OIL INDIA INTERNATIONAL B.V.

Amsterdam, the Netherlands

Financial statements as at
31 March 2018

Statutory seat	: Amsterdam, the Netherlands
File number	: 60.60.57.31

Initialled for identification
RSM
RSM Netherlands
date: 22/5/2018

OIL INDIA INTERNATIONAL B.V.

Table of contents

Management Board's report

The management herewith presents the financial statements of Oil India International B.V. (hereinafter "the Company") for the year ended 31 March 2018.

General

The Company was incorporated with limited liability under the laws of the Netherlands on 2 May 2014, having its statutory seat in Amsterdam and its business seat at Herikerbergweg 238 in Amsterdam. The Company is a wholly owned subsidiary of Oil India ltd., India.

The activity of the Company is to act as a holding company for its Joint Venture WorldAce Investments Limited (hereinafter mentioned "WorldAce"). The Company holds 50% of the shares in WorldAce.
WorldAce is incorporated under the laws of Cyprus and its principal activities consist of oil and gas exploration, development and production.

Review of the Development and Performance of the Business, Results and Dividends

The Company realized a loss as per 31 March 2018 which is mainly the result of the losses realized by WorldAce. In 2017 a further delineation well (No. S-375) was drilled at the Sibkrayevskoye oil field. Initial testing of the S-375s well was completed in October 2017, confirming the productivity of the reservoir in this part of the oil field. An ESP was run in the well and achieved a peak rate of 210 bopd on an 8 mm choke and a sustained rate of 150 bopd on a 4 mm choke. The next steps are for a longer-term test of the S-375 well along with other wells at Sibkrayevskoye in 2018 with a view to bringing the Sibkrayevskoye oil field into production in 2019 assuming successful results from the testing and the availability of finance The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory considering the above circumstances.

Risk and uncertainties

Management is of the opinion that the Company has sufficient and adequate risk procedures implemented; further reference is made to the financial statements, note 5 financial instruments and risk management.

Board of directors

The directors are aware of the legislation of Article 2: 166 and 2:276 of the Dutch Civil Code ("DCC"). This legislation became effective as per 1 January 2013 and includes specific guidelines for the composition of a board of directors. As of 31 March 2018 the minimum level of 30% male or female directors has not been achieved. For future appointments board members all relevant aspects will be taken into consideration. Such aspects include, but are not limited to, the aforementioned articles of the DCC, other applicable guidelines and legislation, availability of appropriate candidates based on charter and internal quality guidelines. This to ensure an appropriate level of experience and expertise is available in the respective boards.

As per 22 May 2017 the Company appointed Mr S.K. Singh as managing director.

Future developments

The Company and WorldAce are committed to further exploit and develop the oil fields and increase the production.

Managing Directors:

R.M. Forterie	S.K. Singh
R. Bhattacharjee	T.J. van Rijn

Amsterdam, 22 May 2018

Initialled for identification:
RSM
RSM Netherlands
date: 22/5/2018

OIL INDIA INTERNATIONAL B.V.

Statement of financial position as at 31 March 2018

(before appropriation and expressed in USD)

	Notes	31 March 2018	31 March 2017
NON-CURRENT ASSETS			
Loans due from joint venture	7	46,607,778	48,464,683
Interest due from joint venture	7	11,870,687	7,160,412
Investment in joint venture	6	1	1
		58,478,466	55,625,096
CURRENT ASSETS			
Trade and other receivables		5,689	4,900
Cash at bank		11,426	-
		17,115	4,900
CURRENT LIABILITIES			
Amounts due to shareholder		-	96,219
Trade and other payables		57,458	64,942
		57,458	161,161
NET CURRENT ASSETS/(LIABILITIES)		(40,342)	(156,260)
TOTAL ASSETS LESS CURRENT LIABILITIES		58,438,124	55,468,836
LONG TERM LIABILITIES			
Loans due to shareholder	8	58,200,000	55,000,000
Interest due to shareholder	8	11,314,661	6,803,266
TOTAL LONG TERM LIABILITIES		69,514,661	61,803,266
		(11,076,537)	**(6,334,430)**
CAPITAL AND RESERVES	9		
Issued and paid-up capital		35,505,109	7,834
Share premium reserve		1	35,101,031
Currency translation reserve		(128,671)	2,166
Retained earnings		(41,445,461)	(43,898,133)
Result for the year		(5,007,515)	2,452,672
		(11,076,537)	**(6,334,430)**

The accompanying notes form part of these accounts

Initialled for identification:
RSM
RSM Netherlands
date: 22/5/2018

OIL INDIA INTERNATIONAL B.V.

