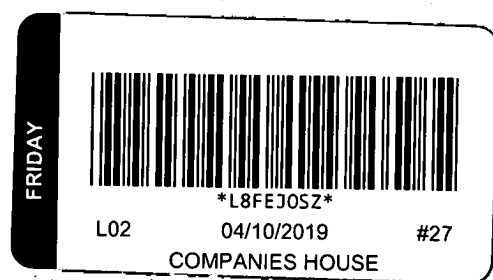


**Company Registration No. 09162755**  
**United Kingdom**

**Tulow Jamaica Limited**

**Annual report and Financial Statements**

**For the year ended 31 December 2018**



# **Tulow Jamaica Limited**

## **Annual report and financial statements 2018**

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## **Tullow Jamaica Limited**

### **Officers and professional advisers**

#### **Directors**

A Holland  
P McDade  
R Miller  
S Puri  
R Rowland-Clark  
G Wood

#### **Secretary**

Any director of the company has authority to perform company secretary duties.

#### **Registered office**

9 Chiswick Park  
566 Chiswick High Road  
London W4 5XT  
United Kingdom

#### **Solicitors**

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

#### **Bankers**

JP Morgan Chase and Co.  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

#### **Auditor**

Deloitte LLP  
Statutory Auditor  
2 New Street Square  
London EC4A 3BZ

## **Tullow Jamaica Limited**

### **Strategic report**

The directors of Tullow Jamaica Limited (the "company") present their strategic report for the year ended 31 December 2018.

#### **Principal activity and review of business**

The principal activity of the company is to acquire and hold interests in exploration licences in Jamaica. The company does not expect to change its principal activity in the 2019 financial year.

Activities during the year under review consisted of oil exploration. No significant change in the nature of the activities has occurred during the year.

#### **Results and dividends**

The company made a loss of US\$298,000 (2017: US\$635,000) for the year ended 31 December 2018.

No dividends have been paid during the year (2017: US\$nil).

#### **Principal risks and uncertainties**

The principal risks and uncertainties are detailed below.

#### **Financial risk management objectives and policies**

The company seeks to minimise the effects of credit risk and price risk through active management processes. The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

#### **Market risks**

The company is not currently exposed to market risk arising from its investment in the exploration of oil and gas, nor to risks arising from changes in the price of oil. However in future periods, the company may become exposed to this risk. The board is responsible for the monitoring of exposure to market risk.

#### **Credit risk**

The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit risk on other receivables is limited because the counterparties are joint venture partners which are reputable companies.

#### **Liquidity and interest risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company is able to actively source financing from its shareholder.

## **Tullow Jamaica Limited**

### **Strategic report (continued)**

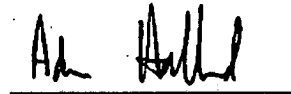
#### **Key performance indicators (KPIs)**

The directors of Tullow Oil plc manage the group's operations at a group level. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company's business. The development, performance and position of the group are discussed in the group's 2018 annual report which does not form part of this report.

#### **Uncertainty around finding commercial reserves**

There is a risk that the company may never discover commercial reserves while undertaking its oil exploration activities. The directors assess exploration projects, on an on-going basis, for viability. All exploration costs are written off to the statement of comprehensive income unless commercial reserves are established or the determination process is not completed and there are no indications of impairment.

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



A Holland  
Director

1 October

2019

# **Tullow Jamaica Limited**

## **Directors' report**

The directors of Tullow Jamaica Limited (the "company") present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 31 December 2018.

The financial risk management policy and dividends have been presented in the strategic report and form part of this report by cross-reference.

### **Directors, secretaries and their interests**

The directors, who held office, at the date of this report, are listed on page 2. The changes to the company's directors during the year and between the accounting and the date of this report are as follows:

- Resignation of K Massie on 1 August 2019.
- Appointment of A Holland on 1 August 2019.

The directors did not have any interests 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 2. The changes to the company's secretary during the year and between the accounting and the date of this report are as follows:

- Resignation of K Massie on 1 August 2019.

### **Going concern**

The principal activity of the company is to acquire and hold interests in exploration licences in Jamaica. The company does not expect to change its principal activity in the 2019 financial year.

The company recorded a loss of US\$298,000 (2017: US\$635,000) for the year ended 31 December 2018. As at 31 December 2018 the company had a net liabilities position of US\$2,517,000 (2017: US\$2,219,000).

