

PetroLatina Energy Limited

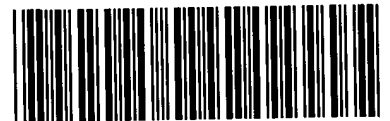
Report and Financial Statements

Year Ended

31 December 2015

Company Number 5173588

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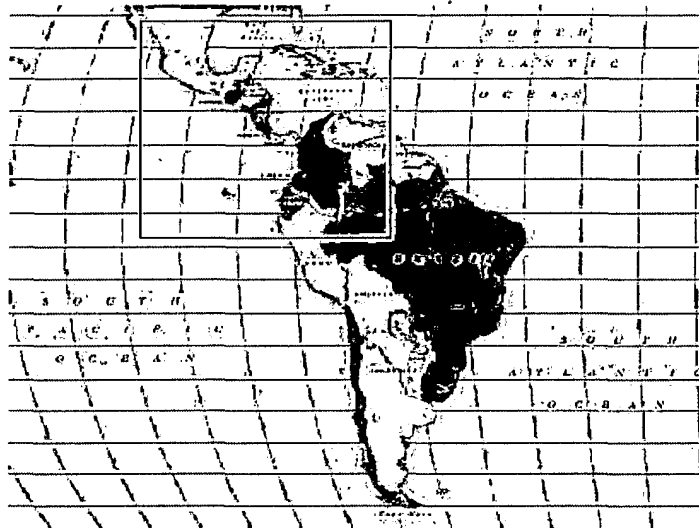
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COMPANIES HOUSE

PetroLatina Energy Limited
Contents
For the year ended 31 December 2015

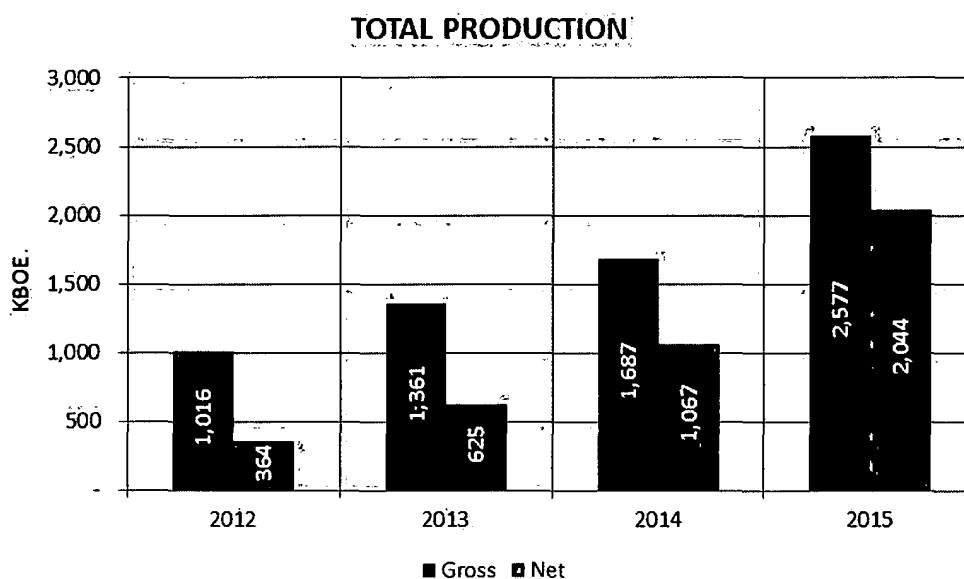
Contents	Page
Highlights and achievements of the year	3
Group Reserves	6
Board of Directors & Corporate Information	8
Chief Executive's Review	9
The Strategic Report	10
The Directors' Report including the Operational & Financial Review	11
Directors' Responsibilities	19
Independent Auditor's Report to the members of PetroLatina Energy Limited	20
Consolidated statement of comprehensive income	22
Consolidated statement of financial position	23
Consolidated statement of cashflows	24
Consolidated statement of changes in equity	26
Accounting Policies and notes to the financial statements	27
Company financial statements	59

Highlights and achievements of the year



For the year ended 31 December 2015

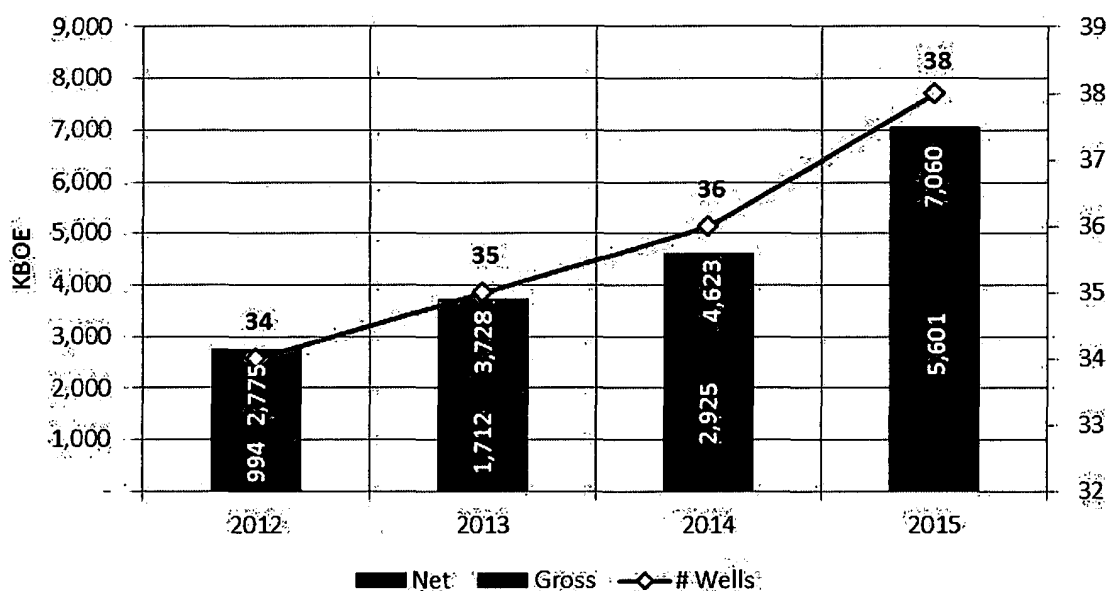
§ The Group finished the year reaching a new total annual gross production milestone having increased gross production by 53% on the previous year to 2,576,814 barrels ("bbls") (2014: 1,687,481 bbls) at an average daily gross production rate of 7,060 barrels of oil per day ("bopd") (2014: 4,623 bopd). These production numbers reflect the total production from the fields, including working interests of partners, and before royalties.



PetroLatina Energy Limited
Highlights and achievements of the year
For the year ended 31 December 2015

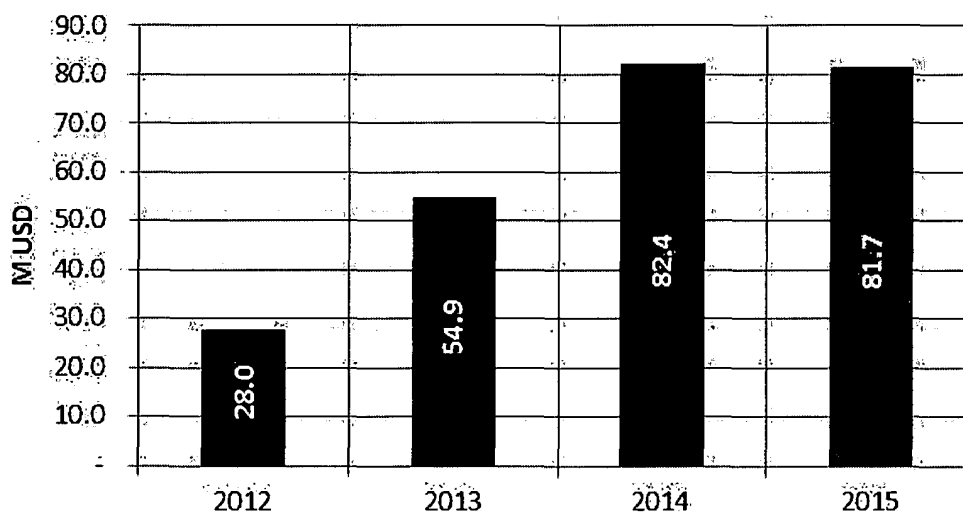
- § Total net annual oil production (net to the Group) achieved was 2,044,488 bbls, representing an increase of 91% compared to 1,067,477 bbls achieved in 2014, with an average daily net production rate of 5,601 bopd (2014: 2,925 bopd).

DAILY AVERAGE PRODUCTION

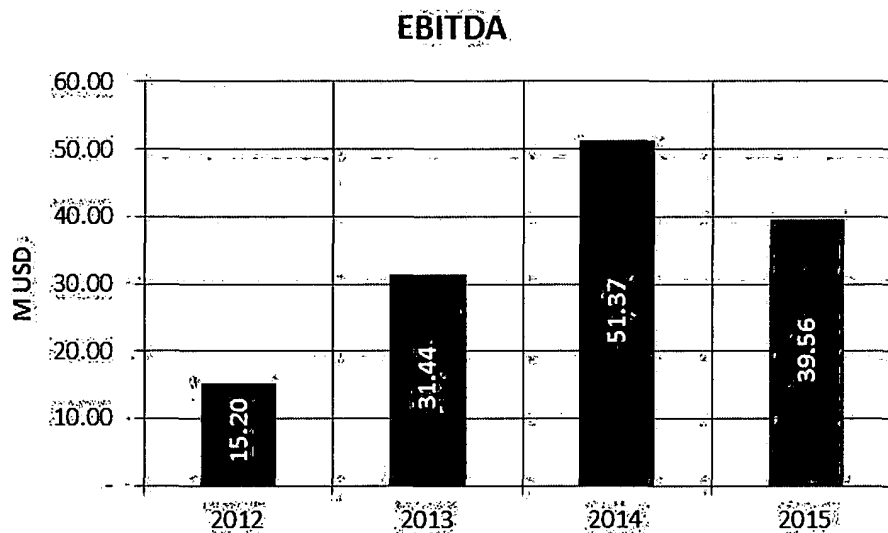


- § Despite increased production, due to lower oil prices Group revenues reflected an overall marginal decrease of 1% to US\$81.7 million (2014: US\$82.4 million).

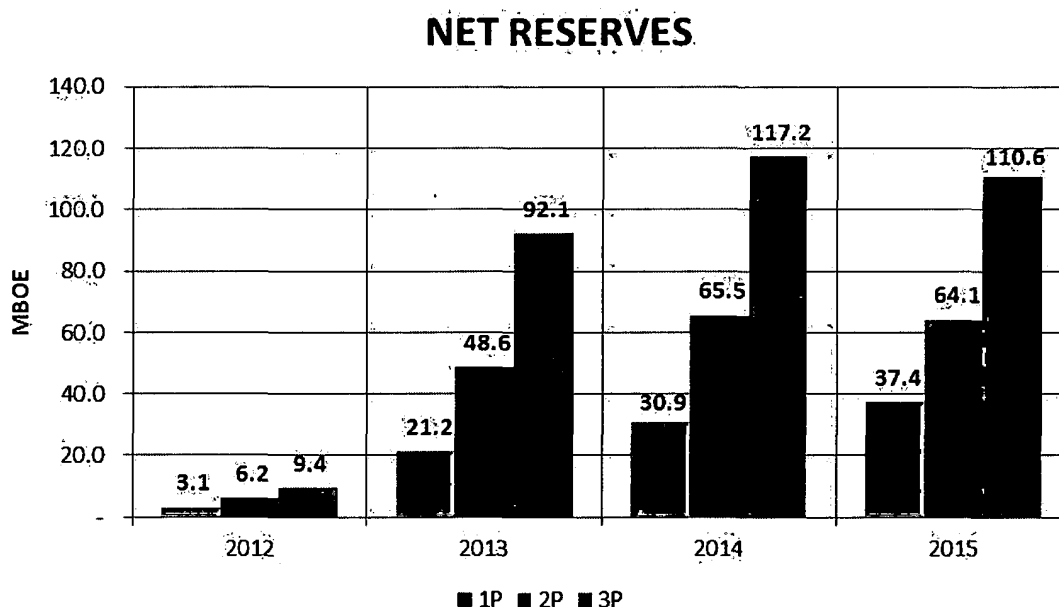
OIL & GAS REVENUE



- § Underlying earnings before interest, tax, depreciation and amortisation (EBITDA) achieved was US\$39.56 million (2014: US\$51.37 million) representing a decrease of 23% on the previous year. (EBITDA = Loss from operations of US\$23.19 million plus DD&A and Impairment charges of US\$62.75 million.



- § The Group's net certified estimated proved plus probable reserves ("2P reserves") decreased to 64.1 million barrels of oil equivalent ("boe") (2014: 65.5 boe), representing a decrease of 2% on 2014.



PetroLatina Energy Limited
Group Reserves
For the year ended 31 December 2015

Basin/ Contract /Asset	Field/ Prospect	Role	Share	Status	Hydrocarbon	Net Reserves			
						(Millions barrels of oil ("MMBO"))			
						1P	2P	3P	Prospective Resources
Colombia									
Tisquirama Association Contract	Los Angeles	Operator	38% ¹	Exploration & Production	Oil	0.631	0.680	0.680	1.700
	Serafin (boe) ²	Operator	20%	Production	Gas	-	-	-	-
	Querubin	Operator	20% ¹	Exploration & Production	Oil	0.031	0.031	0.031	-
	Santa Lucia	Operator	20% ¹	Production	Oil	0.112	0.112	0.112	-
	Tronos	Operator	100%	Production	Oil	-	-	-	-
	Cotera	Operator	20%	Exploration	Oil	-	-	-	1.200
La Paloma E&P Block	Colon	Operator	100%	Production	Oil	0.636	1.187	1.993	-
	Juglar	Operator	100%	Exploration & Production	Oil	0.342	0.466	0.466	-
	Gaitero	Operator	100%	Exploration & Production	Oil	-	-	-	-
Middle Magdalena Basin	Block VMM28 ³	Investor	15%	Exploration	Oil	-	-	-	-
Midas E&P Block ⁴	Chuirra	Operator	100%	Exploration & Production	Oil	2.225	3.501	4.600	-
	Zoe	Operator	100%	Exploration & Production	Oil	0.003	0.003	0.003	-
	Acordionero	Operator	100%	Exploration & Production	Oil	33.381	58.143	102.735	-
	Ayombero	Operator	100%	Exploration	Oil	-	-	-	0.523
	Totumillo	Operator	100%	Exploration	Oil	-	-	-	10.600
Putumayo Basin	Putumayo-4 E&P Block	Investor	30% ⁵	Exploration	Oil	-	-	-	-
	Putamayo -25 E&P Block	Operator	100%	Exploration	Oil	-	-	-	-
Llanos Basin	Llanos-1 E&P Block	Operator	100%	Exploration	Oil	-	-	-	-
	Llanos-53 E&P Block	Operator	100%	Exploration	Oil	-	-	-	17.300
	Llanos-70 E&P Block	Operator	100%	Exploration	Oil	-	-	-	31.400
Colombia -- Total Reserves & Resources						37.361	64.123	110.621	62.723
Guatemala									
A-7-2005 A-6-93	Atzam-2	Investor	20% ⁶	Exploration	Oil	-	-	-	-
Guatemala -- Total Reserves & Resources						-	-	-	-
Group -- Total Reserves & Resources						37.361	64.123	110.621	62.723

Source: Ryder Scott Company L.P., independent reserves assessment as at 31 December 2015.

