

ENI LIVERPOOL BAY OPERATING COMPANY LIMITED

**ANNUAL REPORT
AND FINANCIAL STATEMENTS
31 DECEMBER 2015**

**REGISTERED OFFICE
ENI HOUSE
10 EBURY BRIDGE ROAD
LONDON SW1W 8PZ**

Registered Number: 01003825

THURSDAY



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COMPANIES HOUSE

ENI LIVERPOOL BAY OPERATING COMPANY LIMITED

DIRECTORS AND REGISTERED OFFICE

BOARD OF DIRECTORS

R Pasqua
G Pasi
R Stallard

SECRETARY AND REGISTERED OFFICE

F Dal Bello
Eni House
10 Ebury Bridge Road
London SW1W 8PZ

STATUTORY AUDITOR

Ernst & Young LLP
1 More London Place
London
SE1 2AF

REGISTERED IN ENGLAND NO: 01003825

ENI LIVERPOOL BAY OPERATING COMPANY LIMITED

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2015.

Review of the business

Principal activity

Eni Liverpool Bay Operating Company Limited (the company) is an indirect subsidiary of Eni S.p.A., an integrated energy company operating in the oil and natural gas, electricity generation, petrochemicals, oil field services and engineering industries. Eni S.p.A. operates internationally in about 83 countries and employs around 84,000 people. Eni S.p.A. is listed on the Milan and New York stock exchanges.

The company will continue to engage in exploration and production activity of oil and gas fields in the UK.

Results for the year

The results for the year are set out on page 8 of the financial statements. The company, acting as an operator, receives reimbursement of direct costs recharged to the joint venture partners, such recharges represent reimbursements of costs that the company incurred as an agent for the joint venture arrangement and therefore have no effect on profit or loss. The company reports a net loss of £527,000 for 2015 (2014- £nil). The net assets for the year are set out on page 10 of the financial statements at £1,063,000 (2014- £1,590,000). No dividend was paid in 2015 (2014- £nil).

During the year the company transitioned from EU-adopted IFRS to FRS 101 - Reduced Disclosure Framework and has taken advantage of the disclosure exemptions allowed under this standard. The company's shareholder, Eni UK Limited, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions. There were no material recognition or measurement differences arising on the adoption of FRS 101.

Key performance indicators

Management monitors closely the performance of its operations in Liverpool Bay. In addition to safety metrics, operating costs are used to analyse operational performance.

Joint venture consortium – Strategic core assets

The company is the operator of Liverpool Bay oil and gas fields and all returns of income, expenditure, assets and liabilities are recharged to the joint venture consortium. The joint venture partners, as at 31 December 2015, and their affiliated companies, are as follows:

	<u>% interest</u>	<u>Type</u>
Producing fields and facilities		
Liverpool Bay Fields		
Eni AEP Limited	8.90	Oil & Gas
Eni ULX Limited	45.00	Oil & Gas
Liverpool Bay Limited	46.10	Oil & Gas

Principal risks and uncertainties

Eni Liverpool Bay Operating Company Limited, like other companies in the oil and gas sector, operates in an environment subject to inherent risks. The company aims to mitigate risks and manage and control the exposure where possible. The principal risks and uncertainties to the company are:

Credit risk: The potential exposure of the company to loss in the event of non-performance by counterparty. The company follows guidelines of the Eni S.p.A. treasury department on the choice of highly credit-rated counterparties in their use of financial and commodity instruments, including derivatives.

STRATEGIC REPORT

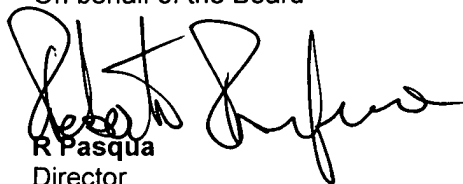
Principal risks and uncertainties (continued)

Liquidity risk: The risk that suitable sources of funding for the company's business activities may not be available. The company has access to a wide range of funding at competitive rates through the capital markets and banks, and also has support from the ultimate parent company, Eni S.p.A. if required. The company believes it has access to sufficient funding to meet currently foreseeable borrowing requirements.

