

Company Registration No. 3589112
United Kingdom

Planet Oil International Limited

Report and Audited Financial Statements

For the year ended 31 December 2019

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Planet Oil International Limited

Report and financial statements

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Planet Oil International Limited

Officers and professional advisers

Directors

A Holland
R Miller
R Rowland-Clark
G Wood

Secretary

Any director of the company has authority to perform company secretary duties.

Registered office

9 Chiswick Park
566 Chiswick High Road
London W4 5XT
United Kingdom

Solicitors

Dickson Minto W.S.
Broadgate Tower
20 Primrose Street
London EC2A 2EW

Bankers

JP Morgan Chase and Co.
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Auditor

Deloitte LLP
Statutory auditor
London

Planet Oil International Limited

Directors' report

The directors of Planet Oil International Limited (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 2019.

The directors' report has been prepared in accordance with the special provisions relating to small companies exemption under s415(a) of the Companies Act 2006.

The principal activity of the company is that of an investment holding company. The company currently holds the entire issued share capital of Tullow Oil Holdings (Guernsey) Limited. The company does not expect to change its principal activity in the 2020 financial year.

There is no significant change in the nature of the activities or state of affairs during the year.

Directors and their interests

The directors, who held office at the date of this report, are listed on page 1. The changes to the company's directors during the year and between the accounting and the date of this report are as follows:

- P McDade – resigned on 13 December 2019.
- K Massie – resigned on 1 August 2019.

The directors did not have any interests 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.

The company secretary, who held office at the date of this report, is listed on page 1. The changes to the company's secretary during the year and between the accounting and the date of this report are as follows:

- K Massie – resigned on 1 August 2019.

Going concern

The principal activity of the company is that of an investment holding company. The company does not expect to change its principal activity in the 2020 financial year.

The company recorded a profit of US\$8,053,186 (2018: result of US\$nil) for the year ended 31 December 2019. As at 31 December 2019 the company had a net liability position of US\$nil (2018: US\$11,529,727).

The ability to meet its obligations as they fall due is dependent on the ultimate parent company providing financial support during the period of assessment. A letter of support has therefore been provided by Tullow Oil plc, which states it will provide the necessary financial support to ensure that this company is able to operate as a going concern for at least twelve months from the date of signing of these financial statements.

However, at the time of issuing the consolidated Annual Report and Accounts of Tullow Oil plc and its subsidiaries (the "Group") on 12 March 2020, there were unprecedented market conditions with significant oil price volatility following the demand implications driven by COVID-19 and the failure of OPEC and Russia to reach agreement to cut oil supply to balance markets. Therefore, this increases the risk that the Group may not be able to sufficiently progress any planned portfolio management activities, as a result of which its lenders may not approve the semi-annual redetermination of the RBL facility which was under way at that point. Therefore, the Directors of Tullow Oil plc concluded that there is a material uncertainty, that may cast significant doubt, that the Group will be able to operate as a going concern. The Group continues to closely monitor cash flow forecasts and would take mitigating actions in advance to maintain compliance with its external debt facilities, including securing amendments to covenants if necessary. The Directors of the Group believe the RBL gearing covenant could be amended in advance if required which is both consistent with past practice and the reasonable expectation of the commercial interests of the counterparties involved.

Planet Oil International Limited

Directors' report (continued)

Going concern (continued)

In this scenario, the Group would also target a further rationalisation of its cost base, including cuts to discretionary capital expenditure. Notwithstanding this material uncertainty, the Board's confidence in the Group's forecasts and ability to deliver portfolio management proceeds supported preparation of the consolidated financial statements of Tullow Oil plc on a going concern basis.

The oil price has continued to be volatile subsequent to the issue of the Group's Annual Report and Accounts as a result of OPEC increasing production and whilst the successful completion of the RBL redetermination was announced on 3 April 2020, the next redetermination of RBL facility in September 2020 is within the going concern period and there remains uncertainty regarding the redetermination. The Directors of the company have therefore concluded that these circumstances constitute a material uncertainty that may cast significant doubt over the Group's and therefore the company's ability to continue as a going concern, such that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, on the basis of the Directors' assessment of the company's financial position, the enquiries made of the Directors of Tullow Oil plc, and the mitigating actions available to the Group, the directors have assessed that although a material uncertainty exists, the company has adequate resources to continue as a going concern for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing the financial statements.

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.

Supplier payment policy

It is company policy to settle all debts with creditors on a timely basis and in accordance with the terms of credit agreed with each supplier.

Charitable and political donations

The company did not make any charitable or political contributions during the year (2018: US\$nil).

