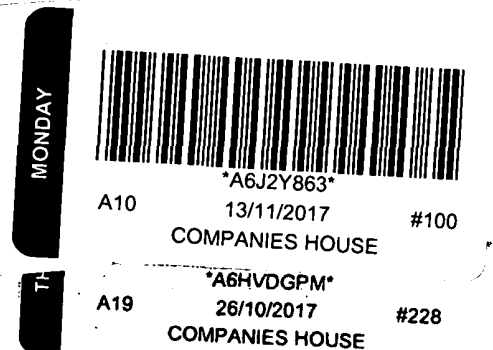




AMENDING

ENOVATION RESOURCES LTD  
DIRECTORS REPORT AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2016



Registered Company Number: 5566361

ENOVATION RESOURCES LTD, COMPANY NUMBER 5566361  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their Report and Financial Statements for the year ended 31<sup>st</sup> December 2016.

Principal Activity

The company operated in the oil and gas industry. Its principal activity was providing consultancy services to the Enovation Resources Group and other companies. Other than settling minor administrative matters the company has now ceased trading.

Ownership

The company is a wholly owned subsidiary of Enovation Resources Ltd (Bermuda).

Directors

The Directors who have held office during the year are:

A.R.Mackewn

B.E.Wayne

The directors in office at 31 December 2016 did not hold any beneficial interest in the issued share capital of the company at their date of appointment or at 31 December 2016. At 31 December 2016 B.E.Wayne held the following interests in shares in the parent company: 52,950 'A' ordinary shares, 83,322 'A' ordinary share nil-cost options and 935,000 'A' ordinary share options with exercise prices of USD 0.50 to USD 1.00 per share.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Going concern

The financial statements have been prepared on the going concern basis however as the company was principally a service company to other group entities it is ultimately financially dependent on its parent company Enovation Resources Ltd (Bermuda).

The directors have received assurances from Enovation Resources Ltd (Bermuda) that sufficient funds will be made available to the company for a period of at least twelve months from the date of signing these financial statements for the company to meet its liabilities as they fall due.

The directors believe it is reasonable to place reliance on the support from its parent. However as with any company placing its reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements they have no reason to believe they would not do so. Accordingly, the directors have prepared the financial statements on a going concern basis and have not made any adjustment that might result from this basis being inappropriate.

ENOVATION RESOURCES LTD, COMPANY NUMBER 5566361  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable law).

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 judgments and 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.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Signed on behalf of the Board



A.R. Mackewn  
Director

29 September 2017

Registered Office:  
192 Sloane Street  
London SW1X 9QX

ENOVATION RESOURCES LTD  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>Note</u>	<u>2016</u> <u>£</u>	<u>2015</u> <u>£</u>
Administrative expenses	3	(944)	(24,132)
(Loss) on ordinary activities before tax		(944)	(24,132)
Tax on profit on ordinary activities	6	-	(2,179)
(Loss) for the year		(944)	(26,311)

There was no recognised income or expenses in the period except as shown above.

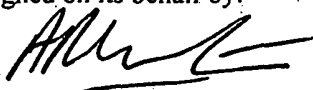
The notes on pages 8 to 10 are an integral part of these financial statements.

**ENOVATION RESOURCES LTD**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	<u>Note</u>	<u>2016</u> <u>£</u>	<u>2015</u> <u>£</u>
<b>CURRENT ASSETS</b>			
Debtors	7	54,384	51,447
Cash at bank		<u>13,430</u>	<u>17,839</u>
		<u>67,814</u>	<u>69,286</u>
<b>CREDITORS:</b>			
Amounts falling due within one year	8	-	(528)
<b>NET CURRENT ASSETS</b>		<u>67,814</u>	<u>68,758</u>
<b>NET ASSETS</b>		<u>67,814</u>	<u>68,758</u>
<b>CAPITAL AND RESERVES</b>			
Called Up Share capital	9	100	100
Profit and Loss Account		<u>67,714</u>	<u>68,658</u>
		<u>67,814</u>	<u>68,758</u>
		<u>67,814</u>	<u>68,758</u>

For the year ending 31<sup>st</sup> December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. Furthermore the members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These Financial Statements were approved by the Board of Directors on 29<sup>th</sup> September 2017 and signed on its behalf by:



A.R. Mackewn  
 Director

The notes on pages 8 to 10 are an integral part of these financial statements.

