ENI CÔTE D'IVOIRE LIMITED

ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018

REGISTERED OFFICE
Eni House
10 Ebury Bridge Road
London SW1W 8PZ

Registered Number: 02556415

ENI CÔTE D'IVOIRE LIMITED
DIRECTORS AND REGISTERED OFFICE

BOARD OF DIRECTORS

F Rinaldi
T Doniselli
M Trezza
S Laura

SECRETARY AND REGISTERED OFFICE

M Trezza
Eni House
10 Ebury Bridge Road
London SW1W 8PZ

STATUTORY AUDITOR

Ernst & Young LLP
1 More London Place
London
SE1 2AF

REGISTERED IN ENGLAND NO: 02556415

The directors present their report and the audited financial statements of Eni Côte d'Ivoire Limited (the company) for the year ended 31 December 2018.

Principal activities

The company is engaged in the exploration of oil and gas in the Republic of Ivory Coast, where it operates through a branch.

Results and dividends

The results for the year are set out on page 7 of the financial statements. There was a loss for the financial year to 31 December 2018 of $20,180,000 (2017: loss of $28,556,000) transferred to reserves. No dividend was paid during 2018 (2017: $nil).

Business review and future developments

The company continues its activities of exploration of oil and gas reserves in its 30% participating interest in Block CI-100, located offshore in the Republic of Ivory Coast.

The company continues to hold two Production Sharing Agreements in respect of Blocks CI-101 and CI-205, located in the eastern part of the deep waters of Tano Basin, with the state-owned company Petroci with the company acting as operator holding 90% participating interest.

During the year the company incurred $16,430,000 of exploration and drilling costs related to three Blocks.

Any future funding requirements will be made available from its parent company, Eni UK Limited.

Principal risks and uncertainties

The company aims to mitigate risks and manage and control risk exposure where possible. The principal risks and uncertainties to the company are:

Liquidity risk: The risk that suitable sources of funding for the company's business activities may not be available. The company has access to a wide range of funding at competitive rates through the capital markets and banks, and also has support from the ultimate parent company, Eni S.p.A. if required. The company believes it has access to sufficient funding to meet currently foreseeable borrowing requirements.

Credit risk: The potential exposure of the company to loss in the event of non-performance by counterparty. The company follows guidelines of the Eni S.p.A treasury department on the choice of highly credit-rated counterparties in its use of financial instruments.

Interest rate risk: The company is not exposed to significant interest rate risks.

Foreign exchange rate risk: The company is exposed to foreign exchange fluctuations relating to non-USD (mainly GBP) expenditures and receipts. Effective management of exchange rate risk is performed at the Eni Group level, within the central finance department which matches opposite positions of the group operating subsidiaries and hedges net positions using derivatives (such as currency swaps, forwards and options).

Operational risk: The company's activities present industrial and environmental risks and are therefore subject to extensive government regulations concerning environmental protection and industrial security. The broad scope of these activities involves a wide range of operational risks such as those of explosion, fire or leakage of toxic products, and production of non-biodegradable waste. Since exploration and production activities may take place on sites that are ecologically sensitive, each site requires a specific approach to minimise the impact on the related ecosystem, biodiversity and human health.

Directors

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

C Andreoletti resigned as a director on 9 January 2018
F Conticini was appointed as a director on 9 January 2018
F Conticini resigned as a director on 3 September 2018
T Doniselli was appointed as a director on 3 September 2018

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

Going concern

The company made a loss of $20,180,000 (2017: loss of $28,556,000) during the year and has net liabilities of $50,709,000 as of 31 December 2018 (2017: $30,529,000 of net liabilities). The directors are satisfied that the company has adequate internal resources and support from its parent company, Eni UK Limited, which has also confirmed it will provide the necessary financial support to the company for the foreseeable future, being not less than twelve months from the signing of these financial statements.

As a consequence, the directors have a reasonable expectation that the company is well placed to manage its business risks and to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Statement of directors' responsibilities in respect of the Directors' Report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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.

Strategic report

The company has taken advantage of the small companies exemption from the requirement to prepare a strategic report.

Provision of information to the auditor

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 auditor in connection with preparing their report) of which the company's auditor is 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 auditor is aware of that information.

