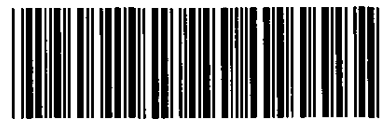


Report of the Director and
Financial Statements for the Year Ended 31 December 2017
for
Invepetrol Limited

21/12/18
GR
30

TUESDAY



L7L1IQL4
LD5 18/12/2018 #92
COMPANIES HOUSE

Invepetrol Limited

Contents of the Financial Statements
for the Year Ended 31 December 2017

	Page
Company Information	1
Report of the Director	2
Report of the Independent Auditors	3
Statement of Profit or Loss	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Statement of Cash Flows	12
Notes to the Financial Statements	13

Invepetrol Limited
Company Information
for the Year Ended 31 December 2017

DIRECTOR: A A Rojas Carillo

SECRETARY: G K Barnes

REGISTERED OFFICE: Monson Business Centre
3 Monson Road
Tunbridge Wells
Kent
TN1 1LH

REGISTERED NUMBER: 07790031 (England and Wales)

AUDITORS: Gilbert Allen & Co
Churchdown Chambers
Bordyke
Tonbridge
Kent
TN9 1NR

Invepetrol Limited

Report of the Director
for the Year Ended 31 December 2017

The director presents his report with the financial statements of the company for the year ended 31 December 2017.

DIRECTOR

A A Rojas Carrillo held office during the whole of the period from 1 January 2017 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law, the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law, the director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS


So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he 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 auditors are aware of that information.

AUDITORS

The auditors, Gilbert Allen & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

SIGNATURE OF THE BOARD:


A A ROJAS CARRILLO
Director
31 December 2017

Report of the Independent Auditors to the Members of
Invepetrol Limited

Opinion

We have audited the financial statements of Invepetrol Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss 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.

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 Auditors' 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information in the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Director 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 Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

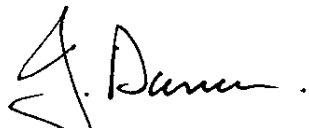
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
Invepetrol Limited

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 a Report of the Auditors 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.



JOHN DUNCAN (Senior Statutory Auditor)
for and on behalf of Gilbert Allen & Co
Churchdown Chambers
Bordyke
Tonbridge
Kent
TN9 1NR

Date:17.12.18.....

Invepetrol Limited

Statement of Profit or Loss
for the Year Ended 31 December 2017

	Notes	2017 \$	2016 \$
CONTINUING OPERATIONS			
Revenue		4,266,830	-
Cost of sales		<u>(3,412,185)</u>	<u>-</u>
GROSS PROFIT		854,645	-
Other operating income		-	4,887
Administrative expenses		<u>(566,874)</u>	<u>(7,430)</u>
OPERATING PROFIT/(LOSS)		287,771	(2,543)
Finance income	4	<u>12,953</u>	<u>1,369</u>
PROFIT/(LOSS) BEFORE INCOME TAX	5	300,724	(1,174)
Income tax	6	<u>(607,109)</u>	<u>(2,682)</u>
LOSS FOR THE YEAR		<u><u>(306,385)</u></u>	<u><u>(3,856)</u></u>

The notes form part of these financial statements

Invepetrol Limited

Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31 December 2017

	2017 \$	2016 \$
LOSS FOR THE YEAR	(306,385)	(3,856)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:		
Revaluation of assets	30,485,734	4,776
Exchange adjustments on consolidation	(13,652)	-
Income tax relating to items that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>30,472,082</u>	<u>4,776</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>30,165,697</u>	<u>920</u>

The notes form part of these financial statements

Statement of Financial Position
31 December 2017

	Notes	2017 \$	2016 \$
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	7	12,920,367	-
Property, plant and equipment	8	24,853,602	-
Deferred tax	16	<u>700,955</u>	<u>-</u>
		<u>38,474,924</u>	<u>-</u>
CURRENT ASSETS			
Inventories	9	56,161	-
Trade and other receivables	10	716,391	763
Tax receivable		453,938	981
Cash and cash equivalents	11	<u>1,255,016</u>	<u>129,461</u>
		<u>2,481,506</u>	<u>131,205</u>
TOTAL ASSETS		<u>40,956,430</u>	<u>131,205</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	12	1	1
Revaluation reserve	13	30,485,734	-
Exchange reserve	13	(8,876)	4,776
Retained earnings	13	<u>(310,241)</u>	<u>(3,856)</u>
TOTAL EQUITY		<u>30,166,618</u>	<u>921</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Contract liabilities	0	6,140,130	-
Financial liabilities - borrowings			
Interest bearing loans and borrowings	1 5	<u>1,508,043</u>	<u>-</u>
		<u>7,648,173</u>	<u>-</u>
CURRENT LIABILITIES			
Trade and other payables	14	2,638,958	130,284
Financial liabilities - borrowings			
Interest bearing loans and borrowings	15	<u>502,681</u>	<u>-</u>
		<u>3,141,639</u>	<u>130,284</u>
TOTAL LIABILITIES		<u>10,789,812</u>	<u>130,284</u>
TOTAL EQUITY AND LIABILITIES		<u>40,956,430</u>	<u>131,205</u>

