INEOS E&P (Petroleum Denmark) ApS

Teknikerbyen, 5, 1.
Virum

Annual report for 2024

CVR no 31 62 71 17

Adopted at the annual general meeting on
27 June 2025

Christian Vinten

Contents

Management's Statement on the annual report

The Executive Board and the Board of Directors have today considered and approved the annual report of INEOS E&P (Petroleum Denmark) ApS for the financial year 1 January - 31 December 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2024 and of the results of the the Company's operations for the financial year 1 January - 31 December 2024.

In our opinion, Management's review includes a fair review of the matters dealt with in the Management's Commentary.

We recommend the adoption of the annual report at the annual general meeting.

Virum, 27 June 2025

Executive Board

Mads Weng Gade
managing director

Board of Directors

Erik Fantoft Magnesen Chairman of the Board	René Bak Lange Deputy Chairman of the Board	Mads Weng Gade

Independent Auditor's Report

To the shareholder of INEOS E&P (Petroleum Denmark) ApS

Opinion

We have audited the financial statements of INEOS E&P (Petroleum Denmark) ApS for the financial year 1 January - 31 December 2024, which comprise an income statement, balance sheet, statement of changes in equity, and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2024 and of the results of its operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that and IESBA Code. We believe that the audit evidence We have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines 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, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has 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 and the additional requirements applicable in Denmark 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.

- Obtain 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 Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 deficiencies in internal control that we identify during our audit.

Independent auditor's report

Statement on Management's commentary

Management is responsible for Management's commentary

Our opinion on the financial statements does not cover Management's commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's commentary and, in doing so, consider whether Management's commenatry is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's commenatry provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that Management's commentary is in accordance with the financial statements and has been prepared in accordance with the requirements by relevant law and regulations. We did not identify any material misstatement of Management's commentary.

Copenhagen, 27 June 2025

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Lars Hillebrand
State-Authorised Public Accountant
Indentification No (MNE) mne26712

Peter Kyhnauv-Vejgaard
State-Authorised Public Accountant
Indentification No (MNE) mne42833

Company details

The company	INEOS E&P (Petroleum Denmark) ApS Teknikerbyen, 5, 1. 2830 Virum	
	Website:	www.ineos.com
	CVR no.: Reporting period	31 62 71 17 1 January - 31 December
Board of directors	Erik Fantoft Magnesen, chairman René Bak Lange, deputy chairman Mads Weng Gade	
Executive Board	Mads Weng Gade, managing director	
Auditors	Deloitte statsautoriseret revionspartnerselskab Weidekampsgade 6 2300 København S	
Consolidated Financial Statements	The Company is included in the consolidated Financial Statements of INEOS E&P UK Holdings Limited which is the smallest parent entity producing consolidated financial statements in INEOS Group.	

Management's Commentary

Business activities
INEOS E&P (Petroleum Denmark) ApS is an oil and gas exploration and field development company registered in Denmark. The Company holds ownership in four licences and one unit on the Danish continental shelf; 15% in licence 5/98 (Hejre), 12% in licence 1/06 (Hejre Extension), and 27,66% in Solsort Unit. The ownership in Solsort Unit was the result of ownership in two of the Unit licences; 30% in licence 4/98 and 30% in licence 3/09. INEOS E&P A/S is the operator of all these licences.

The company is a 100% owned subsidiary of INEOS E&P A/S

Business review
The Company's income statement for the year ended 31 December shows a loss of DKK 338.7 million. The main driver is a write-down of the deferred tax asset of DKK 503 million. The balance sheet at 31 December 202 shows a equity of DKK 253.1 million.

Financial performance for 2024 matched expectations.

Recognition and measurement uncertainties
The recognition and measurement of items in the financial statements is not subject to any uncertainty.

Unusual matters
The Company's financial position at 31 December 2024 and the results of its operations for the financial year ended 31 December 2024 has been affected by the unusual matter described below.