¹ Participation in the field is affected by the international price (WTI). The higher the WTI rise, the lower the Group's share is.

² Barrels of oil equivalent ("boe") converted at 6mcf to 1 bbl

³ Shell Exploration and Production Colombia GmbH ("Shell E&P Colombia" and ConocoPhillips Colombia Ventures Ltd.), collectively hold an 85% participating interest in the block. PetroLatina retains a 15% legal interest with an option to participate in the block on expiry of an agreed exclusivity period and reimbursement of its share of Shell E&P Colombia's total sunk costs to the date of exercise of the option, out of PetroLatina's share of production within the block. Upon exercise of the option, PetroLatina shall pay its share of the ongoing costs, expenses and liabilities associated with the block. As of June 2015, Shell E&P Colombia notified the ANH of its intention to relinquish to the block as a result of environmental restrictions ensuring that a drilling project would not be feasible. Shell E&P Colombia has paid all outstanding obligations on the block, and as of the date of these statements, the relinquishment process is ongoing.

PetroLatina Energy Limited
Group Reserves
For the year ended 31 December 2015

⁴ Source Energy International holds a 70% interest in the non-conventional potential in the La Paloma and Midas Blocks. Petrolatina is carried for the first \$250m of capital expenditure or the first 100,000 feet of non-conventional wells. Petrolatina retains 100% in the conventional potential in these blocks.

⁵ Grant Tierra holds 70% participating interest in the block and is the Operator.

⁶ Petrolatina retains a 20% carried interest in the first three wells to be worked over drilled on Licences A7-2005 and A-6-93.

Ryder Scott Company, L.P. ("**Ryder Scott**"), the independent petroleum consultancy firm, has completed an updated assessment of the reserves, future production and income attributable to PELE's concessions in Colombia. Ryder Scott reported that as at 31 December 2015, estimated proved plus probable reserves ("**2P reserves**") net to the Company totalled 64.1 million boe (31 December 2014: 65.5 million boe) and proved plus probable plus possible reserves ("**3P reserves**") net to the Company totalled 110.6 million boe (31 December 2014: 117.2 million boe).

Board of Directors

Director	Appointed	Designation
Luc Gerard	14 July 2008	Executive Chairman
Juan Carlos Rodriguez Charry	2 November 2007	Chief Executive Officer
Ciro Mendez	5 August 2008	Executive Director
Menno Wiebe	6 August 2008	Non-Executive Director
Christian Coulter	7 September 2015	Non-Executive Director

Corporate Information

Secretary:	Capita Company Secretarial Services Limited
Company Number:	05173588
Incorporation:	England & Wales
Registered Office:	50 Jermyn Street, London SW1Y 6LX
Auditors:	BDO LLP, 55 Baker Street, London, W1U 7EU
Lawyers - English law:	Stephenson Harwood, 1 Finsbury Circus, London, EC4M 7SH
Lawyers - Colombian Law:	Holland & Knight Colombia S.A.S. Carrera 7 # 71-21, Tower A, Floor 8, Bogota
Website:	www.petrolatinaenergy.com

Chief Executive's Review

We are now a recognised growing production and exploration company in the oil and gas industry at a time when Colombia has a government that has vocalised its commitment to the sector.

Despite 2015 being another challenging year with oil prices remaining low, as a result, not of lack of demand, but of oversupply, we have continued to adapt to the tough environment created by the dramatic drop in oil prices since mid-2014, where we have seen the oil price crash from over US\$100 a barrel to below US\$30 in January 2016.


Our average gross production increased from 4,623 to 7,060 bopd with net production having increased from 2,925 bopd to 5,601 bopd. We closed the year having nearly 6,962 bopd of gross production in December, and despite the low price environment, have maintained a robust cashflow.

The current environment has however impacted our financial results, as well as those of our competitors. So, while the oil price is beyond our control (*we started the year with an oil price very close to US\$57/bbl and ended the year at around US\$37/bbl*), we have performed strongly against the factors that we can control. Operational metrics are ahead of industry norms, and projects have been delivered on or ahead of time and within budget.

My colleagues and the Board are immensely pleased about the performance in such a challenging macro environment. I must thank the Company's management and staff for their teamwork and dedication all of which is bearing fruit for the Company and I'm equally thankful to my colleagues on the Board for their unwavering support.

The Company intends to build stakeholder (shareholders, employees and the community) value and continue increasing the asset value of its portfolio by utilising the cash flow from current production to advance certain projects whilst looking for partners for other projects, which should allow their value to be realised more quickly.

We look forward to a better macro oil price environment in 2016 and beyond, with further substantial progress in the Company's activities next year.



Juan Carlos Rodríguez Charry
Chief Executive Officer

30 June 2016

The Strategic Report

Section 414C of the Companies Act 2006 (the "Act") requires that the Company inform members as to how the Directors have performed their duty to promote the success of the Company, by way of a Strategic Report.

Set out below are the applicable reporting requirements under the Act for the purposes of the Strategic Report, together with guidance to other applicable sections of the 2015 Annual Report and Accounts, which are incorporated by reference into the Company's Strategic Report.

Fair review of the business

This information is contained in the Principal activities and business review, Operational highlights, Financial highlights, Review of Operations and the Financial review sections set out on pages 11 to 18 of The Directors' Report.

Principal risk and uncertainties

This information is contained in the Principal risks and uncertainties section set out on pages 16 to 17 of The Directors' Report.

Analysis of the development and performance of the business

This information is contained in the Principal activities and business review, Operational highlights, Financial highlights, and Review of Operations sections set out on pages 11 to 18 of The Directors' Report.

Analysis of the position of the business

This information is contained in the Principal activities and business review, Operational highlights, financial highlights, and Review of Operations sections set out on pages 11 to 18 of The Directors' Report.

Analysis using other key performance indicators

This information is contained in the Financial highlights section set out on page 12, and the Key performance indicators section set out on page 15 of The Directors' Report.

Approval of the Board

This strategic report contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration, development and production business. While the Directors believe the expectation reflected herein to be reasonable in light of the information available up to the time of their approval of this report, the actual outcome may be materially different owing to factors either beyond the Group's control or otherwise within the Group's control but, for example, owing to a change of plan or strategy. Accordingly, no reliance may be placed on the forward-looking statements.

By order of the Board



Juan Carlos Rodríguez Charry
Chief Executive Officer
30 June 2016

The Directors' Report

Group overview

The Group is an independent oil and gas exploration, development and production Group with a long term focus on, and commitment to Latin America.

The Group has been active in Colombia for a number of years and also retains a carried interest in respect of historic activities in Guatemala. It has strived throughout this time to be recognised not only as a leading growth company in the oil and gas industry, but also one that maintains the highest standards in all areas of its operations.

The Group constantly reviews its internal policies and procedures in all areas paying special attention to Integrity and Business Conduct, Health and Safety, Environmental Issues and Performance and Operational Excellence.

The Group has sought to create greater awareness and professionalism amongst all of its field employees and this increased focus by employees and contractors on efficiency, quality of operations and safety should in turn translate into an enhanced financial performance for the Group as a whole.

All the contracts that the Group owns are covered by strict environmental permits and the Group's adherence to these and its focus on the quality of its operations should continue to reduce any adverse impact on the surrounding areas or local communities.

The Group seeks to ensure that it is at all times mindful of its obligations to its stakeholders - its employees, the communities in which it operates and its shareholders. The Group strives to ensure that its operations are conducted in accordance with best practice and that it works closely with local communities to ensure that they are properly informed about its operations and that its presence is beneficial to the lives of community members. The Group is well established among a number of the local communities and provides medical and social investment as well as employment where possible.

The Group is committed to Latin America and through continual review of its policies and procedures and education of its employees is confident of maintaining and growing profitable and responsible operations in the region.

Results and dividends

The results of the Group for the year are set out in the financial statements section and show a net loss of US\$44,248,000 (2014: profit of US\$13,977,369).

The Directors do not recommend the payment of a dividend (2014: US\$ Nil).

Principal activities and business review

The principal activity of the business is the exploration and extraction of Latin American oil and gas reserves.

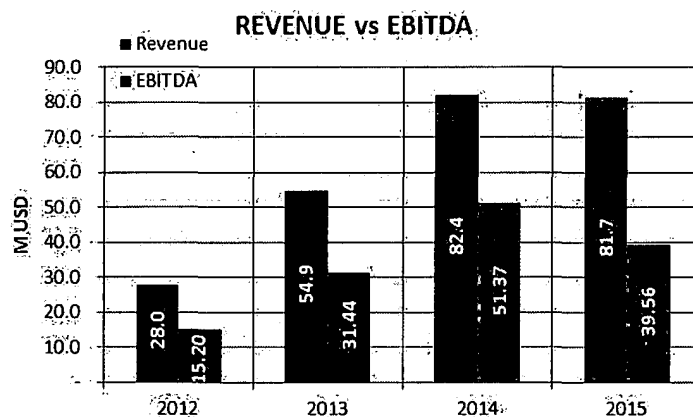
Operational highlights

- Gross production for the year increased by 53% to 2,576,814 boe (2014: 1,687,481 boe), at an average daily gross production rate of 7,060 boepd (2014: 4,623 boepd).
- Net production for the year increased by 92% to 2,044,488 boe (2014: 1,067,477 boe), at an average daily net production rate of 5,601 boepd (2014: 2,925 boepd). The increased production comes mainly from the incremental production of the Acordionero field in the Midas block, which is now considered to be one of the biggest productive discoveries in the Middle Magdalena Valley. These wells, together with the Chuirá 1ST well, have a stabilised average annual production rate of over 5,300 boepd (2014: 2,500 boepd).
- During the year, the Company completed drilling the Acordinero-4 well, along with undertaking several well services with the purpose of increasing and maintaining production in 38 wells in La Paloma, Santa Lucia, Los Angeles and Querubin fields.
- Mochuelo was drilled in 2015 in the Midas field, and unfortunately was a dry well.
- Chuirá 2 was drilled in 2015. No, production was achieved in 2015 and the ST well ended drilling post year end in 2016.

- The Company maintained an index to well intervention of 0.53 (2014: 0.77) on average per well, where the general industry ratio is an average of 1 well service per year.
- The Group completed its commitments during the year within the stipulated contractual time limits.

Financial highlights

- Total revenues for the year decreased by 1% to US\$81.7 million (2014: US\$82.4 million).
- Gross underlying profits decreased to US\$46.49 million (2014: US\$57.09 million). Underlying profits = Gross loss of US\$16.26 million (2014: profit of US\$34.13 million) plus DD&A charges of US\$15.09 million (2014: US\$15.44 million), plus Impairment of US\$47.65 million (2014: US\$7.52 million).



- Underlying earnings before interest, tax depreciation and amortisation (EBITDA) generated US\$39.56 million (2014: US\$51.37 million). (EBITDA = Loss from operations of US\$23.19 million plus DD&A and Impairment charges of US\$62.75 million).
- Loss before tax was US\$27.27 million (2014: Profit of US\$25.17 million) principally as a result of impairment and the low oil prices.

Corporate highlights

During the year, the Group completed the drawdown of an additional US\$12 million from its reserve based lending facility with BNP Paribas out of an initial commitment of US\$80 million. Total borrowings stood at US\$72 million at the year end. The facility has a term of 4 years maturing in October 2018, and carries an interest rate of 3.75% above LIBOR. US\$8 million remained undrawn at the year end from its initial commitment, which since year end has now been drawn down.

Review of Operations

Colombian Assets

La Paloma Block

Colon Field

The Group maintained production in the Colon 1 ST, 2, 3ST, 4 and 5 wells, having completed intervention works, and despite incurring sand issues in certain wells. The Colon 2 and 4 wells showed optimal production behaviour during the year. Corrective interventions were undertaken on Colon 1ST and 5 wells. Interventions on the Colon 1ST well resolved some sand issues, whilst at the Colon 5 well, production continued after pumping system issues were resolved.

Average production for the year for the field was 274 bopd (2014: 315 bopd), mainly due to reduction of the drain areas of each well, well intervention works and the presence of sand.

Juglar- Gaitero Field

The Juglar-1 well produced at an average of 77 bopd (2014: 238 bopd) without interruption during the year. In January a workover of sand control obtained good results and production was stabilized without any damage to the formation.

The Gaitero-1 well produced an average of 39 bopd working with a progressive cavity pump artificial lift system.

Tisquirama Licence and Lebrija Licence

Average production decreased in Los Angeles area of Block B of the Tisquirama Association Contract from 975 bopd to 904 bopd as a result of the reduction of the initial production of the Angeles-20 well of 105 bopd and numerous well interventions completed throughout the year. At the end of the year, 14 active wells continued to produce. Angeles-9 well was not producing and as a result the Company sought approval to suspend the well from the ANH in December 2015.

In Block A, the Santa Lucia field produced an average of 299 bopd (2014: 310 bopd) equivalent to a reduction of 3.5%, primarily due to natural decline and well interventions.

Midas Exploration and Production Agreement

We confirmed the trap configuration delineated by the reprocessed seismic data through the drilling of one additional successful well during 2015 (Acordionero-4 well). Production remained stable during the year above an average of 5,100 bopd.

The Acordionero-4 well started production on 31 January 2015, with a target depth of 9,312 feet measured depth (MD). Authorisation from the ANH for the short-term test was received in April 2015. Initial production of 465 bopd was achieved from the lower zone. An ESP lift system (Electric Submersible Pumping) was installed during the production test, and at the end of the year the well had an average daily production of 1,100 bopd.

The Chuira-1ST produced in natural flow with a production rate of 220 bopd producing oil with an API of 23°.

Chuir-2 well was drilled in November 2015 with a target of the La Luna formation. Unfortunately due to operational problems the well was abandoned, and a sidetrack was started in December 2015.

Despite having been fully impaired as a result of not being commercial, during 2009 and 2010, production from the Zoe-1 well continued but at a lower and unstable rate with a high water cut.

Serafin Gas Development

The Serafin-1 gas well located in the north of Block B Tisquirama Association achieved an average production rate in the first quarter of the year of 1.18 MMSCFD of gas with a pressure of 25 psig. The well was suspended in March 2015 due to low production rates.

VMM-28 Exploration and Production Agreement

PetroLatina's Colombian operating subsidiary retains a 15% legal interest with an option to participate in the block under the terms of the farm-out agreement with Shell E&P Colombia, which owns the remaining 85% participating interest in the block. Shell E&P Colombia became the operator of the contract and was granted exclusive operating rights for a period of 6 years or, if earlier, until Declaration of Commerciality (the "Exclusivity Period"). Shell E&P Colombia agreed to pay for 100% of the costs, expenses and liabilities associated with the work obligations for the VMM-28 block during the Exclusivity Period. Subsequently Shell E&P Colombia transferred part of its participating interest in the block to ConocoPhillips Colombia Ventures Ltd ("ConocoPhillips") in 2013 and as a result Shell E&P Colombia currently owns 55% with ConocoPhillips owing a 30% interest in the block. On 26 June, 2015 Shell E&P Colombia notified the ANH of its intention to relinquish the block as a result of environmental restrictions ensuring that a drilling project would not be feasible. As of March, 2016, in accordance with the terms of the farm-out agreement, Shell E&P Colombia had paid all outstanding obligations (of US\$3 million). The relinquishment process is ongoing.

Putumayo-4 Exploration and Production Agreement

During 2014, activities were focused on evaluating, and a cartography analysis was completed to define the limits of the formation. Three prospective areas were defined for drilling, and an estimated total of 20 million barrels of oil in prospective resources were calculated. It is estimated that there is a 19% chance of successfully producing an initial amount of 1,000 bopd.

