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# Dominion Energy plc

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COMPANIES HOUSE

Annual Report and Accounts  
30 June 2011

## **DOMINION ENERGY PLC**

HEAD OFFICE  
3rd Floor, 19/20 Grosvenor Street  
London  
W1K 4QH

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## **DOMINION ENERGY PLC**

### **DIRECTORS AND ADVISERS**

Directors	M Alikhani K Sodha M Ala	Executive Chairman Executive Director Non-Executive Director
Secretary and Registered Office	K Sodha 3rd Floor 19/20 Grosvenor Street London W1K 4QH	
Advisers	Beaumont Cornish Ltd Bowman House 29 Wilson Street London EC2M 2SJ	
Auditors	W H Associates LLP 117 Lonsdale Avenue Wembley Middlesex HA9 7EW	
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA	
Company number	03986182	

## **DOMINION ENERGY PLC**

### **CHAIRMAN'S STATEMENT**

For the year ended 30 June 2011

#### **FAWAR AND MEZZOUNA PERMITS, TUNISIA**

Following a detailed submission by Dominion on 2 February 2011, the Company was able to announce on 1 March 2011 that the Director General of Energy at the Tunisian Ministry of Industry and Technology had extended the term of the two licences, Fawar and Mezzouna, held by Dominion's wholly-owned Tunisian subsidiary FAPCO

Both the exploration licences, originally granted for five years, were extended for one year until 4 April 2012 and for a further year thereafter subject to Dominion completing a certain seismic acquisition and drilling programme

Our team was impressed that the Tunisian authorities responded so swiftly in extending our licences at a time when the country was undergoing considerable transition

Tunisia remains an excellent jurisdiction in which to be involved in oil and gas exploration despite the recent developments affecting North Africa.

#### **WITHDRAWAL FROM PLUS**

The Company withdrew from the PLUS Stock Exchange ("PLUS") on 19 April 2011.

The reason for the withdrawal was to ready the Company's share capital for Admission to trading on the London Stock Exchange AIM. Dominion is planning for its Admission and an associated fund-raising to be completed during the first quarter of 2012

As an interim measure pending the Company's admission to AIM, the Company continues to provide a matched bargain facility and any shareholder wishing to acquire or dispose of shares in the Company should contact Kishor Sodha, the Company Secretary, who will if possible assist with any share transfers.

#### **COMPETENT PERSONS REPORT (CPR)**

The Company has received the full first draft of a CPR on the potential hydrocarbons resources at Fawar and Mezzouna from Gaffney Cline and Associates, independent oil and gas consultants specialising in petroleum evaluation and economic analysis.

The draft CPR notes that both permits lie close to or under existing road and/or pipeline infrastructure. It identifies that five possible drilling prospects and two leads within the Fawar permit from the 240 km<sup>2</sup> of 3D seismic data acquired in 2008. From Mezzouna's 2D seismic data enhanced in 2008, two possible leads are predicated

We are pleased to have reached the stage that a draft CPR has been produced. It is being evaluated to assist us in fundraising and in commissioning the drilling of wells on both our licences, scheduled for second quarter in 2012. The final CPR will include confirmation of Gaffney Cline's Gross Unrisked Prospective Resources estimates for each of our licences and is scheduled to be produced prior to the application for Admission to the AIM.

#### **EQUITY INVESTMENTS AND GOING CONCERN**

On 25 August and 10 December 2010 the Company announced two share placings of £100,000 each which were applied to the continuing interpretation of data and the preparation of the CPR on the two Tunisian prospects.

Negotiations are ongoing with prospective financial partners to provide further working capital, complete further work on the Tunisian permits and continue to pursue the opportunities in the Persian Gulf.

## **DOMINION ENERGY PLC**

### **WEBSITE**

During the year the Company issued a new website on its activities which can be viewed at [www.deplc.com](http://www.deplc.com). The new website contains details of the Company's permits, seismic maps and pictures from Tunisia.

### **RESULTS FOR THE YEAR**

For the year ended 30 June 2011, the Group results show a loss of £291,924 compared to a loss of £518,756 for the same period in the prior year. The results include the salaries of oil and gas executives, overseas staff, costs of consultants, administrative expenses of overseas and UK offices and short-term borrowing costs

### **FURTHER PROSPECTS**

During the period under review, the Company announced that negotiations were continuing with a large diversified Russian group, whose activities promote interests in oil and gas, to form a joint venture to include the introduction of new assets into Dominion. We expect to proceed further with these negotiations when market conditions stabilise.

Dominion continues to review opportunities to expand operations. The Company announced an agreement with AlMansoori Petroleum Services of Abu Dhabi, the leading regional provider of oilfield services in the Middle East. The agreement with AlMansoori enables Dominion to progress aspects of participation in several projects in the Persian Gulf. The Company has invested a cumulative £3.3m (2010 £3.0m) in Master Development Plans of such projects.

### **OUTLOOK**

Following the completion of the evaluation of the CPR, the Company plans to raise funds, admit to the AIM and to drill one exploration well in each block. This will complete the exploration phase and pave the way to further drilling, potentially leading to discoveries.

Additional state-of-the-art reservoir characterisation and modelling, especially utilising 3D seismic data, will also be conducted for better assessing the initial prospects and economic risk reduction. This will create the basis for refining prospect definition and selecting the most favourable well locations to be drilled in both blocks.

We have created substantial opportunities in Tunisia especially at present oil prices of ca US\$100 per barrel. We are now looking forward to realising those opportunities.

M Alikhani  
Chairman



24 November 2011

## DOMINION ENERGY PLC

### DIRECTORS' REPORT

The Directors present their report and financial statements of the Company for the year ended 30 June 2011

### PRINCIPAL ACTIVITY

The Company is engaged in the exploration of oil and natural gas in Tunisia, North Africa

### REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

These are described in the Chairman's Statement on page 3

### GOING CONCERN

Based on current expenditure forecasts, at the date of approval of the financial statements the Company will need to raise additional funding in 2012. This represents a material uncertainty over the Group's ability to continue as a going concern. However, the Directors believe that sufficient additional funding, expected to be raised from prospective financial partners, will enable the Group to meet its obligations for the foreseeable future and continue as a going concern.

For these reasons the Directors continue to adopt the going concern basis in preparing the financial statements.

### RESULTS AND DIVIDENDS

The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 12.

Key performance indicators for the Group are as follows -

	Year ended 30 June 2011	Year ended 30 June 2010
	£	£
Intangible assets	12,952,651	12,448,740
Tangible assets	13,369	34,665
Cash and cash equivalents	13,265	3,439
Creditors	(6,802,776)	(6,178,937)
Loss for the year	(291,924)	(518,756)
Loss per share	(0.12)p	(0.23)p

The Directors do not recommend the payment of a dividend on the ordinary shares (2010: nil).

### DIRECTORS AND THEIR INTERESTS

The Directors in office during the year were as follows:

M Alikhani (Executive Chairman)

K Sodha (Executive Director)

M Ala (Non-executive Director)

In accordance with the Articles of Association, M Alikhani retires and being eligible, offers himself for re-election. None of the directors standing for re-election has a service contract with the Company.

## **DOMINION ENERGY PLC**

### **DIRECTORS' REPORT (CONTINUED)**

The interests of the Directors holding office at 30 June 2011 in the share capital of the Company are shown below:

	<b>No of ordinary shares at 30 June 2011</b>	<b>No of ordinary shares at 30 June 2010</b>
M Alikhani	<b>3,072,999</b>	3,072,999
K Sodha	<b>1,583,333</b>	1,583,333
M Ala	<b>416,667</b>	416,667

Details of the Directors' share options are provided in Note 19.

### **TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES**

Details of transactions with Directors are set out in Note 22 to the accounts. There were no other related party transactions.

### **ISSUE OF SHARES**

During the year 9,999,999 ordinary shares of 1 pence each were issued to raise £200,000. A number of share warrants for key directors, employees and consultants have been approved for which no contracts have been issued.

### **SUBSTANTIAL SHAREHOLDINGS**

On 19 October 2011 the Company was aware of the following interests in 3 per cent. or more of the Company's ordinary share capital.

<b>Shareholder</b>	<b>No. of ordinary shares</b>	<b>% holding</b>
HSBC Global Custody Nominee (UK) Ltd	59,017,063	23.98
The Bank of New York (Nominees) Ltd	20,251,625	8.23
ENRC Africa Holdings Ltd	12,000,000	4.88
W B Nominees Ltd	10,624,168	4.31

### **ANNUAL GENERAL MEETING**

Resolutions will be proposed at the Annual General Meeting as set out in the formal notice on pages 47 to 49. The following explanatory notes relate to Resolutions numbered 4 to 5 which will constitute special business.

- (1) Resolution 4 – The Directors currently have a general authority to allot unissued shares of the Company, but this expires on the conclusion of the Annual General Meeting. Resolution 4 is proposed as an Ordinary resolution to provide the Directors with authority to issue ordinary shares (see the detailed resolution and notes on page 47 of this document).
- (2) Resolution 5 – is to authorise the Directors to allot relevant securities up to a nominal value of £10m. This will provide the Directors with the authority to issue ordinary shares of 1 pence each for cash when the Board considers it to be in the best interest of shareholders (see the detailed resolution on pages 47 and 48 of this document).