During the current financial year, management identified an error in the financial models used to calculate the decommissioning provision. The error related specifically to foreign exchange (FX) rates applied in the underlying assumptions for the financial years ended 2022 and 2023.

The issue arose from the use of a USD FX rate sourced from a third-party provider, which was inconsistent with the internal FX rate ranges approved and utilised by the Company. As a result, the decommissioning provision recognised in the financial statements for 2022 and 2023 was misstated.

The incorrect application of the FX rate impacted both the total liability recognised in relation to the decommissioning provision and the related expense recognised in the consolidated statement of profit or loss. The financial impact of the restatement is summarised in the section restatements under accounting policy. In addition, the comparative figures in the financial highlights have also been restated.

Income statement 1 January - 31 December

	Note	2024	2023
		DKK '000	DKK '000
Revenue	1	**480,813**	**0**
Other operating income		1,474	0
Raw materials and consumables		-13,440	0
Other external expenses		-82,004	-7,874
Gross profit/loss		**386,843**	**-7,874**
Other operating cost		-20,041	-76
Profit/loss before depreciation, amortisation and impairment losses (EBITDA)		**366,802**	**-7,950**
Depreciation and impairment of intangible and tangible assets		-185,885	-8,223
Profit/loss before financial income and expenses (EBIT)		**180,917**	**-16,173**
Financial income	2	4,188	5,152
Financial expenses	3	-20,947	-7,067
Profit/loss before tax		**164,158**	**-18,088**
Tax on profit for the year	4	-502,844	-236,000
Net loss for the year		**-338,686**	**-254,088**
Distribution of loss	5		

Balance sheet at 31 December 2024

Assets

	Note	2024 DKK '000	2023 DKK '000
Exploration expenditure		0	0
Intangible assets	6	**0**	**0**
Production assets		277,565	0
Production assets under construction		33,760	207,687
Property, plant and equipment	6	**311,325**	**207,687**
Deferred tax asset	7	176,156	679,000
Financial assets		**176,156**	**679,000**
Fixed asset		**487,481**	**886,687**
Inventory		4,883	0
Trade receivables		70,543	0
Receivables from group enterprises		67,029	0
Income tax		0	0
Other receivables		12,369	21,495
Prepayments		16,433	0
Receivables		**171,257**	**21,495**
Current assets total		**171,257**	**21,495**
Assets total		**658,738**	**908,182**

Balance sheet at 31 December 2024

	Note	2024	2023
		DKK '000	DKK '000
Liabilities and equity			
Share capital		3,076	3,076
Retained earnings		249,982	588,668
Equity		**253,058**	**591,744**
Other provision	8	233,295	176,828
Non-current liabilities		**233,295**	**176,828**
Other provision	8	19,800	24,356
Trade payables		11,790	0
Payables to group enterprises		140,794	114,390
Other payables		0	864
Current liabilities		**172,384**	**139,610**
Liabilities		**405,679**	**316,438**
Liabilities and equity		**658,738**	**908,182**

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Contingent assets, liabilities and other financial obligations	10
Consolidation	11

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK '000	DKK '000	DKK '000
2024			
Equity at 1 January	3,076	588,668	591,744
Net profit for the year	0	-338,686	-338,686
Equity at 31 December	**3,076**	**249,982**	**253,058**
2023			
Equity at 1 January	3,076	830,131	833,207
Effect of error in decommissioning calculation		12,625	12,625
Balance at 1 Janaury - As restated	**3,076**	**842,756**	**845,832**
Net profit for the year	0	-254,088	-254,088
Equity at 31 December	**3,076**	**588,668**	**591,744**

