

**RIL EXPLORATION AND PRODUCTION
(MYANMAR) COMPANY LIMITED**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF RIL EXPLORATION AND PRODUCTION (MYANMAR)CO., LTD.

I have audited the accompanying financial statements of RIL EXPLORATION AND PRODUCTION(MYANMAR) COMPANY LIMITED (the "Company") which comprise the statement of financial position as at 31 March 2016, and the statement of other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Myanmar Financial Reporting Standards, 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.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Myanmar Standards on Auditing. Those standards require that I 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 misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

In accordance with the Section 145 of Myanmar Companies Act, 1914 I report that I have obtained all the information and explanation I have required.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2016, and its financial performance and cash flows for the period then ended in accordance with the provisions of Myanmar Companies Act and Myanmar Financial Reporting Standards.

In my opinion, the books and records required by the Act to be kept by the Company have been maintained in accordance with Section 130 of the Myanmar Companies Act.

THIDA CHO WIN
PA-241
Managing Partner
THIDA & PARTNERS LTD.
Co., Reg. No. 632/2013-2014

STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	<u>Note</u>	<u>USD</u>	<u>MMK</u>
Assets			
Non-Current Assets			
Property, Plant & Equipment		-	-
Current Assets			
Trade Receivable		-	-
Other Receivable		-	-
Cash and Cash Equivalent	4	75,061	91,274,140
		<u>75,061</u>	<u>91,274,140</u>
Total Assets		<u>75,061</u>	<u>91,274,140</u>
Equity and Liabilities			
Shareholders' Equity			
Issued and fully paid up	5	75,000	91,200,000
Retained Earning			
Loss for the period		(1,735)	(2,109,647)
		<u>73,265</u>	<u>89,090,353</u>
Liabilities			
Current Liabilities			
Trade Creditor		-	-
Advance Received for Share Allotment		84	102,144
Other Payable	6	1,712	2,081,643
Current tax		-	-
		<u>1,796</u>	<u>2,183,787</u>
Total Equity & Liabilities		<u>75,061</u>	<u>91,274,140</u>

Authenticated By:

ATUL LAUL
Managing Director

WALTER VAN DE VIJVER
Director

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2016

	<u>Note</u>	<u>USD</u>	<u>MMK</u>
Revenue from Operation		-	-
Less: Cost of Service		-	-
Gross Profit		<u>-</u>	<u>-</u>
Other Income		7	8,476
Administrative Expenses		(1,742)	(2,118,123)
Profit/(Loss) before Tax		<u>(1,735)</u>	<u>(2,109,647)</u>
Income Tax Provision		-	-
Profit/(Loss) for the year		<u><u>(1,735)</u></u>	<u><u>(2,109,647)</u></u>

Authenticated By:

 ATUL LAUL
 Managing Director

 WALTER VAN DE VIJVER
 Director

STATEMENT OF CASH FLOW

For the year ended 31 March 2016

	2016	
	USD	MMK
Cash flows from operation activities		
Net profit before taxation	(1,735)	(2,109,647)
Depreciation & Amortisation	-	-
Operation Profit before working capital charges	(1,735)	(2,109,647)
(Increase)/Decrease in receivables	-	-
Increase/(Decrease) in Payables	1,712	2,081,643
Cash generated from operations	(23)	(28,004)
Interest paid	-	-
Income taxes paid	-	-
Net cash from operating activities	(23)	(28,004)
Cash flows from investing activities		
Acquisition of subsidiary/Investment in Other	-	-
Purchase of property, plant & equipment	-	-
Proceeds from sales of equipment	-	-
Net Cash flow from investing activities	-	-
Cash flows from financing activities		
Proceed from issuance of share capital	75,000	91,200,000
Proceed from shareholders advance	84	102,144
Payment of finance lease liabilities	-	-
Dividends paid	-	-
Net Cash flow from financing activities	75,084	91,302,144
Net increase in cash and cash equivalents	75,061	91,274,140
Cash and cash equivalents at beginning	-	-
Cash and cash equivalents at end	75,061	91,274,140

Authenticated By:

ATUL LAUL
Managing Director

WALTER VAN DE VIJVER
Director

STATEMENT OF CHANGES IN EQUITY

As at 31 March 2016

	Share Capital Issued and fully paid US\$	Retained Earnings US\$	Total US\$	Total MMK
As at 31 March 2015	75,000	-	75,000	91,200,000
Profit for the year	-	(1,735)	(1,735)	(2,109,647)
As at 31 March 2016	75,000	(1,735)	73,265	89,090,353

Authenticated By:

ATUL LAUL
Managing Director

WALTER VAN DE VIJVER
Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

These notes form an integral part of and should be read in conjunction with the accompanying financial statement.

