OFFERING MEMORANDUM

NOT FOR GENERAL CIRCULATION IN THE UNITED STATES OF AMERICA

Puma International Financing S.A.

$750,000,000

5.00% Senior Notes due 2026

Puma International Financing S.A., a public limited liability company (société anonyme) organized and existing under the laws of the Grand Duchy of Luxembourg (the ''**Issuer**''), is offering (the ''**Offering**'') $750,000,000 aggregate principal amount of its 5.00% Senior Notes due 2026 (the ''**Notes**''). The Issuer is an indirect wholly owned subsidiary of Puma Energy Holdings Pte. Ltd., a private company limited by shares incorporated and existing under the laws of Singapore (the ''**Company**''). We will pay interest on the Notes semi-annually in arrears on January 24 and July 24 of each year, commencing on July 24, 2018. The Notes will mature on January 24, 2026.

We may redeem some or all of the Notes on or after January 24, 2021, at the redemption prices set forth in this offering memorandum (the ''**Offering Memorandum**''). Prior to January 24, 2021, we may redeem, at our option, some or all of the Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, plus a ''make whole'' premium. Prior to January 24, 2021, we may also redeem up to 40% of the aggregate principal amount of the Notes using the proceeds from certain equity offerings. Additionally, we may redeem all, but not less than all, of the Notes in the event of certain developments affecting taxation. Upon the occurrence of certain events constituting a change of control, we will be required to offer to repurchase the Notes at a redemption price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any. See ''*Description of Notes.*''

The Notes will be senior indebtedness of the Issuer and will be fully and unconditionally guaranteed on a senior basis by the Company (the ''**Company Guarantee**''). The Notes and the Company Guarantee will rank equal in right of payment to any of the Issuer's and the Company's respective existing and future indebtedness that is not subordinated in right of payment to the Notes and the Company Guarantee, respectively. The Notes and the Company Guarantee will be effectively subordinated to any of the Issuer's and the Company's respective existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. The Notes and the Company Guarantee will be structurally subordinated to any existing and future indebtedness of the Company's subsidiaries (other than the Issuer) that do not guarantee the Notes. The laws of Singapore may limit the enforceability of the Company Guarantee. See ''*Risk Factors—Risks related to the Notes.*''

This Offering Memorandum includes information on the terms of the Notes and the Company Guarantee, including redemption and repurchase prices, covenants and transfer restrictions.

We have applied to have the Notes admitted to listing on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange (the ''**Euro MTF Market**''). The Euro MTF Market is not a regulated market within the meaning of Article 1(13) of Directive 2004/39/EC. This offering memorandum constitutes a prospectus for purposes of Part IV of the Luxembourg law on prospectus for securities dated July 10, 2005, as amended.

Investing in the Notes involves a high degree of risk. See ''*Risk Factors*'' beginning on page 24.

The Notes will be issued in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof. We expect that the Notes will be issued in the form of one or more global notes. We expect that the Notes will be delivered in book-entry form through Euroclear Bank SA/NV (''**Euroclear**'') and Clearstream Banking S.A. (''**Clearstream**'') on or about January 24, 2018 (the ''**Issue Date**''). See ''*Book-entry; Delivery and Form.*''

Price for the Notes: 100.00% plus accrued interest, if any, from the Issue Date.

The Notes and the Company Guarantee have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the ''Securities Act''), or the securities laws of any other jurisdiction. The Notes may not be offered or sold within the United States or to, or for the account of U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In the United States, this Offering is being made only to ''qualified institutional buyers'' (as defined under Rule 144A under the Securities Act (''Rule 144A''). Outside of the United States, this Offering is being made to certain non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act (''Regulation S''). You are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. See ''*Plan of Distribution*'' and ''*Transfer Restrictions*'' for additional information about eligible offerees and resale restrictions.

The date of this Offering Memorandum is January 31, 2018.

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IMPORTANT INFORMATION

We have prepared this Offering Memorandum based on information obtained from sources we believe to be reliable. Summaries of documents contained in this Offering Memorandum may not be complete. None of Merrill Lynch International, Emirates NBD Bank P.J.S.C., ING Bank N.V., London Branch, MUFG Securities EMEA plc, Natixis or Société Générale (together, the ''**Initial Purchasers**'') represent that the information herein is complete. The information in this Offering Memorandum is current only as of the date on the cover page hereof, and our business or financial condition and other information in this Offering Memorandum may change after that date. Information in this Offering Memorandum is not legal, tax or business advice; accordingly, you should consult your own legal, tax and business advisors regarding an investment in the Notes.

Neither the Issuer nor the Company nor any of the Initial Purchasers has authorized anyone to provide you with any information or represent anything about us, our financial results or this Offering that is not contained in this Offering Memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by the Company, the Issuer or the Initial Purchasers. Neither the Issuer nor the Company nor any of the Initial Purchasers is making an offering of the Notes in any jurisdiction where this Offering is not permitted.

We are offering the Notes (and the Company Guarantee) in reliance on an exemption from registration under the Securities Act for an offer and sale of securities that does not involve a public offering. If you purchase the Notes, you will be deemed to have made certain acknowledgments, representations and warranties as detailed under ''*Transfer Restrictions.*'' As such, the Notes (and the Company Guarantee) have not been registered under the Securities Act and may not be offered or sold in the United States or to, or for the account of U.S. persons unless the Notes (and the Company Guarantee) are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. See ''*Plan of Distribution*'' and ''*Transfer Restrictions.*'' Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Prospective purchasers are hereby notified that the seller of any security may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A under the Securities Act. We do not make any representation to you that the Notes are a legal investment for you. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose.

We accept responsibility for the information contained in this Offering Memorandum. We have made all reasonable inquiries and confirm to the best of our knowledge, information and belief that the information contained in this Offering Memorandum with regard to us and our subsidiaries and affiliates and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this Offering Memorandum are honestly held and that we are not aware of any other facts, the omission of which would make this Offering Memorandum or any statement contained herein misleading in any material respect. However, the information set out in relation to sections of this Offering Memorandum describing clearing arrangements, including the section entitled ''*Book-Entry; Delivery and Form,*'' is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear Bank SA/NV (''**Euroclear**'') and Clearstream Banking S.A. (''**Clearstream**''), currently in effect. While we accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream, and as far as we are aware, and able to ascertain, no facts have been omitted which would render this information inaccurate or misleading, we accept no further responsibility in respect of such information.

We have prepared this Offering Memorandum solely for use in connection with the offer of the Notes to qualified institutional buyers pursuant to Rule 144A and to non-U.S. persons (within the meaning of Regulation S) outside the United States in compliance with Regulation S as described in this Offering Memorandum. This Offering Memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire securities. Distribution of this Offering Memorandum to any other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each prospective investor, by accepting delivery of this Offering Memorandum, agrees to the foregoing, to hold the information contained in this Offering Memorandum and the transactions contemplated hereby in confidence and to make no photocopies of this Offering Memorandum or any documents referred to in this Offering Memorandum.

The Initial Purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Memorandum. Nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers as to the past or future.

Each prospective investor will receive a copy of this Offering Memorandum and any related amendments or supplements. By receiving this Offering Memorandum, you acknowledge that you have had an opportunity to request from us for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in this Offering Memorandum. You also acknowledge that you have not relied on the Initial Purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offering, including the merits and risks involved. In addition, neither we nor the Initial Purchasers nor any of our or their respective representatives are making any representation to you regarding the legality of an investment in the Notes and you should not construe anything in this Offering Memorandum as legal, business or tax advice. You should consult your own advisors as to legal, tax, business, financial and related aspects of an investment in the Notes. You must comply with all applicable laws, rules and regulations in force in any jurisdiction in which you purchase, offers or sell the Notes and must obtain any consent, approval or permission required by you for the purchase, offer or sale by you of the Notes under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. Neither we nor the Initial Purchasers shall have any responsibility for any of the foregoing legal requirements.

None of the U.S. Securities and Exchange Commission (the ''**SEC**''), any state securities commission or any other regulatory authority, has approved or disapproved the Notes nor have any of the foregoing authorities passed upon or endorsed the merits of this Offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

We have applied to have the Notes listed on the Official List and traded on the Euro MTF Market, which is not a regulated market within the meaning of Directive 2004/93/EC on markets in financial instruments. We cannot guarantee that our application to the Luxembourg Stock Exchange for approval of this document, or for the Notes to be admitted for trading on the Euro MTF Market, will be approved as of the settlement date for the Notes or at any time thereafter, and settlement of the Notes is not conditioned on obtaining this listing.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this Offering Memorandum entitled ''*Plan of Distribution*'' and ''*Transfer Restrictions.*''

By purchasing the Notes, you will be deemed to have made the acknowledgments, representations, warranties and agreements described under the heading ''*Transfer Restrictions*'' in this Offering Memorandum. You should understand that you may be required to bear the financial risks of your investment for an indefinite period of time.

We reserve the right to withdraw the offering of the Notes at any time and we and the Initial Purchasers may reject all or a part of any offer to purchase the Notes in whole or in part, sell less than the entire principal amount of the Notes offered hereby or allocate to any purchaser less than all of the Notes for which it has subscribed.

STABILIZATION

IN CONNECTION WITH THIS OFFERING, MERRILL LYNCH INTERNATIONAL (THE "STABILIZING MANAGER") (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, OVER ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO STABILIZING OR MAINTAINING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER WILL UNDERTAKE ANY SUCH STABILIZATION ACTION. SUCH STABILIZATION ACTION, IF COMMENCED, MAY BEGIN ON OR AFTER THE DATE OF ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES AND MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE DATE ON WHICH THE ISSUER RECEIVED THE PROCEEDS OF THE ISSUE AND 60 CALENDAR DAYS AFTER THE DATE OF ALLOTMENT OF THE NOTES.

NOTICE TO PROSPECTIVE INVESTORS

THE NOTES MAY NOT BE OFFERED TO THE PUBLIC WITHIN ANY JURISDICTION. BY ACCEPTING DELIVERY OF THIS OFFERING MEMORANDUM, YOU AGREE NOT TO OFFER, SELL, RESELL, TRANSFER OR DELIVER, DIRECTLY OR INDIRECTLY, ANY NOTES TO THE PUBLIC.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

Neither the SEC nor any U.S. state securities commission has approved or disapproved of these Notes or determined if this Offering Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgments that are described in this Offering Memorandum under "*Transfer Restrictions*." The Notes (and the Company Guarantee) have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and are subject to certain restrictions on transfer. Prospective purchasers are hereby notified that the seller of any Note may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain further restrictions on resale or transfer of the Notes, see "*Transfer Restrictions.*" The Notes may not be offered to the public within any jurisdiction. By accepting delivery of this Offering Memorandum, you agree not to offer, sell, resell, transfer or deliver, directly or indirectly, any Note to the public. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this Offering Memorandum entitled "*Plan of Distribution*" and "*Transfer Restrictions.*"

NOTICE TO PROSPECTIVE INVESTORS IN THE GRAND DUCHY OF LUXEMBOURG

This Offering Memorandum has not been approved by and will not be submitted for approval to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**," *i.e.* the Luxembourg financial services authority), or a competent authority of another EU Member State for notification to the CSSF, for the purposes of public offering or sale of the Notes in the Grand Duchy of Luxembourg. Accordingly, the Notes may not be offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and neither this Offering Memorandum nor any other circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in, from, or published in, the Grand Duchy of Luxembourg except for the sole purpose of the admission to trading of the Notes on the Euro MTF Market and to listing of the Notes on the Official List of the Luxembourg Stock Exchange and except in circumstances which do not constitute a public offer of securities to the public.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

The Notes may not be offered or sold by means of any document other than (i) to ''professional investors'' within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder or (ii) in other circumstances which do not result in the document being a ''prospectus'' within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Notes of such series may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes of such series which are or are intended to be disposed of only to persons outside Hong Kong or only to ''professional investors'' within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

NOTICE TO PROSPECTIVE INVESTORS IN SINGAPORE

This Offering Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the ''**SFA**''). Accordingly, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed for or purchased under Section 275 of the SFA by a relevant person which is:

(1) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239 (1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

NOTICE TO PROSPECTIVE INVESTORS IN SWEDEN

This Offering Memorandum is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Swedish Financial Instruments Trading Act (Sw. lagen (1991:980) om handel med finansiella instrument) nor any other Swedish enactment. Neither the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) nor any other Swedish public body has examined, approved or registered this Offering Memorandum or will examine, approve or register this Offering Memorandum. Accordingly, this Offering Memorandum may not be made available, nor may the Notes otherwise be marketed and offered for sale, in Sweden other than in circumstances that constitute an exemption from the requirement to prepare a prospectus under the Swedish Financial Instruments Trading Act.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or the rules of any other stock exchange or regulated trading facility in Switzerland, and neither this Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

The notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the ''**FIEA**'') and are subject to the Act on Special Measures Concerning Taxation of Japan, Act No. 26 of 1957, including the cabinet orders and ministerial ordinances thereunder, as amended (the ''**Special Taxation Measures Act**''). The notes may not be offered or sold in Japan or to, or for the benefit of, any person resident in Japan, or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a person resident in Japan, for Japanese securities law purposes (including any corporation or other entity organized under the laws of Japan) except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines of Japan. In addition, the notes may not, as part of the initial distribution by the Initial Purchasers at any time be directly or indirectly offered or sold to, or for the benefit of, any person other than a gross recipient (as defined below) or to others for re-offering or resale, directly or indirectly, to, or for the benefit of, any person other than a gross recipient, except as specifically permitted under the Special Taxation Measures Act. A ''gross recipient'' for this purpose means (i) a beneficial owner that is, for Japanese tax purposes, neither an individual resident of Japan or a Japanese corporation, nor an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with Teva Japan as described in Article 6, Paragraph (4) of the Special Taxation Measures Act (a ''specially related party''), (ii) a Japanese financial institution designated in Article 3-2-2, Paragraph (28) of the Cabinet Order (Cabinet Order No. 43 of 1957, as amended), relating to the Special Taxation Measures Act (the ''**Cabinet Order**'') that will hold the notes for its own proprietary account or (iii) an individual resident of Japan or a Japanese corporation whose receipt of interest on the notes will be made through a payment handling agent in Japan as defined in Article 2-2, Paragraph (2) of the Cabinet Order.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This Offering Memorandum is for distribution only to, and is only directed at, persons who (i) are outside the United Kingdom, (ii) are investment professionals, being persons having professional experience in matters relating to investments and who fall within the definition set out in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (the ''**Financial Promotion Order**''), (iii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, partnerships or high value trusts, etc.) of the Financial Promotion Order or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 as amended (''**FSMA**'')) in connection with the issue or sale of any Notes may otherwise lawfully be communicated (all such persons together being referred to as ''relevant persons''). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

Any person who receives this Offering Memorandum but does not fall within one of the preceding categories of relevant person should return it immediately to the Issuer. This Offering Memorandum does not constitute a prospectus for the Prospectus Rules and is therefore not an approved prospectus for the purposes of, and as defined by, section 85 of FSMA. This Offering Memorandum has not been approved by the Financial Conduct Authority or any other competent authority on the grounds that the Notes are being offered solely to ''qualified investors'' as defined in section 86(7) of FSMA and therefore the offer of Notes is not subject to the obligation to publish a prospectus under section 85 of FSMA.

MIFID II PRODUCT GOVERNANCE

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, ''**MiFID II**''); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a ''**distributor**'') should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (''**EEA**''). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the ''Insurance Mediation Directive''), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the ''**Prospectus Directive**''). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the ''**PRIIPs Regulation**'') for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

THIS OFFERING MEMORANDUM CONTAINS IMPORTANT INFORMATION WHICH YOU SHOULD READ BEFORE YOU MAKE ANY DECISION WITH RESPECT TO AN INVESTMENT IN THE NOTES.

NOTE ON DEFINED TERMS USED IN THIS OFFERING MEMORANDUM

In this Offering Memorandum, unless otherwise indicated or the context requires otherwise, the following terms have the following meanings assigned to them. In particular, capitalized terms set forth and used in ''*Description of Notes*'' may have different meanings. In addition, capitalized terms referring to geographic regions defined in ''*Presentation of Financial and Other Data—Certain Source-Dependent Definitions*'' and used in ''*Industry Overview*'' may have different meanings from the meanings ordinarily given to such terms and used elsewhere in the Offering Memorandum, and may also have different meaning from the meanings given to such geographic regions in ''*Management's Discussion and Analysis of Financial Condition and Results of Operation*'' and our financial statements included elsewhere in this Offering Memorandum.

Also see ''*Glossary of Technical Terms*'' in this Offering Memorandum for definitions of certain technical terms used in this Offering Memorandum.

''**2015 Facility B**''	The $390 million revolving loan facility under the 2015 RCF Agreement
''**2015 Facility C**''	The $360 million term loan facility under the 2015 RCF Agreement
''**2015 RCF Agreement**''	The $1,250 million credit facilities agreement entered into on May 11, 2015 (as amended and restated on May 4, 2016), between, amongst others, the Issuer, Natixis and various other lenders
''**2016 Facility B**''	The $355 million revolving loan facility under the 2016 RCF Agreement
''**2016 RCF Agreement**''	The $800 million credit facilities agreement entered into on May 4, 2016 and as amended on May 9, 2017, between, amongst others, the Issuer, Coöperatieve Rabobank UA and various other lenders
''**2017 Facility**''	The $400 million revolving loan facility under the 2017 RCF Agreement
''**2017 RCF Agreement**''	The $400 million revolving loan facility agreement entered into on May 4, 2017, between, among others, the Issuer, Coöperatieve Rabobank UA and various other lenders
''**2021 Senior Notes**''	The 6.75% $1 billion Senior Notes due 2021 issued by the Issuer in January 2014, of which $410 million principal amount presently remain outstanding, which will be redeemed in full as part of the Transactions
''**2022 Euro Notes**''	The 4.5% EUR 200 million notes due 2022 issued by the Issuer in October 2014
''**2024 Senior Notes**''	The 5.125% $600 million Senior Notes due 2024 issued by the Issuer in October 2017
''**Africa**''	As used in ''*Management's Discussion and Analysis of Financial Condition and Results of Operation,*'' refers to the following countries of operation: Angola, Benin, Botswana, the Republic of the Congo, Democratic Republic of the Congo, Ghana, Ivory Coast, Lesotho, Malawi, Mozambique, Namibia, Nigeria, Senegal, South Africa, Swaziland, Tanzania, Togo, Zambia and Zimbabwe

‘‘**Americas**’’	As used in ‘‘*Management’s Discussion and Analysis of Financial Condition and Results of Operation*,’’ refers to the following countries of operation: Belize, Chile, Colombia, Cuba, Paraguay, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru, Puerto Rico and the U.S. Virgin Islands
‘‘**Asia Pacific**’’	As used in ‘‘*Management’s Discussion and Analysis of Financial Condition and Results of Operation*,’’ refers to the following countries of operation: United Arab Emirates, Myanmar, Papua New Guinea, Pakistan, Indonesia, New Zealand, Vietnam, Malaysia and Australia
‘‘**Australia Facility Agreement**’’	The AUD 340 million facility agreement entered into on July 31, 2015, between, amongst others, the Issuer, Puma Energy (Australia) Pty Ltd, Australia and New Zealand Banking Group Limited and various other lenders
‘‘**Australian Facility A**’’	The AUD 275 million term loan facility under the Australia Facility Agreement
‘‘**Australian Facility B**’’	The AUD 65 million revolving loan facility under the Australia Facility Agreement
‘‘**Banco do Brasil Facility**’’	The $45 million term loan facility under the Banco do Brasil Facility Agreement
‘‘**Banco do Brasil Facility Agreement**’’	The $45 million term loan facility agreement entered into on April 13, 2015, between, among others, the Issuer and Banco do Brasil S.A., London Branch
‘‘**Bank of China Facility**’’	The $75 million term loan facility under the Bank of China Facility Agreement
‘‘**Bank of China Facility Agreement**’’	The $75 million term loan facility agreement entered into on March 17, 2015, between the Issuer and Bank of China Limited, Luxembourg Branch
‘‘**Central America**’’	As used in ‘‘*Management’s Discussion and Analysis of Financial Condition and Results of Operation,*’’ refers to the following countries of operation: Belize, El Salvador, Guatemala, Honduras, Nicaragua, Panama
‘‘**Club Facility**’’	The $350 million term facility entered into under the Club Facility Agreement
‘‘**Club Facility Agreement**’’	The $350 million term facility agreement entered into on September 14, 2017 between, among others, the Issuer, Industrial and Commercial Bank of China, London Branch, and various other lenders
‘‘**Cochan**’’	Cochan Holdings LLC
‘‘**Company**’’	Puma Energy Holdings Pte. Ltd., a private company limited by shares, incorporated and existing under the Laws of Singapore
‘‘**Company Guarantee**’’	The guarantee to be provided by the Company in favor of the noteholders under the Indenture
‘‘**Delta Lloyd Facility**’’	The $100 million facility under the Delta Lloyd Facility Agreement

''**Delta Lloyd Facility Agreement**'' . .	The $100 million facility agreement entered into on January 11, 2016, between, among others, the Issuer, DL Levensverzekering NV and DL Life N.V/SA, governed by English law
''**DOI**''	Days inventory outstanding, which for a given period is the result of refined oil product inventories at the end of the period divided by the cost of sales during the period multiplied by the number of days during the period. DOI represents the average number of days we hold inventories of refined oil products during a given period before they are sold
''**DPO**''	Days payable outstanding, which for a given period is the result of trade and other payables at the end of the period divided by cost of sales during the period multiplied by the number of days during the period. DPO represents the average number of days taken to pay our invoices to trade creditors during a given period. See also ''*Third-Party DPO*''
''**DSO**''	Days sales outstanding, which for a given period is the result of trade accounts receivable at the end of the period divided by net sales during the period multiplied by the number of days during the period. DSO represents the average number of days taken to collect trade receivables during a given period. See also ''*Third-Party DSO*''
''**ENBD Facility**''	The $30 million facility governed by the ENBD Facility Agreement
''**ENBD Facility Agreement**''	The $30 million facility entered into on November 12, 2015 between among others, the Issuer and Emirates NBD PJSC
''**Europe**''	As used in ''*Management's Discussion and Analysis of Financial Condition and Results of Operation*,'' refers to the following countries of operation: United Kingdom, Estonia, Norway, Russia, Spain, Sweden and Switzerland
''**Exchange Act**''	The U.S. Securities Exchange Act of 1934, as amended
''**free markets**''	When used with regard to the free markets in which we operate, refers to the unregulated markets as described in the ''*Regulation*'' section
''**Group**'', ''**us**'', ''**we**'', ''**our**''	Puma Energy Holdings Pte. Ltd. and its consolidated subsidiaries unless the context requires otherwise
''**Guarantors**''	The Company and any subsidiary of the Company that in the future provides a guarantee in accordance with (and until any such guarantee is released in accordance with) the provisions of the Indenture
''**IAS**''	International Accounting Standards
''**IFRS**''	International Financial Reporting Standards of the International Accounting Standards Board
''**Indenture**''	Indenture to be dated as of the Issue Date, among, *inter alios,* the Issuer, the Company and The Law Debenture Trust Corporation p.l.c., as trustee, governing the Notes and the Company Guarantee
''**Initial Purchasers**''	Merrill Lynch International, Emirates NBD Bank P.J.S.C., ING Bank N.V., London Branch, MUFG Securities EMEA plc, Natixis and Société Générale

"**Issuer**"	Puma International Financing S.A., a public limited liability company (*société anonyme*) organized and existing under the laws of the Grand Duchy of Luxembourg
"**Maybank Facility**"	The $75 million term loan facility under the Maybank Facility Agreement
"**Maybank Facility Agreement**" . . .	The $75 million term loan facility agreement, entered into on December 18, 2014, between the Issuer and, among others, Maybank Kim Eng Securities Pte. Ltd. as mandated lead arranger, Malayan Banking Berhad, London Branch as lender and Malayan Banking Berhad, Singapore Branch as hedge counterparty
"**Nedbank Facility**"	The $30 million facility governed by the Nedbank Facility Agreement
"**Nedbank Facility Agreement**" . . .	The $30 million facility, entered into on July 28, 2014, between, among others, the Issuer and Nedbank Limited
"**Net Debt (excluding inventories)**"	The Group's consolidated total borrowings less cash and cash equivalents and less inventories
"**Offering**"	The offering and sale of the Notes
"**Operating Group**"	Puma Energy B.V.'s subsidiaries, including intermediate holding companies of operating company subsidiaries, but excluding finance companies (such as the Issuer) and their intermediate holding companies
"**Pakistan Acquisition**"	The acquisition by the Group of a 51% interest in Admore Gas Pvt. Ltd, which operates over 470 retail sites in Pakistan, as further described in "*Summary—Recent Developments*." The acquisition was completed on November 1, 2017
"**Recent Refinancing Transaction**" .	The issuance of the 2024 Senior Notes and the use of proceeds therefrom, as further described in "*Summary—Recent Developments.*"
"**Refinancing**"	The intended redemption in full of the 2021 Senior Notes and repayment of certain amounts drawn under the Revolving Credit Facilities, including, inter alia, the 2017 RCF Agreement and Facility B of the 2015 and 2016 RCF Agreements, as further described in "*Summary—Recent Developments*" and "*Use of Proceeds*"
"**regulated markets**"	When used with regard to the regulated markets in which we operate, refers to the regulated markets as described in the "*Regulation*" section
"**Revolving Credit Facilities**"	The revolving loan or credit facilities entered into by the Issuer, including: (i) $390 million under 2015 Facility B; (ii) $355 million under 2016 Facility B; (iii) $400 million under the 2017 Facility; (iv) AUD65 million under Australian Facility B; (v) $30 million under the Nedbank Facility, and (vi) $30 million under the ENBD Facility. As of September 30, 2017, the aggregate amount drawn under the Revolving Credit Facilities at the Issuer level was $863.6 million. For further information, see "*Description of Certain Other Indebtedness*"
"**Securities Act**"	The U.S. Securities Act of 1933, as amended

''**semi-regulated markets**''	When used with regard to the semi-regulated markets in which we operate, refers to the semi-regulated markets as described in the ''*Regulation*'' section
''**Sonangol**''	Sonangol Holdings Lda
''**Term Loans**''	The various term loan facilities entered into by the Issuer, including: (i) $360 million under 2015 Facility C; (ii) AUD 275 million term loan under Australian Facility A under the Australia Facilities Agreement; (iii) $75 million term loan under the Maybank Facility; (iv) $75 million under the Bank of China Facility; (v) $45 million under the Banco do Brasil Facility and (vi) $350 million under the Club Facility. As of September 30, 2017, the aggregate amount drawn under Term Loans at Issuer level was $795.1 million. For further information, see ''*Description of Certain Other Indebtedness*.''
''**Third-party DPO**''	DPO determined using only trade accounts payable to third parties and purchases from third parties. Third-party DPO excludes trade accounts payable to, among others, Trafigura and Sonangol
''**Third-party DSO**''	DSO determined using only trade accounts receivable from third parties and net sales to third parties. Third-party DSO excludes, among others, trade accounts receivable from, among others, Trafigura and Sonangol
''**Trafigura**''	Trafigura Group Pte. Ltd
''**Trafigura Loan**''	The $1.5 billion loan entered into on September 30, 2013 among the Company, Puma Energy Funding Ltd. as borrower and a subsidiary of Trafigura, which comprises a $500 million committed loan. On June 30, 2014, Puma Energy Funding Ltd, the Company and the Issuer entered into a novation agreement to transfer all the rights and liabilities of Puma Energy Funding Ltd under the Trafigura Loan to the Issuer. On September 30, 2017, a novation agreement was entered to transfer the rights and the liabilities of Bulavista to Trafigura Pte. Ltd.
''**Transactions**''	The Offering and the application of the proceeds therefrom, as further described in ''*Summary—Recent Developments*'' and ''*Use of Proceeds.*''
''**UAE**''	United Arab Emirates
''**United Kingdom**'' or ''**U.K.**''	The United Kingdom of Great Britain and Northern Ireland
''**United States**'' or ''**U.S.**''	The United States of America

PRESENTATION OF FINANCIAL AND OTHER DATA

Financial Data

Puma Energy Holdings Pte. Ltd. has been our parent company since September 16, 2013. This Offering Memorandum includes the audited consolidated financial statements of Puma Energy Holdings Pte. Ltd. as of and for each of the years ended December 31, 2014, 2015 and 2016, and its interim consolidated financial statements as of and for the nine months ended September 30, 2017, with comparative financial information as of and for the nine months ended September 30, 2016. This Offering Memorandum also includes the audited consolidated financial statements of Puma International Financing S.A. as and for each of the years ended December 31, 2015 and 2016 and its interim consolidated financial statements as of and for the nine months ended September 30, 2017. The Offering Memorandum also includes financial data for the twelve months ended September 30, 2017. The audited, reviewed and unaudited consolidated financial statements have been prepared in accordance with IFRS.

The reference to our audited consolidated financial statements as of and for each of the years ended December 31, 2014, 2015 and 2016, respectively, contained in this Offering Memorandum includes the relevant auditor's report, the consolidated statements of financial position and statements of income, other comprehensive income, changes in equity and cash flow and the notes to the respective consolidated financial statements which are extracted from our annual reports for those respective years.

The reference to our consolidated financial statements as of and for the nine months period ended September 30, 2017 contained in this Offering Memorandum includes the consolidated statements of financial position and statements of income, other comprehensive income, changes in equity and cash flow and the notes to the respective consolidated financial statements. Some figures for the year ended December 31, 2014 were subsequently restated and so, for the purpose of facilitating comparability, figures for the year ended December 31, 2014 in this Offering Memorandum (other than in the audited consolidated financial statements as of and for the year ended December 31, 2014) have been presented as restated.

The data for the twelve months ended September 30, 2017 is calculated by taking our results of operations for the nine months ended September 30, 2017, and adding to them the difference between our results of operations for the full year ended December 31, 2016 and the nine months ended September 30, 2016. The unaudited consolidated financial information for the twelve months ended September 30, 2017 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations for any future period or our financial condition at any future date, including the results that may be expected for the year ended December 31, 2017, and should not be used as the basis for or prediction of an annualized calculation.

Non-IFRS Financial Measures

This Offering Memorandum contains financial measures that are not calculated in, and thus, not presented in accordance with IFRS. This includes EBITDA, Regional EBITDA, cash flow available for debt service before growth capital expenditure, Net Debt (excluding inventories), unit margin, fixed charge coverage ratio, maintenance capital expenditure and growth capital expenditure. These financial measures assist us: in the case of EBITDA and Regional EBITDA, in comparing our performance over various reporting periods on a consistent basis because they remove from our operating results the impact of items that do not reflect our core operating performance both on a segment and on a consolidated basis; in the case of cash flow available for debt service before growth capital expenditure, to assess the level of cash generated by our operations and available to service our debt and make investments in our assets and operations; in the case of Net Debt (excluding inventories), to assess our level of indebtedness, after adjusting for cash and cash equivalents and inventories; in the case of unit margin, to in particular assess the profitability of our downstream activities, by unit of volume sold, and to assess any changes in product, country and segment mix on our profitability; in the case of the fixed charge coverage ratio, to assess our ability to incur indebtedness under the fixed charge coverage ratio of our 2021 Senior Notes, 2024 Senior Notes and the Notes offered hereby and to assess the impact of new acquisitions on such ratio; and in the case of maintenance capital expenditure and growth capital expenditure, to distinguish capital expenditure required to maintain our current asset base, and remain in compliance with regulation and safety standards, from discretionary capital expenditure to grow our business. We believe that inclusion of these financial measures in this Offering Memorandum is useful to investors because they provide investors the same information that we use internally for the foregoing purposes. We define these financial measures as follows:

- EBITDA represents profit for the period before income tax expense, net foreign exchange gains/ (losses), finance income and costs, depreciation, amortization, impairment charges and certain additional items within other operating income / (expense). Items of other operating income / (expense) that are excluded in calculating EBITDA generally relate to gains on disposal of fixed and intangible assets and investments as well as fixed or intangible asset write-offs. In addition, in the year ended December 31, 2015, items within operating income / (expense) that were excluded in calculating EBITDA included a $35.5 million gain on the acquisition of Murco Petroleum Limited, a subsidiary of Murphy Oil Corporation, in the United Kingdom. We believe that excluding these items of operating income / (expense) provides a more meaningful measure of our core operating performance.
- Regional EBITDA represents EBITDA for each of Americas, Africa, Europe and Asia Pacific. EBITDA for each region includes costs incurred by global support centers, which are allocated to each region according to each region's respective share of the Group's gross profit;
- Cash flow available for debt service before growth capital expenditure represents EBITDA less maintenance capital expenditures;
- Debt (net of cash) represents total borrowings, less cash and cash equivalents;
- Net Debt (excluding inventories), represents total borrowings less cash and cash equivalents and less inventories;
- Unit margin represents, for our downstream segment, gross profit from downstream activities (including gross profit from sales of non-fuel products and services) divided by the total sales volume of refined oil products, and for our midstream segment, gross profit from midstream activities divided by throughput volume and refining volumes;
- Maintenance capital expenditure represents capital expenditures to maintain assets in their current state of operation or to upgrade any assets to meet specific regulatory and safety requirements (and excludes operating maintenance expenditures, which are accounted for as a cost of operation); and
- Organic growth capital expenditure represents (i) organic growth capital expenditures made to increase our assets in markets in which we are present and believe demand is growing, (ii) development growth capital expenditures made to capture additional market share in markets where we are already present (and as a result, which we deem to be discretionary) and (iii) greenfield capital expenditures to enter new markets.

Our non-IFRS measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. Non-IFRS measures and ratios, such as EBITDA, Regional EBITDA, Regional EBITDA, cash flow available for debt service before growth capital expenditure, Net Debt, unit margin, fixed charge coverage ratio, maintenance capital expenditure and growth capital expenditure are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to operating profit or profit for the year or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities determined in accordance with IFRS. The non-IFRS measures we present may also be defined differently from the corresponding terms under the Indenture. Some additional limitations of these non-IFRS measures are:

- they do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on our debt;

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and EBITDA and Regional EBITDA do not reflect any cash requirements that would be required for such replacements;
- in the case of Net Debt (excluding inventories), because it is calculated subtracting cash and cash equivalents and inventories, it does not represent (and will generally be substantially lower than) the total indebtedness for which our creditors have recourse against us;
- in the case of the fixed charge coverage ratio, it reflects the various adjustments (including the *pro forma* adjustments in respect of acquired businesses) required to calculate such ratio under the definitions contained in ''*Description of Notes*,'' certain of which adjustments require determinations in good faith by the Company's chief executive officer, chief financial officer or any person performing a similarly senior accounting role; and
- other companies in our industry may calculate these measures differently from the way we do, limiting their usefulness as comparative measures.

Because of these limitations, our non-IFRS measures should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on our IFRS results and using these non-IFRS measures only to supplement your evaluation of our performance.

Rounding

Certain numerical figures set out in this Offering Memorandum, including financial data presented in millions or thousands and percentages, have been subject to rounding adjustments and, as a result, the totals of the data in this Offering Memorandum may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in ''*Management's Discussion and Analysis of Financial Condition and Results of Operation*'' are calculated using the numerical data in our consolidated financial statements included elsewhere in this Offering Memorandum or the tabular presentation of other data (subject to rounding) contained in this Offering Memorandum, as applicable, and not using the numerical data in the narrative description thereof.

Market and Industry Data and Forecasts

This Offering Memorandum includes statistics, data and other information relating to markets, market sizes, forecasts and other industry data pertaining to our business and markets that we have obtained from industry publications and surveys and internal company sources. We have obtained market and industry data relating to our business from providers of industry data and publications, including:

- Euromonitor International (''**Euromonitor**''), a provider of market research, business intelligence reports and data to industry. The information provided by Euromonitor in this Offering Memorandum relates to the historical and projected sales for the convenience stores format globally by region;
- Wood Mackenzie;
- BP Energy Outlook 2017 (https://www.bp.com/content/dam/bp/pdf/energy-economics/energy-outlook-2017/bp-energy-outlook-2017.pdf); and
- ''2017 Outlook for Energy: A View to 2040'' published by ExxonMobil (http://corporate.exxonmobil.com/en/energy/energy-outlook/2017-highlights/a-view-to-2040).

The sources cited above do not form part of this Offering Memorandum. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein.

Market data and statistics are inherently predictive and speculative and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of statistics for different markets is limited by many factors, including that (i) the markets are defined differently, (ii) the underlying information was gathered by different methods and (iii) different assumptions were applied in compiling the data. Accordingly, the market statistics included in this Offering Memorandum should be viewed with caution and no representation or warranty is given by any person, including us or the Initial Purchasers, as to their accuracy.

Market Share Data

We rely on several third-party sources to monitor our market share, although such third-party sources are not available in the majority of jurisdictions in which we operate. References in this Offering Memorandum to market shares refer to our share of total sales in a geographic region by volume, unless otherwise specified. The following is a summary of the sources on which we rely for statements concerning our market share:

- Nicaragua: based on statistics provided by the Ministerio de Energía y Minas (MEM); and
- Puerto Rico: based on market report prepared by RAR & Associates.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

The following cautionary statements identify important factors that could cause our actual results to differ materially from those projected in the forward-looking statements made in this Offering Memorandum. Any statements about our expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as ''aim,'' ''assume,'' ''contemplate,'' ''could,'' ''may,'' ''might,'' ''potential,'' ''predict,'' ''remain,'' ''should,'' ''strive,'' ''will likely result,'' ''are expected to,'' ''will continue,'' ''believe,'' ''anticipated,'' ''estimated,'' ''intends,'' ''expects,'' ''plans,'' ''seek,'' ''projection'' and ''outlook'' or, in each case, their negative, or other variations or comparable terminology. Others can be identified from the context in which the statements are made. These statements involve estimates, assumptions and uncertainties, which could cause actual results to differ materially from those expressed in them. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this Offering Memorandum. We believe that these risks and uncertainties include, but are not limited to, those described under ''*Risk factors*'', ''*Management's Discussion and Analysis of Financial Condition and Results of Operation*'' and ''*Summary—Our business*'' and include, among others, statements relating to:

- several countries in which we operate having experienced economic and governmental instability;
- actions by governments or political events in the countries in which we operate;
- our business dealings in countries with inherent risks relating to fraud, bribery, theft and corruption;
- scrutiny by the press, governmental and non-governmental organizations and others regarding our shareholders and local partners;
- our internal controls and procedures that may not be sufficient to provide reliable financial reports, prevent fraud and ensure compliance with our anti-bribery and anti-corruption requirements;
- our decentralized organizational structure and our management reporting systems;
- our operations in developing markets;
- the economic cycles of the markets in which we operate;
- price regulations that impact and will impact in the future our margins and reduce return on investment;
- our ability to pass on increased costs to consumers in our free markets;
- reductions in demand for our products;
- volatility in oil prices;
- our potential liability arising from accidents or incidents relating to health, safety and the environment and from remediation of such accidents and incidents at our terminals, retail sites and/or other sites;
- health, safety and environmental laws and regulations and industry standards related to our operations;
- a variety of potential product liability risks that we are subject to;
- our ability to successfully implement our strategies;
- our ability to identify or accurately evaluate suitable acquisition candidates or to complete or integrate past or prospective acquisitions successfully and/or in a timely manner;
- our ability to complete planned expansion of existing assets and construction of new assets;
- our resources to meet our financial and other reporting requirements or maintain effective internal control and other standards;
- our exposure to currency risk and foreign currency exchange controls;

- our facilities, including retail sites, offices and industrial installations in our midstream operations, being subject to many risks and operational hazards;
- underdeveloped infrastructure in certain of the countries in which we do business;
- our ability to meet our funding needs as they arise;
- we face competition in our midstream and downstream markets;
- aggressive price competition in the free markets where we operate;
- our dependence on third parties for the supply of our products;
- our dependence on the reliability of our supply and distribution networks;
- risks related to climate change, including increased regulation or technological innovations, that decrease demand for our products;
- our business dealings in jurisdictions that are subject to sanctions regimes;
- risks related to our trademarks and other proprietary rights;
- our exposure to risks and potential liabilities from our use of third-party contractors;
- our reliance on the creditworthiness of our customers;
- the outcome of any pending or threatened litigation;
- tax laws of the countries in which we operate or changes thereto or to our tax profile which could result in a higher tax expense or a higher effective tax rate on our worldwide earnings;
- disagreements with local communities in which we operate;
- our reliance on our computer systems to conduct our business;
- our reliance on our management team;
- ownership of the land on which our terminals and retail sites operated under the CoCo and CoDo operating models are located;
- our exposure to interest rate risk;
- our dependence on good relations with our employees;
- failure to obtain or retain highly skilled personnel;
- substantial liability claims due to the hazardous nature of our business, which liabilities may potentially exceed our insurance coverage;
- our substantial debt;
- financial covenants in our debt instruments;
- other factors discussed in this Offering Memorandum; and
- factors not currently known to us.

These and other factors discussed in ''*Risk Factors*'' are not exhaustive.

We urge you to carefully read the sections of this Offering Memorandum entitled ''*Risk Factors,*'' ''*Management's discussion and analysis of financial condition and results of operation*'' and ''*Summary—Our business*'' for a more complete discussion of the factors that could affect our future performance and the industry in which we operate. In light of these risks, uncertainties and assumptions, the forward looking events described in this Offering Memorandum may not occur.

Because the risk factors referred to in this Offering Memorandum could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Offering Memorandum by us or on our behalf, you should not place undue reliance on any of these forward-looking statements. Furthermore, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors will emerge in the future, and it is not possible for us to predict such factors. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.

CURRENCY PRESENTATION

In this Offering Memorandum, references to ''**U.S. dollars**,'' and ''**$**'' are to the United States dollar, the lawful currency of the United States of America. References to ''**€**'' or ''**euro**'' are to the single currency of the participating member states in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time. References to ''**AUD**'' are to the Australian Dollar, the lawful currency of Australia.

SUMMARY

This summary highlights certain information about our business and the Offering described elsewhere in this Offering Memorandum. This summary is not complete and does not contain all of the information that you should consider before investing in the Notes. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information included in this Offering Memorandum, including our audited consolidated financial statements, unaudited consolidated interim financial statements and the related notes thereto. You should read this Offering Memorandum carefully in its entirety, including the sections entitled ''Risk Factors,'' ''Management's Discussion and Analysis of Financial Condition and Results of Operation,'' ''Industry Overview'' and ''Business,'' as well as our historical consolidated financial statements and the notes thereto included elsewhere in this Offering Memorandum.

Overview

We are a leading, globally integrated midstream and downstream oil group. Unlike certain of our competitors, who primarily focus on only one aspect of midstream or downstream operations, we are engaged in all aspects of the value chain—supply, storage and distribution of refined oil products. Our geographic reach extends across 48 countries, spanning five continents. Our gross profit and EBITDA for the twelve months ended September 30, 2017 were $1,637.5 million and $753.9 million, respectively.

We operate approximately 8.3 million cubic meters of storage capacity and a network of 3,048 retail service stations (including the 470 sites acquired in the recent Pakistan Acquisition) across the Americas, Europe, Africa and Asia Pacific. We also distribute refined oil products and provide services to over 20,000 industrial and commercial clients as well as 68 airports. During the twelve months ended September 30, 2017, we sold 22.1 million cubic meters of refined oil products in our downstream segment and handled 16.8 million cubic meters of refined oil products in our midstream storage facilities. Our downstream and midstream operations, accounted for 86.5% and 13.5% of our gross profit and for 83.0% and 17.0% of our EBITDA for the twelve months ended September 30, 2017, respectively.

We continue to expand our non-fuel activities, such as convenience stores, restaurants, car washes and truck stops, either directly or through third-party franchisees and partnerships. Our non-fuel products and services represent attractive cross-selling opportunities that complement our main business activities and allow us to diversify our product offering and our sources of revenue. During the twelve months ended September 30, 2017, we derived $78.5 million or 5.5% of our downstream segment gross profit from sales of retail non-fuel products and services, and non-fuel related rental income, royalties and franchise fees.

Our vertically integrated midstream and downstream operations, which include modern storage assets and extensive retail operations, are supported by a global supply organization and stable supply sources. We benefit from a long-term relationship with our largest shareholder Trafigura, a multinational commodity trading company founded in 1993. Trafigura provides us with refined oil products for our downstream operations under an arm's length contract with a high level of reliability and at competitive prices, whilst at the same time providing us with a superior visibility and understanding of market trends. See ''*Business—Supply*''. Our business-to-business customers, as well as our extensive retail operations provide stable demand for our refined products. In combination, we believe these factors have historically provided us with a strong competitive position in the geographic markets in which we operate and an ability to take advantage of new business opportunities. We also believe that the diversity of the geographic markets we serve and business lines in which we operate provides us with a degree of protection from economic cycles in any particular geographic region or industry.

Since the acquisition of the Puma Energy brand in 1997 by Trafigura, we have expanded our operations globally, growing both through acquisitions and organically. Since 2010, we have pursued selective expansion opportunities in both developing and developed markets amidst a global energy environment in which oil majors were divesting midstream and downstream assets, including by acquiring BP's operations in Namibia, Botswana, Zambia, Malawi, Tanzania and Northern Ireland, its bitumen business in Australia, Capeco's operations in Puerto Rico, ExxonMobil's operations in Central America, Chevron's operations in Namibia, Vietnam, Puerto Rico and the US Virgin Islands, InterOil's operations in Papua New Guinea and Murphy Oil's operations in the United Kingdom. We have also acquired several independent retail distributors in Australia, Ghana, Colombia, Peru and South Africa and, in November 2017, acquired a 51% interest in Admore Gas Pvt. Ltd, which operates 470 retail sites in Pakistan.

We have also grown our business organically over time, both entering new markets and expanding in existing markets through significant investments in our retail and aviation operations and through the construction of several large storage terminals. For instance, we have made major investments in the Angolan market since 2007, and launched a number of notable greenfield projects in other countries in Africa and in Asia. In 2015, we commenced operations in Myanmar with the launch of our aviation business in partnership with the Government of Myanmar and the completion of a 91,000 cubic meters storage terminal at Thilawa. We also recently completed the construction of the Matola terminal in Mozambique, which acts as a storage hub for the Southern African operations, completed the construction of a terminal in Tema in Ghana and expanded our storage terminal in Luanda Bay, Angola, to a total capacity of 0.4 million cubic meters, bringing our total capacity to 8.3 million cubic meters. Our major investment projects of recent years are now largely complete, and we do not currently anticipate large new projects being started in the near- to medium-term.

After several years of successful expansion, we have developed a sizeable business that generates stable cash flows and EBITDA. As at September 30, 2017, in-line with our strategy, we believe we had significant market share in most of the geographic markets in which we were present and therefore have reached a stage of critical mass. We are now focused on leveraging our established presence across our markets, our local, regional and global experience, and our existing infrastructure and asset base to access new revenue-generating opportunities, including through the provision of additional products and services in geographic markets where we are already active. We have established regional offices in South Africa, Puerto Rico, Estonia and Singapore. As of September 30, 2017 (as adjusted for the Pakistan Acquisition), we have approximately 8,337 employees on a full-time equivalent basis globally (comprising approximately 6,077 permanent employees and approximately 2,260 contractors and agency workers), with approximately 44% and 32% working in our operations in Africa and Asia Pacific, respectively. We offer our employees various training programs aimed at developing their know-how and skill, strengthening our corporate culture, and ensuring the implementation of best practice tools and procedures. In 2016, we provided approximately 80,000 hours of training to our employees around the world.

For the twelve months ended September 30, 2017, we generated Regional EBITDA of $280.9 million, $296.2 million, $152.4 million and $24.4 million in Africa, the Americas, Asia Pacific and Europe, respectively.

Downstream business profile

Our core business is the distribution of refined oil products to retail industrial and commercial customers. We are active in the downstream business both as a marketer of refined oil products and as an owner and operator of related infrastructure. We source and supply a wide range of refined oil products, including fuel oil, gasoline, diesel, liquid petroleum gas (''**LPG**''), aviation fuel, bitumen and lubricants.