### **SUPPLIER PAYMENT POLICY**

The Company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the Company at 30 June 2011 were equivalent to 160 days' purchases, based on the average daily amount invoiced by suppliers during the year.

## **DOMINION ENERGY PLC**

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Group is subject to various risks relating to political, economic, legal, industry and financial conditions financial, not all of which are within its control. The Group identifies and monitors the key risks and uncertainties affecting the Group and runs its business in a way that minimises the impact of such risks where possible. The following risks factors, which are not exhaustive, are particularly relevant to the Group's business activities.

- **Commodity risk** – The economic viability of the Group's oil and gas assets is dependent on the underlying price. Management produce financial models of the assets based upon conservative long term oil prices and regularly revise these estimates
- **Exploration risk** – The exploration for hydrocarbons is speculative and involves a high degree of risk. These risks include the uncertainty that the Group will discover sufficient oil or gas resources to exploit economically or that the Group will be able to exploit the discovered resource as intended. Accordingly, the Group seeks to reduce this risk by reviewing the level of investment made in each project, as well as engaging qualified personnel and advisors to undertake detailed assessments of the areas under exploration
- **Political** – the group recognises political risks and opportunities associated with parts of the globe where it conducts business. Lower degree of political stability and less developed legal systems than in the United Kingdom may result in loss of title to Group's assets and restrictions on operations. The Group's management and advisory network have considerable experience in conducting business in areas where it operates and apply this knowledge to regularly assess and monitor this aspect of activities. The Group uses local experts in order to ensure compliance with relevant regulations and to maintain close contact with the local government in the area where it operates. The Group continually reviews fiscal regime
- **Acquisitions and Disposals** – the Group and its advisors have considerable experience in the business environment in which the Group operates. This experience is applied regularly and carefully to assess potential acquisitions and disposals opportunities.
- **Environmental and other regulatory requirements** - existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditure, restrictions and delays in the activities of the Group, the extent of which cannot be predicted. No assurance can be given that the new rules and regulation will not be enacted or existing legislation will not be applied in a manner which could limit or curtail the Group's activities. The Directors monitor developments in relevant legislations and ensures compliance
- **Financing risks** – the group's ability to continue as a going concern is reliant on raising additional funding. The Directors expect that necessary funding will be raised from prospective financial partners as described in note 3

Risks arising from financial instruments are detailed in note 20 in the financial statements

### **ENVIRONMENTAL MATTERS**

The Company undertakes a review of environmental matters prior to deciding to proceed with an investment in a new operation. Once the investment is made the environmental implications are monitored on a regular basis and where necessary improvements are proposed.



## **DOMINION ENERGY PLC**

### **DIRECTORS' REPORT (CONTINUED)**

#### **EVENTS AFTER THE REPORTING DATE**

There were no significant events.

#### **DISCLOSURE OF INFORMATION TO THE AUDITORS**

In accordance with the provisions of Section 418 of the Companies Act 2006, the Directors who held office at the date of approval of this Director's report confirm that, so far as they are each aware, there is no relevant audit information, being information needed by the auditors in connection with preparing this report, of which the auditors are unaware. Having made enquiries of fellow Directors and the Company's auditors, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **AUDITORS**

W H Associates LLP have expressed their willingness to continue in office as auditors. A resolution proposing the appointment of W H Associates LLP will be put to the shareholders at the Annual General Meeting.

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

M Alikhani  
Chairman

3rd Floor, 19/20 Grosvenor Street  
London  
W1K 4QH

24 November 2011



## **DOMINION ENERGY PLC**

### **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 Group and Company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS's). 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 Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently,
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Parent Company Financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that Company and Group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **DOMINION ENERGY PLC**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DOMINION ENERGY PLC**

**FOR THE YEAR ENDED 30 JUNE 2011**

We have audited the financial statements of Dominion Energy Plc for the year ended 30 June 2011 which comprise the Group Income Statement, Group Balance Sheet, Company Balance Sheet, Group Cash Flow Statement and the related notes 1 to 23. 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.

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 auditors' 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 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. 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**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

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

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and the Company's affairs as at 30 June 2011 and of the Group's Loss for the year then ended,
- The financial statements have been properly prepared in accordance with the IFRS's as adopted by the European Union,
- The parent company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, and as applied in accordance with the Companies Act 2006, and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Emphasis of matter – going concern**

Without qualifying our opinion, we draw attention to the disclosures made in note 3 of the financial statements concerning the Company's ability to continue as a going concern which would depend upon funds expected to be raised from prospective financial partners. Until the finance is raised, there is a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern as it is not practicable to determine or quantify them.

## DOMINION ENERGY PLC

### **Emphasis of matter political risks**

Without qualifying our opinion, we draw attention to the disclosure made in respect of political risks under the Principal Risks in the directors' report. If events remain volatile in the Middle East, there is a risk to the Group's investment in the region.

### **Opinion on other matters 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

### **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 by the Company, or returns adequate for our audit have not been received, or
- the Company 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

We reviewed:

- the Directors' statement contained within the Directors' Report in relation to going concern.

Mr J KK Chowdhury, (Statutory Auditor)  
For and on behalf of  
W H Associates LLP  
117 Lonsdale Avenue  
Wembley Middlesex HA9 7EW



24 November 2011

# DOMINION ENERGY PLC

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 £	2010 £
<b>CONTINUING OPERATIONS</b>			
Share based payments		(5,110)	-
Other administrative expenses		<u>(277,159)</u>	<u>(518,756)</u>
<b>Total administrative expenses</b>		<b>(282,269)</b>	<b>(518,756)</b>
Finance expense		<u>(9,655)</u>	<u>-</u>
Loss before tax	6	<b>(291,924)</b>	<b>(518,756)</b>
Taxation	9	<u>-</u>	<u>-</u>
<b>LOSS FOR THE YEAR</b>		<b>(291,924)</b>	<b>(518,756)</b>
<b>Other comprehensive income:</b>			
Exchange translation difference on foreign operations		<b>(96,140)</b>	297,980
Revaluation of available for sale asset		<u><b>36,875</b></u>	<u>(3,125)</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(351,189)</b>	<b>(223,901)</b>
<b>LOSS PER ORDINARY SHARE</b>			
Basic and diluted (pence)	10	<u>0 12p</u>	<u>0 23p</u>

The results above were entirely derived from continuing operations

# DOMINION ENERGY PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION


FOR THE THREE YEARS ENDED 30 JUNE 2011

Company No 03986182

	Notes	2011 £	2010 £	2009 £
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible exploration and evaluation assets	11	<b>12,952,651</b>	12,448,740	9,798,978
Property, plant and equipment	12	<b>13,369</b>	34,665	54,882
Financial asset – available for sale	14	–	13,125	16,250
		<b>12,966,020</b>	12,496,530	9,870,110
<b>Current assets</b>				
Trade and other receivables	15	<b>59,464</b>	61,020	1,426,753
Cash and cash equivalents	15	<b>13,265</b>	3,439	2,709
		<b>72,729</b>	64,459	1,429,462
<b>Total assets</b>		<b>13,038,749</b>	12,560,989	11,299,572
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	17	<b>6,802,776</b>	6,178,937	5,193,619
<b>Total liabilities</b>		<b>6,802,776</b>	6,178,937	5,193,619
<b>Net assets</b>		<b>6,235,973</b>	6,382,052	6,105,953
<b>Equity</b>				
Share capital	18	<b>2,461,207</b>	2,361,207	2,194,540
Share premium account		<b>6,554,838</b>	6,454,838	6,121,505
Retained earnings		<b>(2,981,912)</b>	(2,695,098)	(2,176,342)
Revaluation reserve		–	(36,875)	(33,750)
Cumulative translation reserve		<b>201,840</b>	297,980	–
<b>Equity attributable to equity holders of the parent company</b>		<b>6,235,973</b>	6,382,052	6,105,953

These financial statements were approved by the Board of Directors and authorised for issue on 24 November 2011 and signed on its behalf by

M Alikhani  
Director



**DOMINION ENERGY PLC**

**CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	£	£
Loss before tax	(291,924)	(518,756)
Adjustments for		
Depreciation of property, plant and equipment	19,676	24,738
Share based payments	5,110	–
Impairment in value of financial asset	50,000	–
Finance expense	9,655	–
	<hr/>	<hr/>
Operating cash flow before movements in working capital	(207,483)	(494,018)
Decrease/(increase) in receivables	1,556	(52,442)
Increase in payables	443,417	985,318
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	<b>237,490</b>	<b>438,858</b>
	<hr/>	<hr/>
<b>Investing activities</b>		
Purchases of intangible exploration and evaluation assets	(430,599)	(746,346)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(430,599)</b>	<b>(746,346)</b>
	<hr/>	<hr/>
<b>Financing activities</b>		
Proceeds from issue of shares	200,000	310,500
	<hr/>	<hr/>
<b>Net cash from financing activities</b>	<b>200,000</b>	<b>310,500</b>
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	<b>6,891</b>	<b>3,012</b>
Effect of foreign exchange rate changes	2,935	(2,282)
<b>Cash and cash equivalents at beginning of year</b>	<b>3,439</b>	<b>2,709</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	<b>13,265</b>	<b>3,439</b>
	<hr/>	<hr/>