The notes form part of these financial statements

Invepetrol Limited (Registered number 07790031)

Statement of Financial Position - continued
31 December 2017

The financial statements were approved by the director on 13 December 2018 and were signed by


J. A. ROJAS CARILLO
Director

The notes form part of these financial statements

Invepetrol Limited

Statement of Changes in Equity
for the Year Ended 31 December 2017

	Called up share capital \$	Retained earnings \$	Other reserves \$	Exchange reserve \$	Total equity \$
Balance at 1 January 2016	1	-	-	-	1
Changes in equity					
Total comprehensive income	-	(3,856)	-	4,776	920
Balance at 31 December 2016	1	(3,856)	-	4,776	921
Changes in equity					
Total comprehensive income	-	(306,385)	30,485,734	(13,652)	30,165,697
Balance at 31 December 2017	1	(310,241)	30,485,734	(8,876)	30,166,618

The notes form part of these financial statements

Invepetrol Limited

Statement of Cash Flows
for the Year Ended 31 December 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Cash generated from operations	1	9,182,037	126,979
Tax paid		<u>(454,226)</u>	<u>(3,663)</u>
Net cash from operating activities		<u>8,727,811</u>	<u>123,316</u>
 Cash flows from investing activities			
Purchase of intangible fixed assets		(9,580,856)	-
Purchase of tangible fixed assets		(31,425)	-
Interest received		<u>12,953</u>	<u>1,369</u>
Net cash from investing activities		<u>(9,599,328)</u>	<u>1,369</u>
 Cash flows from financing activities			
New loans in year		<u>2,010,724</u>	<u>-</u>
Net cash from financing activities		<u>2,010,724</u>	<u>-</u>
 Increase in cash and cash equivalents		<u>1,139,207</u>	<u>124,685</u>
Cash and cash equivalents at beginning of year	2	129,461	-
Effect of foreign exchange rate changes		<u>(13,652)</u>	<u>4,776</u>
 Cash and cash equivalents at end of year	2	<u><u>1,255,016</u></u>	<u><u>129,461</u></u>

The notes form part of these financial statements

Invepetrol Limited

Notes to the Statement of Cash Flows
for the Year Ended 31 December 2017

1. **RECONCILIATION OF PROFIT/(LOSS) BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	2017	2016
	\$	\$
Profit/(loss) before income tax	300,724	(1,174)
Depreciation charges	1,017,251	-
Finance income	<u>(12,953)</u>	<u>(1,369)</u>
	1,305,022	(2,543)
Increase in inventories	(56,161)	-
Increase in trade and other receivables	(715,628)	(762)
Increase in trade and other payables	2,508,674	130,284
Increase in contract liabilities	<u>6,140,130</u>	<u>-</u>
Cash generated from operations	<u>9,182,037</u>	<u>126,979</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2017

	31.12.17	1.1.17
	\$	\$
Cash and cash equivalents	<u>1,255,016</u>	<u>129,461</u>

Year ended 31 December 2016

	31.12.16	1.1.16
	\$	\$
Cash and cash equivalents	<u>129,461</u>	<u>-</u>

The notes form part of these financial statements

Invepetrol Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1. **STATUTORY INFORMATION**

Invepetrol Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Revenue

Oil and gas sales revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for the Company's share of oil and gas supplied in the period. Revenue is shown net of value-added tax, returns, rebates and discounts. Revenue is recognised when the oil and gas produced is despatched and received by the customers.

Intangible assets

Oil and gas assets: exploration and evaluation

The Company applies the 'successful efforts' method of accounting for Exploration and Evaluation ("E&E") costs, having regard to the requirements of IFRS 6 'Exploration for the Evaluation of Mineral Resources'.