The ability of the company to meet its obligations as they fall due is dependent on the ultimate parent company providing support to fund the amounts owed during the year of assessment. A letter of support has therefore been provided by Tullow Oil plc, which states it will provide the necessary financial support to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements.

In making their assessment of going concern the directors have considered the letter of support from Tullow Oil plc. The directors, having assessed the responses of the directors of Tullow Oil plc to their enquiries, have no reason to believe that Tullow Oil plc will not be able to continue as a going concern or honour its commitments in accordance with the letter of support.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Tullow Oil plc, the directors have reasonable expectation that the company has adequate resources to continue as a going concern for at least 12 months from the date of approval of the financial statements. The company therefore continues to adopt the going concern basis in preparing the financial statements.

### **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.

### **Directors' indemnities**

As at the date of this report, indemnities are in force under which the ultimate parent company of 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.

## **Tulow Jamaica Limited**

### **Directors' report (continued)**

#### **Charitable and political donations**

The company did not make any charitable or political contributions during the year.

#### **Branch**

The company has a branch which operates in Jamaica. The branch was registered on 22 October 2014 in Kingston, Jamaica.

#### **Events subsequent to 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 of the company, 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:



A Holland  
Director

1 October 2019

## **Tullow Jamaica 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 year. 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 FRS 101 has 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 Jamaica Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of Tullow Jamaica Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

## **Independent auditor's report to the members of Tullow Jamaica Limited (continued)**

### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **Opinions 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

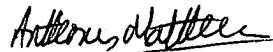
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

## **Independent auditor's report to the members of Tullow Jamaica Limited (continued)**

### **Use of our report**

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.



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Anthony Matthews, FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
1<sup>st</sup> October 2019

## Tullow Jamaica Limited

### Statement of comprehensive income For the year ended 31 December 2018

	Notes	2018 US\$'000	2017 US\$'000
<b>Continuing activities</b>			
Administrative costs	4	(392)	(511)
		<hr/>	<hr/>
<b>Operating loss</b>		(392)	(511)
Interest received		11	4
Foreign exchange gain / (loss)		83	(128)
		<hr/>	<hr/>
<b>Loss from continuing activities before taxation</b>		(298)	(635)
Taxation	5	-	-
		<hr/>	<hr/>
<b>Loss for the year from continuing activities</b>		(298)	(635)
Other comprehensive income		-	-
		<hr/>	<hr/>
<b>Total comprehensive loss for the year</b>		<hr/> (298) <hr/>	<hr/> (635) <hr/>

All transactions in the current and previous year are derived from continuing operations.

# Tulow Jamaica Limited

## Statement of financial position At 31 December 2018

	Notes	2018 US\$'000	2017 US\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible exploration and evaluation assets	6	33,293	25,903
		<u>33,293</u>	<u>25,903</u>
<b>Current assets</b>			
Other receivables	7	233	2
Cash and cash equivalents	8	144	646
		<u>377</u>	<u>648</u>
<b>Total assets</b>		<u>33,670</u>	<u>26,551</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables	9	(109)	(118)
Related party loans payable	10	(36,078)	(28,652)
		<u>(36,187)</u>	<u>(28,770)</u>
<b>Total liabilities</b>		<u>(36,187)</u>	<u>(28,770)</u>
<b>Net liabilities</b>		<u>(2,517)</u>	<u>(2,219)</u>
<b>Equity</b>			
Called up share capital	11	-	-
Retained loss		(2,517)	(2,219)
<b>Total equity</b>		<u>(2,517)</u>	<u>(2,219)</u>

The financial statements, of the company, Tulow Jamaica Limited (company no: 09162755), were approved and issued by the board of directors and authorised for issue on 2019.

Signed on behalf of the board of directors on 2019 by:



A Holland  
Director

1 October 2019

## **Tullow Jamaica Limited**

### **Statement of changes in equity For the year ended 31 December 2018**

	<b>Called up Share capital US\$'000</b>	<b>Retained loss US\$'000</b>	<b>Total US\$'000</b>
<b>Balance at 31 December 2016</b>	-	(1,584)	(1,584)
Total comprehensive loss for the year	-	(635)	(635)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2017</b>	-	(2,219)	(2,219)
Total comprehensive loss for the year	-	(298)	(298)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2018</b>	-	(2,517)	(2,517)
	<hr/>	<hr/>	<hr/>

# **Tullow Jamaica Limited**

## **Notes to the financial statements For the year ended 31 December 2018**

### **1. General information**

Tullow Jamaica Limited is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 2. The principal activity of the company is given on page 3.

