

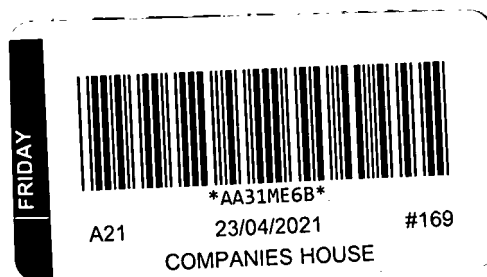
## **Petrogas North Sea Limited**

Directors' Report and Financial Statements

Year Ended

31 December 2020

Company Number 05470844



# Petrogas North Sea Limited

## Company Information

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<b>Directors</b>	U M A Al Barwani P N Dancer K Sen T N Chapman
<b>Registered number</b>	05470844
<b>Registered office</b>	1 Bartholomew Lane London United Kingdom EC2N 2AX
<b>Independent auditor</b>	BDO LLP Statutory Auditor 55 Baker Street London W1U 7EU
<b>Bankers</b>	ING Wholesale Bank 8-10 Moorgate London EC2R 6DA

# Petrogas North Sea Limited

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# **Petrogas North Sea Limited**

## **Directors' Report For the Year Ended 31 December 2020**

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The Directors present their report together with the audited financial statements for the year ended 31 December 2020.

### **Principal activity**

The principal activity of the Company during the year continued to be the procurement of exploration and production oil and gas licences and their operatorship and management on its own behalf and on behalf of its partner oil and gas companies where applicable.

### **Business activities**

The Company progressed on its license in the UK sector of the North Sea as an operator and non-operator. During the year activities and expenditures of the Company related to its (well) operatorship for the P2025 licence.

In March 2020, the coronavirus ('COVID-19') outbreak developed rapidly with a significant number of infections. The implication of the pandemic were far reaching and momentous, with many governments across the world decided to 'close down their countries and borders', leaving a great impact on the global public health and well-being and global economy.

As a result of the COVID-19 Pandemic, there had been deterioration in the macro-economic conditions witnessed by the disruption in the demand for oil and ensuing significant drop in oil and gas prices.

For the Company the year 2020 started with the preparations for the planned appraisal well in the Birgitta discovery, located in P2025 of the UKCS. However due to the COVID-19 Pandemic, this project could not progress as planned and an extension was received from the OGA to allow for deferral of this appraisal well to 2021. The Company decided to cancel therefore its appraisal well in 2020 to minimize the health, safety and liquidity risk. The Company worked with its contractors to ensure a mutually satisfactory delay of the well activities.

### **COVID-19 and Brexit**

Also in 2021 there is uncertainty in relation to the extent and period that the COVID-19 pandemic will last, this uncertainty could have an impact on the Company's financial position, future cashflow and operations.

Currently the Company anticipates activities to continue and progress, while managing and mitigating the influence of COVID-19 to the business operations, its staff and liquidity.

Management is monitoring the COVID-19 developments and adverse effects closely and together with the support of the Petrogas Group is responding to unexpected increased health, safety and liquidity risks for the current operations, including the deferral of non-essential activities, when required. The Company will also work with its contractors to include more flexibility with respect to its commitments and workprogram, where possible. At the moment the Company anticipates the appraisal well in the Birgitta discovery, located in P2025 of the UKCS to be drilled late during 2021.

The departure and separation of the United Kingdom from the European Union has been effective since 1 January 2021. Based on the Post Brexit (Trade) Agreement, the Company has ensured that the changed requirements, legislation and regulations are and will be incorporated in its future operations. The Company assessed the current uncertainties around the Brexit as minimal, and took measures to take the Brexit uncertainties into account, especially for importing goods and changes in legislation for employment and working permits.

# **Petrogas North Sea Limited**

## **Directors' Report (continued) For the Year Ended 31 December 2020**

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### **Directors**

The directors who served during the year were:

U M A Al Barwani  
P N Dancer  
K Sen  
T N Chapman

### **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). 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 judgements 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 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.

### **Directors' indemnity insurance**

During the year the Company provided a directors' and officers' insurance policy to those in the office.

### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

# **Petrogas North Sea Limited**

## **Directors' Report (continued) For the Year Ended 31 December 2020**

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### **Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

  
**U M A Al Barwani**  
Director

Date: 20.04.21

# **Petrogas North Sea Limited**

## **Independent Auditor's Report to the Members of Petrogas North Sea Limited**

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### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its result 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.

We have audited the financial statements of Petrogas North Sea Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### **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 at least twelve 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.

# **Petrogas North Sea Limited**

## **Independent Auditor's Report to the Members of Petrogas North Sea Limited (continued)**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this gives rise to 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Other Companies Act 2006 reporting**

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 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 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.



# Petrogas North Sea Limited

## Independent Auditor's Report to the Members of Petrogas North Sea Limited (continued)

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### Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, 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.