# DOMINION ENERGY PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

	Share capital £	Share premium account £	Retained earnings £	Cumulative translation reserve £	Revaluation reserve £	Total £
<b>As at 1 July 2008</b>	2,194,540	6,121,505	(1,956,025)	–	(45,000)	6,315,020
Total comprehensive loss for the year	–	–	(220,317)	–	11,250	(209,067)
<b>As at 1 July 2009</b>	2,194,540	6,121,505	(2,176,342)	–	(33,750)	6,105,953
Issue of equity shares	166,667	333,333	–	–	–	500,000
Total comprehensive loss for the year	–	–	(518,756)	297,980	(3,125)	(223,901)
<b>As at 1 July 2010</b>	2,361,207	6,454,838	(2,695,098)	297,980	(36,875)	6,382,052
Issue of equity shares	100,000	100,000	–	–	–	200,000
Share based payments	–	–	5,110	–	–	5,110
Total comprehensive loss for the year	–	–	(291,924)	(96,140)	36,875	(351,189)
<b>As at 30 June 2011</b>	<b>2,461,207</b>	<b>6,554,838</b>	<b>(2,981,912)</b>	<b>201,840</b>	<b>–</b>	<b>6,235,973</b>

### Reserves Description and purpose

- Share capital - amount subscribed for share capital at nominal value
- Share premium – amounts subscribed for share capital in excess of nominal value
- Retained earnings – cumulative net gains and losses recognized in the consolidated income statement
- Revaluation reserve - gains/losses arising on the revaluation of the Group's available-for-sale investments
- Cumulative translation reserve – exchange gains/losses arising on retranslating of foreign operations into presentational currency



# DOMINION ENERGY PLC

## COMPANY STATEMENT OF FINANCIAL POSITION


**FOR THE THREE YEARS ENDED 30 JUNE 2011**

Company No 03986182

	Notes	2011 £	2010 £	2009 £
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible exploration and evaluation assets	11	<b>3,386,537</b>	3,070,364	1,301,243
Property, plant and equipment	12	–	–	192
Investment in subsidiary	13	<b>3,183,053</b>	3,183,053	3,183,053
Financial asset – available for sale	14	–	13,125	16,250
		<b><u>6,569,590</u></b>	<b><u>6,266,542</u></b>	<b><u>4,500,738</u></b>
<b>Current assets</b>				
Trade and other receivables	15	<b>2,887,636</b>	2,195,684	2,981,207
Cash and cash equivalents	15	<b>1,171</b>	742	253
		<b><u>2,888,807</u></b>	<b><u>2,196,426</u></b>	<b><u>2,981,460</u></b>
<b>Total assets</b>		<b><u>9,458,397</u></b>	<b><u>8,462,968</u></b>	<b><u>7,482,198</u></b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	17	<b>2,461,636</b>	1,371,617	936,208
<b>Total liabilities</b>		<b><u>2,461,636</u></b>	<b><u>1,371,617</u></b>	<b><u>936,208</u></b>
<b>Net assets</b>		<b><u>6,996,761</u></b>	<b><u>7,091,351</u></b>	<b><u>6,545,990</u></b>
<b>Equity</b>				
Share capital	18	<b>2,461,207</b>	2,361,207	2,194,540
Share premium account		<b>6,554,838</b>	6,454,838	6,121,505
Retained earnings		<b>(2,019,284)</b>	(1,687,819)	(1,736,305)
Revaluation reserve		–	(36,875)	(33,750)
<b>Total equity</b>		<b><u>6,996,761</u></b>	<b><u>7,091,351</u></b>	<b><u>6,545,990</u></b>

These financial statements were approved by the Board of Directors and authorised for issue on 24 November 2011 and signed on its behalf by

M Alikhani  
Director



# DOMINION ENERGY PLC

## COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	£	£
(Loss)/profit before tax	(336,575)	48,486
Adjustments for		
Depreciation of property, plant and equipment	-	192
Share based payments	5,110	-
Impairment in value of financial asset	50,000	-
	<hr/>	<hr/>
Operating cash flow before movements in working capital	(281,465)	48,678
Increase in receivables	(691,952)	785,523
Increase in payables	1,090,019	624,909
	<hr/>	<hr/>
<b>Net cash outflow from operating activities</b>	<b>116,602</b>	<b>1,459,110</b>
	<hr/>	<hr/>
<b>Investing activities</b>		
Purchases of intangible exploration and evaluation assets	(316,173)	(1,769,121)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(316,173)</b>	<b>(1,769,121)</b>
	<hr/>	<hr/>
<b>Financing activities</b>		
Proceeds from issue of shares	200,000	310,500
	<hr/>	<hr/>
<b>Net cash from financing activities</b>	<b>200,000</b>	<b>310,500</b>
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	<b>429</b>	<b>489</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>742</b>	<b>253</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	<b>1,171</b>	<b>742</b>

# DOMINION ENERGY PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

	Share capital £	Share premium account £	Retained earnings £	Revaluation reserve £	Total £
<b>As at 1 July 2008</b>	2,194,540	6,121,505	(1,565,876)	(45,000)	6,705,169
Total comprehensive loss for the year	–	–	(170,429)	11,250	(159,179)
<b>As at 1 July 2009</b>	2,194,540	6,121,505	(1,736,305)	(33,750)	6,545,990
Issue of equity shares	166,667	333,333	–	–	500,000
Total comprehensive profit for the year	–	–	48,486	(3,125)	45,361
<b>As at 1 July 2010</b>	2,361,207	6,454,838	(1,687,819)	(36,875)	7,091,351
Issue of equity shares	100,000	100,000	–	–	200,000
Share based payments	–	–	5,110	–	5,110
Total comprehensive loss for the year	–	–	(336,575)	36,875	(299,700)
<b>As at 30 June 2011</b>	<b>2,461,207</b>	<b>6,554,838</b>	<b>(2,019,284)</b>	<b>–</b>	<b>6,996,761</b>

### Reserves Description and purpose

- Share capital - amount subscribed for share capital at nominal value
- Share premium – amounts subscribed for share capital in excess of nominal value
- Retained earnings – cumulative net gains and losses recognized in the consolidated income statement
- Revaluation reserve - gains/losses arising on the revaluation of the Group's available-for-sale investments

## DOMINION ENERGY PLC

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR TO 30 JUNE 2011

#### 1. GENERAL INFORMATION

Dominion Energy Plc (the 'Company'), is incorporated and domiciled in the United Kingdom. The address of the registered office is 3rd Floor, 19/20 Grosvenor Street, London, W1K 4QH.

The nature of the Group's operations and its principal activity is the exploration, evaluation and development of oil and gas exploration targets

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated

#### 2. ADOPTION OF IFRS IN THE FINANCIAL YEAR ENDING 30 JUNE 2011

In the current year the Group has adopted standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee that are relevant to its operations and effective for the Group's financial year end on 30 June 2011. The adoption of these standards and interpretations has resulted in changes to the Group's accounting policies and the impact of the adoption of IFRS on the results for the year ended 30 June 2011 are set out in Note 21 to the accounts.

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

IFRS 1* (amended)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
IFRS 7* (amended)	Disclosures – Transfers of Financial Assets
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 12* (amended)	Deferred Tax: Recovery of Underlying Assets
IAS 1* (amended)	Presentation of Items of Other Comprehensive Income
IAS 27 *	Separate Financial Statements
IAS 28*	Investments in Associates and Joint Ventures
IFRIC 14, IAS 19 (amended)	Limit on a Defined Benefit Asset, Minimum Funding Requirement and their interaction

The Directors do not expect that the adoption of these Standards or Interpretations in future periods will have a material impact on the financial statements of the Company or the Group

\*Not yet endorsed by European Union

#### 3. SIGNIFICANT ACCOUNTING POLICIES

##### *Basis of preparation*

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB') and as adopted by the European Union ('EU'), and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

## **DOMINION ENERGY PLC**

### **NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

#### **3. SIGNIFICANT ACCOUNTING POLICIES**

The Group financial information is presented in Pounds Sterling ("£") Foreign operations are included in accordance with the policies set out in "Foreign currencies" below

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its Income Statement for the year. The Group reported a loss for the financial year ended 30 June 2011 of £336,575 (2010. profit £48,486).

#### ***Going concern***

Based on current expenditure forecasts, at the date of approval of the financial statements the Company will need to raise additional funding in 2012 This represents a material uncertainty over the Group's ability to continue as a going concern However, the Directors believe that sufficient additional funding, expected to be raised from prospective financial partners, will enable the Group to meet its obligations for the foreseeable future and continue as a going concern

Accordingly, the financial statements have been prepared on the assumption that the Group will continue as a going concern and do not include any adjustments that may be required if the Group were unable to continue realising its assets and discharging its liabilities in the ordinary course of business

#### ***Basis of consolidation***

The consolidated financial statements incorporates the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June each year Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities

The results of subsidiaries acquired of or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring accounting policies used into line with those used by the Group All intra-group transactions, balances, income and expenses are eliminated on consolidation.