Events subsequent to the financial year end

On 6 March 2020, OPEC and non-OPEC allies (OPEC+) met to discuss the need to cut oil supply to balance oil markets in the wake of the COVID-19 outbreak, which has had a material impact on oil demand. The group failed to reach agreement and on 7 March 2020, Saudi Aramco unilaterally and aggressively cut its Official Selling Prices (OSP) in an attempt to prioritise market share rather than price stability and effectively started a price war. As a result, on 9 March 2020, oil prices fell by around 20 per cent and the forward curve for 2020 and 2021 fell to approximately \$38/bbl and \$43/bbl respectively.

These recent events will continue to have an impact on oil price volatility. The commodity risk is managed at the group level, however, the events will have an adverse impact on all companies within the group. If oil prices remain at or below their current levels for an extended period of time, this would adversely impact the company's future financial results.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Planet Oil International Limited

Directors' report (continued)

Auditor

Each person 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.

Following the competitive audit tender carried out in 2018, the Board of Tullow Oil plc selected Ernst & Young LLP as statutory auditor of the group and all subsidiaries.

Ernst & Young LLP indicated their willingness to act and their appointment will be approved at the 2020 Annual General Meeting.

The financial statements on pages 2 to 21 were approved by the board of directors on 12 May and signed on its behalf by:

R Miller
Director
12 May 2020

Planet Oil International Limited

Directors' responsibilities statement

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 (IFRS) 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 period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Make an assessment of the company's ability to continue as a going concern.

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.

Independent auditor's report to the members of Planet Oil International Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Planet Oil International Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial position;
- the statement of comprehensive income;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

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.

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements and the detailed information in the Directors' Report regarding the company's ability to continue as a going concern; this is dependent on the ability of the company's ultimate parent, Tullow Oil plc, and its subsidiaries (together the "Group") being able to generate sufficient cashflows in order to meet scheduled loan repayments and covenant requirements, and hence to operate within its existing debt facilities. Oil price volatility continues to place increased pressure on these cashflows and the ability of the Group to comply in the future with the gearing component. As indicated in the Directors' Report, given current market conditions, there is a risk that the Group may not be able to complete any planned portfolio management activities and that its lenders may not approve the semi-annual RBL redetermination liquidity assessments and or amendments to covenants. As stated in the Directors' Report, these events or conditions, along with the other matters as set forth in the Directors' Report, indicate that a material uncertainty exists that may cast significant doubt on the Group's, and therefore the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

Independent auditor's report to the members of Planet Oil International Limited

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 prepare the financial statements in accordance with the small companies exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Planet Oil International Limited (continued)

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.



Anthony Matthews, FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

12 May 2020

Planet Oil International Limited

Statement of comprehensive income For the year ended 31 December

	Notes	2019 US\$'000	2018 US\$'000
Operating result	5	-	-
Allowance for related party loans receivable	9	8,053	-
		<hr/>	<hr/>
Profit before tax		8,053	-
Income tax expense	6	-	-
		<hr/>	<hr/>
Profit for the year		8,053	-
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		8,053	-
		<hr/>	<hr/>

All transactions in current period are derived from continuing operations. In both current and preceding financial years there was no other comprehensive income other than that dealt with above.

Planet Oil International Limited

Statement of financial position At 31 December

	Notes	2019 US\$'000	2018 US\$'000
Assets			
Non-current assets			
Investments	8	-	-
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
Current assets			
Related party loan receivable	9	-	-
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
		<hr/>	<hr/>
Total assets		-	-
		<hr/>	<hr/>
Liabilities			
Current liabilities			
Related party loan payable	10	-	11,530
		<hr/>	<hr/>
		-	11,530
		<hr/>	<hr/>
		<hr/>	<hr/>
Total liabilities		-	11,530
		<hr/>	<hr/>
		<hr/>	<hr/>
Net current liabilities		-	11,530
		<hr/>	<hr/>
		<hr/>	<hr/>
Net liabilities		-	(11,530)
		<hr/>	<hr/>
Equity			
Share capital	11	1,410	1,410
Share premium	12	3,625	148
Accumulated loss		(5,035)	(13,088)
		<hr/>	<hr/>
Total equity		-	(11,530)
		<hr/>	<hr/>

The notes on pages 13 to 21 form an integral part of these financial statements.