The successful efforts method means that only the costs which relate directly to the discovery and development of specific oil and gas reserves are capitalised. Such costs may include costs of license acquisition, technical services and studies, seismic acquisition; exploration drilling and testing but do not include costs incurred prior to having obtained the legal rights to explore the area. Under successful efforts accounting, exploration expenditure which is general in nature is charged directly to the income statement and that which relates to unsuccessful drilling operations, though initially capitalised pending determination, is subsequently written off. Only costs which relate directly to the discovery and development of specific commercial oil and gas reserves will remain capitalised and to be depreciated over the lives of these reserves. The success or failure of each exploration effort will be judged on a well-by-well basis as each potentially hydrocarbon-bearing structure is identified and tested. Exploration and evaluation costs are capitalised within intangible assets. Capital expenditure on producing assets is accounted for in accordance with SORP 'Accounting for Oil and Gas Exploration'. Costs incurred prior to obtaining legal rights to explore are expensed immediately to the income statement.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Intangible assets - continued

All lease and licence acquisition costs, geological and geophysical costs and other direct costs of exploration, evaluation and development are capitalised as intangible or property, plant and equipment according to their nature. Intangible assets comprise costs relating to the exploration and evaluation of properties which the directors consider to be unevaluated until reserves are appraised as commercial, at which time they are transferred to tangible assets as 'Developed oil and gas assets' following an impairment review and depreciated accordingly. Where properties are appraised to have no commercial value, the associated costs are treated as an impairment loss in the period in which the determination is made.

Costs are amortised on a field by field unit of production method based on commercial proven and probable reserves, or to the expiry of the licence, whichever is earlier.

The calculation of the 'unit of production' amortisation takes account of the estimated future development costs and is based on the current period and un-escalated price levels. Changes in reserves and cost estimates are recognised prospectively.

E&E costs are not amortised prior to the conclusion of appraisal activities.

Property, plant and equipment

Oil and gas assets: development and production

Development and production ("D&P") assets are accumulated on a well by well basis and represent the cost of developing the commercial reserves discovered and bringing them into production, together with the E&E expenditures incurred in finding commercial reserves transferred from intangible E&E assets as outlined above. On acquisition of producing fields, a fair value of the carrying cost is calculated by reference to the estimated (P50) commercial reserves of the field and the expected level of profitability.

Carrying values of producing assets are depreciated on a well by well basis using the unit of production method based on entitlement to provide by reference to the ratio of production in the period to the related commercial reserves of the well (P50), taking into account any estimated future development expenditures necessary to bring additional non producing reserves into production.

An impairment test is performed for D&P assets whenever events and circumstances arise that indicate that the carrying value of development or production phase assets may exceed its recoverable amount. The aggregate carrying value is compared against the expected recoverable amount of each well, generally by reference to the present value of the future net cash flows expected to be derived from production of commercial reserves.

The cost of the workovers and extended production testing is capitalised within property, plant and equipment as a D&P asset.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Taxation

The tax currently payable is based on taxable profit or loss for the year. Taxable profit or loss differs from profit or loss as reported in the same income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Foreign currencies

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which are mainly in US Dollars (USD), Pounds Sterling (£), and Colombian Pesos (COP). The financial statements are presented in US Dollars (\$), which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the presentational currency using *exchange rates prevailing at the dates of the transactions*. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Foreign currencies - continued

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which are mainly in US Dollars (USD), Pounds Sterling (£), and Colombian Pesos (COP). The financial statements are presented in US Dollars (\$), which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the presentational currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at *period-end exchange rates of monetary assets and liabilities denominated in foreign currencies* are recognised in the income statement.

Overseas branch operations

The results and financial position of overseas branch operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Invepetrol Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

3. EMPLOYEES AND DIRECTORS

	2017 \$	2016 \$
Wages and salaries	<u>336,654</u>	<u>-</u>

The average number of employees during the year was as follows:

	2017	2016
Technical and production	5	-
Administration	6	1
Director	<u>1</u>	<u>1</u>
	<u>12</u>	<u>2</u>

	2017 \$	2016 \$
Directors' remuneration	<u>-</u>	<u>-</u>

Invepetrol Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

4. **NET FINANCE INCOME**

	2017	2016
	\$	\$
Finance income:		
Deposit account interest	<u>12,953</u>	<u>1,369</u>

5. **PROFIT/(LOSS) BEFORE INCOME TAX**

The profit before income tax (2016 - loss before income tax) is stated after charging/(crediting):

	2017	2016
	\$	\$
Cost of inventories recognised as expense	3,412,185	-
Other operating leases	22,723	-
Depreciation - owned assets	1,017,251	-
Auditors' remuneration	23,946	-
Foreign exchange differences	<u>(51,591)</u>	<u>-</u>

