INEOS E&P (Siri) UK Limited

Annual Report and Financial Statements

Registered Number: 02650006

for the Year Ended 31 December 2019

INEOS E&P (Siri) UK Limited

Contents

INEOS E&P (Siri) UK Limited

Strategic Report for the Year Ended 31 December 2019

The Directors present their strategic report of INEOS E&P (Siri) UK Limited ("the Company") for the year ended 31 December 2019.

Strategy

The principal activity of the Company is oil and gas exploration, development and production within Denmark.

No changes to the Company's activities are planned or expected.

Business Review

The statement of comprehensive income is shown on page 13. The Company made a profit for the financial year of DKK 51,795,000 (2018: profit of DKK 75,942,000). The Company has net liabilities of DKK 77,205,000 on 31 December 2019 (31 December 2018: net liabilities of DKK 129,000,000).

The Company's main asset is a 30% interest in the Siri license (6/95).

The Siri field is located in the Danish sector of the North Sea and is part of Siri Area, which comprises of the processing platform and associated wells located along with satellite tie-back fields Stine, Nini, Nini East and Cecilie. Oil is exported by tanker and gas and produced water reinjected into the Siri field. The Siri license, comprising Siri and Stine is 30% owned and operated by INEOS E&P A/S owned by 70%. Production from Siri commenced in 1999 with the satellite developments following in the next decade.

The Siri Platform has underperformed in 2019 due to production issues including unplanned shutdowns and periods with reduced production and water injection but at 31 December 2019 all issues have been resolved. In 2020 the Siri Platform has planned as expected.

Objectives

The main objective of the business is to ensure continued production from the Siri platform until expected cessation of production in 2024.

Key Performance Indicators

The Company measures the performance in line with its strategic objectives. Specifically, key performance indicators (KPIs) are used to measure progress against agreed targets in the areas of safe, responsible and sustainable operations, repair operations and maintaining financial strength. These KPIs also link to senior management's remuneration.

The main KPI of the business is normalised earnings before interest, taxation, depreciation and amortisation (Normalised EBITDA). Details of actual and comparative Normalised EBITDA results are provided below:

	2019 DKK'000	2018 DKK'000
Operating profit	42,226	70,057
Depreciation charge for the year	(2,241)	0
EBITDA	39,985	70,057
Change in estimate of decommissioning provision	-	(14,123)
Normalised EBITDA	39,985	55,934

Key Performance Indicators (continued)

The performance of the Company is measured on the basis of both financial and non-financial measures. Non-financial measures include:

- Production - measured against planned production targets;

- Quality Health, Safety, Expenditure (QHSE) excellence - including injury rate, integrity of safety critical incidents rate, flaring level, oil discharge, energy efficiency, up to date management system documentation up to date; and

- Cost focus – Operational Expenditure (OPEX) reduction, Abandonment Expenditure (ABEX) optimisation.

Future Outlook

The start of 2020 has been marked by a developing outbreak of COVID-19. In this context of pandemic, the key objectives for the Company are twofold:

- keep its employees safe, with the strict application of the recommendation for social distancing,

- keep operations running, so far we have not seen a material impact on our operations.

Current market visibility remain poor, as there is uncertainty in the length of the lockdown in Europe and the impact of this on oil price. Recent uncertainties in oil supply agreements have caused further volatility in commodity markets. We will continue to closely monitor the impact on cash flows and financial conditions.

Management looks forward to the coming years with optimism in developing near term resources in a safe, re-liable and profitable manner.

Section 172(1) statement

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after 1 January, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the Company. This S172 statement, which is reported for the first time, explains how the Company's Directors:

• have engaged with employees, suppliers, customers and others; and

• have had regard to employee interests, the need to foster the Company's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the Company during the financial year.

The S172 statement focuses on matters of strategic importance to the Company, and the level of information disclosed is consistent with the size and the complexity of the business.

S172(1) (a) "The likely consequences of any decision in the long term,"
The Company's objectives is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

S172(1) (b) "The interests of the Company's employees"
The Company is committed to maintaining a workplace that is safe, professional and supportive of teamwork and trust. The Company is committed to creating and sustaining a work environment of mutual trust where all employees are treated with respect and dignity, compensated fairly based on local market conditions, and are entitled to adequate working hours. The Company value the diversity of its people and each of its employees is recognised as an important member of our team.

S172(1) (c) "The need to foster the Company's business relationships with suppliers, customers and others"
The Company respects the rights, values and dignity of all employees, customers, contractors, vendors and other stakeholders. The Company aims to build enduring relationships with governments, customers, partners, suppliers and communities in the countries where the Company operates.

