

**Company Registration No. SC359143
United Kingdom**

**Tullow Exploration & Production UK
Limited**

**Report and Audited Financial Statements
For the year ended 31 December 2015**

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Tullow Exploration & Production UK Limited

Report and financial statements 2015

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Tulow Exploration & Production UK Limited

Officers and professional advisers

Directors

K Massie
P McDade
R Miller
I Springett
R Rowland-Clark

Secretary

K Massie

Registered office

16 Charlotte Square
Edinburgh, Midlothian, EH2 4DF

Solicitors

Dickson Minto W.S.
Broadgate Tower
20 Primrose Street
London EC2A 2EW

Bankers

Royal Bank of Scotland Group
250 Bishopsgate
London EC2M 4AA

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK.

Tullow Exploration & Production UK Limited

Strategic report

The directors of Tullow Exploration & Production UK Limited (the "company") present their strategic report for the year ended 31 December 2015.

Principal activity and review of business

The company was previously engaged in the exploration for, and development of oil and gas fields in the UK North Sea.

The directors have the intention to liquidate the company within 12 months of the date of this report. Due to the discontinuance of the company's sole activity, the financial statements have been prepared on a basis other than that of a going concern. Further details may be found in the accounting policies, note 3.

Results and dividends


The company made a loss of £nil (2014: loss of £427,000) for the year and is in a net assets position of £nil (2014: net liabilities position of £476,000) as at 31 December 2015.

No dividends have been paid during the year (2014: £nil).

Principal risks and uncertainties

As the company has no assets or liabilities, there are no principal risks and uncertainties.

Approved by the Board of directors and signed on its behalf by:


Director **RICHARD MILLER**
18 AUGUST 2016

Tullow Exploration & Production UK Limited

Directors' report

The directors of Tullow Exploration & Production UK Limited (the "company") present their annual report on the affairs of the company, together with the audited financial statements and auditor's report for the year ended 31 December 2015.

Directors and their interests

The directors, who held office at the date of this report are listed on page 1. The changes to the company's directors during the year were as follows:

- Resignation of P Sloan on 30 April 2015.
- Resignation of N Shepherd on 30 April 2015.
- Resignation of J Tedder on 29 May 2015.
- Resignation of R Miller (as alternate director) on 29 May 2015.
- Resignation of W Torr on 29 June 2015.
- Appointment of R Rowland-Clark on 15 September 2015.
- Appointment of R Miller on 15 September 2015.
- Resignation of A Martin on 11 January 2016.

The directors did not have any interest in the shares of the company at any time during the year. In accordance with the Articles of Association, none of the directors retire by rotation.

The company secretary, who held office at the date of this report, is listed on page 1. There was no change to the company's secretary during the year.

Going concern

The company was previously engaged in the exploration for, and development of oil and gas fields in the UK North Sea.

The company recorded a loss of £nil (2014: loss of £427,000) for the year ended 31 December 2015. As at 31 December 2015 the company had a net assets position of £nil (2014: net liabilities position of £476,000).

Due to the discontinuance of the company's sole activity, the financial statements have been prepared on a basis other than that of a going concern. This is further detailed in the notes of the financial statements.

Directors' indemnity

As at the date of this report, indemnities are in force under which the company has agreed to indemnify the directors, to the extent permitted by the Companies Act 2006, against claims from third parties in respect of certain liabilities arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the company.

Supplier payment policy

It is company policy to settle all debts with creditors on a timely basis and in accordance with the terms of credit agreed with each supplier.

Charitable and political donations

The company did not make any charitable or political contributions during the year (2014: £nil).

Tullow Exploration & Production UK Limited

Directors' report (continued)

Events subsequent to the financial year end

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations, the results of those operations, or the state of affairs of the company in future financial years.

Auditor


Each person 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/she ought to have taken as a director in order to make himself/herself 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.

Deloitte LLP has indicated its willingness to be reappointed as auditor and is, in accordance with s487 of the Companies Act 2006, deemed to be reappointed as auditor for the next financial year.

Approved by the Board of directors and signed on its behalf by:


Director **RICHARD MILLER**
18 AUGUST 2016

Tullow Exploration & Production UK Limited

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). 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, International Accounting Standard 1 requires that directors:

- prepare a strategic report and directors' report which give a true and fair view of the company's business and principal risks and uncertainties facing the company;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs 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 Tullow Exploration & Production UK Limited

We have audited the financial statements of Tullow Exploration & Production UK Limited for the year ended 31 December 2015 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

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, 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 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.

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 December 2015 and of its result for the year ended 31 December 2015;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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 Tullow Exploration & Production UK 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.