Auditor

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

By order of the Board

M Trezza
Secretary
15 March 2019

Independent auditor's report to the members of Eni Cote d'Ivoire Limited

Opinion

We have audited the financial statements of Eni Cote d'Ivoire Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Balance Sheet, the Statement of Accounting Policies and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Jacqueline Ann Geary (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
22 March 2019

ENI CÔTE D'IVOIRE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR YEAR ENDED 31 DECEMBER 2018

	Notes	**2018** **$'000**	2017 $'000
Other service costs and expenses	3	**(18,639)**	(26,371)
Labour costs	2	**(88)**	-
Impairment of exploration asset		**-**	(1,641)
Operating loss		**(18,727)**	(28,012)
Interest payable and similar charges	4	**(1,453)**	(544)
Loss before taxation		**(20,180)**	(28,556)
Taxation	5	**-**	-
Loss for the year		**(20,180)**	(28,556)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(20,180)**	(28,556)

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

ENI CÔTE D'IVOIRE LIMITED

STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY
FOR YEAR ENDED 31 DECEMBER 2018

	Share Capital $'000	Currency Translation Adjustment $'000	Retained Deficit $'000	Shareholders' Deficit $'000
Balance at 1 January 2017	-	70	(2,043)	(1,973)
Total comprehensive loss for the year	-	-	(28,556)	(28,556)
Balance at 31 December 2017	-	70	(30,599)	(30,529)
Total comprehensive loss for the year	-	-	(20,180)	(20,180)
Balance at 31 December 2018	**-**	**70**	**(50,779)**	**(50,709)**

ENI CÔTE D'IVOIRE LIMITED
(REGISTERED NUMBER 02556415)

BALANCE SHEET
AS AT 31 DECEMBER 2018

Assets	Notes	2018 $'000	2017 $'000
Current assets			
Trade and other receivables	*8*	**69**	17
Cash and cash equivalents	*6*	**602**	1,799
		671	1,816
Non-current assets			
Intangible assets	*7*	**5,794**	5,794
		5,794	5,794
Total assets		**6,465**	7,610
Liabilities			
Current liabilities			
Trade and other payables	*9*	**6,574**	4,139
Financial liabilities	*10*	**50,600**	34,000
Total liabilities		**57,174**	38,139
Shareholders' deficit			
Share capital	*11*	**-**	-
Currency translation adjustment		**70**	70
Retained deficit		**(50,779)**	(30,599)
Total shareholders' deficit		**(50,709)**	(30,529)
Total liabilities and shareholders' deficit		**6,465**	7,610

The financial statements from page 7 to 17 were approved by the Board on 15 March 2019.

On behalf of the Board

F Rinaldi

F Rinaldi
Director

A summary of the principal accounting policies which have been applied throughout the year is set out below:

General information

The company is a limited liability company, by shares, incorporated and domiciled in England.

Basis of preparation

These financial statements were prepared in accordance with UK GAAP, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention.

The company made a loss of $20,180,000 (2017: loss of $28,556,000) during the year and has net liabilities of $50,709,000 as of 31 December 2018 (2017: $30,529,000 of net liabilities). The directors are satisfied that the company has adequate internal resources and support from its parent company, Eni UK Limited, which has also confirmed it will provide the necessary financial support to the company for the foreseeable future being not less than twelve months from the signing of these financial statements.

As a consequence, the directors have a reasonable expectation that the company is well placed to manage its business risks and to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to:

(a) the requirements of IFRS 7 Financial Instruments: Disclosures;
(b) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 11 and 134-136 of IAS 1 Presentation of Financial Statements:
(c) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
(i) paragraph 79(a)(iv) of IAS 1;
(ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
(iii) paragraph 118(e) of IAS 38 Intangible Assets.
(d) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135c-135e of IAS 36, Impairment of Assets;
(e) the requirements of IAS 7 Statement of Cash Flows;
(f) the requirements of paragraph 91 – 99 of IFRS 13 Fair Value Measurement;
(g) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in relation to standards not yet effective;
(h) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures; and
(i) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where required, equivalent disclosures are given in the group financial statements of Eni S.p.A. The group financial statements of Eni S.p.A are available to the public and can be obtained as set out in note 1.

Adoption of new and revised standards

The company applied IFRS 9 "Financial Instruments", IFRS 15 "Revenue from Contracts with Customers" as well as several other amendments and interpretations for the first time in 2018. These new standards, amendments and interpretations had no material impact on the financial statements of the company. The company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Intangible assets

(i) Exploration and appraisal costs

Exploration costs represent the company's share of expenditure by consortia and as operator on the exploration for oil and natural gas up to the date of any decision to exploit various finds. Where no decision has been made by the balance sheet date to exploit a find, the costs are accounted for in accordance with the successful efforts method. The cost of drilling exploratory wells is carried forward as an intangible asset if in the opinion of the directors there is a reasonable prospect of development of the related fields commencing within three years of commencement of drilling. Costs of exploratory dry holes are written off at the time that the wells are determined to be dry and all licence fees, geological and geophysical expenses are written off as incurred. Where a decision has been made to exploit a find, the exploration costs are carried forward. In the period after a decision has been made to exploit a find but before field development programme approval has been granted, any pre-development costs that are incurred are also capitalised and carried forward. When field development programme approval is granted, the exploration and pre-development costs of that field are first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is reclassified as property, plant and equipment. Exploration wells that are being drilled at the yearend are included in intangible assets as exploration and appraisal costs until the results of the drilling are determined.

