

**NOVUS UK (INDONESIAN HOLDINGS) LIMITED**

**REPORTS AND FINANCIAL STATEMENTS**

**31 DECEMBER 2008**

**Registered Number 212729**



## NOVUS UK (INDONESIAN HOLDINGS) LIMITED

### Directors' Report

The Directors present their annual report and the audited group consolidated accounts for the year ended 31 December 2008.

#### **Principal Activity and Review of Business**

The principal activity of the Company is that of an investment holding company with a 100% interest in Novus UK (Kakap) Limited and Novus UK (Malacca Strait) Limited.

Novus UK (Kakap) Limited (NUKK) owns a 13.5% working interest in an Indonesian production sharing contract, the Kakap PSC, under which it is entitled to participate in oil and gas exploration and production projects.

Novus UK (Malacca Strait) Limited is now a dormant company having sold its interest in the Malacca Strait PSC in 2002.

It is the intention of the Directors of Novus UK (Indonesian Holdings) Limited that the above-noted business of the Company will continue for the foreseeable future.

#### **KAKAP PSC**

##### **Production/Exploration**

The Kakap PSC, in the Natuna Sea, continues to deliver steadily, with average production rates for the year ended 31 December 2008 of 0.8 Mbopd and 1.71 Mboepd for Oil and Gas, respectively. No exploration wells were drilled in 2008.

##### **Results**

The Group's consolidated results for the year ended 31 December 2008 with comparatives for the year ended 31 December 2007 are summarised below:

	2008 US\$'000	2007 US\$'000
Turnover	38,764	36,822
Profit on ordinary activities before taxation	26,176	20,453
Tax on ordinary activities	(4,357)	(8,459)
<b>Profit for the year</b>	<b>21,819</b>	<b>11,994</b>

There was a minor increase in turnover due to the increase in average production rates from 2.34 Mbopd in 2007 to 2.51 Mbopd in 2008. Profit for the year in 2008 also increased, particularly as there were no non-commercial exploration wells drilled in 2008 which were charged to profit and loss account. In addition, there has been a reversal of a liability during the year amounting to \$6.2m which related to branch profit tax following the result of the management's reassessment of the company's position with regards to the branch profit liability. Their assessment has been supported by an independent tax advisor.

##### **Fixed Assets**

Changes in tangible fixed assets are shown in Note 9 to the accounts.

##### **Likely Future Developments**

There are no immediate developments that are likely to have a material impact on the operations of the Company although the Company is continually reviewing opportunities for growth and development.

##### **Subsequent Event**

On 15 July 2009 the ultimate parent company, PT Medco Energi Internasional Tbk, completed the sale of its wholly owned subsidiary company, Medco Kakap Holdings Pte Ltd., whose wholly owned subsidiary companies include Novus UK (Indonesian Holdings) Ltd., to Star Energy Holdings Pte Ltd.

## **NOVUS UK (INDONESIAN HOLDINGS) LIMITED**

### **Directors' Report (continued)**

#### **Principal risks and uncertainties**

##### **Price risk**

Oil, gas and product prices are subject to international supply and demand. Political developments (especially in the Middle East) and the outcome of meetings of OPEC can particularly affect world supply and oil prices. In addition to the adverse effect on revenues, margins and profitability from any future fall in oil and natural gas prices, a prolonged period of low prices or other indicators would lead to a review for impairment of the group's oil and natural gas properties. This review would reflect management's view of long-term oil and natural gas prices. Such a review could result in a charge for impairment that could have a significant effect on the group's results of operations in the period in which it occurs.

##### **Drilling and production risk**

Exploration and production require high levels of investment and have particular economic risks and opportunities and may often involve innovative technologies. They are subject to natural hazards and other uncertainties, including those relating to the physical characteristics of an oil or natural gas field. The cost of drilling, completing or operating wells is often uncertain. The company may be required to curtail, delay or cancel drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions and compliance with governmental requirements.