During the year, the Group entered into a farm-out agreement with Gran Tierra Energy Colombia, under which PetroLatina's Colombian operating subsidiary continues to retain a 30% legal interest in the block. Subject to approval of the ANH to the assignment for this block, Gran Tierra acquired a 70% undivided participating interest in, and became the operator of the block.

Putumayo-25 Exploration and Production Agreement

The Group was awarded this block in 2012 and executed the E&P Agreement in December 2012. It is currently in phase zero until 10 July 2016 and given the short term of this phase the Group will ask for extension of this phase in order to comply with the commitment of prior consultation. Seismic data together with G&G analysis is being undertaken and the Group is considering its options related to develop this block.

Llanos-53 Exploration and Production Agreement

As a result of success in the 2012 ANH bid round, the Group executed the Llanos-53 E&P Agreement in December 2012. The effective date was 5 January 2013 and Phase 1 has been extended to 10 August 2017, the agreement has a term of 36 months. The current phase is exploration. During the year, seismic information was evaluated, and additional 3D programs processed. G&G analysis concluded successfully and a prospect was identified. Petrophysical data of near productive wells helped establish three prospective areas, Chacharo, Alijaito and Altivo. The Group expects to acquire 123 kilometers of 3D seismic in the north of the block to define the future exploration activities.

Llanos-70 Exploration and Production Agreement

This block was awarded in the 2012 ANH Ronda. The current contract as of 30 December 2015 is in phase 1. The term of phase 1 is 36 months, and the Group estimates it will be executing investments of around US\$24.2m in the forthcoming year. 48 lines of 2D seismic data were acquired and 20 lines were reprocessed allowing the Group to obtain maps of the exploratory interest units and define an area called West Danta over which 3D seismic was designed.

Llanos-1 Exploration and Production Agreement

The E&P agreement relating to this block was executed in December 2012 and is currently in phase 1 as from 30 December 2015. The term for phase 1 is 36 months, and the Company estimates it will invest approximately US\$27.9 million. 48 lines of 2D Seismic data have been acquired, of which 18 have been reprocessed. The reprocessing of this seismic information has enabled the definition of an interest area over which 3D seismic is being acquired. The seismic program over the area known as East Danta 3D has been designed.

Guatemalan Assets

Further to the sale of our assets (Licences A7-2005 and A-6-93) in Guatemala to Quetzal Energy Inc. ("Quetzal") in July 2007, PetroLatina retained a 20% carried interest in the first three wells to be worked over, and a 20% working interest in future wells. We understand that Atzam-2 is currently producing and have approached Quetzal previously. We understand that subsequently Latin American Resources (LAR), Citation Resources (Citation) and Range Resources ("Range") have all farmed into the asset. To date, no satisfactory responses have been received and we continue to pursue LAR, Citation and Range to seek recovery of our share of production revenues.

Financial Review

During 2015, revenues totalled US\$81.68 million (2014: US\$82.36 million) representing a marginal decrease of approximately 1% on the previous year.

Gross underlying profits decreased to US\$46.49 million (2014: US\$57.09 million). Underlying profits reflecting a Gross loss of US\$16.26 million (2014: profit of US\$34.13 million) plus DD&A charges of US\$15.09 million (2014: US\$15.44 million), plus Impairment of US\$47.65 million (2014: US\$7.52 million).

Underlying earnings before interest, tax depreciation and amortisation (EBITDA) achieved was US\$39.56 million (2014: US\$51.37 million) representing a decrease of 23% on the previous year. (EBITDA = Loss from operations of US\$23.19 million plus DD&A and Impairment charges of US\$62.75 million).

As a result of the decline in commodity prices, the Group completed an impairment test on its proven oil and gas assets, and the Directors considered and concluded, given that the carrying value exceeded the fair economic value of some of the Oil & Gas assets, in accordance with the Group's accounting policies it was appropriate to recognize an impairment of US\$39.8 million (2014: US\$3.8 million) relating to its assets in the Santa Lucia, Angeles, Serafin, Tronos, Colon, Juglar, Gaitero and Zoe fields.

Cost of sales from continuing operations excluding depreciation and impairment increased to US\$35.19 million (2014: US\$25.27 million) as a result of unplanned well services being performed on the Colon and Jugular fields, and the entry of Acordionero-04.

Total general and administrative costs increased to US\$6.93 million (2014: US\$5.72 million) due to impairment of certain trade receivables from one of the Group's offtakers, Trenaco. Net finance costs increased to US\$4.11 million (2014: US\$3.23 million) due to increases in interest expenses as a result of the drawdown of additional funds from the reserve based loan facility with BNP. Total outstanding debt increased to US\$72 million (2014: US\$60 million).

Pre-tax losses for the 2015 financial year were US\$27.27 million (2014: Profits of US\$25.17 million).

Taxation

The total tax balance (current and deferred) for the year was US\$16.98 million (2014: US\$11.19 million). The charge for the year arises despite making losses during the year and as a result of the treatment of certain impairment losses amounting to \$47 million of charges being considered as non-deductible expenses. The cumulative tax losses in Colombia as of 31 December 2015 were approximately US\$21.8 million (2014: US\$24.06 million). The Group had no recoveries in 2015 (2014: US\$6.19 million of losses) and does not expect to be able to recover the remainder of these losses during the next 2 years based on expected profits, accordingly, the group has not recorded any deferred tax.

Cash flow

Cash generated from operations decreased to US\$25.26 million (2014: US\$72.33 million).

Net cash from investing activities was an outflow of US\$17.81 million (2014: US\$63.65 million). This included drilling and completion costs associated with the Acordionero-4 well, and Mochuelo-01.

Net cash from financing activities was US\$8.42 million (2014: US\$2.87 million).

Assets

The Group's total assets at US\$136 million (2014: US\$176 million) decreased by approximately 23% principally due to impairments. Total Group liabilities of US\$106.82 million (2014: US\$102.05 million) marginally increased principally due to the decrease in trade payables and accruals in of US\$13 million, and an increase in loans and borrowings of US\$12 million.

Financial risk

The Group's activities are subject to a range of financial risks including commodity prices, liquidity within the business and of counterparties, exchange rates and the potential loss of operational equipment or wells. These risks are managed through regular ongoing review taking into account the operational, business and economic circumstances at that time. Since cancelling hedging programmes in September 2014, and given the volatility seen in Brent prices and spreads since; the directors have decided to manage commodity price risk without hedging.

Revenues are generated primarily in US Dollars and matched where possible against US Dollar denominated expenditures within the business. However, capital and operating expenditures are Colombian Peso denominated which results in some degree in currency exposure.

For further discussion, see note 2 of the Notes to the Financial Statements.

Liquidity

The Group's production activities provide a monthly inflow of cash which is currently the main source of working capital.

The Group has a US\$80 million reserve based lending facility with BNP Paribas. At the year end, US\$8 million undrawn. Since the year end the Group has drawn down this amount. The Group is aware of BNP Paribas decision to halt the redevelopment of its reserve-based lending business, and notes that BNP Paribas remains fully committed to service existing reserve-based lending clients, such as the Group, to provide them with solutions that best fit their needs.

Whilst the group's production has increased, despite the low price environment, the Group has maintained a robust cashflow.

Detailed cash forecasts are prepared frequently and reviewed by both management and the Board in order to manage liquidity. In preparing such cash forecasts, the Group using oil and gas Brent futures estimates confirmed by Ryder Scott and external investment banks, has assumed gross sales prices of US\$41/bbl in 2016, US\$51.5/bbl in 2017, increasing to US\$110.43/bbl in 2030 (2014: US\$55/bbl. in 2015, US\$75/bbl. in 2016, increasing to US\$113/bbl. in 2029). In addition, the Group estimated costs, on a field by field basis as certified by Ryder Scott in their 2015 report, including transportation costs.

Key Performance Indicators

The key performance indicators of the Group are as follows:

	2015	2014
Cash at bank at 31 December (US\$'000)	21,514	13,935
Term deposits and restricted cash at 31 December (US\$'000)	3,363	4,705
Employee numbers	205	196
Average crude sales price (WTI) (US\$)	39.95	77.16
Net barrels of oil produced	2,044,488	1,067,477
Exploration expenditure (US\$/bbl)	17.22	23.86

Additional key performance indicators used by the Group include the financial covenant tests set out in the Group's senior debt facility with BNP Paribas. The Group has been and at the year end is fully compliant with such covenant tests.

Principal risks and uncertainties

The Group's principal risks and uncertainties are detailed below.

Going concern

Whilst the group's production has increased, despite the low price environment, the Group has maintained a robust cashflow. The Group currently has access to sufficient financial resources to meet its working capital requirements for the following 12 months from the date of approval of these financial statements. At the year end, the Group had cash and cash equivalents of US\$ 21.51 million (2014: US\$13.94 million). The Group has a US\$80 million reserve based lending facility with BNP Paribas. At the year end, US\$8 million remained undrawn. Since the year end the Group has drawn down this amount. Please refer to note 25 – Post year end events. The Group has postponed its exploratory contractual commitments for more than 12 months with approval of ANH and therefore its plans for the remainder of 2016 include the drilling of one development well and certain additions of facilities in Acordionero.

The Group is aware of BNP Paribas decision to halt the redevelopment of its reserve-based lending business, and notes that BNP Paribas remains fully committed to service existing reserve-based lending clients, such as the Group, to provide them with solutions that best fit their needs. As of the date of these statements, the Group remains fully compliant with its obligations under the senior credit facility with BNP Paribas, including all financial covenant and other tests set out in the Group's senior debt facility with BNP Paribas. The Group undertakes forward looking forecast of the covenants in order to make an assessment of compliance.

Brent price behaviour

The group's revenue is strongly affected by fluctuations in Brent pricing; lower Brent prices affect the Group's operating cash flow giving a lower per barrel invoiced amount. The increase in the rate of production, together with lower lifting costs at the Acordionero field have allowed the Group to maintain robust cashflows.

Reserve estimates

There are numerous uncertainties inherent in estimating reserves and assumptions that, whilst valid at the time of estimation, may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for close down, restoration and environmental clean-up costs. The Group utilises the expertise of third party consultants to report on its reserves estimates to increase the reliability of its estimations.

Exploration and new projects

The Group may seek to identify new operations through active exploration and acquisition programmes. There is no guarantee, however, that such expenditure will be recouped or that existing oil/condensate and gas reserves will be replaced. Failure to do so could have a material and adverse impact on the Group's financial results and prospects.

Share capital

There were no movements in share capital during the period.

Financial Instruments

Financial instruments are discussed in detail in note 2.

Health, safety and environment

The Group operates in an industry that is subject to numerous health, safety and environmental laws and regulations as well as community expectations. Evolving regulatory standards and expectations can result in increased litigation and/or increased costs, all of which can have a material and adverse effect on earnings and cash flows. The Group complies with all applicable environmental laws and regulations and, in jurisdictions where these are absent or inadequate, applies cost-effective technologies and management practices to ensure the protection of the environment as well as worker and community health. The Group strives to make environmental management a high corporate priority and the integration of environmental policies, programmes and practices an essential element of management.

Post Reporting Date Events

Post Reporting Date Events following the year end are disclosed in note 25 of the group financial statements.

Employee involvement

The Group is committed to employees' involvement in the business. Staff are kept informed of the performance and objectives of the Company through the publication of results and staff meetings.

PetroLatina Energy Limited
The Directors' Report
For the year ended 31 December 2015

Auditors

BDO LLP has expressed its willingness to continue in office and a resolution to re-appoint them will be proposed at the Company's forthcoming annual general meeting.

Disclosure of information to auditors

All of the directors have taken all the steps they ought to have taken to make them aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are not aware.

Developments in 2016 to date

During 2015, the Group invested US\$23.55 million (2014: US\$61.8 million) in developing new wells.

In the first quarter of the current financial year to 31 March 2016, the Group achieved total gross production of 615,932 boe (2015 equivalent period: 627,983 boe) at an average daily gross production rate of 6,843 boepd (2015 equivalent period: 6,978 boepd), with net oil production of 541,859 boe (2015 equivalent period: 491,251 boe) at an average daily net production rate of 6,020 boepd (2015 equivalent period: 5,458 boepd).

Outlook and objectives for 2016 and beyond

We continue to firmly believe that Latin America, and in particular Colombia, offers attractive consolidation, corporate and new license acquisition opportunities. PELE is well placed to contribute to such national production growth as it continues to pursue its development program in Colombia.

Signed by order of the directors


Juan Carlos Rodríguez Charry
Director

Approved by the board of directors on: 30 June 2016

Directors' responsibilities

The Directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company 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 they have been prepared in accordance with IFRSs as adopted by the European Union, 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETROLATINA ENERGY LIMITED

We have audited the group financial statements of PetroLatina Energy Limited for the year ended 31 December 2015 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, the company balance sheet and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- The financial statements give a true and fair view of the state of the group's and company's affairs as at 31 December 2015 and of the group's loss for the year then ended;
- The group financial statements have been properly prepared in accordance with IFRS as adopted by the EU;
- The parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PetroLatina Energy Limited

Independent auditor's report to the members of PetroLatina Energy Limited

For the year ended 31 December 2015

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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- * the parent 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

BDO LLP

*Anne Sayers (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

Date: 30 June 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

PetroLatina Energy Limited
Consolidated statement of comprehensive income
For the year ended 31 December 2015

	Note	2015 US\$'000	2014 US\$'000
Revenue	4	81,682	82,365
Impairment of oil and gas assets	8, 9	47,651	7,516
Depreciation of property, plant and equipment	8	15,094	15,446
Other cost of sales		35,197	25,274
Total cost of sales		97,942	48,236
Gross (loss) / profit		(16,260)	34,129
Administrative expenses		(6,928)	(5,722)
(Loss) / profit from operations	5	(23,188)	28,407
Other income / (expense)		30	(4)
Finance income	6	124	112
Derivative revaluation		-	(545)
Other finance expenses		(4,237)	(2,797)
Total finance expense	6	(4,237)	(3,342)
(Loss) / profit before tax		(27,271)	25,171
Taxation	7	(16,977)	(11,194)
(Loss) / profit for the year from continuing operations		(44,248)	13,977
Total profit and comprehensive income for the year attributable to equity shareholders of the parent		(44,248)	13,977

The company does not have any other comprehensive income in the current and prior year.

The Accounting Policies and notes on pages 27 to 58 form part of these financial statements.

	Note	2015 US\$'000	2014 US\$'000
ASSETS			
Non-current assets			
Restricted cash	14	3,363	4,705
Property, plant and equipment	8	88,399	136,076
Intangible Exploration and Evaluation Assets	9	13,568	14,349
Deferred tax asset	17	2,578	571
		<u>107,908</u>	<u>155,701</u>
Current assets			
Inventories	11	221	674
Trade and other receivables	12	3,483	2,444
Withholding taxes	13	2,887	2,858
Other Assets		128	-
Cash and cash equivalents		21,514	13,935
		<u>28,233</u>	<u>19,911</u>
Total Assets		<u><u>136,141</u></u>	<u><u>175,612</u></u>
LIABILITIES			
Non-current liabilities			
Provisions	18	5,924	7,047
Loans and borrowings	16	71,011	58,659
Deferred tax liability	17	8,363	545
		<u>85,298</u>	<u>66,251</u>
Current liabilities			
Trade and other payables	15	15,741	28,728
Short term loans and borrowings	16	-	372
Income tax		5,785	6,696
		<u>21,526</u>	<u>35,796</u>
Total Liabilities		<u><u>106,824</u></u>	<u><u>102,047</u></u>
Total Net Assets		<u><u>29,317</u></u>	<u><u>73,565</u></u>
EQUITY			
Share capital	19	31,733	31,733
Share premium		94,044	94,044
Share option reserve		117	117
Retained deficit		(96,577)	(52,329)
Total equity		<u><u>29,317</u></u>	<u><u>73,565</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2016.



