial instruments are subsequently measured at their amortised cost using the effective interest rate method.

Cash and cash equivalents and derivative instruments are classified as held-for-trading and are measured at carrying value, which approximates fair value due to the short-term nature of these instruments. Accounts receivable and certain other assets that are financial instruments are classified as loans and receivables. Accounts payable and accrued liabilities, long-term debt and convertible bonds are classified as other financial liabilities.



ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

k) Impairment of financial assets

Trade accounts receivable, other receivables and investments in equity securities that do not have a quoted market price in an active market, other than investments in associates and jointly controlled entities, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The impairment loss is measured as the difference between the asset's carrying amount and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset and is recognised as an expense in the income statement. Impairment losses for trade and other receivables are reversed through the income statement if in a subsequent period the amount of the impairment losses decreases. Impairment loss for equity securities is not reversed.

l) Provisions and long term liabilities

Provisions are recognised when APUK has a present obligation (legal or constructive) as a result of a past event, it is probable that APUK will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions for future decommissioning costs are initially recognised based on the present value of the future costs expected to be incurred in respect of dismantlement and abandonment costs at the end of oil and gas exploration and development activities.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist if APUK has a contract under which the unavoidable costs of meeting its obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote. The evaluation of the likelihood of the contingent events requires management judgment as to the probability of exposure to potential loss.

m) Employee benefits

Wages, salaries, bonuses, cash based long term incentive programs and social security contributions are accrued in the period in which the associated services are rendered by employees. Payments to defined contribution retirement benefit plans are recognized as an expense when the employees have rendered service entitling them to the contributions.



ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

n) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. APUK's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

o) Other income

Revenue from management services rendered is recognized when the service has been performed, the amount of income can be measured reliably and it is probable that the economic benefits will flow to the Company.

ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

3 Other income

	2015 \$'000	2014 \$'000
Management services rendered	<u>23,532</u>	<u>16,467</u>

4 General and administrative expenses

The following amounts were expensed during the year:

	Note	2015 \$'000	2014 \$'000
Professional fees	5	(14,199)	(4,551)
Employment costs	6	(7,485)	(5,904)
Communication and information		(37)	(39)
Office expenses		(530)	(901)
Information systems & technology		(103)	(141)
Depreciation	11	<u>(192)</u>	<u>(128)</u>
		<u>(22,546)</u>	<u>(11,664)</u>

5 Professional fees

	2015 \$'000	2014 \$'000
Fees for the audit of the financial statements	(36)	(34)
Other assurance services	<u>(39)</u>	<u>(77)</u>
Auditor's remuneration	(75)	(111)
Consultants	(9,722)	(598)
Management and technical support	<u>(4,402)</u>	<u>(3,842)</u>
	<u>(14,199)</u>	<u>(4,551)</u>

6 Employment costs

	2015 \$'000	2014 \$'000
Wages and salaries	(5,484)	(4,036)
Social security costs	(949)	(384)
Other employment costs	(775)	(1,289)
Other pension costs	<u>(277)</u>	<u>(195)</u>
	<u>(7,485)</u>	<u>(5,904)</u>

The average number of persons employed by the Company during the year was 8 (2014: 6).

ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

7 Compensation of key management

The remuneration of directors and other key members of management during the period were as follows:

	2015 \$'000	2014 \$'000
Short term employee benefits	(707)	(561)
Post employee benefits	<u>(55)</u>	<u>(56)</u>
	<u><u>(762)</u></u>	<u><u>(617)</u></u>

There is no compensation to directors in respect of loss of office.

8 Employee benefits

A pension contribution of \$99,000 (2014: \$105,000) has been provided for pension fund obligations and has been included in the general and administrative costs.