Operation risk: The company's operations present industrial and environmental risks and are therefore subject to extensive government regulations concerning environmental protection and industrial security. The broad scope of these activities involves a wide range of operational risks such as those of explosion, fire or leakage of toxic products, and production of non-biodegradable waste. Since exploration and production activities may take place on sites that are ecologically sensitive, each site requires a specific approach to minimise the impact on the related ecosystem, biodiversity and human health.

Financial risk: The company is not exposed to significant interest rate risks. The company is exposed to foreign exchange fluctuations relating to non-GBP (mainly USD) expenditures and receipts. Effective management of exchange rate risk is performed at the Eni Group level, within the central finance department which matches opposite positions of the group operating subsidiaries and hedges net positions using derivatives (such as currency swaps, forwards and options).

On behalf of the Board


R Pasqua
Director

10 March 2016

ENI LIVERPOOL BAY OPERATING COMPANY LIMITED

DIRECTORS' REPORT

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

Directors

The present directors of the company are listed on page 1 and have held office throughout the year.

Certain directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Going concern

The directors are satisfied that the company has adequate internal resources and also has support from the ultimate parent company, Eni S.p.A., if required, to continue to operate for the foreseeable future.

As a consequence, the directors have a reasonable expectation that the company is well placed to manage its business risks and to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Personnel

At the end of 2015, a total of 34 national staff (2014 – 52), 21 expatriate staff (2014 – 7) and 19 core contractors (2014 – 20), making a total of 74 personnel (2014 – 59), were employed on behalf of the company.

Employee involvement

The company maintains internal policies to facilitate the professional development of its staff and the continued growth of the organisation.

Initiatives include:

- a personal development and training policy which aims to apply valid and reliable controls to ensure that people are competent to discharge their responsibilities safely and effectively;
- a performance management policy that aims to improve business and safety performance by planning, allocating and evaluating work carried out by individuals on the basis of personal targets derived from company objectives; and
- participation in the internationalisation programme of the group that aims to provide wider personal experience and employment opportunities through supporting inward and outward work assignments, short term placements and increased dialogue across professional disciplines.

The company is an equal opportunities employer and strengthens this philosophy by using an objective job evaluation programme.

During the year the policy of providing employees with information about the company has continued through various media including meetings, publications, notices, electronic mail and the company intranet.

The company has been involved in a wide range of external communication and community relations activities. Employees and their families have been encouraged to participate in a number of events and activities supported by the company in the arts, sciences and technology areas and with professional bodies.

Employment of disabled persons

The company is committed to providing equal opportunities to disabled persons. All positions are open to disabled persons and the company's policy is to afford them the same career development opportunities as are available to other employees.

ENI LIVERPOOL BAY OPERATING COMPANY LIMITED

DIRECTORS' REPORT

Statement of directors' responsibilities in respect of the Strategic Report, the Directors Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, 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 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; 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.

Provision of information to the auditor

The directors, as at the date of this report, have confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditor in connection with preparing their report) of which the company's auditor is unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

By order of the Board



F Dal Bello
Secretary

10 March 2016

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENI LIVERPOOL BAY OPERATING COMPANY LIMITED

We have audited the financial statements of Eni Liverpool Bay Operating Company Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Balance Sheet, the Statement of Accounting Policies and the related notes 1 to 17. 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 FRS 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 Statement of Directors' Responsibilities set out on page 5, 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 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 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.

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENI LIVERPOOL BAY OPERATING COMPANY LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- based on the work undertaken in the course of the audit
 - 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.
 - the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements;
- in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report

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.

