

**SNS (E&P) Limited**  
**Annual report and financial statements**  
**for the period from 17 April 2012 to 30 April 2013**

Registered number: 08034222



## **SNS (E&P) Limited**

### **Annual report and financial statements 2013**

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# **SNS (E&P) Limited**

## **Directors' report**

The directors present their Annual Report on the affairs of the company, together with the financial statements and auditor's report, for the period from 17 April 2012 to 30 April 2013.

The directors have not prepared a strategic report under the small company exemption.

### **Incorporation and principal activities**

The company was incorporated in the United Kingdom and registered in England and Wales on 17 April 2012.

The principal activity of the company is the exploration for oil and gas.

### **Business review**

The loss on ordinary activities before taxation was \$14,000 for the period.

In April 2013, the Windmere field was transferred from Oranje-Nassau Energie Hanze (UK) Limited (formerly known as Noble Energy (Europe) Limited) to the company.

### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

### **Financial risk management objectives and policies**

The company's activities expose it to a number of financial risks, primarily credit risk.

The company's principal financial assets are trade and partner receivables.

#### ***Credit risk***

The company's credit risk is primarily attributable to its partner receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

### **Dividends**

No dividend was recommend or paid during the period.

### **Directors**

The directors, who served throughout the period except as noted, were as follows:

R D Cook	(appointed 17 April 2012) (resigned 25 March 2013)
T H Walker	(appointed 17 April 2012)
J A Huser	(appointed 25 March 2013)

### **Directors' indemnities**

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

### **Charitable and political contributions**

During the period the company made no charitable or political donations.

## **SNS (E&P) Limited**

### **Directors' report (continued)**

#### **Auditor**

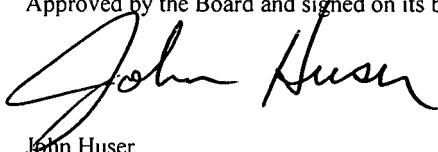
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the companies Act 2006.

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

Approved by the Board and signed on its behalf by:



John Huser

2 July 2014

Oceana House  
39 – 49 Commercial Road  
Southampton  
Hampshire  
SO15 1GA

## **SNS (E&P) Limited**

### **Directors' responsibilities statement in respect of the Directors' report and the financial statements**

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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## **SNS (E&P) Limited**

### **Independent auditor's report to the members of SNS (E&P) Limited**

We have audited the financial statements of SNS (E&P) Limited for the period from 17 April 2012 to 30 April 2013 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **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 30 April 2013 and of its loss for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Adrian Wilcox (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*

8 Salisbury Square  
London  
EC4Y 8BB  
United Kingdom

4 July 2014

## **SNS (E&P) Limited**

### **Profit and loss account**

**For the period from 17 April 2012 to 30 April 2013**

	<b>Note</b>	<b>Period from 17 April 2012 to 30 April 2013 \$'000</b>
Administration expenses		(14)
<b>Operating loss and loss on ordinary activities before taxation</b>	<b>2</b>	<b>(14)</b>
Tax charge on loss on ordinary activities	5	-
<b>Loss for the financial period</b>		<b>(14)</b>

All amounts relate only to continuing operations.

There is no difference between the reported losses and the historical cost losses for the period.

The accompanying notes on pages 8 – 13 form part of these financial statements.

There were no recognised gains or losses in the period other than the loss for the period.

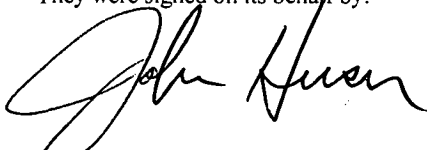
## SNS (E&P) Limited

### Balance sheet At 30 April 2013

	Note	2013 \$'000
<b>Fixed assets</b>		
Tangible oil and gas assets	6	<u>26</u>
<b>Current assets</b>		
Debtors	7	3,557
<b>Creditors: amounts falling due within one year</b>	8	<u>(38)</u>
<b>Net current assets</b>		<u>3,519</u>
<b>Total assets less current liabilities</b>		3,545
<b>Provisions for liabilities</b>	9	(3,559)
<b>Net liabilities</b>		<u><u>(14)</u></u>
<b>Capital and reserves</b>		
Called-up share capital	10	-
Profit and loss account		<u>(14)</u>
<b>Shareholders' deficit</b>		<u><u>(14)</u></u>

The financial statements of SNS (E&P) Limited (registered number 08034222) were approved by the board of directors and authorised for issue on *2 July* 2014.