During the twelve months ended September 30, 2017, our retail operations sold 6.8 million cubic meters of fuel through our expansive network of retail sites in countries across Africa, the Americas and Asia Pacific (which has since expanded from the Pakistan Acquisition). The majority of these retail sites are operated under the ''Puma'' brand. We also sold 6.1 million cubic meters of fuel and lubricants to industrial and commercial customers during the twelve months ended September 30, 2017 and provided 1.6 million cubic meters of refined oil products to airlines, aircraft operators and owners across the Americas, Africa and Asia Pacific.

To complement our retail offering and to increase the utilization of our existing asset base, we are continuing to develop our non-fuel products and services, which currently include 1,278 convenience stores, such as C-store, Super7 and Shop Express, 119 car washes, 120 truck stops and 140 restaurants and cafes including our most recent chain of 7th Street cafes in Australia. We have also established partnerships with some major brands, including Subway and McDonalds, and Coles in Australia, which we believe will further enhance the appeal of our retail sites.

Our diversified customer base includes retail customers as well as industrial and commercial customers across a broad range of industries, such as power generation, transport, mining, agriculture and construction. Our industrial and commercial customers value our ability to leverage our sourcing, storage, transportation and infrastructure capabilities to deliver high-quality fuel products safely, reliably and cost-effectively. Our integrated platform also facilitates a seamless interface between international oil markets and our local retail distributors.

We are currently implementing a significant automation and digitalization program covering all aspects of our operations. Our new marketing applications and the automation of processes are expected to improve our operational performance, service offering and times, as well as strengthen our marketing efforts and efficiently organize logistics, which we anticipate will contribute to increasing our revenue and reducing our costs.

Midstream business profile

The primary objective of our midstream business is to provide the necessary storage capacity for our downstream operations, ensuring control of a critical part of our supply chain. In particular, we target opportunities in markets where refined oil product consumption is growing and where the development and effective management of infrastructure can facilitate the reliable movement of refined oil products through the supply chain and help ensure a strong market position.

We operate 101 terminals worldwide, with an aggregate storage capacity of 8.3 million cubic meters. Our storage asset base comprises eight main storage facilities (‘‘**storage hubs**’’) in the United Kingdom, Estonia, Dubai, Angola, Puerto Rico, Mozambique, Ivory Coast, and Myanmar. Most of our terminals are strategically located in close geographic proximity to our downstream operations and 50.5% of our terminals' capacity is used to support our own downstream operations. Most of our terminals are not shared with other competitors.

Our transportation and fleet management activities, as well as off-shore mooring systems, are also key elements of our midstream business. Our midstream business also includes two small refineries in Nicaragua and Papua New Guinea which form a critical part of the local supply systems. However, refining is not part of our core business and we do not expect to significantly increase our refinery operations unless specific opportunities arise which are complementary to our business plan.

During the twelve months ended September 30, 2017, our midstream activities handled 16.8 million cubic meters of refined oil products. In addition to throughput revenues at our terminals and pipelines, our midstream activities also generate revenues from capacity rental and take-or-pay agreements, as well as sales from refining activities (which are both not reflected in throughput volumes).

Our competitive strengths

Highly diversified, global business serving a large customer base

Our operations are highly diversified across geographic markets, end-user industries, products and services and clients, covering 48 countries, 3,048 retail sites (including the 470 sites acquired in the Pakistan Acquisition), 68 airports and over 20,000 industrial and commercial customers.

Historically our operations were mainly in high-growth developing countries, where we pursued attractive business opportunities in a global energy market environment in which oil majors were divesting midstream and downstream assets. We have recently increased our operations in developed economies, several of which have witnessed a decline in domestic refinery capacity in recent years and where we accordingly perceived an opportunity to establish a strong market position through our vertically integrated midstream and downstream business model. With the expansion into developed markets, we have benefitted from their large size and sales volumes, and further diversified our revenue streams. In 2013, we entered the Australian market through the acquisition of several independent fuel distributors and in 2015 we expanded further by acquiring BP's bitumen business in Australia. In 2015, we also acquired the Milford Haven storage facilities and the wholesale and business-to-business operations of Murco Petroleum Limited, a subsidiary of Murphy Oil Corporation, in the United Kingdom. The terminal acquired in Milford Haven is now our largest storage facility. For the twelve months ended September 30, 2017, we generated 20.1% of our EBITDA in countries whose sovereign debt is rated investment grade (BBB− or above), 34.6%

of our EBITDA in countries whose sovereign debt is rated BB+ to BB−, 30.9% of our EBITDA in countries whose sovereign debt is rated B+ to B− and 14.4% of our EBITDA in countries whose sovereign debt is either not rated or rated below B−.

Further, we are continuing to expand our range of non-fuel products and services which represent attractive cross-selling opportunities that complement our main business activities and allow us to develop alternative revenue streams and bring additional diversity to our business activities.

We believe that our operational diversification provides a degree of protection from economic and business cycles in any particular geographic market or industry segment. Our diversification has historically allowed us to leverage our supply, storage, transportation and infrastructure capabilities and take advantage of demand and market dynamics in the various markets in which we operate, whilst providing stable revenue and cash generation.

Due to modern facilities and infrastructure, competitive pricing and reliable supply, we have developed long-term sustainable relationships with several of our industrial clients. For example, we have strong and long-standing relationships with our five largest clients by sales volumes: Shell, Vivo, Uno, World Fuel Services, and Certas Energy. Our customers operate in a wide range of sectors, including transport, power generation, industrial and manufacturing activities, mining, agriculture and construction. In our downstream segment, no single customer (including its affiliates) represented more than 3.5% of our sales volumes for the twelve months ended September 30, 2017 and our top 10 customers represented less than 13.0% of our sales volumes for the same period.

Vertical global integration capturing higher unit margins

We operate a vertically integrated midstream and downstream oil business where we control all stages of the value chain—supply, storage and distribution. Our operations are supported by a global supply platform, sizeable storage assets and an extensive retail network.

Our in-house supply team constantly assesses market opportunities and sources refined oil products from Trafigura, our largest shareholder, as well as a large base of third-party suppliers. Our 101 strategically located terminals including eight storage hubs, import and loading capabilities and transportation resources, facilitate the import of refined oil products into our geographic markets and their reliable movement through the supply chain. This allows us to source our products reliably and at competitive prices, and provides us with access to supply sources across the world. Our terminals comply with stringent industry standards, with 91% being API-compliant and a large number being ISO 9001 or ISO 14001 certificated.

To complete the vertically integrated value chain, we also operate 3,048 retail sites (including the 470 sites acquired in the recent Pakistan Acquisition) offering fuel and, increasingly, non-fuel products and services. This extensive retail network, combined with our base of business-to-business, aviation and wholesale clients helps ensure relatively stable demand for our refined oil products.

We believe that our vertically integrated business model, our supply, storage and distribution infrastructure and various strategic relationships have allowed us to secure a strong market position in many of the geographic markets in which we operate and position us well to take advantage of new business opportunities.

We have been able to achieve significant economies of scale and favourable unit margins in our core geographic markets. For our downstream segment, unit margins are defined as gross profit from our downstream activities (including gross profit from sales of non-fuel products and services) divided by total sales volume. For our midstream segment, unit margins are defined as gross profit from our midstream activities divided by throughput and refining volumes.

Leading position in higher-growth developing markets

Our vertically integrated business model, successful expansion and operational excellence have allowed us to achieve a strong presence in highly attractive markets. Across the countries (or geographic markets within countries) in which we operate, we target a downstream market share of approximately 30% and, as at September 30, 2017, we believe we had a significant market share in most of the geographic markets in which we were present. For example, during the twelve months ended September 30, 2017, we estimate we had a 30% market share in Puerto Rico and 29% in Nicaragua.

Although we have expanded into developed markets where we perceive an opportunity to establish a strong market position in recent years, most of our operations remain in developing countries in Africa, the Americas, and Asia Pacific. These regions demonstrate demographic trends which we believe support steady future growth for refined oil products (and other related and non-fuel products and services we offer), including increasing population and urbanisation and a growing middle class. According to ExxonMobil's 2017 Energy Outlook, the global middle class will more than double in the next 15 years, reaching almost 5 billion people, resulting in a significant increase in oil demand, mainly due to growth in developing countries, led by Africa and followed by Asia Pacific and the Americas, where oil demand in the period from 2016 and 2021 is projected by OPEC to grow from 3.8 million barrels per day to 4.2 million barrels per day, 32.8 million barrels per day to 36.1 million barrels per day and 5.7 million barrels per day to 6.1 million barrels per day, respectively. In addition, the International Monetary Fund projects that real GDP growth rates in Africa, the Americas and Asia Pacific in 2017 and 2018 are expected to be 2.6% and 3.4%, 1.2% and 1.9% and 5.4% and 5.5%, respectively.

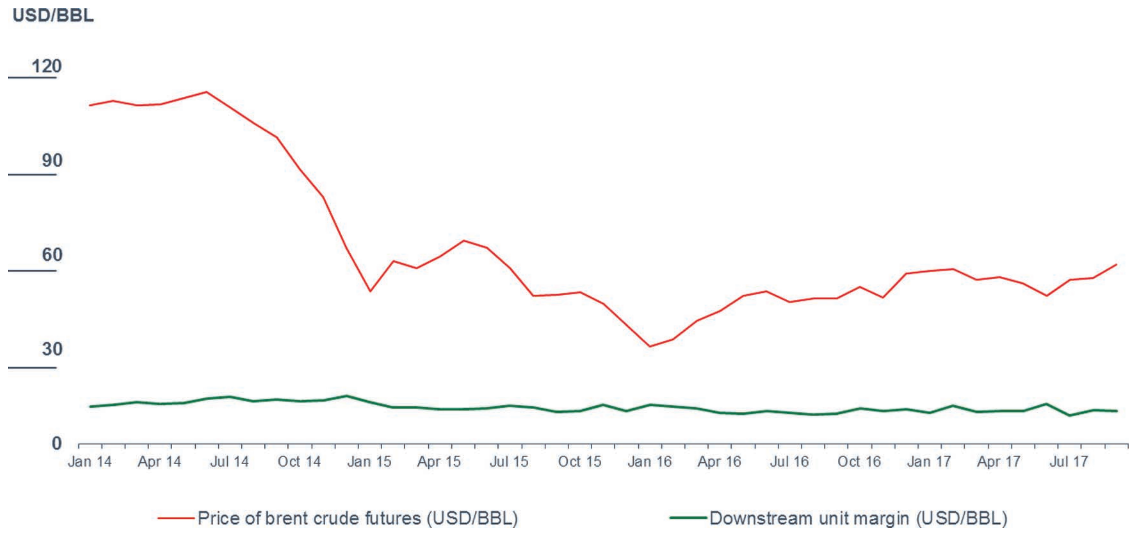
We believe we are well-positioned to capitalize on the expected growth in demand for refined oil products in these markets. Moreover, in most countries in which we operate, particularly in Africa, there is currently a relative lack of energy infrastructure. As such, governments have typically been supportive of the development of such assets and we have worked closely with local governments in several countries to make the investments required. Our terminals and storage hubs often become key infrastructure assets, which give us first-mover advantage, thus enhancing our market position, and allowing us to reap benefits across the value chain. Further, our policy of hiring local employees helps us to understand the issues the local communities face and enables transparency and dialogue in order to avoid problems before they arise. Our relationship with the local communities is further supported by our strong commitment to social responsibility and our involvement in various social, environmental and health and safety projects, including, road safety and vaccinations. In addition, our operations contribute sizable and reliable indirect tax collection to local governments. We have received numerous awards and acknowledgments in recent years, recognizing our successful integration into the countries in which we operate, such as the Social Enterprise UK International Impact Award we were granted in 2016 for our social initiatives in Ghana.

Stable cash flow business with limited exposure to commodity prices and currency exchange rate fluctuations

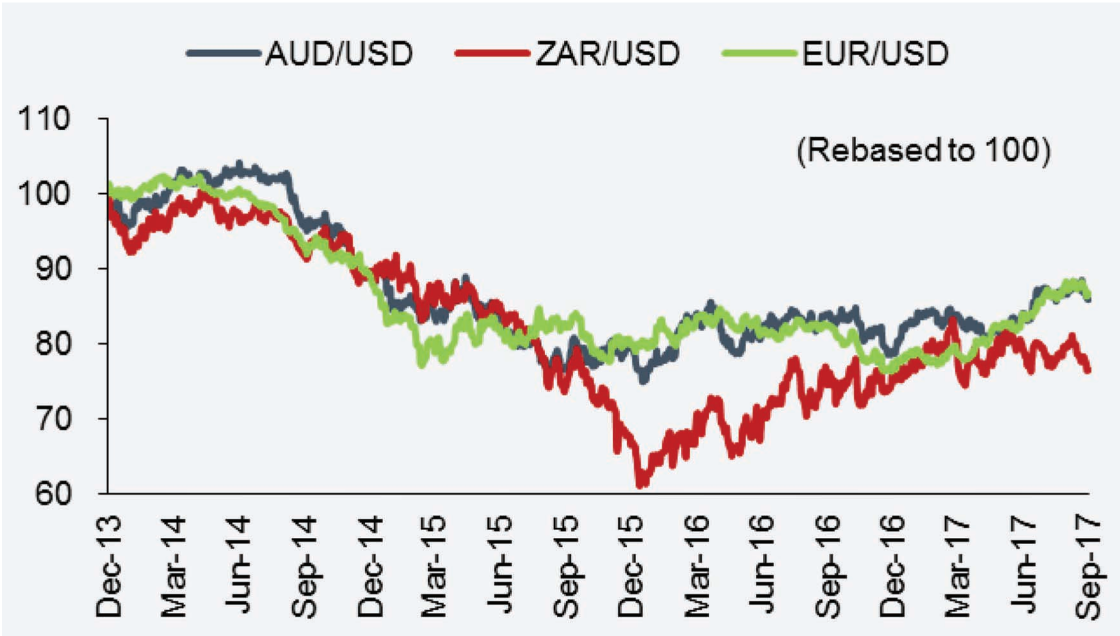
We have been able to maintain stable unit margins (and hence, gross profits) from quarter to quarter and year to year despite fluctuations in oil prices over the last few years. In the fully and semi-regulated markets in which we operate (accounting for 62.7% of our downstream gross profit and 74.4% of our downstream EBITDA during the twelve months ended September 30, 2017), including, for example, Angola, the Republic of Congo and Nicaragua, the regulations applicable to our activities set a maximum margin, at which we are permitted to sell our refined oil products. Prices in fully and semi-regulated markets are either based on a formula defined by the relevant regulatory regime, or negotiated directly with the regulators. In these markets, although increases in oil prices or local currency devaluations tend to have an adverse near-term effect, prices tend over time (though generally with some time lag) to adjust to increases in oil prices and local currency devaluations. In free markets, we can increase prices in local currency terms in response to a local currency's devaluation, or an increase in oil prices, without adversely affecting our competitive position as local competitors typically respond in a similar fashion to currency and oil price movements. This provides us with stable unit margins, which have historically contributed to stable cash flows despite oil price fluctuations.

The first chart below shows our downstream unit margin from January 1, 2014 to September 30, 2017, which has ranged between $11-$13 per barrel (or $70-80 per cubic meter), alongside the price of Brent crude futures during the same period. The chart that immediately follows illustrates the significant devaluation of the Australian dollar, the South African rand and the euro against the U.S. dollar over the same period.

Comparison of downstream unit margins versus oil prices



Comparison of the AUD, the South African rand and the euro against the U.S. dollar



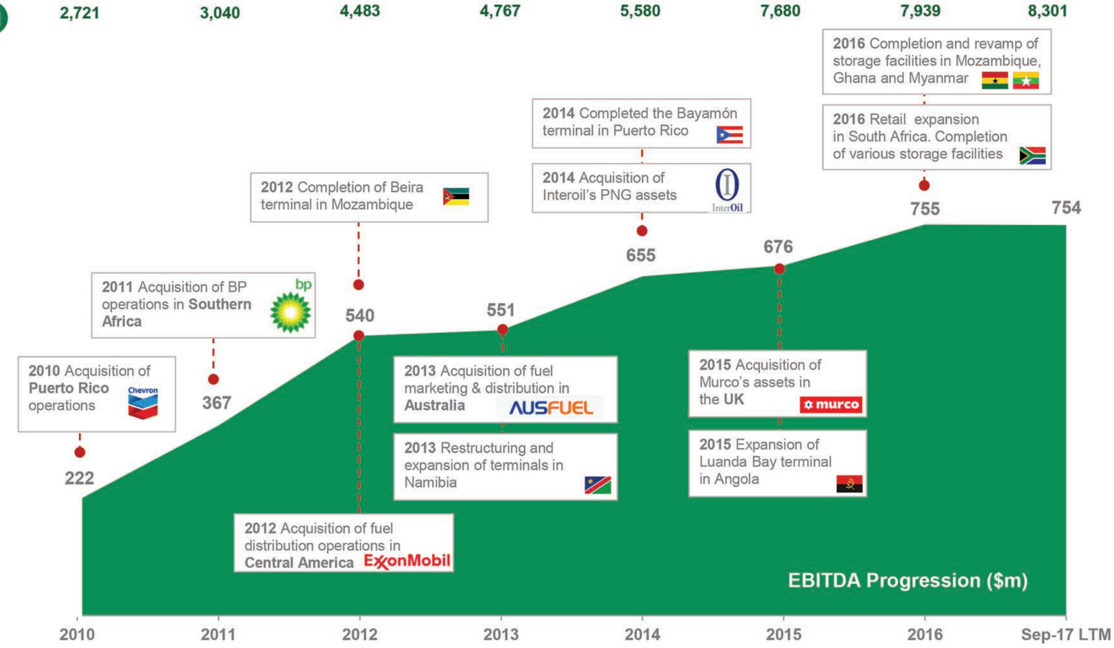
Our exposure to oil prices is further mitigated by the hedging of our inventory in free and semi-regulated markets. Whilst the value of our inventories in free and semi-regulated markets fluctuates with changes in oil prices, for the period between the purchase and sale of the product, we secure the price through the use of commodity futures and swaps. In regulated markets on the other hand, both the purchase and the sale price are fixed, so the Group is not exposed to fluctuations in oil prices. Furthermore, our inventories are fully covered by insurance against any risks or damages.

We also have a track record of stable cash flows generated from our existing, strong asset base and operations. We limit the extension of credit to facilitate a rapid cash conversion of our sales, and most of our retail and wholesale customers are not extended credit. We target and typically achieve third-party DSO of 10-15 days. Such short payment terms also allow us to mitigate the impact of currency exchange fluctuations on non-US dollars denominated receivables. We also seek to manage our local currency exposure by accessing local currency funding where possible, including the use of working capital lines and overdrafts in local currencies, which provides a natural currency hedge for local currency receivables.

Successful completion of the acquisition and investment phase with focus on extracting value from established asset base

Since our inception in 1997, we have significantly expanded our operations and entered new countries and markets, through both acquisitions of existing businesses and organic investments. We believe that we have achieved a strong market share in most of our markets, both through acquiring local market leaders and the organic development of our business, and integrating acquired local downstream operations with our existing regional and global infrastructure and supply base. Between January 2010 and September 2017, we invested $3.2 billion in various organic growth initiatives, and made business acquisitions for a total consideration of $2.7 billion. This resulted in a strong increase in EBITDA and a comprehensive retail and storage infrastructure as illustrated in the chart below. EBITDA, service sites and storage capacity increased from $222.0 million, 468 and 2,721 cubic meters for the year ended December 31, 2010 to $753.9 million, 3,048 (as adjusted for the Pakistan Acquisition) and 8.3 million cubic meters for the twelve months period ended September 30, 2017. The chart below illustrates the number of retail sites at September 30, 2017 as adjusted for the Pakistan Acquisition.

	2010	2011	2012	2013	2014	2015	2016	Sep-17 LTM
Retail	468	776	1,293	1,678	1,928	2,362	2,519	3,048
Storage (km^3)	2,721	3,040	4,483	4,767	5,580	7,680	7,939	8,301



Although we may continue to pursue acquisitions on an opportunistic basis, we believe that we have largely completed our expansion phase and we now aim to focus on optimizing our strategic asset base and improving operational efficiency, which we expect will result in reduced capital expenditure spending going forward and increased profitability.

Prudent financial and capital structure management

We believe that we are benefiting from our prudent financial management. As part of our ongoing strategy of replacing Operating Group secured debt with unsecured debt at the Issuer level, which will rank *pari passu* with the Notes, we have reduced the secured debt at the Operating Group level as a percentage of our gross total debt from 65.1% as at December 31, 2013, to 3.4% as at September 30, 2017. Unsecured financing incurred by the Issuer represented 86.1% of our gross total debt as at September 30, 2017. The shift in our funding strategy in recent years has been viewed positively by rating agencies, including Moody's Investor Services, which in October 2016 upgraded the credit rating on the 2021 Senior Notes to Ba2 from Ba3, citing the reductions in debt at the level of the Group's operating subsidiaries, while affirming the Company's corporate family rating at Ba2. We have also sought to actively manage our debt maturities and to extend the Company's debt maturity profile when possible to do so on attractive terms. On October 6, 2017, we refinanced $590 million of our senior notes via an offering of the 2024 Senior Notes, which further contributed to this strategy and further extended out our debt maturity profile. This Offering and the Refinancing are part of our strategy to further extend the Company's debt maturity profile.

The table below summarizes the maturity profile of our financial liabilities as at September 30, 2017, after giving effect to the Recent Refinancing Transaction and the full drawing of the Club Facility and use of proceeds therefrom as if these had each occurred on September 30, 2017:

	Less than 1 year	1 - 5 years	More than 5 years	Total
		($ millions)		
As at September 30, 2017				
Interest bearing loans and borrowings, as adjusted[1]	626.8	1,908.1	919.7	3,454.6
Trade and other payables	1,861.2	—	—	1,861.2
Financial derivatives	43.3	—	—	43.3
Other liabilities	0.3	35.8	—	36.1
Total	2,531.6	1,943.9	919.7	5,395.2

(1) In this table, the line ''Interest bearing loans and borrowings'' discloses the amount outstanding under total (current and non-current) interest-bearing loans and borrowings including the accounting impact of arrangement fees, premiums and discounts.

We have maintained stable leverage despite our growth profile. Our ratio of total Net Debt (excluding inventories) (defined as total borrowings less cash and cash equivalents and less inventories) to EBITDA was 2.6x, 3.0x, 2.8x and 2.8x as at December 31, 2014, 2015 and 2016 and September 30, 2017, after giving effect to the Recent Refinancing Transaction and the full drawing of the Club Facility and use of proceeds therefrom as if these had each occurred on September 30, 2017, respectively. We intend to maintain our ratio of Net Debt (excluding inventories) to EBITDA at or below 3.0x, while maintaining strong liquidity and continued diversification of funding sources (including bonds, private placements, revolving credit facilities, term loans and borrowing base facilities).

We also have a strong liquidity position and one that we have prudently strengthened in recent months, in particular through the reduction of utilization of existing revolving facilities with excess cash on hand, and through new financings. As of September 30, 2017, after giving effect to the Recent Refinancing Transaction and the full drawing of the Club Facility and use of proceeds therefrom as if these had each occurred on September 30, 2017, we had $539.3 million of undrawn committed credit lines and a strong network of banks both at global corporate level and at local retail level. We also have a $500 million undrawn committed shareholder loan granted by Trafigura.

We have a strong ability to upstream cash flows, through our supply system, capital expenditure and procurement invoices, dividends, as well as inter-company loans. Moreover, as cash generated by our local operating subsidiaries is generally immediately transferred to us through the payment of intracompany invoices (rather than as dividends), we usually have limited exposure to cash repatriation risk.

Experienced management team with supportive lead shareholders

Our management team has extensive experience in all aspects of midstream and downstream operations across numerous oil industry sectors, including the supply, energy trading, and wholesale segments. Our stable and highly experienced senior management team, comprised of ten members, has a combined 60 years of experience with Puma Energy and a total of 259 years of experience, including serving in various management positions in companies such as Total, British Petroleum, Umicore, Endesa and Deloitte.

We have a decentralized management structure which allows for flexible decision-making at the local level, while maintaining centralized control and reporting systems. Further, our IT and control systems provide us with real-time, centralized management information and a live online reporting system, which are key to managing the complexity of our business and improving our decision making process.

Our growth has also been fostered by equity investments from our shareholders, who have contributed $1.3 billion of new equity in the business since 2009. In 2009, our largest shareholder, Trafigura, converted a $200 million shareholder loan to us into equity. In 2010 and 2011, Cochan

Holding and Sonangol entered into the share capital of Puma Energy. In 2013, a capital increase of $500 million grew Sonangol's holding in Puma Energy from 20% to 30%. In 2015, we raised $350 million through a capital increase from two of our main shareholders, Trafigura and Cochan. Although our largest shareholder Trafigura has historically provided us with financial support, this is no longer key to meeting the Group's financing needs. Due to stable cash flows generated from our operations, a $500 million committed shareholder loan granted by Trafigura has remained undrawn since 2014.

Trafigura continues to provide us with operational support and is our key supplier of refined oil products, as well as a customer of our infrastructure and logistics services. In addition, we benefit from the local market knowledge of Cochan, an Angola-based investment firm, and Sonangol, the state-owned oil company of Angola and one of the leading oil producers in Africa. We also purchase some of our refined oil products from Sonangol.

Strong risk management and compliance functions

We operate a risk management and control framework which governs decision making at each corporate level and defines reporting lines and controls. Underlining our commitment to robust risk management and compliance standards, we appointed a new Global Head of Compliance in 2016, who reports directly to the Chairman and the CFO, and have adopted a comprehensive sanctions, anti-bribery and corruption compliance program designed to help prevent, detect, and deter conduct that would violate relevant regulations. Our management team closely monitors our Group's compliance with principles of good corporate governance by employing a framework that provides for checks and balances while allowing our management flexibility for prompt decision-making in the ordinary course of business.

Our risk management and control model also focuses on various business risks such as commodity and currency exposures, compliance with laws and regulations in the various jurisdictions in which we operate and increased transparency. We comply with stringent industry standards, with 91% of our terminals being API-compliant and a large number being ISO 9001 or ISO 14001 certificated, limiting our operational risk. Our business model, where cash generated by our local operating subsidiaries is generally immediately transferred to us through the payment of intracompany invoices (rather than as dividends), allows us to limit exposure to cash repatriation risk. We have been able to maintain stable unit margins despite fluctuations in oil prices over the last few years. We also actively monitor counter-party credit risk, and we seek to minimize our exposure to this risk by targeting and achieving an average of 10-15 days of sales outstanding. All of our retail business is cash based. For other customers, typically industrial companies and airlines, we establish credit limits, engage in ''know your customer'' checks, invest in advanced management systems and maximize geographic and customer diversification in order to minimize credit losses. To further address credit risk and improve the collectability of our trade receivables, in some geographies we use a combination of credit insurance and factoring. Our maximum credit loss on a single receivable amounted to $3.2 million.

To manage our exposure to political risk, we seek to maintain a politically neutral stance in all of our operating jurisdictions. We have political risk insurance to further minimize our exposure to nationalization, expropriation and confiscation. We believe that successful implementation of risk management strategies, further supported by our cooperation with local governments in establishing needed infrastructure (and the goodwill this tends to generate), is integral to the performance of our integrated geographic platform.

Our strategy

Our strategy is to further enhance our leading position in the downstream and midstream segments and geographical areas in which we operate, while enhancing the quality and efficiency of our infrastructure base and customer offer and targeting new markets on an opportunistic basis. We believe the following key initiatives will allow us to successfully execute and implement our core strategies:

Secure or maintain leading market shares in each of our geographies

We aim to maintain our strong position in our midstream and downstream activities, in both high growth developing markets and in more mature developed markets. We are not expecting to exit any of our current markets as we intend to continue to take advantage of opportunities in markets where we can integrate supply, storage and distribution. Whilst historically many markets were supplied by local refineries, the closure of such refineries provides us with the opportunity to use our own supply system to ensure a strong market position. One example is our acquisition in 2015 of the former refinery at Milford Haven in the United Kingdom, which we transformed into a storage terminal. This presented us with an interesting opportunity to enter the United Kingdom market, which is a mature but significant market.

We believe we are well-positioned to pursue and capitalize on market opportunities due to our strong infrastructure base, and supply system, including our cooperation with our largest shareholder, Trafigura.

Expand our offering to our customers

We intend to maintain and grow our leading position both in midstream and downstream markets, by expanding our fuel and non-fuel offerings. We believe that we can leverage our established presence across our markets, our local, regional and global experience, and our existing infrastructure and asset base to access new revenue-generating opportunities, including through the provision of additional products and services in geographic markets where we are already active. We have an established track record of successfully entering into new business lines in the markets in which we operate. For example, we have grown our aviation operations, by increasing our presence from 27 airports as at December 31, 2013 to 68 as at September 30, 2017. We sold approximately 55% more aviation fuel by volume across our locations in 2016, compared with 2015.

We are also improving the quality of fuel distributed in order to provide cleaner and more efficient fuel to consumers and aim to continue to grow our specialized products offerings (such as lubricants and LPG). We are also continuing to expand our non-fuel operations. During the twelve months ended September 30, 2017, we derived 5.5% of our gross profit from sales of non-fuel products and services (and related rental income, royalties and franchise fees). The increased focus on non-fuel activities in our retail sites illustrates our overall strategy of increasing profitability per site, diversifying revenues and further extracting value from our existing asset base.

We believe our continued emphasis on integrating non-fuel products and services, and entering into new business lines in existing markets, represents attractive cross-selling opportunities within our business, solidifies our brand, and allows us to diversify revenue streams and attract customers even when they do not need to refuel.

Extract value from existing asset base

Over the past few years, we have significantly increased our asset base and geographic footprint, through both capital expenditures and acquisitions. These initiatives have been successful and we now benefit from a large and strategic infrastructure base. In the near term, we aim to focus on completing ongoing organic investments and optimizing our existing asset base, which should translate into significantly reduced capital expenditure spending going forward. While we do not foresee any major acquisitions in the near future, we will keep assessing and, where appropriate, pursuing, investment opportunities as and when they arise, and continue developing our retail network.

We aim to improve operational efficiencies and profit margins over time, through optimization of our existing asset base and processes. Thus we aim to capitalize on our network of strategically located storage terminals and hubs, to further strengthen our competitive position and increase the volumes sold to our customers.

We will continue to rely on what we believe to be very high customer service standards at each of the locations we operate and grow our non-fuel product and service offering to reach new markets, improve our cost efficiency, our customers' experience and connectivity. The ongoing digitalization and automation of our activities will further increase our ability to offer services throughout the day and night, whenever our customers want access.

Maintaining a robust financial position

Prudent financial management and planning are central to the successful delivery of our business strategy. We intend to maintain sufficient liquidity to provide us with the financial flexibility required to operate while maintaining prudent leverage. We intend to continue to pursue our financing strategy and lengthen the company's debt maturity profile, maintaining Net Debt (excluding inventories) to EBITDA at or below 3.0x. We are also continuously focusing on cash flow generation and diversification of funding sources and our dividend policy sets the maximum amount of dividends to 20% of net attributable income. In the years ended December 31, 2014, 2015 and 2016, we distributed nil, $17.0 million and nil, respectively, as dividends to our shareholders. During the first nine months of 2017, we distributed $23.6 million as dividends to our shareholders.

We strive to maintain an appropriate debt maturity and cash balance while approaching decisions concerning capital expenditures and leverage in a financially responsible manner.

History

Since the acquisition of the Puma Energy brand by Trafigura in 1997, the Group has expanded its geographic footprint through both organic investments and acquisitions. From 1997 to 2002, we were primarily active in Central America, building up our asset base and market share in key markets in the region.

In 2002, we entered Africa through an investment in the Republic of the Congo and, during the following three years, we focused on investments in the midstream sector in sub-Saharan Africa. Our strategy focused on investment in infrastructure related to oil imports aimed at facilitating our access to downstream markets where the existing infrastructure was insufficient to address the expected growth in demand.

We entered Angola and the Ivory Coast in 2007, and started our operations in Europe in 2008 with the acquisition of a storage business, in Estonia, Northern Russia and Norway. We began operations in the Middle East in 2009 with the purchase of a terminal in the UAE.

In 2010, we entered the Democratic Republic of the Congo (the ''**DRC**'') and Mozambique. Since 2010, we have complemented our organic growth with the acquisition of several downstream companies. In 2011 we acquired the distribution business from BP in Namibia, Botswana, Zambia, Malawi and Tanzania. In 2012 we acquired Chevron's downstream operations in Puerto Rico and Namibia, Capeco's operations in Puerto Rico and ExxonMobil's midstream and downstream activities in Central Americas. In 2013, we acquired several fuel distributors in Australia, adding a significant network of retail sites and storage assets.

In 2014 we expanded into Papua New Guinea by acquiring InterOil's operations including a refining business, an extensive network of fuel terminals, retail service stations and aviation facilities. Following the acquisition we have become Papua New Guinea's major supplier of fuel. Since 2014, we also extended our operations to Myanmar, with the construction of a major import terminal, and the start of our aviation operations, now serving all airlines operating in the country. In 2014 we have also continued our expansion into Africa with the acquisition of Sasol's and Chevron's downstream activities in Swaziland and Lesotho, and the acquisition of UBI Group in Ghana. We further developed our existing assets via a rebranding of our retail sites in Australia (acquired in 2013) and the opening of a bitumen terminal, which we built in Malaysia.

In 2015, we made our first acquisition in the United Kingdom from Murco Petroleum Limited, a subsidiary of Murphy Oil Corporation, including a wholesale and distribution business, as well as 1.4 million cubic meters of midstream storage. In 2015, we also acquired several independent retail distributors in Colombia, Peru and South Africa, purchased BP's aviation fuel business in Puerto Rico, and completed the acquisition of BP Australia's bitumen business. We have also finished the construction of the Matola terminal in Mozambique, which acts as a storage hub for our Southern African operations.

In 2016, we opened a bulk fuel storage terminal at Matadi in the Democratic Republic of Congo and acquired retail activities in Tanzania and Ghana and bitumen storage assets in Nigeria. In 2017, we completed the acquisition of BP's bulk storage terminal in Belfast, Northern Ireland, increasing the Group's storage capacity by 143,000 cubic meters. We also began the construction of a fuel terminal in Rostov, Russia, in order to supply a new international airport which is being built as part of the country's federal program for the upcoming FIFA World Cup 2018. In July 2017 we also acquired 100% of the share capital in Tropifuel Energies Corp., a Panamanian fuel distributor and in November 2017 a 51% interest in Admore Gas Pvt. Ltd, operating over 470 retail sites in Pakistan.

Our Shareholders

Our shareholders at September 30, 2017 are Trafigura (holding 49.58%, of which 49.49% is held via its wholly owned subsidiary Puma Energy Holdings Malta Ltd and the remainder is held via PE SPV Limited), Sonangol (27.92%), Cochan (15.45%), PE Investments Limited (5.85%), Global PE Investors PLC (0.22%), PE SPV Limited (0.56%) and PE ESP LLC (0.51%). Trafigura is a Singaporean incorporated major international commodity trader. Sonangol, is the Angolan state-owned oil company and Cochan is an Angolan investment company. For further information see ''*Principal Shareholders.*''

Recent Developments

Recent Refinancing Transaction

In October 2017, we issued $600 million aggregate principal amount of the 2024 Senior Notes. The offering of the 2024 Senior Notes was made in connection with an intermediated tender offer in respect of the 2021 Senior Notes and resulted in our repurchase of $590.0 million in aggregate principal amount of the $1.0 billion 2021 Senior Notes then outstanding.

Pakistan Acquisition

On November 1, 2017, the Group completed the acquisition of a 51% interest in Admore Gas Pvt. Ltd, which operates over 470 retail sites in Pakistan (the ''**Pakistan Acquisition**''). This acquisition brought Puma Energy branded retail sites and quality product range to the Pakistan market.

Completion of construction projects

We also recently completed the construction of a terminal in Tema in Ghana and expanded our storage terminal in Luanda Bay, Angola, to a total capacity of 0.4 million cubic meters, bringing our total capacity to 8.3 million cubic meters. Our major investment projects of recent years are now largely complete, and we do not currently anticipate large new projects being started in the near- to medium-term.

Conditional Notice of Redemption issued as part of the Refinancing

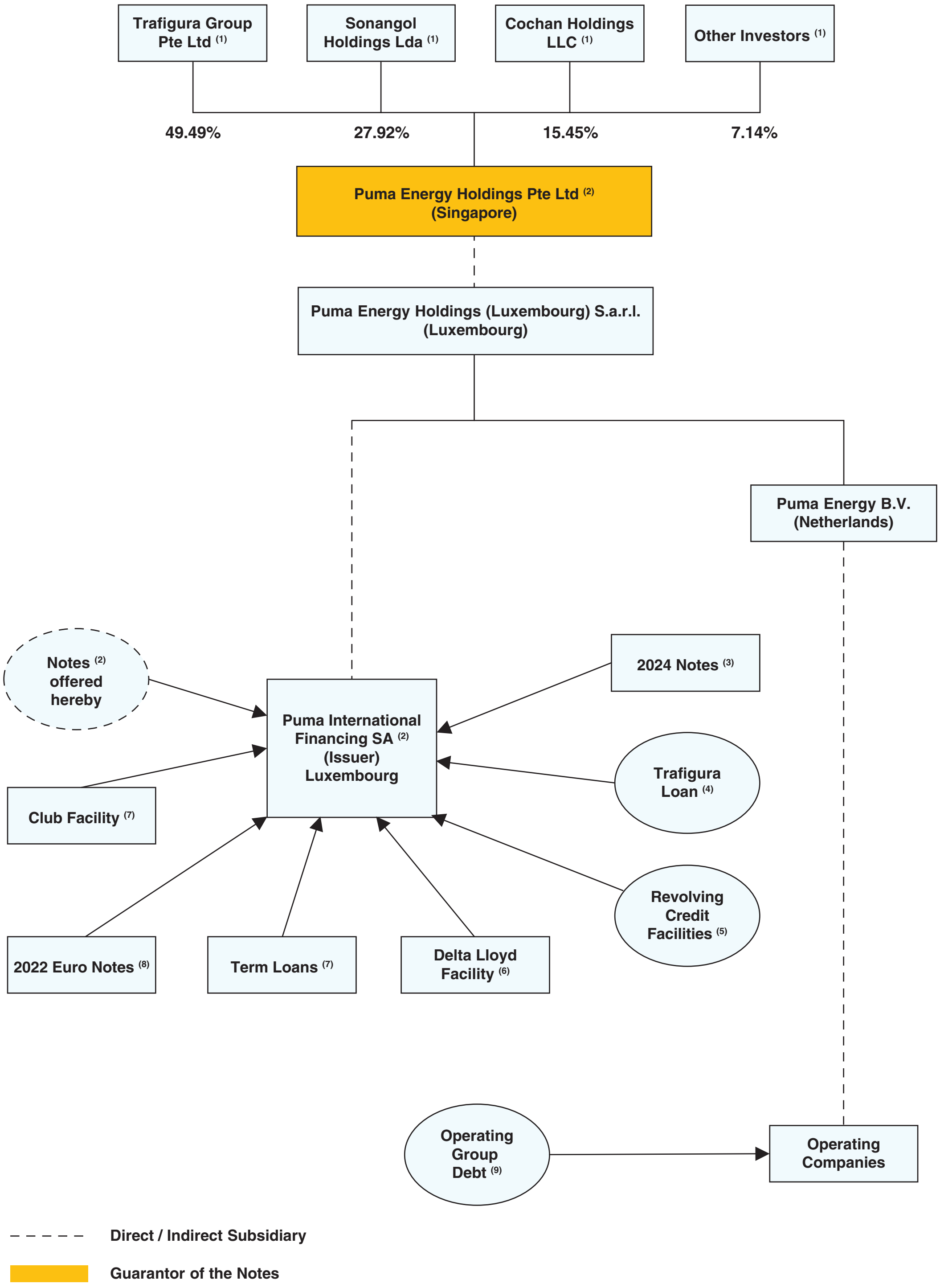
On January 8, 2018, the Issuer issued a notice of redemption to fully redeem the 2021 Senior Notes pursuant to the terms of the indenture governing the 2021 Senior Notes on February 7, 2018. The notice of redemption is conditioned upon, among other things, the completion of this Offering. If the conditions set forth in the notice of redemption are satisfied or waived, we expect to use a portion of the net proceeds of the Offering to fully redeem the 2021 Senior Notes (including payment of any prepayment premiums and accrued and unpaid interest required under the terms of the indenture governing the 2021 Senior Notes).

We also intend to use a portion of the net proceeds of the Offering to repay certain amounts drawn under the Revolving Credit Facilities, including, *inter alia*, the 2017 RCF Agreement and Facility B of the 2015 and 2016 RCF Agreements (but without cancelling commitments thereunder).

See ''*Use of Proceeds*'' and ''*Capitalization.*''

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following diagram shows a simplified summary of our corporate and principal financing structure after giving effect to the Transactions. The diagram does not include all entities in our corporate group, nor all of the debt obligations thereof. For a summary of the debt obligations identified in this diagram and our other debt obligations, please refer to the sections entitled "*Capitalization*," "*Description of Notes*" and "*Description of Certain Other Indebtedness.*" As of the Issue Date, all of our subsidiaries will be subject to the restrictive covenants of the Indenture.



(1) Trafigura Group Pte Ltd forms part of Trafigura group, which was founded in 1993 and is a major international commodity trader. As of September 30, 2017, Trafigura ultimately owned 49.58% of the shares of the Group, 49.49% via its wholly owned subsidiary Puma Energy Holdings Malta Ltd and the remainder via PE SPV Limited. Sonangol is a company owned by the state of Angola and is responsible for the Angolan State's oil operations. Cochan is an investment company organized under the laws of the Marshall Islands. Other investors as of September 30, 2017

comprised (i) PE Investments Limited (''**PEIL**'') (5.85%), (ii) Global PE Investors PLC (0.22%), (iii) PE SPV Limited (0.56%) and (iv) PE ESP LLC (0.51%). For further information, see ''*Principal Shareholders.*''

(2) The Issuer is an indirect wholly owned subsidiary of the Company. The Issuer will issue the Notes on the Issue Date. The Notes will be guaranteed on a senior basis by the Company. See ''*Risk Factors—Risks related to the Notes.*'' The Notes and the Company Guarantee will rank *pari passu* in right of payment with any of our and the Company's existing and future indebtedness that is not subordinated in right of payment to the Notes or the Company Guarantee, as the case may be. The Notes and the Company Guarantee will be effectively subordinated to any of the Issuer's and the Company's respective existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. The Notes and the Company Guarantee will be structurally subordinated to any existing and future indebtedness of our operating subsidiaries and their direct holding companies that do not guarantee the Notes. See ''*Description of Notes—Release of the Guarantees.*''

(3) Represents the $600 million 5.125% Senior Notes due 2024 issued by the Issuer on October 6, 2017. The offering of the 2024 Senior Notes was made in connection with an intermediated tender offer in respect of the 2021 Senior Notes and resulted in our repurchase of $590.0 million in aggregate principal amount of the $1.0 billion 2021 Senior Notes then outstanding.

(4) Represents a $1.5 billion loan entered into by Puma Energy Funding Ltd. (''**Puma Funding**'') on September 30, 2013 and novated on September 30, 2017 with Trafigura Pte. Ltd. (successor of Bulavista Limited, the original lender and an indirect subsidiary of Trafigura), consisting of a $500.0 million committed loan and a $1.0 billion uncommitted loan (the ''**Trafigura Loan**''). On June 30, 2014, all the rights and liabilities under the Trafigura Loan were transferred under a novation agreement from Puma Funding to the Issuer. As of September 30, 2017 and as of the date hereof the Trafigura Loan was undrawn. The Trafigura Loan provides that, in the event of a winding up, all obligations and liabilities payable to Trafigura Pte. Ltd. will rank immediately after the Issuer's unsubordinated obligations and liabilities, and pari passu with any subordinated claims ranking equally but in priority to all other claims against the Issuer. The Trafigura Loan will not be treated as Subordinated Indebtedness in the Indenture (and as defined therein). For further information, see ''*Description of Certain Other Indebtedness—Trafigura Loan*'' and ''*Description of Notes—Certain Definitions.*''

(5) Represents the revolving facilities entered into by the Issuer, including: (i) $390 million under 2015 Facility B; (ii) $355 million under 2016 Facility B; (iii) $400 million under the 2017 Facility; (iv) AUD65 million under Australian Facility B; (v) $30 million under the Nedbank Facility, and (vi) $30 million under the ENBD Facility. As of September 30, 2017, the aggregate amount drawn under the Revolving Credit Facilities at Issuer level was $863.6 million. For further information, see ''*Description of Certain Other Indebtedness*.''

(6) Represents the $100 million 5.87% facility due 2023 entered into on January 11, 2016, by the Issuer as borrower with DL Levensverzekering NV and DL Life N.V/SA as lenders. For further information, see ''*Description of Certain Other Indebtedness.*''

(7) Represents the various term loan facilities entered into by the Issuer, including: (i) $360 million under 2015 Facility C; (ii) AUD 275 million term loan under Australian Facility A; (iii) $75 million term loan under the Maybank Facility; (iv) $75 million under the Bank of China Facility; (v) $45 million under the Banco do Brasil Facility and (vi) $350 million under the 5-year Club Facility. As of September 30, 2017, the aggregate amount drawn under Term Loans at Issuer level was $795.1 million. For further information, see ''*Description of Certain Other Indebtedness*.''

(8) Represents the EUR 200 million senior notes due 2022. For further information, see ''*Description of Certain Other Indebtedness*.''

(9) Represents Operating Group debt (debt financed or guaranteed by subsidiaries of the Company that do not guarantee the Notes) which amounted to $481.7 million (comprised of $190.8 million of local overdrafts, $137.7 million of working capital lines and $153.2 million of term loans). For further information, see ''*Description of Certain Other Indebtedness.*''

THE OFFERING

The following is a brief summary of certain terms of the Offering. It may not contain all of the information that is important to you. For a more complete understanding of the Notes and the Guarantee, see "Description of Notes." Terms used in this summary and not otherwise defined have the meanings given to them in "Description of Notes."

Issuer	Puma International Financing S.A., a public limited liability company (*société anonyme*) organized and existing under the laws of the Grand Duchy of Luxembourg (the "**Issuer**").
Notes Offered	$750 million aggregate principal amount of 5.00% Senior Notes due 2026 issued pursuant to an indenture to be dated as of the Issue Date (the "**Notes**").
Issue Date	On or about January 24, 2018 (the "**Issue Date**").
Issue Price	100.00% (plus accrued and unpaid interest, if any, from the Issue Date).
Interest Rates and Payment Dates	Interest on the Notes will be 5.00% *per annum,* payable semi-annually in arrears on January 24 and July 24 of each year, commencing on July 24, 2018. Interest on the Notes will accrue from the Issue Date.
Form and Denomination	The Issuer will issue the Notes on the Issue Date in global form in minimum denominations of $200,000 and in integral multiples of $1,000 in excess thereof, maintained in book-entry form. Notes in denominations of less than $200,000 will not be available.
Maturity Date	January 24, 2026.
Guarantee	The Issuer's obligations under the Notes and the Indenture will be fully and unconditionally guaranteed (the "**Company Guarantee**") by the Company on a senior basis. The Company Guarantee will be subject to contractual and legal limitations. See "*Risk Factors—Risks Related to the Notes*" and "*Description of Notes—Brief Description of the Notes and the Guarantee.*"
Ranking of the Notes	The Notes will be general obligations of the Issuer and will: • rank equally in right of payment with all future indebtedness of the Issuer that is not subordinated in right of payment to the Notes; • be senior in right of payment to all future indebtedness of the Issuer that is subordinated in right of payment to the Notes, if any; • be effectively subordinated to any future indebtedness of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of such property and assets securing such indebtedness; • be structurally subordinated to all existing and future obligations of Subsidiaries of the Company (other than the Issuer); and • be guaranteed on a senior basis by the Company.

