

Dominion Petroleum Administrative Services Limited

**Report and Financial Statements
Year Ended**

31 December 2009

Company registration number: 5339644



Dominion Petroleum Administrative Services Limited

Annual report and financial statements for the year ended 31 December 2009

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Directors

R Shepherd
D Garland

Secretary and registered office

J Dibb (resigned 3 November 2009)
D Garland

65 Sloane Street, London SW1X 9SH

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Dominion Petroleum Administrative Services Limited

Report of the directors for the year ended 31 December 2009

The directors present their report together with the audited financial statements for the year ended 31 December 2009

Results

The income statement is set out on page 5 and shows the profit for the year

Principal activities

The principal activity of the company during the year was the provision of administrative services to the Dominion Petroleum Limited group

Review of operations

The company due to its size has taken advantage of the exemption available under Section 417 of the Companies Act 2006 not to present a business review in accordance with the Act

Directors

The directors of the company during the year were

R Shepherd

A Robinson (resigned 15 September 2009)

D Garland

M Garland (resigned 15 September 2009)

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

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

Dominion Petroleum Administrative Services Limited

Report of the directors for the year ended 31 December 2009 (Continued)

Directors' responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. A fair presentation also requires the Directors to

- consistently select and apply appropriate accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information, and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

Auditors

The current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company'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 unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the Board



R Shepherd

Director

28 September 2010

Dominion Petroleum Administrative Services Limited

Independent auditor's report

To the members of Dominion Petroleum Administrative Services Limited

We have audited the financial statements of Dominion Petroleum Administrative Services Limited for the year ended 31 December 2009 which comprise the statement of comprehensive income, statement of changes in equity, statement of financial position, statement of cash flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2009 and of the company's profit for the year then ended,
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Dominion Petroleum Administrative Services Limited

Independent auditor's report (Continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year [period] for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the 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



Scott Knight (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

28 September 2010

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

Dominion Petroleum Administrative Services Limited

Statement of Comprehensive Income for the year ended 31 December 2009

	Notes	2009 £	2008 £
Administrative expenses		(1,639,378)	(2,065,339)
Other operating income	2	1,809,709	2,255,772
Profit from operations	3	170,331	190,433
Finance costs	6	(6,049)	(21,617)
Finance income	7	237	6,201
Profit before taxation		164,519	175,017
Income tax expense	8	(34,549)	(34,294)
Profit and total comprehensive income for the year		129,970	140,723

The notes on pages 9 to 18 form part of these financial statements

Dominion Petroleum Administrative Services Limited

Statement of changes in equity for the year ended 31 December 2009

	Share capital £	Retained earnings £	Total equity £
At 1 January 2009	1	292,267	292,268
Total comprehensive income for the year	-	129,970	129,970
	<hr/>	<hr/>	<hr/>
At 31 December 2009	1	422,237	422,238
	<hr/>	<hr/>	<hr/>
At 1 January 2008	1	151,544	151,545
Total comprehensive income for the year	-	140,723	140,723
	<hr/>	<hr/>	<hr/>
At 31 December 2008	1	292,267	292,268
	<hr/>	<hr/>	<hr/>

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

Reserve	Description and purpose
Share capital	The nominal value of shares issued
Retained earnings	Cumulative net gains and losses recognised in the statement of comprehensive income

The notes on pages 9 to 18 form part of these financial statements

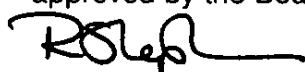
Dominion Petroleum Administrative Services Limited

Company Registered Number 5339644

Statement of Financial Position at 31 December 2009

	Notes	2009 £	2008 £
Assets			
Non current assets			
Property, plant and equipment	9	59,478	72,230
Current assets			
Trade and other receivables	10	1,523,494	280,893
Cash and cash equivalents		76,242	71,425
Total assets		<u>1,599,736</u>	<u>424,548</u>
Liabilities			
Current liabilities			
Trade and other payables	11	1,236,976	132,280
Total liabilities		<u>1,236,976</u>	<u>132,280</u>
Total net assets		<u>422,238</u>	<u>292,268</u>
Capital and reserves attributable to equity holders of the company			
Share capital	12	1	1
Retained earnings		422,237	292,267
Total equity		<u>422,238</u>	<u>292,268</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006. The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2010.



R Shepherd
Director

The notes on pages 9 to 18 form part of these financial statements.