They were signed on its behalf by:

  
John Huser



## **SNS (E&P) Limited**

### **Statement of changes in equity At 30 April 2013**

	<b>Called-up share capital \$'000</b>	<b>Profit and loss account \$'000</b>	<b>Total \$'000</b>
At 17 April 2012	-	-	-
Loss for the financial period	-	(14)	(14)
	-	(14)	(14)
Issue of share capital	-	-	-
	-	(14)	(14)
At 30 April 2013	-	(14)	(14)

## **SNS (E&P) Limited**

### **Notes to the financial statements**

#### **For the period from 17 April 2012 to 30 April 2013**

##### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

##### **General information and basis of preparation**

SNS (E&P) Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 2. The nature of the company's operations and its principal activities are set out in the Directors' report on pages 1 to 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council including the Statement of Recommended Practice "Accounting for oil and gas exploration, development, production and decommissioning activities" (SORP), published by the Oil Industry Accounting Committee, except where explicitly disclosed otherwise.

SNS (E&P) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash-flow statement, intra-company transactions and remuneration of key management personnel.

The company has elected to early adopt FRS 102 ahead of the mandatory deadline.

The functional currency of SNS (E&P) Limited is considered to be US dollars because that is the currency of the primary economic environment in which the company operates.

##### **Going concern**

The financial statements have been prepared on the going concern basis, notwithstanding the net liabilities of \$14,000, which the directors believe to be appropriate for the following reason. The company is reliant for its working capital on funds provided to it by group undertaking, Noble Energy Inc., which has provided the company with a guarantee that it will, for at least 12 months from the date of approval of these financial statements, continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing 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 that it will not do so. Based on this guarantee, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

##### **Exploration and appraisal costs**

Exploration and appraisal costs are accounted for on the 'successful efforts' basis as set out in the SORP (see "Basis of accounting" above).

Expenditure incurred prior to the acquisition of a licence and the costs of general seismic data and other costs not specifically directed to an identified exploration licence are written off to the profit and loss account in the period in which they arise.

All costs relating to licence and data acquisition, geological and geophysical activity and exploration and appraisal drilling are initially capitalised as intangible oil and gas assets pending determination of the commercial potential of the relevant oil and gas properties.

If prospects are subsequently deemed to be unsuccessful on completion of evaluation, the associated costs are charged to the profit and loss account in the period in which that determination is made. If the prospects are deemed to be commercially viable, such costs are transferred to tangible oil and gas assets. The status of such prospects is reviewed regularly by the directors.

## **SNS (E&P) Limited**

### **Notes to the financial statements (continued) For the period from 17 April 2012 to 30 April 2013**

#### **1. Accounting policies (continued)**

##### **Exploration and appraisal costs (continued)**

In the event of the company's interest in a field changing as the result of a redetermination of a unitised field (being a field straddling more than one area), additional capital expenditures payable or disposal proceeds receivable are treated respectively as increases or reductions in the cost of tangible oil and gas assets.

##### **Fields under development and in production**

All field development costs are capitalised as tangible oil and gas assets. Such costs comprise the acquisition and installation of production facilities, development drilling costs, applicable exploration costs and an appropriate portion of overheads and interest.

Costs incurred in replacing major portions of the company's facilities which increase their productive capacity or substantially extend their useful life are capitalised. Expenditure on maintenance, repairs or partial replacements is written off as incurred.

##### **Depreciation**

Exploration and development costs of fields in production, including an estimate of any costs (at year-end price levels) still to be incurred in completing the development of commercial developed reserves, are charged to depreciation on a field-by-field basis using the unit-of-production method. Costs of fields awaiting / under development are held in tangible fixed assets at cost and not subject to depreciation, pending transfer to fields in production.

Stocks of drilling equipment and spare parts for production facilities are depreciated only when transferred to a specific capital project.

##### **Decommissioning costs**

The company's share of the estimated costs of decommissioning, discounted to their net present value, is recognised in full as the related facility is installed. The estimated costs, based on engineering cost levels prevailing at the balance sheet date, are computed on the basis of the latest assumptions as to the scope and method of decommissioning provided by the operators. These costs are expected to be eligible for tax relief.

A corresponding amount is capitalised and charged to depreciation on a field-by-field basis using the unit-of-production method. Changes in estimates of the cost of decommissioning are dealt with in the same way as initial estimates, and the impact of discounting is dealt with each year in the profit and loss account as a component of interest payable and similar charges (unwinding of discount).

##### **Impairment of fixed assets**

A review for the impairment of a fixed asset – determined as a separate income-generating-unit – is undertaken if events and changes in circumstances indicate that the recoverable amount of a fixed asset has fallen below its net carrying value in the balance sheet. Where this is confirmed to be the case, the resulting deficiency is provided for as an impairment loss. The recoverable amount is assumed to be the higher of estimated net realisable value or value in use. Value in use is calculated for each fixed asset and represents the present value of future net revenues to be derived from estimated remaining commercial reserves. Future net revenues are calculated using estimated oil and gas prices, cost levels and exchange rates which are expected to apply in future periods, discounted at a rate reflective of the risk of the investments.

