

BPRL VENTURES INDONESIA B.V.
Amsterdam, The Netherlands

FINANCIAL STATEMENTS
For the year ended 31 March 2020

Entry number in the trade register of the Dutch Chamber of Commerce : 34 355 066

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Balance sheet as at 31 March 2020
(after appropriation of result for the year)

	Notes	31 March 2020	31 March 2019
		USD	restated USD
ASSETS			
NON CURRENT ASSETS			
Intangible fixed assets			
Capital work-in- progress	1	50,608,671	47,963,561
Total intangible fixed assets		<u>50,608,671</u>	<u>47,963,561</u>
CURRENT ASSETS			
Other receivables	2	3,666,317	1,672,751
Cash and cash equivalents	3	13,252	22,412
Total current assets		<u>3,679,569</u>	<u>1,695,163</u>
TOTAL ASSETS		<u>54,288,240</u>	<u>49,658,724</u>
EQUITY			
Equity			
Equity	4		
Issued and paid-up capital		16,435,579	20,928,510
Translation reserve		4,189,183	(303,748)
Accumulated results		(9,129,001)	(8,684,632)
Total equity		<u>11,495,761</u>	<u>11,940,130</u>
LONG TERM LIABILITIES			
Payable to shareholder	5	42,642,772	37,667,673
Total long term liabilities		<u>42,642,772</u>	<u>37,667,673</u>
CURRENT LIABILITIES			
Accounts payable	6	149,707	50,921
Total current liabilities		<u>149,707</u>	<u>50,921</u>
TOTAL EQUITY & LIABILITIES		<u>54,288,240</u>	<u>49,658,724</u>

Profit and loss account for the year ended 31 March 2020

	1 April 2019 to 31 March 2020	restated 1 April 2018 to 31 March 2019
	USD	USD
Operating income		
Other income	-	-
Total operating income	<u>-</u>	<u>-</u>
Operating expenses		
Geological and geophysical costs	(59,326)	(1,078,341)
General and administrative expenses	(276,931)	(607,733)
Management and administrative expenses	(13,435)	(13,243)
Accounting charges	-	(1,312)
Professional expenses	(92,348)	(1,206)
Bank charges	(3,629)	(3,785)
Total operating expenses	<u>(445,669)</u>	<u>(1,705,620)</u>
Financial income and expenses		
Exchange differences	1,228	3,532
Interest bank	72	135
Interest on loan	(1,966,111)	(1,804,117)
Capitalized borrowing costs	1,966,111	1,804,117
Total financial income and expenses	<u>1,300</u>	<u>3,667</u>
Total operating and financing income and expenses	<u>(444,369)</u>	<u>(1,701,953)</u>
Profit/(loss) before tax	<u>(444,369)</u>	<u>(1,701,953)</u>
Tax on income	-	-
Net profit/(loss) after tax	<u>(444,369)</u>	<u>(1,701,953)</u>

Cash Flow Statement for the year ended 31 March 2020

	1 April 2019 to 31 March 2020	restated 1 April 2018 to 31 March 2019
	USD	USD
Operating activities		
Profit/(Loss)	(444,369)	(1,701,953)
Adjustment to reconcile Profit/ (Loss) before taxation to net cash provided by operating activities		
Interest on loan	1,966,111	1,804,117
Capitalized borrowing costs	(1,966,111)	(1,804,117)
	<hr/>	<hr/>
Operating Profit/(Loss) before working capital changes	(444,369)	(1,701,953)
Changes in working capital		
Decrease/ (Increase) in current assets	(1,993,566)	592,715
(Decrease)/ Increase in current liabilities	98,786	(3,848)
	<hr/>	<hr/>
Cash generated from/ (used in) operating activities	<u>(2,339,149)</u>	<u>(1,113,086)</u>
Investing activities		
Capital work-in-progress	(678,999)	(1,892,331)
	<hr/>	<hr/>
Cash generated from/ (used in) investing activities	<u>(678,999)</u>	<u>(1,892,331)</u>
Financing activities		
Payable to shareholder	3,008,988	3,001,189
	<hr/>	<hr/>
Cash generated from/ (used in) financing activities	<u>3,008,988</u>	<u>3,001,189</u>
Net increase/ (decrease) in cash and cash equivalents	(9,160)	(4,228)
Cash and cash equivalents at the beginning of the year	22,412	26,640
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	<u><u>13,252</u></u>	<u><u>22,412</u></u>

Notes to the financial statements

General

Activities

The principal objectives of BPRL Ventures Indonesia B.V. ("the Company") are to participate in, to administer, to finance, to conduct the management of and to render advice and service to other companies and enterprises.