S172(1) (d) " The impact of the Company's operations on the community and the environment"
The Company is committed to protecting and maintaining the quality of the environment and to promoting the health and safety of its employees, contractors, suppliers, customers, visitors and the communities in which it operates. Compliance with all legislation intended to protect people, property and the environment is one of the Company's fundamental priorities and applies to our products as well as to our processes. Management lead by example and allocate the required resources to achieve excellence in SHE performance.

S172(1) (e) "The desirability of the Company maintaining a reputation for high standards of business conduct"
The Company is committed to operating as a responsible corporate citizen and to complying with all relevant local, national and international laws.

S172(1) (f) The need to act fairly as between members of the Company.
After weighing up all relevant factors, the Directors consider which course of action best enables delivery of the Company's strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, the Directors act fairly as between the Company's members but are not required to balance the Company's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

Principal risks and uncertainties

Production

The delivery of the Company's production depends on the successful development and operation of its key projects. In developing these projects the Company faces numerous challenges. These include uncertain geology, availability of technology and engineering capacity, availability of skilled resources, maintaining project schedules and managing costs. Such potential obstacles may impair the Company's delivery of these projects and, in turn, the Company's operational performance and financial position. The Company mitigates these risks by applying best practice to its operations.

Health, safety, environment and security (HSES)

These risks include major process safety incidents, failure to comply with approved policies, effects of natural disasters, social unrest and terrorism. The consequences of such risks materialising can be injury, loss of life, environmental harm and disruption to business activities. Depending on their cause and severity, they can affect the Company's reputation, operational performance and financial position. The Company has an effective and comprehensive HSES management system to mitigate this risk and support safe and secure execution of all critical activities.

Joint ventures and partners

Oil and gas operations globally are conducted in a joint venture environment and many of our major projects are operated by our partners. Our ability to influence our partners is sometimes limited due to our small shares in major non-operated development and production operations. Non-alignment on various strategic decisions in joint ventures may result in operational or production inefficiencies or delay. The Company mitigates this risk by continuous and regular engagement of its partners in operated and non-operated projects.

Climate change and the transition to low carbon economy
The Company recognises the scientific consensus on climate change and has committed to reduce its own emissions, and, as part of the wider Oil and Gas industry, will continue to play a vital role in delivering a low-carbon solution. The Company is continuously reviewing its process to improve the environmental performance of its operations.

The Company acknowledges the global trend to move toward net zero carbon emissions. Depending on the nature and speed of any such changes and the Company's response, this could adversely affect the Company's financial performance and competitiveness.

The impact of the UK's exit from the European Union (EU) ("Brexit")
On 31 January 2020, the UK officially left the EU, entering into the one-year transition period during which a new trade agreement is to be negotiated. The Company continues to face uncertainties as the future relationship with the EU is under negotiation. This uncertainty affects the Company as it relates to future energy and trade policies and the movement of people. However, the Company considered that the direct impact of these uncertainties is limited in the short term. The Company will continue to monitor this aspect as the negotiations with the EU evolve.

The impact of the emergence and spread of Coronavirus ("COVID-19")
The Company is closely monitoring the evolution of the COVID-19 outbreak and is following the World Health Organisation and local governments' advice. The Company has taken measures to mitigate the risk to keep employees safe and the Fields operational, such as requesting all staff who are able to do so to work from home since mid-March and introducing social distancing measures on all premises. The spread of COVID-19, actions from OPEC+ together with oversupply has caused a significant drop in the oil and gas price. With regards to the business impact, the effect the virus will have on the global economy and on commodity prices is difficult to assess at this point in time, although the Company is constantly evaluating the situation and monitoring any potential effects on production and operations. The Company exposure to oil price volatility is high as the portfolio is 100% oil.

The financial risk management process is discussed in the Directors' report.

Approved by the Board on 30 July 2020 and signed on its behalf by:

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Sebastian Koks Andreassen
Director

INEOS E&P (Siri) UK Limited

Directors' Report for the Year Ended 31 December 2019

The Directors present their annual report and the audited financial statements of INEOS E&P (Siri) UK Limited for the year ended 31 December 2019.

General information

INEOS E&P (Siri) UK Limited is a private Company limited by shares incorporated and domiciled in the UK. The registered office is Anchor House, 15-19 Britten Street, London, England, SW3 3TY.

Basis of preparation

The financial statements of INEOS E&P (Siri) UK Limited have been prepared in compliance with the Companies Act 2006. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Proposed dividend

The Directors do not recommend the payment of a dividend (2018: Nil).