Notes to the annual report

		2024	2023
		DKK '000	DKK '000
1	**Revenue**		
	Type of goods/services		
	Oil and gas	#REF!	0
	Other income relating to oil and gas production	#REF!	0
	Total	**#REF!**	**0**
	Geographical information by location of customers		
	Denmark	#REF!	0
	Rest of EU	#REF!	0
	Rest of world	176,039	0
	Total	**#REF!**	**0**
	Timing of revenue recognition from customers		
	At a point in time	#REF!	0
	Over time	#REF!	0
	Total	**#REF!**	**0**
2	**Financial income**		
	Interest income from group enterprises	455	1,195
	Other financial income	716	1,455
	Exchange gains	3,017	2,502
		4,188	**5,152**
3	**Financial expenses**		
	Other financial expenses	6,261	4,096
	Interest expenses from group enterprises	14,686	2,971
		20,947	**7,067**
4	**Tax on profit/loss for the year**		
	Deferred tax for the year	-502,844	-236,000
		-502,844	**-236,000**
5	**Distribution of loss**		
	Proposed distribution of loss		
	Retained earnings	-338,686	-254,088
		-338,686	**-254,088**

Notes to the annual report

6 Property, plant and equipment

	Exploration expenditure	Production assets	Production assets under development	Total
	DKK '000	DKK '000	DKK '000	DKK '000
Cost at 1 January	212,818	0	3,074,389	3,287,207
Effect of error in decommissioning calculation	0	0	-5,426	-5,426
Cost at 1 January - as restated	212,818	0	3,068,963	3,281,781
Acquisition	0	237,680		237,680
Transfer	0	207,687	-207,687	0
Change in decommissioning provision	0	18,083	33,760	51,843
Cost at 31 December	212,818	463,450	2,895,036	3,571,304
Depreciation and impairment losses at 1 January	-212,818	0	-2,866,702	-3,079,520
Effect of error in decommissioning calculation	0	0	5,426	5,426
Depreciation and impairment losses at 1 January - as restated	-212,818	0	-2,861,276	-3,074,094
Depreciation for the year	0	-185,885	0	-185,885
Depreciation and impairment losses at 31 December	-212,818	-185,885	-2,861,276	-3,259,979
Carrying amount at 31 December	**0**	**277,565**	**33,760**	**311,325**

	2024	2023
	DKK'000	DKK'000

7 Deferred tax

	2024	2023
Deferred tax as at 1 January	679,000	915,000
Change in deferred tax	-502,844	-236,000
	176,156	**679,000**

8 Other provision

	2024	2023
Balance at 1 January	201,184	181,914
Effect of error in decommissioning calculation	0	-12,625
Balance at 1 January - as restated	201,184	169,289
Provision used during the year	0	-3,502
Provision made / (reversed)	27,709	0
Change in estimated, interest and other factors	24,202	35,396
Balance at 31 December	**253,095**	**201,184**
The expected due dates of other provsions are:		
Within one year	19,800	24,356
Between 1 and 5 year	233,295	176,828
	253,095	**201,184**

Other provisions comprises of decommissioning obligations relating to demolition and decommissioning of the Company's oil field. Decommissioning obligations are measured at the present value of the future liability in respect of decommissioning and restoration as expected at the balance sheet date. The value of the decommissioning provision is recognised in property, plant and equipment and depreciated together with the associated asset.

Notes to the annual report

9 Subsequent events

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

10 Contingent assets, liabilities and other financial obligations

INEOS E&P (Petroleum Denmark) ApS has deferred tax assets of DKK 2,026 million (2023: DKK 2,138 million) that have not been recognised and relates to unutilised losses in hydrocarbon income of DKK 1,579 million (2023: DKK 1,246 million) and to timely differences of DKK DKK 447 million (2023: DKK 892 million). It is considered unlikely that these losses and timely differences can be utilised in the foreseeable future.

According to legislation, INEOS E&P (Petroleum Denmark) ApS are liable to pay compensation for damage caused by their oil and gas activities, even where there is no proof of negligence (strict liability). The usual insurance has been taken out to cover any such claims.

11 Consolidation

The smallest parent entity producing consolidated financial statements is INEOS E&P UK Holdings Limited, incorporated in United Kingdom.

