

ENI HYDROCARBONS VENEZUELA LIMITED

**ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021**

REGISTERED OFFICE

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

Registered Number: 01452037



ENI HYDROCARBONS VENEZUELA LIMITED

DIRECTORS AND REGISTERED OFFICE

BOARD OF DIRECTORS

P D Hemmens
R P Waterlow
F Gasparri

SECRETARY AND REGISTERED OFFICE

R D'Abreo
Eni House
10 Ebury Bridge Road
London
SW1W 8PZ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH
United Kingdom

REGISTERED IN ENGLAND NO: 01452037

ENI HYDROCARBONS VENEZUELA LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of Eni Hydrocarbons Venezuela Limited ("the company") for the year ended 31 December 2021.

Principal activities

The company holds 40% of the licence rights to a gas exploration field in Venezuela, all payables have been paid during the year, otherwise there has been limited activity in the company. This company is a private company.

Results and dividends

The company's statement of comprehensive income is set out on page 7. The company's profit for the year was \$75,000 (2020: profit of \$318,000). No dividends were paid or proposed in 2021 (2020: \$nil).

Branches outside the UK

The company has a branch in Venezuela.

Going concern

At 31 December 2021 the company has a net asset position of \$388,000 (2020: net assets \$313,000) and cash balance is \$388,000 (2020: \$4,009,000). The company has nil liabilities at 31 December 2021 and has no activity planned in the near future. As a result, the directors are satisfied that the company has adequate financial resources, including access to Eni group financial resources, if required, to continue to operate for the foreseeable future and meet its obligations as they fall due. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Directors

The present directors of the company are listed on page 1 and have held office throughout the year and up to the date of signing the financial statements with the following exceptions:

- F Gasparri was appointed as a director on 8 April 2021.
- S Celestino resigned as a director on 8 April 2021.

Certain directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Post balance sheet events

There are no post balance sheet events to report directly impacting the company.

The military action between Russia and Ukraine that developed following the year end, alongside the imposition of international sanctions, have a pervasive economic impact not only on businesses in Russia and Ukraine, but also globally where businesses engage in economic activities that might be affected by the recent developments. The company has no assets, operations or activities in Russia and Ukraine nor is it party to any contracts or transactions involving Russian registered counterparties. Accordingly, the company will not be directly affected by any internationally imposed sanctions covering such assets, operations, activities, contracts or transactions.

ENI HYDROCARBONS VENEZUELA LIMITED

DIRECTORS' REPORT

Statement of directors' responsibilities in respect of the annual report and financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

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 UK-adopted international accounting standards.

Under company law, 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;
- state whether applicable UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

Provision of information to the auditors

The directors, as at the date of this report, have 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 directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Small company exemptions

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The company has also taken the exemption from the requirement to present a strategic report, in accordance with S414B of the Companies Act 2006.

By order of the Board

Riordan D'Abreo
Riordan D'Abreo (Apr 21, 2022 10:39 GMT+1)

R D'Abreo
Secretary
21 April 2022

Independent auditors' report to the members of Eni Hydrocarbons Venezuela Limited

Report on the audit of the financial statements

Opinion

In our opinion, Eni Hydrocarbons Venezuela Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2021; the statement of comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows for the year then ended; the statement of accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the annual report and financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 so.

Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the Companies Act 2006, and we considered the extent to which non-compliance

might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- enquiry of management and the company's in-house legal team, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- reviewing minutes of meetings of those charged with governance; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates to address the risk of management bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

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 in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Kevin McGhee (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 April 2022

ENI HYDROCARBONS VENEZUELA LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<i>Note</i>	2021 \$'000	2020 \$'000
Administrative income / (expense)	2	71	257
Operating profit		71	257
Interest receivable and similar income	4	4	61
Profit before taxation		75	318
Tax on profit	5	-	-
Profit for the financial year		75	318
Other comprehensive income		-	-
Total comprehensive income for the year		75	318

All results are from continuing operations and total comprehensive income for the year is attributable to the equity holders.

ENI HYDROCARBONS VENEZUELA LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Capital Contribution Reserve	Retained deficit	Total Shareholders' equity/(deficit)
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2020	10,618	5,031	(15,654)	(5)
Total comprehensive income for the year	-	-	318	318
Balance at 31 December 2020	10,618	5,031	(15,336)	313
Total comprehensive income for the year	-	-	75	75
Balance at 31 December 2021	10,618	5,031	(15,261)	388

Please refer to note 8 for share capital and capital contribution reserve.

