

HV VI Invest Eta Limited

Annual Report and Financial Statements

For the period from 11 September 2013 to 31 December 2013

Registration number 868269

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HV VI Invest Eta Limited

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HV VI Invest Eta Limited

Administration

Directors:

Louise Inward - appointed 11 September 2013
Kim Gozzett - appointed 11 September 2013
Harald Vabø - appointed 11 September 2013, resigned 24 April 2014
Pål Reiulf Olsen - appointed 24 April 2014, resigned 25 July 2014
Gunnar Halvorsen - appointed 25 July 2014

Secretary:

Gentoo Fund Services Limited - appointed 11 September 2013

Registered Office:

27/28 Eastcastle Street
London
United Kingdom
W1W 8DH

Administrator:

Gentoo Fund Services Limited
Western Suite, Ground Floor
Mill Court
La Charroterie
St Peter Port
Guernsey GY1 1EJ

Independent Auditors:

PricewaterhouseCoopers CI LLP
PO Box 321
1 Gategny Esplanade
St Peter Port
Guernsey GY1 4ND

HV VI Invest Eta Limited

Registration number 868269

Report of the Directors

The directors present their annual report and audited financial statements of HV VI Invest Eta Limited for the period from 11 September 2013 to 31 December 2013.

Incorporation

The Company was incorporated on 11 September 2013 in Wales under The Companies Act, 2006.

Principal activities

The Company is a holding and investment company.

The Statement of Income and Retained Earnings is set out on page 7.

Going Concern

At 31 December 2013 the Company's Statement of Financial Position shows a deficit of USD (831,986). Financial support will be provided by the parent entity, in order that the Company can meet its obligations and commitments.

Dividends

The directors do not recommend the payment of a dividend.

Directors and Secretary

The directors and secretary of the Company at 31 December 2013 and throughout the period then ended are as stated on page 2.

Directors' responsibilities for the financial statements

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), of the state of affairs of the Company as at the end of the financial year 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 estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

HV VI Invest Eta Limited

Report of the Directors (continued)

The directors confirm that they have complied with the above requirements in preparing these financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with The Companies Act, 2006. Furthermore the directors are responsible for ensuring that the Company has sufficient gross capital to meet its commitments and to withstand the risks to which its business is subject. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

Our auditors, PricewaterhouseCoopers CI LLP have indicated their willingness to remain in office. A resolution to re-appoint PricewaterhouseCoopers CI LLP as auditors to the Company will be proposed at the annual general meeting.

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

By order of the Board on 18 September 2014.



Kim Gozzett

Independent Auditors' Report to the Members of HV VI Invest Eta Limited

Report on the financial statements

Our opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its loss and cash flows for the period from 11 September 2013 to 31 December 2013;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been prepared in accordance with the requirements of The Companies Act, 2006.

This opinion is to be read in the context of what we say below.

What we have audited

The financial statements for the period ended 31 December 2013, which are prepared by HV VI Invest Eta Limited, comprise:

- the Statement of Financial Position as at 31 December 2013;
- the Statement of Income and Retained Earnings for the period from 11 September 2013 to 31 December 2013;
- the Statement of Cash Flows for the period from 11 September 2013 to 31 December 2013; and
- the notes to the financial statements, which include a summary of the significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards including FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland."

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Independent Auditors' Report to the Members of
HV VI Invest Eta Limited (continued)**

Opinion on other matter

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under The Companies Act, 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of The Companies Act, 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Joanne Peacegood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Guernsey, Channel Islands

Date: 23 September 2014

HV VI Invest Eta Limited

Statement of Income and Retained Earnings

For the period from 11 September 2013 to 31 December 2013

		11 September 2013 to 31 December 2013 USD
	Notes	
Income	1	
Interest income		213,900
		<u>213,900</u>
Expenses	1	
Facility fees		800,000
Interest expense		218,265
Administration fees		12,913
Audit fee		8,271
Directors' fees		5,669
General expenses		769
		<u>1,045,887</u>
Loss on ordinary activities before taxation		<u>(831,987)</u>
Taxation		-
Loss for the period		<u><u>(831,987)</u></u>
Retained earnings brought forward		-
Retained loss carried forward		<u><u>(831,987)</u></u>

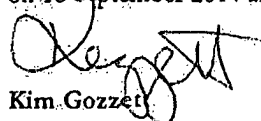
The results above are in respect of continuing operations of the Company.

The notes to the financial statements on pages 10 to 12 form an integral part of these financial statements.

HV VI Invest Eta Limited
Statement of Financial Position
As at 31 December 2013

	Notes	2013 USD
Fixed Assets		
Investments		-
Current Assets		
Cash at bank		440,004
Debtors	4	79,227,661
		<u>79,667,665</u>
Current Liabilities		
Creditors	5	80,499,651
		<u>(831,986)</u>
Net Current Liabilities		<u>(831,986)</u>
Net liabilities		<u><u>(831,986)</u></u>
Share Capital and Reserves		
Share capital	6	1
Retained earnings		(831,987)
		<u>(831,986)</u>
Total Shareholders' Funds		<u><u>(831,986)</u></u>

The financial statements on pages 7 to 12 were approved by the board of directors on 18 September 2014 and signed on its behalf by:


Kim Gozzet

Director

The notes to the financial statements on pages 10 to 12 form an integral part of these financial statements.