Jon Thomson
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants
London, United Kingdom

18 August 2016

Tulow Exploration & Production UK Limited

Statement of comprehensive income For the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Administrative costs		-	(3)
Exploration costs written off		-	(388)
		<hr/>	<hr/>
Loss for the year before foreign exchange	5	-	(391)
Foreign exchange loss	6	-	(36)
		<hr/>	<hr/>
Loss for the year before taxation		-	(427)
Taxation	7	-	-
		<hr/>	<hr/>
Loss for the year after taxation		-	(427)
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive loss for the year		-	(427)
		<hr/>	<hr/>

The operations of the company are now discontinued. The notes on pages 12 to 21 form an integral part of these financial statements.


Tulow Exploration & Production UK Limited

Statement of financial position At 31 December 2015

	Notes	2015 £'000	2014 £'000
Assets			
Non-current assets			
Intangible exploration and evaluation assets	8	-	-
		-	-
		-	-
Current assets			
Cash and cash equivalents	9	-	23
		-	23
		-	-
Total assets		-	23
		-	-
Liabilities			
Current liabilities			
Related party loans payable	10	-	499
		-	499
		-	-
Total liabilities		-	499
		-	-
Net liabilities		-	(476)
		-	-
Equity			
Share capital	11	476	-
Accumulated loss		(476)	(476)
		-	-
Total equity		-	(476)
		-	-

The financial statements of Tulow Exploration & Production UK Limited (registered number SC359143) were approved by the Board of directors and authorised for issue on 18/08/2016.

Signed on behalf of the Board of directors


 Director **RICHARD MILLER**
 18 AUGUST 2016

Tulow Exploration & Production UK Limited

Statement of changes in equity For the year ended 31 December 2015

	Notes	Share capital £'000	Accumulated loss £'000	Total £'000
Balance at 31 December 2013		-	(49)	(49)
Total comprehensive loss for the year		-	(427)	(427)
		<hr/>	<hr/>	<hr/>
Balance at 31 December 2014		-	(476)	(476)
Total comprehensive loss for the year		-	-	-
Share issue	11	476	-	-
		<hr/>	<hr/>	<hr/>
Balance at 31 December 2015		476	(476)	-
		<hr/>	<hr/>	<hr/>

Tulow Exploration & Production UK Limited

Statement of cash flows For the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Cash flows from operating activities			
Cash utilised in operations	12	-	(3)
Net cash outflow used in operating activities		-	(3)
Cash flows from investing activities			
Acquisition of intangible exploration and evaluation assets		-	(89)
Net cash outflow used in investing activities		-	(89)
Cash flows from financing activities			
Proceeds from share issue		476	-
Change in related party loans		(499)	91
Net cash (outflow) / inflow from financing activities		(23)	91
Net decrease in cash and cash equivalents		(23)	(1)
Cash and cash equivalents at beginning of the year		23	24
Cash and cash equivalents at end of the year	9	-	23

Tullow Exploration & Production UK Limited

Notes to the financial statements For the year ended 31 December 2015

1. General information

Tullow Exploration & Production UK Limited is a company incorporated in the United Kingdom. The address of the registered office is given on page 1.

2. Adoption of new and revised standards

Standards not affecting the reported results or the financial position

New and revised Standards and Interpretations adopted in the current year did not have any significant impact on the amounts reported in these financial statements.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
IFRS 9	Financial Instruments
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IAS 1	Disclosure Initiative
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
IAS 19	Employee Benefits - Discount rate: regional market issue
IAS 27	Equity Method in Separate Financial Statements
IAS 34	Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of IFRS 9 Financial Instruments which the company plans to adopt for the year commencing 1 January 2018 will impact both the measurement and disclosures of financial instruments.

The directors do not expect that the adoption of the other Standards listed above will have a material impact on the financial statements of the company in future periods.

3. Accounting policies

Changes in accounting policy

Other than the changes to the standards noted in note 2 above, the company's accounting policies are consistent with the prior year.

Tullow Exploration & Production UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

3. Accounting policies (continued)

Basis of accounting

The financial statements have been prepared in accordance with IFRSs as adopted by the European Union and therefore the company financial statements comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on the historical cost basis. The financial statements are presented in Pound Sterling (GBP) and all values are rounded to the nearest GBP thousand, except where otherwise stated.

As explained in the directors' report the company is to be liquidated in the foreseeable future. Therefore the financial statements have been prepared on a basis other than that of a going concern. No adjustments arose as a result of ceasing to apply the going concern basis (see note 4 for further details).

The principal accounting policies adopted by the company are set out below.

Foreign currencies

The GBP is the presentation currency and the functional currency of the company.

