Registered No: SC210359

ALBA RESOURCES LIMITED

REPORT & FINANCIAL STATEMENTS

FOR THE YEAR TO 31 DECEMBER 2016

Alba Resources Limited

Directors:

Simon Thomson
James Smith
Paul Mayland

Secretary:

Duncan Wood

Independent Auditors:

PricewaterhouseCoopers LLP
141 Bothwell Street
Glasgow G2 7EQ

Solicitors:

Shepherd and Wedderburn LLP
1 Exchange Crescent
Conference Square
Edinburgh EH3 8UL

Registered Office:

50 Lothian Road
Edinburgh EH3 9BY

Registered No:

SC210359

Alba Resources Limited

Directors' Report

The Directors present their report and financial statements for the year ended 31 December 2016.

The Company is a wholly-owned subsidiary of Nautical Petroleum Limited. The results of the Company are consolidated into those of the ultimate parent company, Cairn Energy PLC, registered in Scotland, whose principal place of business is at 50 Lothian Road, Edinburgh, EH3 9BY. Copies of Cairn Energy PLC's financial statements are available to the public and may be obtained from the above mentioned address.

Business Review
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and therefore the Directors have not prepared a Strategic Report.

The Company currently has no interests in oil and gas assets and consequently the directors are considering plans for the Company's future.

During the year the Company did not trade and made no profit or loss (2015: profit of £1.3m).

During the year, the Company made a distribution-in-kind of £92.3m to Capricorn Energy Limited. This was in relation to the loan receivable balance of £92.3m due to the Company from Nautical Petroleum Limited which was assigned to Capricorn Energy Limited, a fellow group company (2015: none).

Principal Risks and Uncertainties
From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group which include those of the Company, are discussed in pages 39 to 47 of the Group's annual report which does not form part of this report.

Accounting Policies
Alba Resources Limited applies accounting policies in line with the Cairn Energy PLC Group accounting policies. Significant accounting policies of the Group are included in their financial statements. Accounting policies relating to non-material items are available on the Cairn Energy PLC website.

Financial Instruments
For detail of the Company's financial risk management policy see note 8.

Directors
The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Simon Thomson

James Smith

Paul Mayland

Statement of Directors' Responsibilities
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 prepared 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 company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Disclosure of Information to Auditors
The directors of the Company who held office as at the date of this report confirm that, as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware. In making this confirmation, the directors have taken appropriate steps to make themselves aware of the relevant audit information and that the Company's auditors are aware of this information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be presented at the annual general meeting.

By Order of the Board

Duncan Wood

Duncan Wood
Secretary
50 Lothian Road
Edinburgh EH3 9BY
23 June 2017

Independent auditors' report to the members of Alba Resources Limited

Report on the financial statements

Our opinion

In our opinion, Alba Resources Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Report & Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the income statement and statement of comprehensive income for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.

Michael Timar

Michael Timar (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
23 June 2017

Alba Resources Limited
Income Statement
For the year ended 31 December 2016

	Note	2016 £000	2015 £000
Finance income	3	**46**	1,358
Finance costs		**(46)**	(39)
Profit before taxation		**-**	1,319
Taxation	4	**-**	-
Profit for the year		**-**	1,319

Statement of Comprehensive Income
For the year ended 31 December 2016

	2016 £000	2015 £000
Profit for the year	**-**	1,319
Total comprehensive income for the year	**-**	1,319

Alba Resources Limited
Balance Sheet
As at 31 December 2016

	Note	2016 £000	2015 £000
Current assets			
Other receivables	5	**6,620**	98,387
Cash and cash equivalents		**5**	129
		6,625	98,516
Total assets		**6,625**	98,516
Current liabilities			
Other payables		**5**	-
Non-current liabilities			
Provisions	6	**2,196**	1,797
Total liabilities		**2,201**	1,797
Net assets		**4,424**	96,719
Equity			
Called-up share capital	7	**197**	197
Share premium		**2,908**	2,908
Retained earnings		**1,319**	93,614
Total equity		**4,424**	96,719

The financial statements on pages 6 to 15 were approved by the Board of Directors on 23 June 2017 and signed on its behalf by:

James Smith
Director

Company Registered No: SC210359

Alba Resources Limited

Statement of Cash Flows

For the year ended 31 December 2016

	2016 **£000**	2015 £000
Cash flows from operating activities		
Profit before taxation	-	1,319
Exchange gain	-	(1,319)
Net cash from operating activities	-	-
Cash flows from financing activities		
Group funding	**(124)**	115
Net cash flows (used in)/from financing activities	**(124)**	115
Net (decrease)/increase in cash and cash equivalents	**(124)**	115
Opening cash and cash equivalents	**129**	14
Closing cash and cash equivalents	**5**	129

Statement of Changes in Equity

For the year ended 31 December 2016

	Called-up Share Capital £000	Share Premium £000	Retained Earnings £000	**Total Equity £000**
At 1 January 2015	197	2,908	92,295	95,400
Profit for the year	-	-	1,319	1,319
Total comprehensive income for the year	-	-	1,319	1,319
At 31 December 2015	197	2,908	93,614	96,719
Distribution-in-kind	-	-	(92,295)	**(92,295)**
At 31 December 2016	**197**	**2,908**	**1,319**	**4,424**

1 Significant Accounting Policies

a) Basis of preparation

The financial statements of Alba Resources Limited ("the Company") for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the directors on 23 June 2017. The Company is a private company limited by shares incorporated in Scotland and domiciled in the United Kingdom. The registered office is located at 50 Lothian Road, Edinburgh, Scotland. The Company's registered number is SC210359.

The Company prepares its financial statements on a historical cost basis, applied consistently throughout the period. Where there are assets and liabilities calculated on a different basis, this fact is disclosed in the relevant accounting policy. The Company's financial statements comply with the Companies Act 2006. The accounting policies adopted during the period are consistent with those adopted by the ultimate parent company, Cairn Energy PLC.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review on page 2. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are presented in the financial statements and supporting notes. In addition, note 8 to the financial statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposures to credit risk and liquidity risk.

b) Going concern

The directors have considered the factors relevant to support a statement of going concern. They have a reasonable expectation that the Company will continue in operational existence for the foreseeable future and have therefore used the going concern basis in preparing the financial statements.

c) Accounting standards

The Company prepares its financial statements in accordance with applicable International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB") as adopted by the EU, and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") and Companies Act 2006 applicable to companies reporting under IFRS. The Company's financial statements are also consistent with IFRS as issued by the IASB as they apply to accounting periods ended 31 December 2016.

Effective 1 January 2016, the Company has adopted the following amendments to standards:

- Annual improvements to IFRSs 2012-2014 Cycle
- Amendments to IFRS 10 Consolidated Financial Statements
- Amendments to IFRS 11 Joint Arrangements
- Amendments to IFRS 12 Disclosure of Interests in Other Entities
- Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 16 Property, Plant and Equipment
- Amendments to IAS 27 Separate Financial Statements
- Amendments to IAS 28 Investments in Associates and Joint Ventures
- Amendments to IAS 38 Intangible Assets

The adoption of these amendments has had no material impact on the Company's results or financial statement disclosures.

The following new standards issued by the IASB and endorsed by the EU have yet to be adopted by the Company:

- IFRS 9 Financial Instruments (effective 1 January 2018)
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018)

The following new accounting standards and amendments to existing standards have been issued but are not yet effective and have not yet been endorsed by the EU:

- IFRS 16 Leases (effective 1 January 2019)
- Amendments to IFRS 2 Share Based Payments (effective 1 January 2018)
- Amendments to IAS 7 Statement of Cash Flows (effective 1 January 2017)
- Amendments to IAS 12 Income Taxes (effective 1 January 2017)
- Clarifications to IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018)

The adoption of these standards is not expected to have a material impact on the Company's results or financial statement disclosures.

The Company has not early adopted any other standard, amendment or interpretation that was issued but is not yet effective.

1 Significant Accounting Policies (continued)

c) Accounting standards (continued)
The Company has not early adopted any other standard, amendment or interpretation that was issued but is not yet effective.

d) Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are categorised as financial assets held at fair value through profit or loss and loans and receivables. The Company holds financial assets which are classified as loans and receivables.

Financial liabilities generally substantiate claims for repayment in cash or another financial asset. Financial liabilities are categorised as either fair value through profit or loss or held at amortised cost. All of the Company's financial liabilities are held at amortised cost.

Financial instruments are generally recognised as soon as the Company becomes party to the contractual regulations of the financial instrument.

Other receivables
Other receivables (classified as loans and receivables under IAS 39) that have fixed or determinable payments that are not quoted on an active market are initially measured at fair value and then subsequently at amortised cost using the effective interest method less any impairment.

