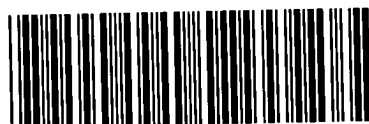


ERT Camelot Limited

Report and Financial Statements

31 December 2015

WEDNESDAY



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COMPANIES HOUSE

Directors

O Kratz
A Johnson
A Tripodo

Secretary

Pinsent Masons Secretarial Ltd
1 Park Row
Leeds LS1 5AB

Auditors

Ernst & Young LLP
Blenheim House
Fountainhall Road
Aberdeen AB15 4DT

Solicitors and Registered Office

Pinsent Masons
13 Queen's Road
Aberdeen AB15 4YL

Registered No. SC301741

Directors' report

The directors present their report and financial statements for the year ended 31 December 2015.

Results and dividends

The loss for the year after taxation amounted to £33,000 (2014 – profit of £164,000). The directors do not recommend a final dividend (2014 – £nil).

Principal activity and review of the business

The principal activity of the Company during the year was the ongoing completion of the remaining decommissioning activities required by the UK Government, before this obligation is removed in 2016 after the required final survey.

Future developments

There are no future developments for Camelot as this installation was removed in July 2012. Remaining work left on site encompasses a final pipeline survey in 2016.

Going concern

The financial statements have been prepared under the going concern basis. The directors believe this basis to be appropriate as the parent has provided the Company with an undertaking that for at least a year from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company to allow it to continue in operational existence and to meet its liabilities as they fall due for payment. It has further undertaken that it will act to ensure that repayment is not sought for at least a year from the date of signature of these financial statements of the amounts currently made available to the Company by fellow group undertakings. 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 undertaking 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 this basis of preparation being inappropriate.

Directors

The directors who served the Company during the year were as follows:

O Kratz
A Johnson
A Tripodo

Directors' liabilities

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered No. SC301741

Directors' report (continued)

Auditors

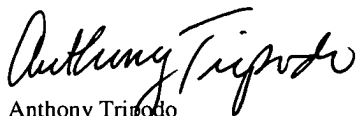
A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Small company exemptions

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

In accordance with section 414B of the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013, the Company has taken exemption from preparing a separate Strategic Report.

On behalf of the Board



Anthony Tripodo
Director

31 May 2016

Directors' Responsibilities Statement

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 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.

Independent auditor's report

to the members of ERT Camelot Limited

We have audited the financial statements of ERT Camelot Limited for the year ended 31 December 2015 which comprise which comprise the Profit and Loss Account, Statement of comprehensive income, Statement of changes in equity, the Balance Sheet and the related notes 1 to 14. 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 4, 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 (APB'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 Report and Financial Statements 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.

Opinion on the 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 December 2015 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.

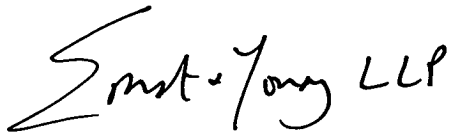
Independent auditor's report

to the members of ERT Camelot Limited (continued)

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.
- the directors were not entitled to take advantage of small companies exemption in not preparing the Strategic Report.



Kenneth MacLeod Hall (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Aberdeen

1, JUNE 2016

Profit and loss account

for the year ended 31 December 2015

	Notes	2015 £000	2014 £000
Cost of sales		(6)	202
Gross (loss)/profit		(6)	202
Administrative expenses		(27)	(38)
Operating (loss)/profit	3	(33)	164
(Loss)/profit before taxation		(33)	164
Tax	6	-	-
(Loss)/profit for the financial year		(33)	164

All amounts relate to continuing activities.

Statement of comprehensive income

For the year ended 31 December 2015

	Notes	2015 £000	2014 £000
<i>(Loss/profit) for the financial year</i>		(33)	164
Other comprehensive income:		-	-
<i>Total comprehensive (loss)/income</i>		<u>(33)</u>	<u>164</u>

Statement of changes in equity

At 31 December 2015

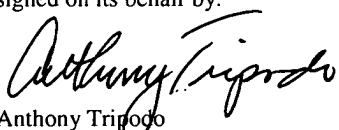
	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 January 2014	9,125	(21,184)	(12,059)
Profit for the year	-	164	164
At 1 January 2015	9,125	(21,020)	(11,895)
Loss for the year	-	(33)	(33)
At 31 December 2015	9,125	(21,053)	(11,928)

Balance sheet

at 31 December 2015

	Notes	2015 £000	2014 £000
Fixed assets			
Tangible assets	7	-	-
		-	-
Current assets			
Trade and other receivables	8	2,157	2,187
		2,157	2,187
Creditors: amounts falling due within one year			
Trade and other payables	9	(13,967)	(13,970)
Provision for liabilities	10	(118)	(112)
Net current liabilities		(14,085)	(14,082)
Total assets less current liabilities		(11,928)	(11,895)
Net liabilities		(11,928)	(11,895)
Capital and reserves			
Called up share capital	11	9,125	9,125
Profit and loss account		(21,053)	(21,020)
Deficit in shareholders' funds		(11,928)	(11,895)