Accounting policies

The annual report of INEOS E&P (Petroleum Denmark) ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2024 is presented in Thousand Danish Kroner (DKK'000).

Restatement
During the current financial year, management identified an error in the financial models used to calculate the decommissioning provision. The error related specifically to foreign exchange (FX) rates applied in the underlying assumptions for the financial years ended 2022 and 2023.

The issue arose from the use of a USD FX rate sourced from a third-party provider, which was inconsistent with the internal FX rate ranges approved and utilised by the Company. As a result, the decommissioning provision recognised in the financial statements for 2022 and 2023 was misstated.

The incorrect application of the FX rate impacted both the total liability recognised in relation to the decommissioning provision and the related expense recognised in the consolidated statement of profit or loss. The financial impact of the restatement is summarised in the table below:

	2023	Restate-ment	Restated 2023
	DKK'000	DKK'000	DKK'000
Profit and loss			
Financial cost	-7,373	306	-7,067
Depreciation and impairment of intangible and tangible assets	-2,187	-6,036	-8,223
Profit before tax	**-12,358**	**-5,730**	**-18,088**
Balance sheet			
Equity	584,850	6,894	591,744
Other provision (non-current liabilities)	183,722	-6,894	176,828
Liabilities and equity	**908,182**	**0**	**908,182**

Basis of recognition and measurement
Income is recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to generate the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Accounting policies

Basis of recognition and measurement (continued)
Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Segment information
Information is provided on business segments and geographical markets. The segment information is provided in consideration of the company's accounting policies, risks and management control.

Revenue
The Company has chosen IFRS 15 as basis of recognition and measurement.

Revenue, which is stated net of value added tax, represents oil and gas 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, pipe or other delivery mechanism. 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 certain 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 cost of sales in the income statement.

Other operating income and expenses
Other operating income and other operating expenses comprise items of a secondary nature relative to the company's activities.

Raw materials and consumables
Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses
Other external expenses include expenses related to administration, exploration licenses, geological and seismic data.

Over-/under lift is recognised at cost price. Over-/under lift refers to the situation in which the Company participates in producing fields with several participants and where the Company has lifted and sold more or less crude oil from a producing field than what the Company is entitled at the time of lifting.

Accounting policies

Other external expenses (continued)
Other external expenses also comprise cost for exploration and appraisal wells that do not qualify for capitalisation.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses comprise the year's depreciation, amortisation and impairment losses on intangible assets and property, plant and equipment.

Financial income and expenses
Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to realised and unrealised capital/exchange gains and losses on foreign currency transactions.

Tax on profit/loss for the year
Tax on profit/loss for the year, consisting of current tax for the year and deferred tax for the year, is recognised in the income statement to the extent that it relates to profit/loss for the year and directly in equity to the extent that it relates to entries made directly in equity. The company is subject to the Danish rules on compulsory joint taxation of the INEOS E&P A&S's Danish companies. Subsidiaries are included in the joint taxation from the date they are included in the consolidation in the consolidated financial statements and up to the date on which they are no longer included in the consolidation.

INEOS E&P (Petroleum Denmark) ApS is comprised by the Danish Hydrocarbon taxation Act. Hydrocarbon taxes are recognised under tax on profit/loss for the year. INEOS E&P A/S is the management company responsible for the joint taxation (including carbon tax) and thus settles all payments (including hydrocarbon payments) with the tax authorities.

In connection with the settlement of joint taxation contributions, current Danish income tax is allocated among the jointly taxed Danish companies in proportion to their taxable income. In this connection, Danish subsidiaries with tax losses receive joint taxation contributions from the parent company equivalent to the tax base of the tax losses utilised (full allocation), while companies that utilise tax losses in other Danish companies pay joint taxation contributions to the parent company equivalent to the tax base of the utilised losses.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Production assets
Production assets are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Cost is increased by estimated expenses for dismantling and disposing of the assets and restoration to the extent that they are recognised as a provision.