Directors

The Directors who held office during the year and up to the date of signing the financial statements were as

follows:

Sebastian Koks Andreassen (appointed 18 June 2019)

Morten Rosenlov Jensen (appointed 18 June 2019)

Erik Fantoft Magnesen (appointed 18 June 2019)

Flemming Horn Nielsen (Resigned 18 June 2019)

Gareth Jon Anderson (Resigned 18 June 2019)

Ronald Daniel Coyle (Resigned 18 June 2019)

Tanja Jo Ebbe Dalgaard (Resigned 18 June 2019)

Principal activities

The principal activity of the Company is the exploration, development and production of oil. The strategic report sets out the Company's compliance with s.172.

Financial risk management

The Company's operations are exposed to a variety of financial risks that include effects of commodity price risk, credit risk, liquidity and cash flow risk, currency risk and interest rate risk. The Company has in place a risk management programme that seeks to limit any adverse effects on financial performance where appropriate.

The main financial risks which could affect the Company are set out below:

a) Commodity price risk: Oil are traded commodities with open market prices. The Company is exposed to fluctuations in market prices to the extent that it has not entered into fixed price agreements. The Directors regularly review cost-benefit of entering into commodity price hedges to minimise price risk. Generally, the Company policy is to remain exposed to market prices of commodities, however, management may elect to use derivatives instruments to hedge the price risk of oil production.

Financial risk management (continued)

b) Interest rate risk: The Company has a mix of financing facilities including deposits to shareholder and cash pool facilities. The financing facilities bears interest at variable rates based on LIBOR and CIBOR depending on currency. The Directors review the interest rate and assess the cost-benefit of interest rate hedging. The Company has no interest rate hedging in place.

c) Currency risk: The Company undertakes transactions in various currencies, and the Company manages this risk by matching receipts and payments in the same currency (where possible) and monitoring the movements in exchange rates. The Company also has shareholder loans and deposits facility in USD, NOK and DKK. Although the significant majority of transactions are denominated in USD and DKK (the Company's functional currency). The Directors continue to review the cost-benefit of currency hedging. The Company has no currency hedging in place.

d) Liquidity and cash flow risk: The Company's operating asset generate sufficient positive cash flows to cover the Company's costs and development activities and service the Company's own obligations. The Company has access to liquidity, through participation in external financing and support from shareholders to manage such risks.

Qualifying third-party indemnity provision

The Directors are all covered by a Directors' and Officers' Liability Insurance policy maintained by the Company with a qualifying third party insurance company which was maintained throughout the financial year and is still in place as at the date of the approval of these financial statements.

Going concern

The Company has considered its funding position and the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meets its liabilities as they fall due, for the foreseeable future, being at least 12 months from the date of signing of the financial statements. As part of assuring the going concern basis of preparation for the Company, the ability of the Company's immediate parent, INEOS UK E&P Holdings Limited, to support the Company has been taken into consideration.

The Group monitors its funding position and its liquidity risk throughout the year to ensure it has sufficient funds to meet its forecast cash requirement. Cash forecasts are produced based on a number of inputs, such as production and expenditure forecasts, oil and gas price assumptions, and financing cash flow forecasts. These inputs have been reviewed and approved by the board and sensitivities are run for different scenarios, the most significant of which is a sustained decline in commodity prices, resulting in an average gas price of 20p/th for the remainder of 2020 and 27p/th in 2021, and an average oil price of $32/bbl for the remainder of 2020 and $36/bbl in 2021. The INEOS UK E&P Holdings Limited consolidated financial statements continue to be prepared on a going concern basis.

In arriving at this conclusion, the Directors have considered the principal risks and uncertainties and financial risks that the business is exposed to, discussed further in the Strategic Report, including the challenges the Company faces with COVID-19 and the depression of commodity prices following the year-end.

Although the Directors cannot predict the extent and duration of the COVID-19 pandemic and the impact that this will have, particularly on commodity prices, as above the Directors have undertaken a rigorous assessment of the potential impact for 12 months from the date of signing of these financial statements. The Directors have implemented a series of programmes to preserve cash including review of the timings and/or level of non-essential capital expenditure and reduction in spend against provisions. In conclusion, the Directors believe the Company would still have sufficient cash flow to meet its obligations as they fall due based on available cash and the financial support of INEOS UK E&P Holdings Limited.

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Important non adjusting events after the financial year

The Company is closely monitoring the evolution of the COVID-19 outbreak and is following the World Health Organisation and local governments' advice. With regards to business impact, the effect the virus will have on the global economy and the industry is difficult to assess at this point in time, although the Company is constantly evaluating the situation and monitoring any potential effects on production and operation. Similarly, the Company is monitoring and evaluating the impact of Brexit on production and operation.

Reappointment of auditor

Following the completion of the 31 December 2018 audit and a formal tender process, Deloitte LLP was appointed for the statutory audit replacing PricewaterhouseCoopers LLP. Deloitte LLP indicated its willingness to act and its appointment was approved at a Directors' meeting. The auditor, Deloitte LLP, has indicated its willingness to continue in office and resolution concerning its re-appointment will be proposed at the board meeting.

