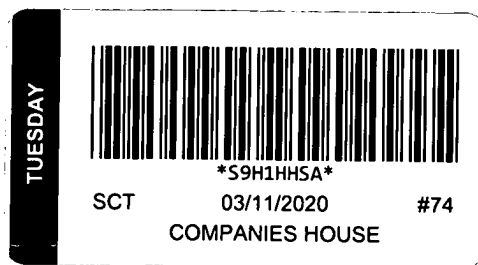


ERT CAMELOT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



ERT CAMELOT LIMITED

COMPANY INFORMATION

DIRECTORS

O Kratz
A Johnson (resigned 1 May 2019)
K Neikirk (appointed 1 May 2019)

COMPANY SECRETARY

Pinsent Masons Secretarial Limited

REGISTERED NUMBER

SC301741

REGISTERED OFFICE

13 Queen's Road
Aberdeen
AB15 4YL

INDEPENDENT AUDITORS

KPMG LLP, Statutory Auditor
1 Marischal Square
Broad Street
Aberdeen
AB10 1DD

ERT CAMELOT LIMITED

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ERT CAMELOT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

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.

BUSINESS REVIEW

The Company's key performance indicators during the year were as follows:

	2019	2018
	£000	£000
Operating loss	(104)	(40)
Loss for the financial year	(104)	(40)
Shareholders' deficit	<u>(12,684)</u>	<u>(12,580)</u>

The loss for the financial year of £104,000 represents an increase of £64,000 from the loss in 2018.

DIRECTORS

The directors who served during the year were:

O Kratz

A Johnson (resigned 1 May 2019)

K Neikirk (appointed 1 May 2019)

FUTURE DEVELOPMENTS

There are no future developments for the Company as this installation was removed in July 2012. Remaining work left on site encompasses a final pipeline survey in 2020. Once approval is provided regarding the final pipeline survey, the decommissioning obligation will be removed.

GOING CONCERN

The financial statements have not been prepared on a going concern basis. On 13 May 2019, the directors took the decision to cease trading once approval is provided regarding the final pipeline survey and the decommissioning obligation is removed. As the directors intend to liquidate the Company following the removal of the decommissioning obligation, they have not prepared the financial statements on a going concern basis.

DISCLOSURE 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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

ERT CAMELOT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

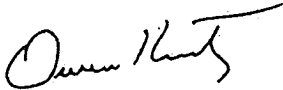
AUDITORS

Under section 487(2) of the Companies Act 2006, KPMG LLP, Statutory Auditor will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 28 October 2020 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'O Kratz', with a stylized flourish at the end.

O Kratz
Director

ERT CAMELOT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 judgements 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. As explained in note 2.3, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

ERT CAMELOT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ERT CAMELOT LIMITED

OPINION

We have audited the financial statements of ERT CAMELOT LIMITED ("the Company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and related notes. These financial statements have not been prepared on the going concern basis for the reasons set out in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

DIRECTORS' REPORT

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

ERT CAMELOT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ERT CAMELOT LIMITED

DIRECTORS' RESPONSIBILITIES

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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.



Paula Holland (Senior statutory auditor)

for and on behalf of

KPMG LLP, Statutory Auditor

Statutory Auditor

1 Marischal Square
Broad Street
Aberdeen
AB10 1DD

29 October 2020

ERT CAMELOT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Cost of sales		(86)	(7)
Gross loss		<u>(86)</u>	<u>(7)</u>
Administrative expenses		(18)	(33)
Operating loss	4	<u>(104)</u>	<u>(40)</u>
Tax on loss	7	-	-
Loss for the financial year		<u><u>(104)</u></u>	<u><u>(40)</u></u>
Other comprehensive income:			
Other comprehensive income		-	-
Total comprehensive loss for the year		<u><u>(104)</u></u>	<u><u>(40)</u></u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

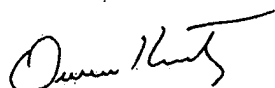
The notes on pages 9 to 15 form part of these financial statements.

ERT CAMELOT LIMITED
REGISTERED NUMBER: SC301741

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	8	-	-
		<u>-</u>	<u>-</u>
Current assets			
Debtors: amounts falling due within one year	9	2,016	2,046
		<u>2,016</u>	<u>2,046</u>
Creditors: amounts falling due within one year	10	(14,594)	(14,489)
		<u>(12,578)</u>	<u>(12,443)</u>
Net current liabilities		<u>(12,578)</u>	<u>(12,443)</u>
Total assets less current liabilities		<u>(12,578)</u>	<u>(12,443)</u>
Provisions for liabilities			
Other provisions	12	(106)	(137)
		<u>(106)</u>	<u>(137)</u>
Net assets excluding pension asset		<u>(12,684)</u>	<u>(12,580)</u>
Net liabilities		<u>(12,684)</u>	<u>(12,580)</u>
Capital and reserves			
Called up share capital	13	9,125	9,125
Profit and loss account		(21,809)	(21,705)
		<u>(12,684)</u>	<u>(12,580)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 October 2020.



O Kratz
Director

The notes on pages 9 to 15 form part of these financial statements.

ERT CAMELOT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2018	9,125	(21,665)	(12,540)
Comprehensive income for the year			
Loss for the year	-	(40)	(40)
At 1 January 2019	9,125	(21,705)	(12,580)
Comprehensive income for the year			
Loss for the year	-	(104)	(104)
At 31 December 2019	9,125	(21,809)	(12,684)

The notes on pages 9 to 15 form part of these financial statements.