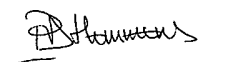
ENI HYDROCARBONS VENEZUELA LIMITED (Registered Number: 01452037)

BALANCE SHEET
AS AT 31 DECEMBER 2021

		31 December 2021 \$ '000	31 December 2020 \$ '000	1 January 2020 \$ '000
	Note			
Assets				
Current assets				
Cash and cash equivalents	6	388	4,009	1
Trade and other receivables		-	-	4,000
		<u>388</u>	<u>4,009</u>	<u>4,001</u>
Total assets		<u>388</u>	<u>4,009</u>	<u>4,001</u>
Current liabilities				
Trade and other payables	7	-	3,696	4,006
Total liabilities		<u>-</u>	<u>3,696</u>	<u>4,006</u>
Shareholders' equity				
Share capital	8	10,618	10,618	10,618
Capital contribution reserve	8	5,031	5,031	5,031
Retained deficit		(15,261)	(15,336)	(15,654)
Total shareholders' equity/(deficit)		<u>388</u>	<u>313</u>	<u>(5)</u>
Total shareholders' equity and liabilities		<u>388</u>	<u>4,009</u>	<u>4,001</u>

The financial statements from page 7 to 18 were approved by the Board on 6 April 2022 and were signed by an authorised director on behalf of the Board, at a later date.

On behalf of the Board



P D Hemmens
Director
21 April 2022

ENI HYDROCARBONS VENEZUELA LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$000	2020 \$000
Profit for the year		75	318
Adjustments for:			
Interest receivable and other similar income	4	(4)	(61)
Changes in working capital			
Decrease in trade and other receivables		-	4,000
Decrease in trade and other payables	7	(3,694)	(258)
Cash flows (used in)/received from operating activities		(3,623)	3,999
Interest received	4	2	9
Net cash flows (used in)/received from operating activities		(3,621)	4,008
Net (decrease)/ increase in cash and cash equivalents		(3,621)	4,008
Cash and cash equivalents at beginning of the year	6	4,009	1
Cash and cash equivalents at end of the year	6	388	4,009

ENI HYDROCARBONS VENEZUELA LIMITED

STATEMENT OF ACCOUNTING POLICIES

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, by shares, incorporated in England, United Kingdom and domiciled in the United Kingdom.

Basis of preparation

The company has applied UK-adopted International Accounting Standards ("IFRS") for the first time for the annual reporting commencing on 1 January 2020. Whilst the accounting policies under IFRS in relation to recognition and measurement are the same as under FRS 101, the previous accounting standards, the disclosure requirements under IFRS are more extensive. The change of accounting standards had no impact on the primary financial statements other than the incorporation of a cash flow statement. The changes mainly related to some additional disclosures in the notes to the financial statements (trade and other payables, share capital, cash and cash equivalents and financial risk management). The change of accounting standards was required, as the company is not consolidated on a line by line basis in the financial statements of the ultimate parent company, Eni S.p.A.

These financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

At 31 December 2021 the company has a net asset position of \$388,000 (2020: net assets \$313,000) and the cash balance is \$388,000 (2020: \$4,009,000). The company has nil liabilities at 31 December 2021 and has no activity planned in the near future. As a result, the directors are satisfied that the company has adequate financial resources, including access to Eni group financial resources, if required, to continue to operate for the foreseeable future and meet its obligations as they fall due. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

The accounting policies have been applied consistently, other than where new policies have been adopted.

New and amended standards adopted

The company has applied the following standards and amendments for the first time for the annual reporting commencing on 1 January 2021:

- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to have a material impact on the entity in the current and future periods and on foreseeable future transactions.

Following the financial crisis, the reform and replacement of benchmark interest rates such as GBP LIBOR and other interbank offered rates ('IBORs') has become a priority for global regulators. The replacement rate of SONIA will be utilised going forward on GBP balances. Transition from LIBOR to alternative loan/deposit interest rate reference benchmark does not have a material impact on the activities of the entity. No complex financial instruments are held which would be impacted by this transition.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

ENI HYDROCARBONS VENEZUELA LIMITED

STATEMENT OF ACCOUNTING POLICIES

Interests in joint arrangements

IFRS 11 defines a joint arrangement as an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