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each 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.

Statement of directors' responsibilities in respect of the financial statements

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 period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

Directors' Report for the Year Ended 31 December 2019 (continued)

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on 30 July 2020 and signed on its behalf by:

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Sebastian Koks Andreassen
Director

Independent Auditor's Report to the Members of INEOS E&P (Siri) UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of INEOS E&P (Siri) UK Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit 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 Income Statement;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the related notes 1 to 19.

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

ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the 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.

Independent Auditor's Report to the Members of INEOS E&P (Siri) UK Limited (continued)

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

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.

Responsibilities of Directors
As explained more fully in the statement of Directors' responsibilities, 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. 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. **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.

G. Hollis

Graham Hollis ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Aberdeen, United Kingdom

30 July 2020

INEOS E&P (Siri) UK Limited

Income Statement for the Year Ended 31 December 2019

	Note	2019 DKK' 000	2018 DKK' 000
Revenue	5	99,041	131,738
Production costs		(56,725)	(78,110)
Gross profit		**42,316**	**53,628**
Other operating income	7	2,218	16,632
Administrative expenses		(67)	(203)
Depreciation and impairment	10	(2,241)	-
Operating profit	4	**42,226**	**70,057**
Finance income	8	4,468	7,799
Finance expense	8	(1,163)	(1,914)
Net financing income		3,305	5,885
Profit before tax		45,531	75,942
Taxation	9	6,264	-
Profit for the financial year attributable to owners of the Company		51,795	75,942

The above results were derived from continuing operations.

The notes on pages 16 to 30 are an integral part of these financial statements.

INEOS E&P (Siri) UK Limited

Statement of Comprehensive Income for the Year Ended 31 December 2019

	2019 DKK' 000	2018 DKK' 000
Profit for the year	51,795	75,942
Total comprehensive income for the year attributable to the owners of the Company	51,795	75,942

INEOS E&P (Siri) UK Limited

(Registration number: 02650006)
Balance Sheet as at 31 December 2019

	Note	31 December 2019 DKK' 000	31 December 2018 DKK' 000
Non-current assets			
Tangible assets	10	81,988	-
Current assets			
Inventories	11	8,062	8,486
Trade and other receivables	12	622,015	493,347
Cash at bank and cash equivalents		-	76,337
		630,077	578,170
Total assets		712,065	578,170
Current liabilities			
Trade and other payables	13	(118,568)	(121,488)
Non-current liabilities			
Provisions for liabilities	14	(670,702)	(585,682)
Total liabilities		(789,270)	(707,170)
Net liabilities		(77,205)	(129,000)
Capital and reserves			
Share capital	15	23	23
Share premium	15	498,000	498,000
Accumulated losses		(575,228)	(627,023)
Equity attributable to owners of the Company		(77,205)	(129,000)

The notes on pages 16 to 30 are an integral part of these financial

The financial statements on pages 12 to 15 were approved by the Board on 30 July 2020 and signed on its behalf by:

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Sebastian Koks Andreassen

INEOS E&P (Siri) UK Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital DKK' 000	Share premium DKK'000	Accumulated losses DKK'000	Total equity DKK'000
At 1 January 2019	23	498,000	(627,023)	(129,000)
Profit for the year	-	-	51,795	51,795
Total comprehensive income	-	-	-	-
At 31 December 2019	23	498,000	(575,228)	(77,205)

	Share capital DKK'000	Share premium DKK'000	Accumulated losses DKK'000	Total equity DKK'000
At 1 January 2018	23	498,000	(702,965)	(204,942)
Profit for the year	-	-	75,942	75,942
Total comprehensive income	-	-	-	-
At 31 December 2018	23	498,000	(627,023)	(129,000)

1 General information

INEOS E&P (Siri) UK Limited's principal activity is exploration, development and production.

The financial statements are presented in Thousand Danish Kroner (DKK'000), the Company's presentational and functional currency. All values are rounded to the nearest thousand kroner (DKK'000) except when otherwise indicated. All of the Company's assets and liabilities are denominated in (DKK'000).

The Company is a private company and is incorporated and domiciled in the UK. The address of its registered office is Anchor House, 15-19 Britten Street, London, England, SW3 3TY

2 Summary of significant accounting policies

These financial statements have been prepared in accordance with Financial Reporting Standard 101, Reduced 'Disclosure Framework' (FRS 101). The financial statements have been prepared on the historical cost basis.