The statutory seat of the Company is in Amsterdam and the principal executive office of the Company is located at Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands. The Company is registered under file number 34.355.066.

Reporting currency

The policy of the Director is to make use of the provisions of Article 362, paragraph 7 of Title 9 of Book 2 of the Dutch Civil Code to present financial statements of the Company in a currency other than Euro. In line with the international character of the group of which the Company forms a part, the financial statements of the Company are prepared and presented in US Dollar (USD) which is the presentation currency and functional currency of the Company.

Book Year

In accordance with Article 19 of its Articles of Association, the financial year of the Company runs from the first day of April to thirty first day of March of the following calendar year.

Summary of principal accounting policies

Basis of preparation

These financial statements are prepared in accordance with Dutch GAAP and with statutory provisions of Title 9, Book 2 of the Dutch Civil Code. The principles of valuation are based on the historical cost convention. Assets and liabilities are valued at face value, unless indicated otherwise.

The cash flow statement has been prepared according to the indirect method and reflects the cash flows arising from the activities from the Company.

Use of estimates

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and associated assumptions are based on historic experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may ultimately differ from those estimates and assumptions used. Any such differences will affect the financial statements for future accounting periods. The estimates and underlying assumptions are reviewed on an ongoing basis.

The Company has included the received billing statements till February 2020 and did include an estimate for the billing statement of March 2020. The amount is split between profit and loss account item and intangible fixed assets as per the Company's policy in the financial statements for the period ended 31 March 2020.

Notes to the financial statements

Changes in comparison to previous year

During the financial year 2019/2020 the Company decided that it will give a better insight in the financial position of the Company when the capitalized borrowing cost is accounted for in the balance sheet of the Company instead of in the balance sheet of its shareholder. The balance of the capitalized borrowing cost of USD 5,915,888 as per 31 March 2019 is directly entered into the shareholders equity.

Also it was decided to consider the interest payable to shareholder as non-current liability as it is not expected that the interest outstanding will be settled within 12 months.

The balance sheet and profit and loss account for the year ended 31 March 2019 have been restated for comparison reasons.

The following adjustments were made:

	31 March 2019	Restated opening balance 1 April 2018	Restated movement during FS18/19	Restated 31 March 2019
BALANCE SHEET				
Intangible fixed assets				
Capital work-in- progress	42,047,673	4,111,771	1,804,117	47,963,561
Equity				
Accumulated results	(14,600,520)	4,111,771	1,804,117	(8,684,632)
Long term liabilities				
Payable to shareholder	31,751,785	4,111,771	1,804,117	37,667,673
Current liabilities				
Accounts payable	5,966,809	(4,111,771)	(1,804,117)	50,921
PROFIT AND LOSS ACCOUNT				
Financial income and expenses				
Capitalized borrowing costs	-		1,804,117	1,804,117
Profit / (Loss)	(3,506,070)		1,804,117	(1,701,953)
CASH FLOW STATEMENT				
Operating activities				
Profit/(Loss)	(3,506,070)	-	1,804,117	(1,701,953)
Adjustment to reconcile Profit/ (Loss) before taxation to net cash provided by operating activities				
Interest on loan	-	-	1,804,117	1,804,117
Capitalized borrowing costs	-	-	(1,804,117)	(1,804,117)
Changes in working capital				
(Decrease)/ Increase in current liabilities	1,800,269	-	(1,804,117)	(3,848)

There is no increase/ (decrease) in cash and cash equivalents due to the restatement

Notes to the financial statements

Going concern

The Company has a net equity of USD 11,495,761 as per 31 March 2020. Management has assessed the liquidity situation of the Company and does not foresee any issues with meeting its current liabilities as they fall due, due to the letter of support given by the majority shareholder of the Company. Management has a reasonable expectation that the Company has adequate resources available to continue in operational existence for the foreseeable future.