##### **Directors and their interests**

The Directors who served during the year were:

James T. Hornabrook  
Keith J. Goodwin  
Rashid Irawan Mangunkusumo

The changes since 1 January 2008 are as follows:

Randy Suparman	(appointed on 15 July 2009)
Bret Wayne Mattes	(appointed on 15 July 2009)
James T. Hornabrook	(resigned on 15 July 2009)
Keith J. Goodwin	(resigned on 15 July 2009)
Lukman Ahmad Mahfoed	(appointed on 2 February 2009 and resigned on 15 July 2009)
Rashid Irawan Mangunkusumo	(resigned on 2 February 2009)

None of the Directors had any interest in the shares of the Company at 31 December 2008 or at the date of signing this report.

Lukman Ahmad Mahfoed is a Director of PT Medco Energi Internasional Tbk (MEDCO), the ultimate parent company, and accordingly his and his families' interest in the ordinary shares of the ultimate parent company are disclosed in its accounts.

##### **Creditor Payment Policy and Practice**

It is the Group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Group and its suppliers, provided that all trading terms and conditions have been complied with.

At 31 December 2008 and 2007, the Group had an average of 2 days purchases outstanding in trade creditors.

##### **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 group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

**NOVUS UK (INDONESIAN HOLDINGS) LIMITED**

**Directors' Report (continued)**

**Re-appointment of auditors**

Ernst & Young LLP was re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 Companies Act 1985.

For and on behalf of  
TMF CORPORATE ADMINISTRATION  
By order of the Board



Authorized Signatory

Secretary  
TMF Corporate Administration  
Services Ltd  
Pelipar House  
1st Floor  
9 Cloak Lane  
London EC4R 2RU  
30 December 2009

## **NOVUS UK (INDONESIAN HOLDINGS) LIMITED**

### **Statement of Directors' Responsibilities in Respect of the Accounts**

The Directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Ensure applicable UK Accounting Standards 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 Group and Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and 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 NOVUS UK (INDONESIAN HOLDINGS) LIMITED**

We have audited the group and parent company financial statements (the "financial statements") of Novus UK (Indonesian Holdings) Limited for the year ended 31 December 2008 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom Law and Accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you, if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group and company's affairs as at 31 December 2008 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered auditor  
London

30 December 2009

**NOVUS UK (INDONESIAN HOLDINGS) LIMITED**

**Group Profit and Loss Account**

**For the Year Ended 31 December 2008**

	<b>NOTES</b>	<b>2008 US\$'000</b>	<b>2007 US\$'000</b>
<b>Turnover</b>	3	38,764	36,822
<b>Cost of sales</b>	4	(12,589)	(16,371)
<b>Gross profit</b>		26,175	20,451
<b>Other income</b>		1	2
<b>Operating Profit</b>		<b>26,176</b>	<b>20,453</b>
<b>Profit on ordinary activities before taxation</b>		26,176	20,453
<b>Taxation</b>	8	(4,357)	(8,459)
<b>Profit for the year</b>		<b>21,819</b>	<b>11,994</b>

All profits and losses included in the profit and loss account derive from activities of a continuing nature.

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above, and their historical cost equivalents.

The notes on pages 9 to 18 are an integral part of these accounts.

**NOVUS UK (INDONESIAN HOLDINGS) LIMITED**  
**Group Statement of Total Recognised Gains and Losses**

**For the year ended 31 December 2008**

	<b>2008 US\$'000</b>	<b>2007 US\$'000</b>
Profit for the year	<u>21,819</u>	<u>11,994</u>
Total recognised gains and losses for the year	21,819	11,994
Prior year adjustment	-	1,799
Total gains and losses recognised since last annual report	<u>21,819</u>	<u>13,793</u>

The notes on pages **9 to 18** are an integral part of these accounts.