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

Basis of preparation

The financial statements of INEOS E&P (Siri) UK Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and in accordance with, as applicable, the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Summary of disclosure exemptions

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

• The requirements of IFRS 7 'Financial Instruments: Disclosures' as the relevant disclosures have been made in the consolidated financial statements of the parent company, INEOS UK E&P Holdings Limited.
• Paragraph 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
• Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
I. paragraph 79(a)(iv) of IAS 1;
II. paragraph 73(e) of IAS 16 Property, plant and equipment;
III. paragraph 118(e) of IAS 38 Intangible assets (reconciliation between the carrying amount at the beginning and end of the period).
• The following paragraphs of IAS 1, 'Presentation of financial statements':
- 10(d), (statement of cash flows)
- 16 (statement of compliance with all IFRS),
- 38A (requirement for minimum of two primary statements, including cash flow statements),
- 38B-D (additional comparative information),
- 111 (cash flow statement information), and
- 134-136 (capital management disclosures).
• IAS 7, 'Statement of cash flows'.

2 Summary of significant accounting policies (continued)

Summary of disclosure exemptions (continued)

• Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
• Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
• The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
• The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 'Leases'.
• The requirements of paragraph 58 of IFRS 16 'Leases'.
• The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets' as the relevant disclosures have been made in the consolidated financial statements of the parent company, INEOS UK E&P Holdings Limited

New and amended standards and interpretations

The Company applied, for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2019. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year.

IFRS 16 Leases

In the current year, the Company has applied IFRS 16 (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all eases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The new standard has not had any impact as the Company does not currently have any lease contracts.

Going concern

The Company has considered its funding position and the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meets its liabilities as they fall due, for the foreseeable future, being at least 12 months from the date of signing of the financial statements. As part of assuring the going concern basis of preparation for the Company, the ability of the Company's immediate parent, INEOS UK E&P Holdings Limited, to support the Company has been taken into consideration.

The Group monitors its funding position and its liquidity risk throughout the year to ensure it has sufficient funds to meet its forecast cash requirement. Cash forecasts are produced based on a number of inputs, such as production and expenditure forecasts, oil and gas price assumptions, and financing cash flow forecasts. These inputs have been reviewed and approved by the board and sensitivities are run for different scenarios, the most significant of which is a sustained decline in commodity prices, resulting in an average gas price of 20p/th for the remainder of 2020 and

2. Summary of significant accounting policies (continued)

Going concern (continued)

27p/th in 2021, and an average oil price of $32/bbl for the remainder of 2020 and $36/bbl in 2021. The INEOS UK E&P Holdings Limited consolidated financial statements continue to be prepared on a going concern basis.

In arriving at this conclusion, the Directors have considered the principal risks and uncertainties and financial risks that the business is exposed to, discussed further in the Strategic Report, including the challenges the Company faces with COVID-19 and the depression of commodity prices following the year-end.

Although the Directors cannot predict the extent and duration of the COVID-19 pandemic and the impact that this will have, particularly on commodity prices, as above the Directors have undertaken a rigorous assessment of the potential impact for 12 months from the date of signing of these financial statements. The Directors have implemented a series of programmes to preserve cash including review of the timings and/or level of non-essential capital expenditure and reduction in spend against provisions. In conclusion, the Directors believe the Company would still have sufficient cash flow to meet its obligations as they fall due based on available cash and the financial support of INEOS UK E&P Holdings Limited.

Exploration and appraisal costs

The Company follows a successful efforts accounting policy for oil and gas assets. The success or failure of each exploration or appraisal effort is assessed on a well-by-well basis. Exploration costs prior to obtaining the license interest are charged to the statement of comprehensive income as they are incurred.

Exploration and evaluation expenditure associated with an exploration well, including related exploration and evaluation activities, are initially capitalised as intangible assets. If the prospects are determined to be successful on

completion of evaluation and the project is initially sanctioned by management, the relevant expenditure including license acquisition costs are capitalised as oil and gas properties.

If the prospects are subsequently determined to be unsuccessful, and the asset is impaired, the associated costs are expensed in the period in which that determination is made.

Impairment

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

2. Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

The carrying amount of tangible fixed assets is reviewed for impairments when events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, the Company makes an estimation of recoverable amount, which is the higher of the asset's fair value less cost to sell and value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and written down to its recoverable amount.

Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Oil and gas properties

Oil and gas properties are carried at cost, net of accumulated depletion and accumulated impairment losses.

Depletion and depreciation of the capitalised costs for producing oil and gas properties is provided by the unit-of-production method based upon estimated recoverable oil and gas reserves. For better comparability and presentation, depreciation for the year 2018 has been reclassed to production costs.
Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Provision

Provisions are recognised for the cost of remediation works where there is a legal or constructive obligation for such work to be carried out. Where the estimated obligation arises upon initial recognition of the related asset, the corresponding debit is treated as part of the cost of the related assets and depreciated over its estimated useful life. The timing of the recognition requires the application of judgment to existing facts and circumstances, which can be subject to change. Estimates of the amount of provisions recognised are based on current legal and constructive requirements, technology, and prices. Because actual outflows can differ from the estimate due to changes in laws, regulations, public expectation, technology, prices and can take place many years in the future, the carrying amounts of the provisions are regularly reviewed and adjusted to take account of such changes.

