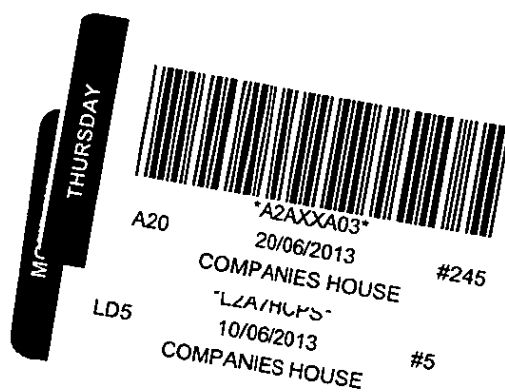


**Company Registration No. 3589112**

**Planet Oil International Limited**

**Report and Financial Statements**

**Year ended 31 December 2012**



# **Planet Oil International Limited**

## **Report and financial statements 2012**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2 - 3</b>
<b>Statement of directors' responsibilities</b>	<b>4</b>
<b>Independent auditor's report</b>	<b>5 - 6</b>
<b>Statement of comprehensive income</b>	<b>7</b>
<b>Statement of financial position</b>	<b>8</b>
<b>Statement of changes in equity</b>	<b>9</b>
<b>Statement of cash flows</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11 - 19</b>

## **Planet Oil International Limited**

### **Officers and professional advisers**

#### **Directors**

A G Martin  
I Springett

#### **Secretary**

R Taylor

#### **Registered Office**

9 Chiswick Park  
566 Chiswick High Road  
London W4 5XT

#### **Bankers**

Royal Bank of Scotland Group  
250 Bishopsgate  
London EC2M 4AA

#### **Solicitors**

Disckson Minto W S  
Royal London House  
22/25 Finsbury Street  
London EC2A 1DX

#### **Auditor**

Deloitte LLP  
Chartered Accountants & Statutory Auditor  
2 New Street Square  
London EC4A 3BZ

# **Planet Oil International Limited**

## **Directors' report**

The Directors of the Company present their annual report on the affairs of the Company, together with the financial statements and auditor's report for the year ended 31 December 2012

### **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 Tullow Oil Holdings (Guernsey) 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 statement of comprehensive income on page 8.

### **Results and dividends**

The Company made a profit of US\$709,143 (2011: loss of US\$2,143,687) for the year which has been transferred to reserves.

No dividends have been paid during the current year (2011: US\$nil).

### **Directors and their interests**

The Directors, who held office at the date of this report, are listed on page 1. There has been no change in the Company's Directors during the year.

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.

### **Going concern**

The Directors have received a letter of support from the ultimate parent company of the group, Tullow Oil plc. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

### **Events subsequent to the financial year end**

There were no events subsequent to the year end which have a material impact on these accounts or for which disclosure is required.

### **Principal risks and uncertainties**

#### **Financial risk management objectives and policies**

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. The main purpose of these financial instruments is to provide 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.

# **Planet Oil International Limited**

## **Directors' report (continued)**

### **Principal risks and uncertainties (continued)**

#### **Financial risk management objectives and policies (continued)**

##### **Liquidity and interest risk management**

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.

##### **Currency risk**

The Company is exposed to translation foreign exchange risk on an intercompany loan receivable denominated in AUS Dollars. The currency risk on the intercompany loan receivable is limited as the loan is minor in relation to the US Dollar denominated loan receivable and loans payable.

##### **Directors' indemnities**

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by the Companies Act 2006, against claims from third parties in respect of certain liabilities arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company.

##### **Charitable and political contributions**

The Company did not make any charitable or political contributions during the year (2011 US\$nil).

##### **Auditor**

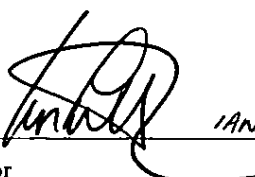
Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be re-appointed for another term and appropriate arrangements have been put in place for them to be deemed re-appointed as auditor in the absence of an Annual General Meeting.

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

  
\_\_\_\_\_  
Director  
31 May 2013

## **Planet Oil International Limited**

### **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. 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 year. In preparing these financial statements, International Accounting Standard 1 requires that Directors

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable IFRSs 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.

## **Planet Oil International Limited**

### **Independent auditor's report to the member of Planet Oil International Limited**

We have audited the financial statements of Planet Oil International Limited for the year ended 31 December 2012 which comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by European Union.

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.