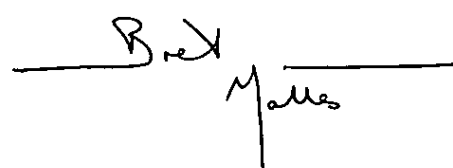
**NOVUS UK (INDONESIAN HOLDINGS) LIMITED**

**Group Balance Sheet**

**At 31 December 2008**

	<b>Notes</b>	<b>2008 US\$'000</b>	<b>2007 US\$'000</b>
<b>Fixed Assets</b>			
Tangible assets	9	19,717	21,374
<b>Current Assets</b>			
Cash		736	1,386
Debtors	10	31,068	26,465
Stocks	11	742	681
<b>Total Current Assets</b>		<b>32,546</b>	<b>28,532</b>
<b>Current Liabilities</b>			
Creditors - amounts falling due within one year	12	(10,683)	(17,236)
<b>Net Current Assets</b>		<b>21,863</b>	<b>11,296</b>
<b>Total Assets Less Current Liabilities</b>		<b>41,580</b>	<b>32,670</b>
Provision for liabilities and charges	13	(2,409)	(3,001)
<b>Net assets</b>		<b>39,171</b>	<b>29,669</b>
<b>Represented by:</b>			
<b>Capital and Reserves</b>			
Called up share capital	14	171	171
Profit and loss account	18	39,000	29,498
<b>Shareholders' Funds - Equity Interest</b>	19	<b>39,171</b>	<b>29,669</b>

Approved by the Board of Directors  
and signed on its behalf on 21 December 2009 by:

  
 Director
 

The notes on pages 9 to 18 are an integral part of these accounts.



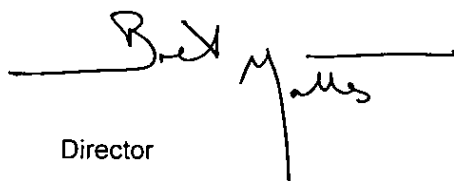

**NOVUS UK (INDONESIAN HOLDINGS) LIMITED**

**Company Balance Sheet**

**At 31 December 2008**

	<b>Notes</b>	<b>2008 US\$'000</b>	<b>2007 US\$'000</b>
<b>Fixed Assets</b>			
Investment in Subsidiaries	16	9	9
		9	9
<b>Current Assets</b>			
Cash		11	5
Debtors	10	909	3,860
<b>Total Current Assets</b>		<b>920</b>	<b>3,865</b>
<b>Current Liabilities</b>			
Creditors - amounts falling due within one year	12	(737)	(1,610)
<b>Net Current Assets</b>		<b>183</b>	<b>2,255</b>
<b>Total Assets Less Current Liabilities</b>		<b>192</b>	<b>2,264</b>
Provision for liabilities and charges	13	-	-
<b>Net assets</b>		<b>192</b>	<b>2,264</b>
<b>Represented by:</b>			
<b>Capital and Reserves</b>			
Called up share capital	14	171	171
Profit and loss account	18	21	2,093
<b>Shareholders' Funds - Equity Interest</b>	19	<b>192</b>	<b>2,264</b>

Approved by the Board of Directors  
and signed on its behalf on 21 December 2009 by:

   
Director

The notes on pages 9 to 18 are an integral part of these accounts.

## **NOVUS UK (INDONESIAN HOLDINGS) LIMITED**

### **Notes to the Group Consolidated Accounts**

#### **1) Principal Accounting Policies**

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

##### **(a) Basis of preparation of accounts**

The accounts are prepared under the historical cost convention and in accordance with the applicable UK accounting standards. The Group consolidated accounts contain the accounts of the Company after elimination of inter-company balances. The Company's interests in its wholly-owned subsidiaries are fully consolidated. The accounts of the subsidiaries are prepared on an annual basis using consistent accounting policies. The Group has taken advantage of the exemption given in FRS 1 (Revised) "Cash Flow Statements" not to prepare a cash flow statement as a consolidated cash flow statement, which includes the cash flows of the Group, has been published by the Ultimate Parent Undertaking.

