

PALADIN RESOURCES LIMITED

Report and Financial Statements

For the year ended 31 December 2017

Registered number: SC149507



Paladin Resources Limited

Strategic report for the year ended 31 December 2017

The directors present their strategic report for the year ended 31 December 2017.

Principal activities and review of business performance

The principal activity of the company is as the holding company of a group involved in oil and gas exploration, development and production internationally.

The company's key financial and other performance indicators during the year were as follows:

	2017	2016
	\$'000	\$'000
Net loss	(417)	(56,504)
Investments	58,334	58,448
Total assets	58,940	58,632
Total net assets	29,725	30,142

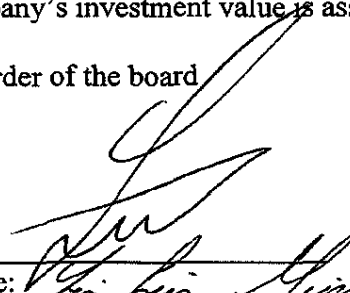
At 31 December 2017, net assets decreased to \$29.7 million from \$30.1 million in 2016. The reduction in net assets was due to the increase in related party transaction creditors' balance of \$500 thousand.

The loss for the year amounted to \$417 thousand (2016: \$57 million loss) this was due to the interest expense on the loans with Talisman UK (South East Sumatra) Limited and Talisman Resources (Bahamas) Limited, the interest expense accounted for \$257 thousand and Impairment loss on the investment in Talisman Resources (Bahamas) Limited in the amount of \$114 thousand.

Principal risks and uncertainties

The company holds a variety of investments in subsidiaries, whose principal activity is the exploration for, and development and production of, oil and gas. These subsidiary companies are subject to a number of risks inherent in exploring for, developing and producing crude oil and natural gas. Such risks can impact the net asset value of the subsidiaries against which the holding company's investment value is assessed.

By order of the board

Name: 
Director
25 September 2018

Registered Office
13 Queen's Road
ABERDEEN
Scotland
AB15 4YL
United Kingdom

Paladin Resources Limited

Registered No. SC149507

Directors' report for the year ended 31 December 2017

The directors present their annual report together with the financial statements of Paladin Resources Limited ("the company") for the year ended 31 December 2017.

Dividends

The directors do not recommend the payment of a dividend for the year (2016:Nil).

Going concern

The financial position of the company and business activities, together with the factors likely to affect its future development, performance and position, are set out in the strategic report. Repsol Exploracion, S.A ("REXS"), the parent company of Repsol Oil & Gas Canada Inc ("ROGCI"), has undertaken to provide necessary financial support for the 12 months after the approval of the financial statements. 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 annual financial statements have been prepared on a going concern basis.

Directors

The directors who held office during the year and up to the date of signing were as follows:

J. L. M. Vega
F. Rigardo
L. Pedrosa Romero (appointed October 1, 2017)
L. A. G. Sanchez (resigned October 1, 2017)

Future developments

The directors do not anticipate significant changes regarding the future activities of the company.

Paladin Resources Limited

Registered No. SC149507

Directors' report for the year ended 31 December 2017 (continued)

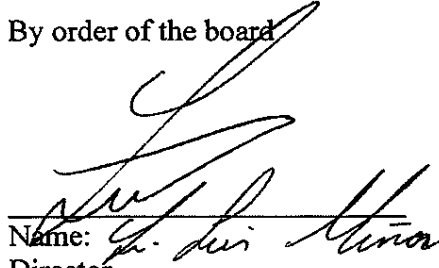
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is 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.

Re-appointment of auditors

The company has passed an elective resolution to dispense with the obligation to reappoint auditors on an annual basis.