Juan Carlos Rodriguez
Director

The Accounting Policies and notes on pages 27 to 58 form part of these financial statements.

PetroLatina Energy Limited
Consolidated statement of cashflows
For the year ended 31 December 2015

	Note	2015 US\$'000	2014 US\$'000
(Loss) / profit for the year from continuing operations		(44,248)	13,977
Other (income) / expense		(30)	4
Derivative revaluation	6	-	(902)
Derivative settlement	6	-	1,447
Share-based payments	3	-	156
Depreciation of property, plant and equipment	8	15,094	15,446
Impairment of oil and gas assets	8,9	47,651	7,516
Finance income	6	(124)	(112)
Finance expense	6	3,555	2,797
Decommissioning		1,110	-
Tax charge	7	16,977	11,194
Cash flows from operating activities before changes in working capital and provisions		39,985	51,523
Decrease / (increase) in inventories	11	453	(391)
(Increase) / decrease in trade and other receivables	12	(1,196)	10,935
(Decrease) / increase in trade and other payables	15	(13,980)	10,260
Cash generated from continuing operations		25,262	72,327
Income taxes paid		(9,371)	(334)
Net cash from operating activities		15,891	71,993
Investing activities			
Finance income	6	124	112
Purchase of property, plant and equipment	8	(6,465)	(58,576)
Payments for oil & gas exploration and development assets	9	(18,555)	(3,274)
Farm Out proceeds	9	6,787	-
Restricted cash	14	262	(1,907)
Sale of other asset		30	(4)
Net cash flows (used in) investing activities		(17,816)	(63,649)

The Accounting Policies and notes on pages 27 to 58 form part of these financial statements.

PetroLatina Energy Limited
Consolidated statement of cashflows (continued)
For the year ended 31 December 2015

	Note	2014 US\$'000	2014 US\$'000
Financing activities			
Issue of ordinary share capital	19	-	128
Shares redemption	19	-	(18,000)
Short and long term loans drawn down during the period (net of finance costs)	16	11,628	19,241
Derivative settlement	6	-	(1,447)
Interest paid	6	(3,204)	(2,797)
Net cash flows from / (used in) financing activities		8,424	(2,875)
Increase in cash and cash equivalents excluding restricted cash		6,499	5,469
Cash and cash equivalents at the start of the year		13,935	8,466
Exchange (losses)/gains on cash and cash equivalents		1,080	-
Cash and cash equivalents at the end of the year		21,514	13,935

The Accounting Policies and notes on pages 27 to 58 form part of these financial statements.

PetroLatina Energy Limited
Consolidated statement of changes in equity
For the year ended 31 December 2015

	Share capital US\$'000	Share premium US\$'000	Share option reserve US\$'000	Retained deficit US\$'000	Total equity US\$'000
Balance at 1 January 2014	31,606	111,158	2,116	(68,183)	76,697
Total comprehensive income for the year	-	-	-	13,977	13,977
Issue of share capital – Exercise of Warrants	800	5,729	-	-	6,529
Share capital - Buy Back	(809)	(5,691)	-	-	(6,500)
Issue of share capital – Exercise of Options - Share-based payment	137	846	(1,999)	1,877	862
Issue of share capital – Redeemable Shares	18,000	-	-	-	-
Redemption of Redeemable Shares	(18,000)	(18,000)	-	-	(18,000)
Balance as at 31 December 2014	31,733	94,044	117	(52,329)	73,565
Total comprehensive income for the year	-	-	-	(44,248)	(44,248)
Balance as at 31 December 2015	31,733	94,044	117	(96,577)	29,317

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	Descriptions and purpose
Share capital	Amount subscribed for share capital at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Share option reserve	Fair value amounts resulting from the issue of share options.
Retained deficit	Cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

The Accounting Policies and notes on pages 27 to 58 form part of these financial statements.

1 Accounting policies

Basis of preparation

The financial statements of the Group for the twelve months ended 31 December 2015 have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union.

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in US Dollars ("US\$") and all values are rounded to the nearest thousand (\$000), except when otherwise indicated.

The IFRS financial information has been drawn up on the basis of accounting standards, interpretations and amendments effective at the beginning of the accounting period.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of PetroLatina Energy Limited and entities controlled by the Company up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any interest of non-controlling shareholders is stated at the non-controlling's proportion of the fair values of the assets and liabilities recognised. Any excess of the cost of acquisition over the fair values of identifiable net assets is recognised as goodwill. The results of subsidiaries acquired or disposed during the year are included in the consolidated statement of comprehensive income 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 the accounting policies used into line with those used by other members of the Group. All intercompany transactions and balances between Group entities are eliminated on consolidation.

Going concern

Whilst the group's production has increased, despite the low price environment, the Group has maintained a robust cashflow. The Group currently has access to sufficient financial resources to meet its working capital requirements for the following 12 months from the date of approval of these financial statements. At the year end, the Group had cash and cash equivalents of US\$ 21.51 million (2014: US\$13.94 million). The Group has a US\$80 million reserve based lending facility with BNP Paribas. At the year end, US\$8 million remained undrawn. Since the year end the Group has drawn down this amount. Please refer to note 25 – Post year end events. The Group has postponed its exploratory contractual commitments for more than 12 months with approval of ANH and therefore its plans for the remainder of 2016 include the drilling of one development well and certain additions of facilities in Acordionero.

The Group is aware of BNP Paribas decision to halt the redevelopment of its reserve-based lending business, and notes that BNP Paribas remains fully committed to service existing reserve-based lending clients, such as the Group, to provide them with solutions that best fit their needs. As of the date of these statements, the Group remains fully compliant with its obligations under the senior credit facility with BNP Paribas, including all financial covenant and other tests set out in the Group's senior debt facility with BNP Paribas. The Group undertakes forward looking forecast of the covenants in order to make an assessment of compliance.

1 Accounting policies (*continued*)

Revenue recognition

Sales revenues relating to the sale of crude oil and gas are recognised when the product is received by the customer and are net of taxes and royalty interests. Revenue is recognized when the revenue can be measured reliably and it is likely that the entity will receive economic benefit.

Amounts received relating to proceeds from a farm-in are recognised in the statement of financial position by offsetting it against the asset to which it relates. If farm-in proceeds received exceed the net book value of the asset to which it relates, the excess is recognised as other income in the statement of comprehensive income. Farm in fees received are recognised when the Group becomes contractually entitled to the farm-in proceeds.

Production testing revenue and cost

Revenues generated from new oil or gas well test production whilst a development decision is pending from the local Oil & Gas authority are recognised as turnover consistently with crude oil or gas revenues. All costs associated with test production are recognised in expenses.

Oil and gas assets

The following policy definitions provide the guidelines for the accounting treatment of Oil and Gas assets including properties, wells, facilities, pipelines and other related oil and gas producing assets during all stages of exploration and production activities.

The Group applies the successful efforts based method of accounting for oil and gas operations.

Under the successful efforts based method of accounting, costs are capitalised if they lead to or represent the development of the oil and gas assets that either have to be appraised or have been appraised as successful. If evaluation of the oil and gas asset leads to the conclusion that the asset is not economic, the costs incurred in acquiring this asset are expensed through the statement of comprehensive income as an impairment charge. Oil and gas assets are capitalised and assessed for economic viability on a field by field basis.

For evaluated properties with economic values exceeding the exploration and development costs incurred after the grant of the license, these related costs, which may include geological and geophysical costs, costs of drilling exploration and development wells, costs of field (defined as an exploration area) production facilities, including commissioning and infrastructure costs, are capitalised. These expenditures are combined into asset groups which have independent cash flows and subsequently are depreciated over the expected economic lives of those asset groups. The expenditure within the asset group with a useful life equal to the producing life of the field is depleted on a unit-of-production basis. The assets formed by capitalisation of these costs are referred to as *oil and gas assets*.

The costs incurred to evaluate potential assets prior to the grant of Exploration and Production ("E&P") licenses are expensed.

Once the costs are capitalised as oil and gas assets, the cost is amortized over the life of the asset, over the unit of production basis. The applicable depreciation rate is calculated considering the capital expenditures incurred in developing the reserves, plus the future capex needed to develop the proved undeveloped reserves and the probable reserves, divided into the number of proved reserves plus probable reserves, stated on the most recent reserves report, which should be released at least once a year by an independent petroleum engineering firm.

If the management does not intend to develop the proved and probable undeveloped reserves, these reserves will not be included in the calculation, and nor will the future cost to develop such reserves.

Workovers are capitalised within proven oil and gas assets, provided that these result in an increase in reserves or in a reduction of future costs, otherwise, they are expensed.

1. Accounting policies (*continued*)

Intangible oil and gas assets – Exploration and Evaluation (“E&E”)

Intangible oil and gas assets represent costs that have been incurred after the grant of the license where the properties still have to be evaluated and where production of hydrocarbons has yet to commence. Costs related to such unevaluated properties are not amortised until such time as the related property has been appraised and put on production.

Exploration and evaluation assets are regarded as intangible fixed assets until it has been established whether they are associated with commercially producible reserves of hydrocarbons or not. If the efforts associated with the costs of these assets are successful, these assets are reclassified into development and/or producing assets, which are subject to regular impairment reviews on a field-by-field basis.

Impairment review

Impairment reviews of E&E assets are carried out on a field-by-field basis. An assessment is made of whether there are any indicators of impairment. If there are indicators of impairment then a fully impairment review is carried out.

After a well has been drilled, its future economic performance is evaluated. If the economic value of the well exceeds the drilling cost, the costs of the well are reclassified from E&E to proven oil and gas assets. If the economic value of the well is lower than its cost, impairment is recognised in the statement of comprehensive income before the costs of the well are reclassified from E&E to proven oil and gas assets.

Impairment reviews of proven oil and gas assets are carried out on a field-by-field basis. At each reporting date an impairment review is carried out by comparing the carrying value of the proven oil and gas assets to the higher of the value in use and fair value less costs to sell of the relevant field. If the net book value is higher than the underlying economic value of the asset, as defined by value in use or fair value less costs to sell, then the difference is written off to the statement of comprehensive income as impairment. Expected future cash flows are calculated using production profiles and costs determined on a field-by-field basis by in-house engineers and independent petroleum engineering firms, using appropriate petroleum engineering techniques, and using oil price forecasts, which are developed by the Group for business planning purposes.

Decommissioning

Where a material liability for the removal of production facilities and site restoration at the end of the productive life of a field exists, a provision for decommissioning is recognised. The amount recognised is the present value of estimated future expenditure determined in accordance with local conditions and requirements. The unwinding discount arising on the recognition of the provision is released to the statement of comprehensive income and included within finance expense. An oil and gas asset of an amount equivalent to the provision is also created within the cost of the asset and depreciated on a unit of production basis. Changes in estimates are recognised prospectively, with corresponding adjustments to the provision and the associated fixed asset. Any gain or loss resulting from the utilisation of the provision is recognised in cost of sales as it is incurred.

Joint arrangements

Joint arrangements are arrangements in which the Group shares joint control with one or more parties. Joint control is the contractually agreed sharing of control of an arrangement, and exists only when decisions about the activities that significantly affect the arrangement's returns require the unanimous consent of the parties sharing control.

Joint arrangements are classified as either joint operations or joint ventures based on the rights and obligations of the parties to the arrangement. In joint operations, the parties have rights to the assets and obligations for the liabilities relating to the arrangement, whereas in joint ventures, the parties have rights to the net assets of the arrangement.

1 Accounting policies (*continued*)

Joint arrangements that are not structured through a separate vehicle are always joint operations. Joint arrangements that are structured through a separate vehicle may be either joint operations or joint ventures depending on the substance of the arrangement. In these cases, consideration is given to the legal form of the separate vehicle, the terms of the contractual arrangement and, when relevant, other facts and circumstances. When the activities of an arrangement are primarily designed for the provision of output to the parties, and the parties are substantially the only source of cash flows contributing to the continuity of the operations of the arrangement, this indicates the parties to the arrangements have rights to the assets and obligations for the liabilities.

The Group accounts for all its joint arrangements as joint operations by recognising the assets, liabilities, and expenses for which it has rights or obligations, including its share of such items held or incurred jointly.

Property, plant and equipment

Property, plant and equipment assets, currently comprising:

- Fixtures, fittings and equipment (straight line, 3-5 years)
- Field plant and machinery (straight line, 3-5 years)
- Proven Oil & Gas assets - unit of production basis over life of assets – based upon P1 and P2 reserves, taking in to account expected future capital expenditure to develop the P2 reserves.

If property, plant and equipment is disposed it is de-recognised from the statement of financial position as at the date of disposal.

Taxation

The tax expense represents the sum of the current tax charge and the movement in deferred tax.

Current tax, including UK corporation and any overseas tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting 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 information 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 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 assets and 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 reporting 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 statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Wealth Tax

Effective January 1, 2015, the Colombian Congress introduced a new wealth tax that is calculated on a taxable base (net equity) in excess of COP\$1 billion (\$0.4 million) as at January 1 of the applicable

taxation year. The applicable rates for January 1, 2015, 2016, and 2017 are 1.15%, 1.00% and 0.40%, respectively. The expense is calculated every year and accounted as operational expense.

Maintenance expenditure

Expenditure on major maintenance, refits or repairs is capitalised where it fulfils one of the following:

- enhances the life or performance of an asset above its originally assessed standard of performance;
- replaces an asset, or part thereof, which was separately depreciated and which is then written off; or
- restores the economic benefits of an asset which has been fully depreciated.

All other maintenance expenditures are charged to the statement of comprehensive income as incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Financial instruments

Financial assets

The Group classifies its financial assets within the category discussed below. The Group has not classified any of its financial assets as held to maturity.

The Group's accounting policy for its loans and receivables is as follows:

Loans and receivables: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (i.e. trade receivables) but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost, using the effective interest rate method less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

From time to time the Group may elect to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations may lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows would be discounted at the original effective interest rate.

Cash and cash equivalents comprise cash on hand, deposits with a maturity of three months or less and other short-term highly liquid investments that are readily convertible into known amounts of cash. The term deposits are US Dollar denominated Certificates of Deposit with restricted access and varying maturity dates, placed as guarantees for Letters of Credit required for the performance and assurance on oil and gas field contracts.

Financial liabilities

The Group's accounting policy for each category is as follows:

Held at amortised cost: Trade payables and other short and long-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

1 Accounting policies (*continued*)

Bank and other borrowings: These instruments are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. Interest expense in this context includes the amortisation over the life of the instrument of the initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Upon settlement of borrowings, the liability is derecognised and any difference between the carrying value of the liability at the date of settlement and the fair value of the settlement is recognised as profit or loss.

Derivatives: This category comprises only out-of-the-money derivatives. They are carried in the consolidated statement of financial position at fair value with changes in fair value and settlements recognised in the consolidated statement of comprehensive income within financing. The Group does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any other financial liabilities as being at fair value through profit or loss. Once the host contract the derivative is attached to is repaid, the derivative is derecognised and any fair value movement is recognised as profit or loss.