Transactions in foreign currencies are recorded at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities are translated into functional currency at the exchange rate ruling at the statement of financial position date, with a corresponding charge or credit to the statement of comprehensive income. However, exchange gains and losses arising on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exploration, evaluation and production assets

The company adopts the successful efforts method of accounting for exploration and evaluation costs. Pre-licence costs are expensed in the period in which they are incurred. All licence acquisition, exploration and evaluation costs and directly attributable administration costs are initially capitalised in cost centres by well, field or exploration area, as appropriate. Interest payable is capitalised insofar as it relates to specific development activities.

These costs are then written off as exploration costs in the statement of comprehensive income unless commercial reserves have been established or the determination process has not been completed and there are no indications of impairment.

All field development costs are capitalised as property, plant and equipment. Property, plant and equipment related to production activities is amortised in accordance with the company's depletion and amortisation accounting policy.

Cash consideration received on farm-down of exploration and evaluation assets is credited against the carrying value of the asset.

Tullow Exploration & Production UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

3. Accounting policies (continued)

Depletion and amortisation - discovery fields

All expenditure carried within each field is amortised from the commencement of production on a unit of production basis, which is the ratio of oil and gas production in the period to the estimated quantities of commercial reserves at the end of the period plus the production in the period, generally on a field-by-field basis or by a group of fields which are reliant on common infrastructure. Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future field development costs required to recover the commercial reserves remaining. Changes in the estimates of commercial reserves or future field development costs are dealt with prospectively.

Where there has been a change in economic conditions that indicates a possible impairment in a discovery field, the recoverability of the net book value relating to that field is assessed by comparison with the estimated discounted future cash flows based on management's expectations of future oil and gas prices and future costs. Where there is evidence of economic interdependency between fields, such as common infrastructure, the fields are grouped as a single cash-generating unit for impairment purposes.

Any impairment identified is charged to the statement of comprehensive income as additional depletion and amortisation. Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the statement of comprehensive income, net of any amortisation that would have been charged since the impairment.

Share issue expenses and share premium account

Costs of share issues are written off against the premium arising on the issues of share capital.

Taxation

Current and deferred tax, including UK corporation tax and overseas corporation tax, are provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred corporation tax is recognised on all temporary differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more, or right to pay less, tax in the future have occurred at the statement of financial position date.

Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying temporary differences can be deducted. Deferred tax is measured on a non-discounted basis.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL); 'held-to-maturity' investments; 'available-for-sale' (AFS) financial assets; and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Tulow Exploration & Production UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

3. Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. The company chooses not to disclose the effective interest rate for debt instruments that are classified as at fair value through profit or loss.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Tullow Exploration & Production UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

4. Critical accounting judgements

The following are the critical judgements, apart from those involving estimations (which are dealt with below) that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- Carrying value of intangible exploration and evaluation assets (note 8);

The company assesses critical accounting judgements annually. The amounts for intangible exploration and evaluation assets represent active exploration projects. These amounts will be written off to the statement of comprehensive income as exploration costs unless commercial reserves are established or the determination process is not completed and there are no indications of impairment in accordance with the company's accounting policy. The process of determining whether there is an indicator for impairment or calculating the impairment requires critical judgement.

The key areas in which management have applied judgement are as follows: the company's intention to proceed with a future work programme for a prospect or licence; the likelihood of licence renewal or extension; and the success of a well result or geological or geophysical survey.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

- Presumption of going concern (Directors' Report);

The company was previously engaged in the exploration for, and development of oil and gas fields in the UK North Sea.

The company recorded a loss of £nil (2014: loss of £427,000) for the year ended 31 December 2015. As at 31 December 2015 the company had a net assets position of £nil (2014: a net liabilities position of £476,000).

Due to the discontinuance of the company's sole activity, the financial statements have been prepared on a basis other than that of a going concern.

5. Loss for the year before foreign exchange

The current year fee for the audit of the company's financial statements of £5,320 (2014: £5,266) was borne by another group company.

The company had no employees or staff costs during the year (2014: nil).

6. Foreign exchange loss

	2015 £'000	2014 £'000
Foreign exchange loss on Euro denominated loans	-	(36)

Tulow Exploration & Production UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

7. Taxation

No taxation is payable in the current year as the company did not derive any taxable income (2014: £nil).

The tax charge comprises:

(a) Analysis of charge in the year

Current tax

	2015 £'000	2014 £'000
Current year corporation tax	-	-
Total tax on ordinary activities	-	-

(b) Factors affecting tax charge for the year

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2015 £'000	2014 £'000
Loss for the year before taxation	-	(427)
Tax on loss on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.5%)	-	(92)
Effects of: Pre-trading expenditure	-	92
Current tax charge for the year	-	-
Accumulated unrecognised assessed loss	(508)	(508)

Tullow Exploration & Production UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

8. Intangible exploration and evaluation assets

	2015 £'000	2014 £'000
Cost		
At 1 January	-	407
Additions	-	24
Disposals	-	(43)
Exploration costs written off	-	(388)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Net book value		
At 31 December	-	-
	<hr/>	<hr/>

9. Cash and cash equivalents

	2015 £'000	2014 £'000
Royal Bank of Scotland - GBP bank account	-	23
	<hr/>	<hr/>

During the current year, the abovementioned bank account has been closed as the directors intend to liquidate the company in the foreseeable future.

