

Dominion Petroleum Administrative Services Limited

Annual Report and Financial Statements
Year Ended

31 December 2014

Company registration number: 5339644

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Dominion Petroleum Administrative Services Limited

**Annual report and financial statements
for the year ended 31 December 2014**

Contents

Page:

1	Report of the directors
3	Independent auditor's report
5	Income Statement and Statement of Comprehensive Income
6	Statement of Financial Position
7	Statement of Changes in Equity
8	Statement of Cash Flows
9	Notes forming part of the financial statements

Directors

N. Cooper
A. Rouse

Secretary and registered office

C. Kher

123 Victoria Street, London SW1E 6DE

Auditor

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

Dominion Petroleum Administrative Services Limited

Report of the directors for the year ended 31 December 2014

The Directors present their report together with the audited financial statements of Dominion Petroleum Administrative Services Limited (the "Company") for the year ended 31 December 2014.

Results

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

Principal activities and business review

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

Results and dividends

The Company has recorded a profit for the year, net of tax of \$587,612 for the year ended 31 December 2014 (2013: \$19,577,938 loss). The Directors have not recommended a dividend for the year ended 31 December 2014 (2013: \$nil).

Presentation and functional currency

The financial statements are presented in US dollars, which is also the parent company's functional currency. During the year ended 31 December 2013, the functional currency of the Company was changed from Pound sterling to US dollars as a result of the refinancing of intercompany loans denominated in US dollars. The financial statements are presented in US Dollars rounded to the nearest dollar except as otherwise indicated.

Directors

The directors of the Company during the year were:

N. Cooper

L. Mitchell

A. Rouse

Resigned – 16 December 2014

Appointed – 16 December 2014

The Company provides its directors and officers with the benefit of appropriate insurance, which is reviewed annually. In addition, directors and officers have received an indemnity from the Company against (a) any liability incurred by or attaching to the director or officer in connection with any negligence, default, breach of duty or breach of trust by them in relation to the Company or any associated company; and (b) any other liability incurred by or attaching to the director or officer in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office other than certain excluded liabilities including to the extent that such an indemnity is not permitted by law.

Post balance sheet events

There have been no events after the balance sheet date.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks set out in the notes to the financial statements. The Company has adopted the most stringent standards, in accordance with Ophir Energy plc Group requirements, for the evaluation and management of business risks.

Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Dominion Petroleum Administrative Services Limited

**Report of the directors
for the year ended 31 December 2014 (Continued)**

Directors' responsibilities (continued)

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; 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 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.

Statement as to Disclosure of Information to Auditors

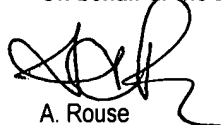
The Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

In accordance with section 489 of the Companies Act 2006, the Company will consider the appointment of auditors. A resolution will be proposed at the General Meeting at which these accounts will be laid.

Going concern

The Company is in a net liability position at 31 December 2014. The financial statements are prepared on a going concern basis as 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.

On behalf of the Board



A. Rouse

Director

8 June 2015

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 2014 which comprise the Income Statement and Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes 1 to 12. 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 pages 1 and 2, 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 Annual 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 2014 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Dominion Petroleum Administrative Services Limited

Independent auditor's report (Continued)

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
- ▶ 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
8 June 2015

Dominion Petroleum Administrative Services Limited
Income Statement and Statement of Comprehensive Income
for the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Administrative credit / (expenses)		1,034	(99,596)
Other operating income / (expense)	2	710,874	(19,492,745)
Profit / (loss) from operations	2	711,908	(19,592,341)
Net finance income	3	60,001	14,403
Profit / (loss) from operations before taxation		771,909	(19,577,938)
Taxation	4	(184,297)	-
Profit / (loss) and total comprehensive income / (loss) for the year, net of tax attributable to equity holders of the Company		587,612	(19,577,938)

The notes on pages 9 to 17 form part of these financial statements.