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 classed as equity instruments.

Provisions

Provisions for anticipated settlement costs and associated expenses arising from any legal and other disputes are made where a reliable estimate can be made of the probable outcome of the dispute. Where it is not possible to make such an estimate, no provision is made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. In addition, see the accounting policy for decommissioning provisions above.

Share-based payments and warrants

In accordance with IFRS 2 '*Share-based payments*', the Group reflects the economic cost of awarding shares and share options to employees and directors by recording an expense in the statement of comprehensive income equal to the fair value of the benefit awarded. The expense is recognised in the statement of comprehensive income over the vesting period of the award.

Fair value is measured by the use of a Black-Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is either charged against the statement of financial position or charged to the consolidated statement of comprehensive income and amortised over the remaining vesting period, the relevant treatment will depend on the nature of the service rendered.

Where an option or a warrant is issued to a third party the directors value the service received at fair value. Where this is not ascertainable the directors will value the service based on the fair value of the instruments issued as described above.

1 Accounting policies (continued)

Post-retirement benefits

The Group contributes to a defined contribution scheme. Contributions are charged to the statement of comprehensive income as they become payable.

Foreign currencies

The Group's consolidated financial statements are presented in US Dollars, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. On disposal of a foreign operation any foreign exchange gains or losses that are held in reserves in respect of the foreign operation disposed of are reclassified to profit or loss.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Exchange gains or losses on translation are included in the statement of comprehensive income.

Leases

Operating leases and the corresponding rental charges are charged to the statement of comprehensive income on a straight-line basis over the life of the lease.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions with significant risk to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Oil and gas reserves

Measurements of depreciation, depletion, amortization, impairment and obligations for abandonment costs are determined in part on the estimated reserves of oil and gas of the Group. The commercial reserves are determined by external specialists by using estimates of oil in the place of production or marketing (in place), recovery factors and future oil prices. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of these wells and associated production facilities, and other capital costs.

Estimates of reserves of oil and gas are subject to numerous uncertainties inherent in estimating quantities of proved reserves. The accuracy of these estimates is a function of the quality of data, engineering and geological interpretation of that information and technical experience to interpret it. Although the reserves used for the preparation of the accompanying financial statements are those produced from wells and existing facilities and those probable reserves, the results of subsequent drilling, if any, testing and production can cause a downward or upward revision of previous estimates. In addition, the volumes considered commercially recoverable fluctuate with changes in sales prices and operating costs.

1 Accounting policies (continued)

Reserve estimates are inherently imprecise. In addition, estimates of reserves associated with new discoveries are less precise than those properties that currently produce oil and gas. Therefore, it is expected that the reserves estimates the Company change as additional information becomes available in the future. Balances within the financial statements that may be significantly impacted by changes in estimates are oil and gas properties, asset retirement obligations and the corresponding amounts of depletion, depreciation and amortization.

Carrying value of Oil and Gas assets

Assets intended for the extraction and exploration of oil and gas are depreciated using the unit of production method based on proven and probable reserves. The calculation of the depreciation rate of the production unit could be affected to the extent that actual production in the future is different from current forecast production based on proven and probable reserves. This usually results from significant changes in any of the factors or assumptions used to estimate reserves. These factors could include: oil price volatility, classification of proven and probable reserves, and unexpected operational aspects.

Recovery of Exploration and Evaluation costs:

The Group capitalizes costs of exploration and evaluation under IFRS 6, until it is able to determine if exploration efforts are successful and if they were successful, check if there are impairment indicators requiring adjustments to asset value before being reclassified to assets under development and production.

Impairment indicators:

The recoverable amounts of cash generating units and individual assets have been determined based on discounted future cash flows. These calculations require the use of estimates and assumptions. It is reasonably possible that the oil price assumption may change, which would impact the estimated life of the field and may require an adjustment of importance in the carrying value of tangible assets. The Company monitors internal and external indicators of impairment related to its development and exploration assets. As a result of the decline in commodity prices, the Group completed an impairment test on its proven oil and gas assets and recognized an impairment of US\$39.8 million, and additionally recognized an impairment for its Evaluation and Exploration assets of US\$7.9 million. For more details of impairment charges during the year please refer to Note 8 - Property, Plant and Equipment and Note 9 - Intangible Exploration and Evaluation Assets.

Abandonment of fields and other facilities:

According to petroleum and environmental regulations, the Group must recognize the costs for the abandonment of oil extraction facilities, which include cost of plugging and abandoning wells, decommissioning and environmental recovery of the affected areas.

The estimated cost for the abandonment and decommissioning of these facilities are recorded at the currency at the time of the installation of these assets. The estimated obligation for dismantling and abandonment is reviewed annually and adjusted to reflect the best estimate due to technological changes, political, economic, environmental, security and relations with stakeholders issues.

The calculations of these estimates are complex and involve significant judgments by the management, such as internal cost projections, future inflation rates and discount rates. Significant variations in external factors used for the estimate may also become significantly impact the financial statements.

Contingencies:

By their nature, contingencies will only be resolved when one or more events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

1 Accounting policies (continued)

Taxes

The calculation of the income tax provision requires an interpretation of the local rules where the Group companies operate. Significant judgments are required for the determination of estimated income tax and to evaluate the recoverability of tax assets, which are based on estimates of future fiscal performance and ability to generate sufficient results during the periods in which they are deferred taxes deductible. Deferred tax liabilities are recorded according to estimates of the net assets that in the future will not be tax deductible.

To the extent that future cash flows and income differ materially from estimates, the ability of the Group to use the tax losses at the reporting date could be affected. In addition, changes in tax laws could limit the ability of the Group to obtain tax deductions in future years.

Adoption of new and amended Accounting Standards

(i) Accounting developments during 2015

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the year ended 31 December 2015 but did not result in any material changes to the financial statements of the Group or Company.

(ii) Accounting developments not yet adopted

The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Company's future financial statements:

Standard	Description	Effective date
IAS 1 ¹	Presentation of Financial Statements (Amendments)	1 January 2016
IAS 16 and IAS 38 ¹	Acceptable Methods of Depreciation and Amortisation (Amendments)	1 January 2016
IAS 27 ¹	Separate Financial Statements (Amendments)	1 January 2016
IFRS 9 ¹	Financial Instruments	1 January 2018
IFRS 10 and IAS 28 ¹	Sale or contribution of assets between an investor and its associate or joint venture (Amendments)	Postponed indefinitely
IFRS 10, 12 and IAS 28 ¹	Investment Entities (Amendments)	1 January 2016
IFRS 11 ¹	Joint Arrangements (Amendments)	1 January 2016
IFRS 15 ¹	Revenue from Contract with Customers	1 January 2018
Annual Improvements to IFRSs ¹	(2012-2014 Cycle)	1 January 2016
IAS 12	Recognition of deferred tax assets for unrealised losses (Amendments)	1 January 2017
IAS 7	Disclosure Initiative (Amendments)	1 January 2017
IFRS 15	Clarifications to IFRS 15 revenue from Contracts with Customers	1 January 2018

¹ Not yet endorsed by the EU

2 Financial instruments - risk management

Analysis of the Group's financial assets and liabilities is presented below:

Financial Assets

	Loans and receivables	
	2015	2014
	US\$'000	US\$'000
Cash and cash equivalents	21,514	13,935
Restricted cash	3,363	4,705
Loans and receivables	3,389	2,444
	<u>28,266</u>	<u>21,084</u>

Financial liabilities at amortised cost

	2015	2014
	US\$'000	US\$'000
Loans and borrowings – current and non-current	71,011	59,031
Trade and other payables	15,741	28,728
Income tax- current	5,784	6,696
	<u>92,536</u>	<u>94,455</u>

Maturity analysis of financial assets and liabilities (see borrowings note for further disclosure)

Financial Assets

	2015	2014
	US\$'000	US\$'000
Up to 3 months	24,903	16,228
3 to 6 months	-	4,856
Over 6 months	3,363	-
	<u>28,266</u>	<u>21,084</u>

2 Financial instruments - risk management (continued)**Financial Liabilities**

	2015 US\$'000	2014 US\$'000
Up to 3 months	21,525	29,330
3 to 6 months	-	4,136
Over 6 months	71,011	60,989
	<u>92,536</u>	<u>94,455</u>

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The overall objective of the Board is to set policies that seek to reduce risk exposure as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering into contracts. The Group's review includes external credit ratings, when available. Potential customers that fail to meet the Group's benchmark credit worthiness may transact with the business on a prepayment only basis. As at December 2015, the Group is reliant on Ecopetrol S.A., Shell Colombia S.A and Trafigura Petroleum Colombia SAS. The Group monitors its trading with its customers and ensures payment is made on a regular basis. Ecopetrol S.A is a part state owned company. Shell Colombia S.A, Trafigura Petroleum Colombia SAS and Trenaco S.A are local commodity trading companies trading crude amongst other products. The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. At December 2015, the balance due from Trenaco S.A. of US\$961,389 was impaired and provided for as the balance was considered overdue and unlikely to be recovered.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The Group reviews the banks and financial institutions it deals with to ensure that standards of credit worthiness are maintained. The Group does not hold deposits with financial institutions rated by at least two rating agencies at less than IBB, F1 by Fitch Ratings Ltd and BAA3 by Moody's Investor Services Limited in respect of its short-term instruments and ratings of at least A by Fitch Ratings Ltd and A1 by Moody's Investor Services in respect of its long-term instruments. Restricted cash held for Agencia Nacional de Hidrocarburos ("ANH") contracts are excluded from this.

The Group monitors the utilisation of credit ratings and available credit evaluation information as appropriate and at the reporting date does not envisage any losses from the non-performance of counterparties.

2 Financial instruments - risk management (*continued*)

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The most significant component of liquidity risk affecting the Group is a potential adverse movement in the market price of crude oil.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 90 days. The Group seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on its long term borrowings.

The Directors receive rolling 12 month cashflow projections on a monthly basis as well as information regarding cash balances. As soon as funding shortfalls are identified, the Directors take action to identify and subsequently secure the necessary funds from existing or new investors or in the form of short and long term borrowings. Further information on liquidity is included in note 1 (Going Concern and Non-Current Liabilities).

Included within non-current liabilities is an amount of US\$71 million (2014: US\$59 million) which relates the Group's credit facility with BNP Paribas. The Company drew an initial tranche of US\$60 million and repaid the outstanding balance on the previous facility in full and utilised the balance in projects executed during 2014. The Company drew an additional US\$12 million during the year, and post year end has drawn down the remaining US\$8 million.

As at 31 December 2015 and 2014 there were no covenant breaches.

Capital management policies

The Group considers its capital to be its ordinary share capital, share premium, other reserves, retained deficit and external borrowings. The Board of Directors has established principles for the management of the Group's capital resources based on a long-term strategy that continually evaluates and monitors the achievement of corporate objectives and the development of the Group's portfolio of oil and gas assets in Colombia. Specific capital management policies include the following:

- § Holding sufficient resources to maintain and develop license commitments and to maximize discretionary spending on further developing its oil and gas assets;
- § The reinvestment of profits into new and existing assets that fit the corporate objectives;
- § To identify the appropriate mix of debt, equity and partner sharing opportunities in order to maintain and comply with license commitments and further develop its portfolio of oil and gas assets with a view of generating the highest returns to shareholders overall with the most advantageous timing of investment flows;
- § Retain maximum flexibility to allocate capital resources between exploration and appraisal, and production and development projects based on available funds and the quality of opportunities.

On a regular basis, management receives financial and operational performance reports that enable continuous management of assets, liabilities and liquidity.

Market risk

The most significant component of market risk affecting the Group is the market price of crude oil.

2 Financial instruments - risk management (continued)

Crude oil price sensitivity analysis

A sensitivity analysis based on a 47% (2014: 45%) price volatility assumption is used internally by management to estimate the potential impact of reasonably viewed possible variations in crude oil market prices, based upon recent trends. As at 31 December 2015, a 47% (2014: 45%) increase in the average sales price obtained during the year would have increased revenues by US\$37,648,892 (2014: US\$37,064,000) and would have decreased the loss to US\$6,598,986 (2014: US\$51,041,369). On the other hand, a 47% (2014: 45%) decrease in the average sales price would have reduced revenues by US\$37,648,892 (2014: US\$37,064,000) and would have increased the loss to US\$81,896,770 (2014: US\$23,086,631). A corresponding effect on net assets would have also been reflected.

Interest rate risk

The Group is exposed to cashflow interest rate risk from its deposits of cash and cash equivalents with banks. The cash balances maintained by the Group are proactively managed in order to ensure that the maximum level of interest is received for the available funds but without affecting the working capital flexibility the Group requires.

The Group has short and long term loans, which carry fixed and floating interest rates within the terms of the agreements. The Group does not consider itself materially exposed to cashflow interest rate risk from its borrowings. Under the terms of the loan agreement with BNP Paribas, the Group is able to fix the applicable margin by electing the agreed margin rate based on an ABR or Eurodollar loan basis. The agreed margins are 2.75% for an ABR or 3.75% for a Eurodollar loan. By electing the fixed margin, the Company considers that it has minimised the exposure of the Group to cashflow interest rate risk, and further that changes to the Libor rate do not represent a significant risk to the Group. No subsidiary company of the Group is permitted to enter into any borrowing facility or lease agreement without the prior consent of the Board of Directors.

The Group's exposure to interest rates on financial assets and financial liabilities is detailed below.

Financial liabilities - The Group reviewed the interest rate sensitivity on year-end liabilities balances and determined that a one per cent increase or decrease in the interest rate earned on floating rate payables would not have resulted in a significant increase or decrease in net obligations.

Financial assets - The Group reviewed the interest rate sensitivity on year-end cash and cash equivalents (including restricted cash) balances and determined that a one per cent increase or decrease in the interest rate earned on floating rate deposits would not have resulted in a significant increase or decrease in net income receivable.

Interest rates on financial assets and liabilities

The interest rate profile of the Group's financial assets and liabilities at 31 December 2015 was as follows:

ASSETS	Financial assets on which floating rate interest is earned US\$'000	Financial assets on which no interest is earned US\$'000	Total 2015 US\$'000
Currency			
Colombian Pesos	3,363	1,762	5,125
US Dollars	-	23,078	23,078
British Pounds	-	63	63
Total	3,363	24,903	28,266

2 Financial instruments - risk management (continued)

LIABILITIES	Financial liabilities on which interest is paid US\$'000	Financial liabilities on which no interest is paid US\$'000	Total 2015 US\$'000
Currency			
Colombian Pesos	-	15,819	15,819
US Dollars	71,011	5,706	76,717
Total	71,011	21,525	92,536

The profile at 31 December 2014 for comparison purposes was as follows:

ASSETS	Financial assets on which floating rate interest is earned US\$'000	Financial assets on which no interest is earned US\$'000	Total 2014 US\$'000
Currency			
Colombian Pesos	4,705	478	5,183
US Dollars	-	15,856	15,856
British Pounds	-	45	45
Total	4,705	16,379	21,084

LIABILITIES	Financial liabilities on which interest is paid US\$'000	Financial liabilities on which no interest is paid US\$'000	Total 2014 US\$'000
Currency			
Colombian Pesos	372	28,971	29,343
US Dollars	58,659	6,453	65,112
Total	59,031	35,424	94,455

Cash at bank at floating rates consisted of demand deposits subject to floating rates which earn interest at an average rate of 3.71% (2014: 2.38%).