10. Related party loans payable

	2015 £'000	2014 £'000
Tullow Oil Finance Limited	-	493
Tullow Oil 100 Limited	-	6
	<hr/>	<hr/>
	-	499
	<hr/>	<hr/>

The above loans were unsecured, had no fixed repayment terms and no interest was applicable. The outstanding loans less the cash balance was capitalised to shares during 2015, refer to note 11. The carrying value of the loans previously approximated to its fair value.

11. Share capital

	2015 £'000	2014 £'000
Issued		
475,930 (2014: 1) ordinary share of £1	476	-
	<hr/>	<hr/>

On 24 November 2015, 475,929 shares were issued to Tullow Oil SK Limited for a consideration of £475,929.

Tullow Exploration & Production UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

12. Cash utilised in operations

	2015 £'000	2014 £'000
Loss for the year before taxation	-	(427)
Adjusted for:		
Foreign exchange loss	-	36
Exploration costs written off	-	388
	<hr/>	<hr/>
Operating cash flows before movements in working capital	-	(3)
Increase in trade and other payables	-	-
	<hr/>	<hr/>
Cash utilised in operations	-	(3)
	<hr/>	<hr/>

13. Directors' emoluments and employees

None of the directors received any remuneration for their services to the company during the year (2014: US\$nil).

The average number of employees during the year was nil (2014: nil).

14. Contingent liabilities and commitments

There were no contingent liabilities or commitments at the end of the year (2014: £nil).

15. Immediate and ultimate holding company

Tullow Oil SK Limited, a company incorporated in the United Kingdom, is the holding company of Tullow Exploration & Production UK Limited.

Tullow Oil plc, a company incorporated in the United Kingdom, is the ultimate holding company of Tullow Exploration & Production UK Limited.

16. Related parties

The company, in the ordinary course of business, entered into transactions with certain related parties.

The following balances were outstanding at the end of the year:

	2015 £'000	2014 £'000
Related party loans payable		
Tullow Oil Finance Limited	-	493
Tullow Oil 100 Limited	-	6
	<hr/>	<hr/>
	-	499
	<hr/>	<hr/>

The outstanding loans less the cash balance was capitalised to shares during 2015, refer to note 11.

Tullow Exploration & Production UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

17. Financial instruments

Capital risk management

The capital structure of the company consists of debt, which includes the related party loans disclosed in note 10 and equity attributable to equity holders of the parent, comprising issued share capital and an accumulated loss as disclosed in the statement of changes in equity.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Categories of financial instruments

	2015 £'000	2014 £'000
<i>Financial assets</i>		
Loans and receivables (including cash and cash equivalents)	-	23
	<hr/>	<hr/>
<i>Financial liabilities</i>		
Loans and payables	-	499
	<hr/>	<hr/>

Financial risk management objectives

As the company has no assets or liabilities, there are no longer any financial risks and uncertainties of any kind.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial assets and liabilities at the end of the reporting period. The analysis is prepared assuming the amount of the asset or liability outstanding at the end of the reporting period was outstanding for the whole year.

If the interest rates had been 100 basis points higher/lower and all other variables were held constant, the company's profit for the year ended 31 December 2015 would decrease/increase by £nil (2014: £230.22). This is attributable to the company's exposure to interest rates on its bank account.

Tulow Exploration & Production UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

17. Financial instruments (continued)

Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its non-derivative financial assets and liabilities.

	Interest rate %	Year 1 £'000	Years 1 - 5 £'000	Over 5 years £'000	Total £'000
2015					
Assets					
Cash and cash equivalents	Daily bank rate	-	-	-	-

	Interest rate %	Year 1 £'000	Years 1 - 5 £'000	Over 5 years £'000	Total £'000
2015					
Liabilities					
Related party loans payable	Interest free	-	-	-	-

	Interest rate %	Year 1 £'000	Years 1 - 5 £'000	Over 5 years £'000	Total £'000
2014					
Assets					
Cash and cash equivalents	Daily bank rate	23	-	-	23

	Interest rate %	Year 1 £'000	Years 1 - 5 £'000	Over 5 years £'000	Total £'000
2014					
Liabilities					
Related party loans payable	Interest free	499	-	-	499

18. Events subsequent to the financial year end

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations, the results of those operations, or the state of affairs of the company in future financial years.