As permitted by Section 230 of Companies Act 1985, the Company's profit and loss account has not been included in these accounts. The amount of the Company's loss for the year ended 31 December 2008 and 31 December 2007 included in the accounts of the Group was US\$265 thousand and US\$(380) thousand, respectively.

In addition to the requirements of accounting standards, the accompanying financial statements have been prepared in accordance with the Statement of Recommended Practice - "Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities" issued by the Oil Industry Accounting Committee and updated 7 June 2001 (SORP), except that the SORP recommends that oil and gas reserve quantities be disclosed. The Directors have elected not to publish this information for the Company.

Medco Group has the capacity to provide financial support as necessary for a minimum of a 12 month period from the date of signing these financial statements in order that the company can continue to meet its liabilities as they fall due. Accordingly the directors consider it appropriate to prepare the financial statements on a going concern basis.

##### **(b) Basis of Consolidation**

The Group financial statements comprise a consolidation of the accounts of the parent company and its subsidiary undertakings (subsidiaries). The results of subsidiaries acquired or disposed are consolidated for the periods to the date on which control passes.

##### **(c) Joint Ventures**

The Group conducts the majority of its exploration, development and production activities in association with other companies under joint operating agreements. The accounts reflect the Group's share of the costs and revenues resulting from such joint activities.

##### **(d) Oil and Gas expenditure**

The successful efforts method of accounting is followed for costs incurred in oil and gas exploration and production operations.

**Capitalisation Policy** - Acquisition costs are capitalised when incurred. Exploration costs, including geological and geophysical costs and costs of carrying and retaining unproved properties, are charged to the profit and loss accounts as incurred. Exploratory drilling costs are capitalised initially; however, if it is determined that an exploratory well does not contain proved reserves, such capitalised costs are charged to expense, as dry hole costs, at that time. Development costs are capitalised. Costs incurred to operate and maintain wells and equipment and to lift oil and gas to the surface are generally expensed.

**Depreciation, Depletion and Amortisation** - All capitalised costs are depleted on a unit-of-production method based on proved reserves.

**Disposal of Fixed Assets** - Gains and losses on disposals of fixed assets are taken to the profit and loss account in the year in which they arise.

**Decommissioning Provision** - Costs incurred by the joint venture for exploration, development and production are generally recoverable from production of reserves under the terms of the Indonesian Production Sharing Contract. At the termination of the contract, possession of the equipment and facilities reverts to the Indonesian government. Therefore, no provision for decommissioning is made in the accounts.

**NOVUS UK (INDONESIAN HOLDINGS) LIMITED**  
**Notes to the Group Consolidated Accounts (continued)**

**(e) Deferred Taxation**

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**(f) Foreign Currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences arising on re-translation are taken to the profit and loss account.

**2) Related Party Transactions**

Certain services were provided by MEDCO, the ultimate parent company, in 2008. A service charge of US\$1,496 thousand has been included in the accounts to reflect the services provided by MEDCO (2007: US\$907 thousand).

As at 31 December, the company and group have the following receivable from and payable to parent and fellow subsidiaries undertakings.

	<b>Company</b>		<b>Group</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Receivable</b>				
Medco Kakap Holdings	-	3,313	28,891	13,995
Medco Energi Australia Pty. Ltd.	-	441	-	441
Novus Australia Holdings Ltd.	-	97	-	97
Novus Finance Ltd.	-	-	-	775
Novus UK (Kakap) Limited	900	-	-	-
	<u>900</u>	<u>3,851</u>	<u>28,891</u>	<u>15,308</u>
<b>Payable</b>				
Medco Kakap Holdings	440	205	-	-
MEDCO	272	507	3,170	1,679
Novus Finance Ltd.	-	800	1,225	-
Novus Management Services Ltd.	-	96	-	96
	<u>712</u>	<u>1,608</u>	<u>4,395</u>	<u>1,775</u>

The company and group use Medco Kakap Holdings' and previously Novus Finance Ltd.'s bank account for cash transactions in Kakap block.

