Dominion Petroleum Administrative Services Limited

Annual Report and Financial statements

Year ended

31 December 2015

Company Number 05339644

Dominion Petroleum Administrative Services Limited

Report and financial statements
For the year ended 31 December 2015

Contents

Page:

Directors

N Cooper
A Rouse

Secretary and registered office

P Laing, Level 4, 123 Victoria Street, London, SW1E 6DE

Company number

05339644

Auditors

Ernst & Young LLP

Dominion Petroleum Administrative Services Limited

Report of the directors
for the year ended 31 December 2015

The Directors submit their report together with the audited Financial Statements of Dominion Petroleum Administrative Services Limited ("the Company") for the year ended 31 December 2015.

The Directors' Report has been prepared in accordance with the special provisions relating to small companies available under section 415 (A) of the Companies Act 2006.

Principal activities

Dominion Petroleum Administrative Services Limited is a company incorporated in England and Wales, with a company number of 05339644.

The principal activity of the Company until 2 February 2012 was the provision of administrative services to the Dominion Petroleum Limited group and to act as a holding company for the Company's investments in Dominion Petroleum Kenya Limited and Dominion Petroleum L15 (Kenya) Limited. Following the acquisition of Dominion Petroleum Limited by Ophir Energy PLC on 2 February 2012 the Company ceased to provide administrative services to Dominion Petroleum Limited and continued to act as a holding company for the investments.

The activities of Dominion Petroleum Kenya Limited and Dominion Petroleum L15 (Kenya) Limited relate to the exploration for oil and gas in Block L9 and Block L15 located in Kenya. On 19 December 2013, Dominion Petroleum L15 (Kenya) Limited formally notified the Ministry of Energy & Petroleum that it had elected not to enter the next Exploration Phase of the Block 15 PSC. Accordingly the Block L15 PSC expired on 3 January 2014.

The head office address is Level 4, 123 Victoria Street, London, SW1E 6DE with a regional office address of 140 Shelter Court, Manyani East Road, P O Box 1899-00606 Sarit Centre, Nairobi, Kenya.

Future review

The Directors do not anticipate changes to the business in the foreseeable future.

Directors

The Directors who served in office during the financial year, except as noted, were as follows:

N Cooper
A Rouse

Results and dividends

The Financial Statements for the year ended 31 December 2015 are set out in the Financial Statements section of this report.

The Company made a loss for the year of $40,777,174 (2014: profit of $587,612).

The Company has declared no dividend for the year ended 31 December 2015 (2014: $Nil). It is not the Directors' current intention that the Company will pay a dividend for the foreseeable future.

Directors' remuneration

The Directors received no remuneration for their services to the Company during the year (2014: $Nil).

Auditor

As far as each Director is aware, there is no relevant audit information of which the Company's Auditor is unaware. In addition, each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Ernst & Young LLP were appointed as auditors during the year and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

Financial risk

Financial risk is covered in note 3 to the Financial Statements.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in this Directors' Report. The financial position of the Company and its liquidity position are described in the Financial Statements section of this report. In addition, note 3 to the Financial Statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit and liquidity risks.

The Company has net liabilities of $62,947,863 at 31 December 2015 (2014: $22,170,689). After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company received a letter of support from Ophir Energy PLC for the 12 months after the approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual Financial Statements.

Post balance sheet events

There have been no significant post balance sheet events affecting the Company that requires adjustment or disclosure in the Financial Statements at the year end.

Directors' indemnities

The Directors have the benefit of a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006 which was in force throughout the last financial year and is currently in force. The ultimate parent undertaking, Ophir Energy PLC also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Donations

The Company did not make any charitable or political donation in the course of the year (2014: $Nil).

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have chosen to prepare the 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 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;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the European Union are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 to 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.

The Directors are also responsible for preparing the Directors' Report in accordance with the Companies Act 2006 and the applicable regulations.

Responsibility statement

We confirm that to the best of our knowledge the Financial Statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view of the financial position of the Company.

Approved by the Board

A Rouse
Director
27 September 2016

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 the year ended 31 December 2015, which comprise the Statement of Comprehensive Income, Statement of Financial Position, the Statements of Changes in Equity and the related notes 1 to 16. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Auditing Practices Board'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. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report; or
- we have not received all the information and explanations we require for our audit.