9 Investment losses in joint venture

	2015 \$'000	2014 \$'000
Share of loss of joint venture	(318,422)	(1,117,567)
Impairment loss on joint venture	(733,251)	(777,434)
Joint venture management costs	-	(4,533)
Obligation to fund equity investment	<u>(40,704)</u>	<u>(220,285)</u>
	<u><u>(1,092,377)</u></u>	<u><u>(2,119,819)</u></u>

ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

10 Taxation

	2015 \$'000	2014 \$'000
Current income tax expense	-	-
Loss before tax from continuing operations	(1,117,351)	(2,143,935)
Income tax expense calculated @ 20.25% (2014: 21.50%)	(226,264)	(460,946)
Effects of:		
Expenses not deductible for tax purposes	45	1,015
Share of losses in joint venture that are not deductible	64,480	240,277
Impairment losses on investment that are not deductible	148,483	167,148
Provision on obligation that is not deductible	8,243	47,361
Effect of unused tax losses	5,013	5,145
Income tax expense	-	-

The effective rate of tax applied to the above calculation is 20.25% (2014: 21.50%). In recent years, the UK government has steadily reduced the corporation tax rate, from 23% with effect from 1 April 2013, 21% with effect from 1 April 2014, and 20% with effect from 1 April 2015. In the Budget on 8 July 2015, the government proposed, amongst other things, to further reduce the main corporation tax rate to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020.

No deferred tax asset (2015: \$1,140million, 2014: \$1,206million) is recognised with respect to the tax losses and timing differences due to the uncertainty that these can be utilised in the future. There is no expiry date on timing differences and unused tax losses.

11 Property, plant and equipment

	<i>Furniture and fittings</i> \$'000	<i>Total</i> \$'000
Cost:		
At 1 January 2014	640	640
Additions	54	54
At 31 December 2014	694	694
Additions	29	29
At 31 December 2015	723	723
Accumulated Depreciation:		
At 1 January 2014	(28)	(28)
Depreciation	(128)	(128)
At 31 December 2014	(156)	(156)
Depreciation	(192)	(192)
At 31 December 2015	(348)	(348)
Carrying value:		
At 1 January 2014	612	612
At 31 December 2014	538	538
At 31 December 2015	375	375

ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

12 Investment

On 23 July 2012, APUK along with SIPC entered into an agreement (the "Share Purchase Agreement") with Talisman Energy Inc., and Talisman Colombia Holdco Limited (collectively "Talisman") to purchase a 49% non-operated equity interest in Talisman Energy UK Limited. The transaction was completed on 17 December 2012. Talisman Energy UK Limited subsequently changed its name to Talisman Sinopec Energy UK Limited. In July 2016 the name was changed to Repsol Sinopec Resources UK Limited following the acquisition of Talisman by Repsol SA in May 2015.

The transaction is in the form of a joint arrangement, in particular a joint venture. RSRUK is governed by a Shareholders' Agreement dated 17 December 2012, which requires unanimous consent to be obtained from the shareholders for all significant operating and financing decisions. Under the Shareholders' Agreement, among other things, China Petrochemical Corporation unconditionally and irrevocably guarantees the full, due and punctual performance and observation by APUK of all the obligations of APUK to Talisman Colombia Holdco Limited and RSRUK.

RSRUK, incorporated in England and Wales, is engaged in the exploration for, and development and production of crude oil and natural gas in the UK North Sea.

The movement in the investment in this joint venture is as follows:

	2015 \$'000	2014 \$'000
At 1 January	-	979,961
Capital restructuring	519,819	618,565
Cash injection	531,650	306,250
Share of net loss	(318,422)	(1,117,567)
Share of other comprehensive income/(loss)	204	(9,775)
Impairment loss	(733,251)	(777,434)
At 31 December	-	-

Under the Subscription Agreement, during the year, the Company has increased its investment of \$1,051million in RSRUK, \$520million through a shareholders' debt to equity conversion, and further cash funding of \$532million, to increase RSRUK's share capital in order to fund its operating expenditures. This agreement has subsequently extended to cover the period until 31 December 2017 while all other terms remained unchanged.

The following table summarises the financial position of the joint venture. Based on Shareholders Agreement, the Company has calculated and provided its obligation to the joint venture at year end.

	2015 \$'000	2014 \$'000
Total non-current assets	4,847,668	2,713,450
Total current assets	389,934	404,518
Total current liabilities	(617,320)	(924,347)
Total non-current liabilities	(5,152,912)	(2,643,182)
Net assets/(liabilities)	(532,630)	(449,561)
Obligation to fund joint venture (49%)	(260,989)	(220,285)
Movement of the obligation in the year	(40,704)	(220,285)

ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Investments (continued)

The following information presented are the amounts included in the financial statements of the joint venture adjusted for fair value adjustments made at the time of acquisition, as appropriate. The fair value adjustments relate to property, plant and equipment, provisions, assets impairments and goodwill.

