

4310477

Louis Dreyfus Energy Holdings Limited

Report and Financial Statements

31 December 2005



A35
COMPANIES HOUSE

AUFTRAGSNUMMER

239
09/11/2006

Registered No. 4310477

Directors

G Louis-Dreyfus (Chairman)
B Baldensperger
R L. Caperton
E F Steiner

Secretary

A M Payne

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Registered Office

Queensberry House
3 Old Burlington Street
London W1S 3LD

Directors' report

The directors submit their report and the financial statements for Louis Dreyfus Energy Holdings Limited (the "Company") for the year ended 31 December 2005.

Results and dividends

The company's profit for the year was \$3,000 (2004 - \$25,000,000). Dividends of \$nil (2004 - \$25,000,000) were paid during the year.

Principal activities and business review

The company acts as a holding company for a group, which is involved in the refining and marketing of petroleum products in Europe. The company has no employees.

Future developments

The company will continue to act as a holding company.

The Company has executed a purchase and sale agreement with ConocoPhillips for the 100% sale of the shares of Louis Dreyfus Refining & Marketing Ltd and Louis Dreyfus Energy Holding GmbH. The sale was completed on 28 February 2006.

The Company is actively investigating investment opportunities in various business areas, primarily the renewable energy sector, and expects to further develop its business in the coming year.

Directors' and officers' liability insurance

During the year the Company purchased and maintained liability insurance for its directors and officers as permitted by section 310(3) of the Companies Act 1985.

Directors and their interests

The directors who served during the year were as follows:

G. Louis-Dreyfus (Chairman)
B. Baldensperger
R. L. Caperton
E. F. Steiner

No director has any interest required to be disclosed under Schedule 7 of the Companies Act 1985.

Events since Balance Sheet date

Other than the sale of the company's subsidiary undertakings there have been no events since the balance sheet date which would necessitate revision of the figures included in these financial statements or require the inclusion of a note thereto.

Directors' Statement as to the disclosure of information to auditors

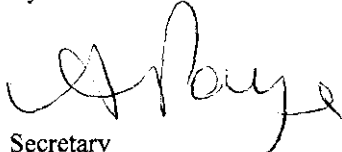
All the accounting records have been made available for the purpose of the audit and all the transactions undertaken by the company have been properly reflected and recorded in the accounting records. All other records and related information have been made available, including the minutes of all directors' and shareholders' meetings which are a complete and authentic record of the proceedings at those meetings.

Directors' report

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board

A handwritten signature in dark ink, appearing to read 'A. Dreyfus', is written over the printed name 'Secretary'.

Secretary

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and UK Generally Accepted Accounting Practice.

The directors are required to prepare financial statements for each financial year which present fairly the financial position of the company and the financial performance of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in UK GAAP is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- state that the company has complied with UK GAAP, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and of the group and enable them to ensure that the financial statements comply with the Companies Act 1985.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Louis Dreyfus Energy Holdings Limited

We have audited the company's financial statements for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's 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

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

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

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

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

Basis of audit opinion

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

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

Opinion

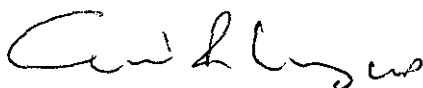
In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

Independent auditors' report

to the members of Louis Dreyfus Energy Limited (continued)

- the information given in the directors' report is consistent with the financial statements.



Ernst & Young LLP
Registered Auditor
London

31 October 2006

Profit and loss account

for the year ended 31 December 2005

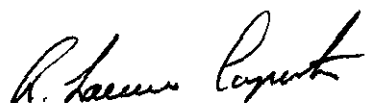
	Notes	2005 \$000	2004 \$000
Administrative expense		(1,364)	—
Amortisation of notes issue costs		(187)	(187)
Interest receivable and similar income	2	6,861	6,811
Interest payable and similar charges	3	(6,674)	(6,624)
Income from investments		1,000	25,000
(Loss)/profit on ordinary activities before taxation	4	(364)	25,000
Tax on (loss)/profit on ordinary activities	6	367	—
Profit on ordinary activities after taxation		3	25,000
Dividends	7	—	(25,000)
Result retained for the year		3	—

There were no recognised gains or losses other than the result for the year.

Balance sheet

at 31 December 2005

	Notes	2005 \$000	2004 \$000
Fixed assets			
Investments	8	215,405	215,405
Current assets			
Debtors	9	35,916	36,729
Cash at bank and in hand		1,002	–
Creditors: amounts falling due within one year	10	(2,778)	(2,778)
Net current assets		34,140	33,951
Total assets less current liabilities		249,545	249,356
Creditors: amounts falling due after more than one year	11	(108,542)	(108,356)
		141,003	141,000
Capital and reserves			
Called up share capital	12	140,000	140,000
Profit and loss account		1,003	1,000
Shareholders' funds		141,003	141,000



Director

Notes to the financial statements

at 31 December 2005

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. As the immediate parent undertaking has published a group cash flow statement in compliance with Financial Reporting Standard No. 1 (Revised), a cash flow statement is not presented in these accounts.

Group accounts

Group accounts are not submitted as the Company is exempt from the obligation to prepare group accounts under Section 228(1) of the Companies Act 1985. The results of the subsidiary undertakings are dealt with in the consolidated accounts of the immediate parent undertaking, Louis Dreyfus Holdings Limited, a company registered in England and Wales.