In respect of recent events particularly the impact of coronavirus and recent fall in the Oil/LNG prices, the potential impact on the project is not considered to be major as the Company does not anticipate major revisions to the longer-term oil and gas price forecasts. It is expected that the current events are unlikely to have multi-year impacts, and the negative impacts are expected to be concentrated in 2020/21. Considering the above and considering that management do not have any plans to stop the development of the project, the Company do not foresee any impairment on the carrying value recognized in respect of its project. We also refer to note 1 on page 10 in this report.

Intangible fixed assets

The Company follows the principles of the successful efforts method of accounting for its oil and natural gas exploration and production activities. Accordingly, all costs that lead to discovery, acquisition and development of specific oil and gas reserves are capitalised. When the outcome of the costs is unknown at the time they occur, they are recorded as capital work-in-progress.

All costs that do not lead to discovery, acquisition and exploration of oil and gas reserves are charged as expenses in the year of occurrence. Once a project is sanctioned for development, the carrying valued is transferred within property, plant and equipment. The capitalised exploration and development costs are proved oil and natural gas reserves (including the costs of drilling unsuccessful appraisal and development wells) are amortized on the basis of unit of production method.

Impairment of assets

The Company assesses at each reporting whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognized in the profit and loss account except for assets that are previously revalued where the revaluation was taken to equity. In this case the impairment is also recognized in equity up to the amount of any previous revaluation.

Accounts receivable

All amounts receivable are stated at nominal value and are expected to be recovered within one year after the balance sheet date.

Notes to the financial statements

Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank. Cash at bank are stated at nominal value and are at the free and unrestricted disposal of the Company.

Loan from shareholder

Borrowings are recognized at amortized cost.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Accounts payable

All amounts payable are stated at nominal value and are expected to be paid within one year after the balance sheet date.

Translation of foreign currencies

All monetary assets and liabilities denominated in foreign currencies have been translated into US Dollars at the rate of exchange ruling at the balance sheet date, where as non-monetary assets denominated in foreign currencies are translated at historical rate when transaction took place. All transactions denominated in foreign currencies made during the period under review are translated into US Dollars at rates of exchange ruling on or around the date of the transactions. Foreign exchange gains and losses arising as a result of the application of the above accounting policies are disclosed separately in the profit and loss account.

1 USD was at balance sheet date equal to :
EUR 0.9127 (31 March 2020), EUR 0.8901 (31 March 2019)

Income and expenses

Profits on transactions are recognized in the year they are realized, losses are recognized when foreseen. Expenses are based on the historic cost convention and attributed to the financial year to which they pertain.

Tax on income

Taxation is determined in accordance with Dutch guidelines and directives for corporate income taxes, which take into account tax exempted items and non-deductible amounts. Tax benefits arising from available losses are only recognized in the event that such losses can be compensated against prior year's taxable profits or, to the extent deemed realizable by the managements, against future taxable profits.

Fiscal unity

The Company together with its holding company BPRL International B.V. forms a fiscal unity for Dutch income tax purposes.

The Company and its holding company, which form a fiscal unity is jointly and severally liable for payment of the full corporate income tax liability. A corporate income tax charge is recognized in the company individually and the total corporate tax liability is recognized in the annual account of its holding company.