	2015 \$'000	2014 \$'000
Cash and cash equivalent	20,319	36,930
Revenue	818,765	1,200,206
Depreciation	448,050	5,520,555
Finance income	2,825	2,080
Interest expense	17,114	56,221
Tax expense/(credit) for the year	(176,381)	(3,515,235)
Other comprehensive (gain)/loss	(417)	16,512
Loss after tax credit	(649,840)	(3,078,589)

13 Trade receivables

	2015 \$'000	2014 \$'000
Prepayments	147	107
Related party receivables	-	51
	<u>147</u>	<u>158</u>

Trade receivables are non-interest bearing and are generally on 30-90 days terms. The carrying values of the trade receivables are equal to their fair value at the end of the reporting period.

14 Other receivables

	2015 \$'000	2014 \$'000
Amount due from group undertakings	48	50
Recoverable VAT	-	1,088
	<u>48</u>	<u>1,138</u>

15 Cash and cash equivalents

The Company's cash and cash equivalents of \$113,000 (2014: \$178,000) consist of a non-restricted cash balance held in US dollars and Sterling accounts.

ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

16 Trade and other payables

	2015 \$'000	2014 \$'000
Accrued expenses	1,317	1,365
Amount due to group undertakings	34,470	923,141
Trade payables	30	30
Other payables	637	474
Recoverable VAT	50	249
	<u>36,504</u>	<u>925,259</u>

Trade and other payables are non-interest bearing and are normally settled within 30-60 days terms. Amounts due to group undertakings are non-interest bearing and have an average term of 30-180 days. The carrying values of the trade and other payables are equal to their fair value at the end of the reporting period.

17 Long term borrowings

	2015 \$'000	2014 \$'000
Tip Top Energy Ltd	-	1,128,937
APHL (Note 22)	<u>3,092,086</u>	-
	<u>3,092,806</u>	<u>1,128,937</u>

In December 2012, Tip Top Energy Limited advanced US\$1,076million to APUK as an unsecured advance and repayable by 20 December 2017, with an annual interest rate of LIBOR+1.65%. Interest accrued in relation to this loan was \$26million (2014: \$29million).

On 31 December 2015, the outstanding loan including principal and interests accrued to date was assigned to APUK's immediate parent APHL. Subsequently, APHL has confirmed that no repayment demand of the due amounting to \$3,092million from APUK for minimum twelve months from the date of this report.

The amount owing to APHL is non-interest bearing with no set repayment date.

18 Share capital and reserves

<i>Share capital</i>	2015 \$'000	2014 \$'000
Allotted, called up and fully paid	<u>1</u>	<u>1</u>

The total number of ordinary shares at 31 December 2015 is 1,000 (2014: 1,000) shares at \$1 each at nominal value.

Reserves

The other reserves are recorded the Company's share of the actuarial gains and losses incurred in the joint venture in relation to the defined benefit pension fund.

Those actuarial gains and losses are items that will not be subsequently reclassified to profit and loss.

ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

19 Finance costs

	2015 \$'000	2014 \$'000
Interest expense	(25,940)	(29,068)
Exchange loss	(15)	(25)
Bank charges	(5)	(6)
	<u>(25,960)</u>	<u>(29,099)</u>

20 Commitments

49% commitment in RSRUK

The following is a summary of APUK's commitments related to RSRUK as at 31 December 2015.

	Land & buildings \$'000	Other \$'000	Total \$'000
Within 1 year	2,891	131,630	134,521
In 1 to 5 years	7,087	30,522	37,609
After 5 years	8,859	-	8,859
	<u>18,837</u>	<u>162,152</u>	<u>180,989</u>

The following is a summary of APUK commitments related to RSRUK as at 31 December 2014. These numbers are different to those presented in the 2014 audited financial statements. This is due to a required change in the reporting framework at the joint-venture level.

	Land & buildings \$'000	Other \$'000	Total \$'000
Within 1 year	2,830	280,972	283,802
In 1 to 5 years	7,053	106,029	113,082
After 5 years	10,990	-	10,990
	<u>20,873</u>	<u>387,001</u>	<u>407,874</u>

These commitments are included in Shareholders' Agreement (note 12), guaranteed by China Petrochemical Corporation.

