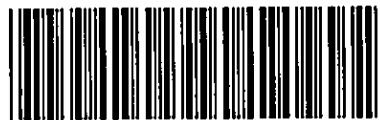


Louis Dreyfus Energy Holdings Limited

Report and Financial Statements

31 December 2006

THURSDAY



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14/06/2007
COMPANIES HOUSE

Louis Dreyfus Energy Holdings Limited

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 2006

Results and dividends

The company's profit for the year was \$1,027,386,883 (2005 – \$3,000). Dividends of \$1,000,000,000 (2005 – nil) were paid during the year.

Principal activities and business review

The company was acting as a holding company for a group, which was involved in the refining and marketing of petroleum products in Europe.

In 2005 the Company 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.

Future developments

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' indemnity insurance

The Company has taken out insurance to indemnify against third party proceedings, the directors of the Company whilst serving on the board of the Company. These indemnity policies subsisted throughout the year and remain in place at the date of this report.

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

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.

Statement as to disclosure of information to auditors

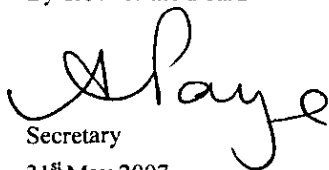
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information being information needed by the auditor in connection with preparing the audit report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

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 black ink, appearing to read 'A. Payne', is written over the printed name 'A. Payne'.

Secretary

31st May 2007

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. 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.

We consider the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements in it.

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 2006 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

Ernst & Young LLP
Registered Auditor
London

31st May 2007

Profit and loss account

for the year ended 31 December 2006

	Notes	2006 \$000	2005 \$000
Administrative expense		(12,417)	(1,364)
Amortisation of notes issue costs		(1,457)	(187)
Interest receivable and similar income	5	28,751	6 861
Interest payable and similar charges	6	(8,128)	(6,674)
Income from investments		-	1,000
Other income		556	-
Profit on the sale of investments	7	1,022,625	-
Profit/(loss) on ordinary activities before taxation		1,029,930	(364)
Tax on profit/(loss) on ordinary activities	8	(2,543)	367
Profit on ordinary activities after taxation	16	1,027,387	3

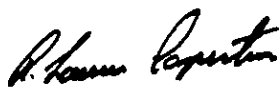
There are no recognised gains or losses other than the profit for the year of \$1,027,387,000 (2005 profit of \$3,000)

Balance sheet

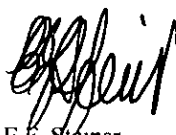
at 31 December 2006

	Notes	2006 \$000	2005 \$000
Fixed assets			
Tangible fixed assets	11	49	–
Investments	10	–	215,405
Current assets			
Debtors	12	163 261	35 916
Cash at bank and in hand		8 461	1 002
Creditors amounts falling due within one year	13	(3 381)	(2,778)
Net current assets		168 341	34,140
Total assets less current liabilities		168,390	249,545
Creditors amounts falling due after more than one year	14	–	(108,542)
		168 390	141 003
Capital and reserves			
Called up share capital	15	140 000	140,000
Profit and loss account	16	28 390	1,003
Shareholders' funds		168 390	141 003

On behalf of the Board



R L Caperton
Director



E F Steiner
Director

31st May 2007

Notes to the financial statements

at 31 December 2006

1. Accounting policies

The principal accounting policies all of which have been applied consistently throughout the year are

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Consolidated financial statements

Consolidated financial statements have not been prepared, as permitted by s228 of the Companies Act 1985. These financial statements present information about the company as an individual undertaking, and not about its group. The company is included in the consolidated financial statements of Louis Dreyfus SAS.

Cash flow statement

As the immediate parent undertaking will publish a group cash flow statement in compliance with Financial Reporting Standard No. 1 (Revised), a cash flow statement is not presented in these financial statements.

Fixed assets

Tangible fixed assets are recorded at historical cost less accumulated depreciation.

Depreciation is calculated to write off fixed assets over their estimated useful lives on a straight-line basis at the following rates:

Furniture, fixtures, fittings and equipment – between 4 and 10 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not been reversed by the balance sheet date. Deferred taxation is not recognised when an asset is sold if it is more likely than not that the taxable gain will be rolled over. Deferred taxation assets are recognised to the extent that they are regarded as recoverable. Provisions for deferred taxation are not discounted. Deferred tax assets and liabilities are calculated using the tax rates that have been enacted or substantively enacted by the balance sheet date.

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.

Notes to the financial statements

at 31 December 2006

2. Operating profit

This is stated after charging

	2006 \$000	2005 \$000
Auditors remuneration – audit services	405	–
Depreciation	16	–
	<u>421</u>	<u>–</u>

In 2005 administrative costs, including auditors' remuneration, were borne by the subsidiary companies with the exception of costs purely related to holding company activities

3. Staff costs

	2006 \$000	2005 \$000
Wages and salaries	5 251	–
Social security costs	575	–
	<u>5 826</u>	<u>–</u>

The average number of employees during the year was 11 (2005 – nil)

4. Directors' emoluments

	2006 \$000	2005 \$000
Aggregate directors' emoluments	571	–
	<u>571</u>	<u>–</u>

The amounts in respect of the highest paid director are as follows

	2006 \$000	2005 \$000
Emoluments	571	–
	<u>571</u>	<u>–</u>

5 Interest receivable and similar income

	2006 \$000	2005 \$000
Banks	479	–
Receivable from group undertakings	28,272	6 861
	<u>28,751</u>	<u>6 861</u>