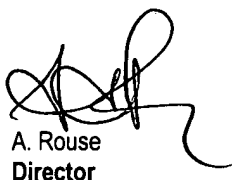
Dominion Petroleum Administrative Services Limited
Company Registered Number: 5339644

**Statement of Financial Position
at 31 December 2014**

	Notes	2014 \$	2013 \$
Assets			
Non-current assets			
Interests in associates	5	51,249,178	38,628,889
Current assets			
Trade and other receivables	6	9,636	-
Cash and cash equivalents		-	16,587
Total assets		<u>51,258,814</u>	<u>38,645,476</u>
Liabilities			
Current liabilities			
Trade and other payables	7	(73,429,503)	(61,403,777)
Total liabilities		<u>(73,429,503)</u>	<u>(61,403,777)</u>
Total net liabilities		<u>(22,170,689)</u>	<u>(22,758,301)</u>
Capital and reserves attributable to equity holders of the Company			
Share capital	8	2	2
Reserves		(22,170,691)	(22,758,303)
Total equity		<u>(22,170,689)</u>	<u>(22,758,301)</u>

The financial statements of Dominion Petroleum Administrative Services Limited (registered number: 5339644) were approved by the Board of Directors and authorised for issue on 8 June 2015.

On behalf of the Board


A. Rouse
Director

The notes on pages 9 to 17 form part of these financial statements.

Dominion Petroleum Administrative Services Limited

**Statement of Changes in Equity
for the year ended 31 December 2014**

	Share capital \$	Accumulated loss \$	Translation reserve \$	Total \$
At 1 January 2013	2	(2,967,547)	(146,385)	(3,113,930)
Total comprehensive loss, net of tax	-	(19,577,938)	-	(19,577,938)
Foreign currency translation reserve	-	-	(66,433)	(66,433)
At 31 December 2013	2	(22,545,485)	(212,818)	(22,758,301)
At 1 January 2014	2	(22,545,485)	(212,818)	(22,758,301)
Total comprehensive profit, net of tax	-	587,612	-	587,612
At 31 December 2014	2	(21,957,873)	(212,818)	(22,170,689)

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
Accumulative losses	Cumulative net gains and losses recognised in the statement of comprehensive income

The notes on pages 9 to 17 form part of these financial statements.

Dominion Petroleum Administrative Services Limited

**Statement of Cash Flows
for the year ended 31 December 2014**

	2014	2013
	\$	\$
Operating activities		
Profit / (loss) before taxation	771,909	(19,577,938)
Adjustments for:		
Interest income	(63,115)	-
Net foreign currency exchange loss	3,114	-
(Reversal of) / provision for impairment of amount due from associate	(710,874)	19,478,182
(Decrease) / increase in trade and other payables	(92,671)	53,655,157
(Increase) / decrease in trade and other receivables	(172)	3,939,514
	<hr/>	<hr/>
Cash (used in) / from operations	(91,809)	57,494,915
Income taxes refunded	220,703	-
Interest income	63,115	-
	<hr/>	<hr/>
Net cash from operating activities	192,009	57,494,915
	<hr/>	<hr/>
Investing activities		
Loans to associates	(13,343,881)	(57,711,368)
Loans repaid by associates	1,425,000	-
	<hr/>	<hr/>
Cash used in investing activities	(11,918,881)	(57,711,368)
	<hr/>	<hr/>
Financing activities		
Loans from fellow group entities	13,138,399	-
Loans repaid to fellow group entities	(1,425,000)	-
	<hr/>	<hr/>
Cash from financing activities	11,713,399	-
	<hr/>	<hr/>
Decrease in cash and cash equivalents	(13,473)	(216,453)
	<hr/>	<hr/>
Cash and cash equivalents at beginning of the year	16,587	299,473
Net effect of foreign exchange rates on cash and cash equivalents	(3,114)	(66,433)
	<hr/>	<hr/>
Cash and cash equivalents at end of the year	-	16,587
	<hr/>	<hr/>

The notes on pages 9 to 17 form part of these financial statements.

Dominion Petroleum Administrative Services Limited

Notes forming part of the financial statements for the year ended 31 December 2014

1.1 Corporate information

Dominion Petroleum Administrative Services Limited (the "Company") is a limited company incorporated and domiciled in England and Wales. Its registered offices are located at 123 Victoria Street, London SW1E 6DE.

The Company's business was the provision of administrative services to the Dominion group entities 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 by Ophir Energy plc of Dominion Petroleum Limited on 2 February 2013 the company acts as a holding company for its investments only.

The Company's financial statements for the year ended 31 December 2014 were authorised for issue by the Board of Directors on 8 June 2015 and the Statement of Financial Position was signed on the Board's behalf by A. Rouse.

1.2 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and are in accordance with International Financial Reporting Standards as adopted by the European Union and International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) ("adopted IFRSs"). The financial statements are expressed in US Dollars, which is also the Company's functional currency as significant operations are denominated in US Dollars.

The Company is in a net liability position at 31 December 2014. The financial statements are prepared on a going concern basis as 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.