Statement of comprehensive income for the period ended 31 March 2018

(expressed in USD)

	Notes	01/04/2017 - 31/03/2018	01/04/2016 - 31/03/2017
FINANCIAL INCOME/(EXPENSES)			
Interest income on loan	7	4,710,275	3,898,092
Interest expense on loan	8	(4,511,395)	(3,702,890)
Foreign exchange result		(41,828)	13,074
Share of profit of joint venture	6	(5,056,906)	2,319,841
		(4,899,854)	2,528,117
OTHER EXPENSES			
General and administrative expenses		107,661	75,445
OPERATING RESULT BEFORE TAXATION		(5,007,515)	2,452,672
TAXATION			
Corporate income tax		-	-
RESULT FOR THE YEAR		**(5,007,515)**	**2,452,672**

	01/04/2017 - 31/03/2018	01/04/2016 - 31/03/2017
RESULT FOR THE YEAR	**(5,007,515)**	**2,452,672**
Other comprehensive income to be reclassified to profit or loss in subsequent years	-	-
Foreign exchange result	-	-
Total comprehensive profit/(loss) for the year	**(5,007,515)**	**2,452,672**

The accompanying notes form part of these accounts

Initialled for identification:
RSM
RSM Netherlands
date:...23/5/2018

OIL INDIA INTERNATIONAL B.V.

Statement of changes in equity for the period ended 31 March 2018

	01/04/2017-31/03/2018 USD	01/04/2016-31/03/2017 USD
Issued and paid-up capital		
At the begin of the year	7,834	8,343
Issuance of share capital	35,366,438	-
Result on change functional currency	-	-
Exchange result	130,837	(509)
Balance at the end of the year	35,505,109	7,834
Currency translation reserve		
At the beginning of the year	2,166	1,657
Exchange result	(130,837)	509
Balance at the end of the year	(128,671)	2,166
Share premium reserve		
At the begin of the year	35,101,031	35,107,589
Additions	128,287	-
Conversion to share capital	(35,255,955)	-
Exchange result	26,637	(6,558)
Balance at the end of the year	1	35,101,031
Accumulated deficit		
At the begin of the year	(43,898,133)	(26,650,272)
Appropriation of result previous period	2,452,672	(17,247,861)
Balance at the end of the year	(41,445,461)	(43,898,133)
Result for the year	(5,006,595)	2,452,672
Total capital and reserves	**(11,075,617)**	**(6,334,430)**

The accompanying notes form part of these accounts

Initialled for identification:

RSM

RSM Netherlands

date: 22/5/2018

OIL INDIA INTERNATIONAL B.V.

Statement of cash flow for the period ended 31 March 2018

	Notes	31-Mar-18	31-Mar-17
Cash flows from operating activities			
Income for the year	9	(5,006,595)	2,452,672
Adjustments for:			
Movements in loan due from joint venture	7	5,056,906	(2,319,841)
Movements in interest due from joint venture	7	(4,710,275)	(3,898,092)
Movements in goodwill		-	-
Movements in investment in joint venture	6	-	-
Movements in interest due to shareholder	8	4,510,475	3,702,890
Changes in working capital			
Receivables		(791)	59
Current liabilities		(7,484)	(31,809)
Net cash generated from operating activities		**(157,764)**	**(94,121)**
Cash flows from investing activities			
Acquisition of joint venture	6	-	-
Goodwill		-	-
Net cash used in investing activities		-	-
Cash flows from financing activities			
Paid up capital	9	-	-
Share premium contribution		154,924	(6,558)
Loan payable	8	3,200,000	5,000,000
Loan receivable	7	(3,200,000)	(5,000,000)
Payable to shareholder		14,265	96,219
Net cash used in financing activities		**169,189**	**89,661**
Net increase in cash and cash equivalents		**11,426**	**(4,460)**
Cash and cash equivalents - beginning of year		-	4,460
Net increase/(decrease) in cash and cash equivalents		11,426	(4,460)
Cash and cash equivalents - end of year		**11,426**	-

The accompanying notes form part of these accounts

Initialled for identification:

RSM

RSM Netherlands
date: 22/5/2018

OIL INDIA INTERNATIONAL B.V.