Provisions for impairment losses are recognised in the balance sheet as additional depreciation.

Past impairment losses are reversed where the recoverable amount of a fixed asset has increased because of a change in economic conditions or the expected use of the asset.

##### **Financial instruments**

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

## **SNS (E&P) Limited**

### **Notes to the financial statements (continued) For the period from 17 April 2012 to 30 April 2013**

#### **1. Significant accounting policies (continued)**

##### **Financial Instruments (continued)**

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

##### **Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### **Corporation tax**

Corporation tax payable is provided on taxable profits at the current rates and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Section 29 (income tax) of FRS 102.

##### **Foreign currency**

Transactions denominated in foreign currencies are recorded at the average exchange rates for the respective months. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from changes in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

## SNS (E&P) Limited

### Notes to the financial statements (continued) For the period from 17 April 2012 to 30 April 2013

#### 2. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

The analysis of the auditor's remuneration is as follows:

Fees payable to the company's auditors for the audit of the company's annual accounts

2013  
\$'000

14

#### 3. Staff costs

The company had no employees during the period.

#### 4. Directors remuneration

There were no directors emoluments paid in the period. The directors were remunerated by other group companies.

None of the directors exercised share options in the parent undertaking during the period.

#### 5. Tax charge on loss on ordinary activities

The tax charge comprises:

2013  
\$'000

##### Current tax on loss on ordinary activities

UK corporation tax

-

##### Total tax charge on loss on ordinary activities

-

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

2013  
\$'000

##### Loss on ordinary activities before tax

(14)

Tax on loss on ordinary activities at standard UK corporation tax rate of 62%

(9)

Effects of:

- Pre-trading expenditure carried forward

9

##### Total tax charge for period

-

## SNS (E&P) Limited

### Notes to the financial statements (continued) For the period from 17 April 2012 to 30 April 2013

#### 6. Tangible oil and gas assets

	<b>Fields in production \$'000</b>	<b>Decommissioning assets \$'000</b>	<b>Total \$'000</b>
<b>Cost or valuation</b>			
At 17 April 2012	-	-	-
Additions/transfer	26,107	2,082	28,189
At 30 April 2013	26,107	2,082	28,189
<b>Depreciation</b>			
At 17 April 2012	-	-	-
Transfer	(26,081)	(2,082)	(28,163)
At 30 April 2013	(26,081)	(2,082)	(28,163)
<b>Net book value</b>			
At 30 April 2013	26	-	26

On 29 April 2013, the Windmere field was transferred from Oranje-Nassau Energie Hanze (UK) Limited (formerly known as Noble Energy (Europe) Limited) to the company.

Per the transfer agreement, the book value of the assets were hived out on the 30th of April, 2013. The year to date profit and loss account activity remained on Noble Energy (Europe) Limited and all the future activity will be recorded within SNS (E&P) Limited.

#### 7. Debtors

	<b>2013 \$'000</b>
<b>Amounts falling due within one year:</b>	
Prepayments and accrued income	122
Amounts due from group undertakings	3,435
	<u>3,557</u>

## SNS (E&P) Limited

### Notes to the financial statements (continued) For the period from 17 April 2012 to 30 April 2013

#### 8. Creditors – amounts falling due within one year

	2013 \$'000
Other creditors	17
Accruals	21
	<hr/> 38 <hr/>

#### 9. Provisions for liabilities

	Decommissioning provision 2013 \$'000
At 17 April 2012	-
Transfer	3,559
At 30 April 2013	<hr/> 3,559 <hr/>

#### 10. Called-up share capital and reserves

	2013 \$
<b>Allotted, called-up and fully-paid</b>	
1 ordinary shares of £1 each	<hr/> 2 <hr/>

The company has one class of ordinary shares which carry no right to fixed income.

#### 11. Financial commitments

There were no financial commitments at the period end.

#### 12. Controlling party

The company is a subsidiary undertaking of Noble Energy Capital Limited, which is the immediate parent company incorporated in England and Wales.

The smallest and largest group within which the financial statements of the company are consolidated is that headed by the company's ultimate parent company and ultimate controlling party, Noble Energy, Inc., incorporated in the U.S.A. Copies of the group's financial statements are available upon request by writing to Senior Vice President and Chief Financial Officer, Noble Energy, Inc., 100 Glenborough Drive, Suite 100, Houston, TX 77067, U.S.A or through the Securities and Exchange Commission's website at <http://www.sec.gov>.