#### **Respective responsibilities of directors and auditor**

As more fully explained in the Directors' Responsibilities Statements, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRS as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on matters prescribed in the Companies Act 2006**

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

## **Planet Oil International Limited**

### **Independent auditor's report to the member of Planet Oil International Limited (continued)**

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

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

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



---

Dean Cook, MA FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
31 May 2013



**Statement of comprehensive income**  
**For the year ended 31 December 2012**

	Notes	2012 US\$	2011 US\$
Administrative costs		-	(503)
<b>Operating loss</b>	8	-	(503)
Finance revenue	4	30,590	2,294
Allowance for doubtful debt	4	678,553	(2,145,478)
<b>Profit (loss) before taxation</b>		709,143	(2,143,687)
Taxation	9	-	-
<b>Profit (loss) for the year</b>		709,143	(2,143,687)
Other comprehensive income		-	-
<b>Total comprehensive income (loss) for the year</b>		709,143	(2,143,687)

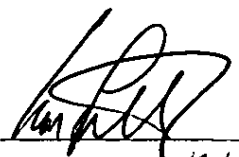
# Planet Oil International Limited

## Statement of financial position At 31 December 2012

	Notes	2012 US\$	2011 US\$
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in subsidiaries	3	-	-
<b>Current assets</b>			
Related party receivables	4	7,054,360	7,056,536
<b>Total assets</b>		<u>7,054,360</u>	<u>7,056,536</u>
<b>Equity and liabilities</b>			
<b>Equity</b>		(4,188,762)	(4,897,905)
Share capital	5	1,410,119	1,410,119
Share premium	6	148,244	148,244
Accumulated loss		(5,747,125)	(6,456,268)
<b>Current liabilities</b>			
Related party loan	7	11,243,122	11,954,441
<b>Total equity and liabilities</b>		<u>7,054,360</u>	<u>7,056,536</u>

The financial statements of Planet Oil International Limited (Company no 3589112) were approved and issued by the Board of Directors and authorised for issue on 2013

Signed on behalf of the Board of Directors on 2013

  
 Director  
 31 May 2013  
 IAN SPRINGETT

## Planet Oil International Limited

### Statement of changes in equity For the year ended 31 December 2012

	Share capital US\$	Share premium US\$	Accumulated loss US\$	Total US\$
<b>Balance at 1 January 2011</b>	1,410,119	148,244	(4,312,581)	(2,754,218)
Total comprehensive loss for the year	-	-	(2,143,687)	(2,143,687)
<b>Balance at 1 January 2012</b>	1,410,119	148,244	(6,456,268)	(4,897,905)
Total comprehensive income for the year	-	-	709,143	709,143
<b>Balance at 31 December 2012</b>	<u>1,410,119</u>	<u>148,244</u>	<u>(5,747,125)</u>	<u>(4,188,762)</u>

## Planet Oil International Limited

### Statement of cash flows For the year ended 31 December 2012

	Note	2012 US\$	2011 US\$
<b>Cash flows from operating activities</b>			
Cash utilised in operations	11	-	(503)
<b>Net cash outflow from operating activities</b>		-	(503)
<b>Cash flow from financing activities</b>			
Proceeds from borrowings		-	503
<b>Net cash outflow from financing activities</b>		-	503
<b>Net movement in cash and cash equivalents</b>		-	-
Cash and cash equivalents at beginning of the year		-	-
Translation difference		-	-
<b>Cash and cash equivalents at end of the year</b>		-	-

# **Planet Oil International Limited**

## **Notes to the financial statements For the year ended 31 December 2012**

### **1. Accounting policies**

#### **General information**

Planet Oil International Limited is a Company incorporated in Great Britain under the Companies Act. The address of the registered office is given on page 1.

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

#### **Basis of preparation**

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

#### **Going concern**

As the ultimate parent company has provided a letter of support confirming its continued financial support to the Company, the financial statements have been prepared on a going concern basis, which assumes the Company will be able to realise its assets and discharge its liabilities in the normal course of business.

#### **Group accounts**

The Company has taken advantage of the relief available under IAS 27 "Consolidated and Separate Financial Statements" 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 at Building 9, Chiswick Park, 566 Chiswick High Road, London, W4 5XT.

#### **Financial instruments**

##### ***Financial assets***

##### ***Impairment of financial assets***

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all financial assets evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty, or
- default or delinquency in interest or principal payments, or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

# **Planet Oil International Limited**

## **Notes to the financial statements For the year ended 31 December 2012**

### **1. Accounting policies (continued)**

#### **Financial instruments (continued)**

##### ***Financial assets (continued)***

##### ***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

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

##### ***Equity instruments***

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs

##### ***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

##### **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

# Planet Oil International Limited

## Notes to the financial statements For the year ended 31 December 2012

### 1 Accounting policies (continued)

#### Financial instruments (continued)

#### Financial assets (continued)

#### 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 group'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.

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.

