

**ENI FORTIES LIMITED**

**DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2009**

**REGISTERED OFFICE**

**Eni House  
10 Ebury Bridge Road  
LONDON SW1W 8PZ**

**Registered Number: 01452037**

THURSDAY



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COMPANIES HOUSE

# **ENI FORTIES LIMITED**

## **DIRECTORS AND REGISTERED OFFICE**

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### **BOARD OF DIRECTORS**

F Castiglioni  
M Talamonti  
N Keenan

### **SECRETARY AND REGISTERED OFFICE**

F Dal Bello  
Eni House  
10 Ebury Bridge Road  
LONDON SW1W 8PZ

### **CHARTERED ACCOUNTANTS AND STATUTORY AUDITORS**

PricewaterhouseCoopers LLP  
32 Albyn Place  
ABERDEEN AB10 1YL

**REGISTERED IN ENGLAND NO: 01452037**

# **ENI FORTIES LIMITED**

## **DIRECTORS' REPORT**

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The directors present their report and the audited financial statements of the company for the year ended 31 December 2009

### **Principal activity**

The directors do not anticipate the company to trade in the foreseeable future

### **Results and dividends**

The results for the year are set out on page 7 of the financial statements. A loss for the year to 31 December 2009 of £960 (2008 - £608,566) was transferred to reserves. No dividends were paid in 2009 (2008 – Nil)

### **Business review and future company developments**

The directors do not anticipate the company to trade in the foreseeable future

### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks set out in the notes. The company has adopted the most stringent standards, in accordance with Eni S p A Group requirements, for the evaluation and management of industrial and environmental risks.

### **Key performance indicators**

Key performance indicators are established each year in a business plan which covers a number of strategic, operational, HSE and finance objectives for the operations of the Eni Group in the United Kingdom. The business plan is approved at Eni Group level, and key performance indicators of the Eni Group are disclosed in the Eni S p A Group annual report, which is publicly available.

### **Post balance sheet events**

There have been no events after the balance sheet date.

### **Directors**

The present directors of the company are listed on page 1 and have held office throughout the year, with the following exceptions:

- L Lusuriello resigned as director on 15 June 2009
- J Michell resigned as director on 22 January 2010
- F Castiglioni was appointed as director on 15 June 2009
- N Keenan was appointed as director on 22 January 2010

### **Directors Interest**

The directors are aware of their duties under sections 171 to 177 of the Companies Act 2006. In performing their duties during the year, the directors acted having regard to those matters considered under section 172 of the Companies Act 2006. Furthermore, the directors do not have any related-party transactions and actual or potential interest in proposed transactions to declare other than by virtue of their directorships in other affiliated group companies.

## DIRECTORS' REPORT

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### Financial instruments

Details on the use of financial instruments and financial risk management are included in the relevant notes in the financial statements

### Statement of directors' responsibilities in respect of the Directors' Report and financial statements

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB). 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,
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Provision of information to auditors

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## ENI FORTIES LIMITED

### DIRECTORS' REPORT

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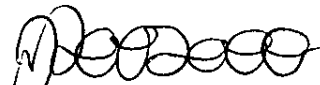
#### **Elective Regime**

Elective resolutions pursuant to the Companies Act 1985 (as amended), to dispense with the obligation to appoint auditors on an annual basis, with the requirement to hold Annual General Meetings and to lay accounts before the company at general meetings, were passed prior to 1 October 2007. These provisions became the default position under the Companies Act 2006.

#### **Auditors**

Due to the Eni Group policy of rotating auditors every nine years, PricewaterhouseCoopers LLP will not be re-appointed. Following a formal tender process by the Eni Group, Ernst & Young LLP were selected as their replacement. Ernst & Young indicated their willingness to act and their appointment will be proposed at the next directors' Meeting/General Meeting.

By order of the Board



**F. Dal Bello**  
Secretary

18 March 2010

**INDEPENDENT AUDITORS' REPORT**

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**Independent auditors' report to the members of Eni Forties Limited**

We have audited the financial statements of Eni Forties Limited for the year ended 31 December 2009 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Change in Shareholder's Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and 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.

**Scope of the audit of the financial statements**

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.