Ernst & Young LLP

Jacqueline Ann Geary (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

15 March 2016

ENI LIVERPOOL BAY OPERATING COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	<i>Notes</i>	2015 £'000	2014 £'000
Continuing operations			
Revenue	3	-	-
Other service costs and expenses	4	<u>(527)</u>	<u>-</u>
Operating (loss)/result before taxation	5	(527)	-
Taxation	8	<u>-</u>	<u>-</u>
(Loss)/result for the year		(527)	-
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss)/result for the year		<u>(527)</u>	<u>-</u>

ENI LIVERPOOL BAY OPERATING COMPANY LIMITED**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

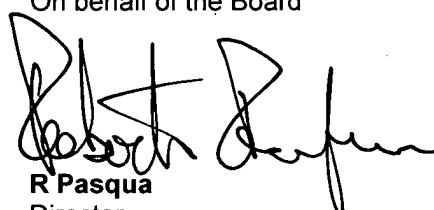
	Share Capital £'000	Retained Deficit £'000	Shareholders' Equity £'000
Balance at 1 January 2015	5,001	(3,411)	1,590
Total comprehensive loss for the year	-	(527)	(527)
Balance at 31 December 2015	5,001	(3,938)	1,063

**BALANCE SHEET
AS AT 31 DECEMBER 2015**

Assets		2015	2014
	<i>Notes</i>	£'000	£'000
Current assets			
Trade and other receivables	10	56,054	52,643
Cash and cash equivalents	9	859	3,621
Total assets		56,913	56,264
Liabilities			
Current liabilities			
Trade and other payables	11	25,799	35,235
Financial liabilities	12	30,000	19,397
		55,799	54,632
Non-current liabilities			
Provisions	13	51	42
Total liabilities		55,850	54,674
Shareholders' equity			
Share capital	14	5,001	5,001
Retained deficit		(3,938)	(3,411)
Total shareholders' equity		1,063	1,590
Total shareholders' equity and liabilities		56,913	56,264

The financial statements from page 8 to 16 were approved by the Board on 10 March 2016.

On behalf of the Board


R Pasqua
Director

ENI LIVERPOOL BAY OPERATING COMPANY LIMITED

STATEMENT OF ACCOUNTING POLICIES

A summary of the principal accounting policies which have been applied throughout the year is set out below:

General information

The company is a limited liability company incorporated and domiciled in the UK.

Since 1 April 2014, the company acts as the operator of a consortium involved in the exploration and exploitation of oil and gas in the UK Liverpool Bay Area. In substance, the company is acting as agent for the joint venture partners: Eni AEP Limited, Eni ULX Limited and Liverpool Bay Limited. As operator, the company recharges returns of income, expenditure, assets and liabilities to the consortium, the consortia's share of which is incorporated into the joint venture consortium accounting records. The financial statements reflect the company's 0% equity share as operator in consortium.

Basis of preparation

The company transitioned from EU adopted International Financial Reporting Standards (IFRS) to Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) for all periods presented. The company has early adopted 'amendments to FRS 101 – 2014/15 cycle and other minor amendments (July 2015)'. There were no material measurement or recognition adjustments on the adoption of FRS 101. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 11 and 134-136 of IAS 1 Presentation of Financial Statements;
- (c) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1.
- (d) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135c-135e of IAS 36, Impairment of Assets;
- (e) the requirements of IAS 7 Statement of Cash Flows;
- (f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in relation to standards not yet effective;
- (g) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures; and
- (h) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where required, equivalent disclosures are given in the group financial statements of Eni S.p.A. The group financial statements of Eni S.p.A are available to the public and can be obtained as set out in note 1.

Cash and cash equivalents

Cash and cash equivalents comprise the company's current bank accounts and cash short-term deposits with an original maturity of three months or less. Deposits held with Eni Finance International S.A. are included in this classification.

Foreign currencies

The company's functional and presentation currency is Sterling. Transactions denominated in a foreign currency are converted to Sterling at rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated at the rates ruling at the balance sheet date. The resulting exchange gains or losses are recognized in the statement of comprehensive income.