Ranking of the Company Guarantee	The Company Guarantee will be a general obligation of the Company. The Company Guarantee will: • rank equally in right of payment with all existing and future obligations of the Company that are not subordinated in right of payment to its Guarantee; • be senior in right of payment to any and all of the applicable Company's future indebtedness that is subordinated in right of payment to its Guarantee, if any; and • be effectively subordinated to any existing and future obligations of the Company that is secured by property or assets that do not secure the Guarantee, to the extent of the value of property and assets securing such obligation. As of the Issue Date, none of our subsidiaries will guarantee the Notes. In the event of the bankruptcy, liquidation or reorganization of any of our subsidiaries, the subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to us. See "*Risk Factors—Risks Related to the Notes—Your right to receive payments under the Notes will be structurally or effectively subordinated to claims of existing and future creditors of our subsidiaries*" and "*Description of Notes—Brief Description of the Notes and Guarantees—Release of the Guarantees.*"
Optional Redemption	Prior to January 24, 2021, the Issuer may redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus the applicable "make-whole" premium set forth in this Offering Memorandum plus accrued and unpaid interest to the redemption date. On or after January 24, 2021, the Issuer may redeem all or a portion of the Notes at the redemption prices set forth in this Offering Memorandum under the caption "*Description of Notes—Optional Redemption*" plus accrued and unpaid interest to the redemption date. In addition, at any time prior to January 24, 2021, the Issuer may redeem up to 40% of the aggregate principal amount of the Notes with the proceeds of certain equity offerings at 105.00% of the principal amount of the Notes, plus accrued interest, *provided that* at least 60% of the aggregate principal amount of the Notes originally issued remains outstanding immediately after the occurrence of such redemption. See "*Description of Notes—Optional Redemption*."
Optional Redemption for Tax Reasons	In the event of certain developments affecting taxation or certain other circumstances in the law of any relevant tax jurisdiction that would impose withholding taxes or other deductions on the payment of the Notes, the Issuer may redeem the Notes in whole, but not in part, at any time, at a redemption price of 100% of the aggregate principal amount, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. See "*Description of Notes—Redemption for Changes in Taxes.*"

Additional Amounts	Any payments made by the Issuer with respect to the Notes or by the Company with respect to the Company Guarantee will be made without withholding or deduction for taxes in any jurisdiction unless required by law. If any deduction or withholding for taxes of a relevant tax jurisdiction is required by law with respect to a payment to the holders of the Notes or the Company Guarantee, subject to certain exceptions, we will pay the additional amounts necessary so that the net amount received after the withholding is not less than the amount that they would have received in the absence of such withholding. See ''*Description of Notes—Additional amounts*.''
Change of Control	Upon the occurrence of certain events constituting a ''change of control'' (as defined herein), the Issuer will be required to offer to repurchase all outstanding Notes at a purchase price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of such repurchase. See ''*Description of Notes—Repurchase at the Option of Holders—Change of Control.*''
Certain Covenants	The Indenture will contain covenants that, among other things, limit the ability of the Company and its restricted subsidiaries to: • incur or guarantee additional indebtedness and issue certain preferred stock; • pay dividends on, redeem or repurchase our capital stock; • make certain restricted payments and investments, including dividends or other distributions with regard to the shares of the Issuer or its restricted subsidiaries; • create or incur certain liens; • enter into agreements that restrict our restricted subsidiaries' ability to pay dividends or other distributions or make loans or advances to the Company or any of the restricted subsidiaries; • transfer or sell assets; • merge or consolidate with other entities; and • engage in certain transactions with affiliates. Each of these covenants are subject to a number of important limitations and exceptions as described under ''*Description of Notes—Certain Covenants*.''
Transfer Restrictions	The Notes and the Guarantee have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction. The Notes are subject to restrictions on transfer and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. We have not agreed to, or otherwise undertaken to, register the Notes. See ''*Book-Entry; Delivery and Form*'' and ''*Transfer Restrictions.*''

Use of Proceeds	The Issuer intends to use the net proceeds from the Offering to (i) fully redeem the 2021 Senior Notes (including payment of any prepayment premiums and accrued and unpaid interest required under the terms of the indenture governing the 2021 Senior Notes) and (ii) with any remaining net proceeds, repay certain amounts drawn under the Revolving Credit Facilities, including, inter alia, the 2017 RCF Agreement and Facility B of the 2015 and 2016 RCF Agreements (but without cancelling commitments thereunder). See ''Use of Proceeds.''
No Prior Market	The Notes will be new securities for which there is no existing market. Although the Initial Purchasers have informed us that it intends to make a market in the Notes, they are not obligated to do so and it may discontinue market-making at any time without notice. Accordingly, we cannot assure you that an active trading market for the Notes will develop or be maintained.
Listing and Trading	Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and for the Notes to be admitted to trading on the Euro MTF Market thereof. The Euro MTF of the Luxembourg Stock Exchange is not a regulated market pursuant to the provisions of Directive 2004/39/EC. There is no assurance that the Notes will be listed on the Official List of the Luxembourg and admitted to trading on the Euro MTF Market thereof.
Governing Law	The Indenture, the Notes and the Company Guarantee will be governed by the laws of the State of New York. For the avoidance of doubt, Articles 86 to 94-8 of the Luxembourg act on commercial companies dated 10 August 1915, as amended from time to time, shall not apply to the Notes.
Trustee	The Law Debenture Trust Corporation p.l.c.
Registrar	Banque Internationale à Luxembourg S.A.
Transfer Agent, Paying Agent and Listing Agent	Banque Internationale à Luxembourg S.A.

RISK FACTORS

Investing in the Notes involves substantial risks. You should consider carefully all the information in this Offering Memorandum and, in particular, you should evaluate the specific risk factors set forth in the ''*Risk Factors*'' section in this Offering Memorandum before making a decision whether to invest in the Notes.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA

The Issuer, Puma International Financing S.A., was incorporated on December 12, 2013 and is a wholly owned subsidiary of the Company. The Company, Puma Energy Holdings Pte. Ltd., has been our parent company since September 16, 2013.

The following tables set forth our summary historical consolidated financial information as of the dates and for each of the periods indicated. This Offering Memorandum includes the audited consolidated financial statements of Puma Energy Holdings Pte. Ltd. as of and for each of the years ended December 31, 2014, 2015 and 2016, and its interim consolidated financial statements as of and for the nine months ended September 30, 2017, with comparative financial information as of and for the nine months ended September 30, 2016. The Offering Memorandum also includes financial data for the twelve months ended September 30, 2017. The audited, reviewed and unaudited consolidated financial statements have been prepared in accordance with IFRS.

The data below should be read in conjunction with ''*Presentation of financial and Other Information*,'' ''*Use of Proceeds*,'' ''*Capitalization*,'' ''*Selected Historical Consolidated Financial Information*,'' ''*Management's Discussion and Analysis of Financial Condition and Results of Operations*'' and our consolidated financial statements and the accompanying notes thereto included elsewhere in this Offering Memorandum.

The unaudited ''as adjusted'' consolidated financial information presented below has been derived from our consolidated financial statements and gives effect to (i) the Recent Refinancing Transaction and the full drawing of the Club Facility and use of proceeds therefrom and (ii) the Transactions, as if, in each case, they had occurred on September 30, 2017. The unaudited ''as adjusted'' consolidated financial information have not been prepared in accordance with the requirements of Regulation S-X of the Securities Act or any generally accepted accounting standards.

The unaudited ''as adjusted'' consolidated financial information is for informational purposes only and should not be considered indicative of actual results that would have been achieved had the Offering, refinancing and new financing been completed on the dates indicated and does not purport to indicate our future consolidated results of operations or financial position. The actual results may differ significantly from those reflected in the reviewed ''as adjusted'' consolidated financial information for a number of reasons, including, but not limited to, differences in assumptions used to prepare the unaudited ''as adjusted'' consolidated financial information.

The unaudited ''as adjusted'' consolidated financial information should be read in conjunction with, and is qualified in its entirety by, the information contained in ''*Selected Historical Financial Information,*'' ''*Management's Discussion and Analysis of Financial Condition and Results of*

Operation'' and the consolidated financial statements appearing elsewhere in this Offering Memorandum.

	Year Ended December 31,			Nine Months Ended September 30,		Twelve Months Ended September 30,
	2014	2015	2016	2016	2017	2017
	($ millions)					
Summary Statement of Income Data						
Net sales	13,433.0	12,686.4	12,669.5	9,272.3	10,781.1	14,178.3
Cost of sales	(12,004.3)	(11,190.7)	(11,068.9)	(8,080.1)	(9,552.0)	(12,540.8)
Gross profit	**1,428.7**	**1,495.7**	**1,600.6**	**1,192.2**	**1,229.1**	**1,637.5**
Selling and operating costs	(932.8)	(1,016.6)	(1,022.7)	(777.8)	(800.6)	(1,045.5)
General and administrative expenses	(100.3)	(167.9)	(169.3)	(117.2)	(156.4)	(208.5)
Other operating income	7.7	40.0	1.3	0.4	3.2	4.1
Other operating expenses	(11.5)	(12.3)	(37.4)	(23.7)	(6.7)	(20.4)
Share of net profit in associates(1)	4.3	3.1	10.6	4.7	3.8	9.7
Operating profit	**396.1**	**342.0**	**383.1**	**278.6**	**272.4**	**376.9**
Finance income	12.2	10.4	8.7	7.1	8.7	7.5
Finance costs	(184.9)	(211.2)	(228.3)	(173.6)	(160.8)	(212.6)
Net foreign exchange gains/ (losses)	(2.7)	25.8	(14.9)	(18.2)	(13.6)	(10.4)
Profit before tax	**220.7**	**167.0**	**148.6**	**93.9**	**106.7**	**161.4**
Income tax expense	(37.2)	9.8	(32.2)	(27.7)	(29.4)	(33.9)
Profit after tax	**183.5**	**176.8**	**116.4**	**66.2**	**77.3**	**127.5**

(1) The share of net profits in associates in 2014 has been reclassified from below the operating profit line to above the operating profit line.

	Year Ended December 31,			Nine Months Ended September 30,		Twelve Months Ended September 30,
	2014	2015	2016	2016	2017	2017
	($ millions)					
Summary Statement of Cash Flow Data						
Cash flow from operating activities(1)	861.5	734.9	838.2	686.3	334.8	486.7
Cash flow from investing activities(1)	(1,342.7)	(1,138.3)	(732.7)	(546.3)	(260.8)	(447.2)
Cash flow from financing activities	491.0	204.4	(13.7)	110.2	72.7	(51.2)
Net increase/(decrease) in cash and cash equivalents	**9.8**	**(199.0)**	**91.8**	**250.2**	**146.7**	**(11.7)**
Effect of exchange rate differences	18.3	3.4	(37.3)	(57.3)	(8.4)	11.6
Cash and cash equivalents at beginning of period	**448.7**	**476.8**	**281.2**	**281.2**	**335.7**	**474.1**
Cash and cash equivalents at end of period	**476.8**	**281.2**	**335.7**	**474.1**	**474.0**	**474.0**

(1) Dividends received from associates have been reclassified from investing cash flows to financing cash flows in 2014.

	As of December 31, 2014	As of December 31, 2015	As of December 31, 2016	As of September 30, 2017
	($ millions)			
Summary Statement of Financial Position Data				
Cash and cash equivalents	476.8	281.2	335.7	474.0
Current assets (excluding cash and cash equivalents)	1,726.9	1,707.8	1,542.9	1,941.3
Total non current assets	4,348.6	4,926.9	5,040.5	5,192.8
Total assets	**6,552.3**	**6,915.9**	**6,919.1**	**7,608.1**
Total current liabilities	2,352.2	2,295.3	2,146.0	2,796.8
Total non current liabilities	2,328.5	2,549.0	2,872.7	2,763.9
Total liabilities	**4,680.7**	**4,844.3**	**5,018.7**	**5,560.7**
Total equity and liabilities	**6,552.3**	**6,915.9**	**6,919.1**	**7,608.1**

	Year Ended December 31, 2014	Year Ended December 31, 2015	Year Ended December 31, 2016	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Twelve Months Ended September 30, 2017
	($ millions, except percentages and ratios)					
Other Financial Data						
Gross profit	1,428.7	1,495.7	1,600.6	1,192.2	1,229.1	1,637.5
Gross profit by segment						
Midstream	197.9	209.8	227.4	168.8	161.7	220.3
Downstream	1,230.8	1,285.9	1,373.2	1,023.4	1,067.4	1,417.2
EBITDA(1)	654.5	676.0	754.5	556.2	555.6	753.9
Regional EBITDA(2)						
Americas	192.8	213.6	252.6	182.7	226.3	296.2
Africa	341.0	334.5	356.7	278.4	202.6	280.9
Europe	37.2	22.1	25.1	17.8	17.1	24.4
Asia Pacific	83.5	105.8	120.1	77.3	109.6	152.4
Evolution of working capital						
DSO	17.8	15.7	15.3	17.8	17.0	17.3
Third Party DSO(3)	13.7	12.3	12.3	12.1	12.4	12.6
DPO	35.0	27.5	43.0	45.2	40.4	41.0
Third Party DPO(4)	30.9	18.5	23.9	26.7	20.3	21.1
DOI	19.4	20.1	24.6	24.1	24.9	25.3

	Year Ended December 31, 2014	Year Ended December 31, 2015	Year Ended December 31, 2016	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Twelve Months Ended September 30, 2017
	($ millions)					
Maintenance capital expenditure(5)	57.2	82.1	114.2	57.7	67.4	123.9
Organic growth capital expenditure(6)	611.7	730.5	446.8	328.2	150.1	268.7
Acquisitions spend(7)	622.6	260.8	132.2	129.3	27.6	30.5
Cash flow available for debt service before growth capital expenditure(8)	597.3	593.9	640.3	498.5	488.2	630.0
Cash flow conversion rate(9)	91.3%	87.9%	84.9%	89.6%	87.9%	83.6%

	As of September 30, 2017 (except as otherwise noted)	As Adjusted
	($ millions, except ratios)	
Cash and cash equivalents[10]	474.0	429.0
Debt (net of cash)[11]	3,002.1	3,047.1
Net Debt (excluding inventories)[12]	2,133.5	2,178.5
Interest expense, net[13][14]	196.3	196.3
EBITDA[1][14]/Interest expense, net[13][14]	3.8x	3.8x
Net Debt (excluding inventories)[12]/ EBITDA[1][14]	2.8x	2.8x
Fixed charge coverage ratio	3.8x	3.8x

	Year Ended December 31,			Nine Months Ended September 30,		Twelve Months Ended September 30,
	2014	2015	2016	2016	2017	2017
	(cubic meters thousands)					
Sales volume	**14,764**	**18,944**	**21,968**	**16,544**	**16,723**	**22,147**
Americas	7,132	8,144	8,922	6,917	6,488	8,493
Africa	4,801	6,348	6,499	4,827	4,787	6,459
Europe	8	670	1,952	1,427	1,598	2,123
Asia Pacific	2,823	3,782	4,595	3,373	3,850	5,072

The following table reconciles profit after tax to EBITDA for the periods presented.

	Year Ended December 31,			Nine Months Ended September 30,		Twelve Months Ended September 30,
	2014	2015	2016	2016	2017	2017
	($ millions)					
Profit after tax for the period	**183.5**	**176.8**	**116.4**	**66.2**	**77.3**	**127.5**
Income tax expense	37.2	(9.8)	32.2	27.7	29.4	33.9
Net finance costs	172.7	200.8	219.6	166.5	152	205.1
Net foreign exchange losses/(gains)	2.7	(25.8)	14.9	18.2	13.7	10.4
Operating profit	**396.1**	**342.0**	**383.1**	**278.6**	**272.4**	**376.9**
Depreciation	238.3	288.1	304.7	230.8	257.3	331.2
Amortization	23.2	34.4	40.2	29.2	28.2	39.2
Impairment charge	1.7	42.7	2.2	1.3	0.9	1.8
Other (income)/expenses not included in EBITDA	(4.8)	(31.2)	24.3	16.3	(3.2)	4.8
EBITDA	**654.5**	**676.0**	**754.5**	**556.2**	**555.6**	**753.9**

(1) EBITDA is defined as profit for the period before income tax expense, net foreign exchange gains/(losses), finance income and costs, depreciation, amortization, impairment charges and certain additional items within other income/(expenses) not included in EBITDA. Other income/(expenses) not included in EBITDA include a $35.5 million gain on business combination for the acquisition of Murco Petroleum Ltd in the United Kingdom in 2015, and $21.2 million expenses for the write off of tangible and intangible assets in 2016. Please refer to ''Presentation of Financial and Other Data'' for additional information on how we calculate EBITDA and its limitations as an analytical tool.

(2) Regional EBITDA for any specified region represents Regional EBITDA for such region (including costs allocated incurred at global support venters on the basis of the respective contribution of the region to the Group's gross profit).

(3) Trade accounts receivable from related parties represented 24.2%, 25.7%, 24.9% and 31.64% of the our trade accounts receivable for the years ended December 31, 2014, 2015 and 2016 and for the nine months ended September 30, 2017, respectively. See ''Related Party Transactions.''

(4) Payables from related parties represented 53.0%, 53.6%, 62.1% and 59.6% of our trade and other accounts payable for the years ended December 31, 2014, 2015 and 2016 and for the nine months ended September 30, 2017, respectively. See ''Related Party Transactions.''

(5) Maintenance capital expenditure represents capital expenditures to maintain assets in their current state of operation or to upgrade any assets to meet specific regulatory requirements (and excludes operating maintenance expenditures, which are expenditures that do not increase the life or value of the asset and are accounted for as a cost of operation).

(6) Organic growth capital expenditure represents (i) organic growth capital expenditures made to increase our assets in markets in which we are present and believe demand is growing, (ii) development growth capital expenditures made to increase our assets to capture additional market share in markets where we are already present (and as a result, which we deem to be discretionary) and (iii) greenfield capital expenditures to enter new markets.

(7) Acquisitions spend represents the total cash consideration paid to acquire new businesses.

(8) Cash flow available for debt service before growth capital expenditure represents EBITDA less maintenance capital expenditure. See footnotes (1) and (5) with respect to EBITDA and maintenance capital expenditure, respectively.

(9) Cash flow conversion rate is the ratio of (i) EBITDA less maintenance capital expenditure to (ii) EBITDA, expressed as a percentage. See footnotes (1) and (5) with respect to EBITDA and maintenance capital expenditure, respectively.

(10) Cash and cash equivalents represents our cash and cash equivalents.

Cash and cash equivalents, as adjusted, represents our cash and cash equivalents after giving effect to the Recent Refinancing Transaction, the full drawing of the Club Facility and use of proceeds therefrom and the Transactions as if they had occurred on September 30, 2017.

(11) Debt (net of cash) represents our total borrowings less cash and cash equivalents.

Debt (net of cash), as adjusted, represents our total borrowings less cash and cash equivalents after giving effect to the Recent Refinancing Transaction, the full drawing of the Club Facility and use of proceeds therefrom and the Transactions as if they had occurred on September 30, 2017.

(12) Net Debt (excluding inventories) represents our total borrowings less cash and cash equivalents and less inventories.

Net Debt (excluding inventories), as adjusted, represents our total borrowings less cash and cash equivalents and less inventories after giving effect to the Recent Refinancing Transaction, the full drawing of the Club Facility and use of proceeds therefrom and the Transactions as if they had occurred on September 30, 2017.

(13) Net interest expense represents interest expense which includes the interest on loans and borrowings from third and related parties, net of discount impact and interest income.

Interest expense, as adjusted, represents interest expense, which includes the interest on loans and borrowings from third and related parties, after giving effect to the Recent Refinancing Transaction, the full drawing of the Club Facility and use of proceeds therefrom and the Transactions as if they had occurred on September 30, 2017.

(14) Twelve months ended September 30, 2017.

RISK FACTORS

Prospective investors should carefully consider all of the information in this Offering Memorandum, including the following risk factors, before making an investment decision regarding the Notes. The risks and uncertainties below are not the only ones we face. Additional risks and uncertainties not presently known, or that we currently believe are immaterial, could also impair our business, results of operations, financial condition or our ability to fulfill our obligations under the Notes. If any of the following risks materializes or similar risks currently deemed not to be significant become significant, our business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, risks not deemed to be individually significant could, collectively, adversely affect us. As a result of these risks, the trading price of the Notes could decline and we may be unable to meet our financial obligations under the Notes and prospective investors may lose all or part of their investment in the Notes. The sequence in which the risk factors are presented below is not indicative of their importance, their likelihood of occurrence or the scope of their financial consequences.

Risks relating to our business

Several countries and regions in which we operate have experienced economic and governmental instability that could adversely affect the economy in our markets and, therefore, our business, financial condition and results of operations.

Our operations are concentrated in various countries across Africa, the Americas, the Middle East, Asia Pacific and Europe, and are expected to continue to be concentrated in these regions in the future. Our revenues and operations will remain highly dependent on these countries and regions, and the economic and political conditions in such jurisdictions may not be favorable in the future. An economic slowdown in one or more of these regions could negatively impact our sales and have an adverse effect on our business, financial condition and results of operations.

Many of these countries and regions have also experienced economic instability in the past. Several countries in our markets in Africa and the Americas have experienced periods of governmental instability over recent decades. Such instability, its possible escalation and the violence associated with it may negatively impact the economies in these countries and our local operations. We cannot assure you that our customers, employees or assets will not be affected by these circumstances. Governmental instability in one or more countries in which we operate may negatively impact the government's credibility in any such country, which could in turn negatively impact the country's economy and adversely affect our business, financial condition and results of operations.

In addition, certain economies from which we derive a significant portion of our revenues are natural resources economies. At present, natural resources economies are facing significant challenges, primarily due to the decline in the price of oil and/or other commodities. These developments have led to some contraction in demand for the Group's products in these markets, including in particular in our business-to-business operations, but may in time more significantly impact our retail and other businesses as well due to the general impact of depressed commodity prices on the level of economic activity in these economies.

Actions by governments or political events in the countries in which we operate could have an adverse effect on our business.

We conduct a large part of our activities in developing countries, and plan to continue to do so in the future. Our activities in these countries expose us to various levels of political, economic and other risks and uncertainties that vary for each country and include, but are not limited to:

- renegotiation or nullification of existing concessions, licenses, permits and contracts;
- changes in applicable laws or regulations, including tax laws and price regulations;
- retroactive tax claims;
- expropriation or nationalization of property;
- increases in costs that cannot be offset by increased prices in our regulated markets;
- restrictions on the remittance of dividend and interest payments offshore;

- limitations on the repatriation of earnings;
- social and labor unrest;
- corruption;
- unstable legal systems;
- changing political conditions;
- opposition to the oil industry from environmental or other non-governmental organizations;
- limitations on foreign ownership;
- limitations on imports;
- changes to, or implementation of additional, environmental laws, regulations or permitting rules, including changes to existing interpretations of such laws, regulations or permitting rules;
- currency controls and devaluations;
- governmental regulations that require foreign contractors to purchase supplies locally; and
- risks of loss due to civil strife, acts of war, guerrilla activities, insurrection and terrorism.

Furthermore, we may also be exposed to a lack of certainty with respect to the legal systems in a number of countries in which we operate, which may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law.

The above risks could arise in any country in which we operate. The occurrence of such risks could have a material adverse effect on our business, results of operations and financial condition.

Our operations are subject to risks relating to fraud, bribery, theft and corruption.

Certain of the countries in which we conduct business have from time to time reported or alleged to have experienced high levels of criminal activity and governmental and business corruption. In particular, oil companies may be targets of criminal, corruption or terrorist actions and we are regularly subject to, and may in the future continue to be subject to, theft at our retail sites and storage facilities as well as during the transportation of our refined oil products. Criminal, corruption or terrorist action against us and our properties or facilities could materially and adversely affect our business, results of operations or financial condition. In addition, the fear of criminal, corruption or terrorist actions against us could have an adverse effect on our ability to adequately staff and/or manage our operations or could substantially increase the costs of doing so.

While we maintain and regularly update our IT and control systems, anti-corruption training programs, codes of conduct and other safeguards designed to prevent the occurrence of fraud, bribery, theft and corruption, it may not be possible for us to detect or prevent every instance of fraud, bribery, theft and corruption in every jurisdiction in which our employees, agents, sub-contractors or commercial partners are located. Moreover, while we have undertaken a number of initiatives recently (and intend to undertake further initiatives) to improve our compliance processes, several of these initiatives are yet to be implemented or fully implemented, and even when fully implemented, may not necessarily be effective at improving the detection or prevention of every instance of fraud, bribery, theft and corruption, If adverse investigations or findings are made, either erroneously due to differing but legal business norms or because they are substantiated in the future, against us, our directors, officers, employees or commercial partners or any such person is found to be involved in corruption or other illegal activity, this could result in criminal or civil penalties, including substantial monetary fines, against us, our directors, officers, employees or commercial partners. Furthermore, alleged or actual involvement in corrupt practices or other illegal activities by our commercial partners or others with which we conduct business could also damage our reputation and business. Due to our intention to continue to expand internationally, we may be increasingly exposed to these risks. We may also be subject to allegations of corrupt practices or other illegal activities, which, even if subsequently proved to be unfounded, may damage our reputation and require significant expense and management time to investigate. Instances or allegations of fraud, bribery, theft and corruption, and violations of laws and regulations in the jurisdictions in which we operate could have a material adverse effect on our results of operations and financial condition.

Our shareholders and local partners may face scrutiny by the press, government agencies, non-governmental organizations and others.

We presently operate through relationship or joint venture agreements for some of our operations, including in Cuba, Northern Ireland, UAE, Malaysia, Chile, Zimbabwe and Australia. In certain countries, local law requires that, in order to operate in that country, we must enter into relationships and joint venture agreements with or be partially owned by local partners, which may include government entities or government owned entities. We may also elect to work with a local partner as a shareholder or through a joint venture or other arrangement in order to benefit from local market presence, knowledge and experience. In certain cases, we face a limited number of available partners due to limited capacity or political conditions in the host country. Such circumstances may limit our ability to negotiate favorable contracts or otherwise maximize the value of our operations. We are not able to control all aspects of the operations of our local partners or how those local partners are portrayed by government agencies, non-governmental organizations and others. Additionally, some of our local partners and shareholders have in the past or are currently, and may in the future, be subject to investigations, claims, governmental fines or penalties. While we have modeled our internal anti-bribery procedures and practices on the United Kingdom Bribery Act 2010 and use industry standard screening databases to conduct initial and ongoing ''know your customer'' checks on local partners and shareholders using the Joint Money Laundering Steering Group Guidance, there can be no assurance that we were aware of all relevant activities by and investigations of or claims against such persons and entities at the time that we elected to do business with them.

Certain of our direct shareholders, Sonangol, Cochan and Trafigura, and certain of their beneficial shareholders and/or Board representatives, as well as local partners have in the past or are currently, and may in the future, be the subject of criticism or allegations by the press relating to fraud, corruption, bribery and non-compliance with sanctions, and have in the past or are currently, and may in the future, be subject to investigation by certain regulatory authorities and other governmental and non-governmental entities relating to such matters. These allegations and criticism can be found in the public domain. Such allegations and criticisms do not relate to their shareholding in or relationship with us. While we have no reason to believe that such allegations with respect to our shareholders or such persons are true, we have a limited ability to monitor or verify the accuracy of such allegations that may be reported on by the press or investigated by governmental or non-governmental organizations or to monitor the status of any such investigations. In addition, we cannot assure you that our shareholders and local partners will not be subject to further scrutiny by the press, governmental or non-governmental entities. The potential consequences of any such scrutiny or an adverse outcome of any such investigations are difficult to predict, particularly as applicable sanctions, anti-bribery and anti-corruption laws increasingly have extra-territorial effect, but may, among other things, include significant criminal or civil penalties against our local partners or shareholders, or restrictions on our ability to transact with our local partners or shareholders, any of which could adversely affect our brands and reputation, disrupt our supply or other relationships with our shareholders or local partners or otherwise adversely affect our business, financial condition and results of operations. For more information on our shareholders and directors, see ''*Principal Shareholders*'' and ''*Management and Corporate Governance.*''

Moreover, in the event that we believe or have reason to believe that our local partners or shareholders have or may have violated applicable sanctions, anti-bribery and anti-corruption laws, we may be required to investigate or have outside counsel investigate the relevant facts and circumstances, which can be expensive and require significant time and attention from senior management.

Our internal controls and procedures may not be sufficient to provide reliable financial reports, prevent fraud and ensure compliance with our anti-bribery and anti-corruption requirements.

Our management is responsible for establishing and maintaining adequate internal controls. Effective internal controls are necessary for us to provide reliable financial reports, make timely disclosures of material information and help prevent fraud. Although we have undertaken a number of procedures in order to provide assurances as to the reliability of our financial reports and ability to comply with timely disclosure requirements, including those that will be required under the

Indenture, we cannot be certain that such measures will ensure that we will maintain adequate control over financial processes and reporting or enable us to prevent fraud and ensure compliance with anti-bribery and anti-corruption requirements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our reporting obligations. If we or our independent auditors identify a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in our consolidated financial statements.

In addition to our internal compliance and corporate governance controls, applicable anti-bribery and anti-corruption laws prohibit us from making improper payments to government officials or other persons for the purpose of obtaining or retaining business. Several of the governments in the jurisdictions in which we operate have focused in recent years on anti-bribery and anti-corruption law enforcement activity, with more frequent and aggressive investigations and enforcement proceedings by regulators, and increases in criminal and civil proceedings brought against companies and individuals. While our policies mandate compliance with applicable anti-bribery and anti-corruption laws, we operate in jurisdictions that are reported or alleged to have elevated governmental and commercial corruption levels and in certain circumstances, strict compliance with anti-bribery and anti-corruption laws may conflict with local customs and practices. Our ability to comply with anti-bribery and anti-corruption laws is dependent on the success of our ongoing compliance program, including our ability to continue to manage our agents and business partners, and supervise, train and retain competent employees. We cannot guarantee that our internal controls will be successful in protecting us from acts committed by our employees or third-party intermediaries. In the event that we believe or have reason to believe that our employees or agents have or may have violated applicable anti-bribery and anti-corruption laws, we may be required to investigate or have outside counsel investigate the relevant facts and circumstances, which can be expensive and require significant time and attention from senior management. Violations of these laws may result in significant criminal or civil sanctions, which could disrupt our business, damage our reputation and result in a material adverse effect on our business, prospects, financial condition and results of operation.

We have a decentralized organizational structure and our management reporting systems may be insufficient.

We have a decentralized organizational structure, in which local and regional managers retain substantial autonomy regarding the management of our operations in their markets. In order to satisfy the needs of our customers and ensure efficient decision-making, our business model emphasizes local and regional decision-making and responsibility, and our board depends upon local and regional management for reporting purposes. Reporting may be hampered by distance and communication, as operations are located in several countries in Africa, the Americas and the Asia Pacific region and executive management are located in Singapore and Switzerland. A failure of management to report to the board, a delay in reporting, or inaccurate reporting could lead our board to omit to take decisions or to take decisions without being informed or fully informed, any of which could have a material adverse effect on our business, financial condition and results of operations.

We operate in developing markets that may cause us to be adversely impacted by periods in which investors seek to minimize their exposure to risk.

A large proportion of our operations are in developing markets, which are susceptible to investors seeking to remove their exposure to risk (*i.e.*, ''risk-off'' behavior) when, during certain periods of economic uncertainty, including times marked by reduced levels of investor confidence, investors are unwilling to invest at all or only willing to invest on terms uneconomical to companies based in developing markets. Developing markets are also susceptible to rapid country-specific risk adjustments due to specific events, such as uncertain election contests or violence. During periods of dampened foreign investment, the economy of a developing country could be affected, and the withdrawal of foreign funding sources could cause a liquidity crisis. In such circumstances, we may be subject to constraints in the country on our access to foreign currency, or the withdrawal of capital, a reduction in such country in available credit or an increase in the cost of debt (through, for example, a decrease in credit rating), any of which could have a material adverse effect on our business, financial condition and results of operations.

Our operations are partly dependent upon the economic cycles of the markets in which we operate.

Our markets of operation are in countries with economies in various stages of development and structural reform, some of which are subject to rapid fluctuations in consumer prices, employment levels, gross domestic product and interest and foreign exchange rates. We may be subject to such fluctuations in the local economies and to the effect of such fluctuations on the ability of customers to pay for our products and services. In addition, these fluctuations may affect the ability of the market to support our operations or any growth in our operations.

Price regulations determine and will determine in the future our margins and define return on investment.

Sales of refined oil products (through our downstream business) accounted for 96.0% ($12,156.6 million of $12,669.5 million) of our revenues in 2016 and 96.6% ($10,415.9 million of $10,781.1 million) of our revenues in the nine months ended September 30, 2017. In the majority of the countries where we operate, such as Angola, the Republic of the Congo and Nicaragua, which together accounted for 24.3% of our downstream gross profit for the twelve months ended September 30, 2017, the regulations applicable to our operations establish a maximum margin, often established with a reference in U.S. dollars, that we may earn from the distribution of our refined oil products. In these countries, our margins are not affected by changes in prices of crude oil and refined oil products but depend on other factors such as the efficiency of our logistics chain, the quality of our products and the location of our retail sites. The margins are periodically reviewed by the relevant government authorities to reflect fluctuations in prices and transportation costs. We may also apply for a maximum margin to be adjusted to reflect greater distances from the retail site to the point of import. However, there can be no assurance that any such request would be granted. If a request to increase a margin is not granted or a government elects to tighten margins, our results of operations and financial condition could be adversely affected. See ''*Regulation*'' for further details regarding the price regulations applicable to our operations.

We may not be able to pass on increased costs to consumers in our free markets.

In the free markets where we operate, such as Australia, Puerto Rico and Guatemala, fluctuations in the purchase prices of refined oil products and the volatility of these prices create a constant need to adjust our prices to reflect changes in refined oil product prices. To the extent that all or a substantial part of increased purchase refined oil product prices are passed on to consumers through a corresponding increase in our sales prices, this could result in a significant increase in the price of such products, which may negatively affect short-term and long-term demand for these products, particularly in markets where customers have lower levels of disposable income. While we generally seek to manage our exposure to commodity price risk through hedging contracts and careful inventory management, if price increases are not passed on to consumers for any reason or if there is a time lag in passing on such price increases to customers, this could lead to a reduction of the margin that we can earn over the cost of the products we sell. Our ability to pass increases in oil prices on to customers is mainly driven by local competitive pressure in a market, including as a result of high levels of price sensitivity among customers in a particular market or different approaches by local fuel retailers to pricing. Moreover, we may suffer financial loss related to the financial instruments we use to hedge our exposure to price risk, including instances where our sales are less than the estimated amount hedged, contractual counterparties fail to perform or a sudden, unexpected event materially impacts oil prices. Even if our hedging strategies are successful, we cannot assure you that we will be able to implement similar hedges in the future.

Reductions in demand for our products could adversely affect our operations.

Given the commodity nature of most of our refined oil products and the historical volatility of the price of crude oil, from which most of these products are derived, our margins are also driven by industry dynamics and other factors that affect crude oil and refined oil product prices, many of which are beyond our control. These factors include the supply of and demand for crude oil and any other feedstock for our products as well as the supply and demand for gasoline, diesel and other refined oil products generally in a market. Such supply and demand are affected by many factors, including the following:

- Changes in global and local economic conditions, including GDP developments and worldwide political conditions, particularly in significant crude oil producing regions around the world;
- Prevailing exchange rates and, in particular, fluctuations in the U.S. dollar, which is the currency in which crude oil and refined oil products are generally priced;
- The level of domestic demand for refined oil products in that market and the effect of foreign demand for refined oil products outside that market;
- The range of supply options in a particular market, including local refiners or wholesalers, and the export capabilities into that market;
- Technological improvements that improve fuel performance, or changes in technology or consumer preferences that alter fuel choices, including toward alternative fueled or electric vehicles;
- Governmental regulation requiring or incentivizing customers to use, alternative and competing energy products; and
- Local factors, including market conditions, adverse weather conditions, governmental regulations, including regulations relating to transportation of crude oil and refined oil products and market and tax regulations on refined oil products, the level of operations of other fuel retailers and events causing distribution and supply chain disruptions in a particular market.

Any such factor that reduces demand for our products in our markets of operation could have a material adverse effect on our business, financial condition and results of operations.

Rising climate change concerns have led and could lead to additional regulatory measures, or encourage further technological innovations, that decrease demand for refined fuel products.

There is continued and increased attention in developed countries and to some extent in developing countries to climate change. In many jurisdictions, this has led, and we expect it to continue to lead, to additional regulations designed to reduce greenhouse gas emissions and demand for refined fuel products. Many governments are providing tax advantages and other subsidies to support alternative energy sources or are mandating the use of specific fuels or technologies, and governments and other organizations are also promoting research into new technologies to reduce the cost and increase the scalability of alternative energy sources.

Although we target markets (in particular in emerging markets) where we believe refined oil product consumption is growing and has the potential to grow, there can be no assurance this will in fact occur. In particular, there can be no assurance that legal and/or regulatory measures focused on suppressing demand for refined fuel products and other fossil fuels will not in time be introduced, or that technological innovation that reduces demand for refined fuel products, potentially significantly, will not take place.

Volatility in refined oil product prices affects our working capital requirements.

The majority of our inventories are refined oil products. As a result, the cost of replenishing our inventories increases when the price of refined oil products increases, which increases our working capital requirements. Because of oil price volatility, it is crucial for us to have access to financing for working capital needs. If our financing arrangements were cancelled or we were not permitted to borrow thereunder, we would be unable to finance required purchases of refined oil products unless we could arrange alternative financing arrangements. We cannot assure you that we would be able to arrange alternative financing facilities on terms that would be acceptable to us or at all. Any disruption to our working capital financing could have a material adverse effect on our business, financial condition, results of operations and cash flows. *See ''Management's Discussion and Analysis of Financial Condition and Results of Operation—Factors Affecting Results of Operations—Management of Working Capital.''*

We are exposed to potential liability arising from accidents or incidents relating to health, safety and the environment and from remediation of such accidents and incidents at our terminals, retail sites and/or other sites.

Our operations primarily involve the storage, transportation and sale of refined oil products. Such activities expose us to certain risks, particularly at our terminals and other storage facilities, where large quantities of fuel are stored, and at our retail sites. These risks include equipment failure, work accidents, fires, explosions, vapor emissions, spills and leaks at storage facilities and/or in the course of transportation to or from our terminals, retail sites, airports and/or other sites. For example, in August 2016, there was a fire at one of our terminals in Puerto Sandino, Nicaragua which caused damage, though there were no fatalities and no major disruptions caused by that incident. These hazards may cause personal injuries or the loss of life, business interruptions and/or property, equipment and environmental contamination and damage. In addition, we are exposed to the risk of accidents involving the tankers used in our fuel product distribution operations, which may also cause similar injuries or damage. We may be subject to litigation, compensation claims, governmental fines or penalties or other liabilities or losses as a result of such accidents and incidents. If such accidents or incidents occur and we are not adequately insured or if our insurance does not cover such accidents or incidents, we may incur significant costs, including costs associated with litigation, fines, penalties and the payment of compensation claims. Additionally, such accidents may affect our reputation or our brand, leading to a decline in the sales of our products and services, which may have a material adverse effect on our business, financial condition and results of operations.

In the future, we may incur substantial costs for investigation or remediation of contamination at our current or future locations. As landowner, operator or other user of, or supplier to, these locations, we may be liable for any leakages or accidents that lead to ground pollution or other forms of environmental damage. As such, we may incur remediation costs and other costs required to clean up or treat affected sites that have been used for our operations. We are generally required to clean up and treat facilities whenever any environmental damage is identified regardless of whether environmental damage is discovered as a result of a specific accident or incident or in connection with routine maintenance and infrastructure development. We are also generally responsible for remediation of sites upon the sale of retail sites or storage facilities, which may require significant expenditure to remove underground and above-ground facilities. We may also incur such remediation and other related costs at storage facilities or retail sites acquired by us, even if the underlying environmental damage was caused by a prior owner or operator. We are also exposed to costs (including remediation, clean-up or facility shut-down costs) when required to close any of our sites and we have recorded provisions for currently anticipated health, safety and environmental liabilities, remediation and site clean-up obligations and other related costs and will continue to record provisions based on our expected costs. For instance, we have recorded provisions related to terminals in Puerto Rico and the United Kingdom and have paid remediation costs in relation to the Cardwell facility in Australia and in other regions.

We cannot assure investors that we have identified all environmental liabilities at our current and former locations, that we are currently aware of all material environmental conditions, that future laws and regulations or modifications to existing laws and regulations will not impose material environmental liabilities on us or that we will not incur significant costs, fines or penalties or be required to significantly reduce operations, including a temporary suspension of our operations, as a result of any environmental laws or regulations or that at any time the provisions of funds by us to be used for health, safety and environmental liabilities, remediation and site clean-up obligations and other costs will be sufficient. If any expenditures in relation to these liabilities exceed the amount we have provisioned, this could have a material adverse effect on our business, financial condition and results of operations.

We have detailed and specialized policies, procedures and systems to safeguard employee health, safety and security. We aim to follow best practices for employee health, safety and security in every country in which we operate. However, if these policies, procedures and systems are not adequate, or employees or contractors do not receive adequate training or instructions, or our safety policies are not implemented properly in local jurisdictions, the consequences could be severe, including injury or loss of life, which could impair our reputation and operations and cause us to incur significant liability. Distance from certain principal locations can create further difficulty for us in implementing and impressing upon local workforces our policies on matters such as health and safety, and can present challenges in the supervision of our sub-contracted employees.

Failure to deliver consistently high standards in these areas across all fields of operation could create risks for us, including legal action, reputational risks, increased costs, fines and penalties and could impact our success in winning future contracts.

We are subject to health, safety and environmental laws and regulations and industry standards related to our operations.

Our operations, particularly those relating to the storage, transportation and sale of fuel and lubricants, are subject to numerous health, safety and environmental laws and regulations, including laws and regulations governing the quality of fuels and lubricants, ground pollution and emissions and discharges into air and water, the handling and disposal of hazardous wastes, the use of vapor reduction systems to capture fuel vapor, and the remediation of contamination at retail site and storage sites. In addition, we apply on a voluntary basis international standards that are often more stringent than applicable local laws and regulations. For instance, the design of our terminals meets the requirements of the American Petroleum Institute (API). Some of these laws and regulations require us to hold permits or obtain registrations (including registrations of sites and fuel transportation vehicles), in connection with our operations, which may impose limitations or conditions in connection with our initial grant or renewal of permits to store or sell refined oil products. We currently incur substantial operating and capital costs to comply with these laws and regulations and industry standards.

If we fail to comply with any laws and regulations or permit limitations or conditions, or to obtain any necessary permits or registrations, or to extend current permits or registrations upon expiry, then we may be subject to, among other things, civil and criminal penalties and, in certain circumstances, the temporary or permanent curtailment or shutdown of a part of our operations. For example, on September 21, 2017, we received a summons and complaint from the Queensland Department of Environment and Heritage Protection (''QEHP'') for offenses relating to historical environmental contamination at our Cardwell, Australia, site (which has since been remediated), for which there is a maximum monetary penalty for violation of up to approximately US$4.0 million (equivalent). Moreover, if, as a result of any such failure, hazardous substances are released into the environment, the consequences could include bodily injury or loss of life, severe damage to, or destruction of, property and equipment or environmental damage and related claims and penalties against, and liabilities placed on us, or damage to our reputation or brand as a result. See ''—*We are exposed to potential liability arising from accidents or incidents relating to health, safety and the environment and from remediation of such accidents and incidents at our terminals, retail sites and/or other sites.*''

Competition regulations can also have an impact on our business. We cannot assure you that, due to the existing competitive situation in many of the markets in which we are active, we or certain of our subsidiaries or affiliates will not become subject to future antitrust investigations by the relevant authorities and will not be required to pay fines or be subject to claims for damages from third parties for violations of applicable competition laws. An unfavorable result in any potential future investigation or proceedings in connection with competition laws could have a material adverse effect on our business, financial condition and results of operations.

Further, the laws and regulations and industry standards applicable to our operations are subject to change and we expect that, given the nature of our businesses, we may be subject to increasingly stringent health, safety, environmental laws and regulations and industry standards and other laws and regulations, including new laws and regulations relating to climate change, that may increase the cost of operating these businesses above currently expected levels and require substantial future capital and other expenditures. In addition, our voluntary compliance with industry standards that are more stringent that may be required by local laws increases our costs and capital expenditures relative to those of competitors that do not follow the same standards. Further, the implementation of different measures or requirements in different countries in which we operate, such as requirements regarding fuel quality or specification, could limit our ability to supply the same products across a range of countries and therefore increase our supply costs. There can be no assurance that the effect of any future laws and regulations or industry standards or any changes to existing laws and regulations or industry standards, or their current interpretation, on our business, results of operations and financial condition will not be material.

See ''*Regulation*'' for further details regarding the laws and regulations applicable to our operations.

We are subject to a variety of potential product liability risks.

Our refined oil products, lubricants and bitumen are required to meet certain market standards and specifications set by government bodies. However, there is a risk that the refined oil products, lubricants and bitumen sold by us may not always meet the required standard or specification for that product for a variety of reasons, including deviations in fuel supplied to us from required standards and specifications, contamination of refined oil products in storage or during transit and handling or operator or customer error resulting in contamination of different fuel types (such as filling gasoline-powered vehicles or gasoline storage tanks with diesel fuel or vice versa).

The use of faulty and/or contaminated refined oil products may harm incompatible combustion engines or cause clogging of engine filters, which may cause engine explosions in the vehicles and airplanes using such fuel. Similarly, the use of faulty and/or contaminated lubricants may damage the machinery for which such lubricants are used. The use of any faulty and/or contaminated product may also result in personal injury, including accidents and the loss of life, which may subject us to litigation, compensation claims, fines and penalties. Additionally, even if product liability claims against us are not successful or fully pursued, the use of sub-quality, faulty and/or contaminated products may damage our reputation and have a negative impact on our brand, resulting in negative perceptions by consumers and reduced demand for our products. Responding to any potential claims could be costly and time-consuming and may divert our management's time and resources towards defending against these claims rather than operating our business. The availability and price of insurance to cover claims for damages are subject to various factors that we do not control, and such insurance would not cover damage to our reputation. Any resulting increase in costs (including awards of damages, settlement amounts and fees and expenses resulting from litigation or governmental enforcement) or decline in sales due to such incidents may materially and adversely affect our business, financial condition and results of operations.

We may not be able to successfully implement our strategies.

Our strategies are: (i) to secure leading market shares in each of our geographies, (ii) to expand our offering to our customers, (iii) to extract value from our existing asset base, and (iv) to maintain a robust financial position. Expanding our offering and achieving our other objectives involve inherent costs and uncertainties and there is no assurance that we will achieve our objectives. There is no assurance that we will be able to undertake these activities within our expected time-frame, that the cost of any of our objectives will be at expected levels or that the benefit of our objectives will be achieved within the expected timeframe or at all. Our strategies may also be affected by factors beyond our control, such as volatility in the world economy and in each of our markets, the capital expenditure and investment by our customers and the availability of acquisition opportunities in a market. Any failures, material delays or unexpected costs related to the implementation of our strategies could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to identify or accurately evaluate suitable acquisition candidates or to complete or integrate past or prospective acquisitions successfully and/or in a timely manner, which, among other things, could adversely affect our growth, result in additional debt or adversely impact our unit margins. In addition, we may also face risks with respect to any divestments.

Our business has grown significantly in recent years through a combination of organic growth and acquisitions. We may continue to develop and expand our business through acquisitions on an opportunistic basis. Successful acquisitions are dependent upon our ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favorable terms and ultimately complete such transactions and integrate the acquired business into our existing network. If we make acquisitions, there can be no assurance that we will be able to generate expected margins or cash flows or to realize the anticipated benefits of such acquisitions, including growth or expected synergies. There can be no assurance that our assessments of, and assumptions regarding, acquisition targets will prove to be correct, and actual developments may differ significantly from our expectations. We may not be able to integrate acquisitions successfully into our business or such integration may require more investment than we expect, particularly if acquisitions are in regions or areas of business where we do not currently have operations, and we could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, employees, suppliers, government authorities or other parties, which may impact our results of operations. The process of integrating businesses may be disruptive to our operations and may cause an interruption of, or a loss of momentum in, such businesses or deterioration in our results of operations. Moreover, any acquisition may result in the incurrence of additional debt. All of these factors may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

We have also recently increased our operations in developed economies, several of which have witnessed a decline in domestic refinery capacity in recent years and where we accordingly perceived an opportunity to establish a strong market position through our vertically integrated midstream and downstream business model. Although we have benefitted from our expansion into developed markets due to their large size and sales volumes, and through further diversification of our revenue streams, developed markets tend to have lower unit margins for numerous reasons. For example the acquisition of our United Kingdom operations in 2015 materially impacted our unit margins in 2015 and 2016, an effect which has continued in 2017, as the acquired wholesale operations in the United Kingdom contributed high volumes at lower than average unit margins. In the event we choose to expand further into developed markets, including for the reasons described above, investors should be aware that this may negatively impact the unit margins of the Group as a whole.