### **2. Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The company has applied paragraphs 6-33 of IFRS 1 as adopted by the EU.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cashflow statement, standards not yet effective, impairment of assets and related party transactions.

The financial statements have been prepared on the historical cost basis. The financial statements are presented in US dollars and all values are rounded to the nearest US dollar thousand, except where otherwise stated.

The financial statements have been prepared on a going concern basis (see note 2 for further details).

#### **Standards affecting the reported results or the financial position**

The 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.

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

#### **Going concern**

The ability of the company to meet its obligations as they fall due is dependent on the ultimate parent company providing support to fund the amounts owed during the year of assessment. A letter of support has therefore been provided by Tullow Oil plc, which states it will provide the necessary financial support to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements.

In making their assessment of going concern the directors have considered the letter of support from Tullow Oil plc. The directors, having assessed the responses of the directors of Tullow Oil plc to their enquiries, have no reason to believe that Tullow Oil plc will not be able to continue as a going concern or honour its commitments in accordance with the letter of support.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Tullow Oil plc, the directors have reasonable expectation that the company has adequate resources to continue as a going concern for at least 12 months from the date of approval of the financial statements. The company therefore continues to adopt the going concern basis in preparing the financial statements.

# **Tullow Jamaica Limited**

## **Notes to the financial statements (continued)**

**For the year ended 31 December 2018**

### **2. Accounting policies (continued)**

#### **Foreign currencies**

The US dollar 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 and evaluation 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.

#### **Share issue expenses and share premium account**

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

In order to account for uncertain tax positions management has formed an accounting policy, in accordance with IAS 8, whereby the ultimate outcome of legal proceedings is viewed as a single unit of account. The results of separate hearings in relation to the same matter, such as local tribunals and international arbitration, are not viewed separately and only the final outcome is assessed by management to determine the best estimate of any potential outcome. If management viewed the results of individual hearings separately a statement of comprehensive income charge could arise due to the differing recognition criteria of assets and liabilities.



## **Tulloy Jamaica Limited**

### **Notes to the financial statements (continued)** **For the year ended 31 December 2018**

#### **2. Accounting policies (continued)**

##### **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); financial assets 'at fair value through other comprehensive income (FVTOCI)'; and amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

##### **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.

##### **Trade and other receivables**

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market as classified as financial assets held at amortised cost, less impairment or allowance based on the expected credit loss of the balance under IFRS 9.

##### **Impairment of financial assets**

The entity recognises lifetime expected credit losses (ECL) for other receivables and related party receivables, as the receivables are from loans with non-contractual payment terms. The expected credit losses on these financial assets are estimated using a provision matrix based on the entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

##### **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.

##### **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 Jamaica Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2018

#### 3. Critical accounting judgements

The company assesses critical accounting judgements annually. 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 6);

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

There were no key sources of estimation uncertainty during the current year.

#### 4. Administrative costs

The current year fee for the audit of the company's financial statements of US\$6,900 (2017: US\$6,700) was borne by another group company. The administrative costs are principally made up of intercompany service charges and time-writing costs which were not eligible to be capitalised.

#### 5. Taxation

- (a) Analysis of charge in the year

No current taxation is payable in the current year (2017: US\$nil).

- (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 taxation is as follows:

	2018 US\$'000	2017 US\$'000
Loss for the year before taxation	(298)	(635)
Tax credit on loss at effective UK corporate income tax rate of 19% (2017: 19.25%)	(57)	(122)
Effects of: Loss not recognised	57	122
Company's total income tax expense for the year	-	-

# Tullow Jamaica Limited

## Notes to the financial statements (continued) For the year ended 31 December 2018

### 5. Taxation (continued)

The company is subject to UK corporation tax. The Finance Act 2016 further reduced the main rate of UK corporation tax applicable to all companies subject to corporation tax, except for those within the oil and gas ring fence, to 19% from 1 April 2017 and 17% from 1 April 2020. The effect of the change on the deferred tax balances has been included, depending upon when deferred tax is expected to reverse.