Long term incentive plan

APUK rewards its permanent employees as part of their variable compensation, with a discretionary cash based long term incentive plan ("LTIP" or "Award"). Each year's program allocates an Award which equally vests over a three-year period beginning on grant date. The grant date is 1st August following the year for which the Award is approved. The Award is amortised to general and administrative costs.

ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Long term incentive plan (continued)

As at 31 December 2015, the estimated accrued award is as follows:

	<i>Vesting date</i>	<i>Estimated award to vest August 2016 \$'000</i>	<i>Estimated non-vested award \$'000</i>
LTIP	August 2016	695	768
		<u>695</u>	<u>768</u>

As at December 31, 2014, the estimated accrued award is as follows:

	<i>Vesting date</i>	<i>Estimated award to vest August 2016 \$'000</i>	<i>Estimated non-vested award \$'000</i>
LTIP	August 2015	567	735
		<u>567</u>	<u>735</u>

The LTIP was cancelled in September 2016 for future awards and was replaced by a discretionary Deferred Compensation Plan, implemented in October 2016, with the first payments anticipated in 2018.

21 Contingencies

RSRUK is required to provide letters of credit as security in relation to certain decommissioning obligations in the United Kingdom pursuant to contractual arrangements under Decommissioning Security Agreements (DSAs). At 31 December 2015 RSRUK has provided letters of credit in the amount of \$1.78 billion (2014: \$1.61 billion) as security for the costs of future dismantlement, site restoration and abandonment costs for certain North Sea fields.

In 2015 APHL guaranteed 49% of all letters of credit issued by RSRUK. In 2016 the guarantor structure was changed so that 49% of the amount of any new letters of credit issued on behalf of RSRUK are secured by back to back letters of credit from facilities entered into either by APHL or SIPC. This arrangement allows APUK to meet its obligations under the Shareholders Agreement.

ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

22 Related party transactions

The following transactions took place in between APUK and its related parties:

	2015 \$'000	2014 \$'000
Management service fees:		
Addax Petroleum Holdings Ltd	22,761	15,905
Repsol Sinopec Resources (UK) Limited	861	742
Charges:		
Addax Petroleum Holdings Ltd	(14,524)	(9,559)
Tiptop Energy Ltd	(25,675)	(29,068)

All transactions with these related parties are recorded at amounts agreed to by parties.

Amounts due from (to) related parties are included in accounts receivable and accounts payable in the statement of financial positions are as follows:

	2015 \$'000	2014 \$'000
Tiptop Energy Ltd (Note 17)	-	(1,128,937)
Addax Petroleum Holdings Ltd (Note 17)	(3,092,806)	(903,199)
Addax Petroleum Ltd, IOM and Geneva branch	(34,467)	(19,943)
Repsol Sinopec Resources (UK) Limited – Trade receivable	-	51
Repsol Sinopec Resources (UK) Limited – Other receivable	48	50

The amount due to Addax Petroleum Holdings Limited includes the following items:

	2015 \$'000	2014 \$'000
Loan to acquire shares in RSRUK in December 2012	(1,075,730)	-
Interest on loan to acquire above shares in RSRUK	(78,882)	-
Additional issued shares in RSRUK	(1,138,383)	(618,565)
Cash injection through issue of shares	(837,900)	(306,250)
Transfer pricing from APUK to APHL	51,482	28,810
Funding of APUK running costs	(13,393)	(7,194)
	<u>3,092,806</u>	<u>(903,199)</u>

ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

23 Financial Instruments

Capital Management

APUK manages its capital to ensure it will be able to continue as a going concern.

The capital structure of APUK consists of net debt (shareholder advance offset by cash and cash equivalents) and equity. APUK is not subject to externally imposed capital requirements.

APUK may issue new debt or equity or similar instruments, reduce debt levels, or make adjustments to its capital expenditure program.

Categories of financial instruments

	2015 \$'000	2014 \$'000
Financial Assets		
<i>Held for trading</i>		
Cash and cash equivalent	113	178
<i>Loans and receivables</i>		
Trade and receivables and other current assets	195	1,296
	<u>308</u>	<u>1,474</u>
Financial Liabilities		
<i>Other liabilities</i>		
Trade and other payables	36,504	925,259
Long term borrowings	3,092,806	1,128,937
	<u>3,129,310</u>	<u>2,054,196</u>

The carrying value of the financial assets and liabilities approximates their fair value.