Receivables that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting period, are included in current assets.

The carrying amounts of other receivables are tested at each reporting date to determine whether there is objective material evidence of impairment, for example overdue debt. Any impairment losses are recognised through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the income statement or balance sheet in accordance with where the original receivable was recognised.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and short-term deposits with an original maturity of three months or less.

Other non-derivative financial liabilities
Other creditors are non-interest bearing and are measured at fair value initially then amortised cost subsequently.

e) Equity
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs, allocated between share capital and share premium.

f) Taxation
The total tax charge or credit represents the sum of current tax and deferred tax.

The current tax credit is based on the taxable profit for the year. Taxable profit or loss differs from net profit or loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences that exist only where it is probable that taxable profits will be generated against which the carrying value of the deferred tax asset can be recovered.

Deferred tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint operations where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

1 Significant Accounting Policies (continued)

f) Taxation (continued)
A deferred tax asset or liability is not recognised if a temporary difference arises on initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Current and deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2 Operating Profit

Auditors' remuneration
The Company's auditors' remuneration of £1,800 (2015: £2,833) has been borne by the intermediate holding company Capricorn Energy Limited. Auditors' remuneration for other services is disclosed in the financial statements of Cairn Energy PLC, the ultimate parent undertaking.

The Company has a policy in place for the award of non-audit work to the auditors which, in certain circumstances, requires approval by the Audit Committee of Cairn Energy PLC, the ultimate parent undertaking. No such costs were incurred by the Company during the year (2015: £nil).

Employees
This company has no employees (2015: none).

3 Finance Income

	2016 £000	2015 £000
Exchange gain	-	1,319
Unwinding of discount – other receivables	46	39
	46	1,358

4 Taxation

A reconciliation of the income tax expense applicable to the profit before income tax at the UK statutory rate, to income tax expense at the Company's effective income tax rate, is as follows:

	2016 £000	2015 £000
Profit before taxation	-	1,319
Tax at the standard rate of UK corporation tax of 20% (2015: 20.25%)	-	267
Effects of:		
Tax losses claimed from other group companies	-	(267)
Total tax charge	-	-

Factors that may affect future corporation tax charges
The UK main rate of corporation tax is currently 20% (21% prior to 1 April 2015).

5 Other Receivables

	2016 £000	2015 £000
Other receivables	**2,196**	1,797
Amounts owed by group companies	**4,424**	96,590
	6,620	98,387

Other receivables represents an amount recoverable from Dyas B.V. The Company has a related provision for an equal and opposite amount payable to Hess for £2.2m on first oil from the Mariner field. This is due to commence in 2018.

During the year, the Company made a distribution-in-kind of £92.3m to Capricorn Energy Limited. This was in relation to the loan receivable balance of £92.3m due to the Company from Nautical Petroleum Limited which was assigned to Capricorn Energy Limited, a fellow group company.

As at 31 December 2016, amounts owed by group companies of £4.4m was current and due >120 days. As at 31 December 2015, amounts owed by group companies of £1.0m was current and due 30-60 days; £0.9m was current and due 90-120 days, £94.3m was current and due >120 days; and £0.4m was current. There were no allowances for doubtful debts made in 2016 and 2015. In determining the recoverability of other receivables, the Company carries out a risk analysis based on the type and age of the outstanding receivable.

6 Provisions

	Other provisions £000
At 31 December 2014	1,704
Change in estimate	(42)
Unwinding of discount	39
Foreign exchange	96
At 31 December 2015	1,797
Unwinding of discount	**46**
Foreign exchange	**353**
At 31 December 2016	**2,196**

The provision of £2.2m is due to Hess when the Mariner field starts to produce first oil, which is due to commence in 2018.

7 Called-up Share Capital

	Number '000	£1 Ordinary £000
Allotted, issued and fully paid ordinary shares		
At 31 December 2016 and 2015	**197**	**197**

Share premium

Share premium is stated in the statement of changes in equity.

8 Financial Risk Management: Objectives and Policies

The main risks arising from the Company's financial instruments are liquidity risk and credit risk. The Board of the Company's ultimate parent company, Cairn Energy PLC, through the Treasury Sub-Committee, reviews and agrees policies for managing each of these risks and these are summarised below.