HV VI Invest Eta Limited

Statement of Cash Flows

For the period from 11 September 2013 to 31 December 2013

11 September 2013
to
31 December 2013
USD

Cash flows from operating activities

Loss for the period	(831,987)
Adjustments for:	
Unquoted investment income	(213,900)
Interest expense	218,265
Increase in debtors	(13,760)
Increase in creditors	281,386
<i>Cash from operations</i>	<u>(559,996)</u>
Income taxes paid	-
<i>Net cash generated from operating activities</i>	<u>(559,996)</u>

Cash flows from investing activities

Loan advance	(79,000,000)
Unquoted investment income	-
<i>Net cash used in investing activities</i>	<u>(79,000,000)</u>

Cash flows from financing activities

Issue of share capital	-
Loan received	80,000,000
Interest payable	-
<i>Net cash from financing activities</i>	<u>80,000,000</u>

Net increase in cash and cash equivalents	440,004
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Cash and cash equivalents at the beginning of the period	-
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Cash and cash equivalents at the end of the period	440,004
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The notes to the financial statements on pages 10 to 12 form an integral part of these financial statements.

HV VI Invest Eta Limited

Notes to the Financial Statements

For the period from 11 September 2013 to 31 December 2013

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared on a going concern basis in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" and under the historical cost convention as modified by the revaluation of investments.

The Company was incorporated on 11 September 2013 in Wales under The Companies Act, 2006.

Going Concern

At 31 December 2013 the Company's Statement of Financial Position shows a deficit of USD (831,986). Financial support will be provided by the parent entity, in order that the Company can meet its obligations and commitments.

Income and expenses

Bank interest and other income and expenses are accounted for on an accruals basis.

Foreign Exchange, 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"). This is the US Dollar.

Monetary assets and liabilities denominated in a foreign currency are translated into US Dollars at the rate of exchange ruling at the balance sheet date. Transactions in foreign currency are translated at the rate of exchange ruling at the date of the transaction. Foreign exchange gains and losses, except in respect of investments, are included in the Statement of Income and Retained Earnings.

2. Material Agreements

The Company entered into a USD 80 million Revolving Credit Facility agreement with Skandinaviska Enskilda Banken AB (publ) on 8 November 2013. Interest of LIBOR plus a margin of 1.75% is charged.

The Company entered into a USD 79 million loan agreement with Spike Exploration Holding AS on 11 November 2013. Interest of LIBOR plus a margin of 1.75% is charged.

3. Taxation

2013
USD

United Kingdom taxation at 23% based on loss for the period:
Current year

-

HV VI Invest Eta Limited

Notes to the Financial Statements (continued)

For the period from 11 September 2013 to 31 December 2013

4. Debtors	2013 USD
Loan due by Spike Exploration Holding AS	79,000,000
Loan interest receivable	213,900
Prepaid directors' fees	13,760
Due from HitecVision VI, L.P.	1
	<u>79,227,661</u>

There is a loan facility with Spike Exploration Holdings AS and as at 31 December 2013 the loan was USD 79 million. The loan is due for repayment on the earlier of (i) 8 November 2014 and (ii) two months after 'Spike' has acquired the UK business of Bridge Energy ASA. Interest is charged at the aggregate of LIBOR and a Margin of 1.75%. As at 31 December 2013 accrued interest was USD 213,900.

5. Creditors	2013 USD
Loan due to Skandinaviska Enskilda Banken AB (publ)	80,000,000
Facility fee	240,000
Loan interest payable	218,265
Due to HitecVision VI, L.P.	26,219
Audit fees	8,271
Administration fees	6,896
	<u>80,499,651</u>

There is a loan facility of USD 80 million with Skandinaviska Enskilda Banken AB (publ) and as at 31 December 2013 the loan drawdown was USD 80 million. The loan is secured by a commitment letter of an equivalent amount given by the Company's parent (HitecVision VI, L.P.) and on lending by the Company to Spike Exploration Holding AS (see note 4). The loan is due for repayment on 8 November 2014 and interest is charged at the aggregate of LIBOR and a Margin of 1.75%. As at 31 December 2013 accrued loan interest was USD 218,265.

Additional fees are payable on the loan facility:

- i) A commitment fee is charged at 40% on the undrawn loan facility. During the period ended 31 December 2013, USD nil was payable.
- ii) An upfront fee is payable at 1% of the total loan facility. 70% of the fee is payable within five days of the date of the loan agreement and 30% is due after six months. As at 31 December 2013 USD 240,000 was payable.

HV VI Invest Eta Limited

Notes to the Financial Statements (continued)

For the period from 11 September 2013 to 31 December 2013

6. Share Capital

	Number of Shares	Share Capital USD
Issued share capital:		
Brought forward	-	-
Issued during the period	1	1
Carried forward	<u>1</u>	<u>1</u>

7. Ultimate Controlling Party

The Company's immediate parent and ultimate controlling party is HitecVision VI, L.P.

As the Company is wholly owned subsidiary, it is exempt from disclosing transactions with HitecVision VI, L.P.

8. Subsequent Events

On 3 February 2014 the board of directors approved the issue of 399,999 shares of £1 each at USD 10 each to HitecVision VI, L.P. for a total consideration of USD 3,999,990. The resulting funds are to be used to make an equivalent investment in Bridge Energy UK Holding Limited.

On 24 April 2014 the Company purchased 8,600,000 Preference A Shares in Bridge Energy Holding Limited and the loan agreement with Spike Exploration Holdings AS was assigned.

On 24 April 2014 the Company repaid the USD 80,000,000 loan to Skandinaviska Enskilda Banken AB (publ).