**Opinion on 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 2009 and of its loss and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

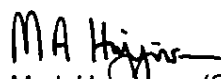
INDEPENDENT AUDITORS' REPORT

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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



Mark Higginson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Aberdeen  
18 March 2010

## ENI FORTIES LIMITED

### INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

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	Notes	<u>2008</u> £ '000	<u>2009</u> £ '000
Other operating charges	3	<u>(1)</u>	<u>(1)</u>
<b>Operating loss</b>		<b>(1)</b>	<b>(1)</b>
Interest payable and similar charges	4	(193)	-
<b>Loss before Taxation</b>		<u>(194)</u>	<u>(1)</u>
Taxation	5	<u>(414)</u>	<u>-</u>
<b>Loss for the year</b>		<b><u>(608)</u></b>	<b><u>(1)</u></b>

The current and prior year results have been derived wholly from continuing activities

The company has not disclosed a statement of comprehensive income as there were no changes in equity during the period, other than changes resulting from transactions with owners in their capacity as owners



## ENI FORTIES LIMITED

### STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

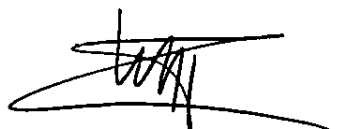
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	Share Capital	Retained Deficit	Shareholders' Equity
	£ '000	£ '000	£ '000
Balance at 1 January 2008	11	(3)	8
Net loss for 2008	-	(608)	(608)
Balance at 31 December 2008	11	(611)	(600)
Net loss for 2009	-	(1)	(1)
<b>Balance at 31 December 2009</b>	<b>11</b>	<b>(612)</b>	<b>(601)</b>

**BALANCE SHEET  
AS AT 31 DECEMBER 2009**

	Notes	2008 £ '000	2009 £ '000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	5	4
<b>Total assets</b>		5	4
<b>Current Liabilities</b>			
Trade and other payables	7	605	605
<b>Total Liabilities</b>		605	605
<b>Shareholders' equity</b>			
Ordinary shares	8	11	11
Retained deficit	9	(611)	(612)
<b>Total shareholders' deficit</b>		(600)	(601)
<b>Total shareholders' deficit and liabilities</b>		5	4

The financial statements from page 7 to 15 were approved by the Board on 18 March 2010  
On behalf of the Board



**M Talamonti**  
Director

# ENI FORTIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2008 <u>£ '000</u>	2009 <u>£ '000</u>
<b>Cash flows from operating activities</b>			
Net loss For the year		(608)	(1)
Interest expense / bank charges	4	193	1
Tax charge	5	<u>414</u>	<u>-</u>
<b>Cash used in operating activities</b>		<u>(1)</u>	<u>-</u>
Interest paid / bank charges paid		(2)	(1)
<b>Net cash used in operating activities</b>		<u>(3)</u>	<u>(1)</u>
<b>Net decrease in cash and cash equivalents</b>		(3)	(1)
<b>Cash and cash equivalents at 1 January</b>		<u>8</u>	<u>5</u>
<b>Cash and cash equivalents at 31 December</b>	6	<u>5</u>	<u>4</u>

## STATEMENT OF ACCOUNTING POLICIES

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The principal accounting policies adopted in the preparation of the financial statements are set out below

### General Information

The company is a limited liability company incorporated and domiciled in the UK

### Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, IFRIC Interpretations and the Companies Act 2006 as applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The company has obtained confirmation from its immediate parent company that it will provide adequate financial support to enable the company to meet its third party obligations for a period of at least one year from the date of approval of these financial statements.

- **Standards, amendments and interpretations effective in 2009 but not relevant**
  - IFRS 2, 'Amendment to vesting conditions and cancellations',
  - IFRS 8, 'Operating segments', and
  - IAS 32, 'Amendment puttable financial instruments'
- **The company has adopted the following new and amended IFRSs as of 1 January 2009**
  - IFRS 7, 'Financial instruments – Disclosures' (amendment) – effective 1 January 2009,
  - IAS 1 (revised), 'Presentation of financial statements' – effective 1 January 2009, and
  - IAS 23 (Amendment), 'Borrowing costs' - This amendment had no impact on the financial statements
- **Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company**
  - IAS 38 (amendment), 'Intangible Assets',
  - IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations', and
  - IAS 1 (amendment), 'Presentation of financial statements'
- **Standards, amendments and interpretations to existing standards that are not yet effective and not relevant for the company's operations**
  - IFRS 2 (amendments), 'Group cash-settled share-based payment transaction' (effective from 1 January 2010),
  - IFRS 3 (revised), 'Business combinations' (effective from 1 July 2009),
  - IAS 27 (revised), 'Consolidated and separate financial statements' (effective from 1 July 2009), and
  - IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009)

### Cash and cash equivalents

Cash and cash equivalents include the company's current bank accounts and short-term deposits.