**3) Turnover**

Sales of crude oil, which are stated net of value added tax, are recorded on the entitlement method. When the volume of oil lifted is greater/(less) than the Group's entitlement, a payable/(receivable) accrues.

**NOVUS UK (INDONESIAN HOLDINGS) LIMITED**  
**Notes to the Group Consolidated Accounts (continued)**

**3) Turnover (continued)**

Under the terms of the Kakap Production Sharing Contract, the Group is required to sell certain amounts of crude to the government of Indonesia at prices provided for in the contract. During the financial year the group operated only in Indonesia and in one industry which consisted of exploration, development and production of crude oil, natural gas and associated liquids and all of its turnover is derived from such operations.

**4) Cost of Sales**

	<b>Group</b>	
	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>US\$'000</b>
Operating costs	8,347	11,509
Depreciation, depletion and amortisation	2,746	3,702
Others	1,496	1,160
	<u>12,589</u>	<u>16,371</u>

**5) Employee Information**

The Company had no employees, other than Directors, during 2008 and 2007.

**6) Directors' Remuneration**

The remuneration of the Directors for the year ended 31 December 2008 was as follows:

	<b>2008</b>		<b>2007</b>
	<b>Salary</b>	<b>Fees</b>	<b>Salary</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
J T Hornabrook	-	11	-
K J Goodwin	43	-	37
	<u>43</u>	<u>11</u>	<u>37</u>
	<u>43</u>	<u>11</u>	<u>37</u>

**7) Auditors' Remuneration**

2008 auditors' remuneration (and fees for other services) is borne by MEDCO, the ultimate parent company.

Auditors' remuneration for the audit of the accounts of the company and its subsidiary, Novus UK (Kakap) Limited is :

<b>2008</b>	<b>2007</b>
<b>US\$'000</b>	<b>US\$'000</b>
21	21

**NOVUS UK (INDONESIAN HOLDINGS) LIMITED**  
**Notes to the Group Consolidated Accounts (continued)**

**8) Tax on Profit on Ordinary Activities**

The tax charge is made up as follows:

	<b>2008 US\$'000</b>	<b>2007 US\$'000</b>
<i>Current Tax:</i>		
UK Corporation tax on profits of the year	7,992	7,196
Double tax relief	(7,992)	(7,168)
Foreign taxation	11,174	7,820
UK tax over provision in respect of previous years	28	-
Foreign tax adjustments in respect of prior years	(6,253)	-
<b>Total current tax</b>	<b>4,949</b>	<b>7,848</b>
<i>Deferred Tax:</i>		
Origination and reversal of timing differences	(592)	611
<b>Total deferred tax (note 13)</b>	<b>(592)</b>	<b>611</b>
<b>Tax on Profit on Ordinary Activities</b>	<b>4,357</b>	<b>8,459</b>

*Factors affecting the current tax charge for the year*

The rate at which tax has been assessed for the year is lower than the standard rate of Corporation tax in UK. The differences are explained below:

	<b>2008 US\$'000</b>	<b>2007 US\$'000</b>
Profit on ordinary activities before tax	26,176	20,453
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	7,460	6,135
<i>Effect of:</i>		
Depreciation in excess of capital allowances	360	1,117
Imputed interest income	154	143
Loss not recognised	19	-
Excess unrelieved foreign tax suffered	3,181	652
UK tax over provision in respect of previous years	28	-
Foreign tax over provision	(6,253)	-
Other timing differences	-	(199)
<b>Total current tax</b>	<b>4,949</b>	<b>7,848</b>