We may also face risks in relation to any divestments we may undertake. We review our portfolio of assets on a regular basis and may decide to divest some non-core assets. Among the risks associated with such divestments, which could materially adversely affect our business, results of operations or financial condition are the following:

- divestments could result in losses and/or lower margins;
- divestments could result in write-downs of goodwill and other intangible assets; and
- we may encounter unanticipated events or delays and retain or incur legal liabilities related to the divested business with respect to employees, customers, suppliers, subcontractors, public authorities or other parties.

We may not succeed in our organic growth initiatives, including planned expansion of existing assets and construction of new assets, expanded non-fuel product and service offerings and digitalization initiatives.

Although we expect to continue expanding our operations through acquisitions on an opportunistic basis, our growth strategy is expected to increasingly focus on organic grown initiatives, including entering into new geographic markets and business lines, expanding our product and service offering in existing markets and digitalization and other initiatives to enhance innovation and operational excellence. Our ability to effectively implement our organic growth initiatives depends, among other things, on our ability to correctly identify new markets to enter and new products and services to offer, developing the right technology and managing the numerous operational challenges involved in their execution. Growth initiatives may also require some customization of our products to different geographical markets, and may also require that we implement new practices. The practices we adopt may not be appropriate or adequate, which may require us to alter our growth plans, resulting in substantial loss of investment in terms of time and capital and harm to our financial condition and results of operations. Many of the factors affecting our ability to generate organic growth may be beyond our control, and we cannot be certain that our strategies for achieving organic growth will be successful. For example, the construction of a new terminal or the expansion of an existing terminal involves numerous regulatory, environmental, political and legal uncertainties, most of which are beyond our control. In addition, we may not be able to successfully implement our new initiatives, such as the expansion of our aviation business, or the digitalization of our activities, or realize the anticipated benefits from such initiatives. Any unforeseen costs or losses could harm our business, reputation and financial condition.

Similarly, with respect to digitalization initiatives, the associated costs of developing and deploying new technology are sometimes underestimated, development and deployment can be subject to unexpected delays and there is always the possibility of unknown or unforeseeable technological failure. Any adverse experiences of this sort in any of our organic growth initiatives could have a material adverse effect on our business, financial condition and results of operations.

We may not have the resources to meet our financial and other reporting requirements or maintain effective internal control and other standards, which could materially and adversely affect our business.

Future growth of our business may strain our finance and accounting departments and may also require the expansion of our procedures for monitoring internal accounting functions and continued compliance with our reporting obligations. Any resulting growth of our employee base may require internal audit and monitoring processes that are more extensive and broader in scope than those we have historically required.

Meeting these financial reporting obligations and maintaining effective internal controls that comply with applicable accounting standards may divert our senior management's time and attention from our day-to-day operations or cause other disruptions. If we do not adequately manage the growing demands on our internal accounting or finance systems or for additional resources, we may be unable to comply with our financial reporting obligations or implement effective internal controls, which could result in errors and disruptions, a default under the Indenture or corrections or a restatement of our financial statements. In addition, failure in billing timely or accurately for our services and products or increased complexity in billing arrangements with our customers may result in delayed payments and increase our working capital requirements, which could in turn have a material adverse effect on our results of operations and financial condition.

We are exposed to currency risk and foreign currency exchange controls.

Significant movements in currency exchange rates may have a material negative effect on our financial condition and result of operations. A significant percentage of our net sales and our cost base are denominated in currencies other than the U.S. dollar (and that are not benchmarked to the U.S. dollar), which is our reporting currency. Thus, a decrease in the value of a local currency against the U.S. dollar will decrease the U.S. dollar amounts of revenues, expenses and profits reported for our non-U.S. dollar operations. A devaluation of the local currency against the U.S. dollar, will also result in negative translation effects on our net assets (in particular our fixed assets and intangible assets), resulting in a negative effect on our equity. Transaction risk arises when one of our subsidiaries enters into contracts receivables or payables in a currency other than their functional currency. Any change in the foreign exchange rate between the transaction date and the settlement date will affect our profitability.

Moreover, some of the countries in which we operate have adopted restrictions on the ability to transfer funds out of the country and convert local currencies into U.S. dollars. The repatriation of profit or capital (by way of dividends, inter-company loans or otherwise) may be restricted or prohibited by legal requirements applicable to our subsidiaries and their directors, including in the event that the liquidity or financial position of the relevant subsidiary is uncertain. Any such restrictions may increase our costs and impede our ability to convert these currencies into U.S. dollars and to transfer funds out of the country, including for the payment of dividends or interest or principal on our outstanding indebtedness. In the event that any of our subsidiaries are unable to transfer funds to us due to currency restrictions, we may be responsible for any resulting shortfall. We have experienced these restrictions recently in Papua New Guinea, where the Central Bank faced difficulties in providing U.S. dollars for the purchase of oil products for the country. This meant we were exposed to foreign exchange risk while cash was still located in Papua New Guinea in local currency.

Our facilities, including retail sites, offices and industrial installations in our midstream operations, are subject to many risks and operational hazards, some of which may result in business interruptions and shutdowns of our facilities and damages.

Our downstream and midstream operations are subject to a wide range of operational hazards, including:

- damages to our retail sites, facilities, related equipment and surrounding properties caused by earthquakes, hurricanes, floods, fires, severe weather, explosions and other natural disasters and acts of terrorism;
- mechanical or structural failures at our facilities or at third-party facilities on which our operations are dependent; and
- curtailments of operations relative to severe seasonal weather.

These risks could result in substantial losses due to personal injury and/or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage, as well as business interruptions or shutdowns of our facilities. For example, in the second half of 2017 we experienced damage to some of our property located in Puerto Rico and the US Virgin Islands as a result of hurricane Maria. Although, in this particular instance, disruptions to our operations were limited and our repair and other costs are expected to be covered by our insurance, there can be no assurance that future natural disasters or operational hazards would not have a more severe impact. Any such event or unplanned shutdown could have a material adverse effect on our business, financial condition and results of operations.

Underdeveloped infrastructure in certain of the countries in which we do business could have an adverse effect on our business, financial condition and results of operations.

Underdeveloped infrastructure and inadequate management of such infrastructure in certain of the countries in which we do business has led to regular electricity outages and water cuts in many regions of those countries. In certain of the countries in which we do business, many businesses rely on alternative electricity and water supplies, adding to overall business costs. The unstable pricing, and possible scarcity, of fuel for power generation in certain of the countries in which we do business also increases the operational challenges that businesses face, adding to the potential fluctuation of overhead costs. Unreliable or missing roads, rails, pipelines, harbors, airports or telecommunications networks (fixed line and mobile) in any of the jurisdictions in which we operate cause disruptions to our logistics flow and could hamper our ability to deliver products and provide services to our customers, which could adversely affect our business, financial condition and results of operations. Additionally, rail and road networks in certain of the countries in which we do business must be developed by us. The uncertainty regarding this underdeveloped infrastructure, or the costs associated with assisting in the development of such infrastructure in certain of the countries in which we do business, increases the operational challenges we face, contributes to the potential fluctuation of overhead costs, and may affect our ability to explore, develop and exploit our properties and to store and transport our refined oil products. In addition, disruptions in the supply of products or services required for our activities as a result of inadequate infrastructure could also have a material adverse effect on our business, financial condition and results of operations. There can be no assurance that future instability in one or more of the countries in which we have assets (or in neighboring countries), actions by companies carrying out business in such countries, actions by militants or terrorists, or actions taken by the international community in response to such developments will not worsen the quality and availability of such infrastructure which could have a material adverse effect on our business, financial condition and results of operations.

We depend on the reliability of our supply and distribution networks.

An important component of our competitive performance, especially given the commodity-based nature of our core business, is our ability to operate efficiently. This requires continuous management focus, including technology improvements, cost control, productivity enhancements, and the recruitment, development, and retention of qualified and competent employees. We operate our activities in a range of international locations and we critically depend on effective supply and distribution networks (including over sea freight, road and rail) to deliver our products to our customers. Infrastructure in some of the countries in which we operate is often limited and unreliable. Rail and road networks are poor and restrict the movement of people and goods within a number of areas, thereby increasing the time it takes to mobilize workforces and deliver supplies or equipment. The lack of reliable infrastructure may limit our ability, and the ability of our commercial partners, contractors, customers and suppliers, to respond quickly to unforeseen situations, which can lead to delays and stoppages at our supply chain. Damage or disruption to such supply or distribution capabilities due to weather, natural disaster, political instability, strikes, the financial and/or operational instability of key suppliers, distributors, warehousing and transportation providers or brokers, or other reasons, could impair our ability to source and supply our refined fuel products, which could, in turn, have a material adverse effect on our business, financial condition and results of operations.

We may be unable to meet our funding needs as they arise.

Investments in facilities, infrastructure, technology and other capital expenditures to generate, improve, maintain or preserve revenues will require significant capital, which we may be unable to obtain on acceptable terms, or at all. To the extent we do not generate sufficient cash from our operations, we may need to raise additional funds through additional external debt or equity financing, and there is no assurance that we will be successful in doing so. Our ability to arrange such financings will depend, in part, upon prevailing financial market conditions as well as our business performance. If our revenues decline, we may be unable to raise additional funds (or any external debt or equity financing may not be available on acceptable terms) or have the capital necessary (either from internal sources or through external debt or equity financing) to undertake or complete future capital expenditures and acquisitions. Historically, financing provided by our main shareholders has been a key source of liquidity for us in implementing our growth strategy. Although the importance of shareholder financing to our growth strategy has decreased in recent years, there can be no assurance, were it required or helpful in the future, that shareholder financing would be available. Financial markets, including banking, debt and equity markets, can be extremely volatile and can prevent us from gaining access to the capital required to grow our business. If funding is insufficient at any time in the future, we may be unable to fund significant capital expenditures and acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact our results of operations and financial condition. See ''—*Risks Related to Our Indebtedness.*''

We face competition in our midstream and downstream markets.

There is significant competition in the midstream and downstream businesses. We face competition from various actors, including multinational oil companies, traders and national oil companies. Multinational oil companies are integrated companies that are substantially larger than we are. As a result, they may be better able to withstand volatile market conditions and price their products competitively because of their diversity, integrated operations, larger capitalization and greater resources. Furthermore, because some of the larger multinational oil companies have in recent years withdrawn from midstream and downstream operations to focus on upstream operations, smaller and regional companies have entered into or expanded in the midstream and downstream markets, resulting in increased competition. We also face competition from national oil companies and from trading companies seeking to integrate their existing businesses with downstream operations. As these additional competitors enter into or expand in the markets in which we operate, there is a risk that such companies will create new competitive assets or will initiate aggressive pricing tactics in an effort to gain market share. Our competitors may have superior connections to local governments that award licenses and permits, lower ethical or operational standards, more efficient access to refined oil products or greater financial, marketing and other resources than we do. In particular, as a result of our anti-corruption training programs, codes of conduct and other safeguards, there is a risk that we could be at a commercial disadvantage and may fail to secure contracts within certain countries, to the benefit of our competitors who may not have, or comply with, such anti-corruption safeguards. As a result, our competitors may be able to respond better to changes in the economy and new opportunities within particular geographic markets. We cannot assure you that we will be able to sell sufficient volumes of refined oil products to maintain the profitability of our retail operations or to achieve our strategic goals. Our inability to successfully compete for market share could have a material adverse effect on our business, financial condition and results of operations. Increased competition could also adversely affect our ability to attract necessary capital funding or to acquire it on acceptable terms, or our ability to acquire suitable assets for our operations.

Aggressive price competition in the free markets where we operate may have a material adverse effect on our margins, financial condition and results of operations.

In the free markets where we operate, such as Australia, Puerto Rico and Guatemala, competition in the retail road transportation fuel sector is primarily driven by the price of road transportation fuel and the sector is therefore susceptible to aggressive pricing tactics by fuel retailers. The adoption of these tactics can be triggered by various factors, such as new entrants or existing road transportation fuel retailers seeking to increase their market share or overcapacity of retail sites in a particular market. Successive reductions in retail fuel prices can lead to significant price competition and prolonged periods of low fuel margins. Aggressive price competition may cause road transportation fuel retailers or dealer operators of retail sites that are unable to continue to operate in a low margin environment to discontinue their operations. Significant price competition in our markets may in the future result in a material decline in our financial condition and results of operations.

We are dependent on third and related parties for the supply of our products.

Our downstream operations are dependent upon the supply of refined oil products from various suppliers. Events causing disruptions to our suppliers' supply chains or refineries could affect our ability to operate our business lines without interruption, meet our contractual obligations under our other business lines or result in us paying a higher cost to obtain such products.

Our principal supplier of refined oil products for our downstream business is Trafigura, which represented 70% by volume of our total purchases of refined oil products in 2016. In September 2013, we renewed four long-term commercial supply agreements with Trafigura and executed one new long-term commercial supply agreement, each on an exclusive basis (subject to exceptions) and each of them having a term of 20 years. See ''*Related Party Transactions—Supply—Trafigura*.'' In the event Trafigura is no longer able to supply us with refined oil products in sufficient quantities and at commercially reasonable terms, we will need to seek to develop and maintain relationships with other supply sources, which will require us to expend management resources that would otherwise be available to grow our business. If we are unable to develop reliable alternative supply relationships, or if we fail to find or experience substantial delays in finding suitable suppliers on commercially viable terms, our business and results of operations would be materially and adversely affected. If high supply costs result in higher prices for our products, this could reduce demand for these products, and consequently our market share, in the relevant market.

If our suppliers of refined oil products are unable to fulfill their obligations to us, such as failing to deliver products in a timely manner or failing to meet quality, quantity and cost requirements, we may be unable to offer our products to customers or retail site dealers in accordance with contractual requirements or the needs of our business, which may damage our reputation and have a material adverse effect on our business, financial condition and results of operations.

We do business in jurisdictions that are subject to sanctions regimes.

We conduct business in certain jurisdictions that are subject to U.S. trade embargoes and sanctions by the U.S. Department of the Treasury's Office of Foreign Assets Control, including countries which have been designated by the U.S. government as state sponsors of terrorism, and may conduct business in jurisdictions that are subject to analogous European Union sanctions. The U.S. sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time. In Cuba, for example, we supply LPG through Empresa Cubana de Gas S.A., a joint venture of which we hold 50% of the share capital. We also purchase certain supplies from Iran and Venezuela though the overall contribution to our revenues from sales linked to these supplies are immaterial, and we have depots in Russia. There can be no assurance that we will not expand our operations into other countries subject to sanctions. Further, there can be no assurance that the relevant sanctions regimes will not be expanded to include countries in which we currently operate, or our business activities therein. Failure to comply with sanctions could result in material fines and penalties, and damage to our reputation.

While we believe and seek to ensure we are in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. In particular, a large portion of our sales are made to retail customers for which screening against lists of sanctioned individuals would be impracticable. In addition, while we do typically screen our non-retail customers for compliance with sanctions regimes, there can be no assurance that our systems will prevent any violations. See ''*Business—Risk Management.*'' Any violation of these laws could result in fines or other penalties and could result in some investors deciding, or being required, to divest their interest, or not to invest, in us. In addition, certain institutional investors may have investment policies or restrictions that prevent them from holding securities of companies that have contracts with countries identified by the U.S. government as state sponsors of terrorism. The determination by these investors not to invest in, or to divest from, the Notes may adversely affect the price at which the Notes trade.

We have not used, and do not intend to use, any proceeds, directly or indirectly, from this offering, to fund any activities or business with any sanctions target in a manner that would violate applicable laws or regulatory requirements.

We have trademarks and other proprietary rights, and any failure to protect our intellectual property rights may adversely affect our business.

We own trademarks for our brand names (including Puma) and other intellectual property rights that are important to our business and competitive position, and we endeavor to protect them. We cannot assure you that trademark registrations will be issued with respect to any of our pending or planned applications, or that we will succeed in renewing our trademarks. In addition, we cannot assure you that third parties will not infringe on or misappropriate our rights, or assert rights in, or ownership of, our trademarks and other intellectual property rights or in trademarks that are similar to trademarks that we own. For example, we have entered into a brand sharing agreement with Puma, the sports brand company. The brand sharing agreement governs the use of the Puma name in different areas of business by each of the corporate groups. We cannot assure you that the steps we have taken or will take will be sufficient to protect our intellectual property rights or to prevent others from seeking to invalidate our trademarks. If we are unable to protect our intellectual property rights against infringement or misappropriation, or if others assert rights in or seek to invalidate our intellectual property rights, this could adversely affect our business.

We are exposed to risks and potential liabilities from our use of third-party contractors.

In addition to sourcing and maintaining our own workforce and equipment, we depend on the provision of labor, equipment and services by third party contractors. As a result, our operations are subject to a number of risks, some of which are outside our control, including: failure of a contractor to perform under our agreement; significant delays in construction works, interruption of operations or increased costs in the event that a contractor ceases its business due to insolvency or other unforeseen circumstances; failure of a contractor to comply with applicable legal and regulatory requirements; and difficulty in managing our workforce, labor unrest or other employment issues. In addition, we may incur liability to third parties as a result of the actions of our contractors. The occurrence of one or more of these risks could have a material adverse effect on our business, financial position and results of operations.

We rely on the creditworthiness of our customers.

We offer various credit or delayed payment terms to our customers, mostly to our industrial, aviation and bunkering customers, while most of our retail and wholesale customers pay us in cash. Although we seek to maintain a restrictive credit policy, and we take credit insurance or use factoring systems, such as trade receivables in the United Kingdom and Australia, we are exposed to the risk that customers offered delayed payment terms may fail to honor their financial obligations to us. In particular, there is also a risk that bankruptcies or weakening credit of our customers will impact their ability to meet their payment obligations to us, which would increase our credit losses and have a material adverse effect on our business, financial condition and results of operations.

We are subject to litigation, the outcome of which may affect our business, financial condition, results of operations and prospects.

We are subject from time to time to litigation and/or arbitration arising from our operations and may be involved in disputes with other parties in the future, which may result in litigation and/or arbitration. We cannot predict the outcome of any litigation or arbitration. These current or potential future proceedings, whether individually or in the aggregate, could involve substantial claims for damages or other payments and, even if successfully disposed of without direct adverse financial effect, could have a material adverse effect on our reputation and divert our financial and management resources from more beneficial uses. For example, we are currently party to a litigation in Papua New Guinea in relation to certain payment demands from the PNG customs service and we have initiated a related arbitration with the International Centre for Capitalise-Settlement of Investment Disputes. The payment demands relate to allegedly unpaid goods and services tax (and associated administrative penalties) on crude oil imported by Puma Refining for its operations in Papua New Guinea, which Puma Energy Pacific Holdings Pte Ltd. (another member of the Group) acquired from South Pacific Refining Limited in 2014. The most recent such payment demand was, when made in September 2016, for an amount in excess of $320 million at then prevailing exchange rates. Although we believe that the payment demands are unlawful and in breach of our project agreement with Papua New Guinea and international law, we note that we can make no assurances that the litigation referred to above will be successful in granting relief from the PNG customs service's claims, or that the arbitration will result in a judgment in our favour. (See ''*Business—Litigation—Papua New Guinea Customs Dispute*'' for a more detailed summary of the dispute.) If we were to be found liable under any such claims, our business, financial condition, results of operations and future prospects could be adversely affected.

The tax laws of the countries in which we operate or changes thereto or to our tax profile could result in a higher tax expense or a higher effective tax rate on our worldwide earnings.

We are subject to changing tax laws, regulations and treaties in and between the countries in which we operate. Our income tax expense is based upon the tax laws in effect in various countries at the time that the expense was incurred. A change in these tax laws, regulations or treaties or in the interpretation thereof, or in the valuation of our deferred tax assets, which are beyond our control, could result in a materially higher tax expense or a higher effective tax rate on our worldwide earnings. Additionally, our expansion into new jurisdictions could adversely affect our tax profile and significantly increase our future cash tax payments.

Given that tax laws and regulations in the various jurisdictions in which we operate may not provide clear or definitive doctrines, our expectations regarding the tax regime applied to our operations and intra-group transactions are based on our interpretations of tax laws and regulations. Our tax policy is to pay appropriate tax, according to work carried out in each jurisdiction, as determined by a functional analysis of operations using standard measures wherever possible, underpinned by reports prepared to fulfil local transfer pricing requirements. However, we cannot guarantee that such interpretations and local transfer pricing reports will not be questioned by the relevant tax authorities, which may adversely affect our financial condition or results of operations.

In addition, we benefit from tax exemption regimes in several jurisdictions where we operate, either automatically under applicable local tax laws and regulations, such as Panama and Estonia, or on a contractual basis under an investment or equivalent agreement with the government, such as in Angola, the Republic of the Congo, the Ivory Coast, Myanmar and Puerto Rico. For instance, in Angola, we benefit from a temporary income tax holiday pursuant to an investment agreement we entered into with the State of Angola. Changes in these tax exemption regimes or, more generally, any failure to comply with the tax laws or regulations of the countries in which we operate, may result in reassessments, late payment interest, fines and penalties.

Disagreements with local communities in which we operate could adversely impact our business and reputation.

Disputes with communities in which we operate may arise from time to time. Although we contribute to local communities with taxes, job and business opportunities and social programs and have established working relationships with several community leaders, community expectations are complex and involve multiple stakeholders with different interests.

Although we take the views and needs of all local communities very seriously and act to resolve any disagreements with an amicable solution, this may not be possible and, even where it is, disagreements or disputes with local groups could cause delays or interruptions to our operations, adversely affect our reputation or otherwise hamper our ability to develop our reserves and conduct our operations.

We rely on our computer systems to conduct our business. Our computer systems may fail to perform their functions adequately or be interrupted, which could potentially harm our business; we are subject to the risk of infrastructure disruptions or other effects on such systems.

We rely on numerous computer systems that allow us to monitor our inventory, cash management systems and our distribution systems and to gather information upon which management makes decisions regarding our business. See ''*Business—IT Systems and Infrastructure.*'' Specifically, we operate an Enterprise Resource Planning (''**ERP**'') system and a Terminal Management System (''**TMS**''), that allows us to quickly integrate new companies in our reporting system, we also operate CRM (Customer Relation Management) platforms and web portals and applications to interface with our customers and we have developed some mobility and scheduling devices to automate our supply chain and delivery capacities. The IT systems used by us for such purposes may fail or not operate properly as a result of deterioration in the quality of IT maintenance, support and operational processes and high employee attrition rates, resulting in an inadequate number of personnel to handle the growth and increasing complexity of IT operations. There can be no assurance that our IT systems will function as planned. Any disruption in our IT or other systems may potentially harm our business.

As part of a digital transformation of our business, we are also introducing a new ''ePuma'' platform into our IT systems. The ePuma is intended to digitalize a number of our internal operations and processes and act as a marketing tool and digital interface with our customers. There can be no assurance that the program will be implemented successfully and system and network infrastructure breakdowns or malfunctions might negatively impact the performance of operating activities.

Our ability to conduct our business may also be materially and adversely impacted by a disruption in the technological infrastructure that supports our businesses and the countries in which we are located. This may include a disruption involving electrical, communications, transportation or other services used by us or third parties with which we conduct business.

Our success relies on our management team.

Our ability to maintain our competitive position and to implement our business strategy relies on the continued services of our executive officers and other senior management. Our growth and strategy rely on the ability of these individuals to operate effectively, both individually and as a group. If one or more of our key management personnel become unable or unwilling to continue in their present positions, we may not be able to replace them easily.

We do not own all of the land on which our terminals and retail sites operated under the CoCo and CoDo operating models are located, which could result in disruptions to our operations.

Although we currently own the majority of the land on which our terminals and retail sites operated under the CoCo and CoDo operating models are located, we have to obtain, with respect to the land we do not own, the rights to construct and operate our terminals and CoCo and CoDo retail sites on land owned by third parties and governmental agencies for a specific period of time. Therefore, we are subject to the possibility of more burdensome terms and increased costs to retain necessary land use if our leases and rights-of-way lapse or terminate or it is determined that we do not have valid leases or rights-of-way. Our loss of these rights, through our inability to renew right-of-way contracts or otherwise, could have a material adverse effect on our business, financial condition and results of operations. There can be no guarantee that we will be able to continue to own the majority of the land on which our terminals are located in the future. In addition, in some of the countries where we operate, such as the Ivory Coast, we have entered into concession or lease agreements with the government in connection with our operations. Some of these agreements contain, and may in the future contain, clauses more favorable to the government than they would with a typical commercial counterparty. For instance, they may enable the government to terminate the lease or concession in certain circumstances, and/or give the right to the government to acquire the ownership of the infrastructure we may have built during the term of the lease or concession, in each case without requiring the government to pay us adequate compensation.

We depend on good relations with our employees.

As at September 30, 2017, we employed approximately 8,337 people on a full-time equivalent basis, including contractors and agency staff. In addition, our dealers directly employ a number of employees at our dealer-operated retail sites. A number of the personnel we employ directly are unionized, particularly in Tanzania and Zambia. We believe that we have good relations with the personnel we employ directly and, through our dealers, at our dealer-operated retail sites. If the current terms and conditions of employment were materially changed and our or our dealer's employees were to react adversely to any such changes, we may experience significant labor disputes and work stoppages at one or more of our stations, terminals or offices. Such labor disturbances or work stoppages may materially and adversely affect our business, financial condition and results of operations.

The failure to obtain or retain highly skilled personnel could materially adversely affect our operations.

Our success depends on our ability to recruit, retain and train skilled personnel for our business. The demand for personnel with the capabilities and experience required in the oil industry is high, and success in attracting and retaining such employees is not guaranteed. Our inability to obtain and retain qualified personnel, particularly when we acquire new operations, could result in increased costs, business interruptions and delays in the development of new projects.

We could be subject to substantial liability claims due to the hazardous nature of our business, which liabilities may potentially exceed our insurance coverage.

Our operations subject us to various risks that are not entirely insured or insured at all. Our insurance and its contractual limitations on liability may not adequately protect us in all cases against liability and losses for such events. Moreover, we may not be able to maintain insurance at levels that we deem adequate or ensure that every contract contains adequate limitations on liabilities. There is no assurance that such insurance agreements will adequately protect us against liability from all of the consequences of the hazards and risks described above. The occurrence of an event not fully insured against, or the failure of an insurer to meet its insurance obligations, could result in substantial losses. In addition, there can be no assurance that insurance will be available to cover any or all of these risks, or, even if available, that insurance premiums or other costs will not rise significantly in the future, so as to make the cost of such insurance prohibitive. Any future damage caused by our products or services that is not covered by insurance, is in excess of policy limits, or is not limited by contractual limitations of liability, could adversely affect our business, financial condition and results of operations. See ''*Business—Insurance.*''

Risks Related to our Indebtedness

Our substantial leverage and debt service obligations could materially and adversely affect our business and prevent us from fulfilling each of our obligations with respect to the Notes and the Company Guarantee.

We currently have, and after the issuance of the Notes will continue to have, a significant amount of outstanding debt with substantial debt service requirements. As adjusted to give effect to the Recent Refinancing Transaction, the full drawing of the Club Facility and use of proceeds therefrom and the Transactions as if they had occurred on September 30, 2017, our total indebtedness would have been $3,476.1 million, a substantial portion of which matures prior to the Notes.

Our substantial debt could have important consequences for our business and operations and for you as a holder of notes, including, but not limited to:

- making it more difficult for us to satisfy our obligations with respect to the Notes, the Company Guarantee and our other debts and liabilities;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thus reducing the availability of our cash flow for working capital purposes and to fund acquisitions, organic growth projects and for other general corporate purposes;
- increasing our vulnerability to a downturn in our business or general economic or industry conditions;

- placing us at a competitive disadvantage relative to competitors that have lower leverage or greater financial resources than we have;
- limiting our flexibility in planning for or reacting to competition or changes in our business and industry;
- negatively impacting credit terms with our creditors;
- restricting us from pursuing strategic acquisitions or exploiting certain business opportunities;
- limiting, among other things, our ability to borrow additional funds or raise equity capital in the future and increasing the costs of any such additional financings; and
- limiting our ability to dispose of assets to raise funds, if needed, for working capital, capital expenditures, acquisitions, and other purposes.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes and the Company Guarantee. Our ability to make payments on and refinance our indebtedness and to fund acquisitions, working capital expenditures and other expenses will depend on our future operating performance and ability to generate cash from operations. Our ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond our control. We may not be able to generate sufficient cash flow from operations or obtain enough capital to service our debt obligations or fund any future acquisitions or other working capital expenditures. Further, if new debt is added to our current debt levels, such risks could intensify.

We may incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Notes, and impair our ability to operate our businesses.

We may incur substantial additional debt in the future. Although the Indenture, our existing notes issuances and certain of our credit facilities and loans contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. Under the Indenture, in addition to specified permitted indebtedness, we will be able to incur additional indebtedness so long as on a *pro forma* basis our fixed charge coverage ratio (as defined in the Indenture) is at least 2.00 to 1.00. The terms of the Indenture will permit us to incur future debt that may have substantially the same covenants as, or covenants that are more restrictive than, those of the Indenture. Moreover, some of the debt we may incur in the future could be structurally senior to the Notes and may be secured by collateral that does not secure the Notes. In addition, the Indenture, our existing notes issuances and our credit facilities and loans will not prevent us from incurring obligations that do not constitute indebtedness under those agreements. The incurrence of additional debt would increase the leverage-related risks described in this Offering Memorandum.

Our debt agreements contain restrictive covenants that may limit our ability to respond to changes in market conditions or pursue business opportunities.

The Indenture, our existing notes issuances and certain of our credit facilities and loans contain, or will contain, restrictive covenants that limit our ability and the ability of the Company and certain of its subsidiaries to, among other things:

- incur or guarantee additional indebtedness or issue preferred shares;
- pay dividends on, redeem or repurchase share capital, or make other distributions;
- purchase equity interests or reimburse or prepay subordinated debt prior to maturity;
- make restricted payments and investments;
- merge, consolidate or sell all or substantially all of their or our assets, as applicable;
- create restrictions on the ability of certain subsidiaries to pay dividends or other amounts to the Company;
- create or incur certain liens;
- enter into transactions with affiliates;

- issue or sell capital stock of subsidiaries;
- engage in sale-and-leaseback transactions;
- sell assets or merge or consolidate with another company; and
- guarantee other debt of the Issuer and the Company without also guaranteeing the Notes.

These limitations are subject to a number of important qualifications and exceptions.

Complying with the restrictions contained in some of these covenants may require we meet certain ratios and tests in order to undertake particular transactions. The requirement that we comply with these provisions may materially and adversely affect our ability to react to changes in market conditions, take advantage of business opportunities we believe to be desirable, obtain future financing, fund needed capital expenditures, or withstand a continuing or future downturn in our business.

If we are unable to comply with the restrictions and covenants in the Indenture, our credit facilities, our loans and our other current and future debt agreements, there could be a default under the terms of these agreements, which could result in an acceleration of repayment.

If we are unable to comply with the restrictions and covenants in the Indenture, our existing notes issuances, in our credit facilities, our loans and in other current or future debt agreements, there could be a default under the terms of the Indenture and these agreements. Our ability to comply with these restrictions and covenants, including meeting financial ratios and tests, where applicable, may be affected by events beyond our control. As a result, we cannot assure you that we will be able to comply with these restrictions and covenants or meet such financial ratios and tests. In the event of a default under these agreements, lenders could terminate their commitments to lend or accelerate the loans and declare all amounts borrowed due and payable. Borrowings under other debt instruments that contain cross-acceleration or cross-default provisions may also be accelerated and become due and payable. If any of these events occur, our assets might not be sufficient to repay in full all of our outstanding indebtedness and we may be unable to find alternative financing. Even if we could obtain alternative financing, it might not be on terms that are favorable or acceptable to us.

We will require a significant amount of cash to service our debt and sustain our operations. Our ability to generate sufficient cash depends on many factors beyond our control, and we may be forced to take other actions to satisfy our debt obligations, which may not always be successful.

Our ability to make payments on and to refinance our indebtedness, to fund planned capital expenditures and satisfy our liquidity needs depends in part on our ability to generate cash in the future. This ability is, to a certain extent, subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

We cannot assure you that we will generate sufficient cash flow from operations, that we will realize operating improvements on schedule or that future borrowings will be available to us in an amount sufficient to enable us to service and repay our indebtedness or to fund our other liquidity needs. If we are unable to satisfy our debt obligations, we may have to undertake alternative financing plans, such as refinancing or restructuring our indebtedness, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We cannot assure you that any refinancing or debt restructuring would be possible, that any assets could be sold or that, if sold, the timing of the sales and the amount of proceeds realized from those sales would be favorable to us or that additional financing could be obtained on acceptable terms.

In particular, our ability to restructure or refinance our debt will depend in part on our financial condition at such time. Any refinancing of our debt could be at higher interest rates than our current debt and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the Indenture may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness.

Disruptions in the capital and credit markets, as have been experienced in recent years, could adversely affect our ability to meet our liquidity needs or to refinance our indebtedness, including our ability to meet our obligations under our existing financing agreements or enter into new financing agreements. Banks that are party to our existing financing agreements may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests from us and other borrowers within a short period of time.

We are exposed to interest rate risk.

We have incurred, and may in the future incur, significant amounts of debt with floating interest rates. We are exposed to interest rate risk primarily in relation to our long-term borrowings issued at floating interest rates. As of September 30, 2017, approximately 57% of our indebtedness was subject to floating interest rates. We evaluate the proportion of our floating rate debt that we seek to hedge based on an assessment of our total interest rate risk and currently have a combination of borrowings that bear interest at fixed and floating rates in order to limit exposure to interest rate risk. As of September 30, 2017, 2.1% of our long-term floating rate debt was hedged. There can be no assurance that such hedging arrangements will be effective or that all of our interest rate exposure on this portion of our debt will be effectively hedged. See ''*Management's Discussion and Analysis of Financial Condition and Results of Operation—Risk Management—Interest Rate Risk Management.*'' As such, movements in interest rates could have material adverse effects on our cash flows and financial condition.

Following allegations of manipulation of LIBOR, a measure of interbank lending rates, regulators and law enforcement agencies from a number of governments are conducting investigations into whether the banks that contribute data in connection with the calculation of daily LIBOR may have been manipulating or attempting to manipulate LIBOR. In addition, LIBOR and other interest rates or other types of rates and indices which are deemed to be ''benchmarks'' are the subject of ongoing national and international regulatory reform, including the implementation of the IOSCO Principles for Financial Market Benchmarks (July 2013) and the new European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, which entered into force on June 30, 2016. Following the implementation of any such reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on July 27, 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the ''**FCA Announcement**''). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, changes in the manner of administration of any benchmark, or actions by regulators or law enforcement agencies could result in changes to the manner in which the floating rate of interest on any of our debt is determined, which may additionally require adjustments to the terms and conditions of such debt, or result in other consequences in respect of any of our floating rate debt linked to such benchmark. Any such change, as well as manipulative practices or the cessation thereof, may have an adverse impact on our ability to service debt that bears interest at floating rates of interest.

Risks Related to the Notes

The Issuer is a wholly owned subsidiary that has no revenue-generating operations of its own and will depend on cash from the Operating Group to be able to make payments on the Notes.

The Issuer is a wholly owned indirect subsidiary of the Company with no material business operations or significant assets. As such, the Issuer will be wholly dependent upon the cash flow from our Operating Group to meet its payment obligations under the Notes. The Company is a holding company with no independent business operations or significant assets other than investments in its subsidiaries. The Company depends upon the receipt of sufficient funds from its subsidiaries to meet its obligations under the Guarantee. If the subsidiaries within the Group do not fulfill their obligations under any intercompany loans or do not otherwise distribute cash to the Issuer and/or the Company, in order for them to make payments on the Notes or the Company

Guarantee, as the case may be, neither the Issuer nor the Company will have any other source of funds that would allow them to make payments to the holders of the Notes. The amount of cash available to the Issuer and the Company will depend on the profitability and cash flows of the Operating Group in the Group and the ability of those companies to transfer funds under applicable law. The Operating Group, however, may not be able to, or may not be permitted under applicable law to, make distributions or advance loans, directly or indirectly, to the Issuer and/or the Company in order for the Issuer or the Company to make payments in respect of the Notes or the Guarantee, as applicable. Various agreements governing the Group's debt may restrict the ability of, and in some cases, may prevent members of the Group from transferring funds within the Group. In addition, the members of the Group that do not guarantee the Notes have no obligation to make payments with respect to the Notes.

The inability to transfer cash among entities within our group, or to do so at reasonable cost, may mean that even though the entities, in aggregate, may have sufficient resources to meet their obligations, they may not be permitted or in practice able to make the necessary transfers from one entity in the group to another entity in the group in order to make payments to the entity owing the obligations.

Your right to receive payments under the Notes will be effectively subordinated to claims of our future secured creditors, up to the value of the collateral securing such indebtedness.

The Notes and the Guarantee will not be secured by any of our assets. As a result, the indebtedness represented by the Notes is effectively subordinated to our existing secured indebtedness and will be effectively subordinated to any additional secured indebtedness we may incur in the future. The terms of the Indenture will permit us to incur additional secured indebtedness in the future subject to certain limitations. Accordingly, in the event of a bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding affecting us, your rights to receive payment will be effectively subordinated to those of secured creditors up to the value of the collateral securing such indebtedness. Holders of the Notes will generally participate ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as the Notes, and potentially with all of our other general creditors, based on the respective amounts owed to each holder or creditor, in our remaining assets. In addition, if secured creditors were to declare a default with respect to their loans and enforce their rights with respect to their collateral, there can be no assurance that our remaining assets would be sufficient to satisfy our other obligations, including our obligations with respect to the Notes. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the Notes. As a result, holders of the Notes may receive less, ratably, than holders of secured indebtedness.

As of September 30, 2017, after giving effect to the Recent Refinancing Transaction, the full drawing of the Club Facility and use of proceeds therefrom and the Transactions, we had $117.3 million of secured debt. We will be permitted to incur substantial additional indebtedness, including secured debt, in the future under the terms of the Indenture.

Your right to receive payments under the Notes will be structurally or effectively subordinated to claims of existing and future creditors of our subsidiaries.

The Notes will be structurally subordinated to existing and future obligations of our subsidiaries. As a holder of the Notes, you will not have any claim as a creditor against any of our existing subsidiaries or against any of our future subsidiaries, in each case, that do not become guarantors of the Notes in the future. None of the companies in the Operating Group will guarantee the Notes on the Issue Date. Generally, indebtedness and other liabilities, including trade payables, whether secured or unsecured, and claims of preference shareholders (if any) of those subsidiaries will be effectively senior to your claims against those subsidiaries. In the event of any dissolution, winding-up, administration, liquidation or other insolvency, reorganization or bankruptcy proceeding in respect of any of our subsidiaries, holders of their debt and their trade creditors will typically be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to its common equity holders. As such, the Notes will be structurally subordinated to the creditors (including trade creditors) and preference shareholders (if any) of our subsidiaries that do not guarantee the Notes. The covenants in the Indenture permit us to incur additional indebtedness at subsidiaries and in the future the revenue and EBITDA of such entities could increase, possibly substantially.

Although the occurrence of specific change of control events affecting us will permit you to require us to repurchase your notes, we may not be able to repurchase your notes.

Upon the occurrence of specific change of control events affecting us, you will have the right to require us to repurchase your notes at 101% of their principal amount, plus accrued and unpaid interest. Our failure to effect a change of control offer when required would constitute an event of default under the Indenture. However, some important corporate events, including a reorganization, restructuring, merger or other similar transaction, that might adversely affect the value of the Notes would not constitute a ''change of control'' under the Indenture. Our ability to repurchase your notes upon such a change of control event would be limited by our access to funds at the time of the repurchase and the terms of our debt agreements, which agreements could restrict or prohibit such a repurchase. Upon a change of control event, we may be required immediately to repay the outstanding principal, any accrued interest on and any other amounts owed by us under our existing notes issuances and certain of our credit facilities and loans. The source of funds for these repayments would be our available cash or cash generated from other sources. However, we cannot assure you that we will have sufficient funds available upon a change of control to make these repayments and any required repurchases of tendered notes. The definition of ''Change of Control'' in the Indenture will include a disposition of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole to any person. Although there is a limited body of case law interpreting the phrase ''all or substantially all,'' there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of ''all or substantially all'' of the assets of the Company and its Restricted Subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether we are required to make an offer to repurchase the Notes. For a complete description of the events that would constitute a ''Change of Control,'' you should read the section entitled ''*Description of Notes—Repurchase at the Option of Noteholders—Change of Control.*''

The Company Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability.

As of the Issue Date, the Company will guarantee the payment of the Notes on a senior basis. The Company Guarantee will provide the relevant holders of the Notes with a direct claim against the Company under the terms and conditions of the Indenture. However, the Indenture will provide that enforcement of the Company Guarantee would be subject to certain generally available defenses. These laws and defenses include those that relate to corporate benefit, fraudulent conveyance or transfer, voidable preference, insolvency, financial assistance, corporate purpose, capital maintenance, thin capitalization, or similar laws, regulations or defenses affecting the rights of creditors generally. By virtue of these limitations, the Company's obligation under the Company Guarantee could be significantly less than amounts payable with respect to the Notes, or a Company may effectively have no obligations under its Guarantee.

Although laws differ among various jurisdictions, in general, under the above-mentioned laws and defenses (such as fraudulent conveyance laws), a court could subordinate or void the Company Guarantee and, if payment had already been made under the Company Guarantee, require that the recipient return the payment to the Company, if the court found that:

- the Company Guarantee was incurred with actual intent to hinder, delay or defraud creditors or shareholders of the Company or, in certain jurisdictions, even when the recipient was simply aware that the Company was insolvent when it granted the Company Guarantee;
- the Company did not receive fair consideration or reasonably equivalent value for the Company Guarantee and the Company was: (i) insolvent or rendered insolvent because of the Company Guarantee; (ii) undercapitalized or became undercapitalized because of the relevant Guarantee; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;
- the Company Guarantee was held to exceed the corporate objects of the Company or not to be in the best interests or for the corporate benefit of the Company; or

- the amount paid or payable under the Company Guarantee was in excess of the maximum amount permitted under applicable law.

The measure of insolvency for purposes of fraudulent conveyance laws varies depending on the law applied. For example, a company incorporated in Singapore would be considered insolvent if it is demonstrated that it cannot meet its obligations as and when they fall due (including claims due in the near future), or if its assets are insufficient to meet its liabilities (including contingent and prospective liabilities).

If a court decided either that the Company Guarantee was a fraudulent conveyance and voided the Company Guarantee, or held it unenforceable for any other reason, you may cease to have any claim in respect of the Company and would be a creditor solely of the Issuer.

The insolvency and administrative laws of Luxembourg or Singapore may not be as favorable to you as U.S. bankruptcy laws and may limit your ability to enforce your rights under the Notes or the Guarantee.

The Issuer is organized under the laws of Luxembourg whereas the Company is organized under the laws of Singapore. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in any of Luxembourg, Singapore and/or the United States. Such multijurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. There can also be no assurance that you will be able to effectively enforce your rights in such complex, multiple bankruptcy, insolvency or similar proceedings.

The following is a brief description of certain aspects of insolvency law in Luxembourg and Singapore and as required, the E.U. Insolvency Regulation.

Luxembourg

The following is a brief description of certain aspects of insolvency law in Luxembourg.

Pursuant to Luxembourg insolvency laws, your ability to receive payment under the Notes may be more limited than would be the case under U.S. bankruptcy laws. Pursuant to European Parliament and the Council regulation (EU) N°2015/848 of 20 May 2015 on insolvency proceedings (the ''**EU Insolvency Regulation**''), which applies within the European Union (other than Denmark and other than in respect of certain insurance, credit institution and investment undertakings) in respect of insolvencies which commence on or after 26 June 2017, the courts of the Member State in which a company's ''centre of main interests'' (as that term is used in Article 3(1) of the EU Insolvency Regulation) is situated have jurisdiction to open main insolvency proceedings. The determination of where a company has its centre of main interests is a question of fact on which the courts of the different Member States may have differing and even conflicting views. In the event that the Issuer and/or any future Guarantor becomes insolvent, insolvency proceedings may be opened in Luxembourg to the extent that the Issuer and/or any future Guarantor has its center of main interest located in Luxembourg or an establishment in Luxembourg.

Under Luxembourg laws, the following types of insolvency proceedings (altogether referred to as the insolvency proceedings) may be opened:

- bankruptcy proceedings (*faillite*) as set forth in articles 437 and seq. of the Luxembourg Code of Commerce (*code de commerce*), the opening of which may be requested by the representatives of the company (*aveu de faillite*), by any of its creditors or by competent Luxembourg courts *ex officio* (*faillite déclarée d'office*—absent a request made by the company or a creditor). Following such a request, the Luxembourg courts having jurisdiction may open bankruptcy proceedings if the Issuer and/or any future Guarantor, as the case may be: (i) is in a state of cessation of payments (*cessation des paiements*); and (ii) has lost its commercial creditworthiness (*ébranlement de crédit*). The main effects of such proceedings are: (i) the suspension of all measures of enforcement against the company, except, subject to certain limited exceptions, for enforcement by secured creditors; (ii) the payment of the secured creditors in accordance with their ranking upon realization of the assets; and (iii) that the Issuer and/or any future Guarantor, as the case may be, can no longer manage and dispose of its assets, however in principle existing agreements remain in force;

- controlled management proceedings (*gestion contrôlée*) as defined by the Grand-ducal decree of May 24th, 1935, the opening of which may only be requested by the company and not by its creditors and under which a court may order provisional suspension of payments, including a stay of enforcement of claims by secured creditors (without prejudice to the provisions of the Luxembourg Collateral Law as defined hereafter); and
- composition proceedings with creditors (*concordat préventif de faillite*) as defined by the law of April 14th, 1886, which may be requested only by the company (subject to obtaining the consent of the majority of its creditors) and not by its creditors themselves. The court's decision to admit a company to the composition proceedings triggers a provisional stay on enforcement of claims by creditors.

In addition, your ability to receive payment on the Notes and/or under the guarantee of any future Guarantor may be affected by a decision of a Luxembourg court to grant a stay on payments (*sursis de paiement*) as provided by articles 593 et seq of the Luxembourg of Commerce or to put the relevant Issuer and/or any future Guarantor into judicial liquidation (*liquidation judiciaire*) pursuant to article 203 of the law of August 10th, 1915 on commercial companies as amended. Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in serious breach or violation of the Luxembourg Code of Commerce or of the laws governing commercial companies, including the law of August 10th, 1915 on commercial companies, as amended. The management of such liquidation proceedings will generally follow the rules of bankruptcy proceedings.

Liability of the Issuer in respect of the Notes and/or any future Guarantor will, in each case, in the event of a liquidation of the relevant company following bankruptcy or judicial liquidation proceedings, only rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and those debts that are entitled to priority under Luxembourg law. Preferential debts under Luxembourg law include, among others:

- certain amounts owed to the Luxembourg Revenue (*Administration des Contributions Directes*);
- value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise (*Administration de l'Enregistrement et des Domaines*);
- social security contributions; and
- remuneration owed to employees.

Assets over which a security interest has been granted will not, in principle, be available for distribution to unsecured creditors.

You should note that declarations of default and subsequent acceleration (such as acceleration upon the occurrence of an event of default) may not be enforceable during controlled management proceedings.