#### ***Segmental reporting***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker The chief operating decision maker has been identified as the Board of Directors.

#### ***Foreign currencies***

The individual financial statements of each group company are prepared in the currency of the primary economic environment in which it operates (its functional currency)

For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in £, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements

In preparing the financial statements of the individual companies, transactions in currencies other than the functional currency of each Group company ('foreign currencies') are recorded in the functional currency at the rates of exchange prevailing on the dates of the transactions At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated into the functional currency at the rates prevailing on the balance sheet date Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at

## **DOMINION ENERGY PLC**

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

Exchange differences are recognised in the income statement in the period in which they arise except for exchange differences 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, and which are recognised in the foreign currency translation reserve and recognised in the income statement on disposal of the net investment

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the 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 is the tax expected to be payable or recoverable 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 recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes

## DOMINION ENERGY PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis

##### ***Property, plant and equipment***

Property, plant and equipment ('PP&E') are carried at cost less accumulated depreciation and any recognised impairment loss.

Depreciation and amortisation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases

Vehicles 20%

Office equipment 20%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

##### ***Intangible exploration and evaluation assets – oil and gas***

The Group applies the full cost method of accounting for Exploration and Evaluation ('E&E') costs, having regard to the requirements of IFRS 6 Exploration for and Evaluation of Mineral Resources. Such E&E costs include licence acquisition costs, geological and geophysical costs, costs of drilling exploration and appraisal wells and an appropriate share of overheads. E&E costs are capitalised and accumulated in cost pools which are no larger than a segment. The Group currently has two such cost pools (Persian Gulf and Tunisia).

Expenditures incurred before the Group has obtained the legal rights to explore a specific area are expensed in the year that they are incurred, unless these expenditures meet definition of an asset and the Directors expect these expenditures to be recovered.

Tangible assets used in E&E activities are classified as property, plant and equipment. However, to the extent that such a tangible asset is consumed in developing an intangible E&E asset, the amount reflecting that consumption is recorded as part of the cost of the intangible asset. Such intangible costs include directly attributable overheads, including the depreciation of property plant and equipment utilised in E&E activities, together with the cost of other materials consumed during the exploration and evaluation phases.

Costs less any impairment relating to the exploration and evaluation of oil and gas interests are carried forward until the existence or otherwise of commercial reserves has been determined.

E&E costs are not amortised prior to the conclusion of appraisal activities.

Where commercial reserves are discovered, the related E&E assets are assessed for impairment and resultant carrying value is then reclassified as oil and gas assets within property, plant and equipment on a field by field basis.

E&E assets that are determined not to have resulted in the discovery of commercial reserves remain capitalised as intangible E&E asset at cost, subject to the relevant cost pool meeting an impairment test as set out below.

Under the full cost method, impairment test on E&E assets are conducted on an individual cost pool basis, including any development or producing assets, when facts and circumstances suggest that the carrying amount in the pool may exceed its recoverable amount. Such indicators include the point at which a determination is made as to whether or not commercial reserves exist. Where the E&E assets concerned fall within the scope of established full cost pool, the E&E assets are tested for impairment together with all development and production assets associated with that cost pool, as a single cash-generating unit. The

## **DOMINION ENERGY PLC**

aggregate carrying value is compared against the expected recoverable amount of the pool, generally by reference to the present value of the future cash flows expected to be delivered from production of commercial reserves. Where the E&E assets to be tested fall outside the scope of any established cost pool, there will generally be no commercial reserves and if the E&E is determined as unsuccessful the E&E assets concerned will be written off in full. Any impairment loss is separately recognised within the income statement.

### ***Capitalisation of borrowing costs***

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale, form part of that asset and are therefore capitalised as part of that asset

### ***Related party transactions***

IAS 24, 'Related Party Disclosures', requires the disclosure of the details of transactions between the reporting entity and related parties. In the consolidated financial statements, all transactions between Group companies are eliminated

### ***Financial instruments***

Recognition of financial assets and financial liabilities

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument

### ***Derecognition of financial assets and financial liabilities***

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

The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or expired

### ***Trade and other receivables***

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost less any provision for impairment.

### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash with three months or less remaining to maturity and are subject to an insignificant risk of changes in value.

### ***Available for sale financial asset***

Financial assets designated as available for sale are initially recognised at fair value, being the consideration given including, where appropriate, acquisition costs associated with the investment. The Group's investments in quoted shares are designated as 'available-for-sale' financial assets and are included in non-current assets. Such investments are subsequently carried at fair value, with any gains or losses arising from changes in fair value being recognised in equity. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Fair value is based on market value at the balance sheet date.



## **DOMINION ENERGY PLC**

### **NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

#### **3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of a financial asset classified as available for sale, a significant or prolonged decline in the fair value of the financial asset below its cost is considered as an indicator that the financial asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on financial assets are not reversed through the income statement.

##### ***Trade and other payables***

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

##### ***Provisions***

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic resource will result and that outflow can be reliably measured.

##### ***Rehabilitation***

Provisions are made for the estimated rehabilitation costs relating to areas disturbed during exploration activities up to reporting date but not yet rehabilitated. Changes in estimates are dealt with on a prospective basis as they arise.

##### ***Share-based payments***

The Group has applied IFRS 2 Share-based Payment for all grants of equity instruments.

The Group issues equity-settled share-based payments to its directors, staff and consultants. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest.

Fair value is measured using the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The inputs to the model include: the share price at the date of grant, exercise price, expected volatility, risk free rate of interest.

##### ***Share capital***

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity instruments.

For the purposes of the disclosures given in note 20, the Group considers its capital to be total equity. There have been no changes in what the Group considers to be capital since the previous period.

The Group is not subject to any externally imposed capital requirements.

#### **4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. The

## DOMINION ENERGY PLC

estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

The following are the critical judgements and estimations that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

*i) Recoverability of exploration and evaluation assets*

Determining whether an exploration and evaluation asset is impaired requires an assessment of whether there are any indicators of impairment, including by reference to specific impairment indicators prescribed in IFRS 6 Exploration for and Evaluation of Mineral Resources. If there is any indication of potential impairment, an impairment test is required based on value in use of the asset. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of the Group's exploration and evaluation assets at the balance sheet date was £12,952,651 (2010: £12,448,740, 2009: £9,798,978) and no impairment was identified or recognised.

*ii) Provisions for liabilities*

As a result of exploration activities the Group is required to make provision for rehabilitation. Significant uncertainty exists as to the amount of rehabilitation obligations which may be incurred due to the impact of possible changes in environmental legislation. Due to the early stage of exploration activity no significant damage has been caused and, therefore, no provision has been recognised at 30 June 2011 (2010: £nil, 2009: £nil) in the Group and the Company balance sheets.

*iii) Share based compensation*

In order to calculate the charge for share-based compensation as required by IFRS 2, the Group makes estimates principally relating to the assumptions used in its option-pricing model as set out in note 19.

## 5. SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments and making strategic decision, has been identified as the Board of Directors.

The Group has three reportable segments:

- Tunisia – this segment is involved in exploration for oil in Tunisia where the Group holds the Fawar permit and the Mezzouna permits
- Persian Gulf – this segment is involved in exploration for oil in the Persian Gulf
- Head office – this segment is the head office of the Group, located in the United Kingdom.

# DOMINION ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 5. SEGMENTAL REPORTING (CONT'D)

The segments results for the year ended 30 June 2011 are as follows.

	Tunisia £	Persian Gulf £	Head Office £	Group £
Year ended 30 June 2011				
Revenue	-	-	-	-
Operating loss	-	-	(291,924)	(291,924)
Finance expense	-	-	-	-
Finance income	-	-	-	-
Loss before taxation	-	-	(291,924)	(291,924)
Taxation	-	-	-	-
Loss for the year	-	-	(291,924)	(291,924)

The segments results for the year ended 30 June 2010 are as follows

	Tunisia £	Persian Gulf £	Head Office £	Group £
Year ended 30 June 2010				
Revenue	-	-	-	-
Operating loss	-	-	(518,756)	(518,756)
Finance expense	-	-	-	-
Finance income	-	-	-	-
Loss before taxation	-	-	(518,756)	(518,756)
Taxation	-	-	-	-
Loss for the year	-	-	(518,756)	(518,756)

The segments results for the year ended 30 June 2009 are as follows

	Tunisia £	Persian Gulf £	Head Office £	Group £
Year ended 30 June 2009				
Revenue	-	-	-	-
Operating (loss)/profit	-	-	(220,542)	(220,542)
Finance expense	-	-	-	-
Finance income	-	-	225	225
Loss before taxation	-	-	(220,317)	(220,317)
Taxation	-	-	-	-
Loss for the year	-	-	(220,317)	(220,317)

## DOMINION ENERGY PLC

Other segment items included in the income statement are as follows.

	Tunisia £	Persian Gulf £	Head Office £	Group £
Year ended 30 June 2011				
Depreciation	–	–	7,324	7,324

Depreciation of £12,352 that relates to property, plant and equipment used in exploration and evaluation activities in Tunisia was capitalised within intangible exploration and evaluation asset.