2 Financial instruments - risk management (continued)**Foreign exchange risk**

Foreign exchange risk arises because the Group has operations located in various parts of the world, which enter into transactions in currencies which are not the same as the functional currency of the Company and its subsidiaries. Although its wider market penetration reduces the Group's operational risk, the Group's net assets arising from such overseas operations are exposed to currency risk resulting in gains and losses on retranslation into US Dollars. Only in exceptional circumstances will the Group consider hedging its net investments in overseas operations, as generally it does not consider that the reduction in foreign currency exposure warrants the cash flow risk created from such hedging techniques for this foreign exchange effect. Wherever possible in order to monitor the continuing effectiveness of this policy, the Board, through their approval of capital expenditure budgets and review of the monthly management accounts, considers the effectiveness of the policy on an ongoing basis.

The following table discloses the exchange rates of those currencies utilised by the Group:

Foreign currency units to US\$1.00	Colombian Peso	British Pounds Sterling
At 31 December 2015	3,149	0.6755
At 31 December 2014	2,392	0.6437

Currency exposures

The financial assets and liabilities of the Group that are not denominated in US dollars and are therefore exposed to currency fluctuations are shown below. The amounts shown represent the US dollar equivalent of local currency balances.

US dollar equivalent of exposed net monetary assets and liabilities	Colombian Peso US\$'000	British Pounds Sterling US\$'000	Total US\$'000
At 31 December 2015	(10,694)	63	(10,631)
At 31 December 2014	(23,076)	45	(23,031)

Foreign currency sensitivity analysis

The Group is mainly exposed to currency rate fluctuations of the Colombian Peso versus the US\$, and measures its foreign currency risk through a sensitivity analysis considering 37.1% favorable and adverse changes in market rates on exposed monetary assets and liabilities denominated in Colombian Pesos. At 31 December 2015, a 37.1% strengthening of the Peso against the Dollar would have resulted in a US\$2,896,680 increase/decrease (2014: US\$2,097,818 decrease) in the net assets of the Group. A 37.1% weakening of the Peso against the Dollar would have resulted in a 6,320,626 increase/decrease (2014: US\$2,564,000 increase) in net assets of the Group. Management meet frequently with the Board of Directors to provide consistent information and data flow to ensure that the achievement of objectives is evaluated and measured.

The above policies and practices are consistent with strategies and objectives employed in prior years and are expected to remain consistent in the extension of future resource allocation objectives.

3 Staff costs (including directors' and key management remuneration)

The average number of employees of the Group during the year, including executive directors, was as follows:

	2015	2014
	Number	Number
Administration	53	52
Technical	152	144
	<u>205</u>	<u>196</u>

	2015	2014
	US\$'000	US\$'000
Wages and salaries	6,520	8,076
Share based payments	-	156
Other Personnel Charges	254	307
Social Security	307	375
Pensions	489	564
	<u>7,570</u>	<u>9,478</u>

The Company does not administer its own pension scheme; instead it makes payments on behalf of its directors and employees into their own personal pension plans.

The directors believe that the directors (including non-executive directors) represent key management and therefore directors' fees, benefits and emoluments represent the remuneration of key management personnel.

Compensation for directors consists of:

	2015	2014
	US\$'000	US\$'000
Wages and salaries	672	782
Share based payments	-	156
Pensions	50	56
	<u>722</u>	<u>994</u>

The highest paid director in 2015 received emoluments of US\$475,216 (2014: US\$565,514) and pension contributions of US\$49,841 (2014: US\$55,612).

No warrants or options were exercised by the Directors in the year. Two directors exercised share options with a gain of US\$ 273,438 in 2014.

4 Revenue

	2015	2015	2014	2014
	Units	US\$'000	Units	US\$'000
	(BOE)		(BOE)	
Total crude	2,041,152	81,589	1,038,038	81,524
Total gas	3,336	93	29,440	841
Total revenue		81,682		82,365

All revenue in 2015 and 2014 arose in Colombia.

5 Operating (loss) / profit

(Losses) / Profits from operations are stated after charging/(crediting):	2015	2014
	US\$'000	US\$'000
Depreciation, depletion and amortisation		
- Oil and gas assets	13,634	13,802
- Other fixed assets	1,460	1,643
Impairments		
- Oil and gas assets	39,775	3,829
- Intangible E&E assets	7,876	3,687
Operating lease rentals		
- land and buildings	325	596
Share based payments:	-	156
Foreign exchange loss / (gain)	266	(365)
Fees payable to the principal auditor for the audit of the Company's annual financial statements	151	237
Non-audit fees	30	40
Fees payable to associated firms of the principal auditor for the audit of the Company's subsidiaries, pursuant to legislation	37	51
Fees payable to other auditors for the audit of the Company's subsidiaries, pursuant legislation	47	59

6 Finance income and expenses

	2015	2014
	US\$'000	US\$'000
<i>Finance income</i>		
Interest received on bank deposits	124	112
Total interest income calculated using the effective interest method	124	112
Total finance income	124	112

Finance expense

Interest on financial liabilities	3,202	2,332
Derivative valuation (*)	-	(902)
Derivative hedge cash settlements	-	1,447
Bank commissions	1,035	465
	<u>4,237</u>	<u>3,342</u>

(*) The Derivative valuation in 2014 considers the reversion balance of the financial instrument valuation which the Group had with Wells Fargo bank. The derivative was cancelled in September 2014.

7 Taxation

	2015 US\$'000	2014 US\$'000
Current tax	11,165	9,245
Deferred tax (note 17)	5,812	1,949
	<u>16,977</u>	<u>11,194</u>

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate in the UK at 20.25% (2014: 21.5%) and the reported tax expense assessed in the Colombian companies in profit or loss are as follows:

	2015 US\$'000	2014 US\$'000
Reconciliation of the total tax charge		
(Loss) / profit before tax for the year from continuing operations	(27,271)	25,171
Taxable (losses) profits	(27,271)	25,171
Expected tax charge based on the standard rate of corporation tax in UK 20.25% (2014: 21.5%)	(5,522)	5,411
Effect of:		
Expenses not deductible for tax purposes	7	58
Tax losses carryforward	1,018	1,246
Deferred tax asset not recognized	9,286	3,541
Movement in Deferred Tax Asset (note 17)	(2,578)	2,902
Movement in Deferred Tax Liability (note 17)	8,523	(725)
Movement in temporary differences on local taxes	-	214
Derecognition /(Use of) brought forward taxable losses (note 17)	982	(1,549)
Tax expense from prior periods	522	-
Effect of tax rates differences in foreign jurisdictions (UK 20.25%, Colombia: 25%, plus 9% CREE Tax ,plus 5% surcharge "Cree Tax" (2014: UK: 21.5%, Colombia: 25% plus 9% CREE Tax).	<u>4,739</u>	<u>96</u>
Total tax for the year	<u>16,977</u>	<u>11,194</u>

The Colombian companies prepare their tax provision on the basis of two methods: 1) taxable income or regular income tax (revenue less allowable costs and expenses) with a rate of 25%, CREE tax which rate is 9% and CREE surcharge of 5% (2015) under local tax regulations. 2) Minimum amount of income tax, which is determined based on the presumptive income method. Under this method, presumptive taxable income is measured as 3% of net assets (or tax equity) as of 31 December of the prior tax year as reported by the taxpayer on the corresponding tax return. The income tax rate is then applied to the greater of regular taxable income or presumptive taxable income (exempting certain business activities). Each year, taxpayers must compare the value resulting from the application of the foregoing two systems. The income tax provision for the taxable year will be calculated on the higher value resulting from this comparison.

CREE tax- Colombian Tax Law 1607

In December 2012, the Colombian Congress passed a tax law which reduced the corporate income tax rate applicable to Colombian entities and branches of non-Colombian companies from 33 per cent to 25 per cent beginning 1 January 2013. This rate reduction was effectively offset by a new income tax, known as "CREE Tax", with a tax rate of 9 per cent applicable from 2013 through 2015, and 8 per cent thereafter. The CREE tax works as an income tax except for certain limitations on the ability to claim costs and expenses. Tax loss carryforwards are not eligible to offset the CREE taxable amount. Lastly, the CREE's taxable income amount may not be less than three per cent of the taxpayer's net equity as of 31 December of the preceding taxable year. From 2013, the Company calculated its current tax expense based upon Tax Law 1607.

CREE Surcharge- Colombian Tax Law 1739

On December 23, 2014, the Colombian Congress created the Cree Surcharge by Law 1739, is an absolute rate increase, valid for four years, between 2015 and 2018 which is calculated on the same CREE taxable income exceeding \$335,000. The surcharge applicable rates are: 5% for 2015, 6 % in 2016, 8 % for 2017 and 9% for 2018. The surcharge will be discontinued in 2019.

The total unrecognised losses for the Group of approximately US\$22 million (2014: US\$32 million), will be reviewed in future periods as the likelihood of their utilisation increases.

Wealth tax

Effective 1 January 2015, the Colombian Congress introduced a new wealth tax that is calculated on a taxable base (net equity) in excess of COP\$1 billion (US\$0.4 million) as at 1 January of the applicable taxation year. The applicable rates for 1 January 2015, 2016, and 2017 are 1.15%, 1.00% and 0.40%, respectively. Based on the Colombian companies' taxable base, the 2015 wealth tax was US\$276,050 and recorded as an expense in the statement of income, as and it was paid in two installments in May and September 2015.

8 Property, plant and equipment

	Fixtures, fittings and equipment US\$'000	Field, plant and machinery US\$'000	Proven oil and gas assets US\$'000	Total US\$'000
Cost				
At 1 January 2014	810	4,816	146,220	151,846
Additions	1,341	6,460	16,790	24,591
Transfers from intangibles	-	-	30,268	30,268
Other transfers	-	4,322	(4,322)	-
At 31 December 2014	2,151	15,598	188,956	206,705
Additions	474	369	1,244	2,087
Decommissioning Provision	-	-	(1,111)	(1,111)
Transfers from Intangibles	-	-	6,216	6,216
At 31 December 2015	2,625	15,967	195,305	213,897
Depreciation, depletion and impairment				
At 1 January 2014	514	3,439	47,402	51,355
Charge for year	197	1,446	17,631	19,274
At 31 December 2014	711	4,885	65,033	70,629
Charge for the year	203	1,257	13,634	15,094
Impairment	-	563	39,212	39,775
At 31 December 2015	914	6,705	117,879	125,498
Net book value At 31 December 2015	1,711	9,262	77,426	88,399
At 31 December 2014	1,440	10,713	123,923	136,076

As a result of the decline in commodity prices, the Group completed an impairment test on its proven oil and gas assets, and the Directors considered and concluded, given that the carrying value exceeded the fair economic value of some of the Oil & Gas assets, in accordance with the Group's accounting policies it was appropriate to recognize an impairment of US\$39.8 million (2014: US\$3.8 million) relating to assets in the: (i) Santa Lucia field (US\$2.7 million), (ii) Angeles field (US\$10.6 million), (iii) Serafin field (US\$0.1 million), (iv) Tronos field (US\$0.3 million), (v) Colon field (US\$10.4 million), (vi) Juglar field (US\$9.1 million), (vii) Gaitero field (US\$6.2 million), and (viii) Zoe field for (US\$0.023) million after taking into account that this well was used to obtain the production of the Chuirá 1 Side track project. Based on the impairment analysis performed, and using oil and gas Brent futures estimates confirmed by Ryder Scott, the Group has assumed a gross sales price of between US\$41/bbl in 2016, US\$51.5/bbl in 2017, increasing to US\$110.43/bbl in 2030 (2014: US\$55/bbl in 2015, US\$75/bbl in 2016, increasing to US\$113/bbl in 2029). The Group has estimated costs, on a field by field basis as certified by Ryder Scott

in the 2015 report, including transportation costs. The post-tax discount rate used was 10.3% (2014: 13%).

9 Intangible exploration and evaluation assets

	2015 US\$'000	2014 US\$'000
Cost and Net book value		
At 1 January	14,349	11,075
Additions	20,098	37,229
Impairment of assets (1)	(7,876)	(3,687)
Transfer to oil and gas assets (see note 8)	(6,216)	(30,268)
Farm Out Putumayo-04 (2)	(6,787)	-
	<hr/>	<hr/>
<i>Cost and Net book value at 31 December</i>	13,568	14,349
	<hr/>	<hr/>

The amounts for intangible E & E assets represent costs incurred on active oil and gas exploration projects.

- (1) In accordance with the oil and gas asset accounting policy set out in note 1, E & E assets are evaluated when circumstances exist that suggest that they are facts and circumstances which may indicate a potential trigger for impairment as well as when E & E assets are reclassified to the development and producing phase. The outcome of ongoing exploration, and therefore whether the carrying value of assets will be recovered, is inherently uncertain. Accordingly the Group must recognize an impairment of US\$7.9 million (2014: US\$3.69 million): Juglar field of US\$1.5 million, Mochuelo-01 well US\$4.7 million, Angeles-20 well US\$1.5 million and Zoe field US\$0.2 million.

As at 31 December 2015, the Group's unevaluated Oil & Gas assets split into deferred exploration costs on the Putumayo of US\$2.6 million, US\$2.05 million relating to seismic and geophysical study costs in the Llanos areas, Chuirra-02 drilling and completion costs of US\$8.1 million, and others minor projects of US\$0.5 million. In performing an assessment of the carrying value of the exploration and evaluation assets at the reporting date, the Directors concluded that no further additional impairment existed to the Group's unevaluated Oil & Gas assets at 31 December 2015 was required.

- (2) During the year, the Group entered into a farm-out agreement with Gran Tierra Energy Colombia, under which PetroLatina's Colombian operating subsidiary continues to retain a 30% legal interest in Putumayo -4. Subject to approval of the ANH to the assignment for this block, Gran Tierra acquired a 70% undivided participating interest in, and became the operator of the block.

See Note 24 for details of capital commitments.

10 Investments

As at 31 December 2015, the Group comprised the Company and the following directly and indirectly held subsidiaries and interests:

	Proportion of ownership interest at:		Country of incorporation	Shareholder	Principal activity
	2015	2014			
PetroLatina (CA) Limited	100%	100%	United Kingdom	PetroLatina Energy Limited	Intermediate Holding Company ("IHC")
Taghmen Argentina Limited	100%	100%	United Kingdom	PetroLatina Energy Limited	Dormant
Taghmen Colombia S.L.	100%	100%	Spain	PetroLatina (CA) Limited	IHC
Petróleos Del Norte SA (see * and note 21)	100%	100%	Colombia	Taghmen Colombia S.L.	Operating Company Holds 5% of participating interest in La Paloma Block IHC
Rend Lake Corporation	100%	100%	Panama	PetroLatina (CA) Limited	95% Shareholder in the PetroCaribe Temporary Union, owner of the La Paloma block
Rend Lake Sucursal Colombia	100%	100%	Colombian Branch of Rend Lake Corporation	Rend Lake Corporation	
PetroLatina Energy Sucursal Colombia	100%	100%	Colombian Branch of PELE	PELE	85% Shareholder in the Midas Temporary Union, owner of the Midas block IHC
North Riding Inc.	100%	100%	Panama	PetroLatina (CA) Limited	15% Shareholder in the Midas Block
North Riding Sucursal Colombia	100%	100%	Colombian Branch of North Riding Inc	North Riding Inc	
Transporte Del Norte SA (**)	0.04%	4%	Colombia	Petróleos Del Norte SA	Operating Company

* In June 2006 the Group acquired, and since then has held, a controlling interest of 92.42% of the issued and outstanding share capital of PDN. The remaining 7.58% of the issued and outstanding shares of PDN were held in a trust in Colombia and their release from such trust was subject to the final resolution of pending litigation. The judgment at first and second instance was in favour for PDN. PELE owned 100% at the year-end (2014: 96.09%). Final judgment in the litigation has at year end resulted in the shares held in trust being returned to PDN for cancellation. As a result the share capital under litigation has been diluted to 0% (2014: 3.91%).