ENOVATION RESOURCES LTD  
CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>2016</u> <u>£</u>	<u>2015</u> <u>£</u>
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) for the year	(944)	(26,311)
Adjustment for:		
Taxation	<u>-</u>	<u>2,179</u>
	(944)	(24,132)
Change in Debtors	(2,937)	269,918
Change in Creditors	<u>(528)</u>	<u>(237,398)</u>
	(3,465)	32,520
 NET (DECREASE)/INCREASE IN CASH	 (4,409)	 <u>8,388</u>
 CASH AT START OF YEAR	 <u>17,839</u>	 <u>9,451</u>
 CASH AT END OF YEAR	 <u>13,430</u>	 <u>17,839</u>

The notes on pages 8 to 10 are an integral part of these financial statements.

**ENOVATION RESOURCES LTD**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<u>2016</u>	<u>2015</u>
	<u>£</u>	<u>£</u>
<b>SHARE CAPITAL</b>		
At start of year	100	100
Issue of shares	-	-
At 31 December 2016	<u>100</u>	<u>100</u>
<b>RETAINED EARNINGS</b>		
At start of year	68,658	94,969
(Loss) for the year	<u>(944)</u>	<u>(26,311)</u>
At 31 December 2016	<u>67,714</u>	<u>68,658</u>
<b>TOTAL EQUITY</b>		
At start of year	68,758	95,069
(Loss) for the year	<u>(944)</u>	<u>(26,311)</u>
At 31 December 2016	<u>67,814</u>	<u>68,758</u>

The notes on pages 8 to 10 are an integral part of these financial statements.

ENOVATION RESOURCES LTD  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

1. Reporting entity

Enovation Resources Ltd is a company domiciled in the UK with registered address: 192 Sloane Street, London SW1X 9QX. It is wholly owned by Enovation Resources Ltd (Bermuda). These financial statements present the results for the year ended 31 December 2016 and comparative figures for the year ended 31 December 2015.

The financial statements reflect the results of the company and have been approved by the directors. They are presented in pounds sterling ("£" or "GBP") which is its functional currency, have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

2. Accounting policies

Going concern

The financial statements have been prepared on the going concern basis however as the company is principally a service company to other group entities it is ultimately financially dependent on its parent company Enovation Resources Ltd (Bermuda).

The directors have received assurances from Enovation Resources Ltd (Bermuda) that sufficient funds will be made available to the company for a period of at least twelve months from the date of signing these financial statements for the company to meet its liabilities as they fall due. However as with any company placing its reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements they have no reason to believe they would not do so. Accordingly, the directors have prepared the financial statements on a going concern basis and have not made any adjustment that might result from this basis being inappropriate.

Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at exchange rates ruling at the dates the fair value was determined.

Share Options

The grant date fair value of options in the parent company granted to employees was previously recognised as an expense, with a corresponding increase in equity, over the period in which the employees became unconditionally entitled to the options. The fair value of the options granted was measured using an option valuation model, taking into account the terms and conditions upon which the options were granted.

3. Cost of sales, Administrative expenses and Operating profit

The Operating profit is stated after charging the following costs which have been included within Administrative expenses:

	<u>2016</u>	<u>2015</u>
Personnel costs (Note 4)	-	(239,113)



ENOVATION RESOURCES LTD  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

4. Personnel expenses

Aggregate personnel costs comprise:	<u>2016</u>	<u>2015</u>
Wages and salaries	-	(131,250)
Social security contributions	-	(20,113)
Contributions to defined contribution pension scheme	-	(87,750)
	<u>-</u>	<u>(239,113)</u>

The average number of staff employed was nil (2015: nil). No compensation was paid to key management. The amounts disclosed for 2015 arises due to the reversal of previously accrued sums.