Notes to the financial statements

	31 March 2020	31 March 2019
	USD	USD
Notes to the balance sheet		
1. Capital work-in-progress		
a) Capital work-in-progress		
Balance as at 1 April	42,047,673	40,155,342
Addition during the year	678,999	1,892,331
Balance as at 31 March	<u>42,726,672</u>	<u>42,047,673</u>
b) Capitalization of borrowing cost		
Balance as at 1 April	5,915,888	4,111,771
Additions during the year	1,966,111	1,804,117
Balance as at 31 March	<u>7,881,999</u>	<u>5,915,888</u>
Total (a+b)	<u>50,608,671</u>	<u>47,963,561</u>

The interest cost on intercompany loans used by the Company to facilitate the project purposes is capitalized.

a) BPRL Ventures Indonesia B.V. farmed in to the Nunukan Block Production Sharing Contract (PSC) in September 2009 and currently has a Participating Interest (PI) of 12.5% in the block. PT Pertamina Hulu Energi, a wholly owned subsidiary of Pertamina, the National Oil Company of Indonesia, has 64.5 % PI in the consortium and is the Operator for the block. Videocon Indonesia with a PI of 23.0 % is the other consortium partner of the block.

The committed minimum work programme under the exploration phase has so far been completed. There has been discovery of oil and natural gas in Badik 1 and West Badik-1 wells. Based on the discoveries in Badik & West Badik Fields, the operator prepared its Plan of Development (POD-1) of these fields along with exploratory activities in Parang /Keris also in the block. The POD-1 for the Badik & West Badik fields have been approved by the Ministry of Energy and Mineral Resources, Indonesia. The exploratory well, Parang-1 drilled in 2017, has a discovery of Gas in 5 zones and Oil in 1 zone which was also ranked amongst the Top 10 discoveries of the world for 2017 by IHS Markit. Subsequently, action for FEED for the approved plan along with finalization of Gas sales agreements are planned to be taken up with a view to arrive at the Final Investment Decision (FID).

The 3-D seismic data acquisition and processing over Parang & adjoining prospects have been completed during the year 2019-20. Preliminary Gas Sales Agreement (GSA) negotiations have been taken place between the consortium partnership and a potential gas buyer. A Revised Front End Engineering Design (FEED) for Badik & West Badik Development is envisaged to start in 2020-21 based on the Natural Gas production requirement from a potential buyer. The Operator has now proposed to integrate the development of Badik-West Badik & Parang fields for monetization from the block and has accordingly proposed to take forward the appraisal activities in Parang field. The appraisal drilling of the Parang discovery is being planned during the year 2020

Considering that the block is under exploration and appraisal stage and given that the current price volatility is only expected to be concentrated in 2020/21 only, the Company do not foresee any impairment on the carrying value recognized in respect of carrying value of its PI in Indonesia block recognized in the financials of BPRL Ventures Indonesia BV.

b) The interest cost on intercompany loans used by the Company to facilitate the project purposes is capitalized.

Notes to the financial statements

	31 March 2020	31 March 2019
	USD	USD
2. Other receivables		
a) Advances		
Advance paid to PT Pertamina Hulu Energi Nunukan	3,662,008	1,668,276
b) Amount receivable from group company		
Amount receivable from BPRL Ventures Mozambique B.V.	4,308	4,417
c) Other		
Bank interest	1	58
Total (a+b+c)	3,666,317	1,672,751
3. Cash and cash equivalents		
BNP Paribas A/c No. 22.79.91.729, EUR - current account	26	5,055
BNP Paribas A/c No. 22.79.94.299, USD - current account	13,226	17,357
	13,252	22,412

4. Shareholder's equity

	Issued and paid-up capital	Issued and paid-up capital	Translation reserve	Accumulated Profit/ (loss)	Total
	EUR	USD	USD	USD	USD
Balance as at 1 April 2019	15,001,441	20,928,510	(303,748)	(8,684,632)	11,940,130
Currency translation adjustment	-	(4,492,931)	4,492,931	-	-
Profit/(loss) for the year	-	-	-	(444,369)	(444,369)
Balance as at 31 March 2020	15,001,441	16,435,579	4,189,183	(9,129,001)	11,495,761
	Issued and paid-up capital	Issued and paid-up capital	Translation reserve	Accumulated Profit/ (loss)	Total
	EUR	USD	USD	USD	USD
Balance as at 1 April 2018	15,001,441	18,483,275	2,141,487	(11,094,450)	9,530,312
Currency translation adjustment	-	2,445,235	(2,445,235)	-	-
Correction previous year	-	-	-	4,111,771	4,111,771
Profit/(loss) for the year	-	-	-	(1,701,953)	(1,701,953)
Balance as at 31 March 2019	15,001,441	20,928,510	(303,748)	(8,684,632)	11,940,130

The authorized share capital of the Company consists of 52,179,705 shares of EUR 1 nominal value each. The issued share capital as at 31 March 2020 consists of 15,001,441 shares of EUR 1 nominal value each, all of which are fully paid (31 March 2019 : 15,001,441).

