

Company Registration No. 3589112

Planet Oil International plc

Report and Financial Statements

31 December 2007

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Planet Oil International plc

Report and financial statements 2007

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Planet Oil International plc

Report and financial statements 2007

Officers and professional advisers

Directors

I Springett
A G Martin

Secretary

R G Taylor

Registered Office

3rd Floor
Building 11
Chiswick Park
566 Chiswick High Road
London
W4 5YS

Bankers

ABN Amro NV
250 Bishopsgate
London
EC2M 4AA

Auditors

Deloitte LLP
Chartered Accountants
London

Planet Oil International plc

Directors' report

The directors present their directors' report and the audited financial statements for the year ended 31 December 2007.

Principal activity and review of business

The principal activity of the company is that of an investment holding company. The company holds the entire issued share capital of Planet Oil Holdings Limited and Planet Oil Limited.

The directors do not expect any significant change to the company's activities to occur in the following financial year.

The Company had little trading during the year as outlined in the Income Statement on page 7.

The financial position of the Company has not significantly differed to the prior year except for foreign currency translations for reporting purposes.

Results and dividends

The company made a profit of £6,042 (2006: loss of £5,919,453) for the year which has been transferred to reserves.

No dividends have been paid during the current year or the prior year.

Principal risks and uncertainties

The company recognises that effective risk management is fundamental to achieving its business objectives. Risk management contributes to the success of the business by identifying opportunities and anticipating risks in order to improve business performance and maximise profit.

The Company uses financial instruments, other than derivatives, comprising borrowings from the parent undertaking, cash and various other items that arise directly from its operations. The main purpose of these financial instruments is to finance for the Company's operations. The main risks arising from the Company's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

(a) Interest rate and liquidity risk

The Company finances its operations through borrowings from the parent company which are interest free. Advances are made by the parent company to meet funding requirements as necessary.

(b) Currency risk

The Company is exposed to transactions and translation foreign exchange risk. In relation to translation risk the proportion of assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency.

Key performance indicators

The company has set specific business objectives, which are monitored using a number of key performance indicators ("KPIs"). The relevant KPIs for this report are detailed below.

Planet Oil International plc

Directors' report

	Year ended 31 December 2007 £	18 months ended 31 December 2006 £
Profit/(loss) before taxation	6,042	(5,919,453)
Net liabilities	<u>(8,946,391)</u>	<u>(9,074,042)</u>

Directors and their interests

The directors who served during from 1 January 2007 to the date of this report were:

A G Martin (appointed 10 January 2007)
I Springett (appointed 18 September 2008)
Tom Hickey (resigned 18 September 2008)
S C Potter (resigned 10 January 2007)
R A Carroll (resigned 10 January 2007)
R J O'Shannassy (resigned 10 January 2007)

The directors did not have any interest in the shares of the company at any time during the year. In accordance with the Articles of Association, none of the directors retire by rotation.

Auditors

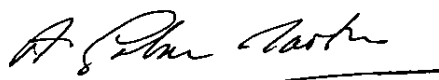
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP. Deloitte LLP was appointed as the Company's auditors during the period and has expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Director

28 January 2009

Planet Oil International plc

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Independent auditors' report to the members of Planet Oil International plc

We have audited the financial statements of Planet Oil International plc for the year ended 31 December 2007 which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

The report is made solely to the company's member, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by the law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the statement of directors' responsibilities.

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

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

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

We read the other information contained in the directors' report as described in the contents section and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the directors' report

Basis of opinion

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

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

Independent auditors' report to the members of Planet Oil International plc (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
London, United Kingdom
28 January 2009

Planet Oil International plc

Income Statement Year ended 31 December 2007

		Year ended 31 December 2007 £	18 months ended 31 December 2006 £
	Note		
Revenue		-	-
Administrative costs		(5,524)	(25,145)
Other operating costs		-	(5,894,308)
Other income		11,570	-
Operating profit/(loss)	7	6,046	(5,919,453)
Finance costs		(4)	-
Profit/(loss) on ordinary activities before taxation	7	6,042	(5,919,453)
Tax on profit/(loss) on ordinary activities	8	-	-
Profit/(loss) for the year/period		6,042	(5,919,453)

Planet Oil International plc

Balance sheet 31 December 2007

	Note	2007 £	2006 £
Assets			
Non-current assets			
Investment in subsidiaries	2	-	-
Current assets			
Cash and cash equivalents		549	596
Total assets		<u>549</u>	<u>596</u>
Equity and liabilities			
Equity		(8,946,391)	(9,074,042)
Share capital	3	700,000	700,000
Share premium	4	73,590	73,590
Foreign currency translation reserve		(286,546)	(408,155)
Retained loss		(9,433,435)	(9,439,477)
Current liabilities		8,946,940	9,074,638
Trade and other payables	5	-	11,875
Holding company loan	6	8,946,940	9,062,763
Total equity and liabilities		<u>549</u>	<u>596</u>

These financial statements were approved by the Board of Directors on 28 January 2009.