Ernst + Young LLP

Paul Wallek
(Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
London

28 September 2016

Dominion Petroleum Administrative Services Limited

Statement of Comprehensive Income
for the year ended 31 December 2015

	Note	2015 $	2014 $
Continuing operations			
Administrative credit/(expenses)		**(7,066)**	1,034
Impairment of investments (charge)/reversal	4	**(40,826,469)**	710,874
(Loss)/profit from operations		**(40,833,535)**	711,908
Finance income	5	**66,509**	60,001
Finance costs		**(172)**	-
Profit before tax		**(40,767,198)**	771,909
Tax expense	9	**(9,976)**	(184,297)
(Loss)/profit for the financial year		**(40,777,174)**	587,612
Other comprehensive income		-	-
Total comprehensive loss		**(40,777,174)**	587,612

The notes on pages 9 to 19 form part of these financial statements

Dominion Petroleum Administrative Services Limited

Statement of financial position
at 31 December 2015

	Note	2015 $	2014 $
Assets			
Current assets			
Trade and other receivables	11	**9,465**	9,636
		9,465	9,636
Non-current assets			
Investment in associates	10	-	51,249,178
		-	51,249,178
Total assets		**9,465**	51,258,814
Liabilities			
Current liabilities			
Trade and other payables	12	**(62,957,328)**	(73,429,503)
Total liabilities		**(62,957,328)**	(73,429,503)
NET LIABILITIES		**(62,947,863)**	(22,170,689)
Equity			
Share capital	15	**2**	2
Translation reserve		**(212,818)**	(212,818)
Retained earnings		**(62,735,047)**	(21,957,873)
TOTAL EQUITY		**(62,947,863)**	(22,170,689)

The Company did not enter into any cash-based transactions for the year ended 31 December 2015 and 31 December 2014, therefore no cash flow has been presented.

The financial statements were approved and authorised for issue by the Board of Directors on 27 September 2016 and were signed on its behalf by:

A Rouse
Director

The notes on pages 9 to 19 form part of these financial statements

Dominion Petroleum Administrative Services Limited

Statement of changes in equity
for the year ended 31 December 2015

	Share capital $	Translation reserve $	Retained earnings $	Total equity $
1 January 2014	2	(212,818)	(22,545,485)	(22,758,301)
Comprehensive income for the year				
Profit for the year	-	-	587,612	587,612
Total comprehensive income for the year	-	-	587,612	587,612
31 December 2014	**2**	**(212,818)**	**(21,957,873)**	**(22,170,689)**
Comprehensive Income for the year				
Loss for the year	**-**	**-**	**(40,777,174)**	**(40,777,174)**
Total comprehensive income for the year	**-**	**-**	**(40,777,174)**	**(40,777,174)**
31 December 2015	**2**	**(212,818)**	**(62,735,047)**	**(62,947,863)**

The notes on pages 9 to 19 form part of these financial statements

1 Accounting policies

The financial results of the Company are included in the publicly available consolidated financial statements of Ophir Energy PLC. The registered address of this company is Level 4, 123 Victoria Street, London, SW1E 6DE.

General information on the company

The address of the registered office is Level 4, 123 Victoria Street, London, SW1E 6DE.

Basis of preparation

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

Amounts are rounded to the nearest thousand, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) adopted for use in the European Union.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

Basis of measurement

The financial statements have been prepared on a historical cost basis.

The financial statements have been prepared on the going concern basis for the reasons set out in the directors' report.

Adoption of New and Revised Accounting Standards

The Company has adopted the following relevant new and amended IFRS and IFRIC interpretations as of 1 January 2015:

- Improvements to IFRSs 2010-2012 cycle
- Improvements to IFRSs 2011-2013 cycle

These new and amended standards and interpretations have not materially affected amounts reported or disclosed in the Financial Statements for the year ended 31 December 2015.

1 Accounting policies *(continued)*

Standards and interpretations issued but not yet effective

The following interpretation to existing standards relevant to the Company is not yet effective and has not been early adopted by the Company. The Company expects to adopt this interpretation in accordance with the effective date of 1 January 2016.

Disclosure Initiative (Amendments to IAS 1)
The narrow-focus amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. In most cases the proposed amendments respond to overly prescriptive interpretations of the wording in IAS 1.

The following standards and interpretations, relevant to the Company, have been issued by the IASB, but are not effective for the financial year beginning 1 January 2015 and have not been early adopted by the Company:

	Effective date for periods beginning on or after
IFRS 9 'Financial Instruments'	1 January 2018
Amendments to IAS 1 'Disclosure Initiative'	1 January 2016

The Company does not currently expect any of these changes to have a material impact on the results, except as outlined below.