The decommissioning of oil and gas assets may not be due to occur for many years into the future, Consequently, judgement is required in relation to the estimated cash flows, removal date, environmental legislation, inflation and discount rate used to calculate present value.

Provisions are recognised for the cost of dilapidation and restoration work where is a legal or constructive obligation for such work to be carried out.

The nature and amount of provisions included in the financial statements, as well as the key assumptions used, are detailed in note 14.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

2. Summary of significant accounting policies (continued)

Impairment of non-financial assets (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in statement of comprehensive income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

No impairment was noted for the year ended 31 December 2019.

Inventories

Inventories consist of petroleum. Inventories are valued at the lower of cost and net realisable value. Cost is determined using a weighted average of lifting cost.

Trade and other receivables

Trade and other receivables are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are tested for classification as per IFRS 9. If the trade receivables satisfy the criteria for cash flow characteristics test and business model test as per IFRS 9, then they are recognised at amortised cost. If they do not qualify for being recognised at amortised cost, they are recognised at fair value through profit and loss.

Cash at bank and cash equivalents

Cash at bank and equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Trade and other payables

Trade payables are obligations to pay for products or services that have been acquired in the ordinary course of business suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not they are presented as amounts falling due after more than one year.

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2. Summary of significant accounting policies (continued)

Revenue recognition

Revenue, which is stated net of value added tax, represents oil and products sold to third parties. Contracts for goods and services are analysed to determine the distinct performance obligations against which revenue should be recognised. The amount to be recognised is determined from the standalone selling prices for goods and services, allocated to the performance obligations.

Revenue is recognised when (or as) the performance obligations are satisfied by transferring a promised good or service to a customer. For sales resulting from hydrocarbon production, this generally occurs when the product is physically transferred into a vessel. Revenue resulting from hydrocarbon production from properties in which the Company has an interest with partners in joint arrangements is recognised on the basis of the Company's volumes lifted and sold. Lifting or offtake arrangements for oil and gas produced in some of the Company's oil and gas properties are such that each participant may not receive and sell its precise share of the overall production in each period. The resulting imbalance between cumulative entitlement and cumulative volume sold less inventory is an "underlift" or "overlift". Underlift and overlift are valued at cost price and included within receivables and payables respectively. Movements during an accounting period are adjusted through production costs in the statement of comprehensive income.

Finance income and expense

Finance expenses comprise interest payable and other finance charges, unwinding of the discount on provisions, and net foreign exchange losses. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Finance income includes interest receivable on funds invested and net foreign exchange gains.

Finance income and expense is recognised in the statement of comprehensive income as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the period end date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the period end date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2. Summary of significant accounting policies (continued)

Joint arrangements

The Company applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. INEOS E&P (Siri) UK Limited has assessed the nature of its joint arrangements and determined them to be joint operations as the investors have rights to the assets and obligations for the liabilities of the arrangements. Each joint operator accounts for its share of the assets, liabilities, revenue and expenses.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Thousand Danish Kroner' (DKK'000), which is also the Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within 'Finance income and expense'.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors do not note any critical accounting judgments taken in the preparation of these financial statements, further detail of the critical accounting estimates are detailed below.

Estimate - Impairment of tangible and intangible assets

Development assets are tested for impairment or reversal of prior period impairments if there is any indication of impairment or reversals. Cash flows are calculated based on forecasts for the entire lifetime of the asset. The determination of the recoverable amount for production assets is based on a number of assumptions where estimates are made that are material to the determination. Such assumptions include future market conditions, market prices of oil, gas, estimated oil and gas reserves, weighted average cost of capital (WACC), exchange rates, future capital expenditure and operating costs. The market prices applied are based on available forward prices in a period of up to five years and management's best estimate of a long-term price in the remaining period. The assessment of oil and gas reserves is based on estimates of both proved and probable reserves (Proved plus Probable/2P). Proved reserves are the estimated volumes of oil and gas that, under existing economic conditions, are recoverable using known

3. Critical accounting estimates and judgements (continued)

technology from reservoirs in which oil or gas has been proved. Probable reserves are those additional reserves that are less likely to be recovered than proved reserves.