Foreign currencies

Monetary assets and liabilities denominated in currencies other than US Dollars are translated at the exchange rate ruling at the balance sheet date. Exchange differences are taken to the profit and loss account.

Investments

Investments are recorded at cost, less any provision for impairment.

Capital instruments

Capital instruments are classified as liabilities as they contain an obligation to transfer economic benefits. The finance cost recognised in the profit and loss account in respect of capital instruments is allocated to periods over the term of the instrument at a constant rate of the carrying amount.

2. Interest receivable and similar income

	2005 \$000	2004 \$000
Receivable from group undertakings	6,861	6,811
	<u> </u>	<u> </u>

3. Interest payable and similar charges

	2005 \$000	2004 \$000
Other	6,674	6,624
	<u> </u>	<u> </u>

4. Loss on ordinary activities before taxation

Administrative costs, including auditors' remuneration, have been borne by the subsidiary companies with the exception of costs purely related to holding company activities.

Notes to the financial statements

at 31 December 2005

5. Directors' emoluments

None of the directors received any fees or remuneration for services as a director of the company during the financial year (2004 – \$nil).

6. Tax on loss on ordinary activities

(a) Tax on loss on ordinary activities

The tax (credit) is made up as follows:

	2005 \$000	2004 \$000
Current tax:		
UK corporation tax	(367)	–
	<u>(367)</u>	<u>–</u>

There is no deferred tax liability. The Company has a deferred tax asset of \$nil (2004 – \$nil).

(b) Factors affecting current tax (credit)

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2004 – 30%). The differences are reconciled below:

	2005 \$000	2004 \$000
Loss on ordinary activities before tax	(364)	–
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004 – 30%)	(110)	–
Expenses not deductible for tax purposes	43	–
Income not chargeable for tax purposes	(300)	–
Total current tax	<u>(367)</u>	<u>–</u>

7. Dividends

	2005 \$000	2004 \$000
Dividends paid		
- Louis Dreyfus Holdings Limited	–	25,000
	<u>–</u>	<u>25,000</u>

Notes to the financial statements

at 31 December 2005

8. Investments

	2005 \$000	2004 \$000
Cost:		
At 1 January	215,405	106,421
Additions	–	108,984
At 31 December	215,405	215,405

Details of the investments are as follows:

<i>Subsidiary undertakings</i>	<i>Country of incorporation or principal business address</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Louis Dreyfus Refining and Marketing Limited	UK	Ordinary shares	100%	Refining and marketing of petroleum products
Louis Dreyfus Energy Holdings GmbH	Germany GmbH	Ordinary shares	100%	Intermediate holding company for group
- Louis Dreyfus & Cie. Mineraloel GmbH	Germany	Ordinary shares	100%	Marketing of petroleum products
- Wilhelmshavener Raffineriegesellschaft mbH	Germany	Ordinary shares	100%	Refining of petroleum products

The company executed a definitive agreement with the Conoco Phillips in November 2005 for the cash sale of all its subsidiary undertakings. The sale completed on 28 February 2006.

9. Debtors

	2005 \$000	2004 \$000
Amounts owed by group undertakings	35,549	36,729
Other debtors	367	–
	35,916	36,729

Notes to the financial statements

at 31 December 2005

10. Creditors: amounts falling due within one year

	2005 \$000	2004 \$000
Accruals and deferred income	2,778	2,778

11. Creditors: amounts falling due after more than one year

	2005 \$000	2004 \$000
Unsecured notes		
Amounts falling due in more than one year	110,000	110,000
Less issue costs	(1,458)	(1,644)
	108,542	108,356

The unsecured notes are repayable between 5 and 13 years. Interest rates range from 5.36% to 6.28%.

12. Share capital

Share capital represents the issued share capital of the company.

Ordinary shares of \$1 each

	No.	Authorised \$000	Allotted, called up and fully paid No.	\$000
At 1 January 2005	200,000,000	200,000	140,000,000	140,000
Additions	—	—	—	—
At 31 December 2005	200,000,000	200,000	140,000,000	140,000

13. Reconciliation of shareholders' funds and movement on reserves

	Share capital \$000	Profit and loss account \$000	Total share- holders' funds \$000
At 1 January 2005	140,000	1,000	141,000
Profit for the period	—	3	3
At 31 December 2005	140,000	1,003	141,003

14. Contingent liabilities

In the normal course of business the Company has issued parent company guarantees on behalf of a subsidiary undertaking.

Notes to the financial statements

at 31 December 2005

15. Related party transactions

The Company is exempt under FRS 8, from disclosing related party transactions with parent and subsidiary undertakings as it is a subsidiary of a Company which holds more than 90% of the voting rights and whose consolidated financial statements are publicly available.

16. Parent undertaking and controlling party

The company's immediate parent undertaking is Louis Dreyfus Holdings Limited, incorporated in the United Kingdom. It is also the parent undertaking of the smallest group for which group financial statements are prepared.

The company's ultimate parent undertaking and controlling party is Louis Dreyfus SAS, incorporated in France.

17. Events since Balance Sheet date

The Company has executed a purchase and sale agreement with ConocoPhillips for the 100% sale of the shares of LDEH GmbH and LDRM. In connection with the sale of these companies, the Company has agreed to indemnify these companies in respect of certain credit, employment, tax and other matters. The sale completed on 28 February 2006.