Notes to the financial statements as at 31 March 2018

1. **General**

Oil India International B.V. (hereinafter "the Company") is a limited liability company. The registered and actual address of the Company is Herikerbergweg 238, 1101 CM Amsterdam, the Netherlands. The Company is a wholly owned subsidiary of Oil India ltd., India. The Company is registered at the trade register under number 60605731.

The principal activities of the Company are to act as a holding and financing company.

The financial year 2017/2018 covers the period from 1 April 2017 till 31 March 2018.

In view of the international operations of the group of which the Company forms part, the annual accounts have been drawn up in US dollar, the Company's functional currency.

2. **Basis of preparation**

a) Statement of compliance

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards adopted by the European Union ("EU-IFRS"), IFRIC interpretations, in accordance with Part 9 of Book 2 of the Dutch Civil Code and IAS 28.

b) Basis of measurement

The financial statements have been prepared using the equity method of accounting unless specifically mentioned in the notes.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all these as presented, unless otherwise stated.

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is disclosed in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Income and expenses are accounted for in the period to which they relate. Profit is only included when realised on balance sheet date. Losses are recognised when realised or foreseen.

Initialled for identification:
RSM
RSM Netherlands
date: 22/5/201

Notes to the financial statements as at 31 March 2018

2. Basis of preparation (cont'd)

c) Going concern

There is a potential material uncertainty regarding the going concern. This is based upon the negative shareholders' equity of the Company as well as of its subsidiary, WorldAce Investments Limited and the breach of loan covenants. The Company has net assets of USD 40,342 and USD 58,200,000 in loans due to its shareholder. The shareholder has agreed not to seek repayments of these loans for the foreseeable future. Also the shareholder has indicating their willingness to provide further funding in 2018. On this basis the Directors believe it is appropriate to prepare the financial statements on a going concern basis.

d) Foreign currency translation

All monetary assets and liabilities expressed in currencies other than USD have been translated at the rates of exchange prevailing at the balance sheet date, whereas non-monetary assets expressed in currencies other than USD are translated at historical rates. All transactions in foreign currencies have been translated into USD at the rates of exchange approximating those ruling at the date of the transactions. Resulting exchange differences have been recognised in the Profit and loss account except for the exchange differences arising from translation of share capital denominated in EUR, which are booked in the currency translation reserve.

The following exchange rate has been applied as at 31 March 2018: USD 1 = EUR 0.811622 (31 March 2017: EUR 0.935361).

e) Critical accounting judgments

The preparation of financial statements in conformity with EU-IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

3. Significant accounting policies

a) Intangible fixed assets

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Initialled for identification:

RSM

RSM Netherlands

date: 22/5/2018

Notes to the financial statements as at 31 March 2018

3. **Significant accounting policies (cont'd)**

b) Financial fixed assets

Investments in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of the joint venture are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the joint venture. When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint venture), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Initialled for identification:
RSM
RSM Netherlands
date: 22/5/2018

3. Significant accounting policies (cont'd)

c) Financial instruments

Long-term assets and liabilities are initially measured at fair value, which includes attributable transaction costs. Subsequent to initial measurement, the long-term assets and liabilities are stated at amortised cost using the effective interest method.

d) Trade and other receivables

Trade and other receivables are recognized and carried at the lower of their original face value and their recoverable amount. A provision is made where the estimated recoverable amount is lower than the carrying amount. Given the short-term maturity of these financial assets their book value is deemed to approximate their fair value.

e) Cash and cash equivalents

Cash and cash equivalents include cash at hand, bank balances and deposits held at call. Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

f) Trade accounts payable

Accounts payable are classified as current liabilities if payment is due within one year or less. Trade payables are recognized at fair value and subsequently measured and amortized using the effective interest method. Given the short-term maturity of these trade accounts payable their book value is deemed to approximate their fair value.

g) Determination of income

Dividend will be recognised when declared.

