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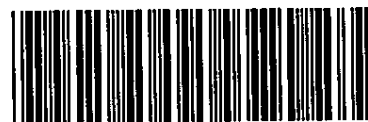
**ARCO BRITISH LIMITED, LLC**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 \$000	2012 \$000
<b>Turnover</b>		79,688	490,870
Cost of sales		(96,296)	(356,919)
<b>Gross profit</b>		(16,608)	133,951
Exploration expense		(52,950)	-
Distribution and marketing expenses		(5)	(58)
Administration expenses		(5,157)	(3,397)
		(74,720)	130,496
Other operating income	2	15	-
<b>Operating (loss) / profit</b>	1	(74,705)	130,496
Profit on disposal of fixed assets	3	51,325	80,752
Amounts provided against fixed assets	3	(36,469)	7,980
<b>(Loss) / profit on ordinary activities before interest and tax</b>		(59,849)	219,228
Interest payable and similar charges	4	14,013	7,888
Interest receivable and similar income	5	1,885	2,347
<b>(Loss) / profit before taxation</b>		(43,951)	229,463
Taxation		52,253	(153,409)
<b>Profit for the year</b>		8,302	76,054

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

There are no unrecognised gains or losses attributable to shareholders of the company other than the profit of \$8 million for the year ended 31 December 2013 (2012 Profit \$76 million)

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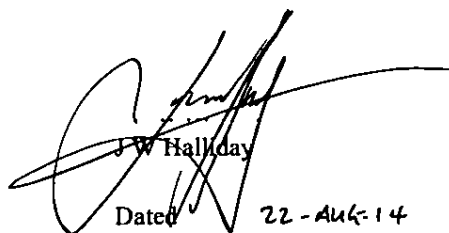
**ARCO BRITISH LIMITED, LLC**

Registered Number: FC005677

**BALANCE SHEET AS AT 31 DECEMBER 2013**

		2013	2012
	Note	\$000	Restated \$000
<b>Fixed assets</b>			
Intangible assets	6	90	49,366
Tangible assets	7	1,221,954	1,064,609
		<u>1,222,044</u>	<u>1,113,975</u>
<b>Current assets</b>			
Stocks	8	561	1,988
Debtors amounts falling due within one year	9	107,477	103,412
Debtors amounts falling due after more than one year	9	311,715	728,851
		<u>419,753</u>	<u>834,251</u>
<b>Creditors: amounts falling due within one year</b>	10	(351,976)	(243,682)
<b>Net current assets</b>		<u>67,777</u>	<u>590,569</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,289,821	1,704,544
<b>Provisions for liabilities and charges</b>			
Deferred tax		(644,399)	(543,795)
Other provisions	11	(209,131)	(232,760)
<b>NET ASSETS</b>		<u>436,291</u>	<u>927,989</u>
<b>Represented by</b>			
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Additional paid-in capital	12	177,829	177,829
Profit and loss account	12	148,642	640,340
Other reserves	12	109,820	109,820
<b>SHAREHOLDERS' FUNDS - EQUITY INTERESTS</b>		<u>436,291</u>	<u>927,989</u>

Signed on behalf of the members



J W Halliday  
Dated 22-Aug-14

**ARCO BRITISH LIMITED, LLC**

**NOTES TO THE ACCOUNTS**

**1. Operating profit**

This is stated after charging

	2013	2012
	\$000	\$000
Exchange gain credited to the profit and loss account	(9,444)	(16,958)
Expenditure on research	3,153	1,796
Depreciation of owned fixed assets	22,415	110,483

**2. Other operating income**

	2013	2012
	\$000	\$000
Miscellaneous income	15	-

**3. Exceptional items**

	2013	2012
	\$000	\$000
Profit on disposal of fixed assets	51,325	80,752
Amounts provided against fixed assets	(36,469)	7,980
Exceptional items	14,856	88,732
Taxation charge	(7,428)	(44,366)
Total	7,428	44,366

The profit on disposals of fixed assets relates to the disposal of Sean assets to SSE, Brae, Harding, Maclure and Devenick assets to Taqa in addition to residual amounts from disposals completed last year

The 2013 impairment relates to the write down in full of the South Valiant and Vulcan fields

**4. Interest payable and similar charges**

	2013	2012
	\$000	\$000
Interest expense on		
PRT interest	25	-
Loans from fellow subsidiary undertakings	94	79
Other interest fellow subsidiary undertakings	29	-
Other interest	44	157
	192	236
Capitalised interest at 2% (2012 2.25%)	(15,138)	(9,488)
Unwinding of discount on provisions	933	1,364
Total charged against profit	(14,013)	(7,888)

The original cost of the capitalised interest is borne by another group company

**5. Interest receivable**

	2013	2012
	\$000	\$000
Interest income from fellow subsidiary undertakings	1,803	2,215
Other interest	44	43
PRT Interest	38	89
	1,885	2,347

**ARCO BRITISH LIMITED, LLC**

**NOTES TO THE ACCOUNTS**

**6 Intangible assets**

	Exploration expenditure
<b>Cost</b>	<b>\$000</b>
At 1 January 2013	49,366
Additions	841
Disposals	(50,117)
Transfers	-
At 31 December 2013	<u>90</u>
<b>Amortisation</b>	
At 1 January 2013 and 31 December 2013	<u>-</u>
<b>Net book value</b>	
At 31 December 2013	<u>90</u>
At 31 December 2012	<u>49,366</u>