	Tunisia £	Persian Gulf £	Head Office £	Group £
Year ended 30 June 2010				
Depreciation	–	–	8,132	8,132

Depreciation of £15,822 that relates to property, plant and equipment used in exploration and evaluation activities in Tunisia was capitalised within intangible exploration and evaluation asset

	Tunisia £	Persian Gulf £	Head Office £	Group £
Year ended 30 June 2009				
Depreciation	–	–	8,800	8,800

Depreciation of £20,656 that relates to property, plant and equipment used in exploration and evaluation activities in Tunisia was capitalised within intangible exploration and evaluation asset

The segment assets and liabilities at 30 June 2011 and capital expenditure for the year then ended are as follows

	Tunisia £	Persian Gulf £	Head Office £	Inter- segmental eliminations £	Group
Year ended 30 June 2011					
Segment assets	9,874,555	3,386,537	2,626,940	(2,849,283)	13,038,749
Segment liabilities	(7,104,234)	(211,404)	(2,336,421)	2,849,283	(6,802,776)
Segment net assets /(liabilities)	2,770,321	3,175,133	290,519	–	6,235,973
Capital expenditure*	519,969	213,173	–	–	733,142

\*Capital expenditure in Tunisia includes £389,001 of capitalised finance costs

# DOMINION ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 5. SEGMENTAL REPORTING (CONT'D)

The segment assets and liabilities at 30 June 2010 and capital expenditure for the year then ended are as follows

	Tunisia £	Persian Gulf £	Head Office £	Inter- segmental eliminations £	Group
Year ended 30 June 2010					
Segment assets	9,431,655	3,070,364	1,797,553	(1,738,583)	12,560,989
Segment liabilities	(6,534,200)	(188,488)	(1,194,832)	1,738,583	(6,178,937)
Segment net assets /(liabilities)	2,897,455	2,881,876	602,721	–	6,382,052
Capital expenditure*	595,003	1,769,121	–	–	2,591,666

\*Capital expenditure in Tunisia includes £448,711 of capitalised finance costs

The segment assets and liabilities at 30 June 2009 and capital expenditure for the year then ended are as follows

	Tunisia £	Persian Gulf £	Head Office £	Inter- segmental eliminations £	Group
Year ended 30 June 2009					
Segment assets	8,547,062	2,684,444	1,307,063	(1,238,997)	11,299,572
Segment liabilities	(5,472,938)	–	(959,678)	1,238,997	(5,193,619)
Segment net assets /(liabilities)	3,074,124	2,684,444	347,385	–	6,105,953
Capital expenditure*	577,992	1,769,121	–	–	2,594,356

\*Capital expenditure in Tunisia includes £413,031 of capitalised finance costs

Geographical information of non-current assets, other than financial instruments

	2011 £	2010 £	2009 £
United Kingdom	–	–	192
Tunisia	9,651,414	9,405,717	8,537,111
Persian Gulf	3,301,237	3,070,364	1,301,243
Bermuda	–	7,324	15,314
	<u>12,952,651</u>	<u>12,483,405</u>	<u>9,853,860</u>

## DOMINION ENERGY PLC

### 6. LOSS FOR THE YEAR

The loss for the year has been arrived at after charging / (crediting)

	2011	2010
	£	£
Depreciation of property, plant and equipment (note 12)	7,324	8,132
Staff costs (note 8)	40,380	55,027
Net foreign exchange gains	<u>2,935</u>	<u>2,283</u>

In addition to the depreciation of property, plant and equipment of £7,324 (2010: £8,132), depreciation of £12,352 (2010: £16,606) was capitalised to intangible exploration and evaluation assets being depreciation of property, plant and equipment used in exploration and evaluation activities

### 7. AUDITORS' REMUNERATION

Amounts payable in respect of audit of the Company's annual accounts were £10,000 (2010: £10,000, 2009: £10,000) No other services were provided by Company's auditors.

### 8. STAFF COSTS

The average monthly number of employees (including Directors) was.

	2011	2010
	Number	Number
Staff	4	4
Directors	<u>3</u>	<u>4</u>

Their aggregate remuneration comprised

	2011	2010
	£	£
Wages and salaries	35,875	48,913
Social security costs	4,505	6,114
Share based payment	<u>5,110</u>	<u>—</u>
	<u>45,490</u>	<u>55,027</u>

Within wages and salaries, £34,025 (2010: £35,375) relates to Directors remuneration for services rendered (See note 22)

### 9. TAXATION

	2011	2010
	£	£
<b>Current tax</b>		
UK corporation tax	—	—
Overseas taxation	—	—
	<u>—</u>	<u>—</u>
<b>Deferred tax (note 16)</b>		
UK corporation tax	—	—
Overseas taxation	—	—
	<u>—</u>	<u>—</u>

# DOMINION ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 9. TAXATION (CONT'D)

The taxation charge for each year can be reconciled to the loss per the consolidated income statement as follows

	2011 £	2010 £
<b>Loss before tax</b>	<b>(291,924)</b>	<b>(518,756)</b>
Tax credit at the standard rate of tax in the UK 26% (2010: 28%)	75,900	145,252
Tax effect of non-deductible expenses	(7,205)	(3,815)
Deferred tax asset not recognised	(68,695)	(141,437)
Tax expense for the year	—	—

### 10. LOSS PER ORDINARY SHARE

Basic loss per ordinary share is calculated by dividing the consolidated net loss for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year. The calculation of the basic and diluted loss per share is based on the following data

	2011 £	2010 £
<b>Losses</b>		
Loss for the purposes of basic loss per share being consolidated net loss attributable to equity holders of the parent company	(291,924)	(518,756)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic loss per share	243,508,751	229,070,396
	2011 £	2010 £
<b>Loss per ordinary share</b>		
Basic and diluted	0.12p	0.23p

At the balance sheet date there were 31,182,352 (2010: 23,882,352) potentially dilutive Ordinary Shares. Potentially dilutive ordinary shares relate to share options issued to directors, staff and consultants.

## DOMINION ENERGY PLC

### 11 INTANGIBLE EXPLORATION AND EVALUATION ASSETS

	Exploration & Evaluation Assets £	Total £
<b>Group</b>		
<b>Cost</b>		
<b>At 1 July 2008</b>	<b>7,999,925</b>	7,999,925
Additions	<b>990,530</b>	990,530
Exchange differences	<b>808,523</b>	808,523
<b>At 1 July 2009</b>	<b>9,798,978</b>	9,798,978
Additions	<b>2,364,124</b>	2,364,124
Exchange differences	<b>285,638</b>	285,638
<b>At 1 July 2010</b>	<b>12,448,740</b>	12,448,740
Additions	<b>759,073</b>	759,073
Exchange differences	<b>(255,162)</b>	(255,162)
<b>At 30 June 2011</b>	<b>12,952,651</b>	12,952,651

Additions to intangible exploration and evaluation assets during the year ended 30 June 2011 include £12,352 (2010 £15,822, 2009 £20,656) of capitalised depreciation of property, plant and equipment used in exploration and evaluation activities and £389,001 (2010 £448,711, 2009 £413,031) of capitalised borrowing costs directly attributable to exploration activities

The Tunisia exploration and evaluation assets consist of the cost of acquiring the Fawar and Mezzouna exploration permits, together with subsequent exploration and evaluation of these assets. Carrying value of Tunisian assets amounts to £9,566,114 (2010 £9,378,376, 2009: £8,497,735).

The Persian Gulf exploration and evaluation assets consist of amounts paid towards Master Development Plans and their carrying value amounts cumulative to £3,386,537 (2010: £3,070,364, 2009: £1,301,243)

	Exploration & Evaluation Assets £	Total £
<b>Company</b>		
<b>Cost</b>		
<b>At 1 July 2008</b>	<b>888,705</b>	888,705
Additions	<b>412,538</b>	412,538
<b>At 1 July 2009</b>	<b>1,301,243</b>	1,301,243
Additions	<b>1,769,121</b>	1,769,121
<b>At 1 July 2010</b>	<b>3,070,364</b>	3,070,364
Additions	<b>316,173</b>	316,173
<b>At 30 June 2011</b>	<b>3,386,537</b>	3,386,537