Other income and expenses are recognised in the year to which they are related. Profit is only recognised when realised on balance sheet date. Losses originating before the end of the financial year are taken into account if they become known before preparation of the financial statements.

h) Corporation tax

Corporation tax is calculated at the applicable tax rates based on the result before taxation shown in the Profit and loss account and taking into account tax allowances and tax adjustments. Deferred tax assets arising from tax loss carry forwards are only recognised if recovery is reasonably certain.

Initialled for identification:
RSM
RSM Netherlands
date: 22/5/2018

OIL INDIA INTERNATIONAL B.V.

Notes to the financial statements as at 31 March 2018

4. **Adoption of IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations**

Adoption of new standards and interpretations

The Company has applied the following clarifications, annual improvements and amendments for the first time for their annual reporting period commencing January 1, 2017:

- IAS 7 Disclosure Initiative – Amendments to IAS 7
- IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12
- AIP IFRS 12 Disclosure of Interests in Other Entities – Clarification of the scope of the disclosure requirements in IFRS 12

The adoption of new or amended standards and interpretations that are effective for the financial year beginning on January 1, 2017 did not have a material impact on the Company's consolidated financial statements.

New standards, amendments and interpretation not yet adopted

The following standards and amendments to existing standards have been published and are mandatory for accounting periods of the Company beginning after January 1, 2018, but which have not been adopted by the Company early:

- IFRS 15 – "Revenue from contracts with customers", is effective for first interim periods within annual reporting periods beginning on or after January 1, 2018. The Company will adopt the new standard from January 1, 2018. The standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer. The company does not expect the new guidance to have a significant impact on revenue recognition.

- IFRS 9 – "Financial instruments", addresses the classification, measurement and recognition of financial assets and liabilities. The Company will adopt the new standard from January 1, 2018. The company does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets and liabilities

5. **Financial risk management**

The Company is to a certain level exposed to the following risk:

Currency risk

Currency risk is the risk that fluctuations in the prevailing foreign currency exchange rates will affect the Company's financial position and cash flows. The Company does not run any currency risk, as the Company does not use any other currencies than its functional currency.

Initialled for identification:

RSM

RSM Netherlands

date: 22/5/2018

OIL INDIA INTERNATIONAL B.V.

Notes to the financial statements as at 31 March 2018

5. Financial risk management (cont'd)

Interest rate risk

Interest rate risk is the risk that fluctuations in the prevailing levels of market interest rates will affect the Company's financial position and cash flows. The Company does not run any interest rate risk on the loans as the floating base interests used are the same on both paid and received interest within the loan agreements.

Credit risk

Credit risk is the risk that a counterpart will be unable to pay amounts in full when due. The Company's credit risk is predominantly with related parties.

6 Investment in joint venture

On 3 July 2014 the Company acquired 50% of the shares of the Cypriote company WorldAce.

Details of the joint venture at year end are as follows.

Name of joint venture	Principal activity	Registered office	Proportion of ownership interest
WorldAce Investments Limited	Oil and gas exploration	Cyprus	50%

The financial year-end date of WorldAce is 31 December, because it is practically impossible to change the financial year-end due to local regulations. However, for the purposes of applying the equity method of accounting, the audited financial statements as per 31 December 2017 have been used (decreased with the interim accounts as per 31 March 2017) increased with the interim accounts as per 31 March 2018.

Initialled for identification:

RSM

RSM Netherlands

date: 22/5/2018

Notes to the financial statements as at 31 March 2018

6 Investment in joint venture (cont'd)

Summarized financial information in respect to WorldAce is set out below. The summarized financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS.