By order of the board



Name: _____
Director
25 September 2018

Registered Office
13 Queen's Road
ABERDEEN
Scotland
AB15 4YL
United Kingdom

Paladin Resources Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 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 those 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; and
- 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 to 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 THE MEMBERS OF PALADIN RESOURCES LIMITED

Opinion

We have audited the financial statements of Paladin Resources Limited for the year ended 31 December 2017 which comprise the Profit and Loss account, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 12, 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 101 "Reduced Disclosure Framework" (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 2017 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 below. 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PALADIN RESOURCES LIMITED (CONTINUED)

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

We have nothing to report in this regard.

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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PALADIN RESOURCES LIMITED
(CONTINUED)**

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.

Ernst & Young LLP

Jamie Dixon (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Aberdeen
25 September 2018

Paladin Resources Limited

Profit and loss account for the year ended 31 December 2017

	<u>Note</u>	<u>2017</u> <u>\$'000</u>	<u>2016</u> <u>\$'000</u>
Expenses			
Administration expense	6	(370)	(183)
Impairment of investments	8	(114)	(146)
Loss on disposal of asset	8	<u>-</u>	<u>(56,199)</u>
Total expenses		<u>(484)</u>	<u>(56,528)</u>
Loss before taxation		(484)	(56,528)
Tax recovery on loss	7	<u>67</u>	<u>24</u>
Loss for the financial year		<u>(417)</u>	<u>(56,504)</u>

Statement of comprehensive income for the year ended 31 December 2017

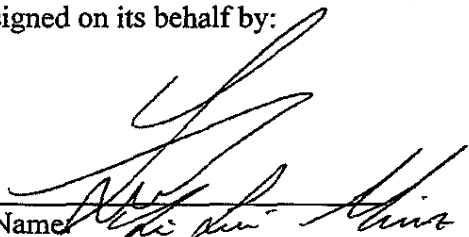
	<u>2017</u> <u>\$'000</u>	<u>2016</u> <u>\$'000</u>
Loss for the financial year	(417)	(56,504)
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	<u>(417)</u>	<u>(56,504)</u>

Paladin Resources Limited

Balance sheet as at 31 December 2017

	<u>Note</u>	<u>2017</u> <u>\$'000</u>	<u>2016</u> <u>\$'000</u>
Assets			
Fixed Assets			
Investments	8	58,334	58,448
Current assets			
Cash at bank		22	35
Debtors: amounts falling due within one year	9	<u>584</u>	<u>149</u>
Total assets		<u>58,940</u>	<u>58,632</u>
Liabilities			
Current liabilities			
Creditors: amounts falling due within one year	10	<u>29,215</u>	<u>28,490</u>
Total liabilities		<u>29,215</u>	<u>28,490</u>
Net current assets		<u>(28,609)</u>	<u>(28,306)</u>
Net Assets		<u>29,725</u>	<u>30,142</u>
Capital and reserves			
Called up share capital	11	77,935	77,935
Profit and loss account		<u>(48,210)</u>	<u>(47,793)</u>
Total equity		<u>29,725</u>	<u>30,142</u>

The financial statements were approved by the board of directors on 25 September 2018 and were signed on its behalf by:



Name _____
Director
25 September 2018

Paladin Resources Limited

Statement of changes in equity for the year ended 31 December 2017

	Called up capital \$'000	Profit and loss account \$'000	Total equity \$'000
At 1 January 2016	5,535	8,711	14,246
Shares issued (note 12)	72,400	-	72,400
Loss for the year	-	(56,504)	(56,504)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(56,504)	56,504
At 31 December 2016	77,935	(47,793)	30,142
Loss for the year	-	(417)	(417)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(417)	(417)
At 31 December 2017	77,935	(48,210)	29,725

Paladin Resources Limited

Notes to the financial statements – 31 December 2017

1. Authorization of financial statements and statement of compliance with FRS 101

The financial statements of Paladin Resources Limited (the 'company') for the year ended 31 December 2017 were authorized for issue by the board of directors on 25 September 2018. The company's registered office is located in 13 Queen's Road, Aberdeen, Scotland, AB15 4YL, United Kingdom. The company is a limited company, limited by shares and incorporated and domiciled in England and Wales.