During the year ended 31 December 2013, the functional currency and presentation currency of the Company was changed from Pound Sterling to US Dollars as a result of the refinancing of intercompany loans denominated in US Dollars. The assets and liabilities of the Company were translated into US Dollars at the rate of exchange prevailing at the reporting date and their income statements were translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation were recognised in other comprehensive income.

The following principal accounting policies have been applied:

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less or deposits that are held for meeting short term cash requirements which are readily convertible to cash and are subject to insignificant risks of changes in value. Cash and cash equivalents excludes any restricted cash which is not available for use by the company and therefore is not considered highly liquid.

For the purpose of the Company statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

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 investments in associates, in accordance with IAS 28.17 – Investments in associates and joint ventures (revised 2011).

Dominion Petroleum Administrative Services Limited

**Notes forming part of the financial statements
for the year ended 31 December 2014 (Continued)**

1.2 Accounting policies (continued)

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 or asset are settled or recovered. Deferred tax balances are not discounted.

Foreign currencies

Transactions entered into by entities in a currency other than the currency of the primary economic environment in which the Company 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.

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. 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.

Dominion Petroleum Administrative Services Limited

Notes forming part of the financial statements for the year ended 31 December 2014 (Continued)

1.2 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.

New and Amended Accounting Standards and Interpretations

The Company has adopted the following relevant new and amended IFRS and IFRIC interpretations as of 1 January 2014:

IAS 27 Separate Financial Statements
IAS 28 Investments in Associates and Joint Ventures
IAS 32 Financial Instruments: Presentation
IAS 36 Impairment of Assets
IAS 39 Novation of Derivatives and Continuation of Hedge Accounting
IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
IFRIC 21 Levies

These new and amended standards and interpretations have not materially affected amounts reported or disclosed in the Company's financial statements for the year ended 31 December 2014.

Standards and Interpretations issued but not yet effective

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

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 have not yet been endorsed by the EU for their application to become mandatory:

Dominion Petroleum Administrative Services Limited

**Notes forming part of the financial statements
for the year ended 31 December 2013 (Continued)**

1.2 Accounting policies (continued)

IFRS 9 'Financial Instruments', effective for annual accounting periods beginning on or after 1 January 2015. IFRS 9 amends the classification and measurement of financial instruments; and

IFRS 14 'Regulatory Deferral Accounts', effective for annual accounting periods beginning on or after 1 January 2016. IFRS 14 allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS.

IFRS 15 'Revenue from Contracts with Customers', effective for annual accounting periods beginning on or after 1 January 2017. IFRS 15 replaces all existing revenue requirements (IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services) in IFRS and applies to all revenue arising from contracts with customers.

Amendments to IAS 19 and improvements to IFRSs 2010-2012 and 2011-2013 cycles, with an effective date for the annual accounting periods beginning on or after 1 July 2014.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, Amendments to IAS 27: Equity Method in Separate Financial Statements, Amendments to IAS 16 and IAS 41: Bearer Plants, Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation, Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations, and Annual Improvements to IFRSs 2012-2014 Cycle, with effective date for annual accounting periods beginning on or after 1 January 2016.

The Company has reviewed the impact to financial reporting for the changes arising from these standards and interpretations and they are not expected to materially affect amounts reported or disclosed in the Company's financial statements. The impact of the adoption of other standards noted above has not been assessed by the Company.

1.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the company financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The Company has used estimates and assumptions in deriving certain figures within the financial statements. Such accounting estimates may not equate with the actual results which will only be known in time.

A summary of significant estimates is as follows:

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 of 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 asset for which the estimates of future cash flows have not been adjusted.

Dominion Petroleum Administrative Services Limited

**Notes forming part of the financial statements
for the year ended 31 December 2014 (Continued)**

2 Profit / (loss) from operations before taxation

Profit / (loss) from operations before taxation is arrived at after charging / (crediting):

	2014 \$	2013 \$
Auditors' remuneration ⁽¹⁾	-	-
(Reversal of) / provision for impairment of amount due from associate ⁽²⁾	(710,874)	19,478,182
	<u> </u>	<u> </u>

⁽¹⁾ The audit fee of the Company for the current year has been borne by Ophir Energy plc. For the purpose of disclosure, a fair allocation of the audit fee to the company would be \$6,214 (2013: \$11,734).

⁽²⁾ (Reversal of) / provision for impairment of amount due from associate relates to the loan to Dominion Petroleum L15 (Kenya) Limited. The impairment reversal in the current year of \$710,874 arose as a result of a partial loan repayment from the proceeds of a security deposit that was pledged as security for Block L15 exploration commitments and returned to Dominion Petroleum L15 (Kenya) Limited when the Block L15 PSC expired on 3 January 2014.