#### Critical accounting judgements and key sources of estimation uncertainty

Management has not made any judgements or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except for the following:

- allowance for doubtful debt arising on related party receivables (note 4)
- recoverability of investments (note 3)

### 2. Adoption of new and revised standards

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

The following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements.

IFRS 1 (amended) First Time Adoption of International Financial Reporting Standards

IFRS 7 Financial Instruments: Disclosures (Amendment)

IAS 12 Income Taxes – Deferred Taxes: Recovery of Underlying Assets (Amendment)

# Planet Oil International Limited

## Notes to the financial statements For the year ended 31 December 2012

### 2. Adoption of new and revised standards (continued)

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 (and in some cases had not yet been adopted by the EU)

IFRS 7 (amended)	Disclosures - Offsetting Financial Assets and Financial Liabilities
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 1 (amended)	Presentation of Items of Other Comprehensive Income
IAS 19 (revised)	Employee Benefits
IAS 27 (revised)	Consolidated and Separate Financial Statements
IAS 28 (revised)	Investments in Associates and Joint Ventures
IAS 32 (amended)	Offsetting Financial Assets and Financial Liabilities

The adoption of IFRS 9, which the Company plans to adopt for the year beginning on 1 January 2015, will impact both the measurement and disclosures of financial instruments

Other than the adoption of IFRS 9, the Directors do not expect that the adoption of the other standards listed above will have a material impact on the financial statements of the Company in future periods

### 3. Investment in subsidiaries

#### 3.1 Investment in Planet Oil Limited (incorporated in England and Wales)

	2012 US\$	2011 US\$
Total interest in Planet Oil Limited		
At cost - 110,000 ordinary shares (representing 100% of total shares in issue)	175,208	175,208
Provision for impairment	(175,208)	(175,208)
Carrying amount	-	-

#### 3.2 Investment in Tullow Oil Holdings (Guernsey) Limited (incorporated in Guernsey)

	2012 US\$	2011 US\$
Total interest in Tullow Oil Holdings (Guernsey) Limited		
At cost - 2 ordinary shares (representing 100% of total shares in issue)	3	3
Provision for impairment	(3)	(3)
Carrying amount	-	-



## Planet Oil International Limited

### Notes to the financial statements For the year ended 31 December 2012

#### 4. Related party receivables

	2012 US\$	2011 US\$
Tullow Oil Holdings (Guernsey) Limited	7,766,581	8,477,899
Less allowance for doubtful debt	(712,221)	(1,421,363)
Planet Oil Limited	1,616,125	1,585,536
Less allowance for doubtful debt	(1,616,125)	(1,585,536)
	<u>7,054,360</u>	<u>7,056,536</u>

The loans are unsecured, have no fixed repayment terms and no interest is applicable. The balances will be settled via a transfer of funds. The loans from Tullow Oil Holdings (Guernsey) Limited and Planet Oil Limited are denominated in US dollars and Australian dollars, respectively.

Finance revenue of US\$30,590 (2011: US\$2,294) consists of foreign exchange gains on the Australian dollar denominated loan.

The allowance for doubtful debt has been made following an analysis of the likely recovery of intercompany loans based on the net assets and expected future performance of counterparty group company.

#### 5. Share capital

	2012 US\$	2011 US\$
<b>Issued</b>		
35,000,000 ordinary shares of 2 pence each - £700,000	<u>1,410,119</u>	<u>1,410,119</u>

Pursuant to a Special Resolution passed on 8 December 2009, the Company adopted new Articles of Association which, in accordance with the Companies Act 2006, no longer require the Company to have an authorised share capital.

#### 6. Share premium

	2012 US\$	2011 US\$
Share premium on issue of shares	<u>148,244</u>	<u>148,244</u>

#### 7. Related party loan

	2012 US\$	2011 US\$
Hardman Resources Proprietary Limited	<u>11,243,122</u>	<u>11,954,441</u>
Carrying amount	<u>11,243,122</u>	<u>11,954,441</u>

The loan 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.

# Planet Oil International Limited

## Notes to the financial statements For the year ended 31 December 2012

### 8. Operating loss

The current year fee for the audit of the Company's financial statements of US\$ 8,000 (2011 US\$10,208) was borne by another group company. The statutory auditor did not provide any non-audit services to Planet Oil International Limited during 2012 (2011 US\$nil).

### 9. Taxation

No taxation is payable in the current year as the Company did not derive any taxable income (2011 US\$nil).