These non-consolidated financial statements were prepared in accordance with Financial Reporting Standard 101 – *Reduced Disclosure Framework (FRS 101)* and in accordance with applicable accounting standards. The company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Repsol S.A ("Repsol"). The results of the company are included in the consolidated financial statements of Repsol which are available to the public and can be obtained from the addresses disclosed in note 12.

The company's financial statements are presented in United States Dollar (USD) and all values are rounded to the nearest thousand dollars (\$'000s) except when otherwise indicated.

2. Going concern

The financial position of the company and business activities, together with the factors likely to affect its future development, performance and position, are set out in the strategic report. Repsol Exploracion, S.A ("REXS"), the indirect parent company of Repsol Oil & Gas Canada Inc ("ROGCI"), has undertaken to provide necessary financial support for the 12 months after the approval of the financial statements. 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 annual financial statements have been prepared on a going concern basis.

3. Accounting policies

(a) Basis of preparation

The financial statements have been prepared under historical cost convention. The company has applied the following disclosure exemptions under FRS 101:

- i. the requirements of IFRS 7 Financial Instruments: *Disclosures*
- ii. the requirements of paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- iii. the requirements of paragraphs 10(d), 10(f), 16, 38(a)-38(d), 40(a)-40(d), 111, and 134-136 of IAS 1;
- iv. the requirements of IAS 7 *Statement of Cash Flows*;
- v. the requirements of paragraphs 30 and 31 of IAS 8 *Accounting policies, changes in accounting estimates and errors*;
- vi. the requirements of paragraph 17 and 18A of IAS 24 *Related Party Disclosures*

Paladin Resources Limited

Notes to the financial statements – 31 December 2017 (continued)

3. Accounting policies (continued)

(a) Basis of preparation

- vii. the requirements of IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- viii. the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of assets*.
- ix. the requirements of paragraph 91-99 of IFRS 13 Fair Value Measurement

(b) Separate financial statements

The financial statements are separate financial statements.

(c) Significant accounting judgements, estimates, and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates.

Amounts recognized for impairment charges on investments in subsidiaries are impacted by estimates of oil and natural gas reserves, commodity prices, and capital and operating costs required to develop and produce those reserves. By their nature, estimates of reserves and related future cash flows are subject to measurement uncertainty, and the impact of differences between actual and estimated amounts in the financial statements.

Paladin Resources Limited

Notes to the financial statements – 31 December 2017 (continued)

3. Accounting policies (continued)

(d) Foreign currency translation

The company's financial statements are presented in USD which is also the company's functional currency. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

(e) Investments

Investments in subsidiaries are held at historical cost less any applicable provision for impairment. The investments are tested for impairment whenever events or changes in circumstances indicate that the carrying value of the investment may not be recoverable.

(f) Financial instruments

The company's financial instruments are classified as cash, receivables and payables. Receivables consist of debtors. Other financial liabilities consist of creditors.

All financial instruments are initially measured at fair value on initial recognition and their carrying values approximate fair value.

(g) Cash

Cash comprises cash on deposit at banks net any bank indebtedness. Cash is stated at cost which approximates fair value.

(h) Impairment of assets

The company assesses investments in subsidiaries for impairment whenever changes in circumstances or events indicate that the carrying value may not be recoverable. If such impairment indicators exist, the carrying amount of the investment is compared to its recoverable amount. The recoverable amount is the higher of the investment's fair value less costs to sell and its value in use. The investment is written down to its recoverable amount when its carrying amount exceeds the recoverable amount.

Paladin Resources Limited

Notes to the financial statements – 31 December 2017 (continued)

3. Accounting policies (continued)

(i) Future accounting pronouncements

The IASB issued IFRS 15 “Revenue from Contracts and Customers” which replaces IAS 18 “Revenue”. IFRS 15 specifies revenue recognition criteria and expanded disclosures for revenue. The new standard is effective for annual periods beginning on or after January 1, 2018. The company is currently assessing the impact of the standard, however it is expected there will be no impact.