3 Net finance income

	2014 \$	2013 \$
Interest income from associates	63,101	-
Other interest income	14	-
Net foreign currency exchange (losses)/gains	(3,114)	14,403
	<u> </u>	<u> </u>
	60,001	14,403
	<u> </u>	<u> </u>

4 Taxation

	2014 \$	2013 \$
<i>Current income tax:</i>		
UK corporation tax – adjustment in respect of prior periods	(218,650)	-
Foreign tax	9,465	-
Foreign tax – adjustment in respect of prior periods	393,482	-
	<u> </u>	<u> </u>
Tax charge in the income statement	184,297	-
	<u> </u>	<u> </u>
<i>Reconciliation of the total tax expense:</i>		
Profit / (loss) from operations before taxation	771,909	(19,577,938)
Profit / (loss) from operations before taxation multiplied by the standard rate of corporation tax in the UK of 21.50% (2013: 23.25%)	165,960	(4,551,871)
Non-taxable income	(174,353)	-
Unrecognised deferred tax asset	-	4,551,871
Group relief surrendered	8,394	-
Foreign tax paid	9,465	-
Adjustment in respect of prior periods	174,831	-
	<u> </u>	<u> </u>
Tax charge in the income statement	184,297	-
	<u> </u>	<u> </u>

Dominion Petroleum Administrative Services Limited

**Notes forming part of the financial statements
for the year ended 31 December 2014 (Continued)**

4 Taxation (continued)

Unrecognised tax losses

The Company has losses arising totalling \$18,895,448 (2013: \$19,492,745) 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 taxable income will be realised in the future due to the nature of the Company's activities.

Change in corporation tax rate

Deferred tax is calculated at the rates substantively enacted at the statement of financial position date.

The standard rate of UK corporation tax in the year changed from 23% to 21% with effect from 1 April 2014 and a further rate change to 20% from 1 April 2015 was substantively enacted as part of the Finance Bill 2013 on 2 July 2013. Any UK deferred tax that is recognised is therefore recognised at the reduced rate of 20%.

5 Associates

	2014	2013
	\$	\$
Book value of interests in associates	2	2
Loans to associates	70,016,484	58,058,409
Allowance for impairment	(18,767,308)	(19,429,522)
	<hr/>	<hr/>
Balance at the end of the year	51,249,178	38,628,889
	<hr/>	<hr/>

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 rights held at 31 December 2014	Proportion of ownership interest / voting rights held at 31 December 2013
Dominion Petroleum Kenya Limited	Kenya	50%	50%
Dominion Petroleum L15 (Kenya) Limited	Kenya	50%	50%

6 Trade and other receivables

	2014	2013
	\$	\$
Other debtors	9,636	-
	<hr/>	<hr/>
	9,636	-
	<hr/>	<hr/>

Dominion Petroleum Administrative Services Limited

**Notes forming part of the financial statements
for the year ended 31 December 2014 (Continued)**

7 Trade and other payables

	2014	2013
	\$	\$
Amounts owed to group entities	73,024,503	61,311,104
Accruals and other payables	405,000	92,673
	<u>73,429,503</u>	<u>61,403,777</u>

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.

8 Share capital

	Authorised			
	2014	2013	2014	2013
	Number	Number	\$	\$
Ordinary shares of £1 each	1,000	1,000	2,000	2,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Allotted, called up and fully paid			
	2014	2013	2014	2013
	Number	Number	\$	\$
Ordinary shares of £1 each	1	1	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

9 Financial instruments – Risk management

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

- Credit 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 debtors
- loans to associates
- amounts owed to group entities

Notes forming part of the financial statements
for the year ended 31 December 2014 (Continued)

9 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 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 (refer to note 6).

The Company is also exposed to credit risk through its loans to associates (refer to note 5). 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.

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 2014.

Dominion Petroleum Administrative Services Limited

**Notes forming part of the financial statements
for the year ended 31 December 2014 (Continued)**

10 Related party transactions

During the year the company received management charges of \$nil (2013 - \$nil) from other group companies. The Company has related party relationships with its associates (refer to note 5 and note 7).

11 Ultimate parent company

The ultimate parent company is Ophir Energy Plc, a company registered in the UK. The accounts of Ophir Energy Plc are available on the company website: www.ophir-energy.com.

12 Post balance sheet events

There were no subsequent events after the reporting date.