The Group's treasury function, at Cairn Energy PLC, and Executive Team as appropriate are responsible for managing these risks, in accordance with the policies set by the Board. Management of these risks is carried out by monitoring of cash flows, investment and funding requirements using a variety of techniques. These potential exposures are managed whilst ensuring that the Company and the Group have adequate liquidity at all times in order to meet their immediate cash requirements. There are no significant concentrations of risks unless otherwise stated. The Company does not enter into or trade financial instruments, including derivatives, for speculative purposes.

The primary financial assets and liabilities of the Company comprise cash, intra-group loans and other receivables and financial liabilities held at amortised cost. The Company strategy is to finance its operations through a mixture of retained profits and group borrowings. Other alternatives such as equity issues and other forms of non-investment-grade debt finance are reviewed by the Cairn Energy PLC Board, when appropriate.

Liquidity risk
The Cairn Energy PLC Group closely monitors and manages its liquidity risk using both short and long-term cash flow projections, supplemented by debt financing plans and active portfolio management. Cash forecasts are regularly produced and sensitivities run for different scenarios including, but not limited to, changes in and delays of development projects. The forecasts show that the Group will be able to operate within its current debt facilities and have significant financial headroom for the 12 months from the date of approval of these financial statements.

Credit risk
Credit risk arises from cash and cash equivalents and other receivables.

At the year end the Company does not have any significant concentrations of bad debt risk.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date.

8 Financial Risk Management: Objectives and Policies (continued)

Capital Management
The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Group's treasury function monitors the long-term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The Company manages the capital structure and makes adjustments to it in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may issue shares for cash, repay debt, put in place new debt facilities or other such restructuring activities as appropriate. No significant changes were made in the objectives, policies or processes during the year ended 31 December 2016.

The Company's capital and net debt were made up as follows:

	2016	2015
	£000	£000
Other payables	**5**	-
Less cash and cash equivalent	**(5)**	(129)
Net funds less payables	**-**	(129)
Equity	**4,424**	96,719
Capital and net funds less payables	**4,424**	96,590
Gearing ratio	**0%**	0%

9 Financial Instruments

The Company calculates the fair value of assets and liabilities by reference to amounts considered to be receivable or payable on the balance sheet date. The Company's financial assets and liabilities, together with their fair values are as follows:

Financial assets	**Carrying amount**		**Fair value**	
	31 December 2016 £000	31 December 2015 £000	**31 December 2016 £000**	31 December 2015 £000
Cash and cash equivalents	**5**	129	**5**	129
Other receivables	**2,196**	1,797	**2,196**	1,797
Amounts owed by group companies	**4,424**	96,590	**4,424**	96,590
	6,625	98,516	**6,625**	98,516

All of the above financial assets are unimpaired.

Financial liabilities	**Carrying amount**		**Fair value**	
	31 December 2016 £000	31 December 2015 £000	**31 December 2016 £000**	31 December 2015 £000
Amounts owed to group companies	**5**	-	**5**	-
Provision	**2,196**	1,797	**2,196**	1,797
	2,201	1,797	**2,201**	1,797

The fair value of financial assets and liabilities has been calculated by discounting the expected future cash flows at prevailing interest rates.

Maturity analysis
All of the Company financial liabilities have a maturity of less than one year.

10 Related Party Transactions

The following table provides the balance which is outstanding with group companies at the balance sheet date:

	31 December 2016 £000	31 December 2015 £000
Amounts owed by group companies	**4,424**	96,590
Amounts owed to group companies	**5**	-

The amounts outstanding are unsecured, repayable on demand and will be settled in cash. Interest, where charged, is at market rates. No guarantees have been given.

During the year, the Company made a distribution-in-kind of £92.3m to Capricorn Energy Limited. See note 5 for further details.

Remuneration of key management personnel and directors
The directors of the Company are also directors of other companies in the Cairn Energy PLC group. The directors received remuneration for the year of £2.3m (2015: £2.2m) and pension contributions of £0.2m (2015: £0.2m) all of which was paid by other companies in the group. 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 Cairn Energy PLC and fellow subsidiary companies. There are no agreements between the Company and the Board of Directors.

11 Ultimate Parent Company

The Company is a wholly-owned subsidiary of Nautical Petroleum Limited. The Company's ultimate parent company is Cairn Energy PLC, registered in Scotland, whose principal place of business is at 50 Lothian Road, Edinburgh, EH3 9BY.

Copies of Cairn Energy PLC's financial statements are available to the public and may be obtained from the above mentioned address.