IFRS 11 classifies joint arrangements into two types i.e. joint operations and joint ventures. A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The company participates in a joint operation which involve the joint control of assets used in the company's oil and gas exploration and producing activities. Interests in joint operations are recognised by including the company's share of assets, liabilities, income and expenses on a line-by-line basis. Liabilities and expenses incurred directly in respect of interests in joint operations are accounted for on an accrual basis. Income from the sale or use of the company's share of the output of jointly operations, and its share of joint operation expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the company and their amount can be measured reliably.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, the company's current bank accounts and short-term deposits originally due, generally, within 90 days, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Cash deposited in some bank accounts held with Banque Eni S.A. (BESA)¹ may be subject to cash pooling arrangements with the ultimate parent company Eni S.p.A.². The company has the full availability of these bank accounts without any restrictions; neither BESA nor the ultimate parent company can block withdrawals. Cash pooling accounts are balanced on a daily basis and the true intent of these accounts is to ensure settlements of payments to vendors and/or cash collections from customers.

Deposits held with Eni Finance International S.A. (EFI)³ are classified as cash equivalents considering that: (i) they are highly liquid, available on demand or in the short term and have terms that are similar to those which would be expected if the deposits had been made with an independent third party financial institution; (ii) EFI maintains sufficient cash and liquid resources, along with access to credit lines, to meet all inter-company obligations simultaneously. The company has full availability of the deposits held with EFI (i.e. no restriction to modify maturity date); if the company needs to terminate a deposit earlier, there is no penalty on the change of period requested.

Foreign currencies

The company's functional and presentation currency is US Dollars. All financial information has been rounded to the nearest thousand (\$'000), unless otherwise indicated. Transactions denominated in a foreign currency are converted to US\$ at rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated at the rates ruling at the balance sheet date.

The US Dollar to GBP sterling exchange rate applied as of 31 December 2021 was 0.7417 (2020: 0.7579).

¹ BESA is a Belgian regulated bank subject to the banking regulatory requirements.

² Although Eni SpA is not a financial institution, it performs its financial activities within specific Board approved limits.

³ EFI is the company responsible for the centralised funding of some foreign Eni Group companies and for collecting their financial surpluses.

ENI HYDROCARBONS VENEZUELA LIMITED

STATEMENT OF ACCOUNTING POLICIES

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, 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. 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.

Financial instruments

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. Trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The company's financial assets and liabilities at amortised cost includes trade and other receivable and trade and other payables.

Impairment of financial assets

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ENI HYDROCARBONS VENEZUELA LIMITED

STATEMENT OF ACCOUNTING POLICIES

Use of accounting estimates, judgements and assumptions

The company's financial statements are prepared in accordance with UK-adopted international accounting standards. This requires the use of estimates and assumptions that affect the assets, liabilities, revenues and expenses reported in the financial statements, as well as amounts included in the notes thereto, including discussion and disclosure of contingent liabilities. Estimates made are based on complex or subjective judgements, past experience and other assumptions deemed reasonable in consideration of the information available at the time.

Due to the simple nature of the company's operations, in the opinion of the directors, there are no significant judgments made in applying the company's accounting policies and no accounting estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

ENI HYDROCARBONS VENEZUELA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Parent undertakings

The company's immediate parent undertaking is Eni Lasmo plc.

The company's ultimate parent undertaking, Eni S.p.A., a company incorporated in Italy with registered office at Piazzale Enrico Mattei, 1 00144 Rome, will produce consolidated financial statements for the year ended 31 December 2021, which will be available from its website (www.eni.com) or on request to Eni S.p.A., Via Emilia 1, 20097 San Donato Milanese, Italy.

2 Operating profit

	2021 \$ '000	2020 \$ '000
Group undertakings		
Eni Venezuela BV	71	257

Group undertakings balance include mainly reversal of accruals settled in the year.

The audit fee of the company is borne by a fellow group company, Eni Investments Plc. For the purpose of disclosure, a fair allocation of the audit fee to the company would be \$1,645 (2020: \$593).

3 Directors and employee information

None of the directors received any emoluments in respect of their services to the company during the year (2020: \$nil) and the company had no employees (2020: none).