Dominion Petroleum Administrative Services Limited

Statement of Cash Flows for the year ended 31 December 2009

	2009 £	2009 £	2008 £	2008 £
Operating activities				
Profit for the year	129,970		140,723	
Adjustments for				
(Increase)/decrease in other receivables	(1,242,601)		258,958	
Increase/(decrease)crease in other payables	1,106,469		(390,416)	
Income tax expense	34,549		34,294	
Foreign exchange movement	(668)		90,769	
Depreciation	27,650		24,509	
Finance income	(237)		(6,201)	
Finance costs	6,049		21,617	
	<hr/>		<hr/>	
Cash used in operations		61,181		174,253
Income taxes paid		(36,322)		(31,602)
		<hr/>		<hr/>
Net cash from operating activities		24,859		142,651
Investing activities				
Interest received		237		6,201
Acquisitions of property, plant and equipment		(14,898)		(92,854)
Finance costs paid		(6,049)		(21,617)
		<hr/>		<hr/>
Cash used in investing activities		(20,710)		(108,270)
		<hr/>		<hr/>
Increase in cash and cash equivalents		4,149		34,381
		<hr/>		<hr/>
Cash and cash equivalents at beginning of year		71,425		127,813
Exchange gains/(losses) in cash and cash equivalents		668		(90,769)
		<hr/>		<hr/>
Cash and cash equivalents at end of year		<hr/> 76,242		<hr/> 71,425

The notes on pages 9 to 18 form part of these financial statements

Dominion Petroleum Administrative Services Limited

Notes forming part of the financial statements for the year ended 31 December 2009

1 Accounting policies

The financial statements have been prepared under the historical cost convention, except for the treatment of certain financial instruments, and are 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 ("adopted IFRSs"), and are in accordance with IFRS as issued by the IASB

The following principal accounting policies have been applied

Cash flow statement

For the purposes of the cash flow statement, cash and cash equivalents are defined as short term cash deposits

Property, plant and equipment

Items of property, plant and equipment are initially recognised at fair value which equates to cost. As well as the purchase price, cost includes directly attributable costs. All items of property, plant and equipment are carried at depreciated cost. Depreciation is provided so as to write off the carrying value of items over their expected useful economic lives. It is applied at the following rates:

Office equipment - 25% per annum straight line

Other operating income

Other operating income represents the margin on expenses recharged to other group entities.

Deferred taxation

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The amount of the asset or liability is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/(asset) are settled/(recovered). Deferred tax balances are not discounted.

Foreign currencies

Transactions entered into by group entities in a currency other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are similarly recognised immediately in the income statement.

Dominion Petroleum Administrative Services Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

1 Accounting policies (continued)

Financial instruments

Financial assets

The Company's financial assets comprise other receivables and cash and cash equivalents in the balance sheet. Cash and cash equivalents include cash in hand and deposits held on call with banks. Any interest earned is accrued monthly and classified as interest. Other receivables are stated at amortised cost less any impairment losses.

Financial liabilities

The Company's financial liabilities comprise other short-term monetary liabilities, which are initially recognised at fair value method and subsequently recognised at amortised cost using the effective interest rate method.

Share capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments. These are recorded at the proceeds received net of direct issue costs.

Taxation

Income tax on the profit or loss from ordinary activities includes current and deferred tax. Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowed and is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Income tax is charged or credited to the income statement, except when the tax relates to items credited or charged directly to equity, in which case the tax is also dealt with in equity.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments and making strategic decisions, has been identified as the Board of Directors. On this basis the Company has one segment being the provision of services to other members of the group to which it belongs.

Leased assets

Where substantially all of the risks and rewards incidental to ownership are retained by the lessor (an "operating lease"), the total rentals payable under the lease are charged to the income statement on a straight-line basis over the lease term.

Dominion Petroleum Administrative Services Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

1 Accounting policies (continued)

New standards, amendments to published standards and interpretations to existing standards effective in 2009 adopted by the Company.

Amendments to IAS 1 Presentation of Financial Statements: A Revised Presentation As a result of the application of this Amendment the Company has elected to present a single statement of comprehensive income, previously it presented an income statement and a statement of change in equity. The Amendment does not change the recognition or measurement of transactions and balances in the financial statements.

IFRS 8 Operating Segments. IFRS 8 requires an entity to adopt a 'management approach' in the identification of its operating segments and its reporting on their financial performance. Generally, the information to be reported would be what management uses internally for evaluating segment performance and deciding how to allocate resources to operating segments. Such information may be different from that used to prepare the income statement and balance sheet. The Standard also requires an explanation of the basis on which the segment information is prepared and reconciliations to the amounts recognised in the income statement and balance sheet. The adoption of IFRS 8 has not resulted in a change to the Company's reportable segments.

Dominion Petroleum Administrative Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 *(Continued)*

2 Other operating income

	2009 £	2008 £
Management charges receivable	1,809,709	2,255,772
	<u> </u>	<u> </u>

3 Profit from operations

This has been arrived at after charging:

	2009 £	2008 £
Auditors' remuneration	2,000	1,688
Directors' emoluments	586,500	484,000
Operating lease expense	89,625	92,517
Foreign exchange losses	45,031	91,789
	<u> </u>	<u> </u>

4 Staff Costs

The average number of employees (including directors) was 8 (2008: 8) of which 6 (2008: 5) were financial and administrative personnel and 2 (2008: 3) were involved in exploration operations. Their aggregate remuneration comprised:

	2009 £	2008 £
Wages and salaries	941,164	906,620
Compensation for loss of office	102,500	-
Social security contributions	123,771	121,064
	<u> </u>	<u> </u>
	1,167,435	1,027,684
	<u> </u>	<u> </u>

Dominion Petroleum Administrative Services Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (*Continued*)

5 Directors' remuneration

	2009 £	2008 £
Directors' emoluments	484,000	484,000
Compensation for loss of office	102,500	-
Social security contributions	72,539	63,725
	<u>659,039</u>	<u>547,725</u>

Directors' emoluments include £175,000 attributable to the highest paid director (2008: £175,000).