The financial statements of Planet Oil International Limited registered number 3589112, on pages 2 to 21 were approved by the board of directors on 12 May and signed on its behalf by:

R Miller
Director
12 May 2020



Planet Oil International Limited

Statement of changes in equity For the year ended 31 December

	Share capital US\$'000	Share premium US\$'000	Accumulated loss US\$'000	Total US\$'000
Balance at 1 January 2018	1,410	148	(13,088)	(11,530)
Total comprehensive result for the year	-	-	-	-
Balance at 31 December 2018	1,410	148	(13,088)	(11,530)
Share issue (note 11)	-	3,477	-	3,477
Total comprehensive income for the year	-	-	8,053	8,053
Balance at 31 December 2019	1,410	3,625	(5,035)	-

The notes on pages 13 to 21 form an integral part of these financial statements.

Planet Oil International Limited

Statement of cash flows For the year ended 31 December

	Notes	2019 US\$'000	2018 US\$'000
Cash flows from operating activities			
Cash utilised in operations	13	(3,477)	-
		<hr/>	<hr/>
Net cash outflow from operating activities		(3,477)	-
		<hr/>	<hr/>
Cash flows from financing activities			
Shares issued		3,477	-
		<hr/>	<hr/>
Net cash outflow from financing activities		3,477	-
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		-	-
		<hr/>	<hr/>
Cash and cash equivalents at end of the year		-	-
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 13 to 21 form an integral part of these financial statements.

Planet Oil International Limited

Notes to the financial statements For the year ended 31 December 2019

1. General information

Planet Oil International Limited is a private company, limited by shares, incorporated and registered in the United Kingdom (England and Wales). The address of the registered office is shown on page 1.

2. Adoption of new and revised standards

Standards not affecting the reported results or the financial position

There are no new or amended standards or interpretations adopted during the year that have a significant impact on the financial statements.

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 Standard	Subject	Effective Date
Amendments to IFRS 3	<i>Definition of a business</i>	1 January 2020
IFRS 10 and IAS 28 (amendments)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	yet to be set
IFRS 17	<i>Insurance Contracts</i>	1 January 2021
Amendments to IAS 1 and IAS 8	<i>Definition of material</i>	1 January 2020
Conceptual Framework	<i>Amendments to References to the Conceptual Framework in IFRS Standards</i>	1 January 2020

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. Accounting policies

Changes in accounting policy

The company's accounting policies are consistent with the prior year.

Planet Oil International Limited

Notes to the financial statements (continued) **For the year ended 31 December 2019**

3. Accounting policies (continued)

Basis of accounting

The financial statements have been prepared in accordance with IFRS as adopted by the European Union and therefore the financial statements comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on the historical cost basis. The financial statements are presented in US dollars and all values are rounded to the nearest US dollar thousand, except where otherwise stated.

The company has not traded during the year. Accordingly, a statement of comprehensive income and statement of cash flows have not been presented.

The principal accounting policies adopted by the company are set out below.

Going concern

The financial statements have been prepared on the going concern basis. In order to determine whether it is appropriate for the Company to report as a going concern, the Directors consider financial position of the company, its business activities, principal risks and uncertainties, as well as the Company's reliance on its ultimate parent company, Tullow Oil plc, providing financial support during the period of assessment. The details of the going concern assessment performed and conclusion reached, including the identification of a material uncertainty related to going concern, are discussed in the Director's report on pages 2 and 3. The adoption of the going concern basis of accounting is a critical accounting judgement, as disclosed in note 4.

Consolidation

The company has taken advantage of the relief available under IFRS10 paragraph 4(a) 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 the United Kingdom (England and Wales). 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 (refer to Note 15).

Foreign currencies

The US dollar is the presentation currency and the functional currency of the company.

Transactions in foreign currencies are recorded at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities are translated into functional currency at the exchange rate ruling at the statement of financial position date, with a corresponding charge or credit to the statement of comprehensive income. However, exchange gains and losses arising on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Planet Oil International Limited

Notes to the financial statements (continued)

For the year ended 31 December 2019

3. Accounting policies (continued)

Tax

Current and deferred tax including UK corporation tax and overseas corporation tax are provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred corporation tax is recognised on all temporary differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more, or right to pay less, tax in the future have occurred at the statement of financial position date. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying temporary differences can be deducted. Deferred tax is measured on a non-discounted basis.