1. GENERAL

RIL EXPLORATION AND PRODUCTION (Myanmar) Company Limited (the Company) was established in the Republic of Union of Myanmar and was given a certificate of registration No.501 FC/2015-2016 on 11 September 2015 for five years expiring on 10 September 2020 in pursuance of the Myanmar Companies Act by the Government of the Republic of the Union of Myanmar Ministry of National Planning and Economic Development.

The Company obtained a Form of Permit no. 501FC/2015-2016(YGN) from the Ministry of National Planning and Economic Development to provide technical and advisory services in Myanmar.

The registered office of the company is located at, Level 8, Centrepoint Towers, No65, Corner of Sule Pagoda Road and Merchant Street, Kyauktada Township, Yangon, the Republic of the Union of Myanmar.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of the Financial Statements

The financial statements have been prepared in accordance with Myanmar Financial Reporting Standards (MFRS) issued by Myanmar Accountancy Council.

The financial statements have been prepared on an accrual basis using the historical cost concept of accounting, except for certain accounts which are measured on the bases described in the related accounting policies.

The statements of cash flows present cash receipts and payments classified into operating, investing and financing activities. The cash flows from operating activities are presented using the indirect method.

The functional and presentation currency used in the financial statements is United States Dollar.

b. Cash and cash equivalents

Cash and cash equivalents comprise of Cash at Bank.

c. Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

d. Foreign Currency

The Company maintains its accounting records in United States Dollars as it considers United States Dollars to be its functional currency.

Transaction denominated in currencies other than United States Dollars are recorded in United States Dollars at the rate of exchange approximating those at transaction date.

Gain and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in other currencies at year-end exchange rates are recognized in the income statement.

For the purpose of financial statements presentation, these financial statements are also stated in local Kyat. The United States Dollars income statement, balance sheet and cash flow statement have been translated into local Kyats at the official exchange rate of Kyats 1,216 per USD.

e. Events after the reporting period

Post year-end events up to the date of approval of the Board of Directors of the financial statements that provide additional information about the Company's position at the statement of financial position dates (adjusting events) are

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed to the financial statements, when material.

3. SIGNIFICANT ACCOUNTING JUDGMENTS

The following judgments are made by management in the process of applying the Company's accounting policies that have the most significant effects on the amounts recognized in the financial statements:

a. Going concern

The Management has assessed the Company's ability to continue as a going concern and believes that the Company has the resources to continue its business in the future. In addition to that, management was not aware of any material uncertainty which may cast significant doubt to the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on going concern basis.

b. Assessment of functional currency

The Effects of changes in foreign exchange rates requires management to use its judgment to determine the entity's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the entity.

In making this judgment, the Company considers the following:

- i. the currency that mainly influences sales prices for financial instruments and services (this will often be the currency in which sales prices for its financial instruments and services are denominated and settled)
- ii. the currency in which funds from financing activities are generated; and
- iii. the currency in which receipts from operating activities are usually maintained.

The Management determined that its presentation and functional currency is the United States Dollar.

4. Cash and Cash equivalent

This account consists of:

	USD	MMK
Cash in bank _ UOB Bank	75,061	91,274,140
Total	75,061	9,127,410

5. CAPITAL STOCK

As of 31 March 2016, the detail of shareholders and their respective stockholdings is as follows:

Shareholders	No. of Shares	Percentage of ownership	USD	MMK
Authorised Capital				
Ordinary share @ USD 1 each	4,000,000	100%	4,000,000	4,864,000,000
Issued and Paid up				
Reliance Industrial Investments and Holding Limited	74,999	99.999%	74,999	91,198,784
Reliance Exploration and Production DMCC	1	0.001%	1	1,216
	75,000	100%	75,000	91,200,000

6. OTHER PAYABLE

The amount of other payable includes professional fees amounting MMK 972,800 (USD800) and company registration fees MMK1,108,992 (USD912).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

7. FINANCIAL RISK MANAGEMENT

The Company is exposed to the financial risks arising from its operations and the use of financial instruments. The key financial risk includes foreign currency risk. At the reporting date, the Company's foreign exchange risk exposure is not considered significant.

8. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in the light of changes in the economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

9. COMPARATIVE FIGURES

No comparative figures is available as this is the first year of incorporation period and the statement of comprehensive income is prepared for the period from 11 September 2015 (date of incorporation) to 31 Mar 2016.

10. COMPLETION OF THE FINANCIAL STATEMENTS

The accompanying financial statements were completed and authorized for issue by the Company's Management on 18 April 2016.