5. Taxation

<u>Tax (expense)/credit in the profit and loss account</u>	<u>2016</u>	<u>2015</u>
Deferred tax (expense)/credit	-	(2,179)
Total tax (expense)/credit	<u>-</u>	<u>(2,179)</u>

The tax rate applicable to the small entity status of the company is 20% (2015: 20%).

<u>Reconciliation of effective tax rate</u>	<u>2016</u>	<u>2015</u>
(Loss)/Profit before tax	(944) 20%	(24,132) 20%
- Tax credit/(expense)/credit on (loss)/profit for the year	- 20%	4,826 20%
Items not deductible for tax purposes	-	(7,005)
Total tax (expense)/credit	<u>-</u>	<u>(2,179)</u>

6. Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The offset amounts are as follows:

Deferred tax asset	<u>2016</u>	<u>2015</u>
At start of year	-	2,179
Credit for the year	-	(2,179)
At end of year	<u>-</u>	<u>-</u>

Deferred tax assets and liabilities were previously recognised in the balance sheet. They were measured by applying to temporary differences the expected tax rate of 20% (2015: 20%) applicable to small entities' taxable profits over the periods when these differences are expected to be realised.

7. Debtors

	<u>2016</u>	<u>2015</u>
Amount owed by group undertakings	54,384	50,848
Other debtors	-	599
	<u>54,384</u>	<u>51,447</u>

Of the above amounts £54,348 (2015: £50,848) is receivable in US dollars and £nil (2015: £nil) is receivable after more than one year.

ENOVATION RESOURCES LTD  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

8. <u>Creditors:</u>	<u>2016</u>	<u>2015</u>
<u>Amounts falling due within one year</u>		
Other creditors	-	528
	-	528

All amounts are denominated in GBP sterling.

9. <u>Share Capital</u>	<u>2016</u>	<u>2015</u>
Authorised: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

All shares were issued at par value for a total consideration of £100.

10. Share Based Payments

The parent company, Enovation Resources Ltd (Bermuda), operated a share option plan to which employees and consultants to the company were invited to participate. The plan contained options with three year incremental vesting and ten year lives but which also expired if they had not been exercised during the exercise period and in normal circumstances are forfeited if the employee left the company.

Options outstanding at the year-end have exercise prices in the range of zero to USD1.00 and a weighted average contractual life remaining of 5.4 years. The number and weighted average exercise prices are as follows:

	<u>No. of</u> <u>options</u>	<u>Weighted ave.</u> <u>exercise price</u>	<u>No. of</u> <u>options</u>	<u>Weighted ave.</u> <u>exercise price</u>
	<u>2016</u>		<u>2015</u>	
Outstanding at start of year	4,145,498	USD 0.46	4,145,498	USD 0.46
Changes during the year	-		-	
Outstanding at end of year	<u>4,145,498</u>	USD 0.46	<u>4,145,498</u>	USD 0.46
Exercisable at end of year	<u>4,145,498</u>	USD 0.46	<u>4,145,498</u>	USD 0.46

The charge to the accounts of £nil (2015: £nil) was previously determined using the Black-Scholes option price model and related to options granted in 2013 at which time the Black-Scholes model inputs were: exercise prices USD nil, USD0.50 and USD0.675; share price USD0.10; no expected dividends; time to expiry 1.56 years; risk free interest rate 0.32% for US treasury bonds; volatility 111%. The expected volatility was based on publicly available information on historic volatility of similar companies adjusted for any expected changes to future volatility.

11. Related parties

Transactions with related parties

At 31 December 2016 the company had a balance receivable from Enovation Resources Ltd (Bermuda) of £54,384 (2015: £50,848).

At 31 December 2016 key management controlled approximately 9.4% (2015: 9.4%) of the share capital of the ultimate controlling party.

12. Control

The owner and ultimate controlling party of the company is Enovation Resources Ltd (Bermuda).