

MERUAP B.V.

Amsterdam, the Netherlands

ANNUAL REPORT March 31, 2016

MERUAP B.V.

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MERUAP B.V.

Directors' report

The Board of Managing Directors herewith submits the Financial Statements of Meruap B.V. for the financial year ended March 31, 2016

Summary of activities

The Company's principle activity was as non-operating partner in the production and development of the Meruap field located in the Meruap Block in South Sumatra, Republic of Indonesia. Participating interest in Meruap Technical Assistance Contract ('TAC') has come to the end on expiry of license on July 11, 2014.

Result for the year

The profit for the financial year starting from April 1, 2015 through March 31, 2016 amounted to USD 488,721. In the previous financial year the loss amounted to USD 1,739,128.

Risk Management Policy

General

The main financial risks the Company is exposed to are the currency risk, the interest rate risk, the liquidity risk and the credit risk. The group's financial policy is aimed at mitigating the impact of currency and interest rate fluctuations on the result in the short term and to follow the market exchange rates and market interest rates in the long term. The group uses financial derivatives to control financial risks linked to business operations at control. By using financial derivatives the group takes no speculative positions.

(a) Currency risk

The group's transactions and financials statement are in American Dollars, As such the group has not faced a need for hedging such risks.

(b) Interest rate risk

The policy in respect of interest rate risk is aimed at mitigating the interest rate risks originating from the financing of the group and optimizing the net interest expenses at the same time. This policy translates into a desired profile of fixed-interest and variable-interest positions including cash, with which in principle the variable-interest position does not exceed 100% of the net liability.

(c) Credit risk

The Group mitigates the credit risk by exclusively engaging with financial institutions and debtors with high creditworthiness.

For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

MERUAP B.V.

Directors' report (continued)

(d) Liquidity risk

Periodically, Liquidity budgets are prepared. Liquidity risks are controlled through interim monitoring and possible adjustments. The liquidity budgets take account of restricted availability of cash, among which bank guarantees and margin calls in respect of derivatives concluded.

(e) Derivative Instruments

In order to hedge its exposure to interest rate and commodity price risks, the Group enters into forward, option, swap contracts and other derivative financial instruments. The Group neither hold nor issue any derivative financial instruments for speculative purposes.

Health, Safety and Environment (HSE) Policy

The Management of the Company firmly believes that good HSE performance is in the best interest of the Company's long - term success and is comitted to achieve excellence in the performance of HSE in its activities.

Future developments

General

The company is awaiting close out of all regulatory and taxation matters and propose to stay in business till the period of limitation for tax purpose in Indonesia comes to end which is not expected for the next fiscal year.

Personnel development

The average number of employees during the year was nil. The Company does not expect to employ any personnel during the coming year.

Finance development

The Company does not expect that the method of finance will significantly change during 2016/2017.

Post balance sheet events

Due to refinancing the Existing Facility Agreement the security granted by the shareholder to ANZ bank under the Company' s share pledge was released on April 29, 2016. As a result of the refinancing the bank guarantee in the amount of USD 69,000,000 as surety for the repayment of borrowings entered into by the shareholder was cancelled on April 29, 2016.

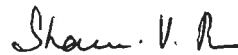
No other major post balance sheet events affecting the financial statements have occurred to date.

The Board of Managing Directors ,


Atanu Guha


Europe Management Company B.V.

Amsterdam, August 10, 2016



Sham Vyas Rao


Trust International Management (T.I.M.) B.V.

MERUAP B.V.

Balance sheet as at March 31, 2016
(in USD, before appropriation of results)

		<u>March 31,</u> <u>2016</u>	<u>March 31,</u> <u>2015</u>
ASSETS			
Current assets			
Receivables from related companies	5	12,795,119	13,510,286
Other receivables	5	3,286	2,615
Cash and cash equivalents	6	5,040,424	3,880,639
		<u>17,838,829</u>	<u>17,393,540</u>
TOTAL ASSETS		<u><u>17,838,829</u></u>	<u><u>17,393,540</u></u>
 EQUITY AND LIABILITIES			
Shareholder's Equity			
Issued and paid-up capital	7	113,800	107,310
Share premium		16,717,944	16,717,944
Other reserves		475,276	2,220,894
Result for the year		488,721	(1,739,128)
		<u>17,795,741</u>	<u>17,307,020</u>
Current Liabilities	8	43,088	86,520
TOTAL EQUITY AND LIABILITIES		<u><u>17,838,829</u></u>	<u><u>17,393,540</u></u>

MERUAP B.V.