The company has unutilised tax losses of US\$2,521,162 (2017: US\$2,366,764). No deferred tax asset has been recognised in respect of these losses, as the company is not expected to generate sufficient taxable profits in the near future.

### 6. Intangible exploration and evaluation assets

	2018 US\$'000	2017 US\$'000
<b>Cost</b>		
Opening balance at 1 January	25,903	20,955
Additions	7,612	4,948
Disposals	(222)	-
	<hr/>	<hr/>
	33,293	25,903
	<hr/>	<hr/>
<b>Net book value</b>		
31 December	33,293	25,903
	<hr/>	<hr/>

Costs capitalised as at 31 December represent the active exploration projects on the Walton Morant licence. The disposal relates to the recovery of past costs from the farmout of 20% of Tullow's 100% equity interest in the Walton Morant licence to UOG Jamaica Limited. The farmout to UOG Jamaica Limited was completed on 1 March 2018.

The amounts for intangible exploration and evaluation assets represent active exploration projects. These amounts are 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.

### 7. Other receivables

	2018 US\$'000	2017 US\$'000
VAT recoverable	-	2
Other debtors – Joint venture	233	-
	<hr/>	<hr/>
	233	2
	<hr/>	<hr/>

### 8. Cash and cash equivalents

	2018 US\$'000	2017 US\$'000
Citibank - USD Bank account	6	3
Citibank - JMD Bank account	1	13
JP Morgan & Chase - USD Bank account	137	630
	<hr/>	<hr/>
	144	646
	<hr/>	<hr/>

## Tullow Jamaica Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2018

#### 9. Other payables

	2018 US\$'000	2017 US\$'000
Other payables	6	-
Accruals	103	118
	<u>109</u>	<u>118</u>

#### 10. Related party loans payable

	2018 US\$'000	2017 US\$'000
Tullow Oil International Limited	270	270
Tullow Oil Finance Limited	32,822	25,828
Tullow (EA) Holdings Limited	810	810
Tullow Oil Limited	1,321	1,149
Tullow Group Services Limited	722	519
Tullow Uruguay Limited	15	14
Tullow New Ventures Limited	104	42
Tullow Suriname B.V.	14	20
	<u>36,078</u>	<u>28,652</u>

The above loans are unsecured, interest free and assessed as repayable on demand.

#### 11. Called up share capital

##### Allotted, called up and fully paid share capital

	Share capital allotted and fully paid Number	Share capital US\$'000
At 1 January 2017	1	-
Issued during the year	-	-
	<u>1</u>	<u>-</u>
At 1 January 2018	1	-
Issued during the year	-	-
	<u>1</u>	<u>-</u>
At 31 December 2018	1	-

The par value of the company's ordinary share is £1. The rights attached to the ordinary shares are as follows:

- On a show of hands each member holding Ordinary Shares has one vote and on a poll each member holding Ordinary Shares has one vote for each Ordinary Share held
- The Ordinary Shares have the right, as respects dividends, to participate in a distribution
- The Ordinary Shares have the right, as respects capital, to participate in a distribution (including on winding up)
- The Ordinary Shares are not to be redeemed or liable to be redeemed at the option of the Company or the Shareholders

## **Tullow Jamaica Limited**

### **Notes to the financial statements (continued)** **For the year ended 31 December 2018**

#### **12. Directors' emoluments and employees**

None of the directors received any remuneration for their services to the company during the year (2017: US\$nil).

The average number of employees during the year was nil (2017: nil).

#### **13. Capital commitments and contingencies**

The directors have committed to capital expenditure at the end of the year of US\$nil (2017: US\$6,576,881) for exploration and appraisal.

There were no contingent liabilities at the end of the year.

#### **14. Ultimate holding company**

Tullow Overseas Holdings B.V., a company incorporated in the Netherlands, is the immediate holding company of Tullow Jamaica Limited. Its registered address is Martinus Nijhofflaan 2, 2624 ES Delft, The Netherlands.

Tullow Oil plc, a company incorporated in the United Kingdom, is Tullow Overseas Holdings B.V.'s immediate holding company and controlling entity of Tullow Jamaica Limited. These consolidated financial statements can be obtained from Tullow Oil plc, 9 Chiswick Park, 566 Chiswick High Road, London W4 5XT.

#### **15. Events subsequent to the 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 of the company, the results of those operations, or the state of affairs of the company in future financial years.