These financial statements were approved by the Board of Directors on 31 May 2016 and were signed on its behalf by:


 Anthony Tripodo
 Director

Notes to the financial statements

at 31 December 2015

1. Authorisation of financial statements and statement of compliance with FRS 101

Basis of preparation

The Company financial statements of ERT Camelot Limited (the "Company") for the year ended 31 December 2015 were authorised for issue by the board of directors on 31 May 2016 and the balance sheet was signed on the board's behalf by Anthony Tripodo. ERT Camelot Limited is incorporated in Scotland.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in Sterling and are rounded to the nearest thousand pounds (£000).

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Helix Energy Solutions Group, Inc.

The results of ERT Camelot Limited are included in the consolidated financial statements of Helix Energy Solutions Group, Inc., a company registered in the USA. Copies of Helix Energy Solutions Group, Inc., financial statements may be obtained from 3505 W. Sam Houston Parkway N., Suite 400, Houston Texas, 77043. It should be noted that 65% of the shares owned by Helix Energy Solutions Group, Inc. are pledged to Bank of America should the parent not meet agreed covenants.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

2.1 Basis of preparation

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. Transition reconciliations showing all material adjustments are disclosed in note 14. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirements of IAS 7 *Statement of Cash Flows*;
- b) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- c) the requirements of paragraph 17 and 18(a) of IAS 24 *Related Party Disclosures*;
- d) the requirements of paragraphs 10(d), 10(f), 16 and 134-136 of IAS 1 *Presentation of Financial Statements*;
- e) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*;
- f) the requirements of IFRS 7 *Financial Instruments: Disclosures*.

2.2 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effect on amounts recognised in the financial statements:

Changes in Existing Decommissioning, Restoration and Similar Liabilities

As described in the decommissioning accounting policy, any change in estimated expenditure is reflected as an adjustment to the provision and the fixed asset. The Camelot provision has been estimated using existing technology, at current prices as a final survey will be conducted in 2016. Upon approval by the Department of Energy and Climate Change (DECC), this will extinguish any obligation by the Company.

2.3 Significant accounting policies

a) Income Taxes

Current tax, including UK corporation tax and foreign tax, is provided on taxable profits at the current rate of taxation.

Taxable profit differs from profit on ordinary activities before taxation as reported in the profit and loss account because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted on the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

b) Foreign currencies

The Company's functional currency and presentation currency is pounds sterling. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date.

The Company does not apply hedge accounting of foreign exchange risks in its company financial statements.

All differences are taken to the profit and loss account.

c) Decommissioning

Provision for decommissioning is recognised in full on the installation of oil and natural gas production facilities. The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding tangible fixed asset of an amount equivalent to the provision is also created. This is subsequently depreciated as part of the capital costs of the production and transportation facilities. Any change in estimated expenditure is reflected as an adjustment to the provision and the fixed asset.

d) Maintenance expenditure

Expenditure on major maintenance, refits or repairs is capitalised where it: enhances the performance of an asset above its originally assessed standard of performance; replaces an asset or part of an asset which was separately depreciated and is then written off; or restores the economic benefits of an asset which has been fully depreciated. All other maintenance expenditure is expensed as incurred.

e) Discounting

The unwinding of the discount on provisions is included within interest expense. Any change in the amount recognised for environmental and other provisions arising through changes in discount rates is included within interest expense.

Discounting is applied when the Company believes that the present value of the expenditures is expected to be materially different from the undiscounted amount.

2.3 Significant accounting policies (continued)**f) Development expenditure**

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells is capitalised within tangible assets.

g) Going concern

The Company is dependent on continuing finance being made available by its parent undertaking to enable it to continue operating and to meet its liabilities as they fall due. The parent undertaking has agreed to provide sufficient funds to the Company for these purposes. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result, should continuing finance cease to be made available.

h) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Borrowing costs attributable to assets under construction are capitalised from the date of commencement of construction until the asset is ready for use.

The depreciated cost of tangible fixed assets at 1 January 2014, the IFRS transition date is considered as deemed cost.

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

3. Operating (loss)/profit

This is stated after charging/(crediting):

	2015 £000	2014 £000
Auditor's remuneration (note 4)	15	9
Depreciation and impairment (note 10)	6	(181)

4. Auditor's remuneration

	2015 £000	2014 £000
Audit of the financial statements	13	8
Total audit	13	8
Taxation compliance services	2	1
Total non-audit services	2	1
	15	9

Audit fee is paid by Energy Resource Technology (UK) Limited.

5. Directors' remuneration and staff costs

The directors of the Company are also directors of the holding company or fellow subsidiaries. All directors' contracts of employment are held within another group company.

The directors' remuneration is paid by the ultimate parent undertaking. The directors do not believe that it is practical to apportion this amount between their services as directors of the Company and their services as directors of the holding and fellow companies.