Income statement for the financial year ended March 31, 2016 (in USD)

		Year ended March 31, 2016	Year ended March 31, 2015
Revenue and cost recovery		--	1,183,233
Gross profit		--	1,183,233
General and administrative expenses	10	(50,532)	(537,702)
Amortization/depreciation and impairment	11	--	(2,123,317)
Operating expenses		(50,532)	(2,661,019)
OPERATING PROFIT		(50,532)	(1,477,786)
Interest income on loans to shareholder		334,551	208,586
Interest income on loans to group companies		205,757	186,122
Exchange differences		(1,055)	5,226
Financial income and expenses		539,253	399,934
RESULT BEFORE TAXATION		488,721	(1,077,852)
Income tax expense		--	(661,276)
RESULT FOR THE YEAR		488,721	(1,739,128)

MERUAP B.V.

Notes to the balance sheet and income statement (in USD)

1 GENERAL

Meruap B.V. (hereinafter "the Company") is a Dutch private company with limited liability, incorporated in Rijswijk on August 24, 2006 and currently has its office address at Naritaweg 165, 1043 BW, Amsterdam, the Netherlands. The Company's principle activity was as non-operating partner in the production and development of the Meruap field located in the Meruap Block in South Sumatra, Republic of Indonesia. The functional currency of the Company is US Dollars (USD) as most transactions are denominated in USD. Also, the Dutch tax authorities granted the Company USD as currency for filing the Corporate Income Tax return. The financial statements are denominated in USD.

Participating interest in Meruap TAC has come to the end on expiry of license on July 11, 2014.

(a) Group structure

The Company is wholly owned by Dian Energy B.V., the Netherlands. The ultimate parent of the Company is Tata Petrodyne Limited. The financial statements of the Company are included in the consolidated financial statements of Tata Petrodyne Limited of Mumbai, India.

(b) Use of estimates

In applying the accounting policies and guidelines for preparing the financial statements, management makes a range of estimates and judgments that might be essential for the amounts disclosed in the financial statements. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the Financial Statement items in question. Actual amounts may differ from these estimates.

MERUAP B.V.

Notes to the balance sheet and income statement (continued) (in USD)

2 ACCOUNTING POLICIES FOR THE BALANCE SHEET

The accompanying Financial Statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board, taking into account the exemptions offered by the Dutch Accounting Standards Board.

In general, assets and liabilities are stated at the amounts at which they were incurred or current value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred. The balance sheet and income statement include references to the notes.

(a) Comparison with previous year

The accounting policies have been consistently applied to all the years presented.

(b) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions (or the approximated rates).

(c) Receivables

Upon initial recognition the receivables are valued at fair value and then valued at amortised cost. The fair value and amortised cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

(d) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

MERUAP B.V.

Notes to the balance sheet and income statement (continued) (in USD)

3 ACCOUNTING POLICIES FOR THE INCOME STATEMENT

(a) General

Profit or loss is determined as the difference between the realisable value of the goods delivered and services rendered, and the costs and other charges for the year. Revenues on transactions are recognised in the year in which they are realised.

(b) Revenue recognition

Crude oil, commingled crude and condensate is sold to a buyer with whom a sales agreement is entered into. The revenue, where applicable, has been recognized on transfer of custody of the Group's share of crude oil, gas and commingled crude, determined on a direct entitlement basis and to refinery/others based on the price agreed by the buyer.

(c) Exchange rate differences

Exchange rate differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they arise.

(d) Cost of sales

Cost of sales represents the direct and indirect expenses attributable to revenue, including raw materials and consumables, cost of work contracted out and other external expenses, the employee benefits expense in respect of production staff, depreciation charges for buildings and equipment, and other operating expenses that are attributable to cost of sales.

(e) Selling expenses, and general and administrative expenses

Selling expenses, and general and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods sold.

(f) Amortization and depreciation

Intangible assets, including goodwill, are amortised. Future depreciation and amortisation is adjusted if there is a change in estimated future useful life.

Negative goodwill is released to the income statement where charges and losses occur, provided that this has been recognised in accounting for the acquisition, and these charges and losses can be reliably measured. If no expected charges or losses have been taken into account, any negative goodwill is released in accordance with the weighted average of the remaining useful life of the depreciable or amortisable assets acquired. Where negative goodwill exceeds the fair value of the identified non-monetary assets, the excess is recognised directly through profit or loss.

(g) Financial income and expenses

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

MERUAP B.V.

Notes to the balance sheet and income statement (continued) (in USD)

3 ACCOUNTING POLICIES FOR THE INCOME STATEMENT (continued)

(h) Taxation

Income tax is calculated on the profit/loss before tax in the income statement, taking into account any losses carried forward from previous financial years (where not included in deferred income tax assets) and tax-exempt items, and plus non-deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the consolidated financial statements. Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

4 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

General

The main financial risks the group is exposed to are the currency risk, the interest rate risk, the liquidity risk and the credit risk. The group's financial policy is aimed at mitigating the impact of currency and interest rate fluctuations on the result in the short term and to follow the market exchange rates and market interest rates in the long term. The group uses financial derivatives to control financial risks linked to business operations at control. By using financial derivatives the group takes no speculative positions.