ENI LIVERPOOL BAY OPERATING COMPANY LIMITED

STATEMENT OF ACCOUNTING POLICIES

Reimbursement of costs of the operator of the joint arrangement

The company, acting as the operator of a joint arrangement, receives reimbursement of direct costs recharged to the joint arrangement, such recharges represent reimbursements of costs that the company incurred as an agent for the joint arrangement and therefore have no effect on profit or loss.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Financial instruments

Financial assets

The company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale, and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

Loans and receivables are carried at amortised cost using the effective interest method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial recognition date and only if the conditions in IAS 39 are satisfied.

Other financial liabilities are classified in the balance sheet as Trade and other payables.

Provisions

Provisions are recognised when: (i) there is a present obligation (legal or constructive), as a result of a past event; (ii) it is probable that the settlement of that obligation will result in an outflow of resources embodying economic benefits; and (iii) the amount of the obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date or to transfer it to third parties at that time.

Use of accounting estimates, judgements and assumptions

The company's financial statements are prepared in accordance with FRS 101. This requires the use of estimates and assumptions that affect the assets, liabilities, revenues and expenses reported in the financial statements, as well as amounts included in the notes thereto, including discussion and disclosure of contingent liabilities. Estimates made are based on complex or subjective judgments, past experience and other assumptions deemed reasonable in consideration of the information available at the time. Although the company uses its best estimates and judgements, actual results could differ from the estimates and assumptions used.

ENI LIVERPOOL BAY OPERATING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Parent undertakings

The company's immediate parent undertaking is Eni UK Limited.

The company's ultimate parent undertaking, Eni S.p.A., a company incorporated in Italy, will produce consolidated financial statements for the year ended 31 December 2015 which will be available from www.eni.com or Eni S.p.A., Direzioni e Uffici, Via Emilia 1, 20097, San Donato Milanese, PO Box 12069, (20100) Milano.

The parent company of the largest and smallest group into which the company is consolidated is Eni S.p.A.

2 Statement of comprehensive income

The company, acting as an operator, receives reimbursement of direct costs recharged to the joint venture partners, such recharges represent reimbursements of costs that the company incurred as an agent for the joint venture arrangement and therefore have no effect on profit or loss.

3 Revenue

	2015 £'000	2014 £'000
Third party	2,664	3,336
Recharge to joint venture partners		
Eni AEP Limited	(238)	(297)
Eni ULX Limited	(1,198)	(1,501)
Liverpool Bay Limited	(1,228)	(1,538)
	-	-

For the purposes of the Companies Act 2006, the operations of the company constitute one class of business, the exploration and production of hydrocarbon liquids and gas. All activities of the company are undertaken in the UK.

4 Other service costs and expenses

	2015 £'000	2014 £'000
Operating costs		
Third parties	82,702	121,047
Group undertakings	13,387	-
Recharge to joint venture partners		
Eni AEP Limited	(8,505)	(10,773)
Eni ULX Limited	(43,004)	(54,471)
Liverpool Bay Limited	(44,053)	(55,803)
	527	-

The £527,000 of costs not recharged, relate to R&M training incurred during 2015. The expenses do not relate to operating activities for the joint-venture partners.

5 Operating (loss) /result

The audit fee for the company in the current year is £92,933 (2014- £92,933).

ENI LIVERPOOL BAY OPERATING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6 Directors' remuneration

The directors of the company are also the directors of other affiliate companies and/or the parent undertaking. The emoluments paid to these directors for the services provided to the company have been paid by the parent undertaking and not recharged to the company - a fair allocation to the company would be approximately £321,019 (2014 - £290,125).