Exploration costs written off during the year are presented in depreciation, amortisation and impairments in the statement of comprehensive income.

(ii) Exploration rights

Exploration rights paid in connection with a right to explore (or their extension) in an exploration area are capitalised as intangible assets pending determination of whether the exploration and appraisal activities in the reference areas are successful or not.

Unproved exploration rights are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine that the discovery is economically viable based on a range of technical and commercial considerations and that sufficient progress is being made on establishing development plans and timing. If no future activity is planned or the exploration rights have expired, the carrying value is written off through profit or loss.

In the event of a discovery of proved reserves (i.e. upon recognition of proved reserves and internal approval for development), the entire balance of the related exploration rights, initially recognised as unproved, is transferred to "proved exploration rights" in intangible assets. From the commencement of production, proved exploration rights are amortised according to the unit of production method (UoP) over total proved reserves.

(iii) Licence costs

Licence costs paid in connection with a right to explore in an existing exploration area are capitalised as intangible assets. When there is a change in the estimated total recoverable proved developed reserves of a field, the undepreciated cost is written off over the revised remaining reserves.

Licence costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine that the discovery is economically viable based on a range of technical and commercial considerations and that sufficient progress is being made on establishing development plans and timing. If no future activity is planned or the licence has been relinquished or has expired, the carrying value of the licence and property acquisition costs are written off through profit or loss. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties.

Cash and cash equivalents

Cash and cash equivalents comprise the company's current bank accounts and cash short-term deposits with an original maturity of three months or less. Deposits held with ENI Finance International S.A are included in this classification.

Foreign currencies

The company's functional and presentational currency is US Dollar. All financial information has been rounded to the nearest thousand ($'000), unless otherwise indicated.Transactions denominated in a foreign currency are converted to US Dollars 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 Sterling exchange rate as of 31 December 2018 was 0.7812 (2017: 0.7399).

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.

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.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

Financial liabilities

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading, loans and borrowings and financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial recognition date and only if the conditions in IFRS 9 are satisfied.

Other financial liabilities are classified in the balance sheet as Trade and other payables.

Interest income

Interest income is recognised on a time proportion basis.

Use of accounting estimates, judgements and assumptions

The company's financial statements are prepared in accordance with FRS 101. 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 judgments, past experience and other assumptions deemed reasonable in consideration of the information available at the time. The accounting policies and areas that require the most significant judgments and estimates to be used in the preparation of the financial statements are in relation to the accounting for impairment of assets . Although the company uses its best estimates and judgments, actual results could differ from the estimates and assumptions used.

A summary of significant estimates is as follows:

a) Oil and gas activities
Engineering estimates of the company's oil and gas reserves are inherently uncertain. Although there are authoritative guidelines regarding the engineering criteria that must be met before estimated oil and gas reserves can be designated as "proved", the accuracy of any reserve estimate is a function of the quality of available data and engineering and geological interpretation and judgement.

Oil and gas reserves have a direct impact on certain amounts reported in the financial statements. Estimated proved reserves are used in determining depreciation and depletion expenses and impairment expense. Depreciation rates on oil and gas assets using the units of production basis are determined from the ratio between the amount of hydrocarbons extracted in the quarter and proved developed reserves existing at the end of the quarter increased by the amounts extracted during the quarter. Estimates of oil and gas reserves are also used within impairment testing and timing of the decommissioning.

Proved developed oil and gas reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. Additional oil and gas expected to be obtained through the application of fluid injection, or other improved recovery techniques, for supplementing the natural forces and mechanisms of primary recovery will generally be included as proved developed reserves only after testing by a pilot project, or after the operation of an installed programme, has confirmed through production response that increased recovery will be achieved.

Proved oil and gas reserves are the estimated quantities of crude oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, that is, prices and costs as at the date that the estimate is made.