Investments

Fixed asset investments, including investments in subsidiaries, are stated at cost and reviewed for impairment if there are indications that the carrying value may not be recoverable.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL); financial assets 'at fair value through other comprehensive income (FVTOCI)'; and amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Trade and other receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market as classified as financial assets held at amortised cost, less impairment or allowance based on the expected credit loss of the balance under IFRS 9.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Equity instruments

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

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Planet Oil International Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

4. Critical accounting judgements

The company assesses critical accounting judgements annually. The following are the critical judgements, apart from those involving estimations (which are dealt with below) that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- Application of the going concern basis of accounting

The financial statements have been prepared on the going concern basis. In order to determine whether it is appropriate for the company to report as a going concern, the directors consider financial position of the company, its business activities, principal risks and uncertainties, as well as the company's reliance on its ultimate parent company, Tullow Oil plc, providing financial support during the period of assessment. The details of the going concern assessment performed and conclusion reached, including the identification of a material uncertainty related to going concern, are discussed in the Director's Report on pages 2 and 3.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

- Amounts due from subsidiary undertakings (note 9)

The Company is required to assess the carrying values of each of the amounts due from subsidiary undertakings, considering the requirements established by IFRS 9 Financial Instruments.

The IFRS 9 impairment model requiring the recognition of 'expected credit losses', in contrast to the requirement to recognise 'incurred credit losses' under IAS 39. Where conditions exist for impairment on amounts due from subsidiary undertakings expected credit losses assume that repayment of a loan is demanded at the reporting date. If the subsidiary has sufficient liquid assets to repay the loan if demanded at the reporting date, the expected credit loss is likely to be immaterial. However, if the subsidiary could not demonstrate the ability to repay the loan, if demanded at the reporting date, the Company calculated an expected credit loss. This calculation considers the percentage of loss of the amount due from subsidiary undertakings, which involves judgement around how amounts would likely be recovered, and over what time they would be recovered. Despite this requirement, the Company does not intend to demand repayment of any amounts due from subsidiary undertakings in the near future.

Refer to note 2 for further details of the financial impact of the implementation of this requirement.

5. Profit for the year before tax

The current year fee for the audit of the company's financial statements of US\$12,700 (2018: US\$12,400) was borne by another group company. The statutory auditor did not provide any non-audit services to Planet Oil International Limited during 2019 (2018: None).

Planet Oil International Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

6. Income tax expense

	2019 US\$'000	2018 US\$'000
(a) Analysis of tax charge in the year		
Current tax		
UK corporation tax on profit for the year	-	-
Adjustment in respect of prior periods	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
Deferred tax		
Origination and reversal of timing differences		
Impact of change in tax rate		
	<hr/>	<hr/>
Total deferred tax	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>
Total tax expense/(income)	-	-
	<hr/>	<hr/>

No tax is payable in the current year as the company did not derive any taxable income (2018: US\$nil).

The company is subject to UK corporation tax. The Finance Act 2020 sets the Corporation Tax main rate at 19% for the financial year beginning 1 April 2020. This maintains the rate at 19%, rather than reducing it to 17% from 1 April 2020. The charge to Corporation Tax and the main rate will also be set at 19% for the financial year beginning 1 April 2021. These changes were substantively enacted on 17 March 2020 and hence the effect of the change on the deferred tax balances has been included, depending upon when deferred tax is expected to reverse.

Deferred tax assets have not been recognised in relation to tax losses of approximately US\$441,661 (2018: US\$441,661), as it is uncertain if the company will generate sufficient taxable profits in the future to utilise the losses.

7. Directors' emoluments and employees

None of the directors received any remuneration for their services to the company during the year (2018: US\$nil).

No employees were employed during the year (2018: none).

Planet Oil International Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

8. Investments

	2019 US\$'000	2018 US\$'000
Tullow Oil Holdings (Guernsey) Limited		
At cost - 2 ordinary shares (representing 100% of shares in issue) - US\$3	-	-
Provision for impairment - (US\$3)	-	-
	<hr/>	<hr/>
Carrying amount	-	-
	<hr/>	<hr/>

Tullow Oil Holdings (Guernsey) Limited is a company incorporated and domiciled in Guernsey. Its registered address is Redwood House, St Julian's Avenue, St Peter Port, Guernsey GY1 1WA.

8.1 Subsidiary undertakings

The company's subsidiary undertakings at 31 December 2019 and their percentage ownership, are as follows:

Company	holding	%	Country of operation
Subsidiary undertaking			
Tullow Oil Holdings (Guernsey) Limited	direct	100	Guernsey
Tullow Oil (Mauritania) Limited	indirect	100	Guernsey

The type of ownership is of Ordinary Shares. The registered office of all subsidiary undertakings is PO Box 119, Martello Court, Admiral Park, St Peter Port, Guernsey GY1 3HB. The principal activity of Tullow Oil Holdings (Guernsey) Limited is that of an investment holding company and the principal activity of Tullow Oil (Mauritania) Limited is closing out exploration interests and ongoing decommissioning of assets.