**DOMINION ENERGY PLC**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**12. PROPERTY, PLANT AND EQUIPMENT**

	Motor vehicles £	Office equipment £	Total £
<b>Group Cost</b>			
At 1 July 2008	64,723	59,173	123,896
Additions	—	—	—
Foreign exchange difference	5,115	11,493	16,608
	<hr/>	<hr/>	<hr/>
At 1 July 2009	69,838	70,666	140,504
Additions	—	—	—
Foreign exchange difference	2,694	6,585	9,279
	<hr/>	<hr/>	<hr/>
At 1 July 2010	72,532	77,251	149,783
Additions	—	—	—
Foreign exchange difference	(1,930)	(4,336)	(6,266)
<b>At 30 June 2011</b>	<hr/> <b>70,602</b>	<hr/> <b>72,915</b>	<hr/> <b>143,517</b>
	<hr/>	<hr/>	<hr/>
	Motor vehicles £	Office equipment £	Total £
<b>Accumulated depreciation</b>			
At 1 July 2008	25,582	24,680	50,262
Charge for the year	13,935	15,070	29,005
Foreign exchange difference	494	5,861	6,355
	<hr/>	<hr/>	<hr/>
At 1 July 2009	40,011	45,611	85,622
Charge for the year	15,240	9,498	24,738
Foreign exchange difference	—	4,758	4,758
	<hr/>	<hr/>	<hr/>
At 1 July 2010	55,251	59,867	115,118
Charge for the year	15,879	3,798	19,677
Foreign exchange difference	(1,341)	(3,306)	(4,647)
<b>At 30 June 2011</b>	<hr/> <b>69,789</b>	<hr/> <b>60,359</b>	<hr/> <b>130,148</b>
	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>			
<b>At 30 June 2011</b>	<hr/> <b>812</b>	<hr/> <b>12,557</b>	<hr/> <b>13,369</b>
	<hr/>	<hr/>	<hr/>
At 30 June 2010	17,281	17,384	34,665
	<hr/>	<hr/>	<hr/>
At 30 June 2009	29,827	25,055	54,882
	<hr/>	<hr/>	<hr/>

## DOMINION ENERGY PLC

<b>Company</b>	Office equipment	Total
<b>Cost</b>		
At 1 July 2008	4,050	4,050
At 1 July 2009	4,050	4,050
At 1 July 2010	4,050	4,050
<b>At 30 June 2011</b>	<b>4,050</b>	<b>4,050</b>
<b>Accumulated depreciation</b>		
At 1 July 2008	3,048	3,048
Charge for the year	810	810
At 1 July 2009	3,858	3,858
Charge for the year	192	192
At 1 July 2010	4,050	4,050
Charge for the year	–	–
<b>At 30 June 2011</b>	<b>4,050</b>	<b>4,050</b>
<b>Carrying amount</b>		
<b>At 30 June 2011</b>	<b>–</b>	<b>–</b>
At 30 June 2010	–	–
At 30 June 2009	192	192

### 13. INVESTMENT IN SUBSIDIARY

<b>Company</b>	<b>Tunisia</b> <b>£</b>
At 1 July 2008	3,183,053
Additions during the year	–
At 1 July 2009	3,183,053
Additions during the year	–
At 1 July 2010	3,183,053
Additions during the year	–
At 30 June 2011	3,183,053

The Company had an investment in the following subsidiary undertaking as at 30 June 2011

<b>Name</b>	<b>Country of Incorporation</b>	<b>Proportion of voting Interest %</b>	<b>Activity</b>
First African Petroleum Consortium Ltd	Bermuda	100	Exploration for oil and gas

# DOMINION ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 14 AVAILABLE FOR SALE FINANCIAL ASSET

	£
<b>Group and Company</b>	
<b>Carrying value</b>	
<b>At 1 July 2008</b>	5,000
Revaluation	11,250
<b>At 1 July 2009</b>	16,250
Revaluation	(3,125)
<b>At 1 July 2010</b>	13,125
Revaluation	(13,125)
<b>At 30 June 2011</b>	-

Available for sale financial asset comprises the market value of Company's investment in shares of Cape Resources Plc

### 15 TRADE AND OTHER RECEIVABLES

	2011 £	2010 £	2009 £
<b>Group</b>			
Other receivables	51,311	53,364	1,418,175
VAT recoverable	4,766	2,807	1,083
Prepayments	3,387	4,849	7,495
	<u>59,464</u>	<u>61,020</u>	<u>1,426,753</u>
<b>Company</b>			
Receivable due from subsidiary	2,849,272	2,157,905	1,561,949
Other receivable	33,598	34,972	1,418,175
VAT recoverable	4,766	2,807	1,083
	<u>2,887,636</u>	<u>2,195,684</u>	<u>2,981,207</u>

The fair value of trade and other receivables is not significantly different from the carrying value and none of the balances are past due

#### Cash and cash equivalents

The Group's cash and cash equivalents as at 30 June 2011 of £13,265 (2010 £3,439, 2009 £2,709) comprise cash at bank and in hand.

The Company's cash and cash equivalents as at 30 June 2011 of £1,171 (2010 £742, 2009 £253) comprise cash at bank and in hand

The Directors consider that the carrying amount of these assets approximates their fair value.

## DOMINION ENERGY PLC

### 16 DEFERRED TAX

Differences between IFRS and statutory tax rules (in the United Kingdom and elsewhere) give rise to temporary differences between the carrying values of certain assets and liabilities for financial reporting purposes and for income tax purposes

At 30 June 2011, the Group and Company are carrying forward estimated tax losses of £1.9m (2010 £1.6m, 2009 £1.1m). No deferred tax asset has been recognised in respect of these losses due to the unpredictability of future profit streams

### 17 OTHER FINANCIAL LIABILITIES

#### Trade and other payables

	2011 £	2010 £	2009 £
<b>Group</b>			
Trade payables	3,158,225	4,036,850	3,929,390
Other taxes and social security	50,791	64,500	41,442
Other payables	2,160,584	1,154,240	758,151
Accruals	1,433,176	923,347	464,636
	<u>6,802,776</u>	<u>6,178,937</u>	<u>5,193,619</u>

Interest of 12% per annum is being charged on a balance outstanding of £2.8m (2010 £3.7m, 2009 £3.3m) included within trade creditors due to a company assisting the Group with exploration work in Tunisia. Interest on this balance is included within accruals and amounts to £1,261,575 (2010 £872,574, 2009 £423,863)

Other payables include short term loans of £1,660,564 (2010 £716,038) repayable on demand with interest payable thereon at 7% p a

	2011 £	2010 £	2009 £
<b>Company</b>			
Trade payables	89,413	120,190	120,457
Other taxes and social security	50,039	46,415	40,300
Other payables	2,150,584	1,154,239	734,678
Accruals	171,600	50,773	40,773
	<u>2,461,636</u>	<u>1,371,617</u>	<u>936,208</u>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

The fair value of payables is not significantly different from the carrying value.

# DOMINION ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 18. SHARE CAPITAL

As permitted by the Companies Act 2006, the Company does not have an authorised share capital (2010 500 million at 1p each)

Issued equity share capital

	2011		2010		2009	
	Number	£	Number	£	Number	£
<b>Issued and fully paid</b>						
Ordinary shares of £0.01 each	<u>246,120,623</u>	<u>2,461,207</u>	<u>236,120,624</u>	<u>2,361,207</u>	<u>219,453,958</u>	<u>2,194,540</u>

The Company has one class of ordinary shares which carry no right to fixed income

#### Shares Issued during the year

	Number of shares	Nominal value
<b>At 1 July 2008</b>	<u>219,453,958</u>	<u>2,194,540</u>
<b>At 1 July 2009</b>	219,453,958	2,194,540
Shares issued		
13 October 2009	5,000,000	50,000
24 December 2009	<u>11,666,666</u>	<u>116,667</u>
<b>At 1 July 2010</b>	<u>236,120,624</u>	<u>2,361,207</u>
Shares issued		
1 September 2010	6,666,666	66,667
10 December 2010	<u>3,333,333</u>	<u>33,333</u>
<b>At 30 June 2011</b>	<u>246,120,623</u>	<u>2,461,207</u>

On 13 October and 24 December 2009 the Company issued 5,000,000 and 11,666,666 ordinary shares respectively at £0.03 each

Included in the placing on 24 December 2009, 2,916,667 ordinary shares of £0.01 each at a value of £0.03 each were issued to directors in lieu of remuneration of £87,500 and 3,400,000 ordinary shares of £0.01 each at a value of £0.03 each were issued to senior management and consultants in lieu of remuneration fees due of £102,000

On 1 September 2010 the Company issued 6,666,666 ordinary Shares at £0.015 each On 10 December 2010 the Company issued 3,333,333 ordinary Shares at £0.03 each

## DOMINION ENERGY PLC

### 19. SHARE BASED PAYMENTS

Equity settled share-based payments

Company has a share option scheme for directors, employees and consultants

There were no share options outstanding or granted during 2008. The following share options were granted on the 7 May 2009

	Exercise price	Number of share options
M Alikhani	3p	6,000,000
M Ala	3p	2,000,000
K Sodha	3p	4,000,000
G Verspyck	3p	441,176
Other staff and consultants	3p	11,441,176
		<u>23,882,352</u>

All of the share options above were outstanding at end of 2009, 2010 and 2011. There were no share options granted, exercised, lapsed or cancelled in 2010. These share options can be exercised immediately from grant and expire 5 years after the grant date

The fair value of equity settled share options granted is estimated as at the date of grant using the Black Scholes model, taking into account the terms and conditions upon which the options were granted. The table below lists the inputs to the model used for options granted on the 7 May 2009

	2009
Share price at the date of grant	0.25p
Volatility	100%
Expected life	2.0 years
Risk free interest rate	2%

The fair value of the share options granted was estimated to be zero, therefore there was no share based payment charge in the income statement (2010 £Nil, 2009 £Nil)