	2012 %	2011 %
<b>Tax rate reconciliation</b>		
Effective rate	-	-
Unrecognised loss	-	-
Income not taxable	24	-
Expenses not deductible	-	26
Losses surrendered for group relief	-	-
	<u>24</u>	<u>26</u>
Standard rate		

	2012 US\$	2011 US\$
Accumulated unrecognised assessed loss	<u>441,664</u>	<u>441,664</u>

A deferred tax asset has not been recognised in relation to tax losses of approximately US\$441,664 (2011 US\$441,664), as it is uncertain if the Company will generate sufficient taxable profits in the near future to utilise the asset.

On 1 April 2012, the UK Corporation tax rate was reduced from 26% to 24%. Deferred tax balances have been recognised at this rate.

The UK Government subsequently announced on 20 March 2013 that the rate of Corporation tax will reduce to 23% from 1 April 2013 with further reductions each year until the rate reaches 21% from 1 April 2014. However, deferred tax balances have not been recognised at these rates as they have not been substantively enacted at the balance sheet date.

### 10 Directors' emoluments and employees

The average number of employees during the period was nil (2011 nil).

None of the Directors received any remuneration for their services to the Company during the year (2011 US\$nil).

# Planet Oil International Limited

## Notes to the financial statements For the year ended 31 December 2012

### 11. Cash utilised in operations

	2012 US\$	2011 US\$
Profit (loss) for the year	709,143	(2,143,687)
Adjusted for		
Finance revenue	(30,590)	(2,294)
Allowance for doubtful debt	(678,553)	2,145,478
Cash utilised in operations	-	(503)

### 12. Contingent liabilities and commitments

There were no contingent liabilities or commitments at the end of the year (2011 US\$nil)

### 13. Immediate and ultimate holding company

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

Tullow Oil plc, a company incorporated in Great Britain, is the ultimate holding company of Planet Oil International Limited and is the smallest and largest group in which this company is consolidated. The address of Tullow Oil plc is 3<sup>rd</sup> Floor, Building 9, Chiswick Park, 566 Chiswick High Road, London W4 5XT

### 14. Related parties

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

The following represent balances with related parties

	2012 US\$	2011 US\$
<b>Amounts due from group companies</b>		
Tullow Oil Holdings (Guernsey) Limited	7,766,581	8,477,899
Less allowance for doubtful debt	(712,221)	(1,421,363)
Planet Oil Limited	1,616,125	1,585,536
Less allowance for doubtful debt	(1,616,125)	(1,585,536)
	<u>7,054,360</u>	<u>7,056,536</u>
<b>Amount due to group company</b>		
Hardman Resources Proprietary Limited	<u>11,243,122</u>	<u>11,954,441</u>
Carrying amount	<u>11,243,122</u>	<u>11,954,441</u>

# Planet Oil International Limited

## Notes to the financial statements For the year ended 31 December 2012

### 15. Financial instruments

#### Capital risk management

The capital structure of the Company consists of debt, which includes the holding company loan disclosed in note 7 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 and the basis on which income and expenses are recognised, 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

	2012 US\$	2011 US\$
<i>Financial assets</i>		
Loan and receivables	7,054,360	7,056,536
<i>Financial liabilities</i>		
Loan and payables	11,243,122	11,954,441

#### 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

All financial assets and liabilities in 2012 and 2011 are non-interest bearing and have no fixed repayment terms. They thus all fall due within one year.

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, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. 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.

2012	Interest rate %	Year 1 US\$	Years 1 - 5 US\$	Over 5 Years US\$	Total US\$
<i>Assets</i>					
Loan and receivables	Interest free	7,054,360	-	-	7,054,360

# Planet Oil International Limited

## Notes to the financial statements For the year ended 31 December 2012

### 15. Financial instruments (continued)

#### Liquidity and interest risk tables (continued)

<b>2012</b>	<b>Interest rate %</b>	<b>Year 1 US\$</b>	<b>Years 1 - 5 US\$</b>	<b>Over 5 Years US\$</b>	<b>Total US\$</b>
<b>Liabilities</b>					
Loan and payables	Interest free	11,243,122	-	-	11,243,122
<hr/>					
<b>2011</b>	<b>Interest rate %</b>	<b>Year 1 US\$</b>	<b>Years 1 - 5 US\$</b>	<b>Over 5 Years US\$</b>	<b>Total US\$</b>
<b>Assets</b>					
Loan and receivables	Interest free	7,056,536	-	-	7,056,536
<hr/>					
<b>2011</b>	<b>Interest rate %</b>	<b>Year 1 US\$</b>	<b>Years 1 - 5 US\$</b>	<b>Over 5 Years US\$</b>	<b>Total US\$</b>
<b>Liabilities</b>					
Loan and payables	Interest free	11,954,441	-	-	11,954,441
<hr/>					