6. **INCOME TAX**

Analysis of tax expense

	2017	2016
	\$	\$
Current tax:		
Foreign taxation	1,269	2,682
Deferred tax	<u>605,840</u>	<u>-</u>
Total tax expense in statement of profit or loss	<u>607,109</u>	<u>2,682</u>

7. **INTANGIBLE ASSETS**

	Patents and licences \$
COST OR VALUATION	
Additions	9,580,856
Revaluations	<u>3,339,511</u>
At 31 December 2017	<u>12,920,367</u>
NET BOOK VALUE	
At 31 December 2017	<u>12,920,367</u>

Invepetrol Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

8. PROPERTY, PLANT AND EQUIPMENT

	Development and production \$	Plant and machinery \$	Totals \$
COST OR VALUATION			
Additions	-	31,425	31,425
Revaluations	<u>13,286,228</u>	<u>12,553,200</u>	<u>25,839,428</u>
At 31 December 2017	<u>13,286,228</u>	<u>12,584,625</u>	<u>25,870,853</u>
DEPRECIATION			
Charge for year	<u>523,666</u>	<u>493,585</u>	<u>1,017,251</u>
At 31 December 2017	<u>523,666</u>	<u>493,585</u>	<u>1,017,251</u>
NET BOOK VALUE			
At 31 December 2017	<u><u>12,762,562</u></u>	<u><u>12,091,040</u></u>	<u><u>24,853,602</u></u>

Cost or valuation at 31 December 2017 is represented by:

Development and production Valuation 2017	<u>13,286,228</u>
	13,286,228
Plant and machinery Additions Valuation 2017	31,425 <u>12,553,200</u>
	12,584,625

9. INVENTORIES

	2017 \$	2016 \$
Materials and consumables	<u>56,161</u>	<u>-</u>

Invepetrol Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

10. TRADE AND OTHER RECEIVABLES

	2017 \$	2016 \$
Current:		
Trade debtors	531,607	-
Other debtors	64,033	762
Called up share capital not paid	1	1
Prepayments	<u>120,750</u>	<u>-</u>
	<u>716,391</u>	<u>763</u>

11. CASH AND CASH EQUIVALENTS

	2017 \$	2016 \$
Certificates of deposit	399,122	127,921
Bank accounts	<u>855,894</u>	<u>1,540</u>
	<u>1,255,016</u>	<u>129,461</u>

12. CALLED UP SHARE CAPITAL

Allotted and issued:		Nominal	2017	2016
Number:	Class:	value:	\$	\$
1	Share capital 1	£1	<u>1</u>	<u>1</u>

13. RESERVES

	Retained earnings \$	Other reserves \$	Exchange reserve \$	Totals \$
At 1 January 2017	(3,856)	-	4,776	920
Deficit for the year	(306,385)			(306,385)
Asset capitalisation	-	30,485,734	-	30,485,734
Exchange adjustment	<u>-</u>	<u>-</u>	<u>(13,652)</u>	<u>(13,652)</u>
At 31 December 2017	<u>(310,241)</u>	<u>30,485,734</u>	<u>(8,876)</u>	<u>30,166,617</u>

Invepetrol Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

14. TRADE AND OTHER PAYABLES

	2017 \$	2016 \$
Current:		
Trade creditors	1,981,693	3,990
Social security and other taxes	76,218	-
Withholding taxes	284,197	-
Other creditors	13,051	126,294
Accrued expenses	44,112	-
VAT	<u>239,687</u>	<u>-</u>
	<u>2,638,958</u>	<u>130,284</u>

15. FINANCIAL LIABILITIES - BORROWINGS

	2017 \$	2016 \$
Current:		
Other loans	<u>502,681</u>	<u>-</u>
Non-current:		
Other loans - 1-2 years	<u>1,508,043</u>	<u>-</u>

Terms and debt repayment schedule

	1 year or less \$	2-5 years \$	Totals \$
Other loans	<u>502,681</u>	<u>1,508,043</u>	<u>2,010,724</u>

The Company's Colombian branch has a loan under a business collaboration contract with Inversora la Paz, commencing on 19 April 2017 for US\$2,000,000, initially agreed to be repaid within 20 months by monthly payments of capital of US\$100,000 and total interest for US\$50 million. The loan is secured by the issue of 400 shares of in the company. During the year, it was agreed that repayments would be delayed until the end of 2018.

Invepetrol Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

16. **DEFERRED TAX**

	2017	2016
	\$	\$
Deferred tax asset created	1,306,795	-
Charged to Income Statement	<u>(605,840)</u>	<u>-</u>
Balance at 31 December	<u>700,955</u>	<u>-</u>

17. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Mr Angel Andres Rojas Carrillo.