Luxembourg insolvency laws may also affect transactions entered into or payments made by the relevant Luxembourg company during the period before bankruptcy, the so-called ''suspect period'' (*période suspecte*) which is a maximum of six months (and ten days, depending on the transaction in question) preceding the judgment declaring bankruptcy, except that in certain specific situations the court may set the start of the suspect period at an earlier date pursuant to article 613 of the Luxembourg Code of Commerce. In particular:

- pursuant to article 445 of the Luxembourg Code of Commerce, specified transactions (such as, in particular, the granting of a security interest for antecedent debts; the payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts which have fallen due by any means other than in cash or by bill of exchange; the sale of assets without consideration or with substantially inadequate consideration) entered into during the suspect period (or the ten days preceding it) must be set aside or declared null and void, if so requested by the insolvency receiver;
- pursuant to article 446 of the Luxembourg Code of Commerce, payments made for matured debts as well as other transactions concluded for consideration during the suspect period are subject to cancellation by the court upon proceedings instituted by the insolvency receiver if they were concluded with the knowledge of the bankrupt party's cessation of payments; and

- in the case of bankruptcy, article 448 of the Luxembourg Code of Commerce and article 1167 of the Civil Code (*action paulienne*) gives the insolvency receiver (acting on behalf of the creditors) the right to challenge any fraudulent payments and transactions, including the granting of security with an intent to defraud, made prior to the bankruptcy, without any time limit.

If any future Guarantee granted by a Luxembourg entity is challenged successfully, such future Guarantee may become unenforceable and any amounts received must be refunded to the insolvent estate.

In principle, a bankruptcy order rendered by a Luxembourg court does not result in automatic termination of contracts except for intuitu personae contracts, that is, contracts for which the identity of the company or its solvency were crucial. The contracts, therefore, subsist after the bankruptcy order. However, the insolvency receiver may choose to terminate certain contracts. As of the date of adjudication of bankruptcy, no interest on any unsecured claim will accrue vis-à-vis the bankruptcy estate.

Insolvency proceedings may therefore have a material adverse effect on the Issuer's business and assets and the Issuer's obligations under the Notes.

Finally, international aspects of Luxembourg bankruptcy, controlled management or composition proceedings may be subject to the E.U. Insolvency Regulation.

European Parliament and the Council regulation (EU) N°2015/848 of 20 May 2015 on insolvency proceedings

As above mentioned, international aspects of Luxembourg bankruptcy, controlled management or voluntary arrangement with creditors proceedings may be subject to the E.U. Insolvency Regulation.

Pursuant to E.U. Insolvency Regulation the court which shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the Member State (other than Denmark) where the company concerned has its ''centre of main interests'' (as that term is used in Article 3(1) of the E.U. Insolvency Regulation). The determination of where any such company has its ''centre of main interests'' is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

The term ''centre of main interests'' is not a static concept and has been addressed through the EU Insolvency Regulation and in the jurisprudence of the European Court of Justice (''**ECJ**'') relating to Council Regulation (EC) no. 1346/2000. The rebuttable presumption provided by Article 3(1) of the EU Insolvency Regulation, according to which the ''center of main interest'' of an EU company is located in the Member State of the European Union in which it has its registered office, does not apply if the debtor has moved its registered office to another Member State during the three months prior to the opening of the insolvency proceedings. According to Recital 30 of the EU Insolvency Regulation's preamble, this presumption may also be refuted where the debtor's central administration is located in a Member State other than the one of its registered office and where a comprehensive assessment of all the relevant factors established, in a manner that is ascertainable by third parties, that the debtor's actual centre of management and supervision and of the management of its interests is located in another Member State. In addition, the second sentence of Article 3(1) of the EU Insolvency Regulation provides that the ''centre of main interests'' of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and ''is ascertainable by third parties.'' In that respect, factors such as the place where board meetings are held, the location from which the company conducts the larger part of its business and the location where the large majority of the company's creditors reasonably perceives the centre of the company's business operations to be may all be relevant in the determination of the location of the ''centre of main interests'' of the company. The ECJ, in a ruling dated 20 October 2011 (the ''**Ruling**''), interpreted Article 3(1) of the European Insolvency Regulation to specify that a debtor company's ''centre of main interests'' must be determined by attaching greater importance to the place of the company's central administration, as may be established by objective factors which are ascertainable by third parties, and where the bodies responsible for the management and supervision of a company are in the same place as its registered office and the management decisions of the company are taken, in a manner that is ascertainable by third parties, in that place, the presumption in that provision cannot be rebutted. The Ruling further specified that where a company's central administration is not in the same place as its registered office, the presence of company assets and the existence of contracts for the financial exploitation of those assets in a Member State other than that in which the registered office is situated cannot be regarded as sufficient factors to rebut the presumption unless a comprehensive assessment of all the relevant factors makes it possible to establish, in a manner that is ascertainable by third parties, that the company's actual center of management and supervision and of the management of its interests is located in that other Member State.

If the centre of main interests of a company is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of the company under the E.U. Insolvency Regulation would be opened in such jurisdiction, and, accordingly, a court in such jurisdiction would be entitled to open the types of insolvency proceedings referred to in Annex A to the E.U. Insolvency Regulation. Insolvency proceedings opened in one Member State under the E.U. Insolvency Regulation are to be recognized in the other Member States (other than Denmark), although secondary proceedings may be opened in another Member State. If the ''centre of main interests'' of a debtor is in one Member State (other than Denmark), under Article 3(2) of the E.U. Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open ''secondary proceedings'' only in the event that such debtor has an ''establishment'' (in the meaning of the EU Insolvency Regulation) in the territory of such other Member State. The effects of those secondary proceedings are restricted to the assets of the debtor situated in the territory of such other Member State. If a company does not have an establishment in any other Member State, no court of any other Member State has jurisdiction to open territorial proceedings in respect of such company under the E.U. Insolvency Regulation.

Irrespective of whether the insolvency proceedings are main or territorial proceedings, such proceedings will always, subject to certain exemptions, be governed by the *lex fori concursus*, i.e., the local insolvency law of the court which has assumed jurisdiction for the insolvency proceedings of the debtor.

To the extent that the ''centre of main interests'' of a company is deemed to be outside Luxembourg, courts of such other jurisdictions may have jurisdiction over the insolvency proceedings of that company.

Singapore

The following is a brief description of certain aspects of insolvency law in Singapore.

The insolvency of the Company or of any future Guarantor may impact on the enforceability of the Company Guarantee or the guarantee provided by any such future Guarantor. An insolvent company in Singapore may be subject to, amongst others, judicial management, Scheme of Arrangement, or winding up proceedings.

Judicial management aims to provide a company which is or is likely to become unable to pay its debts the opportunity to be rehabilitated as a going concern or to achieve a better realization of its assets than it would have in a liquidation scenario, if there is a reasonable probability of doing so. Upon the Company or its creditor(s) making an application for a judicial management order to appoint a judicial manager until such order is made or the application is dismissed, creditors are prevented from winding up, or commencing or continuing with any legal process or proceeding or enforcing any security over the Company's assets except with leave of the Singapore Court (subject to such terms as the Singapore Court imposes). If a judicial management order is made, creditors are also prevented from commencing or continuing with any legal process or proceeding or enforcing any security over the Company's assets except with the permission of the judicial manager or the leave of the Court (subject to such terms as the Singapore Court imposes), and any receiver and manager shall vacate office and any application for winding up shall be dismissed.

An application for Scheme of Arrangement may be made by a company, its creditor(s) or its member(s) to call a meeting of creditors to consider and approve a Scheme of Arrangement to compromise the debts of the company. If the Singapore Courts grant leave to hold the said meeting, and the Scheme of Arrangement is agreed to by a simple majority in number and at least three-quarters in value of the creditors of the company at a meeting of the creditors sanctioned by the Singapore Courts, the Scheme of Arrangement could be approved by the Court and upon approval, bind all of the creditors of the company.

Where a company proposes or intends to propose a Scheme of Arrangement, it may make an application for a moratorium (the ''**Moratorium Application**'') restraining creditors from, amongst others, commencing or continuing with any proceeding or legal process, enforcing any security over the Company's assets (including appointment of a receiver and manager), or enforcing any right of re-entry or forfeiture under any lease of any premises occupied by the company except with the leave of the Singapore Courts and subject to such terms as the Singapore Courts impose (the ''**Relevant Acts**''). The moratorium, if granted by the Singapore Courts, may be made subject to such terms as the Singapore Courts impose, and may be expressed to apply to any act of any person in Singapore or within the jurisdiction of the Singapore Courts, whether the act takes place in Singapore or elsewhere. Between the date of the filing of the Moratorium Application and the hearing of the Moratorium Application or up to 30 days from the date of the filing of the Moratorium Application, whichever is earlier, an automatic moratorium is imposed preventing creditors from taking the Relevant Acts.

A company may be wound up by way of voluntary winding up, or by application to the Singapore Courts. In an application to the Singapore Courts to wind up a company, there are 13 grounds upon which the Court may order for the company concerned to be wound up. The most common ground used is that the company is unable to pay its debts. A company is deemed to be unable to pay its debts if:

(1) a creditor who is owed a sum exceeding S$10,000 serves on the company a demand at its registered office for payment of the indebted sum, and the company has failed within three weeks thereafter to make payment, secure, or compound the indebted sum to the reasonable satisfaction of the creditor;

(2) execution or other process issued on a judgment, decree or order of any court in favor of a creditor of the company is returned unsatisfied in whole or in part; or

(3) it is proved to the satisfaction of the Singapore Courts that the company is unable to pay its debts; and in determining whether a company is unable to pay its debts the Singapore Courts shall take into account the contingent and prospective liabilities of the company.

A guarantee is liable to be set aside by a liquidator or judicial manager upon application to the Singapore Courts by the liquidator or judicial manager on the basis that the granting of the guarantee constituted a transaction at an undervalue. A transaction at an undervalue means a transaction which occurs within five years of the earlier of (i)(a) the making of the winding up or judicial management application, or (i)(b) the passing of a resolution by the company for voluntary winding up of the company, (ii) the company was insolvent when it entered into the transaction or became insolvent as a result of the transaction, and (iii) when the value of the consideration provided by the counterparty (in money or money's worth) is significantly less than the value of the consideration provided by the company (in money or money's worth). Where the transaction was entered into with a person who is connected with the company (otherwise than by reason only of being its employee), the requirement that the company was insolvent at the time of the transaction or became insolvent as a result of the transaction shall be presumed to be satisfied unless the contrary is shown. A Singapore court would not set aside a transaction at an undervalue if it is satisfied that the company had entered into the transaction in good faith and for the purpose of carrying on its business, and there were reasonable grounds for believing that the transaction would benefit the company at that time.

A guarantee is also liable to be set aside if the Singapore Courts make an order that the making of the guarantee constituted an unfair preference. An unfair preference is established if (i) the transaction occurred within two years (if the person receiving the preference is connected with of the company) or six months (if the person receiving the preference is not connected with the company) before the winding up or judicial management application had been made, or before the resolution for voluntary winding up by the company had been passed, (ii) if it had the effect of putting one of its creditors in a better position in a liquidation than if the action had not been taken, (iii) the company was influenced by a desire to prefer the said creditor (if a company is connected with the company a presumption arises that the transactions was intended to prefer the said creditor); and (iv) at the time of the transaction, the company was insolvent or it became insolvent as a result of the transaction.

If the guarantee was part of an ''extortionate credit transaction'', it could also potentially be liable to be set aside. ''Extortionate credit transactions'' may be set aside if (i) they are made within three years of the commencement of winding up or judicial management proceedings against the company, (ii) the terms require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of the credit, or they are harsh and unconscionable or substantially unfair, in each case having regard to the risk accepted by the creditor. Unless the contrary is proved by the company, such credit transactions are presumed to be ''extortionate credit transactions'' which are liable to be set aside.

Insolvent trading—An officer if a company who was knowingly a party to the contracting of a debt, and had no reasonable or probable ground of expectation at the time the debt was contracted that the company is able to repay the debt after taking into consideration the company's other liabilities, is guilty of an offence and such officer could be made personally liable for the payment of the whole or any part of that debt by the Singapore Courts.

Fraudulent trading—If any business of the company has been carried on with intent to defraud creditors of the company or creditors of any other person or for any fraudulent purpose, the Singapore Courts may (if they think proper to do so) declare that any person who was knowingly a party to the carrying on of the business in such a manner shall be personally liable, without any limitation of liability, for all or any of the debts or liabilities of the company as the Singapore Courts may direct.

Fraudulent conveyance of property—A conveyance of property made with the intent to defraud creditors and that was not made to a person (without notice of the intent to defraud) for valuable consideration and in good faith may be challenged and sought to be set aside by a person who was prejudiced by such conveyance of the property.

Secured creditors have priority over unsecured creditors.

Under section 328 of the Companies Act, Chapter 50 of Singapore, in a winding up of a Singapore company, the following preferential debts are to be paid in priority over the debts of the general body of unsecured creditors, in the order set out below:

- costs and expenses of the winding up;
- wages or salary of any employee, including any allowances or reimbursements payable to an employee on termination of his services (up to five months equivalent or S$7,500 whichever is lower);
- certain retrenchment benefits or ex gratia payments under employment contracts or award or agreement that regulates conditions of employment;
- amounts due in respect of work injury compensation under the Work Injury Compensation Act, Chapter 354 of Singapore (''**Workmen Compensation**'');
- various amounts due under employee superannuation or provident funds or under any scheme of superannuation which is an approved scheme under the Income Tax Act, Chapter 134 of Singapore payable during the 12 months before, on or after the commencement of the winding up;
- remuneration payable to employees in respect of vacation leave; and
- taxes assessed and all goods and services tax due under any written law before the commencement of the winding up or assessed at any time before the time fixed for proving of debts has expired (''**Tax Liabilities**'').

Further, all the above-mentioned preferential debts have priority over debts secured only by a floating charge except for the Workmen's Compensation and Tax Liabilities.

Interest and other payments made by the Company under the Company Guarantee to our Noteholders who are not resident in Singapore for tax purposes may be subject to withholding tax under Singapore tax laws.

Under the Income Tax Act, Chapter 134 of Singapore (the ''**ITA**''), payments made by the Company under the Company Guarantee to a person not known to the Company to be a resident in Singapore for tax purposes may be subject to Singapore withholding tax if such payments are regarded as derived from Singapore under Section 12(6) of the ITA. In such an event, we will, subject to certain exceptions, pay the additional amounts necessary so that the net amount received after the withholding is not less than the amount that holders of the Notes would have received in the absence of such withholding. The requirement to pay such additional amounts will increase the cost of servicing interest payments on the Notes, and could have a material adverse effect on our ability to pay interest on, and repay the principal amount of, the Notes, as well as our business, financial condition and results of operations. See ''*Taxation—Singapore Tax Considerations.*''

An active trading market may not develop for the Notes, in which case you may not be able to resell the Notes.

The Notes are new securities, there is no existing trading market for the Notes and we cannot assure you that an active or liquid trading market will develop for the Notes. The Initial Purchasers have advised us that they intend to make a market in the Notes after completing the offering. However, the Initial Purchasers have no obligation to do so and may discontinue market making activities at any time without notice. We will make an application to list the Notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market. We cannot guarantee that the application we have made to the Official List of the Luxembourg Stock Exchange for the Notes to be listed and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange will be approved as of the Issue Date or at any time thereafter, and settlement of the Notes is not conditioned on obtaining this admission to trading. Future liquidity will depend, among other things, on the number of holders of the Notes, our financial performance, the market for similar securities and the interest of securities dealers in making a market in the Notes. In addition, changes in the overall market for high yield securities and changes in our financial performance or in the markets where we operate may adversely affect the liquidity of the trading market in these Notes and the market price quoted for these Notes. As a result, we cannot assure you that an active trading market will actually develop for these Notes. Historically, the markets for non-investment grade debt such as the Notes have been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The market, if any, for the Notes will likely be subject to similar disruptions. Any disruptions may have an adverse effect on the holders of the Notes.

Transfer of the Notes will be restricted, which may adversely affect the value of the Notes.

Because the Notes have not been, and are not required to be, registered under the Securities Act or the securities laws of any other jurisdiction, they may not be offered or sold except to QIBs as defined under Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and all other applicable laws. These restrictions may limit your ability to resell the Notes. It is your obligation to ensure that your offers and sales of the Notes within the U.S. and other countries comply with applicable securities laws. Please refer to the section entitled ''*Transfer Restrictions*'' for further information on these restrictions.

U.S. investors may have difficulty enforcing civil liabilities against us and our directors and senior management.

The Issuer is incorporated under the laws of Luxembourg, with principal executive offices and corporate headquarters in Singapore. The Company is a company incorporated under the laws of Singapore, each as a company limited by shares. The majority of our directors and senior management are residents of jurisdictions outside of the United States, and the majority of our assets and the assets of these persons are located outside the United States. As a result, U.S. investors may find it difficult to effect service of process within the United States upon us or these persons or to enforce outside the United States judgments (including in Singapore) obtained against us or these persons in U.S. courts, including actions predicated upon the civil liability provisions of the U.S. federal securities laws. Likewise, it may also be difficult for an investor to enforce in U.S. courts judgments obtained against us or these persons in courts in jurisdictions outside the United States, including actions predicated upon the civil liability provisions of the U.S. federal securities laws. See ''*Service of Process and Enforceability of Civil Liabilities—Singapore—Enforcement of U.S. Court Judgments in Singapore*''.

It may be difficult for a U.S. investor to bring an original action in a Luxembourg court predicated upon the civil liability provisions of the U.S. federal securities laws against our directors and senior management, and there is doubt as to whether Singapore courts will enter judgments in original actions brought in Singapore courts based solely upon the civil liability provisions of the U.S. federal securities laws. Furthermore, under the laws of Luxembourg, actions by investors against the directors of a company for management fault may only be taken by a decision of the company's general meeting. If an investor, however, has suffered personal harm as a result of a director's violation of the law or the company's articles of association, or as a result of the negligence or fault of a director, such investor may bring an action against such director if such investor can demonstrate that three conditions necessary to enforce a civil liability claim have been fulfilled: (i) fault of the director; (ii) special (i.e. direct and personal) damage suffered by the investor; and (iii) a causal link between the fault of the director and the damage suffered by the investor. There is no limitation under the laws of Luxembourg which prevents U.S. investors from bringing an original action in a Luxembourg court predicated upon the provisions of the Luxembourg law of 10 August 1915 on commercial companies, as amended (the "**Luxembourg Company Law**") or the civil liability provisions of the Luxembourg Civil Code except that under Luxembourg laws, an individual investor may not bring a lawsuit against a director if the damage is common to other investors as a whole. See "*Service of Process and Enforceability of Civil Liabilities.*"

The Notes are subject to exchange rate risks and exchange controls.

We will pay principal and interest on the Notes in U.S. dollars. This presents certain risks relating to currency conversions if your financial activities are denominated principally in a currency other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of other currencies) and the risk that authorities with jurisdiction over another currency may impose or modify exchange controls. An appreciation in the value of another currency relative to the U.S. dollar would decrease (1) the equivalent yield on the Notes in such other currency, (2) the equivalent value of the principal payable on the Notes in such other currency, and (3) the equivalent market value of the Notes in such other currency. If a judgment or decree with respect to the Notes is awarded against us providing for payment in a currency other than U.S. dollars, you may receive lower amounts than anticipated due to unfavorable exchange rates.

If the Notes are rated investment grade by both Fitch Ratings, Inc. and Moody's, certain covenants contained in the Indenture will be suspended, and you will lose the protection of these covenants unless or until the Notes subsequently fall back below investment grade.

The Indenture contains certain covenants that will be suspended for so long as the Notes are rated investment grade by both Fitch Ratings, Inc. and Moody's Investors Service, Inc. These covenants include:

- Restricted Payments;
- Dividend and Other Payment Restrictions Affecting Subsidiaries;
- Incurrence of Indebtedness and Issuance of Preferred Stock;
- Transactions with Affiliates;
- Certain provisions of Merger, Consolidation or Sale of Assets;
- Repurchase at the Option of Noteholders—Asset Sales; and
- Designation of Restricted and Unrestricted Subsidiaries.

As a result, we will be able to incur additional indebtedness and consummate transactions that may impair our ability to satisfy our obligations with respect to the Notes. In addition, we will not have to make certain offers to repurchase the Notes. These covenants will only be restored if the credit ratings assigned to the Notes later fall below investment grade. See "*Description of Notes—Certain Covenants—Suspension of covenants on achievement of investment grade status.*" Any actions taken during the period of suspension will remain in effect despite such a restoration of the covenants. There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating will be maintained.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

Unless and until Notes in definitive registered form, or definitive registered Notes are issued in exchange for book-entry interests (which may occur only in very limited circumstances), owners of book-entry interests will not be considered owners or holders of Notes. The common depository (or its nominee) for Euroclear and Clearstream will be the sole registered holder of the Global Notes. Payments of principal, interest and other amounts owing on or in respect of the relevant Global Notes representing the Notes will be made to Banque Internationale a Luxembourg S.A. as Paying Agent, which will make payments to Euroclear/Clearstream. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the Global Notes representing the Notes and credited by such participants to indirect participants. After payment to the common depositary for Euroclear/Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. See ''*Taxation.*'' Accordingly, if you own a book-entry interest in the relevant Notes, you must rely on the procedures of Euroclear/Clearstream and if you are not a participant in Euroclear/Clearstream on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the Notes under the Indenture.

Unlike the holders of the Notes themselves, owners of book-entry interests will not have any direct rights to act upon any solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear/Clearstream or, if applicable, from a participant. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any matters or timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until the relevant definitive registered Notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear/Clearstream. We cannot assure you that the procedures to be implemented through Euroclear/Clearstream will be adequate to ensure the timely exercise of rights under the Notes.

The interests of our principal shareholders may conflict with your interests.

The Issuer is a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg which is an indirect wholly owned financing subsidiary of the Company. The interests of our principal shareholders, in certain circumstances, may conflict with your interests as holders of the Notes. As of September 30, 2017, our largest shareholder, Trafigura, owned 49.58% (49.49% via its wholly owned subsidiary Puma Energy Holdings Malta Ltd and the remainder via PE SPV Limited), while Sonangol owned 27.92%, of our shares. See ''*Principal Shareholders.*'' As a result, these shareholders have, and will continue to have, directly or indirectly, the power, among other things, to affect our legal and capital structure and our day-to-day operations, as well as the ability to elect and change our management and to approve any other changes to our operations. For example, the shareholders could vote to cause us to incur additional indebtedness or to sell certain material assets, in each case, so long as the Indenture permits. Incurring additional indebtedness would increase our debt service obligations and selling assets could reduce our ability to generate revenues, each of which could adversely affect holders of the Notes.

USE OF PROCEEDS

We estimate that the net proceeds from the Offering will be approximately $743.4 million after deducting certain costs, fees and expenses incurred in connection with the Offering.

The Issuer intends to use the net proceeds from the Offering to (i) fully redeem the 2021 Senior Notes (including payment of any prepayment premiums and accrued and unpaid interest required under the terms of the indenture governing the 2021 Senior Notes) and (ii) with any remaining net proceeds, repay certain amounts drawn under the Revolving Credit Facilities, including, inter alia, the 2017 RCF Agreement and Facility B of the 2015 and 2016 RCF Agreements (but without cancelling commitments thereunder). On the closing date of the Offering, the Issuer intends to deposit the portion of the net proceeds sufficient to effect the full redemption of the 2021 Senior Notes on or around February 7, 2018 with the Trustee, thus causing the indenture governing the 2021 Senior Notes to be satisfied and discharged as of the closing date of the Offering.

You should read ''*Capitalization*'' and ''*Description of Certain Other Indebtedness*'' for a more detailed description of our capitalization and financing arrangements on a historical basis and as adjusted to give effect to the Recent Refinancing Transaction, the full drawing of the Club Facility and use of proceeds therefrom and the Transactions.

CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and our capitalization:

- as of September 30, 2017, on a historical basis, which is derived from our financial statements included elsewhere in this Offering Memorandum; and
- as adjusted to give effect to (i) the Recent Refinancing Transaction and the full drawing of the Club Facility and use of proceeds therefrom and (ii) the Transactions, as if, in each case, they had occurred on September 30, 2017.

You should read this table in conjunction with ''Use of Proceeds,'' ''Management's Discussion and Analysis of Financial Condition and Results of Operation—Liquidity and Capital Resources,'' ''Description of Certain Other Indebtedness,'' ''Description of Notes'' and our consolidated financial statements and the notes thereto included in this Offering Memorandum.

	As of September 30, 2017	Adjustments	As Adjusted
		($ millions)	
Inventories	**868.6**		**868.6**
Cash and cash equivalents(1)	**474.0**	(45.0)	**429.0**
Loans and borrowings:			
The Issuer			
Notes offered hereby(2)	—	750.0	750.0
2024 Senior Notes(3)	—	600.0	600.0
2021 Senior Notes(4)	1,000.0	(1,000.0)	—
2022 Euro Notes (*in $*)(5)	235.7		235.7
Delta Lloyd Facility(6)	100.0		100.0
Revolving Credit Facilities(7)	863.6	(391.0)	472.6
Term Loans(8)	795.1	41.0	836.1
Operating Group debt(9)	481.7		481.7
Total loans and borrowings(10)	**3,476.1**	**—**	**3,476.1**
Shareholders' equity	**2,047.4**		**2,047.4**
Total capitalization	**5,523.5**		**5,523.5**

(1) Cash and cash equivalents are adjusted by (i) the difference between the amounts issued under the 2024 Notes and the amount repaid under the 2021 Notes in the Recent Refinancing Transaction, (ii) prepayment premiums and accrued and unpaid interest required to be paid in connection with the redemption of the outstanding 2021 Notes as part of the Transactions and (iii) the amount of fees and other expenses in connection with the Recent Refinancing Transaction and the Transactions.

(2) The amount relates to the gross proceeds of the Notes.

(3) Represents the 5.125% $600 million senior notes due 2024 issued by the Issuer on October 6, 2017. The offering of the 2024 Senior Notes was made in connection with an intermediated tender offer in respect of the 2021 Senior Notes and resulted in our repurchase of $590.0 million in aggregate principal amount of the $1.0 billion 2021 Senior Notes then outstanding.

(4) Represents the 6.75% $1 billion senior notes due 2021 issued by the Issuer in January 2014, of which $410 million principal amount presently remain outstanding (see note (2) above). We intend to redeem the 2021 Senior Notes in full with the proceeds from this Offering.

(5) Represents the EUR 200 million senior notes due 2022. For further information, see ''*Description of Certain Other Indebtedness*.''

(6) Includes the $100 million 5.87% facility due 2023 entered into on January 11, 2016, by the Issuer as borrower with DL Levensverzekering NV and DL Life N.V/SA as lenders.

(7) Represents the Revolving Credit Facilities, which include total availabilities of: (i) $390 million under 2015 Facility B; (ii) $355 million under 2016 Facility B; (iii) $400 million under the 2017 Facility; (iv) AUD65 million under Australian Facility B; (v) $30 million under the Nedbank Facility, and (vi) $30 million under the ENBD Facility. Funds drawn under the Revolving Credit Facilities are used for working capital purposes, including to finance the purchase of our commodity inventories, and for general corporate purposes. For further information, see ''*Description of Certain Other Indebtedness*.''

(8) Represents term loans entered into by the Issuer in an aggregate drawn amount of $795.1 million. The term loans include the following contractual amounts: (i) $360 million of 2015 Facility C under the 2015 RCF; (ii) AUD275 million under Australian Facility A, (iii) $75 million term loan under the Maybank Facility; (iv) $75 million under the Bank of China Facility; (v) $45 million under the Banco do Brasil Facility and (vi) $350 million under the 5-year Club Facility. For further information and specific amounts outstanding under each term loan, see ''*Description of Certain Other Indebtedness*.''

(9) Represents Operating Group debt (debt financed or guaranteed by subsidiaries of the Company that do not guarantee the Notes) which amounted to $481.7 million (comprised of $190.8 million of local overdrafts, $137.7 million of working capital lines and $153.2 million of term loans).

(10) Total loans and borrowings is calculated as the amount outstanding under total (current and non-current) interest-bearing loans and borrowings without considering the accounting impact of arrangement fees, premiums and discounts.

SELECTED FINANCIAL DATA

The Issuer, Puma International Financing S.A., was incorporated on December 12, 2013 and is a wholly owned subsidiary of the Company. The Company, Puma Energy Holdings Pte. Ltd., has been our parent company since September 16, 2013.

The following tables set forth our selected historical consolidated financial information as of the dates and for each of the periods indicated. This Offering Memorandum includes the audited consolidated financial statements of Puma Energy Holdings Pte. Ltd. as of and for each of the years ended December 31, 2014, 2015 and 2016, and its interim consolidated financial statements as of and for the nine months ended September 30, 2017, with comparative financial information as of and for the nine months ended September 30, 2016. The Offering Memorandum also includes financial data for the twelve months ended September 30, 2017. The audited, reviewed and unaudited consolidated financial statements have been prepared in accordance with IFRS.

The data below should be read in conjunction with ''*Presentation of financial and Other Information*,'' ''*Use of Proceeds*,'' ''*Capitalization*,'' ''*Selected Historical Consolidated Financial Information*,'' ''*Management's Discussion and Analysis of Financial Condition and Results of Operations*'' and our consolidated financial statements and the accompanying notes thereto included elsewhere in this offering memorandum.

	Year Ended December 31,			Nine Months Ended September 30,		Twelve Months Ended September 30,
	2014	2015	2016	2016	2017	2017
	($ millions)					
Summary Statement of Income Data						
Net sales	13,433.0	12,686.4	12,669.5	9,272.3	10,781.1	14,178.3
Cost of sales	(12,004.3)	(11,190.7)	(11,068.9)	(8,080.1)	(9,552.0)	(12,540.8)
Gross profit	**1,428.7**	**1,495.7**	**1,600.6**	**1,192.2**	**1,229.1**	**1,637.5**
Selling and operating costs	(932.8)	(1,016.6)	(1,022.7)	(777.8)	(800.6)	(1,045.5)
General and administrative expenses	(100.3)	(167.9)	(169.3)	(117.2)	(156.4)	(208.5)
Other operating income	7.7	40.0	1.3	0.4	3.2	4.1
Other operating expenses	(11.5)	(12.3)	(37.4)	(23.7)	(6.7)	(20.4)
Share of net profit in associates(1)	4.3	3.1	10.6	4.7	3.8	9.7
Operating profit	**396.1**	**342.0**	**383.1**	**278.6**	**272.4**	**376.9**
Finance income	12.2	10.4	8.7	7.1	8.7	7.5
Finance costs	(184.9)	(211.2)	(228.3)	(173.6)	(160.8)	(212.6)
Net foreign exchange gains/(losses)	(2.7)	25.8	(14.9)	(18.2)	(13.6)	(10.4)
Profit before tax	**220.7**	**167.0**	**148.6**	**93.9**	**106.7**	**161.4**
Income tax expense	(37.2)	9.8	(32.2)	(27.7)	(29.4)	(33.9)
Profit after tax	**183.5**	**176.8**	**116.4**	**66.2**	**77.3**	**127.5**

(1) The share of net profits in associates in 2014 has been reclassified from below the operating profit line to above the operating profit line.

	Year Ended December 31,			Nine Months Ended September 30,		Twelve Months Ended September 30,
	2014	2015	2016	2016	2017	2017
	($ millions)					
Summary Statement of Cash Flow Data						
Cash flow from operating activities(1)	861.5	734.9	838.2	686.3	334.8	486.7
Cash flow from investing activities(1)	(1,342.7)	(1,138.3)	(732.7)	(546.3)	(260.8)	(447.2)
Cash flow from financing activities	491.0	204.4	(13.7)	110.2	72.7	(51.2)
Net increase/(decrease) in cash and cash equivalents	**9.8**	**(199.0)**	**91.8**	**250.2**	**146.7**	**(11.7)**
Effect of exchange rate differences	18.3	3.4	(37.3)	(57.3)	(8.4)	11.6
Cash and cash equivalents at beginning of period	**448.7**	**476.8**	**281.2**	**281.2**	**335.7**	**474.1**
Cash and cash equivalents at end of period	**476.8**	**281.2**	**335.7**	**474.1**	**474.0**	**474.0**

(1) Dividends received from associates have been reclassified from investing cash flows to financing cash flows in 2014.

	As of December 31,			As of September 30,
	2014	2015	2016	2017
	($ millions) (Audited)			(Reviewed)
Summary Statement of Financial Position Data				
Cash and cash equivalents	476.8	281.2	335.7	474.0
Current assets (excluding cash and cash equivalents)	1,726.9	1,707.8	1,542.9	1,941.3
Total non-current assets	4,348.6	4,926.9	5,040.5	5,192.8
Total assets	**6,552.3**	**6,915.9**	**6,919.1**	**7,608.1**
Total current liabilities	2,352.2	2,295.3	2,146.0	2,796.8
Total non-current liabilities	2,328.5	2,549.0	2,872.7	2,763.9
Total liabilities	**4,680.7**	**4,844.3**	**5,018.7**	**5,560.7**
Total equity and liabilities	**6,552.3**	**6,915.9**	**6,919.1**	**7,608.1**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

This discussion and analysis should be read in conjunction with our audited consolidated financial statements, reviewed interim financial statements and the related notes thereto included elsewhere in this Offering Memorandum and the sections entitled ''Presentation of Financial and Other Information'' and ''Selected Historical Consolidated Financial Information.'' Unless otherwise indicated, all financial information has been prepared in accordance with IFRS. This discussion and analysis contains forward-looking statements that involve risk, uncertainties and assumptions. See ''Information Regarding Forward-Looking Statements.'' Our actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including those discussed in ''Risk Factors'' and elsewhere in this Offering Memorandum.

General

We are a leading, globally integrated midstream and downstream oil group. Unlike certain of our competitors, who primarily focus on only one aspect of midstream or downstream operations, we are engaged in all aspects of the value chain—supply, storage and distribution of refined oil products. Our geographic reach extends across 48 countries, spanning five continents. Our gross profit and EBITDA for the twelve months ended September 30, 2017 were $1,637.5 million and $753.9 million, respectively.

We operate approximately 8.3 million cubic meters of storage capacity and a network of 3,048 retail service stations (including the 470 sites acquired in the recent Pakistan Acquisition) across the Americas, Europe, Africa and Asia Pacific. We also distribute refined oil products and provide services to over 20,000 industrial and commercial clients as well as 68 airports. During the twelve months ended September 30, 2017, we sold 22.1 million cubic meters of refined oil products in our downstream segment and handled 16.8 million cubic meters of refined oil products in our midstream storage facilities. Our downstream and midstream operations, accounted for 86.5% and 13.5% of our gross profit and for 83.0% and 17.0% of our EBITDA for the twelve months ended September 30, 2017, respectively.

Factors Affecting Results of Operations

Unit Margins and Government Regulation

We measure the financial performance of our operations by our unit margins, which, for our downstream segment, represents gross profit from downstream activities (including gross profit from sales of non-fuel products and services) divided by the total sales volumes of refined oil products, and for our midstream segment, gross profit from our midstream activities divided by throughput and refining volumes.

Our downstream operations' unit margins are primarily affected by the difference between the prices at which we sell our refined oil products and the prices at which we purchase such products. Any change in the crude oil prices immediately affects the costs of refined petroleum products that we purchase. The price of crude oil has seen significant declines in recent years and major uncertainty remains as to the future direction of oil prices. However, our unit margins generally do not fluctuate in parallel with fluctuations in refined oil product prices (although, as discussed below changes in refined oil product prices are likely to impact the demand for our products; see ''—*General Economic and Market Factors*''). The main reasons for the relative resilience of our unit margins to refined oil product prices are the extent to which we operate in either fully or semi-regulated markets (and the regulations in place in these markets), our capacity to pass on changes in oil prices to the end customers in the free markets in which we operate, relatively short periods of holding inventories (DIO of 20 to 25 days over the historic period) and the systematic way in which we seek to hedge against commodity price and foreign exchange risks.

64.7%, 69.0%, 65.4%, 66.2% and 62.7% of our gross margin in our downstream segment in the years ended December 31, 2014, 2015 and 2016 and the nine months ended September 30, 2016 and 2017, respectively, was generated in fully or semi-regulated markets in which we benefit from some level of unit margin protection, as described below. (For a detailed description of the categories of refined oil product price regulation that we are subject to in various markets, see ''*Regulation.*'')

The following table sets forth the percentage of our gross margin in our downstream segment generated by each of the three general categories of markets in which we operate as of the end of the period presented.

Downstream Gross Margin share by Type of Market

	Year ended December 31,			Nine Months Ended September 30,	
	2014	**2015**	**2016**	**2016**	**2017**
Fully regulated market	30.8%	30.5%	32.0%	33.0%	26.0%
Semi-regulated market	33.9%	38.5%	33.4%	33.2%	36.7%
Free market	35.3%	31.0%	34.6%	33.8%	37.3%

In fully regulated markets, such as Angola and Nicaragua, the government either directly or indirectly organizes the import of refined oil products (for example, by organizing a tender offer process through which a refined oil product supplier is selected for a specified length of time, or through a club of fuel dealers) and import prices (and therefore refined oil product supply costs) are established based on a specified reference import price (based on a market benchmark plus an allowance for freight and other ancillary cost of sales). The government also typically establishes a maximum gross margin over the specified reference import price that refined oil product retailers are permitted to charge. As a result of these government actions, our downstream unit margins in these markets are not affected by fluctuations in refined oil product prices.

In semi-regulated markets, such as Botswana, Honduras and Namibia, the government also typically establishes a maximum gross margin over a specified reference import price. However, because the government does not fully control the supply of refined oil products into the country, we are free to source our supply from the market, which may result in a refined oil product import price that is greater than or below the specified reference import price. As is the case in fully regulated markets, the maximum gross margins over the specified import price typically are sufficient to accommodate such other components of cost of sales, such as logistical costs.

In free markets, such as Puerto Rico, Guatemala, Australia and the United Kingdom, the government does not set a reference import price or maximum gross margin over a specified reference import price. Fluctuations in, and volatility of, import prices of crude oil and refined oil products create a need to adjust the price at which we sell our refined oil product to maintain unit margins. Consequently, in these markets, we generally seek to pass import price increases on to customers promptly. Our ability to do so, however, is driven primarily by local competitive pressure and price sensitivity among customers. We manage our exposure to refined oil product import prices through our supply arrangements, supply chain and distribution network (see ''—*Supply Arrangements, Supply Chain and Distribution Network*'') and hedging activities. We enter into derivative instruments to hedge our exposure to refined oil product price fluctuations once a contractual sale of refined oil products has occurred or is highly probable. The aim of our hedging activities is to safeguard the value of our product inventory and to lock in our unit margin once we have entered into or are about to enter into a sale agreement.

We usually achieve more favorable unit margins in fully regulated or semi-regulated markets than we do in free markets because in regulated markets we are not subject to market pressures on the prices at which we may sell refined oil products,. However in some of our free markets where there may be less competition, unit margins can at times be as high as in regulated markets. Moreover, as governments in regulated markets tend to benefit from our development of infrastructure and our ability to establish stable refined oil product supply and distribution networks, we believe governments in regulated markets are incentivized thereby to monitor margins to ensure refined oil product suppliers and distributors earn a stable return on their investment in the country.

Governments in fully or semi-regulated markets may change the maximum margin they set over the specified reference import price. Although changes to the maximum margin affect our results of operation, changes across fully and semi-regulated markets over the course of a fiscal year typically offset one another, partly as a result of the diversity of our countries of operation and, as a result, typically do not have a material effect on our results of operation.

Our unit margins amounted to $85, $71 and $66 per cubic meter in the years ended December 31, 2014, 2015 and 2016 and $66 per cubic meter in the nine months ended September 30, 2017. Unit margins in 2015 were primarily impacted by changes in the geographic, product and business line mix of our sales, towards the Americas and the United Kingdom, as well as to the wholesale line of business. We were also impacted by lower prices for commodities which affected the price in certain large contracts renewals with customers in the mining industry and by the depreciation of key currencies in which our sales were generated against the US dollar alongside delays in adjusting maximum margins upwards in certain of our regulated markets in response to such currency movements. The further decrease in our unit margins in 2016 was primarily driven by the full-year impact from the wholesale operations in the United Kingdom acquired in June 2015, which contributes very high volumes with lower than average unit margins. During the first nine months of 2017, unit margins remained stable as the positive impact of increases in maximum margin in certain of our regulated and semi-regulated markets in response to prior currency devaluations during the first six months of the year, was partly offset by somewhat lower margins during the three months ended September 30, 2017 from a slowdown on African B2B activities, and higher volumes in the UK (contributing below average unit margins).

As the unit margins for our downstream segment as a whole take into account the gross profit from all our downstream activities, they will also be impacted to some extent by the gross profit we generate from our non-fuel products and services, such as convenience stores, restaurants, car washes and truck stops (and related rental income, royalties and franchise fees). Although this impact has been limited in the periods under review, we expect it to increase in future periods as we continue to expand our non-fuel activities. In addition, our downstream unit margins are affected by other components of cost of sales (for example, transport costs, demurrage and other logistics costs). While the maximum gross margin over the specified import price is typically sufficient to accommodate such other components of cost of sales, our unit margins are affected by the efficiency of our supply and distribution network within the country, as the efficiency of such network directly contributes to our logistics expenditure. See ''—*Supply Arrangements, Supply Chain and Distribution Network*.''

Our midstream operations are also affected by the volatility in refined oil import prices, but to a more limited extent. In particular, decreased volatility in the oil markets may result in decreased market trading activity, and by extension, decreased demand for storage capacity by our trading clients. This is because traders typically trade higher volumes in times of high oil price volatility as they seek to take advantage of market opportunities, and hence require access to greater storage capacity.

Management of Working Capital

We depend on efficient working capital management to generate cash flows to fund our operations. We target collection of receivables from third parties (which excludes Trafigura and Sonangol) within 10 to 15 days, and refined oil product inventories of 20 to 25 days. Payment of outstanding invoices depends on the payment conditions granted by our suppliers. The following table sets forth the average number of days taken to pay our invoices to trade creditors (which include related-party trade creditors, such as Trafigura and Sonangol) (''**DPO**''), the average number of days we hold inventories of refined oil products before they are sold (''**DOI**'') and the average number of days taken to collect trade receivables from third parties (''**Third-Party DSO**'') for the periods indicated.

Evolution of DPO, DOI and third-party DSO

	Year ended December 31,			Nine Months Ended September 30,
	2014	2015	2016	2017
			(days)	
DPO[(1)]	35.0	27.5	43.0	40.4
DOI[(2)]	19.4	20.1	24.6	24.9
Third-party DSO[(3)]	13.7	12.3	12.3	12.4

(1) DPO is calculated as trade accounts payable divided by cost of sales and multiplied by the number of days during the period.

(2) DOI is calculated as inventories divided by cost of sales and multiplied by the number of days during the period.

(3) Third-party DSO is calculated as trade accounts receivable from third parties divided by net sales to third parties and multiplied by the number of days during the period. See ''*Summary Historical Consolidated Financial and Operating Data*'' for DSO (which includes related-party trade receivables, including from Trafigura and Sonangol).

We aim to minimize our net working capital requirements by limiting the extension of credit to third-party customers to facilitate a rapid cash conversion of our sales. The rapid conversion of our third-party trade receivables allows us to allocate our financial resources to the development of logistics capabilities, which is an important competitive advantage in our markets of operation. Our inventory levels are designed to ensure a reliable supply of our refined oil products to our customers, while minimizing long physical trade positions, which could lead to increased working capital needs and higher exposure to volatility in commodity prices.

Greenfield Capital Expenditures and Acquisitions

We have grown through a combination of organic growth and acquisitions, both of which typically allow us to access new markets. Our greenfield capital expenditures involve the construction of storage terminals and retail sites, each of which has the effect of increasing our throughput volume and sales volume, and by extension, our net sales, cost of sales and gross profit. Such projects require financing, which in turn increases our finance costs.

Acquisitions affect our profitability and balance sheet for the period. They contribute additional assets and liabilities, require additional working capital, increase our revenues and cost base, and may impact average unit margins for the Group. Our acquisitions often involve the purchase of several business lines (similar to those in which we already operate) from a seller seeking to divest of its assets in a specific country or region, which may include business lines with relatively low unit margins. In other cases, changes in our retail operating models may ultimately impact our unit margins and cost structure, for example, by converting CoCo (company owned; company operated) retail sites to the CoDo (company owned; dealer operated) model (as described further below). Unit margins also ultimately may improve as we try to capture certain synergies through the integration of the acquired lines of business into our operations as a whole (including the benefits from our supply arrangements, supply chain and distribution channels as described under ''*—Supply Arrangements, Supply Chain and Distribution Network*''). However, such effects may take several months to realize, thereby depressing unit margins during such transitional periods. Separately, because our downstream segment includes lines of business in which we achieve varied unit margins, acquisitions may affect our overall product and service mix, and therefore, the unit margin of our downstream segment as a whole. For example, sales of aviation jet and lubricants typically generate higher unit margins than sales of industrial or wholesale gasoil. Additionally, the type of market in which acquisitions are made may also affect our unit margins as unit margins vary by country, and by type of regulation (fully or semi-regulated markets as compared to free markets) as described under ''*—Refined Oil Prices and Government Regulation*.'' A significant acquisition may change our product and product and segment mix sufficiently to affect our downstream unit margin as a whole. For example the acquisition of our United Kingdom operations in 2015 materially impacted our unit margins in 2015 and 2016, an effect which has continued in 2017, as the acquired wholesale operations in the United Kingdom contributed high volumes at lower than average unit margins. In addition, after September 30, 2017, we have completed the acquisition of a 51% interest in Admore Gas Pvt. Ltd, which operates over 470 retail sites in Pakistan. This acquisition brought Puma Energy branded retail sites and quality product range to the Pakistan market and increased our sites to a total of 3,048.

Further, our selling and operating costs and general and administrative expenses may increase temporarily following an acquisition as a result of acquisition expenses or stamp duties. These costs and expenses may also increase on a more permanent basis due to increased personnel costs and other fixed costs from the newly acquired operations, as well as additional depreciation expenses from the larger asset base. For example, the expansion of the Group's activities in the nine months ended September 30, 2017, and particularly in the third quarter, impacted both selling and operating costs and general and administrative expenses in the period (see ''*—Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016*''). As the expansion of the Group's activities in the nine months ended September 30, 2017 only impacted a portion of the period, its impact on depreciation expense (and, to a lesser extent, other selling and operating costs) is expected to be more significant going forward. The EBITDA impact of the above-noted expansion was (and is expected to remain) limited, however, as the related increase in operating expense primarily comprises depreciation expense from recently finalized construction projects. Fixed operating costs also increase in the event that the acquisition includes retail sites operating under the CoCo model. While we typically convert these retail sites to the CoDo model, the conversion is not immediate and therefore initially results in higher fixed costs. See ''—*Retail Site Operating Model*.'' Our income tax expense may also be affected when we acquire businesses in countries with different corporate or other tax rates. As a result of each of these factors, our EBITDA and profit for the period in which an acquisition was completed does not increase immediately in proportion with the increase in our net sales.

Supply Arrangements, Supply Chain and Distribution Network

Our ability to maintain and grow our market share and profitability is dependent on our ability to source sufficient refined oil products on competitive terms. We have organized a dedicated supply team, which coordinates the availability and supply of refined oil products across each of our regions of operation in order to meet customer demand. Our inventory management policy aims to keep refined oil product inventories of 20 to 25 days in order to secure the supply chain. We access the international market to source refined oil products for our own business needs, which access is enhanced by our relationship with Trafigura, our largest shareholder. This relationship, combined with our network of strategically located terminals, allows us to source our products at competitive prices by providing us access to supply sources across the world. Purchases from Trafigura accounted for approximately 60%, 70%, 70% and 70% of our total purchases of refined oil products in the years ended December 31, 2014, 2015, 2016, and for the nine months ended September 30, 2017, respectively. For a discussion of our supply arrangements with Trafigura, see ''*Related Party Transactions*.''

Our profitability is also dependent on our ability to operate an efficient supply and distribution network for the delivery of our refined oil products to our customers. When chartering vessels to transport our refined oil products to our regional and national markets, we apply strict vessel-vetting procedures, some of which are designed to minimize losses of refined oil products due to leakage or contamination. Moreover, our storage terminals facilitate the import of refined oil products to, and their reliable movement through the supply chain within, regional and national markets. Additionally, although we own some trucks, we rely primarily on chartered trucks and rail cars to distribute our refined oil products to our distribution centers, such as our retail sites, and our industrial customers. We subcontract transportation services through tender processes, although we retain control over the management of truck fleets and the delivery schedules and check the quality of the trucks. Importantly, we rely on our employees in the relevant country of operation to schedule deliveries, plan the optimal transportation routes and generally facilitate reliable delivery, notwithstanding difficult external circumstances or complex border crossings.