### 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.

#### *Extent to which the audit was 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the directors and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

# Petrogas North Sea Limited

## Independent Auditor's Report to the Members of Petrogas North Sea Limited (continued)

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### 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.



**Michael Simms** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London  
United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Petrogas North Sea Limited

## Statement of Comprehensive Income For the Year Ended 31 December 2020

	Note	2020 £	2019 £
General and administrative expenses		(292,497)	(147,767)
Exceptional (costs)/income	8	(56,977)	790,722
Other operating income		156,806	19,247
<b>Operating result</b>	4	<b>(192,668)</b>	662,202
<b>Result before tax</b>		<b>(192,668)</b>	662,202
Tax on ordinary activities	7	-	-
<b>Result for the financial year</b>		<b>(192,668)</b>	662,202

There was no other comprehensive income for 2020 (2019 - £Nil).

The notes on pages 11 to 18 form part of these financial statements.

# Petrogas North Sea Limited


Registered number: 05470844

## Statement of Financial Position As at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	9	7,775,980	2,455,559
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	7,992	50,018
Cash at bank and in hand		30,908	-
		<u>38,900</u>	<u>50,018</u>
Creditors: amounts falling due within one year	11	(20,429,501)	(14,927,530)
<b>Net current liabilities</b>		<u>(20,390,601)</u>	<u>(14,877,512)</u>
<b>Net liabilities</b>		<u><u>(12,614,621)</u></u>	<u><u>(12,421,953)</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	100	100
Accumulated losses		(12,614,721)	(12,422,053)
		<u><u>(12,614,621)</u></u>	<u><u>(12,421,953)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**U M A Al Barwani**  
Director

Date: 20.04.21

The notes on pages 11 to 18 form part of these financial statements.

# Petrogas North Sea Limited

## Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital £	Accumulated losses £	Total equity £
<b>At 1 January 2019</b>	<b>100</b>	<b>(13,084,255)</b>	<b>(13,084,155)</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	662,202	662,202
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>662,202</b>	<b>662,202</b>
<b>At 1 January 2020</b>	<b>100</b>	<b>(12,422,053)</b>	<b>(12,421,953)</b>
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(192,668)	(192,668)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(192,668)</b>	<b>(192,668)</b>
<b>At 31 December 2020</b>	<b>100</b>	<b>(12,614,721)</b>	<b>(12,614,621)</b>

The notes on pages 11 to 18 form part of these financial statements.

# Petrogas North Sea Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 1. General information

Petrogas North Sea Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Directors' Report on page 1.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company's exploration and development activities are generally conducted in joint arrangements with other companies. These joint arrangements are wholly risk sharing in nature and therefore fall under the FRS 102 Section 15. The Financial Statements therefore reflect the proportion of capital expenditure and operating costs applicable to the Company relative to the Company's interests.

The presentational and functional currency of these financial statements is GBP. Values have been rounded to the nearest pound.

The following principal accounting policies have been applied:

#### 2.2 Going concern

As in previous years, Petrogas North Sea Limited (the 'Company') has no income from its assets and is wholly dependent from Petrogas International E&P Cooperatief U.A. for its funding. The Company, Petrogas International E&P Cooperatief U.A., is a reputable enterprise having assets through its subsidiaries in the Netherlands and is financially supported by its parent Petrogas E&P LLC.

Based on early stage projects the Company is involved in, the Company is financed in full by its parent company. Petrogas E&P LLC has undertaken to provide financial support until 31 December 2022.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Based on their assessment of the current uncertainties towards a situation in which the COVID-19 crisis is behind us, the Company has sufficient working capital for the foreseeable future, based on the support of its parent company. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Considering this and all other pertinent matters, the Directors have elected to prepare these financial statements on a going concern basis.

# **Petrogas North Sea Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2020**

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### **2. Accounting policies (continued)**

#### **2.3 Intangible assets**

Expenditures for exploration and evaluation of oil and gas properties are reported according to the Full Cost Method. All costs attributable to exploration, drilling and evaluation of such interests are capitalised in full. The expenditures are accumulated separately for each licence right and the capitalisation of exploration and evaluation assets, or alternatively oil and gas properties depends on the development phase that has been reached.

Expenditure incurred prior to the acquisition of a licence is written off to the statement of comprehensive income as it is incurred, as is expenditure on licences that are subsequently relinquished.

#### **2.4 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### **2.5 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### **2.6 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

#### **2.7 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **2.8 Borrowing costs**

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

# Petrogas North Sea Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.9 Taxation

The tax expense represents the sum of current tax and deferred tax.

The charge for current tax is based on the results for the year adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Current and deferred tax is recognised in the same component of the statement of comprehensive income, other comprehensive income or equity as the transaction or event that resulted in the tax expense or income.

Deferred tax is the tax expected to be payable or recoverable on timing differences between taxable profits and the total comprehensive income as reported in the financial statements.