Notes to the financial statements

at 31 December 2006

6. Interest payable and similar charges

	2006 \$000	2005 \$000
Banks	51	–
Other	8 077	6 674
	<u>8 128</u>	<u>6,674</u>

7 Profit on the sale of investments

The profit on the sale of investments relates to the profit on the sale of the Company's subsidiary undertakings, Louis Dreyfus Refining & Marketing Ltd and Louis Dreyfus Energy Holding GmbH, to ConocoPhillips on 28th February 2006

The result after taxation for the subsidiary undertakings for the 2 month period ending 28th February 2006 was a loss of \$19,448,000

8 Tax on loss on ordinary activities

(a) Tax on profit/(loss) on ordinary activities

The tax charge/(credit) is made up as follows

	2006 \$000	2005 \$000
Current tax		
UK corporation tax	2,543	(367)
	<u>2 543</u>	<u>(367)</u>

There is no deferred tax liability. The Company has a deferred tax asset of \$nil (2005 – \$nil)

(b) Factors affecting current tax charge/(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% (2005 – 30%). The differences are reconciled below

	2006 \$000	2005 \$000
Profit/(loss) on ordinary activities before tax	1,029 930	(364)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004 – 30%)	308,979	(110)
Expenses not deductible for tax purposes	139	43
Income not chargeable for tax purposes	(306,827)	(300)
Deferred tax asset not recognised	103	–
Effect of foreign exchange in tax charge	149	–
Total current tax charge/(credit)	<u>2,543</u>	<u>(367)</u>

Notes to the financial statements

at 31 December 2006

8. Tax on loss on ordinary activities (continued)

The directors' believe that the sale of the subsidiaries should qualify for the Substantial Shareholdings Exemption, which would exempt the gain on sale from UK Corporation Tax and has prepared these financial statements on the basis that the exemption will apply. The Company is in the process of making an application to HMRC to confirm that the exemption will apply but, as at the date of the signing of these financial statements, the application is still in process.

9. Dividends

	2006 \$000	2005 \$000
Dividends paid		
- Louis Dreyfus Holdings Limited	1,000,000	-

10. Investments

	2006 \$000	2005 \$000
Cost		
At 1 January	215,405	215,405
Disposals	(215,405)	-
At 31 December	-	215,405

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

Notes to the financial statements

at 31 December 2006

11. Tangible fixed assets

	2006 \$000	2005 \$000
<i>Furniture, fixtures, fittings & Equipment</i>		
Cost		
At 1 January	-	-
Additions	65	-
Disposals	-	-
At 31 December	65	-
Depreciation		
At 1 January	-	-
Additions	(16)	-
Disposals	-	-
At 31 December	(16)	-
Net book value		
At 31 December	49	-

12. Debtors

	2006 \$000	2005 \$000
Amounts owed by group undertakings	163,130	35,549
Trade debtors	128	-
Other debtors	3	367
	163,261	35,916
Amounts falling due after more than one year included above are		
Amounts owed by group undertakings	75,000	-

13. Creditors: amounts falling due within one year

	2006 \$000	2005 \$000
Amounts owed to group undertakings	1,236	-
Trade creditors	1,009	-
Accruals and deferred income	1,025	2,778
Other taxes and social security costs	111	-
	3,381	2,778

Notes to the financial statements

at 31 December 2006

14. Creditors amounts falling due after more than one year

	2006 \$000	2005 \$000
Unsecured notes		
Amounts falling due in more than one year	–	110,000
Less issue costs	–	(1,458)
	<u>–</u>	<u>108,542</u>

The unsecured notes, which were repayable in 2005 between 5 and 13 years, were repaid in 2006. Interest rates ranged from 5.36% to 6.28%.

15. 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 2006	200,000,000	200,000	140 000 000	140,000
At 31 December 2006	200,000,000	200,000	140 000,000	140 000

16 Reconciliation of shareholders' funds and movement on reserves

	Share capital \$000	Profit and loss account \$000	Total share- holders' funds \$000
At 1 January 2006	140,000	1 003	141,003
Profit for the period	–	1 027,387	1,027 387
Dividends paid	–	(1 000 000)	(1 000 000)
At 31 December 2006	<u>140 000</u>	<u>28,390</u>	<u>168 390</u>

17. Contingent liabilities

The Company has issued an indemnity with respect to certain obligations arising from the sale of its subsidiaries. The Company's parent undertaking has issued a letter of support to the Company with regard to these obligations.

18. Related party transactions

The Company is ultimately a wholly owned subsidiary of Louis Dreyfus SAS, the consolidated financial statements for which are publicly available. Accordingly, the Company has taken advantage of the exemption conferred by FRS8 from disclosing transactions with members or investees of the Louis Dreyfus group.

Notes to the financial statements

at 31 December 2006

19. Parent undertaking and controlling party

The company's immediate parent undertaking is Louis Dreyfus Holdings Limited

The company's ultimate parent undertaking and controlling party is Louis Dreyfus SAS, which is incorporated in France. Copies of its consolidated financial statements, which include the company, are available from its registered office: 152 Avenue Malakoff, 75016 Paris, France