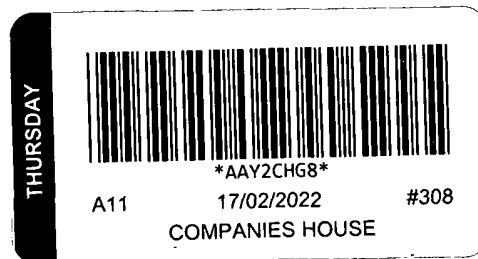


PetroSkills UK Limited
Directors' report and financial statements
for the year ended 31 December 2020

Registered Number: 07102965



PetroSkills UK Limited

Directors' report and financial statements for the year ended 31 December 2020

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PetroSkills UK Limited

Directors and advisors for the year ended 31 December 2020

Directors

Mr. James Ford Brett

Mr. Ryan P. Pivonka

Independent Auditors

RSM UK Audit LLP

25 Farringdon Street

London EC4A 4AB, UK

Bankers

JPMorgan Chase

110 W. 7th Street

Tulsa, OK USA 74119

Solicitors

Choate Hall & Stewart LLP

Two International Place

Boston, MA USA 02110

Registered Office

25 Farringdon Street

London EC4A 4AB, UK

PetroSkills UK Limited

Directors' report for the year ended 31 December 2020

The directors present their report and the audited financial statements of the company for the year ended 31 December 2020.

Principal activities

The company's principal activity during the year was contracting training services for the oil and gas industry. Training courses are provided on topics spanning the industry, from exploration and production to surface facilities, operations and maintenance, health, safety and the environment.

Directors

The directors who served the company during the year, and up to the date of this report and financial statements except where otherwise shown, are listed below:

James F. Brett

Ryan P. Pivonka (resigned effective August 21, 2021)

Going Concern

In March 2020, the World Health Organization formally recognised COVID-19, the novel strain of coronavirus, as a pandemic. As a result of various actions taken by federal and local governments worldwide to curb the pandemic, including the temporary closure of certain businesses, various travel restrictions, and the mandatory containment of large segments of the global population within their geographic regions, global economic output has shown signs of short-term contraction and there remains significant uncertainty as to the extent and duration of the global economic impact.

During 2021 and at the date of approval of this report, the pandemic has had a significant impact to the company's net sales and its results of operations but has not diminished its overall access to the liquidity necessary to manage its operations on an ongoing basis. Fixed costs have been adjusted as needed and the company is still profitable. The significant decline in training revenue has been mitigated somewhat by higher margin consulting and software revenue.

Proactive steps to mitigate the effects of Covid-19 have had the desired effect and the outlook has continued to improve during the remainder of 2021.

Dividends

The directors recommended that no dividend be paid for the year ended 31 December 2020 (2019: \$1,000,000).

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as "information needed by the company's auditors in connection with preparing their report".

PetroSkills UK Limited

Each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

It is the intention of the directors that the company will continue to act in its capacity as a trading company.

On behalf of the board:

Director


James Ford Brett

15Feb, 2022

Directors' Responsibilities Statement for year ended 31 December 2020

Statement of directors' responsibilities

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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.

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Independent auditors' report to the members of PetroSkills UK Limited

Opinion

We have audited the financial statements of PetroSkills UK Limited (the 'company') for the year ended 31 December 2020 which comprise the Profit and Loss account, Balance Sheet, and Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

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statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on

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the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from tax advisors.

The audit engagement team identified the risk of management override of controls, existence and cut off of revenue, and going concern as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, completed sample testing of revenue transactions, and reviewed and challenged managements assessments and judgements applied in their going concern assessment.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

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Use of our report

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.

RSM UK Audit LLP

Mark Nisbett FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

Date: *16 Feb 2022*

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Profit and loss account for the year ended 31 December 2020

	Note	2020 \$'000	2019 \$'000
Turnover		1,195	4,969
Cost of sales		(624)	(4,102)
Gross profit		571	867
Administrative expenses		(374)	(408)
Profit on ordinary activities before taxation	3	197	459
Tax on profit on ordinary activities	5	(70)	(58)
Profit for the financial year		127	401
Total comprehensive income for the year		127	401

All the activities of the company are from continuing operations.

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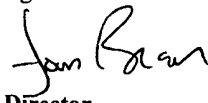
Registered Number: 07102965

Balance sheet as at 31 December 2020

	Note	2020 \$'000	2019 \$'000
Current assets			
Debtors	6	3,921	5,036
Cash at bank and in hand		464	292
		4,385	5,328
Creditors: amounts falling due within one year	7	(755)	(1,825)
Net current assets		3,630	3,503
Total assets less current liabilities		3,630	3,503
Net assets		3,630	3,503
Capital and reserves			
Called up share capital	9	-	-
Other reserves		1,778	1,778
Profit and loss account		1,852	1,725
Total shareholder's funds		3,630	3,503

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 14 to 19 were approved by the board of directors on 15Feb, 2022 and were signed on its behalf by:

1 
Director
James Ford Brett

The notes on pages 14 – 19 are an integral part of these financial statements.

PetroSkills UK Limited

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Statement of changes in equity for the year ended 31 December 2020

	Called up share capital	Other reserves	Profit and loss account	Total shareholder's funds
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2018	-	1,778	2,324	4,102
Profit for the financial year	-	-	401	401
Dividend	-	-	(1,000)	(1,000)
Balance as at 31 December 2019	-	1,778	1,725	3,503
Profit for the financial year	-	-	127	127
Balance as at 31 December 2020	-	1,778	1,852	3,630

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Notes to the financial statements for the year ended 31 December 2020

1 General information

PetroSkills UK Limited's principal activities during the year were contracting training services for the oil and gas industry. Training courses are provided on topics spanning the industry, from exploration and production to surface facilities, operations and maintenance, and health, safety and environmental.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 6th Floor, 25 Farringdon Street, London, United Kingdom, EC4A 4AB.

