

Registration number 3772705

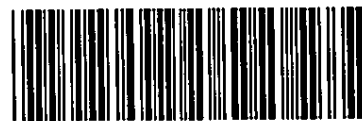
Delta Oil (UK) Limited

Directors' Report and Financial Statements

for the Year Ended 5 October 2010

A J Charik & Co
Chartered Accountants, Registered Auditors
24 Churchill Crescent
Headley
Bordon
Hampshire
GU35 8ND

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Delta Oil (UK) Limited
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Delta Oil (UK) Limited
Company Information

Directors	B M Al-Aiban P J Beck
Company secretary	P J Beck
Registered office	Charters House Charters Road Ascot Berks SL5 0HA
Auditors	A J Charik & Co Chartered Accountants, Registered Auditors 24 Churchill Crescent Headley Bordon Hampshire GU35 8ND

Delta Oil (UK) Limited
Directors' Report for the Year Ended 5 October 2010

The directors present their report and the financial statements for the year ended 5 October 2010

Directors of the company

The directors who held office during the year were as follows

B M Al-Aiban

P J Beck

Principal activity

The principal activity of the company is that of an investment company

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Reappointment of auditors

The auditors A J Charik & Co are deemed to be reappointed under section 487(2) of the Companies Act 2006

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006

Approved by the Board on 20 October 2011 and signed on its behalf by

A handwritten signature in black ink, appearing to be 'P J Beck', written over a horizontal line.

P J Beck
Director

Delta Oil (UK) Limited
Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 Delta Oil (UK) Limited

We have audited the financial statements of Delta Oil (UK) Limited for the year ended 5 October 2010, set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the 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.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 5 October 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

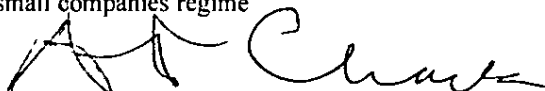
**Independent Auditor's Report to the Members of
Delta Oil (UK) Limited**

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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, or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime



A J Charik (Senior Statutory Auditor)
For and on behalf of A J Charik & Co, Statutory Auditor

24 Churchill Crescent
Headley
Bordon
Hampshire
GU35 8ND

20 October 2011

Delta Oil (UK) Limited
Profit and Loss Account for the Year Ended 5 October 2010

	Note	2010 £	2009 £
Turnover		-	-
Administrative expenses		<u>(1,201,292)</u>	<u>(38,017)</u>
Operating loss		<u>(1,201,292)</u>	<u>(38,017)</u>
Loss on ordinary activities before taxation		<u>(1,201,292)</u>	<u>(38,017)</u>
Loss for the financial year	7	<u><u>(1,201,292)</u></u>	<u><u>(38,017)</u></u>

Delta Oil (UK) Limited
(Registration number: 3772705)
Balance Sheet at 5 October 2010

	Note	2010 £	2009 £
Current assets			
Debtors	3	22,700,377	22,664,785
Cash at bank and in hand		<u>12,840</u>	<u>14,307</u>
		22,713,217	22,679,092
Creditors Amounts falling due within one year	4	<u>(23,499,302)</u>	<u>(22,269,610)</u>
Total assets less current liabilities		(786,085)	409,482
Creditors Amounts falling due after more than one year	5	<u>(4,606,734)</u>	<u>(4,601,009)</u>
Net liabilities		<u>(5,392,819)</u>	<u>(4,191,527)</u>
Capital and reserves			
Called up share capital	6	100	100
Profit and loss account	7	<u>(5,392,919)</u>	<u>(4,191,627)</u>
Shareholders' deficit		<u>(5,392,819)</u>	<u>(4,191,527)</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008)

Approved by the Board on 20 October 2011 and signed on its behalf by



P J Beck
Director

Delta Oil (UK) Limited

Notes to the Financial Statements for the Year Ended 5 October 2010

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or 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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

2 Investments held as fixed assets

	2010 £	2009 £
Other investments		
	Unlisted investments £	Total £
Cost		
At 6 October 2009	<u>29,905,000</u>	<u>29,905,000</u>
At 5 October 2010	29,905,000	29,905,000
Provision for impairment		
At 6 October 2009	<u>(29,905,000)</u>	<u>(29,905,000)</u>
Net book value		
At 5 October 2010	<u>-</u>	<u>-</u>

