

PREMIER OIL BELGRAVIA LIMITED

**Annual report and audited financial statements
for the year ended 31 December 2020**

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Premier Oil Belgravia Limited

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Premier Oil Belgravia Limited

OFFICERS

Directors

H R Landes

R A Rickard

Secretary

D A Rose

Registered Office

23 Lower Belgrave Street

London

SW1W 0NR

England

Auditor

Ernst & Young LLP

Statutory Auditor

1 More London Place

London

SE1 2AF

United Kingdom

Premier Oil Belgravia Limited

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the audited financial statements, for the year ended 31 December 2020.

In preparing the directors' report, advantage has been taken of the small companies' exemption. The report of the directors has been prepared in accordance with the special provision in part 15 of the Companies Act 2006 and the exemptions entitled to it under section 415A. The company is exempt from preparing a strategic report.

PRINCIPAL ACTIVITY

The company was incorporated on 30 October 2019 as a subsidiary of Premier Oil Belgravia Holdings Limited and is part of the Harbour Energy plc group of companies (formerly Premier Oil plc group prior to the completion of the merger with Chrysaor Holdings Limited on 31 March 2021). On incorporation the company issued 100 Ordinary Shares of US\$1 at par. The company was dormant in the prior period but has incurred finance costs during the year. The directors do not foresee any changes in the company's activities in the immediate future.

DIRECTORS

The directors who served throughout the year, except as noted, were as follows:

R A Allan	resigned 25 June 2020
A R C Durrant	resigned 16 December 2020
A G Gibb	resigned 15 April 2021
R A Rose	resigned 15 April 2021
R A Rickard	appointed 15 April 2021
H R Landes	appointed 15 April 2021

DIRECTORS' INDEMNITIES

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

GOING CONCERN

Based on the considerations detailed in note 1, the directors have a reasonable expectation that the company has adequate resources to continue as a going concern for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing these financial statements.

DISCLOSURE OF INFORMATION TO THE AUDITORS'

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

DocuSigned by:

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H R Landes
DIRECTOR
22 September 2021

Premier Oil Belgravia Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Independent Auditor's Report to Members of Premier Oil Belgravia Limited

Opinion

We have audited the financial statements of Premier Oil Belgravia Limited for the year ended 31 December 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 10, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to Members of Premier Oil Belgravia Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Independent Auditor's Report to Members of Premier Oil Belgravia Limited (continued)

Our approach was as follows:

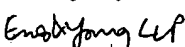
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework and the relevant tax compliance regulations in the jurisdictions in which the company operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, including those relating to health and safety, employee matters, environmental, and bribery and corruption practices;
- We understood how the company is complying with those frameworks by making enquiries of management, legal counsel and the Company Secretary. We corroborated the results of our enquiries through our review of Board minutes and correspondence received from regulatory bodies and noted that there was no contradictory evidence;
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by considering the degree of incentive, opportunity and rationalisation that may exist to perform fraud. Where fraud risks were identified, we applied journal entry selection criteria to identify journals that were considered unusual or indicative of potential fraud before tracing such transactions back to source information in order to test their validity and appropriateness. In addition, our procedures included review of the volume and nature of complaints received by the whistleblowing hotline during the year; and
- based on the results of our audit procedures, there were no significant instances of non-compliance with laws and regulations identified.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:



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Gary Donald (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
22 September 2021

Premier Oil Belgravia Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2020

	<i>Notes</i>	<i>2020</i> <i>US\$</i>	<i>2019</i> <i>US\$</i>
Interest payable	4	(36)	-
Exchange differences		(1)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(37)	-
Tax on ordinary activities	5	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(37)	-

The company's results arise wholly on continuing activities in the current year. In the preceding year the company did not trade.

There were no other items of comprehensive income other than the loss of US\$37 (2019: the company made no profit or loss). Accordingly no statement of total comprehensive income has been presented

Premier Oil Belgravia Limited

BALANCE SHEET

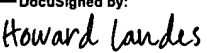
As at 31 December 2020

	<i>Notes</i>	<i>2020 US\$</i>	<i>2019 US\$</i>
CURRENT ASSETS			
Debtors: amounts falling due within one year	6	100	100
Cash at bank		26	-
		<u>126</u>	<u>100</u>
CREDITORS: amounts falling due within one year	7	(63)	-
NET ASSETS		<u>63</u>	<u>100</u>
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account		(37)	-
SHAREHOLDERS' FUNDS		<u>63</u>	<u>100</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within part 15 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements and related notes were approved and authorised for issue by the Board of Directors on 22 September 2021 and signed on its behalf by:

DocuSigned by:

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H R Landes
 DIRECTOR

Premier Oil Belgravia Limited

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

	<i>Share capital</i> US\$	<i>Profit and loss</i> <i>account</i> US\$	<i>Total</i> US\$
At incorporation, 30 October 2019	100	-	100
Results for the period	-	-	-
At 1 January 2020	100	-	100
Loss for the year	-	(37)	(37)
At 31 December 2020	100	(37)	63

Premier Oil Belgravia Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. ACCOUNTING POLICIES

The company is a private limited company by shares and is registered in England and Wales. The address of the registered office is 23 Lower Belgrave Street, London, SW1W 0NR.

These financial statements are separate financial statements. The company is a subsidiary of Harbour Energy plc (formerly Premier Oil plc). The group financial statements of Harbour Energy plc (formerly Premier Oil plc) for the year ended 31 December 2020 are available to the public and can be obtained from 23 Lower Belgrave Street, London, SW1W 0NR or on the company website www.harbourenergy.com. The registered office address of the parent company preparing consolidated Financial Statements is 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN.