2 Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

Basis of Preparation

These financial statements 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.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns and discounts allowed by the company and value added taxes.

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of services supplied. Turnover from services is recognised as the services are rendered. Billings made to customers in advance of a service being rendered are recognised as deferred income in the balance sheet. The respective costs related to these services are only taken to the profit and loss account when the service is rendered.

A PetroSkills Alliance membership provides training discounts and other benefits to customer-members. A portion of the Alliance membership fees associated with provision of goods and services at the inception of the membership are recognized upon delivery. The remaining turnover related to the non-refundable up-front Alliance membership fees received for new Alliance memberships and annual Alliance membership renewals is recognized rateably over the annual contractual period in which the customer receives the benefit of the Alliance membership.

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Notes to the financial statements for the year ended 31 December 2020 (continued)

Going Concern

In light of the COVID-19 outbreak, the directors and senior management team took appropriate measures to respond to the uncertain outlook and ensure that the company remained a going concern during 2020 and 2021. Whilst the directors are confident that these actions will continue to be effective and their forecasts can be achieved, there can be no certainty because of the trading conditions across the world at present. The Company has been provided with a letter of support from the parent undertaking, which confirms that it will provide the necessary resources in order for the Company to continue to operate as a going concern. In addition, the parent company's debt funding was successfully renegotiated in February 2021.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The financial statements do not include any adjustments that would result in the going concern basis of preparation not being appropriate. In the event that this basis is not appropriate, provisions may be required and assets may need to be written down to their recoverable amount.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity, respectively, which the temporary differences can be utilised.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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Notes to the financial statements for the year ended 31 December 2020 (continued)

Functional currency

The company's functional and presentation currency is US dollars as the majority of its transactions and cash flows are US dollar denominated. The following sterling to US dollar exchange rates have been used in the preparation of these financial statements:

	Average rate	Closing rate
At 31 December 2020	£0.77	£0.74
At 31 December 2019	£0.78	£0.75

Foreign currencies

Transactions denominated in foreign currencies are translated at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the balance sheet date, and differences on exchange arising thereon are dealt with through operating profit.

Financial Instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

i) Financial assets

Debtors

Trade receivables are recognised initially at fair value and subsequently assessed for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that Company will not be able to collect the receivable. Financial difficulties of the debtor and default payments of debts more than 90 days overdue are considered objective evidence of impairment, except where on extended terms. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimate future cash flows.

The amount of the impairment allowance is the difference between the asset's carrying amount and its recoverable value. The amount of the impairment loss is recognised in the profit and loss account within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statements of comprehensive income.

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Notes to the financial statements for the year ended 31 December 2020 (continued)

ii) Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the Company's contractual arrangements. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Creditors

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the company's accounting policies, management has not made any significant judgements. There are no key assumptions concerning the future or other key sources of estimation that have significant risk of raising a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Cash and cash equivalents

Cash and cash equivalents is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2020	2019
	\$'000	\$'000
Foreign exchange losses	2	22
Total amount payable to the Company's auditor and its associates	40	35

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Notes to the financial statements for the year ended 31 December 2020 (continued)

4 Employee information

The average monthly number of persons employed by the Company during the year was nil (2019: nil). Events and training are delivered using resources from elsewhere in the group and the costs recharged as appropriate.

5 Tax on profit on ordinary activities

	2020	2019
	\$'000	\$'000
Current tax		
UK corporation tax on profits for the year	37	63
Adjustment in respect of previous periods	(8)	(41)
	29	22
Foreign tax suffered	41	36
Total current tax charge	70	58
Deferred tax		
Deferred tax credit	-	-
Total deferred tax	-	-
Tax on profit of ordinary activities	70	58

6 Debtors

	2020	2019
	\$'000	\$'000
Trade debtors	76	976
Amounts owed by group undertakings	3,821	4,031
Corporation tax receivable	14	-
Prepayments and accrued income	23	29
	3,934	5,036

Amounts owed by group undertakings relate to services provided by the company. These balances are unsecured, interest free and repayable on demand.

Notes to the financial statements for the year ended 31 December 2020 (continued)

7 Creditors – amounts falling due within one year

	2020	2019
Note	\$'000	\$'000
Trade creditors	558	224
Amounts owed to group undertakings	30	928
Corporation tax payable	-	50
Accruals and deferred income	180	623
	768	1,825

Amounts owed to group undertakings relate to services provided to the company. These balances are unsecured, interest free and repayable on demand.

8 Called up share capital

	2020	2019
	\$	\$
Authorised, allotted and fully paid		
100 Ordinary shares of \$1 each	100	100

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

9 Ultimate parent company

PetroSkills UK Limited is a wholly owned subsidiary of OGCI PetroSkills Limited, a company incorporated and registered in the British Virgin Islands. The directors regard PetroSkills Holdings LLC, a company registered in Delaware, United States, as the ultimate parent company and controlling party at 31 December 2020.

PetroSkills Holdings LLC is the smallest and largest group to prepare consolidated financial statements, which include the financial statements of PetroSkills UK Limited. Copies of PetroSkills Holdings LLC financial statements can be obtained from the Company Secretary at PetroSkills, 2930 South Yale Avenue, Tulsa, OK 74114 USA.