Signed on behalf of the Board of Directors

I Springett
Director

A G Martin
Director

Planet Oil International plc

Statement of changes in equity Year ended 31 December 2007

	Share capital £	Share premium £	Foreign currency translation reserve £	Retained loss £	Total £
Balance at 30 June 2004	700,000	73,590	(909,457)	(3,520,024)	(3,655,891)
Loss for the period	-	-	-	(5,919,453)	(5,919,453)
Change in foreign currency translation reserve	-	-	501,302	-	501,302
Balance at 31 December 2006	700,000	73,590	(408,155)	(9,439,477)	(9,074,042)
Profit for the year	-	-	-	6,042	6,042
Change in foreign currency translation reserve	-	-	121,609	-	121,609
Balance at 31 December 2007	<u>700,000</u>	<u>73,5690</u>	<u>(286,546)</u>	<u>(9,433,435)</u>	<u>(8,946,391)</u>

Planet Oil International plc

Cashflow statement

Year ended 31 December 2007

		Year ended 31 December 2007 £	18 months ended 31 December 2006 £
	Note		
Net cash outflow from operating activities	10	(47)	(550)
Net cash flow from investing activities		-	-
Net cash flow from financing activities		-	-
Net decrease in cash and cash equivalents		(47)	(550)
Cash and cash equivalents at beginning of the year		596	1,146
Cash and cash equivalents at end of the year		549	596

Planet Oil International plc

Notes to the accounts Year ended 31 December 2007

1. Accounting policies

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The particular accounting policies adopted are described below.

Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with applicable law and with applicable International Financial Reporting Standards.

In the current year, the company has adopted IFRS 7 Financial Instruments: Disclosures which is effective for annual reporting periods beginning on or after 1 January 2007, and the related amendment to IAS 1 Presentation of Financial Statements. The impact of the adoption of IFRS 7 and the changes to IAS 1 have been to expand the disclosures provided in these financial statements regarding the company's financial instruments.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 8	<i>Operating segments</i>
IFRIC 12	<i>Service concession arrangements.</i>
IFRIC 13	<i>Customer loyalty programmes</i>
IFRIC 14	<i>IAS 19- The limit on a defined benefit asset, minimum funding requirements and their interaction</i>

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the company.

Group accounts

The company has taken advantage of the relief available under IAS 27 "Consolidated and Separate Financial Statements" and section 228 of the Companies Act 1985 and has not prepared consolidated accounts for its group as it is a wholly owned subsidiary undertaking of Tullow Oil plc, a company incorporated in Great Britain. Tullow Oil plc prepares its consolidated accounts in accordance with IFRS and these can be obtained from Building 11, Chiswick Park, 566 Chiswick High Road, London, W4 5YS.

Financial instruments

Financial assets

Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash and cash equivalents are measured at cost or amortised cost.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Planet Oil International plc

Notes to the accounts Year ended 31 December 2007

1. Accounting policies (continued)

Financial instruments (continued)

If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments issued by the company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Trade and other payables

Trade and other payables are stated at their nominal value.

Holding company loan

The non-interest bearing loan from the holding company is recorded at amortised cost.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

Investment in subsidiaries

Investments in subsidiaries are stated at cost and reviewed for impairment if there are indications that the carrying value may not be recoverable.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Planet Oil International plc

Notes to the accounts Year ended 31 December 2007

1. Accounting policies (continued)

Taxation (continued)

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange prevailing at the balance sheet date. Revenue and expenses are translated at rates of exchange prevailing at the transaction dates. Gains or losses on exchange are included in the determination of net income in the year in which they arise, with the exception of the foreign currency translation reserve included in equity.

The financial statements of each group entity are presented in the British Pounds (GBP) (its presentation currency), however the currency in the primary economic environment in which the entity operates, that is, United States Dollars (USD) (its functional currency).

Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the above accounting policies, management have made no judgements with any significant effect on the amounts recognised in the financial statements. No assumptions concerning the future and other key sources of estimation uncertainty have been made that cause a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Planet Oil International plc

Notes to the accounts Year ended 31 December 2007

2. Investment in subsidiaries

2.1 Investment in Planet Oil Limited (incorporated in Guernsey)

	2007 £	2006 £
Total interest in Planet Oil Limited		
At cost - 110,000 ordinary shares (representing 100% of total shares in issue)	110,000	110,000
Provision for impairment	(110,000)	(110,000)
Carrying amount	<u>-</u>	<u>-</u>

2.2 Investment in Planet Oil Holdings Limited (incorporated in Guernsey)

	2007 £	2006 £
Total interest in Planet Oil Holdings Limited		
At cost - 2 ordinary shares (representing 100% of total shares in issue)	2	2
Provision for impairment	(2)	(2)
Carrying amount	<u>-</u>	<u>-</u>

3. Share capital

	2007 £	2006 £
Authorised		
35,000,000 ordinary shares of 2 pence each	700,000	700,000
Issued		
35,000,000 ordinary shares of 2 pence each	700,000	700,000

4. Share premium

	2007 £	2006 £
Share premium on issue of shares	73,590	73,590

Planet Oil International plc

Notes to the accounts Year ended 31 December 2007

5. Trade and other payables

	2007 £	2006 £
Other payables	-	11,875

6. Holding company loan

	2007 £	2006 £
Loan due to immediate holding company	8,946,940	9,062,763

The loan due to the immediate holding company is unsecured, has no fixed repayment terms and no interest is applicable. The balance will be settled via a transfer of funds. The loan is denominated in US Dollars.