**NOVUS UK (INDONESIAN HOLDINGS) LIMITED**  
**Notes to the Group Consolidated Accounts (continued)**

**9) Fixed Assets - Tangible Assets**  
 (None for Company)

	<b>2008 US\$'000</b>	<b>2007 US\$'000</b>
Interest in Petroleum Properties		
At 1 January	88,093	83,290
Additions	940	4,803
At 31 December	<u>89,033</u>	<u>88,093</u>
Depreciation, depletion and amortisation		
At 1 January	70,622	68,223
Charge for the year	2,093	2,399
At 31 December	<u>72,715</u>	<u>70,622</u>
<b>Net Book Value at 31 December</b>	<b><u>16,318</u></b>	<b><u>17,471</u></b>
Property and Equipment		
At 1 January	40,104	40,073
Additions	149	31
At 31 December	<u>40,253</u>	<u>40,104</u>
Accumulated Depreciation		
At 1 January	36,201	34,898
Charge for the year	653	1,303
At 31 December	<u>36,854</u>	<u>36,201</u>
<b>Net Book Value at 31 December</b>	<b><u>3,399</u></b>	<b><u>3,903</u></b>
<b>Total Net Book Value at 31 December</b>	<b><u>19,717</u></b>	<b><u>21,374</u></b>

**10) Debtors**

	<b>Company</b>		<b>Group</b>	
	<b>2008 US\$'000</b>	<b>2007 US\$'000</b>	<b>2008 US\$'000</b>	<b>2007 US\$'000</b>
Fellow subsidiary undertakings	900	3,851	28,891	15,308
Trade debtors	-	-	1,292	8,088
Other	9	9	885	3,069
	<u>909</u>	<u>3,860</u>	<u>31,068</u>	<u>26,465</u>

**11) Stocks**

	<b>2008 US\$'000</b>	<b>2007 US\$'000</b>
Warehouse stocks and drilling materials	<u>742</u>	<u>681</u>

**NOVUS UK (INDONESIAN HOLDINGS) LIMITED**  
**Notes to the Group Consolidated Accounts (continued)**

**12) Creditors – Amounts Falling Due Within One Year**

	<b>Company</b>		<b>Group</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Trade creditors	25	2	5,358	6,859
Taxation	-	-	413	1,461
Fellow subsidiary undertaking	712	1,608	4,395	1,775
Branch profit tax liability (note 8)	-	-	-	6,253
Other creditors	-	-	517	888
	<u>737</u>	<u>1,610</u>	<u>10,683</u>	<u>17,236</u>

**13) Provision for Liabilities and Charges**

The movements in deferred taxation during the current and previous years are:

	<b>Deferred Taxation Company</b>		<b>Deferred Taxation Group</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
At 1 January	-	-	3,001	2,390
(Credit)/charge for the year	-	-	(592)	611
At 31 December	<u>-</u>	<u>-</u>	<u>2,409</u>	<u>3,001</u>

The liability for deferred taxation is:

	<b>Deferred Taxation Company</b>		<b>Deferred Taxation Group</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Accelerated capital allowances	-	-	2,409	3,001
At 31 December	<u>-</u>	<u>-</u>	<u>2,409</u>	<u>3,001</u>

The Group deferred tax assets of US\$7,937 thousand as of 31 December 2008 and US\$5,837 thousand as of 31 December 2007 are not recognised due to the future uncertainty concerning the recognition of benefit.

In the UK tax computation the UK tax charge can be offset by tax suffered in Indonesia. As the tax suffered in Indonesia has historically been greater than the UK tax an excess has been built up over time and carried forward in the UK tax computation to be used if the UK tax charge was greater than the Indonesian tax charge in future years. The unrecognised deferred tax assets relates to this excess Indonesian tax. It is unrecognised as it is a reasonable assumption that the Indonesian tax charge will continue to be greater than the UK tax charge in future years.