	31-Mar-18	31-Mar-17
	USD	USD
Non-current assets	99,635,047	100,953,603
Current assets	1,810,088	1,535,031
Current liabilities	6,252,126	7,246,016
Non-current liabilities	126,214,929	116,150,727

The above amounts of assets and liabilities include the following:

	31-Mar-18	31-Mar-17
	USD	USD
Cash and cash equivalents	119,417	3,820
Current financial liabilitites	6,252,126	7,246,016
Non-current financial liabilitites	126,214,929	116,150,727

	01/04/2017 - 31/03/2018	01/04/2016 - 31/03/2017
	USD	USD
Revenue	2,897,080	1,141,393
Profit or loss from continuing operations	(11,109,826)	(11,272,380)
Post-tax profit or loss from continuing operations	(8,212,746)	(10,130,987)
Other comprehensive income	(1,901,065)	15,618,389
Total comprehensive income	**(10,113,811)**	**5,487,402**
Depreciation and amortization	-	-
Interest income	80,453	24,809
Interest expense	(8,189,372)	7,070,186

The above capital commitments in the joint venture are incurred jointly with Petroneft Resources Plc. The Company has a 50% share of these commitments.

Initialled for identification:

RSM

RSM Netherlands

date:...22/5/2018

Notes to the financial statements as at 31 March 2018

6 Investment in joint-venture (cont'd)

Reconciliation of the above summarized financial information to the carrying amount of the interest in the joint venture recognized in the financial statements:

	31-Mar-18	31-Mar-17
	USD	USD
Beginning of year	1	1
Result on investment over the period from 1 April 2016 up to and including 31 December 2016	-	(183,606)
Result on investment over the period 1 January 2017 up to and including 31 March 2017	-	2,503,447
Result on investment over the period 1 April 2017 up to and including 31 December 2017	(4,432,578)	-
Result on investment over the period 1 January 2018 up to and including 31 March 2018	(624,328)	-
Adjustment for negative value as per 31 March 2017	-	(2,319,841)
Adjustment for negative value as per 31 March 2018	5,056,906	-
Value as per 31 March	1	1

There is no unrecognized share of loss of the joint venture. No dividend has been paid by the joint venture.

7 Loans and interest due from joint venture

On 3 July 2014 the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 45,000,000 with WorldAce. As per balance sheet date the amount withdrawn under this agreement amounted to USD 45,000,000. Interest is payable at an interest rate of 6% + 3M LIBOR. The loan shall be repaid in full on or before 31 December 2025. Part of this loan has been reported as doubtful debts due to the realized loss of WorldAce.

Effective 21 March 2016 the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 10,000,000 with WorldAce. As per balance sheet date the amount withdrawn under this agreement amounted to USD 10,000,000. Interest is payable at an interest rate of 9% +3M LIBOR. The loan shall be repaid in full on or before 31 March 2021.

Initialled for identification:
[redacted]
RSM
RSM Netherlands
date: 22/5/2018

OIL INDIA INTERNATIONAL B.V.

Notes to the financial statements as at 31 March 2018

7 Loans and interest due from joint venture (cont'd)

Effective 24 March 2017 the Company entered into an interest bearing Facility Agreement in the amount of ultimately USD 4,000,000 with WorldAce. As per balance sheet date the amount withdrawn under this agreement amounted to USD 3,200,000. Interest is payable at an interest rate of 9% + 3M LIBOR for interest accrued for the period to 31 December 2017. As long as the interest for the period to 31 December 2017 has not been paid by WorldAce, the interest on the amount withdrawn will be 14% + 3M LIBOR as from 1 January 2018. As per balance sheet date WorldAce did not pay the interest calculated on the period till 31 December 2017 nor the total amount of principal outstanding that exceeds USD 2,000,000.The remaining balance shall be repaid on 31 March 2021.

Following clause 7.2b of the Facility Agreements, considering that the value of the assets of WorldAce are less than its liabilities, the Company has decided not to recall the provided loans and accumulated interest until at least 12 months after balance sheet date. Therefore also the accumulated interest be classified as non-current.

The movements in loan due from joint venture can be summarised as follows:

	31-Mar-18	31-Mar-17
	USD	USD
Beginning of year	48,464,683	41,144,842
Issue during the year	3,200,000	5,000,000
Provision for doubtful debts	(5,056,906)	2,319,841
Value as per 31 March	46,607,778	48,464,683

8 Loans and interest due to shareholder

On 1 July 2014 the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 45,000,000 with its shareholder Oil India Ltd. As per balance sheet date the amount withdrawn under this agreement amounted to USD 45,000,000. Interest is payable at an interest rate of 5.65% + 3M LIBOR. The loan shall be repaid in full on or before 31 December 2025.