(a) Currency risk

The group's transactions and financials statement are in American Dollars, As such the group has not faced a need for hedging such risks.

(b) Interest rate risk

The policy in respect of interest rate risk is aimed at mitigating the interest rate risks originating from the financing of the group and optimizing the net interest expenses at the same time. This policy translates into a desired profile of fixed-interest and variable-interest positions including cash, with which in principle the variable-interest position does not exceed 100% of the net liability.

(c) Credit risk

The Group mitigates the credit risk by exclusively engaging with financial institutions and debtors with high creditworthiness.

For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

(d) Liquidity risk

Periodically, Liquidity budgets are prepared. Liquidity risks are controlled through interim monitoring and possible adjustments. The liquidity budgets take account of restricted availability of cash, including margin calls on bank guarantees and derivative transactions concluded.

MERUAP B.V.

Notes to the balance sheet and income statement (continued) (in USD)

4 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(e) Derivative Instruments

In order to hedge its exposure to interest rate and commodity price risks, the Group enters into forward, option, swap contracts and other derivative financial instruments. The Group neither hold nor issue any derivative financial instruments for speculative purposes.

CURRENT ASSETS

5 RECEIVABLES

As at March 31, 2016, this item can be detailed as follows:

Receivables from related companies	March 31, 2016	March 31, 2015
Amounts due from shareholders	12,795,119	7,660,893
Amounts due from group companies	--	5,849,393
	12,795,119	13,510,286
Other receivables	March 31, 2016	March 31, 2015
Other receivables, prepayments and accrued income	3,286	2,615
	3,286	2,615

All receivables fall due in less than one year. The fair value of the receivables approximates the book value.

Amounts due from shareholder and holder of bearer shares are specified as follows:

Name	Ownership	March 31, 2016	March 31, 2015
Dian Energy B.V.	100%	12,795,119	7,660,893

Amounts due from group companies are specified as follows:

Name	March 31, 2016	March 31, 2015
Merangin B.V.	--	4,767,013
Belida B.V.	--	1,082,380
	--	5,849,393

Nothing has been agreed in respect of repayment of receivables. These intercompany receivables bear interest at 3-month LIBOR+3.12% (2015: 3-month LIBOR+3.12%).

MERUAP B.V.

Notes to the balance sheet and income statement (continued) (in USD)

6 CASH AND CASH EQUIVALENTS

<u>Description</u>	<u>CCY</u>	<u>Amount in CCY</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Current account ING Bank N.V.	EUR	8,953	10,189	7,743
Current account ING Bank N.V.			5,030,235	3,845,506
Cash and Bank-JV			--	19,995
Deposits-JV			--	7,395
			<u>5,040,424</u>	<u>3,880,639</u>

Cash and cash equivalents are at the Company's free disposal.

7 SHAREHOLDER'S EQUITY

The Company's authorised share capital amounts to EUR 500,000 and consists of 500 ordinary shares with a nominal value of EUR 1,000 each.

Exchange differences due to translation in the issued and paid-up capital are added to the revaluation reserve. The year-end rate used for translation is EUR/USD: 1.138000029 (2015: 1.073100001).

As at March 31, 2016, 100 ordinary shares were issued and fully paid-up. The movements in the year under review can be summarised as follows:

	<u>Issued and paid-up capital</u>	<u>Share premium</u>	<u>Other reserve</u>	<u>Result for the year</u>	<u>Total</u>
Opening balance as at April 1, 2014	137,710	16,717,944	1,421,002	769,492	19,046,148
Revaluation	(30,400)	--	30,400	--	--
Profit appropriation	--	--	769,492	(769,492)	--
Result for the year	--	--	--	(1,739,128)	(1,739,128)
Opening balance as at April 1, 2015	<u>107,310</u>	<u>16,717,944</u>	<u>2,220,894</u>	<u>(1,739,128)</u>	<u>17,307,020</u>
Revaluation	6,490	--	(6,490)	--	--
Profit appropriation	--	--	(1,739,128)	1,739,128	--
Result for the year	--	--	--	488,721	488,721
Closing balance as at March 31, 2016	<u>113,800</u>	<u>16,717,944</u>	<u>475,276</u>	<u>488,721</u>	<u>17,795,741</u>

In order to secure the obligations resulting from a Facility Agreement entered into by the Company's shareholder in June 2013, the shareholder of the Company has granted a right of pledge over all the shares held in the Company's shares to ANZ Bank.

The right of pledge also includes the dividends, all present and future rights of the shareholders to acquire shares in the capital of the Company and all other present and future rights arising out of or in connection with the present and future shares held.

With reference to the post balance sheet events' note in other information this pledge was released on April 29, 2016.