**7 Tangible assets**

	Oil & gas properties	Of which AUC*
<b>Cost</b>	<b>\$000</b>	<b>\$000</b>
At 1 January 2013	2,204,442	670,136
Additions	320,530	278,561
Disposals	(338,741)	(46)
Transfers	-	(5,251)
At 31 December 2013	<u>2,186,231</u>	<u>943,400</u>
<b>Depreciation</b>		
At 1 January 2013	1,139,833	-
Charge for the year	22,415	-
Disposals	(234,440)	-
Impairment	36,469	-
At 31 December 2013	<u>964,277</u>	<u>-</u>
<b>Net book value</b>		
At 31 December 2013	<u>1,221,954</u>	<u>943,400</u>
At 31 December 2012	<u>1,064,609</u>	<u>670,136</u>

\*AUC = assets under construction Assets under construction are not depreciated

Capitalised interest included above

	Cost	Depreciation	Net book value
	\$000	\$000	\$000
At 31 December 2013	<u>120,003</u>	<u>75,522</u>	<u>44,481</u>
At 31 December 2012	<u>104,865</u>	<u>73,493</u>	<u>31,372</u>

**ARCO BRITISH LIMITED, LLC**

**NOTES TO THE ACCOUNTS**

**8. Stocks**

	<u>2013</u>	<u>2012</u>
	<u>\$000</u>	<u>\$000</u>
Raw materials and consumables	<u>561</u>	<u>1,988</u>

The difference between the carrying value of stocks and their replacement cost is not material

**9. Debtors**

	<u>2013</u>	<u>2013</u>	<u>2012</u>	<u>2012</u>
	<u>Within</u>	<u>After</u>	<u>Within</u>	<u>After</u>
	<u>1 year</u>	<u>1 year</u>	<u>1 year</u>	<u>1 year</u>
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Trade debtors	9,708	-	31,870	-
Parent and fellow subsidiary undertakings	24,706	267,438	37,503	678,530
Prepayments and accrued income	393	35,849	2,448	27,823
Petroleum revenue tax	6,634	8,428	2,006	22,103
Corporation tax	40,094	-	-	-
Other debtors	25,942	-	29,585	395
	<u>107,477</u>	<u>311,715</u>	<u>103,412</u>	<u>728,851</u>

**10. Creditors**

	<u>2013</u>	<u>2012</u>
	<u>Within</u>	<u>Within</u>
	<u>1 year</u>	<u>1 year</u>
	<u>\$000</u>	<u>\$000</u>
Trade creditors	25,784	34,156
Parent and fellow subsidiary	248,874	44,711
Petroleum revenue tax	703	22,890
Corporation tax	-	24,835
Accruals and deferred income	74,609	113,659
Other creditors	1,822	3,262
Bank overdraft	184	169
	<u>351,976</u>	<u>243,682</u>

**ARCO BRITISH LIMITED, LLC****NOTES TO THE ACCOUNTS****11. Provisions for liabilities and charges**

	Decom- missioning	Deferred PRT	Other	Total
	\$000	\$000	\$000	\$000
At 1 January 2013	224,947	3,106	4,707	232,760
Exchange adjustments	1,772	-	514	2,286
Unwinding of discount	933	-	-	933
Write-back of unused provisions	35,886	-	(71)	35,815
Utilised during the year	(149)	-	-	(149)
Deletions	(49,943)	(3,534)	-	(53,477)
Discount rate change	(9,465)	-	-	(9,465)
Charge for the year	-	428	-	428
At 31 December 2013	<u>203,981</u>	<u>-</u>	<u>5,150</u>	<u>209,131</u>
<b>At 31 December 2013</b>				
Current	5,436	-	-	5,436
Non-current	<u>198,545</u>	<u>-</u>	<u>5,150</u>	<u>203,695</u>
	<u>203,981</u>	<u>-</u>	<u>5,150</u>	<u>209,131</u>

The group makes full provision for the future cost of decommissioning oil and natural gas production facilities and related pipelines on a discounted basis on the installation of those facilities. At 31 December 2013 the provision for the costs of decommissioning these production facilities and pipelines at the end of their economic lives was \$204m (2012 \$225m). The provision has been estimated using existing technology, at current prices and discounted using a real discount rate of 1.0% (2012 0.5%). These costs are expected to be incurred over the next 20 years. While the provision is based on the best estimate of future costs and the economic lives of the facilities and pipelines, there is uncertainty regarding both the amount and timing of incurring these costs.

**12 Capital and Reserves**

	Equity share capital	Additional paid-in capital	Profit & loss account	Other reserves	Total
	\$000	\$000	\$000	\$000	\$000
At 1 January 2013 (restated)	-	177,829	640,340	109,820	927,989
Profit for the year	-	-	8,302	-	8,302
Dividend paid	-	-	(500,000)	-	(500,000)
At 31 December 2013	<u>-</u>	<u>177,829</u>	<u>148,642</u>	<u>109,820</u>	<u>436,291</u>

When the company was converted to an Limited Liability Company registered in Delaware the existing share capital was converted to 100 \$1 shares. The remaining paid-in capital was converted to an Additional paid-in capital reserve.