Effective 21 March 2016 the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 10,000,000 with Oil India Ltd. As per balance sheet date the amount withdrawn under this agreement amounted to USD 5,000,000. Interest is payable at an interest rate of 8.65% + 3M LIBOR. The loan shall be repaid in full on or before 7 April 2021.

Initialled for identification:
[redacted]
RSM
RSM Netherlands
date: 22/5/2018

8 Loans and interest due to shareholder (cont'd)

Effective 24 March 2017 the Company entered into an interest bearing Facility Agreement in the amount of ultimately USD 4,000,000 with its shareholder Oil India Ltd. As per balance sheet date the amount withdrawn under this agreement amounted to USD 3,200,000. Interest is payable at an interest rate of 8.65% + 3M LIBOR for interest accrued for the period to 31 December 2017. As long as the interest for the period to 31 December 2017 has not been paid by the Company, the interest on the amount withdrawn will be 13.65% + 3M LIBOR as from 1 January 2018. As per balance sheet date the Company did not pay the interest calculated on the period till 31 December 2017 nor the total amount of principal outstanding that exceeds USD 2,000,000. The remaining balance shall be repaid on 31 March 2021.

Following clause 7.2b of the Facility Agreements, considering that the value of the assets of the Company are less than its liabilities, the shareholder has decided not to recall the provided loans and accumulated interest until at least 12 months after balance sheet date. Therefore also the accumulated interest be classified as non-current.

9 Capital and reserves

On 23 February 2018 the Company issued 28,809,415 new shares. These new shares were fully paid in by the conversion of the share premium together with the intercompany to the shareholder into share capital. The total amount involved was EUR 28,808,415 (USD 35,366,438).
The share capital consists of 28,816,743 shares (31 March 2017: 7,328) of EUR 1 each, amounting to EUR 28,816,743 (31 March 2017: EUR 7,328).

Initialled for identification:
[redacted]
RSM
RSM Netherlands
date: 22/5/2018

Notes to the financial statements as at 31 March 2018

9 Capital and reserves (cont'd)

During the year under review the shareholder made several share premium contributions for a total amount of USD 128,287 (EUR 114,000).

The movements in capital and reserves can be summarised as follows:

	01/04/2017-31/03/2018	01/04/2016-31/03/2017
	USD	USD
Issued and paid-up capital		
At the begin of the year	7,834	8,343
Issuance of share capital	35,366,438	-
Result on change functional currency	-	-
Exchange result	130,837	(509)
Balance at the end of the year	35,505,109	7,834
Currency translation reserve		
At the beginning of the year	2,166	1,657
Exchange result	(130,837)	509
Balance at the end of the year	(128,671)	2,166
Share premium reserve		
At the begin of the year	35,101,031	35,107,589
Additions	128,287	-
Conversion to share capital	(35,255,955)	-
Exchange result	26,637	(6,558)
Balance at the end of the year	1	35,101,031
Accumulated deficit		
At the begin of the year	(43,898,133)	(26,650,272)
Appropriation of result previous period	2,452,672	(17,247,861)
Balance at the end of the year	(41,445,461)	(43,898,133)
Result for the year	(5,006,595)	2,452,672
Total capital and reserves	**(11,075,617)**	**(6,334,430)**

Initialled for identification:
RSM
RSM Netherlands
date: 22/5/2018

Notes to the financial statements as at 31 March 2018

10 Audit fees

With reference to Section 2:382a(1) and (2) of the DCC, the following fees for the period under review have been charged by RSM Netherlands Accountants N.V. to the Company: EUR 10,500 (2016-2017: EUR 10,500).

11 Managing directors

As per 22 May 2017 the Company appointed Mr S.K. Singh as Managing Director. The Company has four managing directors (31 March 2017: three) who received no remuneration during the year under review or previous year. The Company has no Supervisory Directors.

12 Employees

The Company does not employ any staff and hence incurred no salary, related social security charges or pension costs in the year under review or previous year.