4 Interest receivable and similar income

	2021 \$ '000	2020 \$ '000
Interest receivable and similar income from group undertakings		
Eni Finance International S.A.	2	9
Foreign exchange gain	2	52
	4	61

5 Tax on profit

	2021 \$ '000	2020 \$ '000
UK corporation tax		
Current tax at 19% (2020: 19%)	-	-
	-	-

The tax charge assessed for the period is lower (2020: lower) than the standard rate of corporation tax in the UK – 19% (2020: 19%). The differences are explained below:

	2021 \$ '000	2020 \$ '000
Profit before taxation	75	318
Tax on profit before tax at 19% (2020: 19%)	14	60
Pre trading costs	-	(59)
Group relief (claimed)/surrendered for no consideration	(1)	(1)
Unrecognised tax losses carried forward	(13)	-
Total taxation	-	-

ENI HYDROCARBONS VENEZUELA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5 Tax on profit (continued)

Deferred tax

The deferred tax asset calculated at the rate of 25% (2020:19%) which was not recognised in the financial statements amounted to:

	2021 Unprovided amount \$'000	2020 Unprovided amount \$'000
Unrecognised tax losses carried forward	3,598	2,739
	<u>3,598</u>	<u>2,739</u>

The directors consider that it is unlikely that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted; therefore the deferred tax asset was not recognised.

6 Cash and cash equivalents

	2021 \$'000	2020 \$'000
Cash at bank – Affiliate company		
Banque Eni S.A.	8	9
Short term bank deposits – Affiliate company		
Eni Finance International S.A.	380	4,000
	<u>388</u>	<u>4,009</u>

Included in the balances above is \$380,000 (2020: \$4,000,000) held as a short-term deposit.

During 2021 the effective rate has been between 0.08% and 0.13% for USD deposits (2020: 0.12% and 0.99%).

The company believes that the carrying amounts are a reasonable approximation to the fair value.

7 Trade and other payables

	2021 \$'000	2020 \$'000
Parent undertaking - Eni Lasmo Plc	-	1,423
Group undertakings - Eni Venezuela BV	-	2,273
	<u>-</u>	<u>3,696</u>

Included in parent undertaking and group undertakings are amounts relating to recharges invoiced for Venezuelan activities.

The company believes that the carrying amounts are a reasonable approximation to the fair value.

ENI HYDROCARBONS VENEZUELA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8 Share capital

	2021 \$ '000	2020 \$ '000
11,000 (2020: 11,000) Ordinary Shares of £1 each	18	18
8,039,500 (2020: 8,039,500) Ordinary Shares of £1 each	10,600	10,600
	10,618	10,618

Under the Companies Act 2006, there is no requirement for the company to have an authorised share capital and the company's Articles of Association do not set a maximum amount of shares that the company may allot.

Capital contribution reserves of \$5,031,000 (2020: \$5,031,000) have accumulated since incorporation as a result of capital injections made by the parent company, Eni Lasmio plc.

Capital risk management

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 the company has no necessity or intention of altering the current position. Short and medium-term funding requirements are managed through the use of an intercompany facility with Eni Finance International S.A. Longer term funding or funding for a particularly large transaction may be sourced from a combination of using the existing facility with Eni Finance International S.A., parent or affiliated company loan, suitable long-term instruments, such as loans from third parties, or by raising additional equity.

9 Joint operations

There is no change from the prior year.

Joint arrangement	Activity	Name of licence	Place of operation	Interest held in 2021 and 2020
Punta Pescador and Gulf of Paria West Joint Operating Agreement	Exploitation of non-associated natural gas deposits and exploration of new deposits within the delimited area, called Punta Pescador and Golfo de Paria Oeste	Licence for the Exploration and Exploitation of Non-Associated Gaseous Hydrocarbons in the Areas Called Punta Pescador and Golfo de Paria Oeste	Delta Amacuro State, Venezuela	40%

10 Financial risk management

Financial risks are managed in respect of guidelines issued by the Eni S.p.A. board of directors in its role of directing and setting the risk limits, targeting to align and centrally coordinate Group companies' policies on financial risks ("Guidelines on financial risks management and control"). The "Guidelines" define for each financial risk the key components of the management and control process, such as the aim of the risk management, the valuation methodology, the structure of limits, the relationship model and the hedging and mitigation instruments.

The directors do not consider there to be a material exposure to liquidity risk, price risk, credit risk or cash flow risk.

11 Post balance sheet events

There are no post balance sheet events to report directly impacting the company.

The military action between Russia and Ukraine that developed following the year end, alongside the imposition of international sanctions, have a pervasive economic impact not only on businesses in Russia and Ukraine, but also globally where businesses engage in economic activities that might be affected by the recent developments. The company has no assets, operations or activities in Russia and Ukraine nor is it party to any contracts or transactions involving Russian registered counterparties. Accordingly, the company will not be directly affected by any internationally imposed sanctions covering such assets, operations, activities, contracts or transactions.