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**LEADING EDGE ADVANTAGE
INTERNATIONAL LIMITED**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

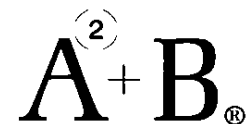
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LEADING EDGE ADVANTAGE INTERNATIONAL LIMITED



COMPANY INFORMATION

DIRECTORS

G P Maitland
J G McCallum
N M Campbell

COMPANY SECRETARY

N M Campbell

REGISTERED NUMBER

SC197955

REGISTERED OFFICE

15 Bon Accord Crescent
Aberdeen
AB11 6DE

INDEPENDENT AUDITORS

Anderson Anderson and Brown LLP
9 Queens Road
Aberdeen
AB15 4YL

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2013**

The directors present their report and the financial statements for the year ended 31 May 2013.

PRINCIPAL ACTIVITIES

The company did not trade in the current financial year.

BUSINESS REVIEW

Subsequent to the year end the directors recognise that LR Senergy Limited, a company registered in England, to be the ultimate holding company. This is due to a significant investment on 2 September 2013 from Lloyds Register Group Limited to assist in the continued development and growth of the Senergy Group of Companies.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £46 (2012 - loss £1,148).

No dividends were paid during the year (2012 - £nil).

DIRECTORS

The directors who served during the year were:

G P Maitland
J G McCallum
N M Campbell

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS


The auditors, Anderson Anderson and Brown LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

LEADING EDGE ADVANTAGE INTERNATIONAL LIMITED



DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2013

This report was approved by the board and signed on its behalf.


.....
N M Campbell
Director

Date: 27/2/14

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MAY 2013**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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;
- 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
LEADING EDGE ADVANTAGE INTERNATIONAL LIMITED**

We have audited the financial statements of Leading Edge Advantage International Limited for the year ended 31 May 2013, set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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 AUDITORS

As explained more fully in the Directors' responsibilities statement, 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

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 Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 May 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom 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 year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
LEADING EDGE ADVANTAGE INTERNATIONAL LIMITED**

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.

Anderson Anderson & Brown LLP

Derek Mair (Senior statutory auditor)

for and on behalf of

Anderson Anderson and Brown LLP

Statutory Auditor

9 Queens Road

Aberdeen

AB15 4YL

Date:

27 February 2014

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2013**

	Note	2013 £	2012 £
Administrative expenses		(60)	(1,262)
OPERATING LOSS	2	(60)	(1,262)
Interest receivable and similar income		-	8
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(60)	(1,254)
Tax on loss on ordinary activities	5	14	106
LOSS FOR THE FINANCIAL YEAR		(46)	(1,148)

All amounts relate to continuing operations.

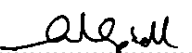
There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 8 to 12 form part of these financial statements.

**BALANCE SHEET
AS AT 31 MAY 2013**

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Investments	6		917		917
CURRENT ASSETS					
Debtors		14		-	
Cash at bank		149,807		149,867	
		<u>149,821</u>		<u>149,867</u>	
CREDITORS: amounts falling due within one year					
	7	(2,633)		(2,633)	
NET CURRENT ASSETS					
			147,188		147,234
NET ASSETS					
			<u>148,105</u>		<u>148,151</u>
CAPITAL AND RESERVES					
Called up share capital	8		124		124
Capital redemption reserve	9		6		6
Profit and loss account	9		147,975		148,021
SHAREHOLDERS' FUNDS					
	10		<u>148,105</u>		<u>148,151</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
N M Campbell
Director

Date: 27/2/14

The notes on pages 8 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The directors, having made due and careful enquiry, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013**
2. OPERATING LOSS

The operating loss is stated after charging:

	2013 £	2012 £
Auditors' remuneration	-	1,750

Auditors remuneration of £1,250 was borne by a fellow group company.

3. STAFF COSTS

All UK employees are employed by Senergy Resources Limited, a fellow subsidiary of Senergy Group Limited. The staff numbers, staff costs and directors' remuneration disclosed relates to recharges from Senergy Resources Limited. Additionally, also included within wages and salaries are further recharges of staff costs, where the company has utilised staff from other fellow subsidiaries of Senergy Group Limited. Where the company has utilised staff from overseas companies within the Senergy group, such costs are also included within wages and salaries.

The average monthly number of employees, including the directors, during the year was as follows:

	2013 No.	2012 No.
Directors	3	3

4. DIRECTORS' REMUNERATION

The directors were paid by other group companies. The directors do not believe it is practical to apportion these amounts between their services as directors of this company and their services as directors of other group companies. The directors' remuneration paid by other group companies totals £590,143 (2012 - £509,548). The value of the group's contributions paid to defined contribution pension schemes in respect of these directors amounted to £27,690 (2012 - £49,613).

5. TAXATION

	2013 £	2012 £
Group taxation relief	(14)	(106)
Tax on loss on ordinary activities	(14)	(106)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013**
5. TAXATION (continued)
Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 23.83% (2012 - 25.67%).

6. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 June 2012 and 31 May 2013	917
Net book value	
At 31 May 2013	917
At 31 May 2012	917

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Senergy LEA Limited	Ordinary	100%
Leading Edge Advantage (Underbalanced) Limited	Ordinary	100%
Leading Edge Advantage (Sustainment) Limited	Ordinary	100%

Senergy LEA Limited, Leading Edge Advantage (Sustainment) Limited and Leading Edge Advantage (Underbalanced) Limited do not trade. All the subsidiary companies are registered in Scotland.

7. CREDITORS:
Amounts falling due within one year

	2013 £	2012 £
Amounts owed to group undertakings	2,633	2,633

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013**
8. SHARE CAPITAL

	2013 £	2012 £
Authorised, allotted, called up and fully paid		
1,240 Ordinary shares of £0.10 each	124	124

9. RESERVES

	Capital redempt'n reserve £	Profit and loss account £
At 1 June 2012	6	148,021
Loss for the year	-	(46)
At 31 May 2013	6	147,975

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	148,151	149,299
Loss for the year	(46)	(1,148)
Closing shareholders' funds	148,105	148,151

11. SECURITY

The company was part of a group banking facility and there was a cross guarantee with its holding company and subsidiaries in place at 31 May 2013. Post year end the bank borrowings across the group have been repaid and the cross guarantee has been extinguished.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013**

12. RELATED PARTY TRANSACTIONS

Control

Throughout the year the company was controlled by the directors.

Transactions

As the company is a wholly owned subsidiary of Senergy Group Limited, it has taken advantage of the exception given by paragraph 3 of Financial Reporting Standard Number 8 which allows exemption from disclosure of related party transactions with other group companies.

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Senergy Oil & Gas Limited, a company registered in Scotland.

During the year the company's ultimate holding company was Senergy Group Limited, a company registered in Scotland, as the ultimate parent company. The largest group in which the results of the company are consolidated is that headed by Senergy Group Limited. Copies of the financial statements of Senergy Group Limited can be obtained from its registered office at 15 Bon Accord Crescent, Aberdeen.

Subsequent to the year end the directors recognise LR Senergy Limited, a company registered in England to be the ultimate holding company.