9. Related party loan receivable

	2019 US\$'000	2018 US\$'000
Tullow Oil Holdings (Guernsey) Limited	-	8,053
Less: allowance for related party loan receivable	-	(8,053)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

The above loan was unsecured, had no fixed repayment terms and no interest was applicable. The balance was settled via a transfer of funds. The loan to Tullow Oil Holdings (Guernsey) Limited was denominated in US dollars.

10. Related party loan payable

	2019 US\$'000	2018 US\$'000
Hardman Resources Pty Limited	-	11,530
	<hr/>	<hr/>

The loan from Hardman Resources Pty Limited was unsecured, had no fixed repayment terms and no interest was applicable. The loan was denominated in US dollars. The loan was settled in the current year.

Planet Oil International Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

11. Share capital

	2019 US\$'000	2018 US\$'000
Issued and fully paid		
35,000,001 (2018: 35,000,000) ordinary shares of 2 pence each - £700,000.02	1,410	1,410

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.

During the current year, the company issued 1 share to Hardman Resources Pty Limited for a consideration of £2,687,315 (US\$3,476,541).

12. Share premium

	2019 US\$'000	2018 US\$'000
Share premium on issue of shares	3,625	148

13. Cash utilised in operations

	2019 US\$'000	2018 US\$'000
Profit for the year before tax	8,053	-
Adjusted for:		
Allowance for related party loan receivable (note 9)	(8,053)	-
Operating profit before working capital changes	-	-
Decrease in trade and other receivables	8,053	-
Decrease in trade and other payables	(11,530)	-
Cash utilised in operations	(3,477)	-

14. Contingent liabilities and commitments

There were no contingent liabilities or commitments at the end of the year (2018: US\$nil).

15. Immediate parent and ultimate holding company

Hardman Resources Pty Limited, a company incorporated in Australia, is the immediate parent company of Planet Oil International Limited.

Tullow Oil plc, a company incorporated in the United Kingdom, is the ultimate holding company of Planet Oil International Limited. The ultimate holding company is the only group which includes the company and for which consolidated financial statements is produced. These consolidated financial statements can be obtained from Tullow Oil plc, 9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, which is its registered address.

Planet Oil International Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

16. Financial instruments

Capital risk management

The capital structure of the company consists of debt, which includes the holding company loan disclosed in note 10 and equity attributable to equity holders of the parent, comprising issued share capital, share premium 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 3 to the financial statements.

Categories of financial instruments

	2019 US\$'000	2018 US\$'000
<i>Financial liabilities</i>		
Loan payables	-	11,530

The company's related party loans are repayable on demand and the carrying value is equal to the fair value.

Financial risk management objectives and policies and credit risk

The company's principal financial assets are amount due from group companies. The credit risk associated with such items, having regard to the counterparties involved, has been assessed following an analysis of the likely recovery of intercompany debtor balances, based on the net assets and expected future performance of the company.

The company receives loans from a fellow group company to maintain liquidity and ensure there are sufficient funds available for ongoing operations.

Foreign currency risk management

The company undertakes certain transactions denominated in foreign currencies. The company does not have any forward exchange contracts.

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.

Interest rate sensitivity analysis

All financial assets and liabilities in 2019 and 2018 are non-interest bearing and have no fixed repayment terms. They thus all fall due within one year.

Liquidity and interest risk tables

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

Planet Oil International Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

16. Financial instruments (continued)

	Interest rate %	Year 1 US\$'000	Years 1 - 5 US\$'000	Over 5 Years US\$'000	Total US\$'000
2019					
Liabilities					
Related party loan payable	Interest free	-	-	-	-
2018					
Liabilities					
Related party loan payable	Interest free	11,530	-	-	11,530

17. Events subsequent to the financial year end

On 6 March 2020, OPEC and non-OPEC allies (OPEC+) met to discuss the need to cut oil supply to balance oil markets in the wake of the COVID-19 outbreak, which has had a material impact on oil demand. The group failed to reach agreement and on 7 March 2020, Saudi Aramco unilaterally and aggressively cut its Official Selling Prices (OSP) in an attempt to prioritise market share rather than price stability and effectively started a price war. As a result, on 9 March 2020, oil prices fell by around 20 per cent and the forward curve for 2020 and 2021 fell to approximately \$38/bbl and \$43/bbl respectively.

These recent events will continue to have an impact on oil price volatility. The commodity risk is managed at the group level, however, the events will have an adverse impact on all companies within the group. If oil prices remain at or below their current levels for an extended period of time, this would adversely impact the company's future financial results.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.