ERT CAMELOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

ERT Camelot Limited (the "Company") is a private company incorporated, domiciled and registered in Scotland in the UK. The registered number is SC301741 and the registered address is 13 Queen's Road, Aberdeen, AB15 4YL.

The Company financial statements of ERT Camelot Limited (the "Company") for the year ended 31 December 2019 were authorised for issue by the board of directors on 28 October 2020 and the balance sheet was signed on the board's behalf by Owen Kratz.

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

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Helix Energy Solutions Group, Inc. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Company proposes to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

2.3 GOING CONCERN

On 13 May 2019, the directors took the decision to cease trading once approval is provided regarding the final pipeline survey and the decommissioning obligation is removed. Accordingly the directors have not prepared the financial statements on a going concern basis. There is no effect on the measurement and presentation of this financial statements and no adjustments have been recorded.

ERT CAMELOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.4 TAXATION

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2.5 FOREIGN CURRENCIES

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

2.6 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.

2.7 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

ERT CAMELOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.8 CREDITORS

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES 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. During 2019 the Camelot decommissioning provision was decreased with respect to 2019 survey taking place, with the actual cost less than the previous estimate. A further survey has been added and the final pipeline survey will take place during 2020. Upon approval by the Department for Business, Energy and Industrial Strategy (BEIS), this will extinguish any obligation by the Company.

4. OPERATING LOSS

The operating loss is stated after charging:

	2019 £000	2018 £000
Impairment of tangible fixed assets	31	7

5. AUDITORS' REMUNERATION

	2019 £000	2018 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	3	3

FEES PAYABLE TO THE COMPANY'S AUDITOR IN RESPECT OF:

Taxation compliance services	-	1
	-	1

ERT CAMELOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6. DIRECTORS' REMUNERATION

The Company has no employees other than directors who are also directors of other group companies.

The directors do not believe that it is practicable to apportion remuneration between their services as directors of the Company and their services as directors of other group companies.

7. TAXATION

	2019 £000	2018 £000
Current tax on loss for the year	-	(8)
Adjustments in respect of previous periods	-	8
TOTAL CURRENT TAX	<u>-</u>	<u>-</u>
TAX ON LOSS	<u>-</u>	<u>-</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Loss before tax	<u>(104)</u>	<u>(40)</u>
Loss multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(20)	(8)
EFFECTS OF:		
Amounts not recognised	20	8
TOTAL TAX CHARGE FOR THE YEAR	<u>-</u>	<u>-</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset/(liability) as at 31 December 2019 has been calculated based on this rate.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the Company's future current tax accordingly.

ERT CAMELOT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. TAXATION (CONTINUED)

	2019 £000	2018 £000
DEFERRED TAX		
Tax losses	(572)	(574)
Deferred tax not recognised	572	574
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The deferred tax asset has not 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.

8. TANGIBLE FIXED ASSETS

	Oil and gas properties £000
COST	
At 1 January 2019	19,538
Additions	31
	<u>19,569</u>
At 31 December 2019	<u>19,569</u>
DEPRECIATION	
At 1 January 2019	19,538
Impairment charge	31
	<u>19,569</u>
At 31 December 2019	<u>19,569</u>
NET BOOK VALUE	
At 31 December 2019	<u>-</u>
At 31 December 2018	<u>-</u>

ERT CAMELOT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. DEBTORS

	2019 £000	2018 £000
Amounts owed by group undertakings	2,016	2,046
	<u>2,016</u>	<u>2,046</u>

Amounts owed from group undertakings are non-interest bearing and repayable on demand. The carrying amount is a reasonable approximation of the fair value.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £000	2018 £000
Amounts owed to group undertakings	14,588	14,477
Accruals	6	12
	<u>14,594</u>	<u>14,489</u>

Amounts owed to group undertakings are non-interest bearing and repayable on demand. The carrying amount is a reasonable approximation of the fair value.

11. FINANCIAL INSTRUMENTS

	2019 £000	2018 £000
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	<u>2,016</u>	<u>2,046</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(14,594)</u>	<u>(14,489)</u>

ERT CAMELOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12. PROVISIONS

	Decommissioning provision £000
At 1 January 2019	137
Charged to profit or loss	(31)
AT 31 DECEMBER 2019	106

During 2019 the Camelot decommissioning provision was decreased with respect to a survey taking place, with the actual cost less than the previous estimate. A further survey has been added and the final pipeline survey will take place during 2020. Upon approval by the Department for Business, Energy and Industrial Strategy (BEIS), this will extinguish any obligation by the Company.

13. SHARE CAPITAL

	2019 £000	2018 £000
ALLOTTED, CALLED UP AND FULLY PAID		
9,125,000 (2018 - 9,125,000) ordinary shares of £1.00 each	9,125	9,125

14. 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.

15. 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.

16. CONTROLLING PARTY

The Company's immediate parent company is Energy Resource Technology (UK) Limited incorporated in United Kingdom.

The ultimate parent company is Helix Energy Solutions Group, Inc., a company incorporated in the US. The largest and smallest group in which the results of the Company are consolidated is that headed by Helix Energy Solutions Group, Inc. The consolidated accounts of this company are available to the public and may be obtained from 400 N. Sam Houston Parkway E., Suite 400, Houston Texas, 77060-3500.