**NOVUS UK (INDONESIAN HOLDINGS) LIMITED**  
**Notes to the Group Consolidated Accounts (continued)**

**14) Share Capital**

	<b>2008 US\$'000</b>	<b>2007 US\$'000</b>
Authorised, allotted, called up and fully paid 106,100 ordinary shares of £1 translated at 3 January 1990 rate of exchange of US\$1.6105/£1	<u>171</u>	<u>171</u>

**15) Ultimate Parent Undertaking**

The Directors regard MEDCO, whose principal place of business is at The Energy Building (Medco Tower) Floor 53, SCBD Lot 11A Jl. Jendral Sudirman, Kav. 52-53, Jakarta 12190, Indonesia, as the ultimate parent undertaking at 31 December 2008 and 2007. The consolidated accounts of the Group are available to the public and may be obtained from that address.

The Company's immediate parent undertaking is Medco Kakap Holdings Pte. Ltd., a company incorporated in Singapore and a related party through the ultimate parent company, MEDCO.

**16) Investment in Subsidiaries**

	<b>2008 US\$'000</b>	<b>2007 US\$'000</b>
Investment in Subsidiaries		
At 1 January	9	9
Impairment	-	-
At 31 December	<u>9</u>	<u>9</u>

The subsidiaries of Novus UK (Indonesian Holdings) Limited at 31 December 2008 and the percentage ownership of each are as follows:

	Country of Incorporation	Country of Operation	Type of Shares	% Held
Novus UK (Kakap) Limited	England and Wales	Indonesia	Ordinary shares of £1	100
Novus UK (Malacca Strait) Limited	England and Wales	Indonesia	Ordinary shares of £1	100

In the opinion of the Directors, the value of the investments in subsidiaries is not less than the amount at which they are carried in the balance sheet.

**NOVUS UK (INDONESIAN HOLDINGS) LIMITED**  
**Notes to the Group Consolidated Accounts (continued)**

**17) Commitments**

The Group conducts substantially all of its operations through membership of joint venture consortia. In the event of non-performance of obligations by another member, or members of such consortia, the Group would become subject to additional obligations. The Group does not anticipate non-performance by its joint venture partners.

In terms of specific commitments, the Group is committed to drilling one exploration well in the Kakap PSC before 22 March 2011 (with total commitment not less than US\$540 thousand).

**18) Reconciliation of Capital and Reserves**

**Group**

	Share capital US\$'000	Profit and loss account US\$'000	Total US\$'000
At 1 January 2008	171	29,498	29,669
Profit for the year	-	21,819	21,819
Dividends	-	(12,317)	(12,317)
At 31 December 2008	171	39,000	39,171

**Company**

	Share capital US\$'000	Profit and loss account US\$'000	Total US\$'000
At 1 January 2008	171	2,093	2,264
Profit for the year	-	265	265
Dividends Income	-	9,980	9,980
Dividends Paid	-	(12,317)	(12,317)
At 31 December 2008	171	21	192

**19) Reconciliation of Movements in Shareholders' Funds**

**Group**

	2008 US\$'000	2007 US\$'000
At 1 January, as previously reported	29,669	15,876
Prior year adjustment	-	1,799
At 1 January, restated	29,669	17,675
Profit for the year	21,819	11,994
Dividends Paid	(12,317)	-
At 31 December	39,171	29,669

**NOVUS UK (INDONESIAN HOLDINGS) LIMITED**  
**Notes to the Group Consolidated Accounts (continued)**

**20) Reconciliation of Movements in Shareholders' Funds (continued)**

**Company**

	<b>2008 US\$'000</b>	<b>2007 US\$'000</b>
At 1 January	2,264	2,644
Profit for the year	265	(380)
Dividend Income	9,980	-
Dividends Paid	(12,317)	-
At 31 December	<u>192</u>	<u>2,264</u>

**21) Subsequent Event**

On 15 July 2009 the ultimate parent company, PT Medco Energi Internasional Tbk, completed the sale of its wholly owned subsidiary company, Medco Kakap Holdings Pte Ltd., whose wholly owned subsidiary companies include Novus UK (Indonesian Holdings) Ltd., to Star Energy Holdings Pte Ltd.