Retail Site Operating Model

Our retail sites operate under three principal models depending on whether we own, or an independent dealer owns, the retail site and whether we are, or an independent dealer is, responsible for the operation of the retail site. The effects on our results of operation vary depending on the operating model adopted.

Under the CoDo model (company owned; dealer operated), we own the retail site, but a dealer is responsible for the operation of the retail site under our brand pursuant to a dealer or similar agreement. We sell the automotive fuel to the dealer (typically under an exclusive supply arrangement) who generally owns the automotive fuel inventories and our net sales comprise the net sales generated from sales of automotive fuel products and rental fees for the non-fuel operations premises that may be a fixed amount or commensurate with the net sales generated from sales of non-fuel products and services (such as convenience store products, car washes, restaurants and cafes and truck stops). See ''*Business—Downstream*.''

Under the DoDo model (dealer owned; dealer operated), a dealer owns the retail site and operates it under our brand pursuant to a dealer or similar agreement. We sell the automotive fuel to dealers (typically under an exclusive supply arrangement for five-year terms) and our net sales comprise the net sales generated under contracts for the supply of automotive fuel. Sales of non-fuel products and services in the DoDo model are made by and for the account of the dealer.

Under the CoCo model (company owned; company operated), we own the retail site and the automotive fuel inventories and we operate the retail site. Our net sales reflect the income received from sales of automotive fuels and non-fuel products and services sold at the retail site and our cost of sales reflects the cost of the automotive fuels and non-fuel store products and services sold at the retail site (including transportation cost from the terminal to the retail site).

The following table sets forth the number of retail sites operated under each operating model as of the end of the period indicated.

Retail Sites by Operating Model

	At December 31,			At September 30,	At the date of this Offering Memorandum[(1)]
	2014	2015	2016	2016	
CoDo	1,022	1,144	1,199	1,201	1,267
CoCo	125	140	169	155	184
DoDo	781	1,078	1,151	1,112	1,597
Total	**1,928**	**2,362**	**2,519**	**2,468**	**3,048**

(1) Includes the 470 retail sites from the Pakistan Acquisition.

Non-fuel Offer by Operating Model

	At the date of this Offering Memorandum			
	CoDo	CoCo	DoDo	Total
Convenience Stores	855	110	313	1,278
Restaurants and Cafes	83	23	34	140
Car Washes	51	7	61	119
Truck Stops	47	60	13	120

We primarily operate CoDo and DoDo retail sites. We operate a small number of retail sites under the CoCo model, typically as a legacy from an acquired business that historically operated under this operating model and that we are seeking to convert to the CoDo model. However, conversion to the CoDo model is not immediate. Furthermore, in certain cases operating retail sites under the CoCo model is a strategic choice, allowing us to retain a high degree of control over the brand and the station and to benefit from the additional net sales generated by convenience stores and restaurant facilities.

General Economic and Market Factors

General economic conditions in the countries in which we sell our refined oil products, such as the rate of economic growth or contraction, the level of infrastructure spending, the level of disposable income, the level of inflation, the rate of unemployment, exchange rates, interest rates, energy costs, general commodity prices, consumer debt levels, tax rates and other changes in tax laws and currency devaluation or revaluation influence industrial activity, consumer confidence and consumer purchasing power, and therefore, demand for our refined oil products. Declining general economic conditions generally result in a decrease in demand for our fuel products due to a slow-down of industrial activity and decline in the disposable income levels of our consumers while thriving economic conditions will have the opposite effect.

Refined oil product prices also affect our operations, as they impact demand for our downstream products, in sometimes conflicting ways. The effect on demand can vary by business line. This is because declines in oil prices, while likely to accelerate consumer demand, will also tend to slow economic growth in countries exporting oil products. In the low or declining oil price environment of the past few years, for example, we experienced strong demand in the Americas and in our retail segment as a result of the lower prices of refined oil products. At the same time, our business-to-business demand in oil exporting countries as well as other natural resources economies was negatively impacted by lower prices for oil and other commodities.

Refined oil product prices in turn are affected by various factors beyond our control, such as the supply of, and demand for, crude oil, gasoline and other refined oil products, changes in global and local economic conditions, prevailing exchange rates, weather conditions, political affairs, production levels within and outside a market (including refinery capacity), the availability of imports, the development and marketing of competitive refined oil products and government regulation.

Also, we believe our revenue from our non-fuel operations is correlated to discretionary spending, which is influenced by general economic conditions and the level of disposable income as well. National, regional and local economic conditions can adversely affect disposable consumer income and consumer confidence. Changes in economic conditions and consumer preferences can adversely affect consumer spending and travelling patterns in the markets in which we operate, and consequently have an adverse effect on demand for our products and service at retail convenience stores and restaurants. With a reduction in disposable income, customers are likely to reduce their demand for such products and services, or switch to other retail outlets, such as grocery stores and supermarkets, which provide similar offerings at lower prices.

See ''Industry overview'' for a more detailed discussion of macroeconomic industry trends. These overall market trends have a direct impact on our revenues and results of operations.

Cost Management

Costs related to our operations constitute either variable, fixed or restructuring costs. Variable costs generally fluctuate with our sales and throughput volume. For example, an increase in sales volumes typically results in higher expenses for the purchase of refined oil products, transportation and logistics, and higher refined oil product losses (for example, due to changes in inventory resulting from temperature changes, measurement errors, leakage or contamination). Fixed costs are substantially independent from sales volume or throughput volumes. Fixed costs include, among others, personnel expenses, rental costs, maintenance costs, insurance costs, IT costs, office rental costs and general overhead. Restructuring costs are typically expenses related to our acquisitions, including fees for professional services, such as consultants, bankers and lawyers, and any severance costs linked to redundancy plans, all of which we have incurred in recent periods and expect to incur when we pursue our growth strategy.

The largest component of our cost base (which refers to our cost of sales and operating expenses, including selling and operating costs, general and administrative expenses and other operating expenses, if any) are our variable costs from the cost of purchasing refined oil products, which is affected by many factors beyond our control and which may not necessarily affect our unit margins in regulated markets. See ''—*Refined Oil Prices and Government Regulation*.'' The management of our variable costs is important, in particular as to its effect on cost of sales, and by extension, our gross profit and unit margins. As a result, the efficiency of our supply and distribution system is important for managing our variable costs. See ''—*Supply Arrangements, Supply Chain and Distribution Network*.''

After the cost of purchasing refined oil products from our suppliers, our fixed costs constitute the most significant component of our cost base. Excluding such purchases of product, fixed costs represented 62.3%, 67.7%, 68.2%, and 66.9% of our cost base in the years ended December 31, 2014, 2015, 2016 and nine months ended September 30, 2017, respectively. We seek to optimize our fixed costs upon completion of an acquisition by engaging in cost-saving practices, including reduction of redundant staff, procurement optimization and merging operating facilities and offices.

Fluctuations in Foreign Currency Exchange Rates

Translation Risk

A significant percentage of our net sales and our cost base are denominated in currencies other than the U.S. dollar (and that are not benchmarked to the U.S. dollar), which is our reporting currency. Thus, a decrease in the value of a local currency against the U.S. dollar will decrease the U.S. dollar amounts of revenues, expenses and profits reported for our non-U.S. dollar operations. This effect is generally mitigated by the fact that sales prices in local currency terms will increase in response to a devaluation of the local currency against the USD, whilst purchases of products are generally USD-denominated , although the extent and timing of this mitigation will depend on a number of factors, including any competitive constraints on raising prices and (in some regulated and semi-regulated markets) regulatory constraints. In contrast, our fixed costs (including personnel costs, rental fees and energy costs) are generally in the reporting currency. Thus a devaluation of the local currency against the USD, will result in favorable translation effects on these costs.

A devaluation of the local currency against the USD, will also result in negative translation effects on our net assets (in particular our fixed assets and intangible assets), resulting in a negative effect on our equity.

Foreign exchange rate effects from the translation of our operational foreign currencies, in particular in Africa and Asia Pacific, against the U.S. dollar, negatively impacted the Group's equity by $139.5 million, $437.7 million, $119.7 million in the years ended December 31, 2014, 2015, 2016, respectively, and led to a positive gain of $53.3 million for the nine months ended September 30, 2017.

Transaction Risk

Transaction risk arises when one of our subsidiaries contracts receivables or payables in a currency other than their functional currency. Any change in the foreign exchange rate between the transaction date and the settlement date will affect our profitability. We have procedures in place to partially address these risks, including targeting payment of third party receivables within 10 to 15 days, minimizing our exposure to fluctuations between the date of sale and the date of payment, reducing our exposure by borrowing in local currencies to match the balance of our accounts receivable and entering into currency hedges to reduce our exposure to changes in foreign currency exchange rates.

Seasonality

Due to the geographic diversity of our operations, our results of operation are not materially affected by seasonality effects. Though our operations in parts of a region of operation may be affected by seasonality effects (for example, weather), these are typically offset by opposing or no seasonality effects in other regions of operation. For example, certain parts of Australia are affected by the rainy season (between November and March), which is characterized by heavy rainfall and frequent flooding and results in decreased demand from our customers and disruptions of our supply routes. As a result, our net sales of refined oil products in Australia are lower during such periods. By the start of the rainy season in Australia, however, the hurricane season in the Caribbean (between June and November) is ending, typically resulting in an increase in our net sales and demand in that region.

Key Income Statement Items

Net Sales

Net sales in our downstream segment include sales of our products and services, including from sales of automotive fuels through our retail sites, sales to large industrial customers of lubricants and other refined oil products. Net sales also include services such as fuel stock management, engineering and consumption and fleet management sales of bitumen products to the construction industry, sales of bunkering services for offshore oil platforms and deep-sea drilling vessels, the supply of marine gasoil and the storage, bottling and distribution of liquid petroleum gas. Net sales further include rental income from third-parties operating retail sites or convenience stores, restaurants or car washes at our CoDo retail sites, as well as sales of non-fuel products and services at our CoCo retail sites.

Net sales represent of refined oil products and services are shown net of value added taxes, goods and services taxes, specific petroleum taxes, custom duties and any rebate or discounts given to customers on the sales price.

Net sales in our midstream segment are comprised of throughput revenues at our terminals and pipelines, revenues from capacity rental and take-or-pay agreements (which are not impacted by throughput volumes), as well as sales volumes from refining activities (which are not counted in throughput volumes).

Cost of Sales

Cost of sales are expenses directly related to the sale of our refined oil products and services and certain other products, including the purchase of refined oil products, logistics, storage and transportation (to retail sites or customers' onshore and offshore facilities) costs, commissions, refined oil product losses (for example, due to changes in inventory resulting from temperature changes, measurement errors, leakage or contamination) and purchase cost of goods sold in convenience stores of retail sites operated under the CoCo model. Movements in the fair market value of inventories, which are marked-to-market at each period end for our supply companies, and measured at the lower of cost and net realisable for all other inventories, also affect the cost of sales. Cost of sales in our midstream segment are primarily affected by costs of product purchases for our refining activities (whilst rental fees, energy, maintenance and personnel costs for our terminals are recorded in selling and operating costs, below gross profit).

Gross Profit

Gross profit represents net sales less cost of sales.

Selling and Operating Costs

Selling and operating costs primarily consist of expenses directly related to the operation of our storage terminals, logistics facilities and our service stations (such as rental fees, energy, maintenance and personnel costs for our terminals and retail sites), depreciation of our operational assets and advertising, sponsorship and promotional expenses. Selling and operating costs also include expenses with respect to our acquisitions as described under ''—*Factors Affecting Results of Operations—Cost Management*.''

General and Administrative Expenses

General and administrative expenses consist primarily of expenses related to certain centralized management operations and management departments (such as the finance, legal and IT departments), expenses related to the operation of our regional offices in Johannesburg, South Africa; San Juan, Puerto Rico; Tallin, Estonia; Brisbane, Australia; and Singapore, and general management overhead, including management salaries, in our countries of operation. General and administrative expenses also include depreciation of certain assets, including of assets relating to our regional offices, and expenses with respect to our acquisitions as described under ''—*Factors Affecting Results of Operations—Cost Management*.''

Other Operating Income/(Expenses, net)

Other operating income/(expenses) consist of movements in provisions, gains on disposal of property and equipment, write-offs of various tangible and intangible assets and gains on disposal of investments and other operating income.

Finance Income and Finance Costs

Finance income consists of interest income on loans and finance receivables and income from dividends. Finance costs consist of interest on loans and borrowings from third-parties and related parties, including bank overdrafts, finance leases and secured and unsecured bank loans.

Net Foreign Exchange Gains/(Losses)

Foreign exchange gains/(losses) consist of foreign exchange gains or losses on the settlement of receivables or payables in currencies other than the U.S. dollar.

The following table sets forth our results of operations for the periods indicated.

	Year ended December 31,			Nine Months Ended September 30,	
	2014	2015	2016	2016	2017
			($ millions)		
		(Audited)		(Reviewed)	
Net sales	13,433.0	12,686.4	12,669.5	9,272.3	10,781.1
Cost of sales	(12,004.3)	(11,190.7)	(11,068.9)	(8,080.1)	(9,552.0)
Gross profit	**1,428.7**	**1,495.7**	**1,600.6**	**1,192.2**	**1,229.1**
Selling and operating costs	(932.8)	(1,016.6)	(1,022.7)	(777.8)	(800.6)
General and administrative expenses	(100.3)	(167.9)	(169.3)	(117.2)	(156.4)
Other operating income	7.7	40.0	1.3	0.4	3.2
Other operating expenses	(11.5)	(12.3)	(37.4)	(23.7)	(6.7)
Share of net profits of associates[1]	4.3	3.1	10.6	4.7	3.8
Operating profit	**396.1**	**342.0**	**383.1**	**278.6**	**272.4**
Finance income	12.2	10.4	8.7	7.1	8.7
Finance cost	(184.9)	(211.2)	(228.3)	(173.6)	(160.8)
Net foreign exchange gains/(losses)	(2.7)	25.8	(14.9)	(18.2)	(13.6)
Profit before income tax	**220.7**	**167.0**	**148.6**	**93.9**	**106.7**
Income tax expense	(37.2)	9.8	(32.2)	(27.7)	(29.4)
Profit for the period	**183.5**	**176.8**	**116.4**	**66.2**	**77.3**
Attributable to:					
Owners of the Company	170.5	174.7	114.6	62.8	67.3
Non-controlling interests	13.0	2.1	1.8	3.4	10.0

(1) The share of net profits/(losses) in associates in 2014 has been reclassified from below the operating profit line to above the operating profit line.

The following table reconciles profit after tax to EBITDA for the periods presented.

	Year Ended December 31,			Nine Months Ended September 30,	
	2014	2015	2016	2016	2017
			($ millions)		
Profit after tax for the period	**183.5**	**176.8**	**116.4**	**66.2**	**77.3**
Income tax expense	37.2	(9.8)	32.2	27.7	29.4
Net finance costs	172.7	200.8	219.6	166.5	152
Net foreign exchange losses/(gains)	2.7	(25.8)	14.9	18.2	13.7
Operating profit	**396.1**	**342.0**	**383.1**	**278.6**	**272.4**
Depreciation	238.3	288.1	304.7	230.8	257.3
Amortization	23.2	34.4	40.2	29.2	28.2
Impairment charge	1.7	42.7	2.2	1.3	0.9
Other (income)/expenses not included in EBITDA[1]	(4.8)	(31.2)	24.3	16.3	−3.2
EBITDA	**654.5**	**676.0**	**754.5**	**556.2**	**555.6**

(1) Other income/(expenses) not included in EBITDA include a $35.5 million gain on business combination for the acquisition of Murco Petroleum Ltd in the United Kingdom in 2015, and $21.2 million expenses for the write-off of tangible and intangible assets in 2016.

The following table reconciles profit after tax to EBITDA for the periods of 2010 to 2013.

	Year Ended December 31,			
	2010	2011	2012	2013
	($ millions)			
Profit after tax for the period	**133.8**	**191.3**	**234.7**	**221.5**
Income tax expense	8.0	27.6	44.2	48.9
Net finance costs	19.4	43.6	79.6	116.0
Share of net profit in associates	(2.5)	(2.4)	(4.1)	(3.0)
Net foreign exchange losses/(gains)	2.1	3.5	15.9	(12.7)
Operating profit	**160.8**	**263.6**	**370.3**	**370.7**
Depreciation	54.9	95.7	144.5	192.8
Amortization	2.3	4.6	9.4	18.1
Impairment charge	7.6	5.3	20.0	0.9
Other (income)/expenses not included in EBITDA(1)	(4.1)	(2.4)	(3.8)	(31.8)
EBITDA	**221.5**	**366.8**	**540.4**	**550.7**

(1) Other income not included in EBITDA for 2013 primarily related to the reversal of various provisions for contingencies, from businesses acquired in 2012.

The following table sets forth the reconciliation of operating profit to EBITDA by region. The lines below operating profit are not split by region, as the Group's financing is mostly at Issuer level and is not allocated by region.

in $ millions	Americas	Asia Pacific	Africa	Europe	Group
12 months ended 30 September 2017					
Operating profit	**204.7**	**37.9**	**135.4**	**(1.1)**	**376.9**
Depreciation	84.0	92.8	129.0	25.4	331.2
Amortization	8.6	20.0	10.3	0.3	39.2
Impairment charge / (reversal)	0.3	1.1	0.2	0.2	1.8
Other (income)/expenses not included in EBITDA	(1.4)	0.6	6.0	(0.4)	4.8
EBITDA	**296.2**	**152.4**	**280.9**	**24.4**	**753.9**
9 months ended 30 September 2017					
Operating profit	**158.5**	**24.2**	**90.5**	**(0.8)**	**272.4**
Depreciation	63.8	72.1	103.4	18.0	257.3
Amortization	6.4	14.6	7.0	0.2	28.2
Impairment charge / (reversal)	0.2	0.5	0.1	0.1	0.9
Other (income)/expenses not included in EBITDA	(2.6)	(1.8)	1.6	(0.4)	(3.2)
EBITDA	**226.3**	**109.6**	**202.6**	**17.1**	**555.6**
9 months ended 30 September 2016					
Operating profit	**114.4**	**14.5**	**151.1**	**(1.4)**	**278.6**
Depreciation	60.9	54.8	97.1	18.0	230.8
Amortization	7.1	14.1	8.1	(0.1)	29.2
Impairment charge / (reversal)	—	—	—	1.3	1.3
Other (income)/expenses not included in EBITDA	0.3	(6.1)	22.1	—	16.3
EBITDA	**182.7**	**77.3**	**278.4**	**17.8**	**556.2**
Year ended 31 December 2016					
Operating profit	**160.6**	**28.2**	**196.0**	**(1.7)**	**383.1**
Depreciation	81.1	75.5	122.7	25.4	304.7
Amortization	9.3	19.5	11.4	—	40.2
Impairment charge / (reversal)	0.1	0.6	0.1	1.4	2.2
Other (income)/expenses not included in EBITDA(1)	1.5	(3.7)	26.5	—	24.3
EBITDA	**252.6**	**120.1**	**356.7**	**25.1**	**754.5**

(1) Other income/(expenses) not included in EBITDA include $21.2 million expenses for the write-off of tangible and intangible assets in 2016.

Year ended 31 December 2015					
Operating profit	**119.7**	**27.1**	**188.5**	**6.7**	**342.0**
Depreciation	77.8	60.7	125.9	23.7	288.1
Amortization	8.4	17.7	7.6	0.7	34.4
Impairment charge / (reversal)	0.4	10.8	0.1	31.4	42.7
Other (income)/expenses not included in EBITDA[(2)]	7.3	(10.5)	12.4	(40.4)	(31.2)
EBITDA	**213.6**	**105.8**	**334.5**	**22.1**	**676.0**

(2) Other income/(expenses) not included in EBITDA for Europe include a $35.5 million gain on business combination for the acquisition of Murco Petroleum Ltd in the United Kingdom.

Year ended 31 December 2014					
Operating profit	**126.2**	**26.3**	**225.6**	**18.0**	**396.1**
Depreciation	63.7	43.4	111.8	19.4	238.3
Amortization	7.0	11.8	4.1	0.3	23.2
Impairment charge / (reversal)	(0.2)	1.9	—	—	1.7
Other (income)/expenses not included in EBITDA	(3.9)	0.1	(0.5)	(0.5)	(4.8)
EBITDA	**192.8**	**83.5**	**341.0**	**37.2**	**654.5**

Segment information

in $ millions	Downstream	Midstream	Group
12 months ended 30 September 2017			
Segment operating profit	**305.2**	**71.7**	**376.9**
Depreciation	278.2	53.0	331.2
Amortization	37.9	1.3	39.2
Impairment charge / (reversal)	1.7	0.2	1.9
Other (income)/expenses not included in EBITDA	3.1	1.6	4.7
EBITDA	**626.1**	**127.8**	**753.9**
YTD period ended 30 September 2017			
Segment operating profit	**216.9**	**55.5**	**272.4**
Depreciation	219.1	38.2	257.3
Amortization	27.4	0.8	28.2
Impairment charge / (reversal)	0.9	0.1	1.0
Other (income)/expenses not included in EBITDA	(3.8)	0.5	(3.3)
EBITDA	**460.5**	**95.1**	**555.6**
YTD period ended 30 September 2016			
Segment operating profit	**236.9**	**41.7**	**278.6**
Depreciation	190.1	40.7	230.8
Amortization	27.9	1.3	29.2
Impairment charge / (reversal)	—	1.3	1.3
Other (income)/expenses not included in EBITDA	6.1	10.2	16.3
EBITDA	**461.0**	**95.2**	**556.2**
Year ended 31 December 2016			
Segment operating profit	**325.2**	**57.9**	**383.1**
Depreciation	249.2	55.5	304.7
Amortization	38.4	1.8	40.2
Impairment charge / (reversal)	0.8	1.4	2.2
Other (income)/expenses not included in EBITDA[(1)]	13.0	11.3	24.3
EBITDA	**626.6**	**127.9**	**754.5**

(1) Other income/(expenses) not included in EBITDA include $21.2 million expenses for the write-off of tangible and intangible assets in 2016.

Year ended 31 December 2015			
Segment operating profit	**313.9**	**28.1**	**342.0**
Depreciation	227.7	60.4	288.1
Amortization	32.4	2.0	34.4
Impairment charge / (reversal)	9.4	33.3	42.7
Other (income)/expenses not included in EBITDA[(2)]	(25.4)	(5.8)	(31.2)
EBITDA	**558.0**	**118.0**	**676.0**

(2) Other income/(expenses) not included in EBITDA include a $35.5 million gain on business combination for the acquisition of Murco Petroleum Ltd in the United Kingdom for the downstream segment

Year ended 31 December 2014			
Segment operating profit	**352.6**	**43.5**	**396.1**
Depreciation	184.6	53.7	238.3
Amortization	22.4	0.8	23.2
Impairment charge / (reversal)	1.7	—	1.7
Other (income)/expenses not included in EBITDA	(2.0)	(2.8)	(4.8)
EBITDA	**559.3**	**95.2**	**654.5**

The following table sets forth our sales volumes and throughput volumes for the periods indicated.

	As of and Year Ended December 31,			As of and Nine Months Ended September 30,	
	2014	2015	2016	2016	2017
	(cubic meters thousands)				
Sales volume	**14,764**	**18,944**	**21,968**	**16,544**	**16,723**
Americas	7,132	8,144	8,922	6,917	6,488
Africa	4,801	6,348	6,499	4,827	4,787
Asia Pacific	2,823	3,782	4,595	3,373	3,850
Europe	8	670	1,952	1,427	1,598
Throughput volume	**19,776**	**18,372**	**19,693**	**15,291**	**12,410**
Americas	464	414	458	340	370
Africa	8,177	8,260	8,643	6,725	3,056
Asia Pacific	4,063	3,615	5,160	3,715	3,885
Europe	7,072	6,083	5,432	4,511	5,099

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

The following table sets forth our results of operation for the periods indicated.

	Nine Months Ended September 30,		
	2016	2017	Change
	($ millions)		(%)
Net sales	9,272.3	10,781.1	16.3
Cost of sales	(8,080.1)	(9,552.0)	18.2
Gross profit	**1,192.2**	**1,229.1**	**3.1**
Selling and operating costs	(777.8)	(800.6)	2.9
General and administrative expenses	(117.2)	(156.4)	33.4
Other operating income	0.4	3.2	700.0
Other operating expenses	(23.7)	(6.7)	(71.7)
Share of net profit in associates	4.7	3.8	(19.1)
Operating profit	**278.6**	**272.4**	**(2.2)**
Finance income	7.1	8.7	22.5
Finance cost	(173.6)	(160.8)	(7.4)
Net foreign exchange gains/(losses)	(18.2)	(13.6)	(24.7)
Profit before income tax	**93.9**	**106.7**	**13.6**
Income tax expense	(27.7)	(29.4)	6.1
Profit for the period	**66.2**	**77.3**	**16.8**
Attributable to:			
Owners of the Company	62.8	67.3	7.2
Non-controlling interests	3.4	10.0	194.1

Volumes

The following table sets forth the sales volumes and throughput volumes for the periods indicated.

	Nine Months Ended September 30,		
	2016	2017	Change
	(cubic meters thousands)		(%)
Sales Volume by Region	**16,544**	**16,723**	**1.1**
Americas	6,917	6,488	(6.2)
Africa	4,827	4,787	(0.8)
Asia Pacific	3,373	3,850	14.1
Europe	1,427	1,598	12.0
Throughput Volume by Region	**15,291**	**12,410**	**(18.8)**
Americas	340	370	8.8
Africa	6,725	3,056	(54.6)
Asia Pacific	3,715	3,885	4.6
Europe	4,511	5,099	13.0

Sales volumes of refined oil products increased by 0.2 million cubic meters, or 1.1%, to 16.7 million cubic meters in the nine months ended September 30, 2017 from 16.5 million cubic meters in the same period in 2016. Sales volumes remained broadly stable as higher volumes in retail and aviation were off-set in part by a slight decrease in volumes from other business lines. From a geographic perspective, sales volumes increased mostly in the United Kingdom and in Asia Pacific, driven by good performance in Australia and the ramp-up of activities in Myanmar. At the same time, sales volumes decreased in the Americas compared to the first nine months of 2016 which had seen particularly high volumes in the wholesale business.

Throughput volumes of refined oil products decreased by 2.8 million cubic meters, or 18.8%, to 12.4 million cubic meters in the nine months ended September 30, 2017 from 15.3 million cubic meters in the same period in 2016. The decrease was primarily attributable to the termination of a pipeline concession in Ghana during the first quarter of 2017 as a 10-year concession agreement expired.

	Nine Months Ended September 30,		
	2016	2017	Change
	($ millions)		(%)
Net sales	**9,272.3**	**10,781.1**	**16.3**
Downstream	8,881.0	10,432.7	17.5
Midstream	391.3	348.4	(11.0)
Cost of sales	**(8,080.1)**	**(9,552.0)**	**18.2**
Downstream	(7,857.6)	(9,365.3)	19.2
Midstream	(222.5)	(186.7)	(16.1)
Gross profit	**1,192.2**	**1,229.1**	**3.1**
Downstream	1,023.4	1,067.4	4.3
Midstream	168.8	161.7	(4.2)
Selling and operating costs	**(777.8)**	**(800.6)**	**2.9**
Downstream	(668.8)	(701.4)	4.9
Midstream	(109.0)	(99.2)	(9.0)
General and administrative expenses	**(117.2)**	**(156.4)**	**33.4**
Downstream	(107.2)	(145.7)	35.9
Midstream	(10.0)	(10.7)	7.0
Other operating income/(expense), net	**(23.3)**	**(3.5)**	**(85.0)**
Downstream	(13.7)	(5.3)	(61.3)
Midstream	(9.6)	1.8	(118.8)
Share of net profit/(loss) in associates	**4.7**	**3.8**	**(19.1)**
Downstream	3.1	1.9	(38.7)
Midstream	1.6	1.9	18.8
Operating profit	**278.6**	**272.4**	**(2.2)**
Downstream	236.9	216.9	(8.4)
Midstream	41.7	55.5	33.1
Profit before tax	**93.9**	**106.7**	**13.6**

Net Sales

Net sales increased by $1,508.8 million, or 16.3%, to $10,781.1 million in the nine months ended September 30, 2017 from $9,272.3 million in the same period in 2016.

Downstream

Net sales of our downstream segment increased by $1,551.7 million, or 17.5%, to $10,432.7 million in the nine months ended September 30, 2017 from $8,881.0 million in the same period in 2016. The increase was primarily attributable to a general increase in oil prices, and to a lesser extent to the 1.1% increase in sales volumes discussed above.

Non-fuel operations net sales (including related rental income, royalties and franchise fees) increased by $22.8 million, or 30.5%, to $97.7 million in the nine months ended September 30, 2017 from $74.9 million in the same period in 2016. The increase was primarily attributable to higher franchise fees and rebate income.

Midstream

Net sales of our midstream segment decreased by $42.9 million, or 11.0%, to $348.4 million in the nine months ended September 30, 2017 from $391.3 million in the same period in 2016. The decrease reflected lower throughput sales from the termination of the pipeline concession in Ghana, although the impact of this was partly off-set by higher refining sales revenues from the increase in oil prices.

Cost of Sales

Cost of sales increased by $1,471.9 million, or 18.2%, to $9,552.0 million in the nine months ended September 30, 2017 from $8,080.1 million in the same period in 2016.

Downstream

Cost of sales of our downstream segment increased by $1,507.7 million, or 19.2%, to $9,365.3 million in the nine months ended September 30, 2017 from $7,857.6 million in the same period in 2016. The increase was primarily attributable to the general increase in oil prices and broadly in line with the related increase in net sales.

Non-fuel operations cost of sales increased by $12.1 million, or 44.8%, to $39.1 million in the nine months ended September 30, 2017 from $27.0 million in the same period in 2016. The increase was primarily attributable to higher sales at our CoCo convenience stores, restaurants and car washes translating in higher cost of sales.

Midstream

Cost of sales of our midstream segment decreased by $35.8 million, or 16.1%, to $186.7 million in the nine months ended September 30, 2017 from $222.5 million in the same period in 2016. The decrease was primarily attributable to lower costs from the termination of our pipeline concession in Ghana.

Gross Profit

Gross profit increased by $36.9 million, or 3.1%, to $1,229.1 million in the nine months ended September 30, 2017 from $1,192.2 million in the same period in 2016.

Downstream

Gross profit of our downstream segment increased by $44.0 million, or 4.3%, to $1,067.4 million in the nine months ended September 30, 2017 from $1,023.4 million in the same period in 2016. Gross profit increased mainly in the Americas and Asia Pacific, driven by the rapid ramp-up of activities in Myanmar. Gross profit decreased in Africa, compared to the comparable period in 2016, which had benefitted from significant margin recovery in some regulated markets.

Non-fuel operations gross profit increased by $10.7 million, or 22.4%, to $58.6 million in the nine months ended September 30, 2017 from $47.9 million in the same period in 2016 for the reasons discussed above.

Midstream

Gross profit of our midstream segment decreased by $7.1 million, or 4.2%, to $161.7 million in the nine months ended September 30, 2017 from $168.8 million in the same period in 2016. The decrease was primarily attributable to lower throughput sales from the termination of the pipeline concession in Ghana.

Selling and Operating Costs

Selling and operating costs increased by $22.8 million, or 2.9%, to $800.6 million in the nine months ended September 30, 2017 from $777.8 million in the same period in 2016.

Downstream

Selling and operating costs of our downstream segment increased by $32.6 million, or 4.9%, to $701.4 million in the nine months ended September 30, 2017 from $668.8 million in the same period in 2016. The increase was primarily attributable to the expansion of the Group's activities, particularly in the third quarter. These principally related to additional depreciation on recently finalized construction projects (including the Matola terminal in Mozambique, the terminal in Tema in Ghana and the expansion of the storage terminal in Luanda Bay, Angola) and acquired assets, and, to a lesser extent, additional staff and rental costs from the opening of new retail sites and the ramp-up of activities in South Africa and Myanmar.

Midstream

Selling and operating costs of our midstream segment decreased by $9.8 million, or 9.0%, to $99.2 million in the nine months ended September 30, 2017 from $109.0 million in the same period in 2016. The decrease was primarily attributable to lower operating costs from the terminated pipeline concession in Africa.

General and Administrative Expenses

General and administrative expenses increased by $39.2 million, or 33.4%, to $156.4 million in the nine months ended September 30, 2017 from $117.2 million in the same period in 2016.

Downstream

General and administrative expenses of our downstream segment increased by $38.5 million, or 35.9%, to $145.7 million in the nine months ended September 30, 2017 from $107.2 million in the same period in 2016. The increase was primarily attributable to the above-mentioned expansion of the Group's activities and asset base, which resulted in higher staff, insurance and rental costs, partly offset by lower costs in relation to IT projects.

Midstream

General and administrative expenses of our midstream segment increased by $0.7 million, or 7.0%, to $10.7 million in the nine months ended September 30, 2017 from $10.0 million in the same period in 2016.

Other Operating Income/(Expenses), net

We recognized other operating expenses of $3.5 million in the nine months ended September 30, 2017 compared to other operating expenses of $23.3 million in the same period in 2016.

Downstream

We recognized other operating income/(expenses), net in our downstream segment of $5.3 million expense in the nine months ended September 30, 2017 compared to operating income/(expenses), net of $13.7 million expense in the same period in 2016. The change primarily reflected certain movements relating to provisions for contingencies, expenses and employee-related costs, and write-offs of various tangible and intangible assets which impacted 2016 results that were not repeated.

Midstream

We had other operating income/(expenses), net in our midstream segment of $1.8 million income in the nine months ended September 30, 2017 compared to other operating expense of $9.6 million in the same period in 2016. The change primarily reflected write-offs of $11.5 million on tangible and intangible assets related to a construction project in Africa recorded during the nine months ended September 30, 2016. The construction project has subsequently been abandoned, and we expect to record a further impairment charge in the fourth quarter of 2017.

Share of Net Profit in Associates

Our share of net profit in associates decreased by $0.9 million, or 19.1%, to $3.8 million in the nine months ended September 30, 2017 compared to $4.7 million in the same period in 2016. The change primarily reflected the change in accounting treatment for our investment in Myanmar aviation, which is no longer considered as an associate in 2017.

EBITDA

EBITDA decreased by $0.6 million, or 0.1%, to $555.6 million in the nine months ended September 30, 2017 from $556.2 million in the same period in 2016 for the reasons described above. EBITDA increased in Asia Pacific and the Americas, whilst decreasing in Africa. EBITDA decreased in Africa against performance during the first nine months of 2016 that had benefitted from significant margin recovery in some regulated markets as discussed above.

Finance Income and Finance Costs

Finance income increased by $1.6 million, or 22.5%, to $8.7 million in the nine months ended September 30, 2017 from $7.1 million in the same period in 2016. The increase was primarily attributable to interest income on other loans and finance lease receivables and gain on financial instruments partially offset by lower dividends received from investments in associates.

Finance costs decreased by $12.8 million, or 7.4%, to $160.8 million in the nine months ended September 30, 2017 from $173.6 million in the same period in 2016. The decrease was primarily attributable to a reduction in the average cost of interest on interest-bearing loans and borrowings.

Net Foreign Exchange Gains/(Losses)

We had net foreign exchange losses of $13.6 million in the nine months ended September 30, 2017 compared to net foreign exchange losses of $18.2 million in the same period in 2016. These foreign exchange losses mainly resulted from the revaluation of certain non-USD denominated loans and borrowings as the currencies in which they are denominated appreciated against the U.S. dollar.

Income Tax Expense

Income tax expense increased by $1.7 million, or 6.1%, to $29.4 million in the nine months ended September 30, 2017 from $27.7 million in the same period in 2016. The increase was primarily attributable to an increase in profit before tax and higher actual taxable profits in some jurisdictions in the Americas region. Our blended effective tax rate for the nine months ended September 30, 2017 was 27.52%, compared to 29.52% for the same period in 2016. The high blended effective tax rate in 2016 was due to the profit mix and lower results in jurisdictions with no income tax and the other reasons discussed above.

Profit for the Period

For the reasons described above, profit for the period increased by $11.1 million, or 16.8%, to $77.3 million in the nine months ended September 30, 2017 from $66.2 million in the same period in 2016.

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

The following table sets forth our results of operation for the periods indicated.

	Year ended December 31,		
	2015	2016	Change
	($ millions)		(%)
Net sales	12,686.4	12,669.5	(0.1)
Cost of sales	(11,190.7)	(11,068.9)	(1.1)
Gross profit	**1,495.7**	**1,600.6**	**7.0**
Selling and operating costs	(1,016.6)	(1,022.7)	0.6
General and administrative expenses	(167.9)	(169.3)	0.8
Other operating income	40.0	1.3	(96.7)
Other operating expenses	(12.3)	(37.4)	204.1
Share of net profit in associates	3.1	10.6	241.9
Operating profit	**342.0**	**383.1**	**12.0**
Finance income	10.4	8.7	(16.3)
Finance costs	(211.2)	(228.3)	8.1
Net foreign exchange (losses)/gains	25.8	(14.9)	(157.8)
Profit before tax	**167.0**	**148.6**	**(11.0)**
Income tax (expense)/credit	9.8	(32.2)	(428.6)
Profit for the year	**176.8**	**116.4**	**(34.2)**
Attributable to:			
Owners of the Company	174.7	114.6	(34.4)
Non-controlling interests	2.1	1.8	(14.3)

Volumes

The following table sets forth the sales volumes and throughput volumes for the periods indicated.

	Year ended December 31,		
	2015	2016	Change
	(cubic meters thousands)		(%)
Sales Volume by Region	**18,944**	**21,968**	**16.0**
Americas	8,144	8,922	9.6
Africa	6,348	6,499	2.4
Asia Pacific	3,782	4,595	21.5
Europe	670	1,952	191.3
Throughput Volume by Region	**18,372**	**19,693**	**7.2**
Americas	414	458	10.6
Africa	8,260	8,643	4.6
Asia Pacific	3,615	5,160	42.7
Europe	6,083	5,432	10.7

Sales volumes of refined oil products increased by 3.0 million cubic meters, or 16.0% to 22.0 million cubic meters in the year ended December 31, 2016 from 18.9 million cubic meters in the same period in 2015. The increase in sales volumes was primarily attributable to organic growth in the Americas and Asia Pacific and the full-year effect of the acquired operations in the United Kingdom. In particular the retail and aviation businesses performed well, primarily attributable to consumption growth linked to GDP growth in several of our geographic markets, lower oil prices and the opening of new airports and new service stations. The full-year effect of the acquired operations in the United Kingdom also led to a significant increase in wholesale business (the main line of business at our United Kingdom operations). At the same time, the business to business faced certain challenges, particularly in commodity exporting countries, which translated into lower volumes.

Throughput volumes of refined oil products increased by 1.3 million cubic meters, or 7.2%, to 19.7 million cubic meters in the year ended December 31, 2016 from 18.4 million cubic meters in the same period in 2015. The increase primarily reflected increases in volumes in Asia Pacific and

Africa, in particular at our terminals in Dubai, Ghana and the Democratic Republic of the Congo, which more than offset a decrease in volumes in Europe.

	Year ended December 31,		
	2015	2016	Change
	($ millions)		(%)
Net sales	**12,686.4**	**12,669.5**	(0.1)
Downstream	12,213.4	12,134.7	(0.6)
Midstream	473.0	534.8	13.1
Cost of sales	**(11,190.7)**	**(11,068.9)**	(1.1)
Downstream	(10,927.5)	(10,761.4)	(1.5)
Midstream	(263.2)	(307.5)	16.8
Gross profit	**1495.7**	**1,600.6**	7.0
Downstream	1,285.9	1,373.2	6.8
Midstream	209.8	227.4	8.4
Selling and operating costs	**(1,016.6)**	**(1,022.7)**	0.6
Downstream	(823.0)	(875.2)	6.3
Midstream	(193.6)	(147.5)	(23.8)
General and administrative expenses	**(167.9)**	**(169.3)**	0.8
Downstream	(159.1)	(156.1)	(1.9)
Midstream	(8.8)	(13.2)	50.0
Other operating income/(expense), net	**27.7**	**(36.1)**	(230.3)
Downstream	9.8	(24.9)	(354.1)
Midstream	17.9	(11.2)	(162.6)
Share of net profit in associates	**3.1**	**10.6**	241.9
Downstream	—	8.3	—
Midstream	3.1	2.3	(25.8)
Operating profit	**342.0**	**383.1**	12.0
Downstream	313.9	325.2	3.7
Midstream	28.1	57.9	103.9
Profit before tax	**167.0**	**148.6**	(11.1)

Net Sales

Net sales decreased by $16.9 million, or 0.1%, to $12,669.5 million in the year ended December 31, 2016 from $12,686.4 million in the same period in 2015.

Downstream

Net sales of our downstream segment decreased by $78.7 million, or 0.6%, to $12,134.7 million in the year ended December 31, 2016, as the impact of higher sales volumes from organic growth and the full-year effect from the integration of the acquired business in the United Kingdom (which was only reflected in 2015 results since July 1, 2015) discussed above were more than offset by lower prices of refined oil products.

Midstream

Net sales of our midstream segment increased by $61.8 million, or 13.1%, to $534.8 million in the year ended December 31, 2016 from $473.0 million in the same period in 2015. The increase was primarily attributable to higher revenues from refining activities at our refinery in Papua New Guinea.

Cost of Sales

Cost of sales decreased by $121.8 million, or 1.1%, to $11,068.9 million in the year ended December 31, 2016 from $11,190.7 million in the same period in 2015.

Downstream

Cost of sales of our downstream segment decreased by $166.1 million, or 1.5%, to $10,761.4 million in the year ended December 31, 2016, from $10,927.5 million in the same period in 2015. The decrease primarily reflected lower oil prices, resulting in lower costs per cubic meter. Thus, cost of sales decreased despite the higher sales volumes from organic growth in the Americas and Asia Pacific and the full-year effect of the acquired United Kingdom operations discussed above.

Midstream

Cost of sales of our midstream segment increased by $44.3 million, or 16.8%, to $307.5 million in the year ended December 31, 2016, from $263.2 million in the same period in 2015. The increase in cost of sales primarily reflected higher sales from refining activities at our refinery in Papua New Guinea.

Gross Profit

Gross profit increased by $104.9 million, or 7.0%, to $1,600.6 million in the year ended December 31, 2016 from $1,495.7 million in the same period in 2015.

Downstream

Gross profit of our downstream segment increased by $87.3 million, or 6.8%, to $1,373.2 million in the year ended December 31, 2016 from $1,285.9 million in the same period in 2015. The increase primarily resulted from the higher sales volumes discussed above, despite average unit margins decreasing by $5 per cubic meter, compared to the previous period. This decrease in unit margins was largely due to high sales volumes in the United Kingdom, which contributes lower than average unit margins in the wholesale business (which itself tends to have lower than average unit margins relative to the Group's other business lines). Excluding the impact of sales volumes in the United Kingdom, unit margins for the downstream segment as a whole remained stable, with decreases in unit margins in the business to business amidst challenges faced by commodity exporting countries generally offset by improvements in unit margins in other businesses.

Midstream

Gross profit of our midstream segment increased by $17.6 million, or 8.4%, to $227.4 million in the year ended December 31, 2016 from $209.8 million in the same period in 2015. The increase primarily resulted from higher throughput volumes at our terminals in Dubai, Ghana and the Democratic Republic of the Congo and increased revenues from our refining activities in Papua New Guinea which more than offset increased cost of sales particularly from refining activities in Papua New Guinea.

Selling and Operating Costs

Selling and operating costs increased by $6.1 million, or 0.6%, to $1,022.6 million in the year ended December 31, 2016, from $1,016.6 million in the same period in 2015.

Downstream

Selling and operating costs of our downstream segment increased by $52.2 million, or 6.3%, to $875.2 million in the year ended December 31, 2016 from $823.0 million in the same period in 2015. The increase primarily resulted from the acquisition and ramp-up of activities in the United Kingdom, South Africa and Myanmar, and higher depreciation costs on organic capital expenditure, mainly related to terminal construction projects in Angola, Ghana, the Democratic Republic of the Congo and Australia.

Midstream

Selling and operating costs of our midstream segment decreased by $46.1 million, or 23.8%, to $147.5 million in the year ended December 31, 2016 from $193.6 million in the same period in 2015. The decrease in part reflected a non-recurring impairment charge of $33.5 million in 2015 related to assets in Norway and Indonesia.

General and Administrative Expenses

General and administrative expenses increased by $1.4 million, or 0.8%, to $169.3 million in the year ended December 31, 2016 from $167.9 million in the same period in 2015.

Downstream

General and administrative expenses of our downstream segment decreased by $3.0 million, or 1.9%, to $156.1 million in the year ended December 31, 2016 from $159.1 million in the same period in 2015. The modest increase was primarily the result of the Group's expansion and ramp-up of activities (United Kingdom, South Africa and Myanmar) and the general increase in volumes sold which was partly offset by lower operating costs for IT, legal and greenfield projects.

Midstream

General and administrative expenses of our midstream segment increased by $4.4 million, or 50.0%, to $13.2 million in the year ended December 31, 2016 from $8.8 million in the same period in 2015, mainly due to an increase in activities at our Papua New Guinea refinery.

Other Operating Income/(Expenses), net

We recognized other operating income/(expenses), net of $36.1 million in the year ended December 31, 2016 compared to other operating income of $27.7 million in the same period in 2015.

Downstream

We recognized other operating expense of $24.9 million in our downstream segment in the year ended December 31, 2016 compared to other operating income $9.8 million in the same period in 2015. Other operating income in 2015 included a $35.5 million gain on the acquisition of Murco Petroleum Limited, a subsidiary of Murphy Oil Corporation, in the United Kingdom, which primarily accounted for the difference between 2016 and 2015. Other operating expense in 2016 included provisions for contingencies, expenses and employee-related costs, and write-offs of various tangible and intangible assets.

Midstream

We recognized other operating expenses of $11.1 million in our midstream segment in the year ended December 31, 2016 compared to $17.9 million of other operating income in the same period in 2015. The increase primarily reflected write-offs of various tangible and intangible assets in a total amount of $21.2 million recorded in 2016.

Share of Net Profit in Associates

Our share in net profit in associates increased by $7.5 million, or 241.9%, to $10.6 million in the year ended December 31, 2016 from $3.1 million in the same period in 2015, which primarily reflected an increase in profits generated by our aviation operations in Myanmar.

EBITDA

EBITDA increased by $78.5 million, or 11.6%, to $754.5 million in the year ended December 31, 2016 from $676.0 million in the same period in 2015 for the reasons discussed above. The increase in EBITDA primarily reflected the above-mentioned increase in gross profit and contained selling and operating costs and general and administrative expenses.

Finance Income and Finance Costs

Finance income decreased by $1.7 million, or 16.3% to $8.7 million in the year ended December 31, 2016 from $10.4 million in the same period in 2015. The decrease was primarily attributable to lower interest on loans extended by the Group to third and related parties (mostly to JV partners and minority shareholders in certain of our less than wholly-owned operating companies).

Finance costs increased by $17.1 million, or 8.1%, to $228.3 million in the year ended December 31, 2016 from $211.2 million in the same period in 2015. The increase primarily reflected interest expenses incurred on additional loans and borrowings, in order to finance our investments and increased working capital needs from the expansion of our operations.

Net Foreign Exchange Gains/(Losses)

Net foreign exchange losses were $14.9 million in the year ended December 31, 2016, a $40.7 million decrease from the $25.8 million gain in the same period in 2015. These foreign exchange gains and losses resulted from the revaluation of various non-USD denominated assets and liabilities, including loans and borrowings and financial assets.

Income Tax Expense

Income tax expense increased by $42.0 million to a $32.2 million tax expense in the year ended December 31, 2016 compared to a $9.8 million tax credit in the same period in 2015. The increase was primarily attributable to the recognition of a deferred tax asset for losses in Papua New Guinea in 2015. Our blended effective tax rate for the year ended December 31, 2016 was 31.0%, compared to 34.6% for the year ended December 31, 2015.