In accordance with Article 373, paragraph 5 of Book 2 of the Dutch Civil Code the paid and called capital is translated into USD at the rate of exchange ruling at the balance sheet date (EUR 1 = USD 1.0956 on 31 March 2020 and EUR 1 = USD 1.1235 on 31 March 2019).

Unrealized foreign exchange gains and losses arising from the translation into USD of the Company's Euro issued and paid-up capital are maintained in a translation reserve which is a Legal Reserve.

Appropriation of result

In anticipation of a resolution being passed to that effect at the general meeting to be held to consider and adopt the financial statements for the year ended 31 March 2020 the loss for the year of USD 444,369 has been added to accumulated losses brought forward from previous years.

Notes to the financial statements

	31 March 2020	31 March 2019
	USD	USD
5. Payable to shareholder		
a) Loans from shareholder		
Balance as at 1 April	31,751,785	28,750,596
Additional loans	3,008,988	3,001,189
Repayments	-	-
Balance as at 31 March	<u>34,760,773</u>	<u>31,751,785</u>
<p>The Company entered into an agreement on 14 March 2014 with its shareholder (BPRL International B.V.), whereby the Company facilitated a loan from its shareholder up to a maximum amount of USD 50,000,000. The rate of interest on loan for each interest period is subject to an interest aggregate of 3 month LIBOR plus a Margin per annum. Repayment date of loan is before 31 March 2025.</p>		
b) Interest on loans from shareholder		
Balance as at 1 April	5,915,888	4,111,771
Additional loans	1,966,111	1,804,117
Repayments	-	-
Balance as at 31 March	<u>7,881,999</u>	<u>5,915,888</u>
Total (a+b)	<u>42,642,772</u>	<u>37,667,673</u>
6. Accounts payable		
a) Accounts payable to shareholder		
Amount payable to BPRL International B.V.	<u>56,790</u>	<u>47,002</u>
b) Accounts payable to group company		
Amount payable to BPRL Ventures B.V.	<u>478</u>	<u>490</u>
c) Trade payables and provisions		
Creditors	40,000	-
Accrued expenses	44,142	3,429
	<u>84,142</u>	<u>3,429</u>
d) Taxes		
Value added tax	<u>8,297</u>	<u>-</u>
Total (a+b+c+d)	<u>149,707</u>	<u>50,921</u>

Notes to the financial statements

	31 March 2020	31 March 2019
	USD	USD
Notes to the profit and loss account		
7. Tax on income		
Dutch corporate income tax charge for the year	-	-
8. Employees		
The average number of employees of the Company during the year were	Nil	Nil

9. Contingent assets and liabilities

The Company did not have any contingent assets or liabilities on the balance sheet date.

10. Subsequent events

There have been no events since the balance sheet date that need to be included which have a material effect on financial situation of the Company as at that date.

11. Directors

The Company had four directors during the period under review (Previous Year : four), who received no remuneration. Mr. P. Kumar resigned on 27 August 2019.

The Company does not have a Board of supervisory directors.



Athos Business Services (Asia) B.V
Richard Verwer
Director



F. A. Didwania - van Gelderen



V.V. Maheshwari
Appointed on 27 August 2019



S.K. Kallarickal Viswanatha Shenoy

Date : 4 May 2020
Place : Amsterdam

Other information

Statutory provision on appropriation of result

According to Article 16 of the Articles of Association of the Company, the result of the Company is at the disposal of the general meeting of shareholders.

Auditor report

Auditor's report is set out in the following page.