Financial risk management objectives

The directors manage the financial risks relating to the Company in conjunction with those of the Group of which it is part of and steps are taken where necessary to ensure these risks are appropriately managed. The Company does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The Company is primarily exposed to financial risk of change in foreign currency exchange rates and in the interest rates.

Foreign exchange risk

APUK is exposed to foreign exchange risk because its joint venture undertakes transactions in foreign currencies, primarily with respect to the British pound ("GBP") and Swiss franc ("CHF"). There are no hedging policies in place or hedged transactions, as the majority of financial flows are denominated in USD.

ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Financial Instruments (continued)

Interest rate risk

APUK is no longer exposed to interest rate risk on its outstanding borrowings as the amounts due to group undertaking are non-interest bearing.

APUK manages this risk through regular review of market conditions and interest rates, for which, if considered necessary, recommendations for changes to existing financing or new arrangements are presented to the board of directors or management committee for approval.

Credit risk

Credit risk is the risk of economic loss arising when counterparty fails to meet its obligations as they become due. Credit risk encompasses both the direct risk of default and the risk of a deterioration of creditworthiness and the respective concentration risk.

The credit risk on receivables is limited because the counterparties are related parties which are closely monitored by the management.

Liquidity risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full.

The Company is able to obtain financing from APHL and Tip Top as required. These funds are primarily used to finance working capital and administrative expenses. APUK manages its liquidity risk by regularly monitoring its cash flows, holding adequate amounts of cash.

Liquidity and interest risk tables (\$000)

At 31 December 2015	Interest rate %	Less than 1 year	Year 1 -5	Over 5 Years	Total
<i>Financial Assets</i>					
Cash and cash equivalents	-	113	-	-	113
Loan and receivables	-	195	-	-	195
<i>Financial Liabilities</i>					
Trade and other payables	-	36,504	-	-	36,504
Long term borrowings	2.231%	-	3,092,806	-	3,092,806
At 31 December 2014	Interest rate %	Less than 1 year	Year 1 -5	Over 5 Years	Total
<i>Financial Assets</i>					
Cash and cash equivalents	-	178	-	-	178
Loan and receivables	-	1,296	-	-	1,296
<i>Financial Liabilities</i>					
Trade and other payables	-	925,259	-	-	925,259
Long term borrowings	2.231%	-	1,128,937	-	1,128,937



ADDAX PETROLEUM UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

24 Events after the reporting period

Extension of the subscription agreement

On 1 September 2016, the shareholders of RSRUK agreed to extend the subscription agreement signed in June 2015. The original agreement was to provide equity funding totalling \$1.7 billion (Addax share: \$833 million) to RSRUK for the purpose of funding capital, abandonment and operating expenditure from 1 July 2015 to 31 December 2016. The extension relates to the duration of the agreement that is now extended to 31 December 2017. The other terms remain unchanged. The remaining capacity of the agreement at 31 December 2016 is estimated at \$725 million of which APUK share is \$355 million.

Change in the ultimate parent

China Petrochemical Corporation ("CPC"), a company incorporated in the People's Republic of China was the ultimate parent of APUK at the reporting date of financial statements. From 9 February 2016 the ultimate beneficial owners of APUK are China Chengtong Holdings Group Limited, China Reform Holdings Corporation Limited and China Petrochemical Corporation, which are all state owned entities of the People's Republic of China.

Change in the guarantor structure of the letters of credit related to decommissioning

In 2015, APUK's intermediate parent company, Addax Petroleum Holdings Limited ("APHL") guarantees 49% of all letters of credit issued by RSRUK. In 2016 the guarantor structure has changed, the letters of credit issued by RSRUK are secured by back-to-back letters of credit from Sinopec International Petroleum Exploration and Production Corporation, a parent of APUK.

Change in the name of the joint venture

Talisman Sinopec Energy (UK) Ltd was renamed Repsol Sinopec Resources UK Limited ("RSRUK") on 4th July 2016.

There were no other subsequent events after the reporting period.