Deferred tax liabilities are recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits will be available against which timing differences can be utilised. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor the total comprehensive income.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

A change in deferred tax assets and liabilities as a result of a change in the tax rates or laws is recognised in the statement of comprehensive income, or other comprehensive income to the extent that it relates to items previously recognised in other comprehensive income.

#### 2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The main estimates and assumptions are shown below:

#### **Estimates and assumptions of oil and gas reserves:**

The valuation of oil and gas properties is based on estimates and assumptions concerning oil and gas resources at the time of acquisition and the expected oil and gas that may be subsequently produced annually.

#### **Impairment testing of exploration and evaluation assets as well as oil and gas properties:**

The exploration and evaluation assets were impaired to its recoverable amount which was its fair value less costs to sell, when an indication or trigger of impairment applies.



# Petrogas North Sea Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 4. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	(6,367)	(6,042)
Accounts preparation services	(1,468)	(1,393)
Taxation compliance services	(1,667)	(1,617)
Exchange gains	156,806	19,247

### 5. Employees

The average monthly number of employees, including directors, during the year was 4 (2019 - 4).

### 6. Directors' remuneration

The directors' remuneration was borne by the parent company. The directors do not consider there to be any members of key management other than the directors themselves.

### 7. Taxation

	2020 £	2019 £
Total current tax	-	-

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	(192,668)	662,202
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(36,607)	125,818
Effects of:		
Capital allowances for year in excess of depreciation	(1,032,532)	(447,128)
Unrelieved tax losses carried forward	1,069,139	321,310
Total tax charge for the year	-	-

# Petrogas North Sea Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 7. Taxation (continued)

The finance Act (No2) 2015, which was passed on 18 November 2015, provided that the main UK corporation tax rate was reduced to 19% as from 1 April 2017 and would be reduced to 17% from 2020. The rate has however been maintained at 19% rather than reducing it to 17% from 1 April 2020. The charge to Corporation Tax and the main rate will also be set at 19% for the financial year beginning 1 April 2021.

At 31 December 2020 the Company has tax losses amounting to £20m (2019: £14m) available to offset against future trading profits. A deferred tax asset has not been recognized in respect of these losses as the conditions for recognition have not been realised.

The tax regime which applies to exploration for, and production of, oil and gas in the UK and on the UK Continental Shelf (UKCS) currently comprises of a ring fence corporation tax of 30% and Supplementary charge in respect of ring fence trades of 10%. The main consequence of the ring-fence is that non-ringfence losses may not be offset against the profits from a ring-fence trade. However, losses from a ring-fence trade can be offset against non-ringfence profits.

### 8. Exceptional costs/(income)

	2020 £	2019 £
Impairment of intangible assets - relinquished licences	<u>56,977</u>	<u>(790,722)</u>

# Petrogas North Sea Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 9. Intangible assets

	Exploration and appraisal costs £
<b>Cost</b>	
At 1 January 2020	3,533,110
Additions	5,320,421
At 31 December 2020	<u>8,853,531</u>
<b>Amortisation and impairment</b>	
At 1 January 2020	1,077,551
At 31 December 2020	<u>1,077,551</u>
<b>Net book value</b>	
At 31 December 2020	<u>7,775,980</u>
At 31 December 2019	<u>2,455,559</u>

The additions relate to the 2020 expenditures on the Birgitta Discovery for the operated P2025 licence, located on the UK Continental Shelf.

Management carried out an impairment (trigger) assessment for the intangible assets of the respective licences as at 31 December 2020. Management has assessed that these assets were not impaired based on the business plans for 2021 onwards.

# Petrogas North Sea Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 10. Debtors: amounts falling due within one year

	2020 £	2019 £
Amounts owed by group undertakings	564	-
Other debtors	7,428	50,018
	<u>7,992</u>	<u>50,018</u>

All financial assets above are measured at amortised cost.

### 11. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	-	42
Amounts owed to group undertakings	20,175,265	14,335,432
Accruals	254,236	592,056
	<u>20,429,501</u>	<u>14,927,530</u>

All financial liabilities above are measured at amortised cost.

Amounts owed to group undertakings are due on demand and no interest is charged on these balances.

### 12. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

All shares carry the same voting rights.

### 13. Related party transactions

The Company has taken the FRS 102 Section 1A disclosure exemption of related party transactions with other group companies as the Company is a wholly-owned subsidiary of Petrogas E&P LLC.

### 14. Controlling party

The Company is a member of the Petrogas E&P LLC Group, with as ultimate controlling party MB Holding company (Muscat/Oman). A copy of the Petrogas E&P LLC Group financials may be obtained from Petrogas E&P LLC at Way number 6862, Building number 1742-18 Nov Street, Azaiba, P.O. Box: 353, PC112 Ruwi, on request through their website, [www.petrogasep.com](http://www.petrogasep.com).

# **Petrogas North Sea Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2020**

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### **15. Post balance sheet events**

There were no post balance sheet events that have a significant impact on the financial statements of 2020.