The following share options were granted on 6 May 2011

	Exercise price	Number of share options
M Ala	3p	2,000,000
Other staff and consultants	3p	5,300,000
		<u>7,300,000</u>

All of the share options above were outstanding at the end of 2011. These share options can be exercised immediately from grant and expire 3 years after the grant date

The fair value of equity settled share options granted is estimated as at the date of grant using the Black Scholes model, taking into account the terms and conditions upon which the options were granted. The table below lists the inputs to the model used for options granted on 6 May 2011

	2011
Share price at the date of grant	1.25p
Volatility	70%
Expected life	1 year
Risk free interest rate	2%

The fair value of the share options granted was estimated to be £5,110 and this share based payment was charged in the income statement

# DOMINION ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 20. FINANCIAL INSTRUMENTS

#### **Capital risk management**

The Group seeks to manage its capital to ensure that entities in the Group will be able to continue as a going concern, while maximising the return to shareholders

The capital resources of the Group consists of cash and cash equivalents arising from equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity

#### **Externally imposed capital requirement**

The Group is not subject to externally imposed capital requirements

#### **Significant accounting policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, 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 Consolidated Financial Statements

#### **Categories of financial instruments**

	2011 £	2010 £	2009 £
<b>Group</b>			
<b>Financial assets</b>			
Available for sale financial asset	-	13,125	16,250
Cash and cash equivalents	13,265	3,439	2,709
Other receivables	56,077	61,020	1,426,753
	<u>69,342</u>	<u>77,584</u>	<u>1,445,712</u>
<b>Financial liabilities</b>			
Trade payables	3,158,225	4,036,850	3,929,390
Other payables	2,211,375	1,218,740	799,593
	<u>5,369,600</u>	<u>5,255,590</u>	<u>4,728,983</u>
	2011 £	2010 £	2009 £
<b>Company</b>			
<b>Financial assets</b>			
Available for sale financial asset	-	13,125	16,250
Cash and cash equivalents	1,171	742	253
Other receivables	2,887,636	2,195,684	2,981,207
	<u>2,888,807</u>	<u>2,209,551</u>	<u>2,997,710</u>
<b>Financial liabilities</b>			
Trade payables	89,413	120,190	120,457
Other payables	2,200,623	1,200,654	774,978
	<u>2,290,036</u>	<u>1,320,844</u>	<u>895,435</u>

## **DOMINION ENERGY PLC**

### ***Fair value of financial assets and liabilities***

Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, other than a forced or liquidation sale and excludes accrued interest. Where available, market values have been used to determine fair values.

The fair value of available for sale financial assets are determined by reference to the observable market share price at the year end date. Company's available for sale financial asset represents shares in Cape Resources Plc that was quoted on a stock exchange, this qualifies as tier one valuation under IFRS 7.

### ***Financial risk management objectives***

Management provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risks reports which analyse exposures by degree and magnitude of risks. These risks include foreign currency risk, credit risk, liquidity risk and cash flow interest rate risk.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

As the Group has no committed borrowings, the Group is not exposed to any risks associated with fluctuations in interest rates on loans. Fluctuation in interest rates applied to cash balances held at the balance sheet date would have minimal impact on the Group.

### ***Foreign exchange risk and foreign currency risk management***

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The Group to date has elected not to hedge its exposure to the risk of changes in foreign currency exchange rates.

There are no significant non-functional currency denominated financial assets and liabilities at the reporting dates. Hence the group's income statement is not sensitive to movements in the foreign exchange.

### ***Credit risk management***

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group does not have any significant credit risk exposure on trade receivables.

The Group makes allowances for impairment of receivables where there is an identified event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

The credit risk on liquid funds (cash) is considered to be limited because the counterparties are financial institutions with high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk.



# DOMINION ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 20. FINANCIAL INSTRUMENTS (CONT'D)

#### *Liquidity risk management*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group aims to maintain appropriate cash balance in order to meet its liabilities as they fall due. As disclosed in note 3, the Group is reliant on raising further funding in order to be able to meet its current obligations.

#### Maturity analysis

	Total	on demand	in 1 month	Between 1 and 6 months	Between 6 and 12 months	Between 1 and 3 years
	£	£	£	£	£	£
<b>2011</b>						
Trade and other payables	5,369,600	5,369,600	–	–	–	–
	<b>5,369,600</b>	<b>5,369,600</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>2010</b>						
Trade and other payables	5,255,590	5,255,590	–	–	–	–
	<b>5,255,590</b>	<b>5,255,590</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>2009</b>						
Trade and other payables	4,728,983	4,728,983	–	–	–	–
	<b>4,728,983</b>	<b>4,728,983</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## DOMINION ENERGY PLC

### 21 TRANSITION TO IFRS

Dominion Energy Plc reported under UK GAAP in its previous published financial statements for the year ended 30 June 2010. The analysis below shows a reconciliation of net assets and loss as reported under UK GAAP as at 30 June 2010 to the revised net loss and assets under International Financial Reporting Standards (IFRS) as reported in these financial statements.

#### *Reconciliation of equity as at 1 July 2009*

	Notes	Under Previous GAAP* £	Effect of Transition to IFRS and Restatement £	IFRS £
<b>Group Assets</b>				
<b>Non-current assets</b>				
Intangible assets - Goodwill	(a)	3,260,121	(3,260,121)	—
Intangible exploration and evaluation assets	(a), (b), (c)	—	9,798,978	9,798,978
Property, plant and equipment	(b)	6,169,876	(6,114,994)	54,882
Financial asset — available for sale		16,250		16,250
		<u>9,446,247</u>		<u>9,870,110</u>
<b>Current assets</b>				
Trade and other receivables		1,426,753		1,426,753
Cash and cash equivalents		2,709		2,709
		<u>1,429,462</u>		<u>1,429,462</u>
<b>Total assets</b>		<u>10,875,709</u>		<u>11,299,572</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	(c)	4,769,756	423,863	5,193,619
<b>Total liabilities</b>		<u>4,769,756</u>		<u>5,193,619</u>
<b>Net assets</b>		<u>6,105,953</u>		<u>6,105,953</u>
<b>Equity</b>				
Share capital		2,194,540		2,194,540
Share premium account		6,121,505		6,121,505
Retained earnings	(d)	(2,210,092)	33,750	(2,176,342)
Revaluation reserve	(d)	—	(33,750)	(33,750)
<b>Equity attributable to equity holders of the parent company</b>		<u>6,105,953</u>		<u>6,105,953</u>

\*The previous GAAP column represents the numbers previously reported, however the presentation has been amended to comply with IAS 1.

# DOMINION ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 21 TRANSITION TO IFRS (CONT'D)

	Notes	Effect of Under Previous GAAP* £	Transition to IFRS and Restatement £	IFRS £
<b>Company</b>				
<b>Non-current assets</b>				
Intangible exploration and evaluation assets	(b)	–	1,301,243	1,301,243
Property, plant and equipment	(b)	1,301,435	(1,301,243)	192
Investment in subsidiary		3,183,053		3,183,053
Financial asset – available for sale		16,250		16,250
		<u>4,500,738</u>		<u>4,500,738</u>
<b>Current assets</b>				
Trade and other receivables		2,981,207		2,981,207
Cash and cash equivalents		253		253
		<u>2,981,460</u>		<u>2,981,460</u>
<b>Total assets</b>		<u>7,482,198</u>		<u>7,482,198</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		936,208		936,208
<b>Total liabilities</b>		<u>936,208</u>		<u>936,208</u>
<b>Net assets</b>		<u>6,545,990</u>		<u>6,545,990</u>
<b>Equity</b>				
Share capital		2,194,540		2,194,540
Share premium account		6,121,505		6,121,505
Retained earnings	(d)	(1,770,055)	33,750	(1,736,305)
Revaluation reserve	(d)	–	(33,750)	(33,750)
<b>Equity attributable to equity holders of the parent company</b>		<u>6,545,990</u>		<u>6,545,990</u>

\*The previous GAAP column represents the numbers previously reported, however the presentation has been amended to comply with IAS 1.

# DOMINION ENERGY PLC

## Reconciliation of equity as at 1 July 2010

	Notes	Under Previous GAAP* £	Effect of Transition to IFRS and Restatement £	IFRS £
<b>Group Assets</b>				
<b>Non-current assets</b>				
Intangible assets - Goodwill	(a)	3,183,053	(3,183,053)	-
Intangible exploration and evaluation assets	(a), (b), (c)	-	(12,448,740)	12,448,740
Property, plant and equipment	(b)	8,427,778	(8,393,113)	34,665
Financial asset - available for sale		13,125		13,125
		<u>11,623,956</u>		<u>12,496,530</u>
<b>Current assets</b>				
Trade and other receivables		61,020		61,020
Cash and cash equivalents		3,439		3,439
		<u>64,459</u>		<u>64,459</u>
<b>Total assets</b>		<u>11,688,415</u>		<u>12,560,989</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	(c)	5,306,363	872,574	6,178,937
<b>Total liabilities</b>		<u>5,306,363</u>		<u>6,178,937</u>
<b>Net assets</b>		<u>6,382,052</u>		<u>6,382,052</u>
<b>Equity</b>				
Share capital		2,361,207		2,361,207
Share premium account		6,454,838		6,454,838
Retained earnings	(d)	(2,433,993)	(261,105)	(2,695,098)
Revaluation reserve	(d)	-	(36,875)	(36,875)
Cumulative translation reserve(e)	(e)	-	297,980	297,980
<b>Equity attributable to equity holders of the parent company</b>		<u>6,382,052</u>		<u>6,382,052</u>

\*The previous GAAP column represents the numbers previously reported, however the presentation has been amended to comply with IAS 1.