Profit for the Year

For the reasons described above, profit after tax decreased by $60.4 million, or 34.2%, to $116.4 million in the year ended December 31, 2016 from $176.8 million in the same period in 2015.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

The following table sets forth our results of operation for the periods indicated.

	Year ended December 31,		
	2014	2015	Change
	($ millions)		(%)
Net sales	13,433.0	12,686.4	(5.6)
Cost of sales	(12,004.3)	(11,190.7)	(6.8)
Gross profit	**1,428.7**	**1,495.7**	4.7
Selling and operating costs	(932.8)	(1,016.6)	9.0
General and administrative expenses	(100.3)	(167.9)	67.4
Other operating income	7.7	40.0	419.5
Other operating expenses	(11.5)	(12.3)	7.0
Share of net profit in associates(1)	4.3	3.1	(27.9)
Operating profit	**396.1**	**342.0**	(13.7)
Finance income	12.2	10.4	(14.8)
Finance costs	(184.9)	(211.2)	14.2
Net foreign exchange gains/(losses)	(2.7)	25.8	(1,055.6)
Profit before tax	**220.7**	**167.0**	(24.3)
Income tax (expense)/credit	(37.2)	9.8	(126.3)
Profit for the year	**183.5**	**176.8**	(3.7)
Attributable to:			
Owners of the Company	170.5	174.7	2.5
Non-controlling interests	13.0	2.1	(83.8)

(1) The share of net profits in associates in 2014 has been reclassified from below the operating profit line to above the operating profit line.

Volumes

The following table sets forth the sales volumes and throughput volumes for the periods indicated.

	Year ended December 31,		
	2014	2015	Change
	(cubic meters thousands)		(%)
Sales Volume by Region	**14,764**	**18,944**	28.3
Americas	7,132	8,144	14.2
Africa	4,801	6,348	32.2
Asia Pacific	2,823	3,782	34.0
Europe	8	670	8,275.0
Throughput Volume by Region	**19,776**	**18,372**	(7.1)
Americas	464	414	(10.8)
Africa	8,177	8,260	1.0
Asia Pacific	4,063	3,615	(11.0)
Europe	7,072	6,083	(14.0)

Sales volumes of refined oil products increased by 4.1 million cubic meters, or 28.3%, to 18.9 million cubic meters in the year ended December 31, 2015 from 14.8 million cubic meters in the same period in 2014. The increase in sales volumes is primarily attributable to the integration of our acquisitions in the United Kingdom and South Africa and of BP's bitumen operations in Australia, as well as organic growth in Central America and Africa of retail and aviation activities.

Throughput volumes of refined oil products decreased by 1.4 million cubic meters, or 7%, to 18.4 million cubic meters in the year ended December 31, 2015 from 19.8 million cubic meters in the same period in 2014. This was mainly driven by lower throughput volumes in our terminal in Estonia and at terminals in Asia-Pacific.

	Year ended December 31,		
	2014	2015	Change
	($ millions)		(%)
Net sales	**13,433.0**	**12,686.4**	(5.6)
Downstream	12,978.0	12,213.4	(5.9)
Midstream	455.0	473.0	4.0
Cost of Sales	**(12,004.3)**	**(11,190.7)**	(6.8)
Downstream	(11,747.2)	(10,927.5)	(7.0)
Midstream	(257.1)	(263.2)	2.4
Gross profit	**1,428.7**	**1495.7**	4.7
Downstream	1,230.8	1,285.9	4.5
Midstream	197.9	209.8	6.0
Selling and operating costs	**(932.8)**	**(1,016.6)**	9.0
Downstream	(779.9)	(823.0)	5.5
Midstream	(152.9)	(193.6)	26.6
General and administrative expenses	**(100.3)**	**(167.9)**	67.4
Downstream	(95.4)	(159.1)	66.8
Midstream	(4.9)	(8.8)	79.6
Other operating income/(expenses), net	**(3.8)**	**27.7**	(828.9)
Downstream	(5.7)	9.8	(271.9)
Midstream	1.9	17.9	842.1
Share of net profit in associates[1]	**4.3**	**3.1**	(27.9)
Downstream	1.9	—	n.m.
Midstream	2.4	3.1	29.2
Operating profit	**396.1**	**342.0**	(13.7)
Downstream	351.7	313.9	(10.8)
Midstream	44.4	28.1	(36.0)
Profit before tax	**220.7**	**167.0**	(24.3)

(1) The share of net profits in associates in 2014 has been reclassified from below the operating profit line to above the operating profit line.

Net Sales

Net sales decreased by $746.6 million, or 5.6%, to $12,686.4 million in the year ended December 31, 2015 from $13,433.0 million in the same period in 2014.

Downstream

Net sales of our downstream segment decreased by $764.6 million, or 5.9%, to $12,213.4 million in the year ended December 31, 2015 from $12,978.0 million in the same period in 2014. The decrease in net sales primarily is explained by the general decrease in oil prices, which more than offset the considerable increase in sales volumes.

Midstream

Net sales of our midstream segment increased by $18.0 million, or 4.0%, to $473.0 million in the year ended December 31, 2015 from $455.0 million in the same period in 2014. The increase in net sales primarily reflected increased refining revenues at our refinery in Papua New Guinea and higher revenues from capacity rental agreements (which are not affected by decreased throughput volumes).

Cost of Sales

Cost of sales decreased by $813.6 million, or 6.8%, to $11,190.7 million in the year ended December 31, 2015 from $12,004.3 million in the same period in 2014.

Downstream

Cost of sales of our downstream segment decreased by $819.7 million, or 7.0%, to $10,927.5 million in the year ended December 31, 2015, from $11,747.2 million in the same period in 2014. The decrease in cost of sales reflected the general decrease in oil prices, which more than offset the impact of significantly increased sales volumes.

Midstream

Cost of sales of our midstream segment increased by $6.1 million, or 2.4%, to $263.2 million in the year ended December 31, 2015, from $257.1 million in the same period in 2014. The increase primarily reflected higher refining volumes in Papua New Guinea, resulting in higher costs of products purchased for refining activities.

Gross Profit

Gross profit increased by $67.0 million, or 4.7%, to $1,495.8 million in the year ended December 31, 2015 from $1,428.7 million in the same period in 2014.

Downstream

Gross profit of our downstream segment increased by $55.1 million, or 4.5%, to $1,285.9 million in the year ended December 31, 2015 from $1,230.8 million in the same period in 2014 mainly due to growth in volumes across all regions and segments. At the same time, unit margins decreased, as they were impacted by changes in geographic and business mix, and in particular the impact of our acquisition in the United Kingdom, which was reflected in our 2015 results from July 1, 2015. In addition, unit margins in our regulated markets had not yet increased to reflect the ongoing strength of the U.S. dollar relative to local currencies. Unit margins were also impacted by the challenging economic situation in the mining and oil upstream sectors, which resulted in price pressure and lower margins on certain of our large contracts with customers in those sectors when those contracts were renegotiated.

Midstream

Gross profit of our midstream segment increased by $11.9 million, or 6.0%, to $209.8 million in the year ended December 31, 2015 from $197.9 million in the same period in 2014 mainly due to increased refining revenues at our refinery in Papua New Guinea and higher revenues from capacity rental agreements.

Selling and Operating Costs

Selling and operating costs increased by $83.8 million, or 9.0%, to $1,016.6 million in the year ended December 31, 2015 from $932.8 million in the same period in 2014.

Downstream

Selling and operating costs of our downstream segment increased by $43.1 million, or 5.5%, to $823.0 million in the year ended December 31, 2015 from $779.9 million in the same period in 2014. The increase primarily resulted from the full year impact of acquired operations in Papua New Guinea and acquisitions in the United Kingdom and South Africa, and some non-recurring IT and integration costs, as well as an impairment charge recorded on some assets in Indonesia.

Midstream

Selling and operating costs of our midstream segment increased by $40.7 million, or 26.6%, to $193.6 million in the year ended December 31, 2015 from $152.9 million in the same period in 2014. The increase mainly reflected the impairment charge of $33.5 million recorded on assets in Norway.

General and Administrative Expenses

General and administrative expenses increased by $67.6 million, or 67.4%, to $167.9 million in the year ended December 31, 2015 from $100.3 million in the same period in 2014.

Downstream

General and administrative expenses of our downstream segment increased by $63.7 million, or 66.8%, to $159.1 million in the year ended December 31, 2015 from $95.4 million in the same period in 2014. The increase primarily reflected the full year impact of acquired operations in Papua New Guinea and acquisitions in the United Kingdom and South Africa, and some non-recurring IT and legal costs.

Midstream

General and administrative expenses of our midstream segment increased by $3.9 million, or 79.6%, to $8.8 million in the year ended December 31, 2015 from $4.9 million in the same period in 2014, mainly due to the full year impact of our refinery in Papua New Guinea, purchased in June 2014.

Other Operating Income/(Expenses), net

We recognized other operating income of $27.7 million in the year ended December 31, 2015 compared to other operating expenses of $3.8 million in the same period in 2014.

Downstream

Other operating income/(expense) of our downstream segment increased by $15.5 million to a $9.8 million gain in the year ended December 31, 2015 from a $5.7 million expense in the same period in 2014. The increase primarily reflected a $35.5 million gain on the acquisition of Murco Petroleum Limited, a subsidiary of Murphy Oil Corporation, in the United Kingdom. The gain on business combination was partly off-set by various movements in provisions, and some foreign exchange losses on operations.

Midstream

Other operating income of our midstream segment increased by $16.0 million, to $17.9 million income in the year ended December 31, 2015 from $1.9 million income in the same period in 2014. The increase primarily reflected favorable movements in provisions.

EBITDA

EBITDA increased by $21.5 million, or 3.3%, to $676.0 million in the year ended December 31, 2015 from $654.5 million in the same period in 2014. The increase in EBITDA reflected increased gross profit, which was partly offset by higher costs from the expansion of our operations mainly in Papua New Guinea, United Kingdom, South Africa, and some non-recurring IT, legal and integration costs.

Finance Income and Finance Costs

Finance income decreased by $1.8 million, or 14.8%, to $10.4 million in the year ended December 31, 2015 from $12.2 million in the same period in 2014, mainly due to lower interest on loans granted to third and related parties, mostly to JV partners and minority shareholders in certain of our less than wholly-owned operating companies.

Finance costs increased by $26.3 million, or 14.2%, to $211.2 million in the year ended December 31, 2015 from $184.9 million in the same period in 2014. The increase primarily reflected interest costs on additional loans and borrowings, from third parties to finance our investments and working capital needs on expanded operations. Furthermore, this was impacted by the higher interest rates charged on the 2021 Senior Notes, issued in January and July 2014, compared to bank financings.

Net Foreign Exchange Gains/(Losses)

Net foreign exchange gains increased by $28.5 million, to $25.8 million gains in the year ended December 31, 2014 from $2.7 million net foreign exchange losses in the same period in 2014. The increase is primarily due to the revaluation of non-USD denominated loans, given the appreciation of the USD against most other currencies.

Share of Net Profit/(Loss) in Associates

Our share in net profit in associates decreased to $3.1 million in the year ended December 31, 2015 from $4.3 million in the same period in 2014 reflecting slightly lower profits generated by our investments in associates.

Income Tax Expense

Income tax expense decreased by $47.0 million, resulting in a $9.8 million income tax credit in the year ended December 31, 2015, compared to a $37.2 million income tax expense in the same period in 2014. The decrease in 2015 primarily reflected the recognition of a deferred tax asset for tax losses in Papua New Guinea and the current year benefit for tax losses in Australia, as well as a significant decrease in profit before tax.

Our blended effective tax rate for the year ended December 31, 2015 was 34.64%, compared to 39.19% for the year ended December 31, 2014.

Profit for the Year

For the reasons described above, profit for the year decreased by $6.7 million, or 3.7%, to $176.8 million in the year ended December 31, 2015 from $183.5 million in the same period in 2014.

Liquidity and Capital Resources

Liquidity

We expect that our working capital, together with future cash flow from operations, available debt facilities and future financings in the capital markets will be sufficient to service our debt and to fund our committed and planned capital expansion and development programs.

Our liquidity requirements arise primarily from the need to fund our net working capital requirements, operating expenses, acquisitions from time to time, maintenance and growth capital expenditures and dividends and to meet our ongoing debt service requirements. Our principal sources of liquidity are net cash from operating activities, short-and long-term committed and uncommitted loan facilities, overdraft facilities that are repayable on demand, existing cash and cash equivalents and debt capital markets transactions. Historically financing provided by our main shareholders was also a key source of liquidity, but the importance of shareholder financing has decreased sharply in recent years. We also rely on borrowing bases and bilateral trade finance lines to finance specific receivables and inventories in various countries of operation. See ''*Description of Certain Other Indebtedness*'' for a description of our credit and trade facilities and term loans.

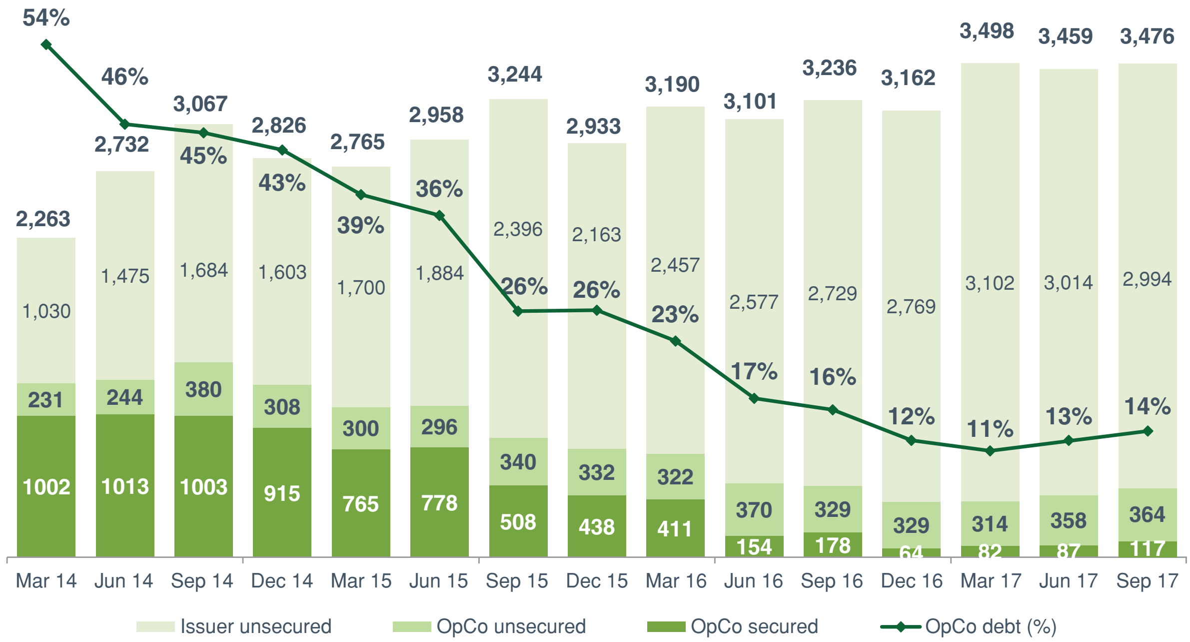
- Cash and cash equivalents. The company had cash and cash equivalents, of $474.0 million as of September 30, 2017, of which $437.4 million was held as unrestricted cash. Restricted cash of $36.6 million was mainly comprised of a $31.0 million guarantee deposit made for a construction project in Angola. The major part of this deposit was released during the last quarter of 2017, as the construction project has been completed.
- Cash flow from operating activities. Our operating activities generated cash flow of $861.5 million, $734.9 million, $838.2 million and $334.8 million for the years ended December 31, 2014, 2015, 2016 and for the nine months ended September 30, 2017. See ''—*Cash flow*''.
- Borrowings. As of September 30, 2017, we had total loans and borrowings outstanding under Revolving Credit Facilities of $863.6 million, under Term Loans of $795.1 million, under the Delta Lloyd Facility of $100 million, and under bonds of $1,235.7 million. See ''*Description of Certain Other Indebtedness*''. As of September 30, 2017, the Trafigura Loan was undrawn. See ''*Related Party Transactions—Loans from Related Parties*.''
- We have financed our Operating Group working capital requirements through committed or uncommitted loan facilities that include working capital facilities, overdrafts and term loans at local subsidiaries, which we use primarily to finance our local inventories. As of September 30, 2017, $481.7 million was outstanding under such Operating Group debt.

As part of the ongoing strategy of replacing Operating Group secured debt with unsecured debt at the Issuer level which will rank *pari passu* with the Notes, we have reduced secured debt at the

Operating Group level as a percentage of our gross total debt from 65.1% at December 31, 2013, to 3.4% at September 30, 2017, while unsecured debt incurred by the Issuer represented 86.1% of our debt. Unsecured debt issued by the operating companies accounts for the remaining 10.5%. Our aim is for the Group only to have some working capital financing and receivables financing at the Operating Group level, largely in the form of short-term bilateral lines or overdrafts, as well as term loans on three to five year terms. This will allow us to further simplify our capital structure by helping to ensure that we have a single set of financial covenants across all our loan facilities as Group level. At the same time, the debt maturity profile remains fairly stable with 42.4% of our debt maturing in 2021 or beyond.

The chart below represents the percentage of our gross total debt incurred by the Issuer and the Operating Group for the periods indicated, and reflects the consistent implementation of our strategy discussed above. The modest increase in debt of the Operating Group since March 2017 shown below (which has continued in more recent months as well) reflects the natural fluctuation of drawings under overdrafts and working capital facilities used primarily to finance our local inventories.

Split of Group Debt*



* Total loans and borrowings is calculated as the amount outstanding under total (current and non-current) interest-bearing loans and borrowings without considering the accounting impact of arrangement fees, premiums and discounts.

Our treasury function is centralized across our operations. Cash generated by our local operating subsidiaries is transferred indirectly to us through the payment of intra-company invoices in connection with the supply of refined oil products and capital expenditures, as well as through dividends to the Company. In most cases, we do not believe there are significant obstacles or barriers to transferring funds from our local operating subsidiaries to us that may affect our ability to meet or fulfil our financial or other obligations.

Cash Flows

The following table presents information regarding our cash flows for the periods indicated.

	Year ended December 31,			Nine Months Ended September 30,	
	2014	2015	2016	2016	2017
		(Audited)		(Reviewed)	
			($ millions)		
Profit before tax	**220.7**	**167.0**	**148.6**	**93.9**	**106.7**
Non-cash adjustments to reconcile profit before tax to net cash flows:					
Depreciation and impairment of property and equipment	240.1	321.5	306.6	232.1	258.2
Amortization and impairment of intangible assets	23.2	43.6	40.5	29.2	28.2
Gain on business combination	—	(35.5)	—		
Tangible and intangible fixed assets written off	0.9	2.6	21.2	15.0	—
Gain on disposal of assets and investments	(6.4)	(1.4)	(1.3)	(0.4)	(3.2)
Net interest expense	160.3	188.5	206.6	160.1	147.3
Dividend income	(2.9)	(2.0)	(2.5)	(2.5)	(0.6)
Share of net profit of associate	(4.3)	(3.1)	(10.6)	(4.7)	(3.8)
Provisions	(9.6)	(10.9)	—	—	(0.1)
Changes in value of derivative financial instruments	(51.0)	(9.6)	94.2	89.8	(9.9)
Working capital adjustments					
Decrease/(increase) in trade, other receivables and prepayments	(152.7)	(14.7)	134.2	17.1	(201.4)
Decrease/(increase) in inventories	140.8	(42.4)	(153.8)	(115.0)	(102.5)
(Decrease)/increase in trade, other payables and accrued expenses	341.5	181.1	108.9	222.5	149.9
Interest received	9.3	8.4	6.1	4.7	5.3
Dividends received from associates[(1)]	0.8	1.3	1.4	0.2	2.7
Income tax paid	(49.2)	(59.5)	(61.9)	(55.7)	(42.0)
Net cash flows from operating activities	**861.5**	**734.9**	**838.2**	**686.3**	**334.8**
Investing activities					
Net proceeds from sale of assets and investments	7.0	8.2	51.3	48.7	13.9
Net proceeds from sale of interest in subsidiary	21.3	—	—	—	13.8
Purchase of intangible assets	(43.0)	(53.9)	(37.8)	(27.8)	(14.3)
Purchase of property and equipment	(697.2)	(820.8)	(612.6)	(434.6)	(276.5)
Acquisitions of subsidiaries, net of cash acquired	(569.7)	(260.8)	(132.2)	(129.3)	(27.6)
Acquisition of predecessor intercompany balances	(52.9)	—	—		
Cash inflow from change in ownership	—	—	—	—	31.3
Investments in associates and financial investments	(11.1)	(13.0)	(3.9)	(5.8)	(2.0)
Dividends received	2.9	2.0	2.5	2.5	0.6
Net cash flows used in investing activities	**(1,342.7)**	**(1,138.3)**	**(732.7)**	**(546.3)**	**(260.8)**
Financing activities					
Loans (granted)/reimbursed	(19.5)	(13.4)	(9.7)	(3.6)	1.5
Proceeds from/(repayment of) borrowings	(402.8)	61.8	137.3	198.1	266.2
Deemed distribution to shareholders	—	—	(25.5)		
Proceeds from bond issuance	1,234.0	—	100.0	100.0	—
Proceeds from equity increase/(reduction) in equity	—	350.0	(1.5)	(1.4)	—
Interest paid	(141.2)	(194.1)	(209.1)	(178.2)	(177.6)
(Acquisition)/divestment of non-controlling interests	(22.4)	21.9	(0.5)	(0.5)	2.1
Shareholder financing	(150)	—	—		
Dividends paid	(7.1)	(21.8)	(4.7)	(4.2)	(19.5)
Net cash flows from financing activities	**491.0**	**204.4**	**(13.7)**	**110.2**	**72.7**
Net increase/(decrease) in cash and cash equivalents	9.8	(199.0)	91.8	250.2	146.7
Effects of exchange rate differences	18.3	3.4	(37.3)	(57.3)	(8.4)
Cash and cash equivalents at January 1	448.7	476.8	281.2	281.2	335.7
Cash and cash equivalents at period end	**476.8**	**281.2**	**335.7**	**474.1**	**474.0**

(1) Dividend income from associates in 2014 has been reclassified from investing cash flows to operating cash flows.

Cash Flows from Operating Activities

Net cash flow from operating activities was $334.8 million for the nine months ended September 30, 2017, compared to $686.3 million for the same period in 2016, mainly due to increases in working capital. Net cash outflows from changes in working capital were $154.0 million for the nine months ended September 30, 2017, primarily reflecting:

- an increase in trade receivables, other receivables and prepayments of $201.4 million, principally reflecting prepayments of capital expenditures for certain projects in Australia, the general increase in oil prices and timing effects on some prepayments and receivables;
- an increase in trade payables, other payables and accrued expenses of $149.9 million, principally reflecting timing effects on a few large payables relating to certain large cargoes of refined fuel products and the general increase in oil prices; and
- higher inventories of $102.5 million, reflecting additional inventories at our new terminals in South Africa and Northern Ireland and the ramp-up of activities in Myanmar, as well as the general increase in oil prices.

Net cash flow from operating activities was $838.2 million for the year ended December 31, 2016, compared to $734.9 million for the same period in 2015. The increase in operating cash flows primarily reflected the Group's operating performance and efficient working capital management. Net cash inflows from changes in working capital were $89.3 million for the year ended December 31, 2016, primarily reflecting:

- a decrease in trade receivables, other receivables and prepayments of $134.2 million, reflecting stable DSO, despite the expansion of our activities (as a result of organic growth, and ramp-up at acquired operations, including in the United Kingdom and South Africa), as well as timing effects on other receivables and prepayments;
- an increase in trade payables, other payables and accrued expenses of $108.9 million, in line with the expansion of our activities and higher sales volumes, mainly in the United Kingdom; and
- higher inventories of $153.8 million, reflecting a slight increase in DIO, as well as higher sales volumes from the expansion of our activities.

Net cash flow from operating activities was $734.9 million in the year ended December 31, 2015, compared to $861.5 million for the same period in 2014, driven primarily by movements in working capital balances. Net cash outflows from changes in working capital were $124.0 million for the year ended December 31, 2015, primarily reflecting:

- higher trade receivables of $14.7 million, due to the ramp-up at acquired operations in the United Kingdom, South Africa, and bitumen operations in Australia;
- an increase in trade payables, other payables and accrued expenses of $181.1 million, reflecting a general increase in DPO from 43 to 59 days; and
- higher inventories of $42.4 million, in line with the expansion of our activities.

Net cash inflows from changes in working capital were $329.6 million for the year ended December 31, 2014, primarily reflecting:

- increased trade receivables, other receivables and prepayments of $152.7 million, in line with the expansion of our operations;
- an increase in trade payables, other payables and accrued expenses of $341.5 million, reflecting higher sales volumes from organic growth and acquired operations, and favorable payment terms on trade payables;
- reduced inventories of $140.8 million, reflecting both a decrease in inventory levels and in their value due to the general decrease in oil prices at year end; and

Cash Flows from Investing Activities

Cash used in investing activities was $260.8 million in the nine months ended September 30, 2017, which was primarily attributable to organic investments of $217.5 million on storage construction projects and the development of our retail network and $27.6 million spent on acquisitions of the storage terminal in Belfast and a fuel distributor in Panama.

Cash used in investing activities was $732.7 million in 2016, which was primarily attributable to organic investments of $561.3 million. Investing cash flows in 2016 also included $92.1 million for the repayment of vendor loans for assets and a business acquired in 2014. Acquisitions spend for the year of $40.1 million related to the acquisition of retail distributors in Ghana and Tanzania and bitumen storage and distribution activities in Nigeria

Cash used in investing activities was $1,138.3 million in 2015, which was primarily attributable to organic capital expenditure of $812.6 million, as well as acquisitions of subsidiaries of $260.8 million. Acquisitions spend for the year includes the acquisition of retail distributors in South Africa, Colombia and Peru, the operations of Murco Petroleum Limited, a subsidiary of Murphy Oil Corporation, in the United Kingdom, the bitumen business of BP in Australia and the aviation business of BP in Puerto Rico.

Cash used in investing activities was $1,342.7 million in 2014, which primarily includes organic capital expenditure of $668.9 million and acquisitions spend of $622.6 million. Acquisitions for the year mainly include InterOil's operations in Papua New Guinea, a global bitumen business and retail distributors in Ghana, Australia, Swaziland and Lesotho.

Cash Flows from Financing Activities

We generated $72.7 million of cash from financing activities in the nine months ended September 30, 2017, which was primarily attributable to drawings on existing loans, which more than offset interest and dividend payments.

Cash outflows from financing activities amounted to $13.7 million in 2016, mainly reflecting $209.1 million of interest payments, a $100 million private placement and $137.3 million of drawings on existing loans.

We generated $204.4 million of cash from financing activities in 2015, which mostly reflect the equity increases of $350 million from our main shareholders, which were used to fund our organic investments and acquisitions, partially offset by interest payments of $194.1 million.

We generated $491.0 million of cash from financing activities in 2014, which was primarily attributable to $1.2 billion of proceeds from the issuance of the 2021 Senior Notes and $100 million from the Delta Lloyd Facility. The proceeds from these bond issuances were used to repay part of our existing debt and to finance our organic investments and acquisitions.

Off-Balance Sheet Arrangements

We have also entered into arrangements with respect to storage rental and land rental for service stations and other assets, assets under construction and other commitments. As at September 30, 2017, these arrangements represented commitments of $884.6 million.

In addition we hold contingent liabilities with respect to letters of credit, guarantees and legal or other claims. As of September 30, 2017, these arrangements represented contingent liabilities of $312.1 million.

	At September 30, 2017
Off balance sheet commitments:	
Storage and land rental	781.7
Assets under construction	22.2
Supply contracts	—
Other commitments[1]	80.7
Total	**884.6**
Within one year	202.1
After one year but not more than five years	260.8
More than five years	421.7
Total	**884.6**
Contingent liabilities:	
Letters of credit[2]	197.7
Guarantees[3]	64.4
Legal and other claims[4]	50.0
Total	**312.1**

(1) At September 30, 2017, other commitments mainly include, options granted on Australian retail sites for $19 million and guarantees issued to third parties for $45 million.

(2) The Group utilizes standby letters of credit and documentary credits, where appropriate, when transacting with counterparties who have limited credit history or where certain of the Group underwriting banks require such facilities to be put in place.

(3) Guarantees issued by the Group are mostly related to performance bonds for performance on specific contracts. No liability is expected to arise from these guarantees.

(4) Legal and other claims includes existing legal cases for which the Group believes no further charge will arise in the future as the Group believes it has the legal grounds to eventually conclude the cases favorably. The amount reported represents the maximum potential liabilities.

Capital Expenditures

The following table sets forth our capital expenditures for the periods indicated.

Growth and Maintenance Capital Expenditures and Acquisition Spend

	Year ended December 31,			Nine Months Ended September 30,	
	2014	2015	2016	2016	2017
	($ millions)				
Organic growth capital expenditures	611.7	730.5	446.8	328.2	150.1
Maintenance capital expenditures	57.2	82.1	114.2	57.7	67.4
Acquisition spend	622.6	260.8	132.2	129.3	27.6
Total	**1,291.5**	**1,073.4**	**693.2**	**515.20**	**245.1**

Investments in our assets consist of growth and maintenance capital expenditures. Organic growth capital expenditures include organic investments to grow our asset base or to capture additional market share in markets where we are already present. Capital expenditure during the nine months ended September 30, 2017 was largely attributable to spending on storage construction projects (Tema in Ghana and Luanda Bay in Angola, which have now been completed), the construction of

Rostov airport in Russia, and development of the retail network in Africa, the Americas and Asia Pacific. Our major investment projects of recent years are now largely complete, and we do not currently anticipate large new projects being started in the near- to medium-term. Organic growth capital expenditures amounted to $611.7 million and $730.5 million, $446.8 million and $150.1 million in the years ended December 31, 2014, 2015 and 2016 and the nine months ended September 30, 2017, respectively.

Maintenance capital expenditures represent capital expenditures to maintain assets in their current state of operation or to upgrade any assets to meet specific regulatory requirements. This excludes operating maintenance expenditures, which are expenditures that do not increase the life or value of the asset and which are expensed in our income statement. Maintenance capital expenditures include the installation of firefighting systems, piping systems or pump replacements in our retail sites. Maintenance capital expenditures were $57.2 million, $82.1 million, $114.2 million and $67.4 million in the years ended December 31, 2014, 2015 and 2016 and the nine months ended September 30, 2017, respectively.

As a result of our investments made over recent years, we now benefit from a modern infrastructure base, and can focus on maintaining and optimizing this existing asset base, translating into reduced organic growth capital expenditure spending going forward. We currently expect total organic growth capital expenditures to decrease from an annual average of $597.0 million in the period from 2014 to 2016 to approximately $200 million to $300 million in each of 2017 and 2018. We also expect to incur maintenance capital expenditures of approximately $100 million in each of 2017 and 2018.

In the year ended December 31, 2014 the amount spent on acquisitions mainly included the acquisitions of InterOil operations in Papua New Guinea and retail distributors in Ghana and Australia. Acquisitions in the year ended December 31, 2015 mainly related to retail distributors in South Africa, Colombia and Peru, BP's bitumen business in Australia and Murco Petroleum Ltd in the UK. In the year ended December 31, 2016 we acquired a bitumen business in Nigeria, and retail distributors in Ghana and Tanzania, and repaid a vendor loan for the bitumen business acquired in 2014. In the nine months ended September 30, 2017 we acquired BP's storage business in Northern Ireland, and subsequently disposed of a 50% stake in it. We also acquired Tropifuels, a retail distributor in Panama in July 2017, adding 18 retail sites to our network.

Contractual Obligations

The table below shows our contractual obligations, based on our consolidated financial statements and the notes thereto, which appear elsewhere in this Offering Memorandum as of September 30, 2017. The interest-bearing loans and borrowings have been adjusted to reflect the Recent Refinancing Transaction and the full drawing of the Club Facility and use of proceeds therefrom.

	Less than 1 year	1 - 5 years	More than 5 years	Total
		($ million)		
Interest bearing loans and borrowings, as adjusted[1]	626.8	1,908.1	919.7	3,454.6
Trade and other payables	1,861.2	—	—	1,861.2
Financial derivatives	43.3	—	—	43.3
Other liabilities	0.3	35.8	—	36.1
Total	2,531.6	1,943.9	919.7	5,395.2

(1) In this table, the line "Interest bearing loans and borrowings" discloses the amount outstanding under total (current and non-current) interest-bearing loans and borrowings including the accounting impact of arrangement fees, premiums and discounts.

Risk Management

Financial Risk Management Objectives and Policies

Our executive committee oversees the management of financial risks and reviews and agrees policies for managing these risks, which are defined in our Risk Management Framework. The Risk

Management Framework is a comprehensive management tool utilised by our executive committee to assess potential risks we face. With the support of our internal audit team, the Risk Management Framework provides a context through which we are able to continuously monitor external risks. The Risk Management Framework is reviewed on a quarterly basis by the executive committee.

We are primarily a midstream and downstream business with a strong risk management philosophy. We manage our exposure to key financial risks in accordance with our Risk Management Framework. The objective of the policy is to support the delivery of our financial targets while protecting future financial security. The main risks that could adversely affect our financial assets, liabilities or future cash flows are: market risks, comprising commodity price risk, cash flow interest rate risk and foreign currency risk; liquidity risk; and credit risk.

Furthermore, we through our Risk Management Framework, have established conservative consolidated risk limits and closely monitor our risk positions to ensure that our risk exposure remains well within these limits.

Market Risk Management

We operate in various national markets where petroleum prices are predominantly regulated. As a result, in many of our markets we have limited market risk in terms of price exposure. See ''—*Factors Affecting Results of Operations—Government Regulation*.'' Furthermore, where we operate in free markets, we are typically able to price our products so as to reflect increases or decreases in market prices on a timely basis and thereby substantially mitigate our price exposure.

Commodity price risk relating to the physical supply activities is systematically hedged, with the support of Trafigura Pte Ltd. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is our policy that no trading in derivatives for speculative purposes shall be undertaken as all derivative transactions are entered into for the purpose of managing our physical inventory exposure. Apart from some limited exceptions, we do not currently apply any form of hedge accounting.

The following table provides an overview of the derivative contracts at the year-end. All commodity derivatives had maturities of less than one year at each year-end.

	Fair value of derivatives			At September 30,
	2014	2015	2016	2017
	($ millions)			
Commodity futures and swaps	47.2	61.5	(30.3)	(20.6)
Currency swaps	(0.7)	(0.4)	(2.7)	(2.4)
Interest rate swaps	(0.2)	—	—	—
Total	**46.3**	**61.1**	**(33.0)**	**(23.0)**

Operational Risk Management

Our operations department has representatives in key locations around the world and is responsible for a number of tasks, including contract insurance and logistics management. Our operations department is also responsible for ensuring that industry, environmental safety and internal policies and procedures are complied with at all times. Detailed procedures manuals are implemented throughout our operations and all operations personnel receive regular and adequate training covering the relevant subjects according to their specific functions within our operating activities. This ensures that operations staff is kept up to date with all applicable procedural, legal, regulatory and industry changes.

When chartering vessels, we apply a strict vessel vetting procedure. The vetting procedures ensure that the vessel has a double hull and the vessel's owner is covered by pollution insurance, which complements our insurer's requirements, and focus on the vessel age, classification, protection and indemnity cover. Similar vetting procedures are also applied for both rail car and truck movements. We also have a storage procedure which involves full due diligence being undertaken of every proposed storage location—including a site visit to the storage location, the tank or warehouse.

Regular stocks analysis is undertaken to avoid losses such as theft and contamination, and each approved location is checked annually to evaluate the ongoing situation.

Purchases from Trafigura accounted for approximately 60%, 70%, 70% and 70% of our total purchases of refined oil products in the years ended December 31, 2014, 2015, 2016, and for the nine months ended September 30, 2017, respectively.

Currency Risk Management

We have exposure to foreign currency risk in our activities. See ''—*Factors Affecting Results of Operations—Fluctuations in Foreign Currency Exchange Rates*.'' However a substantial part of this foreign exchange exposure is hedged against foreign exchange movements. We do not use financial instruments to hedge the translation risk related to equity and earnings of foreign subsidiaries and non-consolidated companies.

Interest Rate Risk Management

Our interest rate risk is mainly applicable to our long-term funding.

We have entered into certain interest rate swap transactions in order to limit our exposure to floating interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of our profit before tax through the impact on floating rate interest bearing loans and borrowings and cash and cash equivalents. The impact on equity is the same as the impact on profit before tax.

	Effect on profit before tax for the year ended			Nine month period ended September 30,
	2014	2015	2016	2017
	($ millions)			
+1.0%	(8.9)	(9.9)	(13.6)	(15.0)
−1.0%	8.9	9.9	13.6	15.0

The carrying amount of all financial assets and liabilities except for interest-bearing loans and borrowings approximated the estimated fair value, due to the short-term nature of the financial instruments. The following table summarizes the fair value of interest-bearing loans and borrowings:

	Carrying amount				Fair value			
	As of December 31,			As of September 30,	As of December 31,			As of September 30,
	2014	2015	2016	2017	2014	2015	2016	2017
	($ millions)							
Interest-bearing loans and borrowings[(1)]	2,778.6	2,892.4	3,136.0	3,454.6	2,381.0	2,549.9	2,804.6	3,217.2
Total	**2,778.6**	**2,892.4**	**3,136.0**	**3,454.6**	**2,381.0**	**2,549.9**	**2,804.6**	**3,217.2**

(1) For the purpose of the above disclosure, fixed rate interest bearing loans and borrowing have been discounted using the actual cost of debt of the Group. The fair value of interest bearing loans and borrowings for disclosure purposes is based on quoted prices in an active market for identical liabilities. These financial instruments are based on a Level 2 fair value measurement (refer to Note 27.6 of the Financial Statements).

(2) 2015 interest bearing loans and borrowings have been restated by $34.1 million, as accrued interest has been reclassified from trade and other payables to interest bearing loans and borrowings.

Liquidity Risk Management

By virtue of the nature of our operations, we have demonstrated a consistent ability to generate cash through our ongoing daily operations. The flow of cash we receive and generate throughout our global locations is such that we view ourselves as being in a favorable position from a liquidity perspective. We generate stable cash flows as our assets are utilized to deliver an essential product to customers in national markets and, thereby, we are not entirely exposed to international commodity market movements. At the same time, we have the flexibility to decide whether to invest in capital expenditures as our ability to generate cash flows is not bound, in the short term, by significant capital commitments or significant mandatory capital asset maintenance.

Furthermore, we monitor our risk to a shortage of funds by monitoring the maturity dates of existing debt. Our objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. As of December 31, 2014, 2015, 2016, and for the nine months ended September 30, 2017 we had $580.3 million, $966.8 million, $896.3 million and $713.3 million, respectively, of committed undrawn borrowing facilities. As of December 31, 2014, 2015, 2016 and for the nine months ended September 30, 2017, 21%, 17%, 17% and 24.4% of our debt was scheduled to mature in less than one year based on the balances reflected in our audited consolidated financial statements included elsewhere in this Offering Memorandum. The maturity profile of our debt is summarized in Note 21 of our audited consolidated financial statements included elsewhere in this Offering Memorandum and below. Our liquidity risk is further mitigated as a large part of our borrowing activities are related to the financing of refined oil products, and by their nature, these products are readily convertible into cash.

The table below summarizes the maturity profile of our financial liabilities based on non-discounted contractual payments:

	Less than 1 year	1 - 5 years	More than 5 years	Total
		($ millions)		
As of September 30, 2017				
Interest bearing loans and borrowings	985.8	2,581.3	329.7	3,896.8
Trade and other payables	1,861.2	—	—	1,861.2
Financial derivatives	43.3	—	—	43.3
Other liabilities	0.4	35.7	—	36.1
Total	**2,890.7**	**2,617.0**	**329.7**	**5,837.4**
As of December 31, 2016				
Interest bearing loans and borrowings	554.5	2,745.1	313.0	3,612.6
Trade and other payables	1,631.7	—	—	1,631.7
Financial derivatives	38.9	—	—	38.9
Other liabilities	0.3	41.2	—	41.5
Total	**2,225.4**	**2,786.3**	**313.0**	**5,324.7**
As of December 31, 2015				
Interest bearing loans and borrowings(1)	655.9	1,532.9	1,259.4	3,448.2
Trade and other payables(1)	1,556.8	—	—	1,556.8
Financial derivatives	3.8	—	—	3.8
Other liabilities	150.6	48.4	—	199.0
Total	**2,367.1**	**1,581.3**	**1,259.4**	**5,207.8**
As of December 31, 2014				
Interest bearing loans and borrowings	714.4	1,596.6	1,371.7	3,682.7
Trade and other payables	1,538.2	—	—	1,538.2
Financial derivatives	4.3	—	—	4.3
Other liabilities	153.7	19.7	—	173.4
Total	**2,410.6**	**1,616.3**	**1,371.7**	**5,398.6**

(1) 2015 interest bearing loans and borrowings have been restated by $34.1million, as accrued interest has been reclassified from trade and other payables to interest bearing loans and borrowings. 2015 trade and other payables have been reduced by the same amount.

Credit Risk Management

We have a formalized credit process, with credit officers in the key locations globally. Strict credit limits are established for each counterparty on the basis of detailed financial and business analyses. These limits are constantly monitored and revised in light of counterparty or market developments and the amount of exposure relative to the size of our audited consolidated statement of financial position. We conduct transactions with the following major types of counterparties:

- Physical commodity counterparties spread across the vertical chains for oil (for example, resellers and end-users). Sales to counterparties are made on open terms up to internally approved credit limits. Exposures above such limits are subject to independent payment guarantees.
- Payment guarantee counterparties (for example, prime financial institutions from which we obtain payment guarantees).

We are present in different geographic regions. Wherever appropriate, guarantees, insurance and letters of credit are used to reduce payment or performance risk. Our maximum exposure to credit risk is equivalent to the amounts of financial assets presented in the consolidated statement of financial position. We have no significant concentrations of credit risk and no single customer accounts for more than 2% of our revenues. In addition, a significant part of the activity of our downstream business (mainly service stations) is on a cash or prepayment basis.

Trade and other accounts receivable include receivables from the sale of refined oil products and other services (both invoiced and accrued) and are shown net of any provision for doubtful accounts.

	Year ended December 31,			Nine Months Ended September 30
	2014	2015	2016	2017
			($ millions)	
Trade receivables	**652.1**	**543.8**	**528.1**	**668.0**
Of which due from related parties	158.1	139.8	131.4	211.4

Trade receivables are non-interest bearing and are generally on cash to 30 day terms. At September 30, 2017 our days of sales outstanding amounted to 12.4 days.

	Year ended December 31,			Nine Months Ended September 30,
	2014	2015	2016	2017
			(days)	
Third-party DSO(1)	13.7	12.3	12.3	12.4

(1) Third-party DSO is calculated as trade accounts receivable from third parties divided by net sales to third parties and multiplied by the number of days during the period. See ''*Summary Historical Consolidated Financial and Operating Data*'' for DSO (which includes related-party trade receivables, including from Trafigura and Sonangol).

The most significant allowance for doubtful debts on an individual trade receivable amounted to $3.2 million, $1.1 million, $2.9 million and $3.2 million as of September 30, 2017, December 31, 2014, 2015 and 2016, respectively. The impairment recognized represents the difference between the carrying amount of the trade receivables and the present value of the expected proceeds. We do not hold any collateral over these balances. As illustrated below, there were no significant movements in the allowance for impairment of receivables (see credit risk disclosure in Note 27.3 for further guidance).

The movement in the allowance for doubtful debts was as follows:

	Movement in the Allowance for Doubtful Debts			Nine Months Ended September 30,
	Year ended December 31,			
	2014	2015	2016	2017
		($ millions)		
Balance at beginning of the year	(9.4)	(12.0)	(16.4)	(14.8)
Impairment losses recognized on receivables	(9.8)	(6.3)	(7.4)	(2.1)
Amounts written off during the year as uncollectible	4.8	2.1	6.0	1.7
Amounts recovered during the year	3.0	3.7	3.1	0.4
Foreign exchange translation gains and losses	0.5	1.8	(0.1)	(0.3)
Integration of existing allowances from acquired entities	(1.1)	(5.7)	—	—
Balance at end of the year	**(12.0)**	**(16.4)**	**(14.8)**	**(15.1)**

At 31 December, the ageing analysis of trade receivables from third parties was as follows:

	Total	Neither Past Due nor Impaired	Past Due but not Impaired		
			Less than 30 Days	30 - 90 Days	More than 90 Days
			($ millions)		
September 30, 2017	456.6	412.9	23.2	8.6	12.0
December 31, 2016	396.7	342.5	43.0	4.9	6.3
December 31, 2015	404.0	353.6	33.3	9.7	7.4
December 31, 2014	494.1	428.5	43.0	10.3	12.3

Receivables from related parties are neither past due nor impaired and are therefore excluded from the table above.

Receivables sold without recourse

We have entered into factoring arrangements for trade receivables in certain jurisdictions.

The following table represents amount that have been sold on non-recourse basis for the periods indicated:

	Amounts outstanding at December 31			September 30, 2017
	2014	2015	2016	
			($ millions)	
United Kingdom	—	61.4	130.6	185.8
Australia	—	—	—	28.3
Others	1.3	—	—	—
Total	**1.3**	**61.4**	**130.6**	**214.1**

Capital Management

The primary objective of our capital management is to ensure that we maintain a strong capital structure and healthy capital ratios in order to support our business and maximize shareholder value.

We manage our capital structure and make adjustments to it in light of changes in economic conditions in order to ensure a sound capital structure.

Critical Accounting Policies

In presenting our financial information in conformity with IFRS, we are required to make estimates and assumptions that affect the amounts reported and related disclosures. Several of the estimates and assumptions we are required to make are related to matters that are inherently uncertain because they pertain to future events. If there is a significant unfavorable change to current conditions, it could have a material adverse effect on our consolidated results of operation and financial condition. Management believes that the estimates and assumptions used when preparing our consolidated financial information included in the notes to our audited consolidated financial statements included elsewhere in this Offering Memorandum were the most appropriate at that time.

Presented below are those accounting policies that management believes require subjective and complex judgments that could potentially affect reported results. For further information on our accounting policies, see the notes to our audited consolidated financial statements included elsewhere in this Offering Memorandum.

The new accounting standards, IFRS 9, Financial Instruments (''**IFRS 9**'')''), IFRS 15, Revenues from Contracts with Customers (''**IFRS 15**''), and IFRS 16, Leases (''**IFRS 16**''), which will come into effect in 2018 and 2019, respectively, will result in changes to our accounting policies and consequently in differences to the financial data included in our financial statements.

IFRS 9 was issued by the IASB in its final version in July 2014, and will replace IAS 39, ''Financial Instruments: Recognition and Measurement'' (''**IAS 39**''). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. We anticipate that this standard will be adopted in the Company's financial statements for the period beginning January 1, 2018. The Company does not currently believe IFRS 9 will have a material effect on its consolidated financial statements.

IFRS 16 will replace IAS 17, ''Leases''. IFRS 16 eliminates the distinction between operating and finance leases and requires most leases to be recorded on the statement of financial position for lessees under a single model unless the lease term is twelve months or less or the underlying asset has low value. IFRS 16 has an effective date for annual periods beginning on or after January 1, 2019 with early adoption permitted if IFRS 15 is also applied. We anticipate that this standard will be adopted in the Company's financial statements for the period beginning January 1, 2019. It is anticipated that the adoption of IFRS 16 will significantly impact the Company as we have a number of lease contracts for terminal land, some terminals, and retail sites or retail site land.

IFRS 15 is not expected to have a material impact on the Company's consolidated financial statements.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by us, liabilities we incur to the former owners of the acquiree and the equity interests we issue in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

We have applied estimates and judgments in order to determine the fair value of assets acquired and liabilities and contingent liabilities assumed by way of a business combination. The value of assets, liabilities and contingent liabilities recognized at the acquisition date are recognized at fair value. In determining fair value we have utilized valuation methodologies including discounted cash flow analysis market value assessments or replacement value by third parties for, in particular, acquired property and equipment. The market value of property and equipment is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The assumptions made in performing these valuations include assumptions as to discount rates, foreign exchange rates, commodity prices, the timing of development, capital costs, and future operating costs. Any significant change in key assumptions may cause the acquisition accounting to be revised including the recognition of additional goodwill or a discount on acquisition.