** This company is excluded from the consolidation on the ground of immateriality as permitted by S.405 Companies Act 2006. Post year end, this remaining interest has been sold.

11 Inventories

	2015 US\$'000	2014 US\$'000
Crude oil inventory	221	674

12 Trade and other receivables

	2015 US\$'000	2014 US\$'000
Trade and other receivables	3,340	2,253
Prepayments	13	86
Advance Payments to contractors	70	105
	<u>3,483</u>	<u>2,444</u>

As at 31 December 2015, there were receivables considered overdue of US\$961,389 which were impaired and fully provided for (2014: US\$ Nil). The Board of Directors considered that the carrying values adequately represented the fair value of all other trade and other receivables. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable, including cash and restricted cash noted below.

13 Withholding taxes

	2015 US\$'000	2014 US\$'000
Withholding taxes	807	691
Prepaid income taxes	2,080	2,167
	<u>2,887</u>	<u>2,858</u>

The Colombian group's subsidiaries are required every year to pay in advance part of its coming year tax income. At 31 December 2015 the Group's subsidiaries had paid in advance US\$2.08 million (2014: US\$2.1 million). Three of the Group's subsidiaries in Colombia are tax payers. The Group intends to offset amounts paid in advance against the amount of tax payable during the year (as set out in note 7).

14 Restricted cash

	2015 US\$'000	2014 US\$'000
Colombian Pesos denominated investments	<u>3,363</u>	<u>4,705</u>

As of 31 December 2015, the Group had US\$3.36 million of restricted cash, of which US\$2,653,691 related to funds for decommissioning liabilities associated with the Colombian assets according to the terms of the E&P agreements with Ecopetrol and ANH, and US\$709,564 related to term deposits to guarantee Phase 1 of Midas contract with ANH. The maturities of the Group's restricted cash are over 6 months.

15 Trade and other payables

Current payables

	2015 US\$'000	2014 US\$'000
Trade payables	6,457	17,526
Redemption Share payable	109	248
Withheld taxes and social security costs	771	1,106
VAT Taxes	1,283	297
Accruals	6,262	9,420
Other payables	859	131
	<u>15,741</u>	<u>28,728</u>

Trade payables are classified as financial liabilities carried at amortised cost and due within the next three months. The Company sold some of its production to a new customer and as result of the location of that customer incurred additional VAT obligations during the year which historically had not been incurred.

16 Loans and borrowings

The book value and fair value of loans and borrowings are as follows:

	Book & Fair Value 2015 US\$'000	Book & Fair Value 2014 US\$'000
Non-current		
Helm Bank	-	372
BNP Paribas	71,011	58,659
Total non-current	<u>71,011</u>	<u>59,031</u>
Total loans and borrowings	<u>71,011</u>	<u>59,031</u>

16 Loans and borrowings (continued)

Principal terms and the debt repayment schedule of the Group's loans and borrowings are as follows as at 31 December 2015 and 2014.

	Currency	Nominal Rate	Year to Maturity
Helm Bank	COP	5.5% + DTF*	On demand
BNP – Senior Secured Debt Facility	USD	3.75% + Libor	2018

* DTF is the rate that banks pay to 90 days fixed term deposits holders, and is issued by the National Republic Bank.

The maturity analysis shows the remaining contractual maturities of the Group's borrowings:

2015	Floating rate US\$'000	Fixed rate US\$'000	Total US\$'000
Expiry within 1 year	-	-	-
Expiry within 1 and 2 years	-	-	-
Expiry in more than 2 years but less than 5 years	71,011	-	71,011
	71,011	-	71,011
<hr/>			
2014	Floating rate US\$'000	Fixed rate US\$'000	Total US\$'000
Expiry within 1 year	-	372	372
Expiry within 1 and 2 years	-	-	-
Expiry in more than 2 years but less than 5 years	58,659	-	58,659
	58,659	372	59,031
<hr/>			

Included within non-current liabilities in 2015 is an amount of US\$71 million (2014: US\$58.66 million) relating to the loan facility with BNP Paribas (net of US\$1.34 million of deferred legal costs incurred in connection with the loan, which have been capitalized over the term of the credit facility, during the year US\$0.35 million was amortized to the comprehensive income statement leaving an outstanding balance of US\$0.99 million) based on the approved borrowing base of US\$80 million, and US\$ nil (2014: US\$0.4 million) in current liabilities with Helm Bank.

Senior Secured Credit Facility

The Group has a Senior Secured Credit Facility of up to US\$200 million with BNP Paribas. The facility is secured over all of the assets of the Group. On 17 October 2014, the borrowing base was established at US\$80 million, and an initial US\$60 million was drawdown to fully repay the previous credit facility with Wells Fargo and to fund certain projects defined in the drilling and operational program.

On 29 April 2015 the Group decided to request an additional drawdown of US\$12 million from the US\$20 million available under the credit facility with BNP Paribas for the purposes of supporting the development plan and allow the Group to continue with new projects which the Group defined in its strategic plan to further develop its undeveloped reserves into new proved producing reserves.

At the year end, the Group has US\$8 million undrawn commitment to be used as needed, and incurs and recognises a commitment fee rate of 2% over this amount. Since the year end, the Group has drawn down this remaining undrawn US\$8 million.

16 Loans and borrowings (continued)

The Senior Secured Credit Facility consists of the following terms:

- The agreement established an initial 4 year term with no capital repayments before the maturity date. Interest is paid on a quarterly basis.
- An interest rate payable of 3.75% + (1 month, 2 month, or 3 months US LIBOR, as elected by the Group.
- The Group must accomplish certain covenants related to: current ratio (not lower than 1:1); Debt to EBITDA ratio (not higher than 3.5:1); Interest Coverage ratio (not lower than 2.5:1).

17 Deferred tax asset ("DTA") and liability ("DTL")**Deferred tax asset**

The Group recognised deferred tax assets for the amount of income taxes recoverable in future periods in respect of deductible temporary differences related to accruals and other provisions

The Group has approximately US\$22 million (2014: US\$24 million), of tax losses carried forward. These losses relate to its Colombian subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Deferred tax movement is as follows:

	2015 US\$'000	2014 US\$'000
At 1 January	571	3,884
Recognition of deferred asset arising from recoverable tax losses carried Forward	-	982
Reversed or use of brought forward taxable losses	(982)	(3,884)
Recognition of deferred asset of deductible temporary differences	2,578	-
Deferred tax liability expected to be released concurrently with DTL	411	(411)
At 31 December	<u>2,578</u>	<u>571</u>

The total unrecognised losses for the Group of approximately US\$22 million (2014: US\$24 million), will be reviewed in future periods as the likelihood of their usage increases.

Deferred tax liability

The deferred tax liability is calculated for the income taxes payable in future periods in respect of taxable temporary differences originated in the variations of the exchange rate of tax base of the non monetary assets which are determined in a different currency and the differences in carrying value of property plant and equipment and intangible assets. The deferred tax is calculated at 40% which is the prevailing tax rate from 2016. The movement on the deferred tax account is as shown below:

	2015 US\$'000	2014 US\$'000
At 1 January	545	1,681
Statement of comprehensive income	7,407	(725)
Deferred tax Liability expected to be released concurrently with DTA	411	(411)
At 31 December	<u>8,363</u>	<u>545</u>

18 Provisions

	Plug and Abandonment provision US\$'000
At 1 January 2014	6,457
Provided during the year	1,587
Unused amounts and reversed during the year	(997)
At 31 December 2014 and at 1 January 2015	7,047
Provided during the year	773
Unused amounts and reversed during the year	(362)
Discount of provision during the period	(1,534)
Balance at 31 December 2015	5,924

In common with other oil companies with operations in Colombia, the Group acknowledges its environmental and decommissioning obligations. Therefore, where a material liability for site restoration exists after a well has been drilled, the Group recognises a provision for plugging and abandonment.

The amount recognised is the present value of estimated future expenditure determined in accordance with local conditions and requirements.

19 Share capital

	2015 Ordinary Number '000	2015 Deferred Number '000	2015 Deferred B Number '000	2014 Ordinary Number '000	2014 Deferred Number '000	2014 Deferred B Number '000
<i>Authorised</i>						
Ordinary shares of US\$0.10 each	224,446	-	-	224,446	-	-
Deferred Shares of £0.0011 (US\$0.0021) each	-	-	-	-	-	-
Deferred B Shares of US\$0.10 each	-	-	-	-	-	-
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<i>Aggregate nominal value</i>						
Ordinary shares of US\$0.10 each	22,444	-	-	22,444	-	-
Deferred Shares of £0.0011 (US\$0.0021) each	-	-	-	-	-	-
Deferred B Shares of US\$0.10 each	-	-	-	-	-	-

19 Share capital (continued)

	2015 Ordinary Number '000	2015 Deferred Number '000	2015 Deferred B Number '000	2014 Ordinary Number '000	2014 Deferred Number '000	2014 Deferred B Number '000
<i>Issued – allotted, called up and fully paid</i>						
Ordinary shares of US\$0.10 each	140,318	-	-	140,318	-	-
Deferred Shares of £0.0011 (US\$0.0021) each	-	-	-	-	-	-
Deferred B Shares of US\$0.10 each	-	-	-	-	-	-
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<i>Aggregate nominal value</i>						
Ordinary Shares of US\$0.10 each	14,032	-	-	14,032	-	-
Deferred Shares of £0.0011 (US\$0.0021) each	-	-	-	-	-	-
Deferred B Shares of US\$0.10 each	-	-	-	-	-	-
	<u>Number '000</u>	<u>Number '000</u>	<u>Number '000</u>	<u>Number '000</u>	<u>Number '000</u>	<u>Number '000</u>
<i>The issued share capital is reconciled as follows</i>						
Balance at beginning of year	140,318	-	-	139,040	47,773	175,554
Ordinary Shares of US\$0.10 each issued	-	-	-	9,370	-	-
Ordinary Shares of US\$0.10 each bought back	-	-	-	(8,092)	-	-
Deferred Shares of £0.0011 each cancelled	-	-	-	-	(47,773)	-
Deferred Shares of (US\$0.0021) each cancelled	-	-	-	-	-	(175,554)
	<u>140,318</u>	<u>-</u>	<u>-</u>	<u>140,318</u>	<u>-</u>	<u>-</u>
Balance at end of year	140,318	-	-	140,318	-	-

19 Share capital (*continued*)

No shares were issued during the year ended 31 December 2015.

Details of the significant movements in share capital during the year ended 31 December 2014 are set out below:

Year ended 31 December 2014

Description	Date of issue	Shareholder	Issue price per share \$	Number of ordinary shares issued
Exercise of Warrants	September 2014	Macquarie	0.10	8,000,000
Exercise of Share Options	September 2014	Director	0.10	250,000
Exercise of Share Options	October 2014	Directors	0.10	1,120,000
Total shares issued during year ended 31 December 2014				9,370,000

The Ordinary Shares of US\$0.10 each carry one vote per share. They entitle the holder to share equally in a distribution of the profits or assets of the Company by dividend with all other holders of Ordinary Shares, in proportion to the holders' aggregate holding of all Ordinary Shares.

During the year ending 31 December 2014, the Company sought and obtained shareholder approval, through separate class meetings, from the Deferred Shareholder and the Deferred B Shareholders to cancel all issued and outstanding Deferred Shares and Deferred B Shares respectively. Such share were cancelled through a reduction in share capital and share premium.

The Deferred B Shares were fully paid deferred ordinary shares of US\$0.10 each. They had no practical economic value as they were non-voting and carried no rights, including no rights to receive notices, vote at general meetings, and participate in dividends or a return of capital on the liquidation of the Company.

The Deferred Shares were fully paid deferred ordinary shares of £0.0011 (US\$0.0021) each. The Deferred Shares were issued prior to reincorporation as a public limited company in 2004 and had no practical economic value as they are non-voting and carried no rights, including no rights to receive notices, vote at general meetings, participate in dividends or a return of capital on the liquidation of the Company.

In addition, the Company sought shareholder approval from all shareholders, excluding Tribeca Oil and Gas Inc., ("TOGI") and Tribeca Oil and Gas Financing Inc., ("TOGF") to complete the previously agreed buy-back certain shares in the Company held TOGI. The Company completed the buy-back of 8,092,660 shares from TOGI through the advanced loan of US\$6.5 million previously made to TOGI.

The Company also created a new class of redeemable shares, which following approval from shareholders were issued, allotted and redeemed from all shareholders on a 1 redeemable share for each 1 ordinary share held basis. The redeemable shares were redeemed at the rate of US\$0.128 per redemption share.

There was no movement in the ordinary share capital during year ending 31 December 2015.

19 Share capital (continued)

Detail of ordinary share capital movements during year ending 31 December 2014

Description	Date of issue	Shareholder	Issue price per share \$	Amount of Share capital US\$'000
Buy Back	December 2014	TOGI	0.10	809
Warrants Exercised	September 2014	Macquarie B.	0.10	(800)
Exercise of Share Options	September 2014	Director	0.10	(25)
Exercise of Share Options	October 2014	Directors	0.10	(112)
Total capital movements during year ended 31 December 2014				128

Redemption of redeemable shares

The Company created in 2014 a new class of redeemable share, which the Company bonused to shareholders on a 1 redeemable share for each ordinary share held. The redeemable shares were issued, allotted and redeemed for a cash payment of US\$0.128 per redeemable share held. In total an amount of US\$18 million was distributed to shareholders through the redemption of redeemable shares.

20 Share based payments

Share options

At 31 December 2015, the Group had options over 900,000 ordinary shares (2014: 900,000 ordinary shares) of US\$0.10 each outstanding. The options were awarded to certain directors and employees under the terms of an existing unapproved share option plan. The options which were awarded to directors are recognized in the parent company accounts, and those awarded to employees have being recognized in the subsidiary company where their salaries are accrued and paid. The options vest over a two year period from the date of grant and once vested are immediately exercisable, in whole or in part, up to the fifth anniversary of the date of grant, at an exercise price of 44.5 pence per share (2014: 44.5 pence).

	2015 Weighted average Exercise price (pence)	2015 Number	2014 Weighted average Exercise price (pence)	2014 Number
Outstanding at 1 January	44.5	900,000	44.5	2,270,000
Granted during the year	44.5	-	44.5	900,000
Forfeited during the year	-	-	-	-
Exercised during the year	44.5	-	44.5	(1,370,000)
Lapsed during the year	44.5	-	44.5	(900,000)
Outstanding at 31 December 2014	44.5	900,000	44.5	900,000

20 Share based payments (*continued*)

900,000 options remain outstanding at 31 December 2015 (2014: 900,000 ordinary shares), with an exercise price of £0.445 (2014: £0.445) per option, and with an exercise period ending on 31 December 2016. For accounting purposes the fair value of these options were recognized into the comprehensive income and were calculated through a black-Scholes calculation. The weighted average share price (at the date of exercise) of options exercised during the year was £0.445 per share.

Warrants

As at 31 December 2015, no share warrants have been granted and are outstanding in respect of the ordinary shares

During the year ending 31 December 2014, 60,000 share warrants lapsed, with 8,000,000 share warrants being exercised, resulting in 8,000,000 new ordinary shares being issued.