IFRS 9 'Financial Instruments'
The IASB issued the final version of IFRS 9 in July 2014, which reflects all phases of the financial instruments project. IFRS 9 introduces new requirements for the classification, measurement and impairment of financial instruments and hedge accounting, and will be adopted by the Company when it becomes mandatory in the European Union. The Company is currently reviewing the standard to determine the likely impact on the Company's financial statements.

1 Accounting policies *(continued)*

Standards and interpretations issued but not yet effective *(continued)*

The Company is currently reviewing the above amendments to determine the likely impact on the Company's financial statements from the changes arising from these standards and interpretations. They are not expected to materially affect amounts reported or disclosed in the Company's financial statements.

Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are held at historical cost, less any applicable provision for impairment. The Company is exempt from applying the equity method of accounting to its investment in associates, in accordance with IAS 28.17 - Investments in associates and joint ventures (revised 2011).

Taxation

Current and deferred tax, including UK corporation tax and overseas corporation tax, are provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred corporation tax is recognised on all temporary differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more, or right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying temporary differences can be deducted.

Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

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. The principal activity of the company until 2 February 2012 was the provision of administrative services to the Dominion Petroleum Limited group and act as a holding company for the Company's investments in Dominion Petroleum Kenya Limited and Dominion Petroleum L15 (Kenya) Limited. Following the acquisition of Dominion Petroleum Limited by Ophir Energy PLC on 2 February 2012 the Company ceased to provide administrative services to the Dominion Petroleum Limited and continued to act as a holding company for the investments.

1 Accounting policies *(continued)*

Impairment

The Company assesses at each reporting date whether there is an indication that its assets may be impaired. If any indication exists, or when annual impairment testing is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGU's to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the income statement in expense categories consistent with the function of the impaired asset, except for a property previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Financial instruments

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

Financial assets
Financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value.

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

Loans and Receivables
Trade receivables, loans, amounts owed by group undertakings and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as a FVTPL.

1 Accounting policies *(continued)*

Financial instruments *(continued)*

Impairment of financial assets
Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. All impairment losses are taken to the statement of comprehensive income.

Derecognition of financial assets
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities and equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at fair value through profit and loss ("FVTPL")
Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other financial gains and losses' line item in the statement of comprehensive income.

Other financial liabilities
Other financial liabilities, including borrowings and amounts owed to company undertakings are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity instruments.

2 Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements

- Amounts owed by group undertakings

  Management is required to assess the amounts owed by group undertakings. This requires judgement to determine whether the amount is recoverable. The assessment requires a review of the group company's balance sheet as well as the liquidity of those assets. Where it is determined that the amount owed is not recoverable, it is written down to it's recoverable amount.

- Impairment of assets

  The Company assesses its investments measured at cost for possible impairment if there are events or changes in circumstances that indicate the carrying values of the assets are not recoverable. Such indicators include changes in the Company's business plans, changes in commodity prices leading to unprofitable performance and, for oil and gas properties, significant downward revisions of estimated proved reserve quantities.

  Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects on inflation and technology improvements on operating expenses, production profiles and the outlook for global or regional market supply and demand conditions for crude oil, natural gas, commodity chemicals and refined products, and the discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

3 Financial instruments - Risk Management

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

- Credit risk; and
- 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.

Capital risk management

The Company manages its capital to ensure that the entity is able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings and the capital contribution during the prior year recorded within Share Premium.

3 Financial instruments - Risk Management *(continued)*

(i) Principal financial instruments

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

- Cash and cash equivalents
- Amounts owed by group undertakings

(ii) Financial instruments by category

Financial assets

	2015 $	2014 $
Trade and other receivables	**9,465**	9,636
Total financial assets	**9,465**	9,636

Financial liabilities

	2015 $	2014 $
Trade and other payables	**62,957,328**	73,429,503
Total financial liabilities	**62,957,328**	73,429,503

The fair value of financial instruments are deemed to equate to their net book value due to their short term nature. Financial assets and liabilities exclude tax receivables and payables as they do not constitute a contractual right or obligation to receive or pay cash or another financial asset.

There were no reclassifications of financial assets during the year (2014: $Nil).

Financial risk management

The Ophir Energy PLC Board of Directors monitor and manage the financial risks relating to the operations of the Dominion Petroleum Administrative Services Limited company through an internal risk register. These include credit.

(a) Credit risk
Credit risk refers to the risk of financial loss to the Company if a third party or counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk of third parties is the carrying value of other debtors.

The Company is also exposed to credit risk through its associates. Loans to associates are monitored on an ongoing basis and impaired if there are indications that the loan carrying values are not recoverable.