(i) Reservoirs are considered proved if reserves that can be economically produced are supported by either actual production or conclusive formation tests. The area of a reservoir considered proved includes: (a) that portion delineated by drilling and defined by gas-oil or oil-water contacts, if any, or both, and; (b) the immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geological and engineering data. In the absence of information on fluid contacts, the lowest known structural occurrence of hydrocarbons controls the lower proved limit of the reservoir.

(ii) Reserves that can be produced economically through the application of improved recovery techniques (such as fluid injection) are generally only included in the proved classification if successful testing by a pilot project, or the operation of an installed programme in the reservoir, provides support for the engineering analysis on which the project or programme was based.

(iii) Estimates of proved reserves do not include the following: (a) crude oil, natural gas and natural gas liquids that may become available from known reservoirs but are classified separately as indicated additional reserves; (b) crude oil, natural gas and natural gas liquids, the recovery of which is subject to reasonable doubt because of uncertainty as to geology, reservoir characteristics, or economic factors; and (c) crude oil, natural gas and natural gas liquids that may be recovered from oil shales, coal and other such sources.

Use of accounting estimates, judgements and assumptions (continued)

Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects of inflation and technology improvements on operating expenses, production profiles and the outlook for global or regional market supply and demand conditions for crude oil, natural gas, commodity chemicals and refined products, and the discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted

1 Parent undertakings

The company's immediate parent undertaking is Eni UK Limited, a company incorporated in the UK.

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 2018 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 (MI), Italy.

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

The emoluments paid to directors in respect of services to the company during the year were $88,000 (2017 - $nil) and the company had 1 employee (2017 - none).

3 Other service costs and expenses

	2018 $'000	2017 $'000
Other services costs and expenses from group undertakings	**2,188**	1,650
Exploration costs	**16,430**	24,709
Audit fees - branch	**21**	12
	18,639	26,371

In 2018 auditor's remuneration of the head office was borne by Eni UK Limited. For the purpose of disclosure, a fair allocation of the audit fee to the head office would be $14,663 (2017 - $15,482).

4 Interest payable and similar charges

	2018 $'000	2017 $'000
Interest payable to group undertakings	**1,217**	281
Foreign exchange loss	**236**	263
	1,453	544

5 Taxation

The tax charge for the year comprises:

UK corporation tax	**2018 $'000**	2017 $'000
Current tax at 19% (2017 – 19.25%)		
-UK corporation tax on losses for the period	-	-
Foreign tax		
-Paid in respect of previous periods	-	-
Total current tax	-	-

5 Taxation (continued)

Factors affecting tax for the year

The tax assessed for the period is higher (2017 - higher) than the standard rate of corporation tax applicable to companies in the UK of 19% (2017 – 19.25%). The differences are explained below:

	2018 $'000	2017 $'000
Loss before taxation	**(20,180)**	(28,556)
Taxation on loss before tax at 19% (2017 – 19.25%)	**(3,834)**	(5,497)
Expenditure not allowable for tax	**-**	316
Pre-trading expenditure	**3,834**	5,181
Total taxation	**-**	-

Unrecognised deferred tax assets

The deferred tax asset calculated at the rate of 17% (2017 - 17%) which was not recognised in the financial statements, due to lack of suitable future taxable profits, amounted to:

	2018 Unprovided amount $'000	2017 Unprovided amount $'000
Unrecognised tax losses carried forward	**8,505**	871
Accelerated capital allowances	**1,264**	5,464
	9,769	6,335

The directors consider it unlikely that there will be suitable taxable profits from which the future reversal of the underlying timing differences could be deducted; therefore the deferred tax asset has not been recognised.

6 Cash and cash equivalents

	2018 $'000	2017 $'000
Cash at bank and in hand		
Group undertaking	**602**	1,716
Third parties	**-**	83
	602	1,799

7 Intangible asset

Exploration costs	**2018 $'000**
Cost and net book value	
At 1 January 2018 and 31 December 2018	**5,794**

8 Trade and other receivables

	2018 $'000	2017 $'000
Other receivables		
Third parties	**69**	17
	69	17

9 Trade and other payables

	2018 $'000	2017 $'000
Amounts owed to group undertakings	**186**	265
Other payables		
Third parties	**6,388**	3,874
	6,574	4,139

10 Financial liabilities

	2018 $'000	2017 $'000
Loans from group undertakings	**50,600**	34,000

11 Share capital

	2018 $	2017 $
Ordinary shares of £1 each		
Allotted and fully paid £1 ordinary equity share	**1.96**	1.96

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.

12 Joint operation

Name of license	Place of operation	Interest held
Block CI-100	Ivory Coast	30%
Block CI-101	Ivory Coast	90%
Block CI-205	Ivory Coast	90%