

PRO FORMA REPORT AND STATEMENT 30 NOVEMBER 2014

DUNES OIL COMPANY LIMITED

SC212036

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2. Report of the Directors

The directors report the PRO FORMA statement of the company for the year to 30 November 2014 based on signed contracts from Angola for construction and operation of a refinery and a production platforms for onshore crude oil production.

Principle Activity

The company is preliminary involved in building and operating a new generation of refineries , the technology developed and owned by Dunes Oil company Limited. The company is also involved in exploration and production of crude oil onshore and other petroleum related activities.

Results of the business

The valuation of the company's balance sheet as at 30 November 2014 are set out in the statement herein, the company has been involved in developing new sites for construction of the three refineries, UK and Republic of Angola. The company has also an agreement in the Republic of Angola for production of crude oil onshore on bloc 17 Kwanza Basin and has 49% and is the operator.

Directors Responsibility

This statement is made utilizing Company Law which requires the accounts to be prepared for each financial year, the same basis is utilised which give a fair view of the company for that period. In preparing this statement, the directors are required to:

1. Select suitable accounting policies and apply them consistently.
2. Make Judgments and estimates that are reasonable and prudent
3. Follow applicable accounting standards, subject to any material departures, disclosed and explain the accounts.
4. Prepare the statement on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors recognize that:-

1. The company keeps all records including accounting records, which comply with section 221 of the Companies Act 1985.

2. The pro forma financial statements give a true and fair view of the state of the company as at the balance sheet date and its Profit and Loss Account for part of the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the companies Act 1985 relating to the Financial Statements so far as applicable to the company.

Signed on behalf of the Director.

David Williams

3. Dunes Oil Company Limited		Pro Forma Balance Sheet Statement
	Notes	<u>30.11.2014</u> <u>£'000'000</u> <u>(Billion)</u>
Fixed Assets		
Total Asset Investment	1	4,045,000
		<u>4,045,000</u>
Current Assets		
Bonds	2	2,000,000
Debtors		-
Cash at Bank	3	112
		<u>2,000,112</u>
Creditors		
Amount falling due within 1 year		-
Amounts falling after 1 year	4	4,045,000
Others/Accruals		-
Total Creditors		<u>4,045,000</u>
Total Assets less Current Liabilities		<u>-2,044,988</u>
Net Assets		2,000,112
Capital and Reserves		
Nominal Capital	5	100
Bonds	6	2,000,000
Directors Loans	7	12
Profit & Loss	8	0
Total Shareholders Funds		<u>2,000,112</u>

Notes Pro Forma Balance Sheet Statement

1. Investments

Tangible assets

Signed Contracts

Block 17 Kwanza production	49%	US\$ 660,000,000	(Production & Operator)
Sonangol Group	26%		
WWW.Pty	25%		

Refinery Namibe Angola		US\$5,700,000,000	(Refinery Operator)
Refinery Sonangol Angola			

WIP

Refinery N E England	100%
Refinery Scotland	100%
Refinery Wales	100%
Refinery Ireland	100%

2. Bonds

Bonds registered on Sedol with ISIN number GBOOB4070MO7, and on Bloomberg number EE16281576 issued for non-recourse funding to Carlton Brown S A commencing in December 2014/January 2015.

3. Cash at Bank

Cash at escrows account for Dunes Oil

4. Long Term Loan

Long term loan for loan provided for the refinery and production platforms secured by government guaranty for the projects.

5. Share Capital

Share capital will be increased on commencement of funding to £100,000 at a par value of £1.00 per share, the structure has not been changed during development phase, with the commencement of construction and operation the share capital will be increased. This will be further increased 6 months there on.

6 Bonds

Corporate bonds registered on Bloomberg for non recourse loan.

7. Directors Loans

Unsecured loans from the directors for development for part of the work in Angola.

8. Profit & Loss

Retained earnings for the year, all costs have been funded and paid by the directors and written off in the year of expenditure, in order not to dilute the asset base, compensation will be through retained earnings during operations through the operating companies.

Addendum.

11.Principles and Policy

The financial statements have been prepared under historical cost convention, where translation in currency has been done at the mid quoted exchange rate as at 30th November 2014.

10. Timing of Events

Where time guide is given, the assumptions are based on timelines by government's giving guidelines on approval of events and planning permission for each eventuality in each jurisdiction. Dunes have allowed for such events with a contingency for delays and slippage.

11. Funding

Funding for the development will be with a government/bank guaranty for the funding for construction of the refinery.

12. Appointment of Auditors

It was resolved that the board has appointed Deloitte Touche Tohmatsu Limited as its auditors and tax advisors for Dunes Oil Company and its subsidiaries globally.