(b) 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.

3 Financial instruments - Risk Management *(continued)*

Liquidity risk *(continued)*

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 60 days. The company has obtained confirmation from its ultimate parent, Ophir Energy PLC, that it will provide adequate financial support to enable the company to meet its obligations for a period of at least one year from the date of approval of these financial statements.

(c) 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.

The Company met its capital management objectives of maintaining its capital structure and safeguard its ability to continue as a going concern. No significant changes were made in the objectives, policies or processes during the year ended 31 December 2015.

4 Other operating income/(expense)

The impairment provision in the current year of $40,826,469 (2014: impairment reversal $710,874) arose due to the Company exiting all licences from Kenya.

5 Net finance income

	2015 $	2014 $
Interest income from associates	**66,509**	63,101
Other interest income	-	14
Net foreign currency exchange	-	(3,114)
	66,509	60,001

6 Employee benefit expenses

The company had no employees during the year (2014: none).

7 Audit fees

Audit fees for the audit of the Company's annual financial statements for the year were $8,403 (2014: $6,214), which were borne by other companies of the same group.

8 Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the directors of the company listed on page 1, and the Financial Controller of the company.

No directors received any remuneration in the year for qualifying services to the Company (2014: $Nil).

9 Tax expense

	2015 $	2014 $
Current tax expense		
UK corporation tax	**9,976**	-
UK corporation tax - adjustments in respect of prior periods	-	(218,650)
Foreign tax	-	9,465
Foreign tax - adjustment in respect of prior periods	-	393,482
Total current tax	**9,976**	184,297
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Total deferred tax	-	-
	9,976	184,297

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2015 $	2014 $
Profit/(loss) for the year before tax	**(40,767,198)**	771,909
Tax using the Company's domestic tax rate of 20.25% (2014: 21.5%)	**(8,255,358)**	165,960
Non-taxable income	**8,245,382**	(174,353)
Group relief surrendered	-	8,394
Foreign tax paid	-	9,465
Adjustment in respect of prior periods	-	174,831
Total tax expense	**9,976**	184,297

Unrecognised tax losses

The Company has losses arising totalling $27,150,806 (2014: $18,895,448) that are available to carry forward indefinitely to offset against future taxable profits of the company in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as there is not sufficient certainty that taxation income will be realised in the future due to the nature of the Company's activities.

10 Investments in associates

	2015 $	2014 $
Book value of interests in associates	**2**	2
Loans to associates	**40,826,467**	70,016,484
Allowance for impairment	**(40,826,469)**	(18,767,308)
Balance at the end of the year	**-**	51,249,178

The book value of interests in associates is stated at cost.

Loans to associates are unsecured, interest free and form part of the Company's interests in associates.

Details of the Company's associates are as follows:

	Place of incorporation and principal place of business	Proportion of ownership interest/ voting right held at 31 December 2015	Proportion of ownership interest/ voting right held at 31 December 2014
Dominion Petroleum Kenya Limited	Kenya	50%	50%
Dominion Petroleum L15 (Kenya) Limited	Kenya	50%	50%

11 Trade and other receivables

	2015 $	2014 $
Other debtors	**9,465**	9,636

12 Trade and other payables

	2015 $	2014 $
Amounts owed to group entities	**62,552,328**	73,024,503
Accruals and other payables	**405,000**	405,000
	62,957,328	73,429,503

Amounts owed to group entities are unsecured interest free and have no set repayment terms.

Accruals and other payables are due within one year and their book value is considered to approximate the fair value of trade and other payables.

13 Dividends

The company has declared no dividend for the year (2014: $Nil).

14 Amount owed by group undertakings

The Directors consider the carrying values of amounts owed by group undertakings approximate to their fair values. Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand (see note 16).

15 Share capital

Share capital as at 31 December 2015 amounted to $2 (2014: $2).

	Authorised	
	2015	**2014**
	Number	**Number**
Ordinary shares of £1 each		
Total	**1,000**	1,000

	Issued and fully paid	
	2015	**2014**
	Number	**Number**
Ordinary shares of £1 each		
At 1 January	**1**	1
Issue of share	**-**	-
At 31 December	**1**	1

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

Reserves	**Description and purpose**
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

16 Related party transactions

At 31 December 2015, the ultimate parent undertaking and controlling party was Ophir Energy PLC and is the parent undertaking of the largest group to consolidate these Financial Statements. Copies of the financial statements of both companies are available to the public and can be obtained from the company's registered address.