

Registered Number SC158863

MIDMAR ENERGY LIMITED

Abbreviated Accounts

31 December 2009

MIDMAR ENERGY LIMITED

Registered Number SC158863

Balance Sheet as at 31 December 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible	2	5,484	59,438
Investments	3	<u>33,809</u>	<u>33,710</u>
Total fixed assets		39,293	93,148
Current assets			
Debtors	4	338,724	678,773
Cash at bank and in hand		76,944	6,786
Total current assets		<u>415,668</u>	<u>685,559</u>
Creditors: amounts falling due within one year		(77,003)	(44,655)
Net current assets		338,665	640,904
Total assets less current liabilities		<u>377,958</u>	<u>734,052</u>
Creditors: amounts falling due after one year	5	(2,078,001)	(638,508)
Total net Assets (liabilities)		(1,700,043)	95,544
Capital and reserves			
Called up share capital		400,001	400,001
Profit and loss account		(2,100,044)	(304,457)
Shareholders funds		<u>(1,700,043)</u>	<u>95,544</u>

- a. For the year ending 31 December 2009 the company was entitled to exemption under section 477(2) of the Companies Act 2006.
- b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006
- c. The directors acknowledge their responsibility for:
 - i. ensuring the company keeps accounting records which comply with Section 386; and
 - ii. preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as is applicable to the company.
- d. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the board on 30 September 2010

And signed on their behalf by:

T Redman, Director

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1068 of the Companies Act 2006.

Notes to the abbreviated accounts

For the year ending 31

December 2009

1 Accounting policies

Basis of preparation The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). P J Redman and T W Redman, directors and shareholders of the parent company, have undertaken not to seek repayment of their loans to the company until funds permit and to continue providing support to the company to enable the company to meet its liabilities as they fall due. On the basis of the above the directors consider it appropriate to prepare the accounts on the going concern basis. Compliance with accounting standards The financial statements are prepared in accordance with applicable accounting standards. In addition to the requirements of accounting standards, the accounting for exploration and production activities is governed by the Statement of Recommended Practice (SORP) 'Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities' issued by the UK Oil Industry Accounting Committee on 7 June 2001. These accounts have been prepared in accordance with the provisions of the SORP. Successful efforts accounting Oil and natural gas exploration and development expenditure is accounted for using the successful efforts method of accounting. Licence and property acquisition costs Licence and property leasehold acquisition costs are capitalised within intangible fixed assets and amortised on a straight-line basis over the estimated period of exploration. Upon determination of economically recoverable reserves amortisation ceases and the remaining costs are aggregated with exploration expenditure and held on a field-by-field basis as proved properties awaiting determination within intangible fixed assets. When development is sanctioned, the relevant expenditure is transferred to tangible production assets. Exploration expenditure Geological and geophysical exploration costs are charged against income as incurred. Costs directly associated with an exploration well are capitalised as an intangible asset until drilling of the well is complete and the results have been evaluated. If hydrocarbons are not found, the exploration expenditure is written off as a dry hole. If hydrocarbons are found, and, subject to further appraisal activity, are likely to be capable of commercial development, the costs continue to be carried as an asset. All such carried costs are subject to regular technical, commercial management review to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off. When proven and probable reserves of oil and natural gas are determined and development is sanctioned, the relevant expenditure is transferred to tangible production assets. Development expenditure Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within tangible production assets. Maintenance expenditure Expenditure on major maintenance, refits or repairs is capitalised where it enhances the performance of an asset above its originally assessed standard of performance; replaces an asset or part of an asset which was separately depreciated and which is then written off; or restores the economic benefits of an asset

which has been fully depreciated. All other maintenance expenditure is charged to income as incurred. Decommissioning Provision for decommissioning is recognised in full on the installation of oil and natural gas production facilities. The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding tangible fixed asset of an amount equivalent to the provision is also created. This is subsequently depreciated as part of the capital costs of the production and transportation of facilities. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the fixed asset. Impairment tests Internal calculations of underlying hydrocarbon reserves are undertaken annually. For ceiling test purposes, commercial reserves relating to evaluated properties are valued based on undiscounted, unescalated year end costs and prices. The total net realisable value is compared with the net capitalised costs on a property by property basis and any diminution in property value considered permanent is written off. Changes in unit production factors Changes in factors which affect unit-of-production calculations are dealt with prospectively, not by immediate adjustment of prior year amounts. Discounting The unwinding of the discount on provisions is included within interest expense. Any change in the amount recognised for abandonment or other provisions arising through changes in discount rates is included within interest expense.

Turnover

Turnover represents the invoiced value of sales of goods and services exclusive of VAT.

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Plant and machinery etc 20.00% Straight Line

2 Tangible fixed assets

Cost	£
At 31 December 2008	76,873
additions	2,304
disposals	(52,617)
revaluations	
transfers	
At 31 December 2009	<u>26,560</u>
Depreciation	
At 31 December 2008	17,435
Charge for year	3,641
on disposals	<u>0</u>
At 31 December 2009	<u>21,076</u>
Net Book Value	
At 31 December 2008	59,438
At 31 December 2009	<u>5,484</u>

3 Investments (fixed assets)

Cost £ At 1 Jan 2009 33,710
 Additions 100 Disposals (1)
 At 31 Dec 2009 33,809
 During the year the company transferred at book value the ownership of the investment in Midmar Energy Onshore Limited to Key Petroleum (UK) Limited, a wholly owned subsidiary of Key Petroleum Limited, an Australian company which is listed on the Australian Stock Exchange. The following were subsidiary undertakings of the company : Midmar Energy UK Limited registered in England & Wales - 100% shareholding (£1 ordinary shares) The aggregate of share capital & reserves as at 31 December 2009 was £139,797, and the loss for the year was £28.

4 Debtors

	2009	2008
	£	£
Trade debtors	20,307	0
Other debtors	302,851	659,096
Prepayments and accrued income	15,566	19,677
	<u>338,724</u>	<u>678,773</u>

Other debtors includes amounts due after more than one year totalling £140,392 (2008 - £481,788).

5 Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Bank loans and overdrafts	1,169,242	0
Other creditors	174,570	82,447
	<u>2,078,001</u>	<u>638,508</u>
	2009	2008

	£	£
Non-instalment debts		
falling due after 5 years	2,078,001	638,508
Secured debts	1,169,242	

FirstRand (Ireland) Plc have a fixed and floating charge over the assets of Midmar Energy Limited and Midmar Energy UK Limited for the secured bank loan of £1,169,242. In the event of default FirstRand (Ireland) Plc can act on the share transfer form and seize control of both companies.

Transactions with

6 directors

The following loans to directors subsisted during the years ended 31 December 2009 and 31 December 2008: P Redman T Redman As at 1st January 2008 & 2009 (493,834) (62,226) Amounts advanced 70,000 - Amounts repaid (267,499) 19,371 As at 31 December 2009 (691,333) (42,855)

Related party

7 disclosures

The company entered into transactions with Midmar Energy UK Limited, its wholly owned subsidiary. Consultancy fees of £62,061 (2008 - £nil) were charged to Midmar Energy UK Limited and at the balance sheet date an amount of £140,368 (2008 - £nil) was owed by Midmar Energy UK Limited. The company also charged consultancy fees of £61,997 (2008 - £63,881) to Firstdrill Limited, of which P Redman is a director and shareholder. As at the balance sheet date an amount of £174,570 (2008 - £82,447) was due to Firstdrill Limited.

8 Controlling party

The ultimate controlling party is P J Redman, a director of the company.