The IASB completed the final sections of IFRS 9 “Financial Instruments” which replaces IAS 39 “Financial Statement: Recognition and Measurement”. IFRS 9 provides guidance on the recognition and measurement, impairment and derecognition on financial instruments. The new standard is effective for annual periods beginning on or after January 1, 2018. The company is currently assessing the impact of the standard, however it is expected there will be no impact.

The IASB issued IFRS 16 “Leases” in January 2016 which replaces IAS 17 “Leases”. IFRS 16 outlines several new requirements in regards to the recognition, measurement and disclosure of leases. A key principle within the standard includes a single lessee accounting model which requires lessees to recognise assets and liabilities for all leases which have a term more than 12 months. The accounting for lessors, which classify leases as either operating or finance, remains substantially unchanged from the previous standard. The new standard is effective for annual reporting periods beginning on or after January 1, 2019. The company is currently assessing the impact of the standard.

(j) Taxation

Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Paladin Resources Limited

Notes to the financial statements – 31 December 2017 (continued)

3. Accounting policies (continued)

(j) Taxation (continued)

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax losses and the carry back of ring fence tax losses, to the extent that it is probably that taxable profit will be available against which the temporary differences and the carry forward or carry back of unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probably that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future or historic taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same taxation authority.

Group relief

The company is a member of a group for the purposes of group relief under Part 5 of the Corporation Tax Act 2010. The company accounts for group relief as follows:

- Payment is received for group relief losses surrendered to other group companies;
- Payment is charged for group relief losses claimed from other group companies.

The value of the payment is determined by the amount of corporation tax saved by reason of the group relief being surrendered or claimed.

4. Auditor's remuneration

The auditors' remuneration for audit services were \$23,079 (2016: \$21,000).

Paladin Resources Limited

Notes to the financial statements – 31 December 2017 (continued)

5. Directors' remuneration

The directors of the company who served during the year were also directors of certain related parties and fellow group undertakings. The directors received total remuneration for the year of \$2.1 million (2016: \$2.9 million), which was paid by Repsol (2016: \$2.1 million) and \$nil (2016 \$800 thousand) was paid by Repsol Sinopec Resources UK Limited (RSRUK Limited). The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of related parties and fellow group undertakings.

6. Administrative expense

	2017	2016
	<u>\$'000</u>	<u>\$'000</u>
Interest and bank fees	329	92
Professional fees	25	68
Other	<u>16</u>	<u>23</u>
	<u><u>370</u></u>	<u><u>183</u></u>

7. Tax

	2017	2016
	<u>\$'000</u>	<u>\$'000</u>
Current tax		
- UK corporation tax credit for the year	(67)	(41)
-Adjustment in respect of prior years	<u>-</u>	<u>17</u>
Tax on (loss)	<u><u>(67)</u></u>	<u><u>(24)</u></u>
Factors affecting tax charge for the year:		
Loss before tax	<u><u>(484)</u></u>	<u><u>(56,528)</u></u>
Tax on (loss) before tax at 19.25% (2016: 20.00%)	(93)	(11,306)
Effects of:		
Adjustments in respect of prior years	-	17
Expenses not deductible	25	11,269
Transfer pricing adjustments	1	(55)
Amounts not recognised	<u>-</u>	<u>51</u>
Current tax (credit) for the year	<u><u>(67)</u></u>	<u><u>(24)</u></u>

The standard rate of UK corporation tax in the year changed from 20% to 19% with effect from 1 April 2017. In the 2016 budget, it was announced that the previously enacted reduction to 18% from 1 April 2020 would be replaced with a reduction to 17%.