13 Related party transactions

Loan due from shareholder and loan to joint venture:
Related party transactions are priced at an arm's length basis. For the terms and conditions on the loans to related parties, reference is made to Note 8 Loan and interest due from joint venture and Note 9 Loan due to shareholder.

Initialled for identification:
RSM
RSM Netherlands
date: 22/5/2018

<u>OIL INDIA INTERNATIONAL B.V.</u>

Notes to the financial statements as at 31 March 2018

14 Proposed appropriation of result

The Management proposes to carry forward the result for the financial period under review.

15 Post balance sheet events

No events have occurred since 31 March 2018 that would make the present financial position substantially different from that shown in the balance sheet as at balance sheet date.

Managing Directors,

R.M. Forterie S.K. Singh

R. Bhattacharjee T.J. van Rijn

Amsterdam, 22 May 2018

OIL INDIA INTERNATIONAL B.V.

Supplementary information

Statutory provision of appropriation of result

In accordance with article 21 of the Articles of Association the result for the year is at the disposal of the General Meeting of Shareholders. Dutch law stipulates that distributions may only be made to the extent the Company's equity is in excess of the reserves it is required to maintain by law and its Articles of Association. Moreover, no distributions may be made if the Management Board is of the opinion that, by such distribution, the Company will not be able to fulfil its financial obligations in the foreseeable future.

Statement regarding the Auditor's report

The independent auditor's report is set out on the next page.

Initialled for identification:
[redacted]
RSM
RSM Netherlands [redacted]
date: 22/5/2018

RSM

RSM Netherlands Accountants N.V.

Breguetlaan 36
1438 BC Oude Meer

Postbus 75127
1117 ZR Schiphol

T 020 653 36 66

www.rsmnl.com

INDEPENDENT AUDITOR'S REPORT

To: the shareholders and the Board of Directors of
Oil India International B.V.

A. Report on the audit of the financial statements 2017/2018

Our qualified opinion

We have audited the financial statements 2017/2018 of Oil India International B.V., based in Amsterdam.

In our opinion, except for the possible effects of the matter described in point 1 of the 'Basis for our qualified opinion' paragraph, the accompanying financial statements give a true and fair view of the financial position as at 31 March 2018, and of its result and its cash flows for 2017/2018 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the statement of financial position as at 31 March 2018;
2. the following statements for 2017/2018: the income statement, the statements of comprehensive income, changes in equity and cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our qualified opinion

Oil India International B.V.'s investment in WorldAce Investments Limited, a foreign associate acquired during the year 2014/2015 and accounted for by the equity method, is carried at USD 1 on the balance sheet as at 31 March 2018, the loan due from WorldAce Investments Limited is carried at USD 46,607,778 and Oil India International B.V.'s share of WorldAce Investments Limited's net loss of USD 5,056,906 is included in Oil India International B.V.'s result for the year then ended.

We were unable to obtain sufficient appropriate audit evidence about the carrying amounts of Oil India International B.V.'s loan due from WorldAce Investments Limited as at 31 March 2018 and Oil India International B.V.'s share of WorldAce Investments Limited's result for the year, as well as for the figures as disclosed in note 6, because there were no audited financial statements of WorldAce Investments Limited as at 31 March 2018 available. The information available consisted of the audited financial statements of WorldAce Investments Limited as at 31 December 2017 and unaudited management accounts of WorldAce Investments Limited as at 31 March 2018. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Initialled for identification:
RSM
RSM Netherlands
date: 22/5/2018

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Oil India International B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty related to going concern
We draw attention to the going concern paragraph on page 8 of the financial statements which indicates that that the company's joint venture incurred significant losses during the previous years. As of 31 March 2018, the company's equity is still negative. These conditions, along with other matters as set forth in the note 'going concern', indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

B. Report on the other information
In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The management board's report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may

Initialled for identification:
RSM
RSM Netherlands
date: 22/5/2018

cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Oude Meer, 22 May 2018

RSM Netherlands Accountants N.V.

Edwin P.H. van Ravenswoud
Registeraccountant

Initialled for identification:
RSM
RSM Netherlands
date: 22/5/2018