# DOMINION ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 21 TRANSITION TO IFRS (CONT'D)

	Notes	Effect of Under Previous GAAP* £	Transition to IFRS and Restatement £	IFRS £
<b>Company</b>				
<b>Non-current assets</b>				
Intangible exploration and evaluation assets	(b)	-	3,070,364	3,070,364
Property, plant and equipment	(b)	3,070,364	(3,070,364)	-
Investment in subsidiary		3,183,053		3,183,053
Financial asset – available for sale		13,125		13,125
		<u>6,266,542</u>		<u>6,266,542</u>
<b>Current assets</b>				
Trade and other receivables		2,195,684		2,195,684
Cash and cash equivalents		742		742
		<u>2,196,426</u>		<u>2,196,426</u>
<b>Total assets</b>		<u>8,462,968</u>		<u>8,462,968</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		1,371,617		1,371,617
<b>Total liabilities</b>		<u>1,371,617</u>		<u>1,371,617</u>
<b>Net assets</b>		<u>7,091,351</u>		<u>7,091,351</u>
<b>Equity</b>				
Share capital		2,361,207		2,361,207
Share premium account		6,454,838		6,454,838
Retained earnings	(d)	(1,724,694)	36,875	(1,687,819)
Revaluation reserve	(d)	-	(36,875)	(36,875)
<b>Equity attributable to equity holders of the parent company</b>		<u>7,091,351</u>		<u>7,091,351</u>

\*The previous GAAP column represents the numbers previously reported, however the presentation has been amended to comply with IAS 1

## DOMINION ENERGY PLC

### Reconciliation of loss for the year ended 30 June 2010

	Notes	Under Previous GAAP* £	Effect of Transition to IFRS and Restatement £	IFRS £
<b>Group</b>				
Administrative expenses	(d), (e)	(223,901)	(294,855)	(518,756)
<b>Operating loss</b>				(518,756)
Finance income		-		-
Finance expense		-		-
Loss before tax		(223,901)		(518,756)
Taxation		-		-
Loss for the year attributable to equity holders of the parent company		(223,901)		(518,756)

### Reconciliation of total comprehensive income for the year ended 30 June 2010

	Notes	Under Previous GAAP* £	Effect of Transition to IFRS and Restatement £	IFRS £
<b>Group</b>				
<b>Loss for the year</b>	(d), (e)	(223,901)	(294,855)	(518,756)
<b>Other comprehensive income</b>				
Exchange translation differences on foreign operations	(e)	297,980		297,980
Revaluation of available for sale investment	(d)	(3,125)		(3,125)
Total comprehensive loss for the year attributable to equity holders of the parent company before and after tax	(f)	<b>70,954</b>		<b>(223,901)</b>

Explanation of reconciling items between UK GAAP as previously reported and IFRS as reported within these financial statements

- (a) Restatement under UK GAAP to recognise exploration assets on the acquisition of First African Petroleum Consortium Ltd, instead of goodwill
- (b) Reclassification of tangible exploration assets under UK GAAP to intangible exploration assets under IFRS6
- (c) Restatement under UK GAAP to recognise the liability for and the capitalisation of accrued interest on amounts due to a supplier of exploration services
- (d) Reclassification of the change in fair value of the Company's available for sale investment from the income statement to revaluation reserve in accordance with IAS39
- (e) Reclassification of the foreign exchange gain on receivables due from subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future, in accordance with IAS21
- (f) No total comprehensive income was previously reported under UK GAAP

## DOMINION ENERGY PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 22. RELATED PARTY TRANSACTIONS

##### *Remuneration of key management personnel*

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures

	2011 £	2010 £
<b>Group and Company</b>		
Short-term employee benefits	<b>29,000</b>	31,500
Social security costs	<b>3,625</b>	3,875
Share based payment	<b>1,400</b>	–
	<u>34,025</u>	<u>35,375</u>

#### 23. COMMITMENTS

In order to maintain the current right of tenure to exploration permits, the Group has to meet the minimum work program which constitutes drilling of one exploration well, costing approximately \$4m each on both Fawar and Mezzouna permit by April 2013

## DOMINION ENERGY PLC

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at 10 00 am on Wednesday 21 December 2011 at 19-20 Grosvenor Street, London W1K 4QH for the purpose of considering and if thought fit, passing the following resolutions, of which Resolutions 1 to 4 will be proposed as Ordinary Resolutions and Resolution 5 will be proposed as a Special Resolution

- 1 To receive the Company's annual accounts for the financial year ended 30 June 2011 together with the directors' report and auditors' report on those accounts.
2. To re-appoint W H Associates LLP as Auditors to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company and to authorise the Directors to agree their remuneration
- 3 To re-elect M Alikhani as a Director of the Company

### Special Business

To consider and, if thought fit, pass Resolution 4, which will be proposed as an Ordinary Resolution, and Resolution 5 which will be proposed as a Special Resolution.

- 4 That, in accordance with section 551 of the Companies Act 2006 (the "2006 Act") the Directors of the Company be and are generally and unconditionally authorised to allot Relevant Securities (as defined in the notes to this resolution).

4 1 up to a maximum nominal amount of £311,823.52 (in pursuance of the exercise of outstanding warrants and share options granted by the Company prior to the date hereof but for no other purpose),

4 2 up to an aggregate nominal amount of £10 million (in addition to the authorities conferred in sub-paragraphs 4 1),

provided that these authorities, unless duly renewed, varied or revoked by the Company, will expire on the date being fifteen months from the date of the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution, save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted after such expiry and, the Directors may allot Relevant Securities in pursuance of such an offer or agreement notwithstanding that the authority conferred by this resolution has expired

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot relevant securities under section 551 of the 2006 Act but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities

- 5 That, subject to the passing of Resolution 4, the Directors be given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash, pursuant to the authority conferred by Resolution 4, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:

5 1 the allotment of equity securities in connection with an offer by way of a rights issue:

5 1.1 to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings, and

5 1.2 to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any applicable regulatory body or stock exchange,



## DOMINION ENERGY PLC

5.2 the allotment (otherwise than pursuant to sub-paragraph 5.1 above) of equity securities on the exercise of outstanding warrants and share options granted by the Company prior to the date hereof;

5.3 the allotment (otherwise than pursuant to sub-paragraphs 5.1, and 5.2 above) of equity securities up to an aggregate nominal amount of £10 million,

provided that the power granted by this resolution will expire on the date being fifteen months from the date of the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on such date), save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and, the Directors may allot equity securities in pursuance of such an offer or agreement notwithstanding that the authority conferred by this resolution has expired

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities

Registered office  
19/20 Grosvenor Street  
London  
W1K 4QH

By order of the Board

M A Alikhani

24 November 2011



### Notes to the Notice of Annual General Meeting

#### Entitlement to attend and vote

1 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at

- 6 p.m. on 19 December 2011, or,
- if this Meeting is adjourned, at 6 p.m. on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting

#### Appointment of proxies

- 2 If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form
- 3 A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them
- 4 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy please refer to the notes on the proxy form

#### Appointment of proxy using hard copy proxy form

- 5 The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote

## DOMINION ENERGY PLC

To appoint a proxy using the proxy form, the form must be

- completed and signed,
- sent or delivered to Neville Registrars Limited, Neville House 18 Laurel Lane, Halesowen, West Midlands B63 3DA, and
- received by Neville Registrars no later than 10 00 am on 19 December 2011

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form

### Appointment of proxy by joint members

- 6 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior)

### Changing proxy instructions

- 7 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions, any amended proxy appointment received after the relevant cut-off time will be disregarded

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Neville Registrars Limited, Neville House 18 Laurel Lane, Halesowen, West Midlands B63 3DA

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence

### Termination of proxy appointments

- 8 In order to revoke a proxy instruction you will need to inform the Company using the following method

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited, Neville House 18 Laurel Lane, Halesowen, West Midlands B63 3DA

- In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice
- In either case, the revocation notice must be received by Neville Registrars Limited, Neville House 18 Laurel Lane, Halesowen, West Midlands B63 3DA no later than 10 00 am on 19 December 2011
- If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid
- Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated

### Issued shares and total voting rights

- 9 As at 12 noon on 24 November 2011, the Company's issued share capital comprised 246,120,623 ordinary shares of 1 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 12 noon on 24 November 2011 is 246,120,623

### Definition of Relevant Securities

Shares in the Company other than shares allotted pursuant to

- an employee share scheme (as defined by section 1166 of the 2006 Act),
- a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security, or
- a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security

Any right to subscribe for or convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the 2006 Act). References to the allotment of Relevant Securities in the resolution include the grant of such rights