7 Labour costs and employee information

	2015 £'000	2014 £'000
Wages and salaries	6,440	3,918
Social security cost	645	475
Pension costs – defined contribution plan	923	740
Other staff cost	486	1,810
Recharge to joint venture partners		
Eni AEP Limited	(756)	(625)
Eni ULX Limited	(3,822)	(3,194)
Liverpool Bay Limited	(3,916)	(3,124)
	-	-

The average annual number of persons employed by the company during the year, excluding contracted staff was: management 2015- 3 (2014 - 7), administration 9 (2014 - 16) and operations 24 (2014 - 34). All of the total staff costs have been recharged to the joint venture partners.

8 Taxation

The charge for the year comprises:

	2015 £'000	2014 £'000
UK corporation tax		
Current tax at 20.25% (2014 – 21.5%)	-	-
Total tax charge	-	-

Factors affecting tax charge for the year

The tax assessed for the period is equivalent to the standard rate of corporation tax applicable to companies in the UK of 20.25% (2014 – 21.5%). The differences are explained below:

	2015 £'000	2014 £'000
Loss before taxation	(527)	-
Taxation on loss before tax @ 20.25% (2014 – 21.5%)	(107)	-
Expenditure not allowable for tax	234	74
Group relief claimed for no consideration	(127)	(74)
Tax charge	-	-

Other group companies have agreed to surrender for no consideration, taxation losses under Section 99 Taxes Act 2010, to cover UK taxable profits of the company for the year.

ENI LIVERPOOL BAY OPERATING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9. Cash and cash equivalents

	2015 £'000	2014 £'000
Cash at bank and in hand		
Group undertakings	564	1,008
Third parties	295	2,613
	859	3,621

10. Trade and other receivables

	2015 £'000	2014 £'000
Trade receivables		
Third parties	497	1,751
Accrued Income	2,673	1,663
VAT	1,950	3,133
Affiliate Companies		
Joint Venture Partners	50,934	41,526
Group undertakings	-	560
Parent company	-	4,010
	56,054	52,643

11. Trade and other payables

	2015 £'000	2014 £'000
Other payables		
Parent undertakings	5,749	-
Third parties	2,575	5,688
Accruals	17,475	29,547
	25,799	35,235

12. Financial Liabilities

	2015 £'000	2014 £'000
Short term borrowings payable in less than 1 year		
Group undertakings	30,000	19,397

Short term liabilities are held with Eni Finance International S.A.. These are unsecured and repayable within one month and carry interest at a rate of 1.15% -1.18% (2014: 0.78%-1.18%).

ENI LIVERPOOL BAY OPERATING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

13. Provisions

	Employee Benefits £'000
At 1 January 2014	-
Charge during the year	42
At 1 January 2015	42
Charge during the year	9
At 31 December 2015	51

Employee Benefits

The employee benefits provision relates to the company's allocation of deferred bonus initiatives for expat personnel assigned to the company by Eni S.p.A.

14. Share capital

	2015 £'000	2014 £'000
Allotted and fully paid £1 ordinary equity shares	5,001	5,001

Under the Companies Act 2006, there is no requirement for the company to have an authorised share capital and the company's Articles of Association do not set a maximum amount of shares that the company may allot.

15. Joint operation

<i>Name of license</i>	<i>Place of operation</i>
<i>UK Petroleum Production License P.099</i>	<i>United Kingdom</i>
<i>UK Petroleum Production License P.710</i>	<i>United Kingdom</i>
<i>UK Petroleum Production License P.791</i>	<i>United Kingdom</i>

16. Operating lease commitments

	2015 £'000	2014 £'000
Less than one year	170	136
Between one and five years	680	782
More than five years	212	340
	1,062	1,258

The commitments shown above are the gross amounts, prior to any recovery from joint venture partners, in relation to leases for which the company holds legal title.

Operating leases are entered into as a means of acquiring access to property, plant and equipment. The leases primarily run for between 1-9 years, with certain extensions, break clause and renewals options.

17. Capital commitments

At 31 December 2015, the company did not have any capital commitments (2014: £nil).