6 Finance costs

	2009 £	2008 £
Interest payable and similar charges	6,049	21,617
	<u>6,049</u>	<u>21,617</u>

7 Finance income

	2009 £	2008 £
Bank interest received	237	6,201
	<u>237</u>	<u>6,201</u>

8 Tax expense

	2009 £	2008 £
<i>Current tax expense</i>		
UK corporation tax	34,549	34,294
	<u>34,549</u>	<u>34,294</u>
Profit before tax	164,519	175,017
Expected tax charge based on the standard rate of corporation tax in the UK of 21.0% (2008 – 20 75%)	34,549	36,322
Adjustment in respect of prior period	-	(2,028)
	<u>34,549</u>	<u>34,294</u>

Dominion Petroleum Administrative Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 *(Continued)*

9 Property, plant and equipment

	Office equipment £	Total £
Cost		
At 1 January 2008	5,181	5,181
Additions	92,854	92,854
Disposals	-	-
	<hr/>	<hr/>
At 1 January 2009	98,035	98,035
Additions	14,898	14,898
Disposals	-	-
	<hr/>	<hr/>
At 31 December 2009	112,933	112,932
	<hr/>	<hr/>
Accumulated depreciation		
At 1 January 2008	1,296	1,296
Charge for the period	24,509	24,509
Disposals	-	-
	<hr/>	<hr/>
At 1 January 2009	25,805	25,805
Charge for the period	27,650	27,650
Disposals	-	-
	<hr/>	<hr/>
At 31 December 2009	53,455	53,455
	<hr/>	<hr/>
Net book value		
At 31 December 2009	59,478	59,478
	<hr/>	<hr/>
<i>At 31 December 2008</i>	<i>72,230</i>	<i>72,230</i>
	<hr/>	<hr/>

Dominion Petroleum Administrative Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (*Continued*)

10 Trade and other receivables

	2009 £	2008 £
Amounts due from group entities	1,419,908	117,904
Other debtors	103,586	162,989
	<u>1,523,494</u>	<u>280,893</u>

11 Trade and other payables

	2009 £	2008 £
Amounts due to group entities	1,013,788	-
Accruals and other payables	188,639	95,958
Corporation tax	34,549	36,322
	<u>1,236,976</u>	<u>132,280</u>

12 Share capital

	2009 Number	Authorised 2008 Number	2009 £	2008 £
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid			
	2009 Number	2008 Number	2009 £	2008 £
Ordinary shares of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Dominion Petroleum Administrative Services Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (*Continued*)

13 Operating lease arrangements

Minimum lease payments under operating leases

	2009	2008
	£	£
Due within one year	87,000	87,000
After one year but within two years	-	87,000
At 31 December	87,000	174,000

14 Financial instruments – Risk management

The Company is exposed through its operations to the following financial risks

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Other market price risk
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- cash at bank
- other receivables
- other payables

Dominion Petroleum Administrative Services Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (*Continued*)

14 Financial instruments – Risk management (continued)

General objectives, policies and processes

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate 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 Company's finance function. The Board receives monthly reports from the Company Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company currently does not have any revenues and consequently does not have any credit sales and the risks associated with credit sales

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions for banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

(b) Fair value and cash flow interest rate risk

During 2009 and 2008, the Company had no significant borrowings. The Company is not exposed to either interest rate risk or currency risk as a result of borrowings

(c) Foreign exchange risk

Foreign exchange risk arises when the Company enters into transactions denominated in a currency other than its functional currency. Where it is considered the risk to the Company is significant, Company treasury will enter into a matching forward contract with a reputable bank.

(d) Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company'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 180 days.

Dominion Petroleum Administrative Services Limited

**Notes forming part of the financial statements
for the year ended 31 December 2009 (Continued)**

14 Financial instruments – Risk management (continued)

(e) Capital disclosures

The Company's objectives when maintaining capital are:

- to enable its growth and safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to maximise shareholder value which, from the capital perspective, is achieved by maintaining the capital structure that is most suited to the Company's size, strategy and underlying business risk

The capital employed by the Company is comprised of equity attributable to shareholders. The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

15 Related party transactions

During the year the company received management charges of £1,809,709 (2008 - £2,255,772) from other group companies. The amounts due to and from other group companies are disclosed in note 10 and 11 of the financial statements.

16 Ultimate parent company

The ultimate parent company is Dominion Petroleum Limited, a company registered in Bermuda. The accounts of Dominion Petroleum Limited are available on the company website www.dominionpetroleum.com