21 Contingent liabilities and litigation

PDN

The Group's results incorporate 100% of the activities of PDN. In June 2006 the Group acquired, and since then has held, a controlling interest of 92.42% of the issued and outstanding share capital of PDN. The remaining 7.58% of the issued and outstanding shares of PDN were held in a trust in Colombia and their release from such trust was subject to the final resolution of pending litigation. The judgment at first and second instance was in favour for PDN. PELE owned 100% at the year-end (2014: 96.09%). Final judgment in the litigation has at year end resulted in the shares held in trust being returned to PDN for cancellation. As a result the share capital under litigation has been diluted to 0% (2014: 3.91%). As a result the share capital under litigation has been diluted to 0% (2014: 3.91%).

PDN damages claim: "Bellavista case"

Administrative proceedings seeking direct reparation. PDN brought an action against the Ministry of Defense in December 2004. PDN seeks indemnification for damages suffered as a result of a terrorist attack perpetrated by the FARC guerrillas in December 2002, which totally destroyed the 'Bellavista' pumping station. PDN argues that the attack was supposed to be directed at the Government in place, but affected PDN's private property. PDN argues that the Army was not protecting the station at the time of the attack having ceased to do so in 1999, despite the difficult public order situation in the area. PDN demands payment of actual damages and losses in excess of US\$7 million. Current status: PDN filed an appeal against the first judgement and currently is awaiting the final ruling of the Administrative State Court.

22 Related party transactions

Details of key management personnel's remuneration is given in note 3.

Transportes del Norte S.A. ("TDN"), a company controlled by Juan Carlos Rodriguez, a director and substantial shareholder in PELE, provides transportation services to the Company. During the year US\$23,014,973 (2014: US\$13,575,246) was incurred for services provided by TDN. At the year end, a total of US\$nil (2014: US\$1,228,112) was due and outstanding to TDN. All transactions were on an arm's length basis.

In the year ending 31 December 2014, the Company sought shareholder approval from all shareholders, excluding Tribeca Oil and Gas Inc, ("TOGI") and Tribeca Oil and Gas Financing Inc, ("TOGF") to complete the previously agreed buy-back certain shares in the Company held TOGI. The Company completed the buy-back of 8,092,660 shares from TOGI through the advanced loan of US\$6.5 million previously made to TOGI. No transactions were undertaken during 2015.

23 Commitments under operating leases

As at 31 December 2015, the Group has commitments under non-cancellable operating leases as set out below:

	Land and Buildings	
	2015	2014
	US\$'000	US\$'000
Operating leases commitments due:		
Less than one year	194	175
In two to five years	-	140
Total	194	315

24 Capital Commitments

As at 31 December 2015, the Group had net commitments of US\$ nil for the next 12 months. The Group has commitments commencing in 2017, over the following 3 years of approximately US\$80.2 million to drill 6 exploratory wells, one in each of the following fields: Paloma, Midas, LLa-53, LLa-70, LLa-1, Put-25, and to shoot 4 seismic programs in Llanos and Putumayo fields.

25 Post Reporting date Events

On 27 January 2016, the Company increased its borrowing under the BNP loan facility by drawing an additional US\$8 million increasing total borrowings to US\$80 million.

On March 2016 TDN, changed its name to Petro Trade and Logistics S.A. - PTL S.A, On 30 March 2016, the Group sold its remaining shareholding of 0.04% in TDN.

The Chuiria-2ST well finished drilling on 28 December 2015, reaching a total depth of 9,365 ft (MD), and finding a 255 ft net pay on open natural fractures in the La Luna formation. This geological unit was completed with a pre-perforated liner and started an initial test on 6 January 2016. The initial test resulted in an average intermittent production of 35 bopd of 21° API on natural flow. A cleaning and stimulation job was carried out later with a coiled tubing unit in order to remove possible solids obstructions and dissolve natural carbonates and organics, improving the productivity; the final results has shown an average stabilized production in natural flow of 47 bopd of 22.4° API and the cumulative production as at 31 March 2016 is 3,169 barrels of oil.

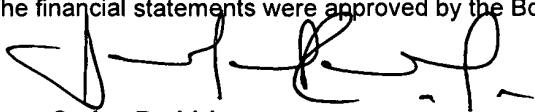
Company Financial Statements

PetroLatina Energy Limited
Company Number: 05173588
Company Balance Sheet
For the year ended 31 December 2015

	Note	2015 US\$'000	2014 US\$'000
Non-current assets			
Restricted cash		98	768
Property, Plant & Equipment	4	42,112	41,379
Intangible oil and gas assets	5	7,237	1,368
Deferred tax assets		2,182	-
		51,629	43,515
Current assets			
Stocks		36	306
Debtors	6	98,746	98,871
Cash at bank and in hand		12,603	8,881
Total current assets		111,385	108,058
Current liabilities			
Creditors falling due within one year	7	8,818	13,784
Income Tax		5,024	6,332
Total current liabilities		13,842	20,116
Net current assets		97,543	88,710
Total assets less current liabilities		149,172	131,457
Non-current liabilities			
Provision	11	1,156	2,002
Borrowings	12	71,011	58,659
Deferred tax liability		6,362	-
Total non-current liabilities		78,529	60,661
Total net assets		70,643	70,796
Capital and reserves			
Share capital	8	31,733	31,733
Share premium	9	94,044	94,044
Warrant and option reserve	9	372	372
Loss Reserves brought forward		(55,353)	(74,397)
Profit for the year	9	(153)	19,044
Shareholders' funds	10	70,643	70,796

PetroLatina Energy Limited
Company Number: 05173588
Company Balance Sheet
For the year ended 31 December 2015

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2016.



Juan Carlos Roddriguez
Director

The notes on pages 62 to 69 form part of these financial statements.

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 101 is given in note 16.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 1 in Group's financial statements).

The following principal accounting policies have been applied:

Going concern

The Company currently has access to sufficient financial resources to meet its working capital requirements for the following 12 months from the date of approval of these financial statements. At the year end, the Company had cash and cash equivalents of US\$12.60 million (2014: US\$8.88 million). The Company has sufficient resources to comply with its contractual commitments.

Financial instruments

The Company's financial instruments comprise short and long-term borrowings, cash at bank and various items such as trade debtors and creditors that arise directly from its operations. The main purpose of these instruments is to raise finance for operations. The main risks arising from the Company's financial instruments are liquidity risk and currency risk. Currency risk arises as the Company's main operations are in Colombia. Additionally the Company maintains intercompany movements with its affiliates which could include internal loans.

Operations to date have principally been financed through the use of funds from the BNP Paribas Loan facility.

Financial assets

Financial assets are measured initially and subsequently at amortised cost less any provision for recoverability.

Financial liabilities

The Company classifies its financial liabilities into categories depending on the purpose for which the liability was acquired.

1 Accounting policies (*continued*)

Oil and gas exploration costs

The Company applies the successful efforts based method of accounting for oil and gas operations.

Under the successful efforts based method of accounting, costs are capitalised if they lead to or represent the development of the oil and gas assets that either have to be appraised or have been appraised as successful. If evaluation of the oil and gas asset leads to the conclusion that the asset is not economic, the costs incurred in acquiring this asset are expensed through the profit and loss as an impairment charge. Oil and gas assets are capitalised and assessed for economic viability on a well by well basis.

If evaluation of the oil and gas asset leads to the conclusion that the asset has economic value but the costs incurred acquiring and developing this asset exceed this value, the excess costs are expensed through the profit and loss account within impairment charges.

The costs incurred to evaluate potential assets prior to the grant of exploration and production ("E&P") licences are expensed.

Once the costs are capitalised within proven Oil and Gas producing assets, the cost is amortized over the lifetime of the asset, over the basis of production units, the applicable rate is calculated considering the capital expenditures incurred in developing the reserves, plus the future capex needed to develop the proved undeveloped reserves and the probable reserves, divided into the number of proved reserves plus probable reserves, stated on the most recent reserves report, which should be released at least once a year by an independent petroleum engineering firm.

If the management does not intend to develop the proved and probable undeveloped reserves, these reserves will not be included in the calculation, and nor will the future cost to develop such reserves.

Share-based payments

Where share options are awarded to employees, the Company reflects the economic cost of awarding shares and share options to employees and directors by recording an expense in the profit and loss equal to the fair value of the benefit awarded. The expense is recognised in the statement of comprehensive income over the vesting period of the award.

Fair value is measured by the use of a Black-Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, amortised over the remaining vesting period.

Where an option or a warrant is issued to a third party the directors value the service received at fair value. Where this is not ascertainable the directors will value the service based on the fair value of the instruments issued as described above.

Pension costs

Pension contributions paid by the Company are charged to the profit and loss account in the period in which they become payable.

1 Accounting policies (*continued*)

Investments

Investments in subsidiary undertakings are stated at cost less impairment.

Operating leases

Annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Foreign currency

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting dates. Any differences are taken to the profit and loss account.

All other differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, which, to the extent that they are used to finance or provide a hedge against foreign equity investments, are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

Revenue

Revenue represents oil and gas revenues and management fees, net of sales tax and is recorded as earned.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

The deferred tax balance is not discounted.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Finished goods include labour and attributable overheads. Net realisable value is based on estimated selling price less additional costs to sell.

Decommissioning

Where a material liability for the removal of production facilities and site restoration at the end of the productive life of a field exists, a provision for decommissioning is recognised. The amount recognised is the present value of estimated future expenditure determined in accordance with local conditions and requirements. The unwinding discount arising on the recognition of the provision is released to the profit and loss account and included within finance expense. A property, plant and equipment asset of an amount equivalent to the provision is also created within the cost of the asset and depreciated on a unit of production basis. Changes in estimates are recognised prospectively, with corresponding adjustments to the provision and the associated fixed asset. Any gain or loss resulting from the utilisation of the provision is recognised in cost of sales as it is incurred.

2 Directors and staff

The average monthly number of persons (including Executive Directors) employed by the Company during the year was:

	2015	2014
Technical	1	1
Administration	4	4
	<u>5</u>	<u>5</u>

	2015 US\$'000	2014 US\$'000
Directors' fees and emoluments	491	556
Wages and salaries - staff costs	229	284
Social security costs	55	21
Pension costs	72	77
Share based payment	-	156
	<u>847</u>	<u>1,094</u>

See note 3 of the Group accounts for details of the highest paid director's remuneration.

3 Result for the financial year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The Company loss for the year after tax was US\$153,114 (2014: US\$19,044,436).

4 Property Plant & Equipment

	Oil and gas And Other Fixed Assets
	US\$'000
Cost	62,870
At 31 December 2014	
Additions	2,516
Transfers from intangibles	4,423
At 31 December 2015	69,809
Depreciation, depletion and impairment	
At 31 December 2014	(21,491)
Charge for the year	(6,224)
Impairment	19
At 31 December 2015	(27,697)
 <i>Net book value</i>	
At 31 December 2015	42,112
	<hr/>
At 31 December 2014	41,379
	<hr/>

See note 8 in the Group's financial statements for more details of impairments.

5 Intangible assets

	Exploration and Evaluation costs
	US\$'000
<i>Cost intangible assets</i>	
At 1 January 2015	1,368
Additions	14,446
Transfer to oil and gas assets	(4,423)
At 31 December 2015	11,391
 Impairment	
At 1 January 2015	-
Impairment charge	(4,154)
At 31 December 2015	(4,154)
 <i>Net book value</i>	
At 31 December 2015	7,237
	<hr/>
At 31 December 2014	1,368
	<hr/>

The amounts for intangible E & E assets represent costs spent on active oil and gas exploration projects.

In accordance with the Oil and Gas asset accounting policy set out in note 1, E & E assets are evaluated when circumstances exist that suggest the possibility of impairment as well as when E & E assets are reclassified to the development and producing phase. The outcome of ongoing exploration, and therefore whether the carrying value of assets will be recovered, is inherently uncertain.

See note 9 in the Group's financial statements for further details.

6 Debtors

	2015 US\$'000	2014 US\$'000
Amounts due from Group undertakings	96,474	98,143
Prepayments	31	23
Other debtors	2,241	705
	<u>98,746</u>	<u>98,871</u>

Amounts due from group undertakings are receivable on demand. As at 31 December 2015, there were no receivables considered past due, and US\$889,205 were impaired.

7 Creditors

	2015 US\$'000	2014 US\$'000
Trade creditors	3,419	7,210
Accruals	5,017	2,989
Other creditors	381	3,585
Income Tax	5,025	6,332
	<u>13,842</u>	<u>20,116</u>

Amounts due from trade creditors are to be paid within 45 days.

8 Share capital

See note 19 in the Group's financial statements for more details of share capital.

9 Reserves

	Warrant and Option Reserve US\$'000	Share Premium Account US\$'000	Profit and loss account US\$'000
At 1 January 2015	372	94,044	(55,353)
Profit for the year	-	-	(153)
At 31 December 2015	<u>372</u>	<u>94,044</u>	<u>(55,506)</u>

10 Reconciliation of movements in shareholders' funds

	2015 US\$'000	2014 US\$'000
Profit (loss) for the year	(153)	10,911
Share based payment charge	-	1,115
Issue of shares-Warrants/buy back	-	30
Share Redemption	-	(18,000)
Net movement in shareholders' funds	(153)	(5,944)
Opening shareholders' funds	70,796	76,740
Closing shareholders' funds	70,643	70,796

11 Provision

	Plug and Abandonment provision US\$'000
As at 1 January 2015	2,002
Provided during the year	-
Unused amounts and reversed during the year	(376)
Discount of provision during the period	(470)
As at 31 December 2015	1,156

In common with other oil companies with operations in Colombia, the Company acknowledges its environmental and decommissioning obligations. Therefore, where a material liability for site restoration exists after a well has been drilled, the Company recognises a provision for plugging and abandonment.

12 Borrowings

	2015 US\$'000	2014 US\$'000
Non-current borrowings	71,011	58,659

See note 16 in the Group accounts for details of the terms and maturity of the loan.

13 Share based payments

See note 20 of the Group accounts for details of the Company's share based payments.

14 Contingent liabilities and litigation

See note 21 of the Group accounts for details.

15 Related party transactions

The Company received funds from its subsidiaries totalling US\$1.4 million during 2015 and in 2014 the company provided funds to its subsidiaries of US\$11.93 million.

At the year end, a total of US\$92.51 million (2014: US\$93.92 million) was due and outstanding to related parties.

The Company has executed in 2015 an administration contract with Petroleos del Norte S. A., a Subsidiary of the Company, to execute the project Midas Block. Annual profits earned in the project will be calculated and shared as follows: administrative expenses will be proportionally distributed based on the production of each operating area and a premium in favor of Petroleos del Norte will be calculated if the certified reserves report increases reserves in more than 20% in Midas Block, the premium is \$10/bbl per each increased barrel of reserves up to \$950.000. At December 2015, a total of \$4.31 million were incurred for this contract and accounted as administrative expenses.

Transportes del Norte S.A. ("TDN"), a company controlled by Juan Carlos Rodriguez, a director and substantial shareholder in PELE, provided transportation services to the Company. During the year US\$17.54 million (2014: US\$9.36 million) was incurred for services provided by TDN. At the year end, a total of US\$0.20 million (2014: US\$0.64 million) was due and outstanding to TDN. All transactions were on an arm's length basis.

16 Commitments under operating leases and Capital Commitments

See notes 23 and 24. in the Group accounts for details.

17 First time adoption of FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.

18 Post Reporting date Events

See note 25 in the Group accounts for details.