Exploration comprises recognised expenses for the successful drilling of exploration and appraisal wells where development of the field has yet to commence. Expenses are recognised using the successful efforts method.

Accounting policies

Production assets (continued)
Under the successful efforts method, expenses for drilling specific exploration wells are recognised in the balance sheet. Acquired licences where discoveries have been made, including acquired reserves, are also recognised under exploration.

General exploration expenses and expenses for unsuccessful exploration wells are recognised in the income statement. Recognition in the balance sheet is maintained pending determination of commercial viability.

Where a discovery is found not to be commercially viable, the drilling expenses incurred are recognised in the income statement as exploration expenses. Other exploration expenses are recognised in the income statement as exploration expenses as incurred.

In the case of oil and gas production assets, cost is depreciated using the unit of production method based on the ratio of current production to estimated recoverable reserves by individual field.

Impairment of fixed assets
The carrying amount of production assets is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there are indications of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Inventory
Inventories consist of petroleum, condensate, liquid petroleum gas. Inventories are valued at the lower of cost and net realisable value.

Cost is determined as lifiting cost for the month.

Receivables
Receivables are measured at amortised cost, which normally corresponds to nominal value. Provisions for bad debts are made.

Prepayments
Prepayments comprise costs incurred concerning subsequent financial years.

The item also includes underlift of crude oil, which is measured at realisable value. Because producing fields have several partners, situations may arise in which a partner has lifted and sold more or less oil than its relative entitlement at the point of lifting. Such situations are described as overlift or underlift, repectively. Overlift of crude oil is recognised as deferred income in current liabilities.

Provisions
Provisions are recognised when in consequence of an event occurring before or at the balance sheet date the company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

In measuring provisions, the expenses required to settle the liability are discounted to net present value, if this has a significant effect on the measurement of the liability. A pre tax discount rate is used that reflects the general interest rate level in society. The change in present values for the financial year is recognised as financial expenses.

Accounting policies

Provisions (continued)
Provisions for the decommissioning of production assets and restoration are measured at the present value of the future liability in respect of decommissioning and shutdown as estimated at the balance sheet date. The amount provided is determined on the basis of existing requirements and estimated expenses, which are discounted to present value. If specific risks are deemed to attach to a provision, the estimated expenses are recognised.

A discount rate is used that reflects the general interest rate level in society. These liabilities are recognised as they arise and are adjusted on a regular basis to reflect changes in requirements, price level, etc. The value of the provision is recognised in property, plant and equipment and depreciated together with the relevant assets. The increase in time of the present value of the provision is recognised in profit/loss for the year as financial expenses.

Income tax and deffered tax
Current tax payable and current tax receivable are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on previous years' taxable income and taxes paid on account.

Deferred tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry forwards, are measured at the value at which the asset is expected to be realised, either through elimination against tax on future earnings or through offsetting against deferred tax liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation enacted at the balance sheet date when the deferred tax is expected to materialise as current tax. Where the tax base can be determined applying alternative tax rules, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability, respectively.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement. For the current year, a tax rate of 25% on Hydrocarbon activities and 22% on corporate tax has been applied.

Liabilities
Financial liabilities such as mortgage loans and loans from credit institutions are recognised at the date of inception at the proceeds received net of transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. The difference between the proceeds received and the nominal value is recognised in the income statement over the term of the loan.

Other payables are measured at amortised cost, corresponding to nominal value.

Foreign currency translation
Transactions in foreign currencies are translated on initial recognition at the exchange rates applicable at the dates of transaction. Exchange differences arising between the exchange rate applicable at the transaction date and at the date of payment are recognised in the income statement as financial income or expenses.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates applicable at the balance sheet date. The differences between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was re-

Accounting policies

Foreign currency translation (continued)
cognised in the most recent financial statements is recognised in the financial statements as financial income or financial expenses.

Non-current assets acquired in foreign currencies are measured at the transaction date rates.