7. Operating profit/(loss)

	2007 £	2006 £
Operating profit/(loss) is stated after charging/ (crediting):		
Fees payable to the company's auditors for the audit of the company's annual accounts	(11,570)	13,341
Fees payable to the company's auditors and their associates for other services to the group	-	-
Provision for doubtful debts	-	5,894,308

Planet Oil International plc

Notes to the accounts Year ended 31 December 2007

8. Taxation

No taxation is payable in the current year due to the availability of previously unrecognised brought forward losses (2006: nil).

	2007 %	2006 %
Factors affecting current tax charge		
Applicable tax rate	30	30
Utilisation of brought forward losses previously not recognised	(30)	(30)
Effective rate	-	-
	2007 £	2006 £
Current tax charge / (credit)	-	-
Deferred tax charge / (credit)	-	-
Total tax charge / (credit)	-	-

A deferred tax asset of £5,349 in relation to carried forward losses is not being recognised due to uncertainty over future profits.

9. Directors' emoluments

None of the directors received any remuneration for their services to the company during the year (2006: Nil).

10. Cash utilised in operations

	2007 £	2006 £
Profit/(loss) for the year	6,042	(5,919,453)
Add back:		
Finance Cost	4	-
Adjusted for:		
Non cash item	(6,093)	5,918,903
Cash utilised in operations	(47)	(550)

11. Contingent liabilities and commitments

There were no contingent liabilities or commitments at the end of the year (2006: Nil).

Planet Oil International plc

Notes to the accounts

Year ended 31 December 2007

12. Ultimate Holding Company

Hardman Resources (Proprietary) Limited, a company incorporated in Australia, is the holding company of Planet Oil International plc.

Tullow Oil plc, a company incorporated in Great Britain, is Hardman Resources (Propriety) Limited's ultimate holding company and the ultimate holding company and controlling party of Planet Oil International plc.

Tullow Oil plc is the parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up and of which Planet Oil International plc is a member.

13. Related parties

The company in the ordinary course of business, entered into certain related party transactions.

The following transactions have been entered into with its related party during the year:

	2007 £	2006 £
Hardman Resources (Proprietary) Limited Holding company loan	8,946,940	9,062,763

14. Financial instruments and risk management

Capital risk management

The capital structure of the company consists of debt, which includes the holding company loan disclosed in note 6, cash and cash equivalents and equity attributable to equity holders of the parent and related parties, comprising issued capital and an accumulated loss as disclosed in the statement of changes in equity.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

Categories of financial instruments

	2007 £	2006 £
<i>Financial assets</i>		
Cash and cash equivalents	549	596
<i>Financial liabilities</i>		
Loan and payables	8,946,940	9,074,638

Planet Oil International plc

Notes to the accounts Year ended 31 December 2007

14. Financial instruments and risk management (continued)

Financial risk management objectives

The company seeks to minimise the effects of fair value interest rate risk and price risk through active management processes. The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

There has been no change to the company's exposure to market risks or the manner in which it manages and measures the risk.

Liquidity and interest risk management

Ultimate responsibility for liquidity risk management rests with the board of directors. The company is able to actively source financing from its shareholder.

Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its non-derivative financial assets and liabilities.

	Interest rate %	Year 1 £	Years 1-5 £	Over 5 years £	Total £
2007					
Assets					
Cash and cash equivalents	Variable	549	-	-	549
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Interest rate %	Year 1 £	Years 1-5 £	Over 5 years £	Total £
2007					
Liabilities					
Holding company loan	Interest Free	8,946,940	-	-	8,946,940
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

Planet Oil International plc

Notes to the accounts Year ended 31 December 2007

14. Financial instruments and risk management (continued)

Liquidity and interest risk tables (continued)

	Interest rate %	Year 1 £	Years 1-5 £	Over 5 years £	Total £
2006					
Assets					
Cash and cash equivalents	Variable	596	-	-	596
<hr/>					
	Interest rate %	Year 1 £	Years 1-5 £	Over 5 years £	Total £
2006					
Liabilities					
Holding company loan	Interest Free	9,062,763	-	-	9,062,763
Trade and other payables	Interest Free	11,875	-	-	11,875
<hr/>					
		9,074,638	-	-	9,074,638
<hr/>					