## STATEMENT OF ACCOUNTING POLICIES

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### **Financial instruments**

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables and cash and cash equivalents in the balance sheet.

### **Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### **Related party transactions**

The company has complied with the requirements of International Accounting Standard ("IAS") 24 – Related party transactions in these financial statements. Transactions with related parties are disclosed in each relevant note.

### **Trade payables**

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

**1 Parent undertakings**

The company's immediate parent undertaking is Eni UKCS Limited

The company's ultimate parent undertaking, Eni S p A a company incorporated in Italy, will produce consolidated financial statements for the year ended 31 December 2009 which will be available from Eni S p A – Exploration & Production Division, Direzione e Uffici, Via Emilia 1, 20097, San Donato Milanese, PO Box 12069, (20100) Milano

The parent company of the largest and smallest group into which the company is consolidated is Eni S p A

**2 Directors and employee information**

None of the directors received any emoluments in respect of their services to the company during the year (2008 - £nil) and the company had no employees (2008 – none)

**3 Other operating charges**

	2008 £ '000	2009 £ '000
Bank charges		
Banque Eni S A	1	1
	1	1

The audit fee of the company for the current and previous year has been borne by the intermediate parent company, Eni UK Limited. For the purpose of disclosure, a fair allocation of the audit fee to the company would be £840 (2008 - £664)

**4 Interest payable and similar charges**

	2008 £ '000	2009 £ '000
Interest on late payment of Corporation tax	193	-
	193	-

NOTES TO THE FINANCIAL STATEMENTS

**5 Taxation**

	<u>2008</u> £ '000	<u>2009</u> £ '000
Corporation tax for the year in respect of prior years	<u>(414)</u>	<u>-</u>
	<u>(414)</u>	<u>-</u>
	<u>2008</u> £ '000	<u>2009</u> £ '000
<b>Loss before taxation</b>	(194)	(1)
Taxation on loss before taxation @ 28% (2008 – 28.5%)	(55)	-
Group relief surrender for no consideration	55	-
Corporation tax for the year in respect of prior years	<u>(414)</u>	<u>-</u>
<b>Total taxation</b>	<u>(414)</u>	<u>-</u>

The company has agreed to surrender, for no consideration, taxation losses under Section 402 Taxes Act 1988, to other group companies to cover UK taxable profits of the group for the year

**6 Cash and cash equivalents**

	<u>2008</u> £ '000	<u>2009</u> £ '000
Cash at bank and in hand		
Banque Eni S A	<u>5</u>	<u>4</u>
	<u>5</u>	<u>4</u>

**7 Trade and other payables**

	<u>2008</u> £ '000	<u>2009</u> £ '000
Payables associated companies		
Eni UK Limited	<u>605</u>	<u>605</u>
	<u>605</u>	<u>605</u>

NOTES TO THE FINANCIAL STATEMENTS

**8 Share capital**

	<u>2008</u> £ '000	<u>2009</u> £ '000
Authorised £1 ordinary equity shares	<u>20</u>	<u>20</u>
Allotted and fully paid £1 ordinary equity shares	<u>11</u>	<u>11</u>

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for the shareholder and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to its shareholder.

The company regularly reviews its capital structure on the basis of its expected capital requirements in order to achieve the defined strategic objectives and manages its capital accordingly.

The company's capital structure fully satisfies its capital requirements and has no necessity or intention of altering the current position.

**9 Retained deficit**

	<u>2008</u> £ '000	<u>2009</u> £ '000
At 1 January	(3)	(611)
Loss for the year	<u>(608)</u>	<u>(1)</u>
<b>At 31 December</b>	<u>(611)</u>	<u>(612)</u>