Paladin Resources Limited

Notes to the financial statements – 31 December 2017 (continued)

8. Investments

	Shares
	<u>\$'000</u>
Cost	
At 1 January 2017	59,063
At 31 December 2017	<u>59,063</u>
Amounts provided	
At 1 January 2017	615
Impairment charge	<u>114</u>
At 31 December 2017	<u>729</u>
Net book value	
At 31 December 2017	<u>58,334</u>
At 31 December 2016	<u>58,448</u>

In April 2016 Paladin Resources Limited sold 100% of its shares in Talisman Oil and Gas Australia Pty Limited for a loss of \$56 million. This was comprised of TOGA's carrying value of \$45 million plus a payment of \$8 million to the purchaser of TOGA and \$3 million for closing adjustments.

In 2017, the company recorded an impairment expense in its investments in Talisman Resources (Bahamas) Limited of \$114 thousand. These impairments were calculated by comparing the net working capital of the subsidiaries to the carrying value of the investment.

Paladin Resources Limited

Notes to the financial statements – 31 December 2017 (continued)

8. Investments (continued)

Details of the investments in subsidiaries are as follows:

Nature of the business for all subsidiaries is: Exploration, development and production of oil /gas

<u>Name of Company</u>	<u>Country of incorporation</u>	<u>Holding</u>	<u>% Voting rights</u>	<u>Registered address</u>
Repsol Oil & Gas Australia (JDPA 06-105) Pty Ltd	Australia	Ordinary Shares	100%P	c/ CoSec Consulting Pty Ltd, 58 Gipps Street Collingwood VIC 3066 Australia
Talisman UK (South East Sumatra) Limited	England & Wales	Ordinary shares	100%P	Suite 1, 3 rd Floor 11-12 St. James's Square London, England SW1Y 4LB
Fortuna Resources (Sunda) Limited	British Virgin Islands	Ordinary shares	100%^	Harneys Services PO Box 71 Road Town Tortola Virgin Islands, British
Talisman Resources (North West Java) Limited	England & Wales	Ordinary shares	100%^	Suite 1, 3 rd Floor 11-12 St. James's Square London, England SW1Y 4LB
Talisman Resources (Bahamas) Limited	Bahamas	Ordinary Shares	100%P	The Alexander Corporate Group Limited One Millars Court PO Box N-7117 Nassau Bahamas

P held by Paladin Resources Limited

^ held by Talisman UK (South East Sumatra) Limited

Paladin Resources Limited

Notes to the financial statements – 31 December 2017 (continued)

9. Debtors: amounts falling due within one year

	2017	2016
	<u>\$'000</u>	<u>\$'000</u>
VAT receivable	3	5
Amount due from subsidiary undertakings	<u>581</u>	<u>144</u>
	<u>584</u>	<u>149</u>

10. Creditors: amounts falling due within one year

	2017	2015
	<u>\$'000</u>	<u>\$'000</u>
Amount due to subsidiary undertakings	21,954	21,739
Amount due to fellow group undertakings	7,201	6,701
Accounts payable	<u>60</u>	<u>50</u>
	<u>29,215</u>	<u>28,490</u>

11. Called up Share capital

	2017	2016
	<u>\$'000</u>	<u>\$'000</u>
Authorised, Allotted, Called up and fully paid:		
354,564,134 ordinary shares of £0.01 each	5,535	5,535
27,697,658 ordinary shares of £0.01 each	400	400
5,132,226,100 ordinary shares of £0.01 each	<u>72,000</u>	<u>72,000</u>
	<u>77,935</u>	<u>77,935</u>

On 25 September 2018, there were 5,514,487,892 ordinary shares outstanding.

12. Ultimate parent company

The company's immediate parent undertaking is TE Holding S.ar.l., a company registered in Luxemburg. The company's ultimate parent undertaking became Repsol S.A., an integrated group of oil and gas companies headquartered in Madrid, Spain.

The parent undertaking of the group of which the company is a member and for which group financial statements are prepared is Repsol S.A.

The consolidated financial statements of Repsol S.A. are available to the public and may be obtained from C/ Méndez Álvaro, 44 28045 Madrid, Spain.