Estimate - Decommissioning obligations

Estimates of decommissioning obligations are based on management's expectations concerning timing and scope, future cost level, and adopted laws and regulations on decommissioning. The timing of decommissioning obligations depends on the useful lives of the assets. In the case of oil and gas fields, the expected useful lives depend on the current estimates of oil and gas reserves. The determination of these reserve estimates is subject to uncertainty. In determining decommissioning obligations at 31 December 2019, a discount rate of 0.21% is applied (2018: 0.15%). The applied discount rate of 0.21% is expected to be applied over a prolonged period. The rate has been estimated on the basis of expectations concerning the future, long-term interest rate level, based on the historical interest rate level. The extent to which decommissioning and restoration will be required is estimated based on current legislation and standards in this area. Expectations concerning the future cost level are based on variables such as expectations concerning the general price trend or the oil price trend, demand conditions and the development in existing technologies, refer to note 14.

Estimates - Useful lives of production assets

The expected useful lives of production assets are determined based on historical experience and expectations concerning the future use of these assets. The expected future applications may subsequently prove not to be realisable, which may require useful lives to be reassessed. Oil and gas production assets are depreciated using the unit-of-production method, which means that the useful lives of these production assets are determined based on expectations concerning annual production and estimated reserves for each field. Changed expectations concerning future annual production and/or estimated reserves for each field may therefore result in a need to reassess the useful lives of the production assets of the individual fields.

4. Operating profit

Arrived at after charging

	2019 DKK'000	2018 DKK'000
Depreciation expense (note 10)	2,241	-
Net foreign exchange gains	773	3,454
Auditor's remuneration:		
Audit of the financial statements	149	141

5. Revenue

	2019 DKK'000	2018 DKK'000
Type of goods/services		
Sale of oil	99,041	131,738
	99,041	131,738
Geographical markets		
UK	78,591	131,738
Rest of Europe	20,450	-
	99,041	131,738
Timing of revenue recognition		
At a point in time	99,041	131,738
	99,041	131,738

6. Employees and Directors

Employees

The Company has no employees (2018: nil). Administrative and technical services to support the Company's operations are provided by INEOS E&P A/S. It is not possible to separately identify the portion of the charges which relates to the services provided by any Director of the Company. All employees are employed and remunerated by INEOS E&P A/S.

Directors

The Company's Directors were not remunerated for their services to the Company, but instead received emoluments for their services to the other INEOS Group companies. The Directors do not believe that it is practicable to apportion this amount between their services as Directors of the Company and their services as Directors of other Group companies

7. Other operating income

	2019 DKK'000	2018 DKK'000
Change in decommissioning provision	-	14,123
Tariff income	2,218	2,509
	2;218	16,632

8. Finance income and expense

	2019 DKK'000	2018 DKK'000
Finance income		
Interest receivable from group undertakings	3,344	3,500
Other financial income	351	845
Net foreign exchange gains	773	3,454
	4,468	7,799

	2019 DKK'000	2018 DKK'000
Finance expense		
Interest payable to group undertakings	(145)	-
Other financial expenses	(86)	(340)
Unwinding discount on abandonment (note 12)	(932)	(1,574)
	(1,163)	(1,914)

9. Taxation

	2019 DKK'000	2018 DKK'000
Current tax:		
UK current tax charge/(credit) for the year		
Foreign tax charge/(credit) for the year	-	-
Adjustments in respect of prior years	(6,264)	-
Tax on profit	**(6,264)**	-
Deferred taxation		
Adjustment in respect of prior years	-	-
Amounts debited to the profit and loss account	-	-
Tax on profit	(6,264)	-

The differences are reconciled below:

	2019 DKK'000	2018 DKK'000
Profit before taxation	45,531	75,942
Tax (chapter 2) using the applicable Denmark tax rate of 25% (2018: 25%)	(11,383)	(18,986)
Hydrocarbon tax (chapter 3A) at the effective rate of 39%	(17,757)	(29,617)
Non-taxable income (uplift in chapter 3A)	7,278	8,600
Unrecognised current year deferred tax asset	25,860	24,884
Adjustments in respect of prior years	2,266	15,119
Total tax	6,264	-

Factors that may affect future tax charges

INEOS E&P (Siri) UK Limited is a Company, which profits from oil extraction and oil rights in Denmark and is therefore subject to corporation tax in Denmark on taxable profits at a rate of 64%.

The Company has not provided deferred tax on losses of approximately DKK 1,361 million (2018: DKK 1,385) million), which are available to offset against future trading profit. The Directors consider that the Company should not recognise any deferred tax asset as there is insufficient certainty over the future utilisation of its deferred tax assets.