Delta Oil (UK) Limited

Notes to the Financial Statements for the Year Ended 5 October 2010

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At 5 October 2009

- -

3 Debtors

	2010 £	2009 £
Other debtors	22,700,377	22,664,785
	<u>22,700,377</u>	<u>22,664,785</u>

Debtors includes £22,700,377 (2009 - £22,664,785) receivable after more than one year

4 Creditors Amounts falling due within one year

	2010 £	2009 £
Other creditors	23,499,302	22,269,610
	<u>23,499,302</u>	<u>22,269,610</u>

5 Creditors Amounts falling due after more than one year

	2010 £	2009 £
Other creditors	4,606,734	4,601,009
	<u>4,606,734</u>	<u>4,601,009</u>

6 Share capital

Allotted, called up and fully paid shares

	2010		2009	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Delta Oil (UK) Limited

Notes to the Financial Statements for the Year Ended 5 October 2010

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7 Reserves

	Profit and loss account £	Total £
At 6 October 2009	(4,191,627)	(4,191,627)
Loss for the year	<u>(1,201,292)</u>	<u>(1,201,292)</u>
At 5 October 2010	<u>(5,392,919)</u>	<u>(5,392,919)</u>

8 Contingent liabilities

Pledge in favour of Union Bancaire Privee The amount guaranteed is £9,268,986 (2009 - £8,742,278) On 8 August 2005 the company entered into a Deed of General Pledge in favour of Union Bancaire Privee The maximum value of assets pledged is 15,000,000 Canadian Dollars in respect of advances made by Union Bancaire Privee to Sheikh B M Al-Aiban for investments in the oil industry or personal needs of the borrower

9 Related party transactions

Other related party transactions

During the year the company made the following related party transactions

Platinum Petroleum Limited

(Intercompany loan)

Platinum Petroleum Limited (a company incorporated in Jersey) is under the control of Sheikh M M Al-Aiban The loan is interest free and there are no fixed repayment terms At the balance sheet date the amount due from Platinum Petroleum Limited was £6,996,589 (2009 - £6,985,889)

Delta International

(Intercompany loan)

Delta International (a company incorporated in Saudi Arabia) is under the control of Sheikh B M Al-Aiban The loan is interest free and there are no fixed repayment terms At the balance sheet date the amount due from Delta International was £15,703,518 (2009 - £15,678,896)

Delta Oil Services (UK) Limited

(Intercompany loan)

Delta Oil Services (UK) Limited is under the control of Sheikh B M Al-Aiban The loan is interest free and there are no fixed repayment terms At the balance sheet date the amount due to Delta Oil Services (UK) Limited was £858,335 (2009 - £858,335)

Delta Oil (UK) Limited

Notes to the Financial Statements for the Year Ended 5 October 2010

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Midad Investments Limited

(Intercompany loan)

Midad Investments Limited (a company incorporated in Cyprus) is under the control of Sheikh b M Al-Aiban. The loan is interest free and there are no fixed repayment terms. At the balance sheet date the amount due to Midad Investments Limited was £21,640,067 (2009 - £20,410,375)

Sheikh B M Al-Aiban

(Director loan)

The loan is interest free and there are no fixed repayment terms. £1,000,000 is included in creditors due within one year with the balance included in creditors due after more than one year. At the balance sheet date the amount due to Sheikh B M Al-Aiban was £5,607,734 (2009 - £5,601,009)

10 Control

The company is controlled by Delta Oil 2005 Number Three Limited. The ultimate controlling party is Sheikh B M Al-Aiban.

Delta Oil (UK) Limited
Detailed Profit and Loss Account for the Year Ended 5 October 2010

	2010		2009	
	£	£	£	£
Gross profit (%)		0%		0%
Administrative expenses				
General administrative expenses (analysed below)		900		1,650
Finance charges (analysed below)		<u>1,200,392</u>		<u>36,367</u>
		<u>(1,201,292)</u>		<u>(38,017)</u>

Delta Oil (UK) Limited
Detailed Profit and Loss Account for the Year Ended 5 October 2010

	2010 £	2009 £
General administrative expenses		
Accountancy fees	400	400
Auditor's remuneration - The audit of the company's annual accounts	500	500
Legal and professional fees	-	750
	<u>900</u>	<u>1,650</u>
Finance charges		
Bank charges	1,278	1,458
Foreign currency (gains)/losses	1,199,114	34,909
	<u>1,200,392</u>	<u>36,367</u>