The Company had no employees in the current year.

6. Tax**(a) Tax on (loss)/profit on ordinary activities**

The tax (credit)/charge is made up as follows:

	2015 £000	2014 £000
Current tax:		
UK ring fence corporation tax at 30% (2014 – 30%)	(10)	49
Adjustments to tax charge in respect of previous periods	10	(49)
Total current tax (note 6(b))	-	-
Deferred tax: (note 6(c))	-	-
Tax on (loss)/profit on ordinary activities	-	-

(b) Factors affecting tax (credit)/charge for the year

The tax assessed for the year differs from the standard ring fence rate of corporation tax in the UK of 30% (2014 – 30%). The differences are explained below:

	2015 £000	2014 £000
(Loss)/profit on ordinary activities before tax	(33)	164
(Loss)/profit on ordinary activities before tax multiplied by standard rate of ring fence corporation tax in the UK of 30% (2014 – 30%)	(10)	49
Effects of:		
Other timing differences	-	(61)
Utilisation of tax losses	-	12
Amounts not recognised	12	-
Expenses not deductible	(2)	-
Total tax for the year (note 6(a))	-	-

6. Tax (continued)

(c) Deferred tax

	2015	2014
	£000	£000
Deferred tax charge in P&L for period	-	-
Adjustment in respect of prior years	-	-
Other timing differences	(21)	(22)
Tax losses	(564)	(620)
Deferred tax asset not recognised	585	642
Deferred tax	-	-

No deferred tax asset has been recognised as it is unlikely that there will be future taxable profits from which the future reversal of the underlying temporary differences can be deducted.

(d) Factors that may affect future tax charges

There will be a decrease in the rate of outside ring fence corporation tax to 17% for the financial year commencing 1 April 2020.

7. Tangible fixed assets

	<i>Oil and gas properties</i>
	£000
Cost:	
At 1 January 2015	18,986
Change in decommissioning provision	6
At 31 December 2015	18,992
Depreciation, depletion and amortisation:	
At 1 January 2015	(18,986)
Impairment for the year	(6)
At 31 December 2015	(18,992)
Net book value:	
At 31 December 2015	-
At 1 January 2015	-

8. Trade and other receivables

	2015	2014
	£000	£000
Amounts due from group companies*	2,157	2,187
	<u>2,157</u>	<u>2,187</u>

* The carrying amount is a reasonable approximation of the fair value.

9. Trade and other payables

	2015	2014
	£000	£000
Amounts due to group undertakings*	13,949	13,954
Accruals	18	16
	<u>13,967</u>	<u>13,970</u>

* The carrying amount is a reasonable approximation of the fair value.

10. Provisions for liabilities

<i>Decommissioning provision</i>	£000
At 1 January 2015	112
Change in cost estimate	6
At 31 December 2015	<u>118</u>

During 2015 the decommissioning estimate has increased by £6,000 due to an adverse foreign exchange rate movement. The provision has been estimated using existing technology, as a final survey will be conducted in 2016.

11. Issued share capital

		2015		2014
	No.	£000	No.	£000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	9,125,000	<u>9,125</u>	9,125,000	<u>9,125</u>

12. Contingent liabilities

An irrevocable letter of credit was issued by Helix Energy Solutions Group for \$30,000,000 in May 2010 on behalf of ERT Camelot Limited and Energy Resource Technology (UK) Limited. This was reduced to \$1,500,000 from 3 July 2014.

The letter of credit was issued in favour of counter parties under agreements for the decommissioning of the Camelot Field.

13. Related party transactions

The Company has taken advantage of the exemption under paragraph 17 and 18(a) of IAS 24 not to disclose transactions with fellow wholly owned subsidiaries. There are no other related party transactions.

14. Transition to FRS 101

For all periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with previously extant United Kingdom Generally Accepted Accounting Practice (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. As such, this note explains the principal adjustments made by the Company in restating its balance sheet as at 31 December 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the year ended 31 December 2014.

On transition to FRS 101, the Company has applied the requirements of paragraphs 6-33 of IFRS 1 "First time adoption of International Financial Reporting Standards".

Reconciliation of equity
at 31 December 2014

	UK GAAP £000	FRS101 Re- classification /Re- measurement £000	FRS 101 £000
Fixed assets			
Tangible assets	-	-	-
	-	-	-
Current assets			
Debtors	2,187	-	2,187
	2,187	-	2,187
Creditors: amounts falling due within one year	(13,970)	-	(13,970)
Provision for liabilities	(112)	-	(112)
Net current liabilities	(14,082)	-	(14,082)
Total assets less current liabilities	(11,895)	-	(11,895)
Net liabilities	(11,895)	-	(11,895)
Capital and reserves			
Called up share capital	9,125	-	9,125
Profit and loss account	(21,020)	-	(21,020)
Deficit in shareholders' funds	(11,895)	-	(11,895)

Restatement of equity from UK GAAP to FRS 101

No differences in changes to equity arise on transition to FRS 101.