These financial statements are presented in US Dollars since that is the currency in which the majority of the Company's transactions are denominated.

The company has taken advantage of the exemption to prepare a cash flow statement or disclose details of any related party transactions.

Basis of accounting

The financial statements have been prepared using the historical cost convention, except that as disclosed in the accounting policies certain items are shown as fair value, and in accordance with applicable United Kingdom Accounting Standards and law. The accounts comply with the requirements of the Companies Act 2006: Statement of Recommended Practice applicable to companies preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 1A).

Going concern

The ability for the company to continue to operate as a going concern is dependent on financial support from the company's ultimate parent company, Harbour Energy plc (formerly Premier Oil plc), as a result of cash pooling across the group. The directors have adopted the going concern basis of accounting for the preparation of the financial statements as Harbour Energy plc has undertaken to directly provide the necessary financial support to the company, as and when required, to meet all liabilities throughout the 12 month period from the date of approval of these accounts.

In making their assessment of going concern the directors have considered the letter of support from Harbour Energy plc and the material uncertainties in respect of going concern disclosed in its most recent annual report dated 17 March 2021 which stated;

The uncertainties regarding (1) management's ability to complete the proposed merger of Premier Oil plc ('Premier') and Chrysaor Holdings Ltd ('Chrysaor') and the reorganisation of Premier's existing finance arrangements ('Debt Restructuring') (together, 'the Corporate Actions'); and (2) should the Corporate Actions fail to complete, management's ability to complete an alternative restructuring of its existing debt facilities and certain hedging liabilities and obtain covenant deferrals or waivers in the intervening period to prevent its existing debt falling due within the going concern period, create material uncertainties that may cast significant doubt on the company's ability to continue as a going concern.

The directors note that subsequent to the publication of the annual report, on 31 March 2021, the Corporate Actions, which included the settlement of Premier's debt facility that was due to mature in May 2021 via drawdown on the enlarged group's Reserve Based Lending ('RBL') facility that matures in November 2027, were completed. Following the completion of the Corporate Actions and following inquiries regarding the future liquidity of Harbour Energy plc, the directors have no reason to believe that Harbour Energy plc will not be able to honour its commitments in accordance with the letter of support. Therefore, the directors have a reasonable expectation that the company has adequate resources to continue as a going concern for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing these financial statements.

Premier Oil Belgravia Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

Foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Taxation

Current tax, including UK corporation tax and foreign 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.

Cash

Cash comprises cash in hand and demand deposits

Income and expense

Income, costs and expenses are allocated to the year to which they relate. Losses are accounted for in the year in which they are identified. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2. PROFIT AND LOSS ACCOUNT

Audit fees in connection with the audit for the year ended 31 December 2020 were borne by the ultimate parent entity.

3. STAFF COSTS AND DIRECTORS' REMUNERATION

The company employed no staff during the period.

The directors received no remuneration for their services to the company during the period as any salaries are paid by the ultimate parent company or other group companies (2019: US\$nil)

4. INTEREST PAYABLE

	2020 US\$	2019 US\$
Bank charges	36	-

Premier Oil Belgravia Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

5. TAXATION

There was no current or deferred tax charge in the year (2019:US\$nil).

Corporation tax is calculated at the average UK corporation tax rate for the year of 19% (2019: 19%). The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2020 US\$	2019 US\$
Loss on ordinary activities before taxation	(37)	-
Loss on ordinary activities before taxation at 19% (2019: 19%)	(7)	-
Effects of:		
Deferred tax asset not recognised	7	-
Total tax charge for the year	-	-

The company had tax losses of US\$37 at 31 December 2020 (2019: US\$nil) which have no expiry date. No deferred tax asset is recognised in respect of these as insufficient taxable profits are expected to arise in the future against which the deferred tax asset will reverse.

In the March 2021 Budget, it was announced that the UK Corporation Tax Rate will rise from its current rate of 19 per cent to 25 per cent with effect from April 2023. UK deferred tax balances as at 31 December 2020 continue to be measured at a rate of 19 per cent as this was the substantively enacted rate at that date. There is no impact on the company's net deferred tax liabilities as a result of increasing the rate to 25 per cent with effect from April 2023.

6. DEBTORS: amounts falling due within one year

	2020 US\$	2019 US\$
Amounts owed by the immediate parent company	100	100

Premier Oil Belgravia Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

7. CREDITORS: amounts falling due within one year

	2020 US\$	2019 US\$
Amounts owed to group companies	63	-

8. CALLED UP SHARE CAPITAL

	2020 US\$	2019 US\$
<i>Allotted, called up and fully-paid:</i>		
100 Ordinary Shares of US\$1 each	100	100

9. ULTIMATE CONTROLLING PARTY

The company's immediate parent company is Premier Oil Belgravia Holdings Limited. The company's ultimate parent company and controlling party is Harbour Energy plc (formerly Premier Oil plc), a company incorporated in the Great Britain and registered in Scotland. Harbour Energy plc is the parent undertaking of the largest and the smallest group of which the company is a member and for which group financial statements are prepared. Copies of the group financial statements are available from Harbour Energy plc, 23 Lower Belgrave Street, London SW1W 0NR.

10. SUBSEQUENT EVENTS

Subsequent to the year end, Premier Oil plc's proposed merger with Chrysaor Holdings Limited was completed on 31 March 2021.

Further detail on the terms of the merger are available in the group financial statements of Harbour Energy plc (formerly Premier Oil plc) for the year ended 31 December 2020.