10. Tangible assets

	Assets under construction DKK'000	Oil & gas properties DKK'000	Total DKK'000
Cost			
At the beginning of the year	15,387	1,823,041	1,838,428
Disposals	(15,387)	-	(15,387)
Change in decommissioning provision	-	84,229	84,229
At the end of the year	**-**	**1,907,270**	**1,907,270**
Accumulated depreciation and impairment			
At the beginning of the year	15,387	1,823,041	1,838,428
Disposals	(15,387)	-	(15,387)
Depreciation for the year	-	2,241	2,241
At the end of the year	**-**	**1,825,282**	**1,825,282**
Net book value			
At 31 December 2019	**-**	**81,988**	**81,988**
At 31 December 2018	**-**	**-**	**-**

The net book value of decommissioning costs capitalised at the year-end amount to DKK'000 81,988 (2018: DKK'000 0).

11. Inventories

	31 December 2019 DKK'000	31 December 2018 DKK'000
Oil inventory	8,062	8,486
	8,062	**8,486**

12. Trade and other receivables

	31 December 2019 DKK'000	31 December 2018 DKK'000
Trade debtors	-	15
Amount owed by group undertakings	607,693	485,506
Other debtors	6,802	233
Prepayments and accrued income	7,520	7,594
Total current trade and other receivables	622,015	493,348

All trade debtors are due within one year and none are overdue. All trade and other debtors are deemed as low risk and collectible on the basis of established credit management processes such as regular analyses of the credit worthiness of our customers and external credit checks where appropriate for new customers. Trade and other debtors owed by related parties are repayable on demand and do not accrue interest.
At 31 December 2018 and 2019 there were no significant trade, related party or other debtors balances not past due that were subsequently impaired.

13. Trade and other payables

	31 December 2019 DKK'000	31 December 2018 DKK'000
Trade creditors	9,173	10,884
Amounts owed to group undertakings	109,395	110,604
Total current trade and other receivables	118,568	121,488

14. Provisions for liabilities

	31 December 2019 DKK'000	31 December 2018 DKK'000
Balance at 1 January	585,682	638,569
Used during the year	(141)	(450)
Arising during the year (change in estimate)	84,229	(54,011)
Unwinding of discount	932	1,574
Balance at 31 December	670,702	585,682

Decommissioning provision
The Company makes full provision for the future cost of decommissioning oil and gas production facilities and pipelines on a discounted basis on the installation of those facilities.

The decommissioning provision represents the present value of decommissioning costs related to oil and gas properties, which are expected to be incurred up to 2028. These provisions have been created based on internal estimates. Assumptions based on the current economic environment have been made, which management believe are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain.

The discount rate used in the calculation of the provision as at 31 December 2019 was 0.21% (31 December 2018: 0.15%).

15. Capital

Share capital and premium

	Authorised No.	Allotted and fully paid No.	Ordinary Shares DKK'000	Share premium DKK'000	Total DKK'000
As at 31 December 2018	23,000	23,000	23	498,000	498,023
As at 31 December 2019	23,000	23,000	23	498,000	498,023

Accumulated losses
Accumulated losses comprises the accumulated profits and losses of the Company not distributed to shareholders in prior periods of at the reporting date. The Company has accumulated losses of DKK 575,228,000 (2018: accumulated losses of DKK 627,023,000).

16. Contingent assets and liabilities

Deferred tax

The Company has an unassigned deferred tax asset of DKK 1,361 million (2018: DKK 1,385 million). The deferred tax asset has not been recognised and relates primarily to unutilised losses in respect of hydrocarbon income. It is considered unlikely that these losses can be utilised in the foreseeable future.

17. Parent and ultimate parent undertaking

The Company's immediate parent is INEOS E&P A/S, Denmark.

The ultimate parent is INEOS Limited, a Company incorporated in the Isle of Man.

The smallest group to consolidate these financial statements is INEOS UK E&P Holdings Limited. Copies of the INEOS UK E&P Holdings Limited consolidated financial statements are available upon request from Anchor House, 15-19 Britten Street, London SW3 3TY, United Kingdom.

The most senior parent entity producing publicly available financial statements, and the largest group to consolidate these financial statements, is INEOS Industries Limited. These financial statements are available upon request from Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, United Kingdom.

The ultimate controlling party is Mr J A Ratcliffe.

18. Related party transactions

During the year, the Company has entered in to transactions with related parties, in the ordinary course of business. The nature and terms of the transactions have been disclosed in notes 5, 7, 10 and 12. The Company has also taken advantage of the exemption under paragraph 8 of Financial Reporting Standard 101 not to disclose transactions with the fellow subsidiaries under common ownership.

19. Non adjusting events after the financial period

The Company is closely monitoring the evolution of the COVID-19 outbreak and is following the World Health Organisation and local governments' advice. With regards to business impact, the effect the virus will have on the global economy and the industry is difficult to assess at this point in time, although the Company is constantly evaluating the situation and monitoring any potential effects on production and operation. Similarly, the Company is monitoring and evaluating the impact of Brexit on production and operation.