MERUAP B.V.

Notes to the balance sheet and income statement (continued) (in USD)

8 CURRENT LIABILITIES

	March 31, 2016	March 31, 2015
Payables to group companies	13,662	16,470
Trade payables	6,648	17,639
Value added tax	846	879
Payables related to short term investments	--	11,805
Other debts, accruals and deferred income	21,932	39,727
Total	43,088	86,520

The remaining term of the current liabilities is less than one year.

The payables to group companies are specified as follows:

Name	March 31, 2016	March 31, 2015
TATA Petrodyne Limited	13,662	16,470

9 COMMITMENTS AND CONTINGENCIES NOT INCLUDED IN THE BALANCE SHEET

Tax group liability

The Company forms an income tax group with Dian Energy B.V. Under the standard conditions, the members of the tax group are jointly and severally liable for any taxes payable by the Group.

10 GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended March 31, 2016	Year ended March 31, 2015
Bank expenses	2,179	2,522
Legal expenses	232	--
Accounting expenses	6,868	8,675
Tax advisory expenses	(1,326)	9,571
Audit expenses	4,060	11,572
Management expenses	21,951	19,021
Write-off due to termination of Meruap TAC	--	347,169
General expenses*	14,693	114,637
Personnel expenses*	1,875	24,535
	50,532	537,702

* Of the general expenses USD 11,805 (2015: USD 110,731) are recharged costs by TATA Petrodyne Limited.

* Of the personnel expenses USD 1,875 (2015: USD 24,535) are recharged costs by TATA Petrodyne Limited.

MERUAP B.V.

Notes to the balance sheet and income statement (continued) (in USD)

11 AMORTIZATION/DEPRECIATION AND IMPAIRMENT

In 2008 the Company obtained a 30% undivided participating interest in the Technical Assistance Contract relating to the Meruap Block in South Sumatra, the Republic of Indonesia. Participating interest in Meruap TAC has come to the end on expiry of license on July 11, 2014.

The amount shown in the comparative 2014/2015 figures relates to the last amortization/depreciation and impairment amount.

12 NUMBER OF EMPLOYEES AND EMPLOYEES COSTS

Neither during the year under review nor in the previous year did the Company have any employees. Hence, it did not pay any wages and related social security.

13 DIRECTORS

During the year under review, the Company had four Managing Directors, who received no remuneration during the current or the previous financial year. The Company has no Board of Supervisory Directors.

The Board of Managing Directors.


Atanu Guha


Sham Vyas Rao


Europe Management Company B.V.


Trust International Management (T.I.M.) B.V.

Amsterdam, August 10, 2016

MERUAP B.V.

Other Information

Other reserves

The other reserves are at the disposal of the shareholder in accordance with the Company's Articles of Association.

Furthermore, Dutch law prescribes that any profit distribution may only be made to the extent that the shareholder's equity exceeds the amount of the issued capital and the legal reserves. Moreover, no distributions may be made if the Board of Managing Directors is of the opinion that, by such distribution, the Company will not be able to fulfill its financial obligations in the foreseeable future.

Appropriation of result

The Board of Managing Directors proposes to add the net profit for the year to the other reserves. This proposed appropriation of result has not been reflected in the financial statements, and is subject to the approval of the General Meeting of Shareholders.

Post balance sheet events

Due to refinancing the Existing Facility Agreement the security granted by the shareholder to ANZ bank under the Company's share pledge was released on April 29, 2016. As a result of the refinancing the bank guarantee in the amount of USD 69,000,000 as surety for the repayment of borrowings entered into by the shareholder was cancelled on April 29, 2016.

No other major post balance sheet events affecting the financial statements have occurred to date.

Independent Auditor's report

Reference is made to the independent auditor's report hereinafter.

World Trade Center Amsterdam
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The Shareholder and Board of Managing Directors of
Meruap B.V.
Naritaweg 165
1043 BW Amsterdam

INDEPENDENT AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements for the year ended March 31, 2016 of Meruap B.V., Amsterdam, which comprise the balance sheet as at March 31, 2016, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion with respect to the financial statements

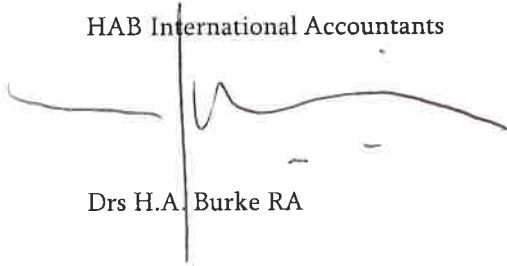
In our opinion, the financial statements give a true and fair view of the financial position of Meruap B.V., as at March 31, 2016, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Directors' Report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the Directors' Report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, August 10, 2016

HAB International Accountants



Drs H.A. Burke RA