Goodwill

Goodwill is measured as being the excess of the aggregate of the consideration transferred, the amount recognized for any non-controlling interest and the acquisition-date fair values of any previously held interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units or group of cash-generating units expected to benefit from the combination's synergies. Following initial recognition, goodwill is measured at cost less any impairment losses. Impairment is determined by assessing the recoverable amount of the cash-generating unit or group of cash-generating units to which the goodwill relates. For the impairment test, see ''—*Impairment of Non-Financial Assets*.''

Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalized value of a finance lease is also included within property and equipment. Depreciation is provided on a straight-line basis over estimated useful lives of the respective assets, taking into account the residual value.

The useful lives are estimated by management at the time the assets are acquired and are reassessed annually, with the estimated useful lives being based on historical experience with similar assets, market conditions and future anticipated events. The actual useful lives might be different from the estimated useful lives. If necessary, changes in useful lives are accounted for prospectively.

Impairment of Non-Financial Assets

We assess our non-financial assets at each reporting date for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable and, as a result, charges for impairment are recognized in our results from time to time. Such indicators include changes in our business plans, changes in commodity prices leading to sustained unprofitable performance, an increase in the discount rate, low asset utilization, evidence of physical damage and, for petroleum related properties, significant downward or upward revisions of estimated volumes.

The assessment for impairment entails comparing the carrying value of the asset or cash-generating unit with its recoverable amounts being the higher of fair value less costs to sell and value in use. A cash-generating unit is the smallest group of assets whose continued use generates cash inflows which are largely independent of cash inflows generated by other groups of assets. Value in use is usually determined on the basis of discounted estimated future net cash flows. When the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects of inflation on operating expenses, discount rates and the outlook for global or regional market supply-and-demand conditions for petroleum products. We base our impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the our cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Financial Assets

Financial assets are recognized initially at fair value, plus transaction costs, except in case of financial assets recorded at fair value through profit or loss. The subsequent measurement of financial assets depends on their classification. A financial asset as defined under IAS 32 *Financial Instruments: Presentation* is totally derecognized (removed from the consolidated statement of financial position) when, for instance, we expect no further cash flow to be generated by it and transfer substantially all risks and rewards attached to it. We assess at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred ''**loss event**'') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Derivative Financial Instruments

We use derivative financial instruments to economically hedge our primary market risk exposures, primarily risks related to commodity price movements, and to a lesser extent, related to exposure to foreign currency exchange and interest rate movements. Derivatives, including separated embedded derivatives, are classified as held for trading at fair values and related gains and losses are recorded in profit or loss unless they are designated as effective hedging instruments as defined by IAS 39 *Financial Instruments: Recognition and Measurement.* The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include: using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis; or other valuation models.

Share Based Payments

Some of our employees receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognized in employee benefits expense, together with a corresponding increase in equity (retained earnings), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized at the beginning and end of that period.

Introduction

The oil and gas industry can be divided into three key areas: upstream, midstream and downstream.

Upstream, also referred to as E&P (exploration and production), involves the search of crude oil fields or natural gas fields, their development, management of production (of which recovery optimisation), and decommissioning.

Once extracted, oil and gas resources need to be purified and refined in order to be prepared for end-use. In the midstream segment, crude oil and natural gas are transported (via pipelines, tankers, road etc.) to refineries and gas processing plants for transformation to value-added products. Storage terminals, used to store both crude oil and refined products, also fall within the midstream segment.

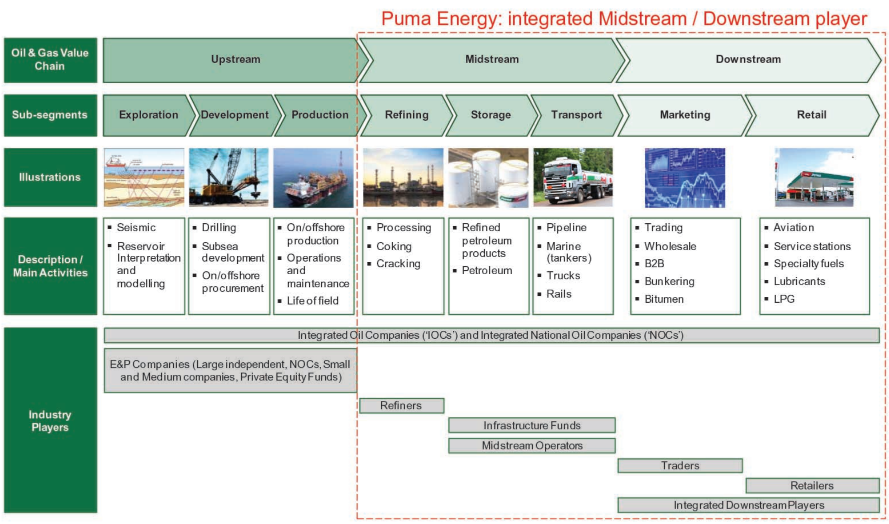
Downstream refers to marketing and commercial distribution of end-products to consumers and end users in a number of products, including diesel oil, natural gas, petrol, gasoline, lubricants, kerosene, jet fuel, asphalt, heating oil, liquefied petroleum gas as well as a number of other types of petrochemicals.

The largest volumes of oil products are gasoline (petrol), gasoil (diesel) and fuel oil and, as of 2015, 55% of oil is consumed in the transportation sector according to ExxonMobil. Oil is also the primary material for a multitude of chemical products, including pharmaceuticals, fertilisers, solvents and plastics. Oil is therefore integral to many industries, and is of critical importance to many nations as the foundation of their industries.

We are an integrated midstream and downstream oil group whose primary activities include the supply, storage and distribution of refined oil products.

The oil and oil product markets are driven by supply and demand as well as geopolitical events which can produce sharp impacts on price. Crude oil is produced by independent exploration and production companies (e.g., ConocoPhillips, Lundin, Tullow), integrated energy companies (e.g., BP, Exxon, Shell, Total) and national oil companies (''**NOCs**'') (e.g., PDVSA, Saudi Aramco). These producers subsequently either sell the crude oil to refining companies who process the crude oil into refined oil products, or in the case of the integrated energy companies may refine the crude oil in their own refining operations. The refined oil products are then stored and subsequently sold to wholesale markets and distributed to the end-users.

The diagram below shows the oil lifecycle from upstream to downstream.



Oil demand

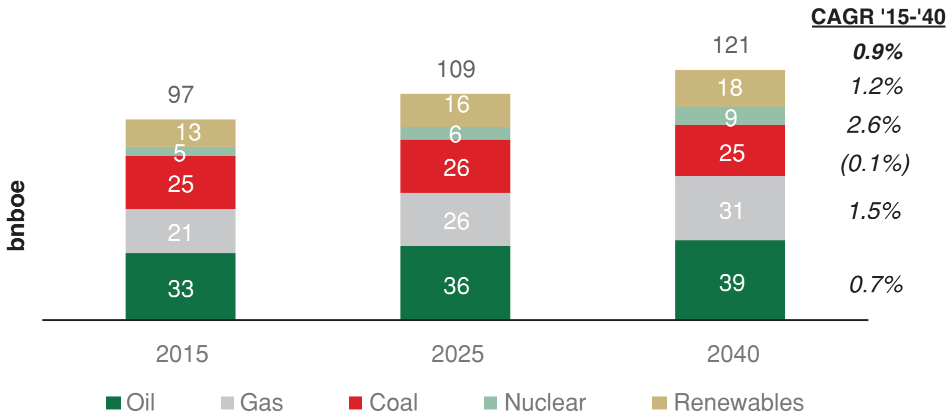
Oil Demand in the Context of Total Energy Demand

According to ExxonMobil's ''2017 Outlook for Energy: a view to 2040'', from 2010 to 2015, world energy consumption has grown at a compounded annual growth rate (''**CAGR**'') of 1.3% to 97bn barrels of oil equivalent (''**bnboe**'') as at the end of 2015. Looking forward, according to ExxonMobil, world energy consumption is expected to increase at a CAGR of 1.2% to 109 bnboe in 2025 vs 2015, representing an increase of 12bnboe.

Concerns regarding energy security and the negative environmental impact of the burning of fossil fuels are supporting the increasing use of renewable energy and nuclear power. Governments globally are encouraging the use of such alternative, more sustainable and environmental-friendly fuels. As a result, nuclear and renewables are expected to see strong growth, contributing c.38% of expected incremental energy supply by 2040. However, oil is expected to remain the primary source of energy through 2040, representing 33% and 32% of total energy consumption in 2025 and 2040, respectively. This is driven by factors further discussed under ''—*Drivers of Energy Demand*''.

The following diagram sets forth ExxonMobil's projections for 2015-2040 concerning worldwide energy demand by type of fuel consumed, along with the associated CAGR.

World Energy Demand by Types of Fuel



Source: ExxonMobil's ''2017 Outlook for Energy: a view to 2040''

Drivers of Energy Demand

GDP—Income and Population

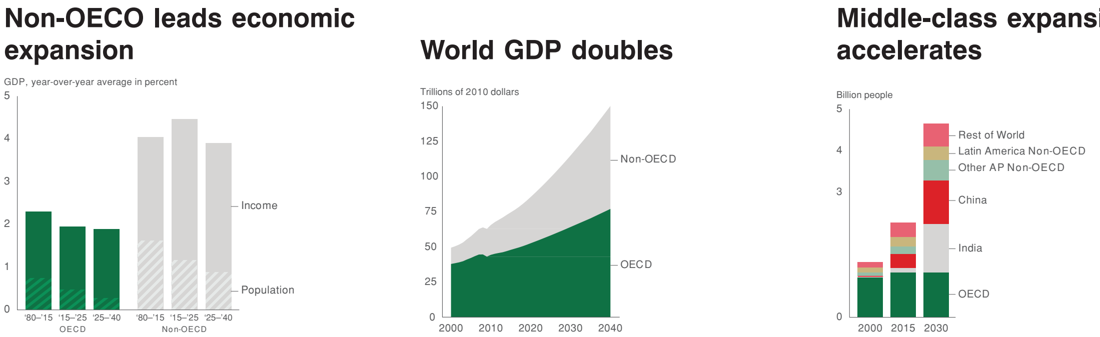
Economic output (GDP) growth consists of both income (measured by GDP per capita) and population growth. Anticipated GDP growth trends in OECD countries to 2025 reflect declining population growth and a steady rise of income, while anticipated GDP growth trends in non-OECD countries to 2025 reflect improving outlook for income growth while population growth slows. This trend is show in the diagram under ''—*GDP Expansion Driven by Non-OECD, Middle-Class Expansion (2000-2030)—Non-OECD leads economic expansion*''.

The expected GDP growth is underpinned by growing urbanization and growth in the middle-class, the group with the most disposable income on an aggregated basis. The middle-class is expected to more than double by 2030 to reach almost 5 billion people. As the diagram under ''—*GDP Expansion Driven by Non-OECD, Middle-Class Expansion (2000-2030)—Middle-class expansion accelerates*'' shows, virtually all of the growth in the middle-class is projected to come from non-OECD countries, with the middle-class population in OECD countries staying stable. World GDP is expected to double from 2015 to 2040, with non-OECD GDP increasing 175% and OECD GDP growing 60%. At the same time, non-OECD share of global GDP will rise to about 50% by 2040, up from about 35% in 2015, with China likely being the largest contributor of GDP gains, with its share of global GDP in 2040 close to 20%.

Continued expansion of the middle-class and urbanisation is expected to drive energy demand: more people with greater access to modern energy at home, rising industrial demand, and a significant increase in personal and commercial transportation needs are all expected to positively impact energy demand. Economic growth has historically been the most significant driver for demand for crude oil and refined oil products, with consumption of oil correlated to GDP growth rates across the globe. We believe this is due to the fact that GDP growth often comes with expansion of the transportation and industrial sectors; which are the two largest consumers of oil.

The charts below represent GDP growth and middle class expansion, particular in non-OECD countries.

GDP Expansion Driven by Non-OECD, Middle-Class Expansion (2000 - 2030)



Source: ExxonMobil's ''2017 Outlook for Energy: a view to 2040''

Technology

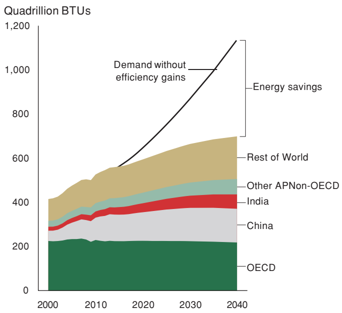
Technology plays an important role in reducing energy intensity. According to ExxonMobil, without efficiency improvement, overall energy demand growth by 2040 would be significantly higher than forecast as shown in the chart below under ''*—Efficiency Gains and Growth of Electric Vehicles—Global efficiency gains*''.

Given the importance of the transportation sector for oil demand, there are two key trends expected to shape future demand trajectory: (i) growth of electric vehicles and (ii) increasing efficiency of conventional cars.

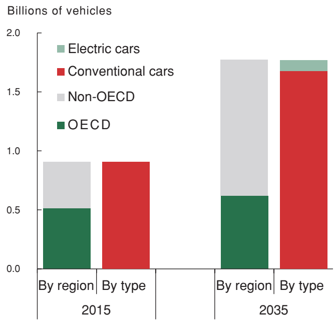
The increasing penetration of either electric or gas engines and the improvements in fuel efficiency may have an important bearing on future oil demand. However, according to BP Energy Outlook 2017, the increase in demand for car travel from the growing middle class in emerging economies will likely offset the effects of improving fuel efficiency, gas penetration and electrification, resulting in oil demand for cars rising by 4 Mb/d by 2035 from 2015 levels. Even though the number of electric or gas powered cars is expected to grow significantly in this period (from 1.2 million in 2015 to around 100 million in 2035), electric vehicles will constitute only 6% of the global fleet (see chart below under ''*—Global car fleet: 2015-2035*''). In addition, there is an increasing use of trucks in transportation services which offsets the fuel efficiency (replacing usage), and the average horsepower of cars used by consumers is increasing, with sport utility vehicles (SUVs) gaining popularity. According to ExxonMobil, a 40% increase in heavy duty vehicle energy demand is forecast, 80% of which is expected in non-OECD countries.

The chart below shows the effect of efficiency gains and the growth of electric vehicles forecast over time.

Global efficiency gains



Global car fleet: 2015 - 2035



Source: ExxonMobil's ''2017 Outlook for Energy: a view to 2040'', BP Energy Outlook 2017.

Prices

Price remains an important determinant of energy trends. Actual prices paid by energy consumers affect the amount of each fuel they choose to consume and their choice of technology and equipment used to provide a particular energy service, while the price received by producers affects their production and investment decisions. However, the markets where we operate predominantly have very few substitutes for refined oil products and therefore we believe that elasticity of demand in those countries is particularly low, even in the medium to long term.

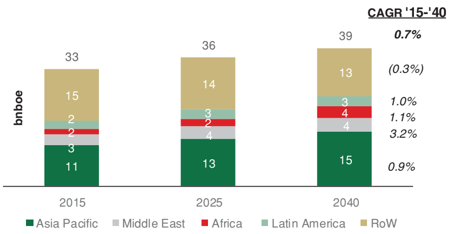
Oil Demand by Geography and by Sector

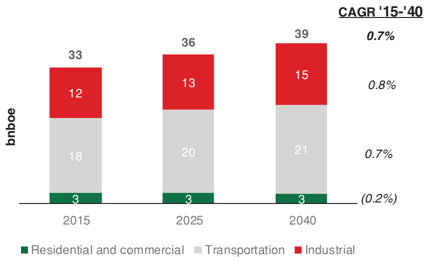
The Middle East, Africa, Latin America and Asia Pacific, which compose the bulk of our operations, accounted for 56% of global oil demand in 2015 and are forecast to grow to 65% by 2040, according to ExxonMobil. Within these regions, Asia Pacific represents the highest share (35% in 2015) and is forecast to grow at a CAGR of 1.1% from 2015 to 2040 to 39% (as shown below under ''*—Oil Demand by Geography and End Sector Contribution to Use of Oil (2015-2040)—Oil demand by geography*''). The Middle East accounted for 9% of global oil demand in 2015 and is forecast to grow at a CAGR of 0.8% from 2015 to 2040. Africa and Latin America accounted for 5% and 7% of world oil demand in 2015. According to ExxonMobil, demand in Africa is forecast to grow at the highest rate of 3.0% from 2015 to 2040, while Latin America growth rate expected to average 1.1%.

Demand for oil is primarily driven by the transport and industrial sectors with transport providing 55% and the industrial sector 37% of global oil demand in 2015 (as shown below under ''*—Oil Demand by Geography and End Sector Contribution to Use of Oil (2015-2040)—Oil demand by sector*''). This trend is forecast to remain in the long term. For the non-transport sectors, demand is more sensitive to the prevailing oil price and high oil prices provide an economic incentive to reduce oil use, either via greater efficiency or switching to alternative fuels. However, we believe the emerging economies where we operate are more oil dependent and have fewer oil substitute alternatives. In Africa for example, the industrial sector is expected to have the highest growth rate of oil demand of all end sectors.

While technological advances in non-oil based transportation technologies are anticipated alongside efficiency gains of internal combustion (IC) engines, they are not forecast to offset the increasing demand for transportation services worldwide driven by population growth and economic expansion.

The below charts show the forecast oil demand by geography and end sector contribution to use of oil (2015-2040)





Source: ExxonMobil's '2017 Outlook for Energy: a view to 2040'

Midstream and Downstream Industry: Structural Changes Addressing Globalisation Trends

The past three years have seen major declines in the price of oil, with the crude oil benchmark Brent reaching $112/bbl in June 2014 before falling to below $27/bbl in February 2016. This has taken place at a time when the oil industry is also seen in a time of transition, driven by structural as well as cyclical factors. In upstream operations, there has been a reduction in investment, in large part due to lower oil prices. However, midstream and downstream operations, while less impacted by lower oil prices, are undergoing significant structural change. One key element is the consolidation of the global refinery landscape which has important implications for refined product markets and global operations.

- Refinery operations are increasingly consolidating into regional 'mega' hubs; smaller refineries are being closed
- 'Super' refineries offer economies of scale, technical flexibility and meet mounting environmental requirements
- Demand for refined products is growing, driven by emerging markets and global needs for higher grade fuels
- Growing markets and regional hubs imply increased global trade: infrastructure development will be key
- Global oil companies with well-established trade, storage, and distribution networks, appear well positioned to prosper

Consolidating oil refining operations

As noted above, the refinery network is undergoing a period of structural transformation, with refinery operations increasingly consolidating into regional mega-hubs. The world's 10 largest (often newly-built) 'super' refineries are located in: Asia (5); the US (2); the Middle East (2); and Latin America (1). Smaller refineries across the developed world—which historically has refined crude locally—are closing, notably in Australia, Canada, and the UK.

Reasons for refinery consolidation are many and various. 'Super' refineries have at least three distinct advantages:

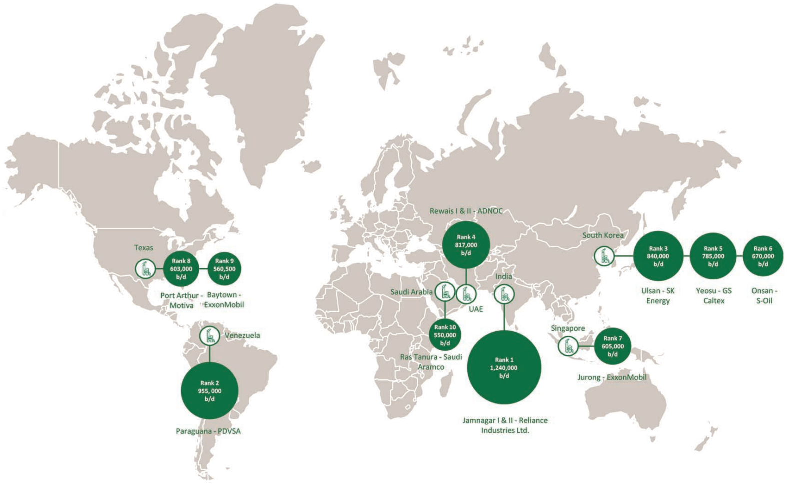
(i) They provide the benefits of economies of scale, a key driver given the fixed nature of operating costs: some of the 'super' refineries have capacities of close to one million barrels per day, whereas many smaller refineries can handle only around one-tenth of this amount

(ii) Whereas older refineries can typically process only up to 10 types of crude, modern flexible and technically-capable refineries can handle up to 50 types. This is increasingly important as the sources of crude oil widen and types of crude input thereby become more varied

(iii) The new 'super' refineries meet the growing demand for a wider range of refined products: complex refineries have the capacity to crack and coke crude 'bottoms' into high-value products, as well as to remove sulphur to meet increasingly stringent transport fuel regulations and requirements

The economics of the move towards refinery hubs is reinforced by trends in low shipping costs, which also exhibit powerful ‘engineering’ or ‘volume’ economies of scale.

The below is a map of locations of the world’s largest refineries.



Source: Publicly available company information.

Global imbalances continue to develop

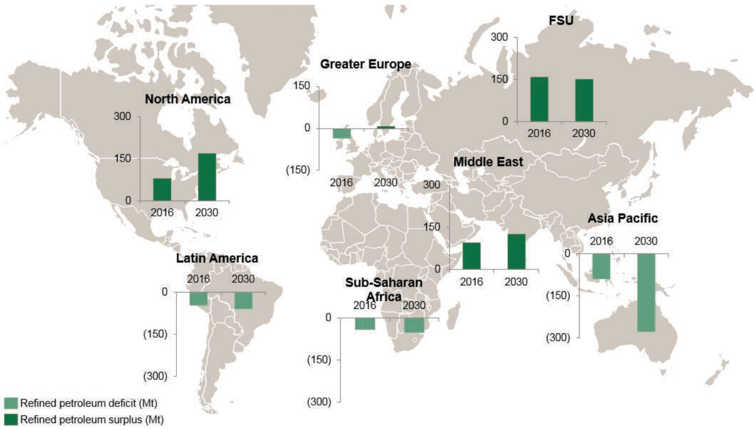
The long-run shift in global energy demand from OECD to non-OECD countries is set to lead to increasing energy imbalances with significant changes in import/export country profiles, and eventually in international energy trade flows in the next decades.

This global trend of growing imbalance between the location where products are refined and where they are consumed represents the most supportive growth driver for independent storage services and will continue to sustain the demand for these services. Third-party storage in particular is to become increasingly a key logistics facilitator of the energy industry by providing the necessary flexibility and security.

Globalisation of the energy market implies new world trade flows. Asia will thus need to increase its storage capacities as it is likely to remain a long-term growing net oil importer, whereas the US could become close to energy self-sufficient by 2021, reducing oil imports and, at the same time, becoming a natural gas exporter to Asia and Europe.

In 2016, Sub-Saharan Africa was a significant net importer of refined products and, according to Wood Mackenzie, import requirements would increase by 2030, due to demand growth, unless utilisation levels at the region’s existing refineries improve, or additional refining capacity investments are made.

The below map illustrates how refined products imbalances continue to increase worldwide.



Source: Wood Mackenzie.

Implications for trade, storage, and infrastructure

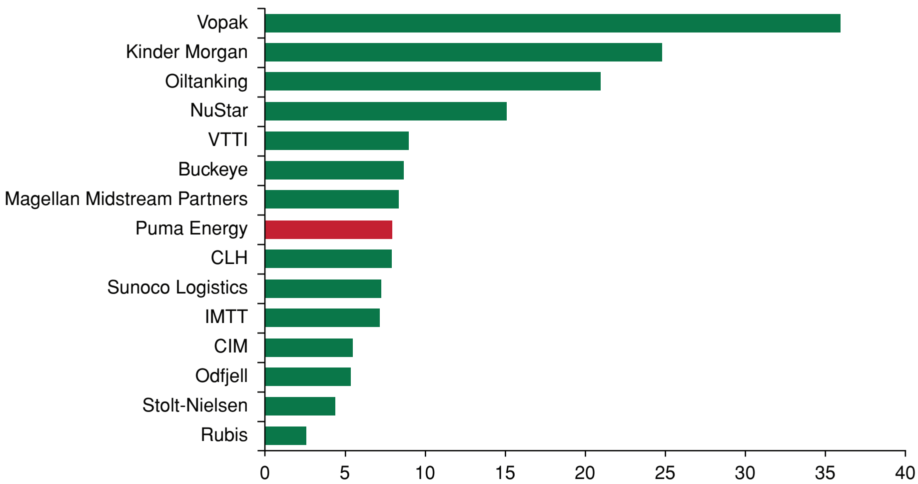
As local oil markets today need to be connected to the (fewer) global super refineries which are increasingly catering to them, transportation and storage plays an increasingly important role. Products need to be shipped reliably and safely over large distances. Efficient hub-and-spoke refinery network and global operations offer great flexibility, allowing quick adjustments to increases or decreases in demand, as well as resilience to supply shocks and other market changes. Such operations can also ensure reliability of supply in local markets.

Developments in refined product markets imply a growing role for physical infrastructure deployment across countries and regions. Building fuel import infrastructure is an essential element for energy-thirsty countries to be able to handle increasing distribution and storage of refined products.

Demand for infrastructure development is particularly strong in fast-growing underdeveloped markets with inadequate oil infrastructure. However it is also important in mature markets which also require infrastructure development to deal with closures of local refineries. These closures lead to an increase in refined products import flows.

According to Vopak, the world's largest terminal operator, as of August 2015, the size of the storage market is 323 million cubic meters. With storage capacity of 8.0m cubic meters, Puma Energy is currently the 8th largest top storage player globally (see table below). The following diagram sets forth publically presented estimates of the storage capacities of leading midstream companies.

The below chart represents total available storage capacities by company (million m^3)[(1)]



Source: Publicly available company filings and presentations.

(1) Certain figures stated in cubic meters were converted from barrels of oil at a rate of 6.29 barrels of oil = 1 cubic meter.

It is our view that storage players have concentrated on offering storage, in more mature markets (Western Europe, North America, etc.). Most storage players have not sought vertical integration into downstream activities and they are now less present in developing markets. Unlike most of the international players, and despite being within the ten largest international storage operators, we see our storage operations as a support to our distribution and retail operations as part of our integrated model. We do not aim to compete with the largest pure storage players but aim at having our own significant independent storage network to secure our integrated business model at a global level.

Downstream

Our downstream segment includes a number of businesses including retail, business-to-business, wholesale, aviation, bunkering, lubricants, bitumen and LPG. Retail represents, with business-to-business, the most significant part of these business lines.

Our retail business comprises fuel retailing and full shop offer, including in some cases restaurants and car washes. Our non-fuel offer is however in most cases managed by dealers and not directly by the Company, as can be seen by the fact that the large majority of our retail sites are operated in the DoDo and CoDo model.

Service stations are often of significant importance to consumers, with motor fuels being a commodity item upon which a large proportion of consumers depend, and demand tends to remain stable despite price fluctuations. Furthermore, few alternatives to the service station industry exist for the purchase of motor fuels. These factors underpin the operational model of service station operators.

In terms of competitive landscape, we have seen a continuous shift by the majors towards upstream activities. We believe that the majors are largely prioritizing their investments towards capital intensive Exploration and Production (E&P) activities and therefore remain very selective in downstream expansion. In downstream, we believe majors pursue capital deployment into the projects built around advantaged integrated refining and marketing positions and restructuring retail and wholesale assets where they have no refining capacity.

NOCs typically focus more on the upstream segment and on building control of production output than on the distribution and retail segment. Many NOCs (such as Namcor or Hydrocongo) withdraw from these downstream activities over time.

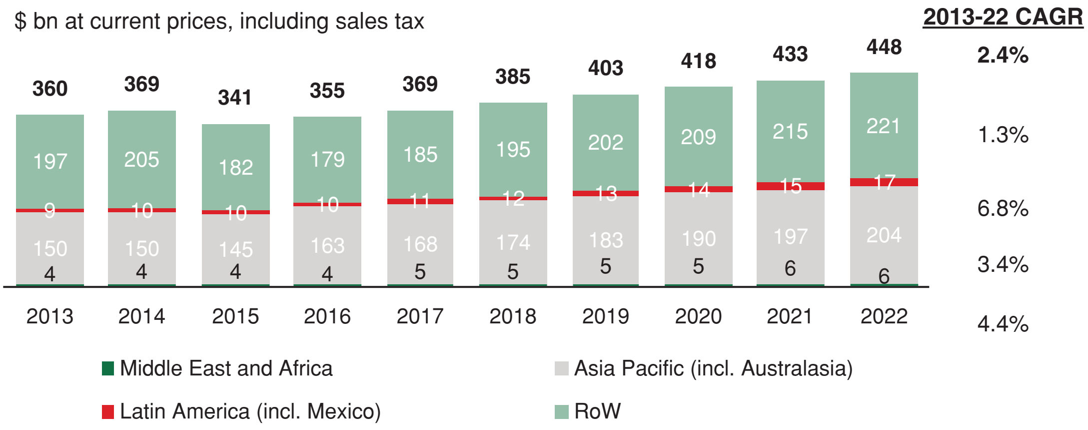
Local independent distributors present the most relevant competition to us. These independents focus on deepening their local market offering, sometimes in alliance with the majors, and tend to benefit from a low-cost base, flexibility and strong local market shares. However, they often lack critical mass and primarily have a local presence. Local players also often lack the reliability and product quality of international companies. Relevant local competitors include: Hondupetrol (Central America), SOL (the Caribbean), Delta (Panama), Engen (South Africa) and Caltex (Australia).

Finally, the downstream industry has recently seen emerging interest from oil traders e.g. Vitol's acquisition of Shell Australia (Viva Energy) and entry in Africa via Vivo Energy partnership. However, these players, focused on structurally short product markets positions, are not usually also focused on vertical integration through the value chain.

In both developed and developing economies, non-fuel channels have presented considerable growth opportunities for fuel retailers in recent years. These non-fuel channels encompass specialty products such as lubricants and services such as car wash as well as convenience retail, grocery and food-to-go. Apart from an additional source of high margins, non-fuel retail and convenience stores are seen as drivers to increase customer traffic and, ultimately, fuel volume.

As their disposable income grows, the middle class is expected to increase their spending on convenience products, especially in Non-OECD countries. The table below shows the historical and projected sales for the convenience stores format by region (in $bn at current prices, including sales tax). Latin America (incl. Mexico), Middle East and Africa are expected to be the fastest growing regions in terms of convenience sales, with 2013-2022 CAGR of 6.8% and 4.4%, respectively.

Information in this Offering Memorandum on the convenience stores channel is from independent market research carried out by Euromonitor International Limited but should not be relied upon in making, or refraining from making, any investment decision.



Source: Euromonitor International Retailing 2018 Edition

BUSINESS

Our business activities include (i) downstream operations and (ii) midstream operations, which are reported as separate segments under IFRS: downstream and midstream.

Overview

We are a leading, globally integrated midstream and downstream oil group. Unlike certain of our competitors, who primarily focus on only one aspect of midstream or downstream operations, we are engaged in all aspects of the value chain—supply, storage and distribution of refined oil products. Our geographic reach extends across 48 countries, spanning five continents. Our gross profit and EBITDA for the twelve months ended September 30, 2017 were $1,637.5 million and $753.9 million, respectively.

We operate approximately 8.3 million cubic meters of storage capacity and a network of 3,048 retail service stations (including the 470 sites acquired in the recent Pakistan Acquisition) across the Americas, Europe, Africa and Asia Pacific. We also distribute refined oil products and provide services to over 20,000 industrial and commercial clients as well as 68 airports. During the twelve months ended September 30, 2017, we sold 22.1 million cubic meters of refined oil products in our downstream segment and handled 16.8 million cubic meters of refined oil products in our midstream storage facilities. Our downstream and midstream operations, accounted for 86.5% and 13.5% of our gross profit and for 83.0% and 17.0% of our EBITDA for the twelve months ended September 30, 2017, respectively.

We continue to expand our non-fuel activities, such as convenience stores, restaurants, car washes and truck stops, either directly or through third-party franchisees and partnerships. Our non-fuel products and services represent attractive cross-selling opportunities that complement our main business activities and allow us to diversify our product offering and our sources of revenue. During the twelve months ended September 30, 2017, we derived $78.5 million or 5.5% of our downstream segment gross profit from sales of retail non-fuel products and services, and non-fuel related rental income, royalties and franchise fees.

Our vertically integrated midstream and downstream operations, which include modern storage assets and extensive retail operations, are supported by a global supply organization and stable supply sources. We benefit from a long-term relationship with our largest shareholder Trafigura, a multinational commodity trading company founded in 1993. Trafigura provides us with refined oil products for our downstream operations under an arm's length contract with a high level of reliability and at competitive prices, whilst at the same time providing us with a superior visibility and understanding of market trends. See ''*Business—Supply*''. Our business-to-business customers, as well as our extensive retail operations provide stable demand for our refined products. In combination, we believe these factors have historically provided us with a strong competitive position in the geographic markets in which we operate and an ability to take advantage of new business opportunities. We also believe that the diversity of the geographic markets we serve and business lines in which we operate provides us with a degree of protection from economic cycles in any particular geographic region or industry.

Since the acquisition of the Puma Energy brand in 1997 by Trafigura, we have expanded our operations globally, growing both through acquisitions and organically. Since 2010, we have pursued selective expansion opportunities in both developing and developed markets amidst a global energy environment in which oil majors were divesting midstream and downstream assets, including by acquiring BP's operations in Namibia, Botswana, Zambia, Malawi, Tanzania and Northern Ireland, its bitumen business in Australia, Capeco's operations in Puerto Rico, ExxonMobil's operations in Central America, Chevron's operations in Namibia, Vietnam, Puerto Rico and the US Virgin Islands, InterOil's operations in Papua New Guinea and Murphy Oil's operations in the United Kingdom. We have also acquired several independent retail distributors in Australia, Ghana, Colombia, Peru and South Africa and, in November 2017, acquired a 51% interest in Admore Gas Pvt. Ltd, which operates 470 retail sites in Pakistan.

We have also grown our business organically over time, both entering new markets and expanding in existing markets through significant investments in our retail and aviation operations and through the construction of several large storage terminals. For instance, we have made major investments in the Angolan market since 2007, and launched a number of notable greenfield projects in other countries in Africa and in Asia. In 2015, we commenced operations in Myanmar with the launch of our aviation business in partnership with the Government of Myanmar and the completion of a 91,000 cubic meters storage terminal at Thilawa. We also recently completed the construction of the Matola terminal in Mozambique, which acts as a storage hub for the Southern African operations, completed the construction of a terminal in Tema in Ghana and expanded our storage terminal in Luanda Bay, Angola, to a total capacity of 0.4 million cubic meters, bringing our total capacity to 8.3 million cubic meters. Our major investment projects of recent years are now largely complete, and we do not currently anticipate large new projects being started in the near- to medium-term.

After several years of successful expansion, we have developed a sizeable business that generates stable cash flows and EBITDA. As at September 30, 2017, in-line with our strategy, we believe we had significant market share in most of the geographic markets in which we were present and therefore have reached a stage of critical mass. We are now focused on leveraging our established presence across our markets, our local, regional and global experience, and our existing infrastructure and asset base to access new revenue-generating opportunities, including through the provision of additional products and services in geographic markets where we are already active. We have established regional offices in South Africa, Puerto Rico, Estonia and Singapore. As of September 30, 2017 (as adjusted for the Pakistan Acquisition), we have approximately 8,337 employees on a full-time equivalent basis globally (comprising approximately 6,077 permanent employees and approximately 2,260 contractors and agency workers), with approximately 44% and 32% working in our operations in Africa and Asia Pacific, respectively. We offer our employees various training programs aimed at developing their know-how and skill, strengthening our corporate culture, and ensuring the implementation of best practice tools and procedures. In 2016, we provided approximately 80,000 hours of training to our employees around the world.

For the twelve months ended September 30, 2017, we generated Regional EBITDA of $280.9 million, $296.2 million, $152.4 million and $24.4 million in Africa, the Americas, Asia Pacific and Europe, respectively.

Downstream business profile

Our core business is the distribution of refined oil products to retail industrial and commercial customers. We are active in the downstream business both as a marketer of refined oil products and as an owner and operator of related infrastructure. We source and supply a wide range of refined oil products, including fuel oil, gasoline, diesel, liquid petroleum gas (''**LPG**''), aviation fuel, bitumen and lubricants.

During the twelve months ended September 30, 2017, our retail operations sold 6.8 million cubic meters of fuel through our expansive network of retail sites in countries across Africa, the Americas and Asia Pacific (which has since expanded from the Pakistan Acquisition). The majority of these retail sites are operated under the ''Puma'' brand. We also sold 6.1 million cubic meters of fuel and lubricants to industrial and commercial customers during the twelve months ended September 30, 2017 and provided 1.6 million cubic meters of refined oil products to airlines, aircraft operators and owners across the Americas, Africa and Asia Pacific.

To complement our retail offering and to increase the utilization of our existing asset base, we are continuing to develop our non-fuel products and services, which currently include 1,278 convenience stores, such as C-store, Super7 and Shop Express, 119 car washes, 120 truck stops and 140 restaurants and cafes including our most recent chain of 7th Street cafes in Australia. We have also established partnerships with some major brands, including Subway and McDonalds, and Coles in Australia, which we believe will further enhance the appeal of our retail sites.

Our diversified customer base includes retail customers as well as industrial and commercial customers across a broad range of industries, such as power generation, transport, mining, agriculture and construction. Our industrial and commercial customers value our ability to leverage our sourcing, storage, transportation and infrastructure capabilities to deliver high-quality fuel products safely, reliably and cost-effectively. Our integrated platform also facilitates a seamless interface between international oil markets and our local retail distributors.

We are currently implementing a significant automation and digitalization program covering all aspects of our operations. Our new marketing applications and the automation of processes are expected to improve our operational performance, service offering and times, as well as strengthen our marketing efforts and efficiently organize logistics, which we anticipate will contribute to increasing our revenue and reducing our costs.

Midstream business profile

The primary objective of our midstream business is to provide the necessary storage capacity for our downstream operations, ensuring control of a critical part of our supply chain. In particular, we target opportunities in markets where refined oil product consumption is growing and where the development and effective management of infrastructure can facilitate the reliable movement of refined oil products through the supply chain and help ensure a strong market position.

We operate 101 terminals worldwide, with an aggregate storage capacity of 8.3 million cubic meters. Our storage asset base comprises eight main storage facilities (‘‘**storage hubs**’’) in the United Kingdom, Estonia, Dubai, Angola, Puerto Rico, Mozambique, Ivory Coast, and Myanmar. Most of our terminals are strategically located in close geographic proximity to our downstream operations and 50.5% of our terminals' capacity is used to support our own downstream operations. Most of our terminals are not shared with other competitors.

Our transportation and fleet management activities, as well as off-shore mooring systems, are also key elements of our midstream business. Our midstream business also includes two small refineries in Nicaragua and Papua New Guinea which form a critical part of the local supply systems. However, refining is not part of our core business and we do not expect to significantly increase our refinery operations unless specific opportunities arise which are complementary to our business plan.

During the twelve months ended September 30, 2017, our midstream activities handled 16.8 million cubic meters of refined oil products. In addition to throughput revenues at our terminals and pipelines, our midstream activities also generate revenues from capacity rental and take-or-pay agreements, as well as sales from refining activities (which are both not reflected in throughput volumes).

Our competitive strengths

Highly diversified, global business serving a large customer base

Our operations are highly diversified across geographic markets, end-user industries, products and services and clients, covering 48 countries, 3,048 retail sites (including the 470 sites acquired in the Pakistan Acquisition), 68 airports and over 20,000 industrial and commercial customers.

Historically our operations were mainly in high-growth developing countries, where we pursued attractive business opportunities in a global energy market environment in which oil majors were divesting midstream and downstream assets. We have recently increased our operations in developed economies, several of which have witnessed a decline in domestic refinery capacity in recent years and where we accordingly perceived an opportunity to establish a strong market position through our vertically integrated midstream and downstream business model. With the expansion into developed markets, we have benefitted from their large size and sales volumes, and further diversified our revenue streams. In 2013, we entered the Australian market through the acquisition of several independent fuel distributors and in 2015 we expanded further by acquiring BP's bitumen business in Australia. In 2015, we also acquired the Milford Haven storage facilities and the wholesale and business-to-business operations of Murco Petroleum Limited, a subsidiary of Murphy Oil Corporation, in the United Kingdom. The terminal acquired in Milford Haven is now our largest storage facility. For the twelve months ended September 30, 2017, we generated 20.1% of our EBITDA in countries whose sovereign debt is rated investment grade (BBB− or above), 34.6% of our EBITDA in countries whose sovereign debt is rated BB+ to BB−, 30.9% of our EBITDA in countries whose sovereign debt is rated B+ to B− and 14.4% of our EBITDA in countries whose sovereign debt is either not rated or rated below B−.

Further, we are continuing to expand our range of non-fuel products and services which represent attractive cross-selling opportunities that complement our main business activities and allow us to develop alternative revenue streams and bring additional diversity to our business activities.

We believe that our operational diversification provides a degree of protection from economic and business cycles in any particular geographic market or industry segment. Our diversification has historically allowed us to leverage our supply, storage, transportation and infrastructure capabilities and take advantage of demand and market dynamics in the various markets in which we operate, whilst providing stable revenue and cash generation.

Due to modern facilities and infrastructure, competitive pricing and reliable supply, we have developed long-term sustainable relationships with several of our industrial clients. For example, we have strong and long-standing relationships with our five largest clients by sales volumes: Shell, Vivo, Uno, World Fuel Services, and Certas Energy. Our customers operate in a wide range of sectors, including transport, power generation, industrial and manufacturing activities, mining, agriculture and construction. In our downstream segment, no single customer (including its affiliates) represented more than 3.5% of our sales volumes for the twelve months ended September 30, 2017 and our top 10 customers represented less than 13.0% of our sales volumes for the same period.

Vertical global integration capturing higher unit margins

We operate a vertically integrated midstream and downstream oil business where we control all stages of the value chain—supply, storage and distribution. Our operations are supported by a global supply platform, sizeable storage assets and an extensive retail network.

Our in-house supply team constantly assesses market opportunities and sources refined oil products from Trafigura, our largest shareholder, as well as a large base of third-party suppliers. Our 101 strategically located terminals including eight storage hubs, import and loading capabilities and transportation resources, facilitate the import of refined oil products into our geographic markets and their reliable movement through the supply chain. This allows us to source our products reliably and at competitive prices, and provides us with access to supply sources across the world. Our terminals comply with stringent industry standards, with 91% being API-compliant and a large number being ISO 9001 or ISO 14001 certificated.

To complete the vertically integrated value chain, we also operate 3,048 retail sites (including the 470 sites acquired in the recent Pakistan Acquisition) offering fuel and, increasingly, non-fuel products and services. This extensive retail network, combined with our base of business-to-business, aviation and wholesale clients helps ensure relatively stable demand for our refined oil products.

We believe that our vertically integrated business model, our supply, storage and distribution infrastructure and various strategic relationships have allowed us to secure a strong market position in many of the geographic markets in which we operate and position us well to take advantage of new business opportunities.

We have been able to achieve significant economies of scale and favourable unit margins in our core geographic markets. For our downstream segment, unit margins are defined as gross profit from our downstream activities (including gross profit from sales of non-fuel products and services) divided by total sales volume. For our midstream segment, unit margins are defined as gross profit from our midstream activities divided by throughput and refining volumes.

Leading position in higher-growth developing markets

Our vertically integrated business model, successful expansion and operational excellence have allowed us to achieve a strong presence in highly attractive markets. Across the countries (or geographic markets within countries) in which we operate, we target a downstream market share of approximately 30% and, as at September 30, 2017, we believe we had a significant market share in most of the geographic markets in which we were present. For example, during the twelve months ended September 30, 2017, we estimate we had a 30% market share in Puerto Rico and 29% in Nicaragua.

Although we have expanded into developed markets where we perceive an opportunity to establish a strong market position in recent years, most of our operations remain in developing countries in Africa, the Americas, and Asia Pacific. These regions demonstrate demographic trends which we believe support steady future growth for refined oil products (and other related and non-fuel products and services we offer), including increasing population and urbanisation and a growing middle class. According to ExxonMobil's 2017 Energy Outlook, the global middle class will more than double in the next 15 years, reaching almost 5 billion people, resulting in a significant increase in oil demand, mainly due to growth in developing countries, led by Africa and followed by Asia Pacific and the Americas, where oil demand in the period from 2016 and 2021 is projected by OPEC to grow from 3.8 million barrels per day to 4.2 million barrels per day, 32.8 million barrels per day to 36.1 million barrels per day and 5.7 million barrels per day to 6.1 million barrels per day, respectively. In addition, the International Monetary Fund projects that real GDP growth rates in Africa, the Americas and Asia Pacific in 2017 and 2018 are expected to be 2.6% and 3.4%, 1.2% and 1.9% and 5.4% and 5.5%, respectively.

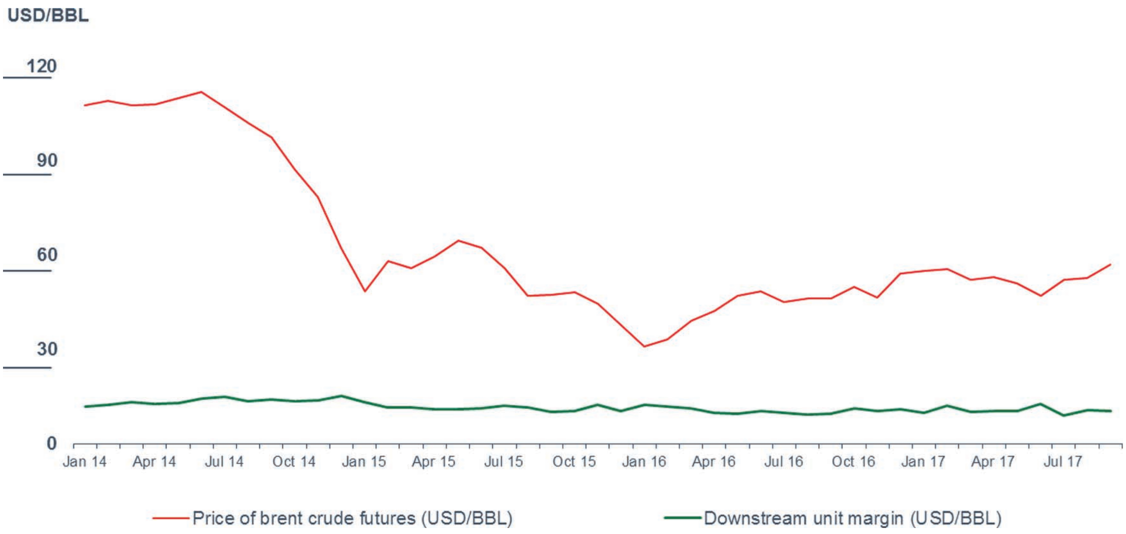
We believe we are well-positioned to capitalize on the expected growth in demand for refined oil products in these markets. Moreover, in most countries in which we operate, particularly in Africa, there is currently a relative lack of energy infrastructure. As such, governments have typically been supportive of the development of such assets and we have worked closely with local governments in several countries to make the investments required. Our terminals and storage hubs often become key infrastructure assets, which give us first-mover advantage, thus enhancing our market position, and allowing us to reap benefits across the value chain. Further, our policy of hiring local employees helps us to understand the issues the local communities face and enables transparency and dialogue in order to avoid problems before they arise. Our relationship with the local communities is further supported by our strong commitment to social responsibility and our involvement in various social, environmental and health and safety projects, including, road safety and vaccinations. In addition, our operations contribute sizable and reliable indirect tax collection to local governments. We have received numerous awards and acknowledgments in recent years, recognizing our successful integration into the countries in which we operate, such as the Social Enterprise UK International Impact Award we were granted in 2016 for our social initiatives in Ghana.

Stable cash flow business with limited exposure to commodity prices and currency exchange rate fluctuations

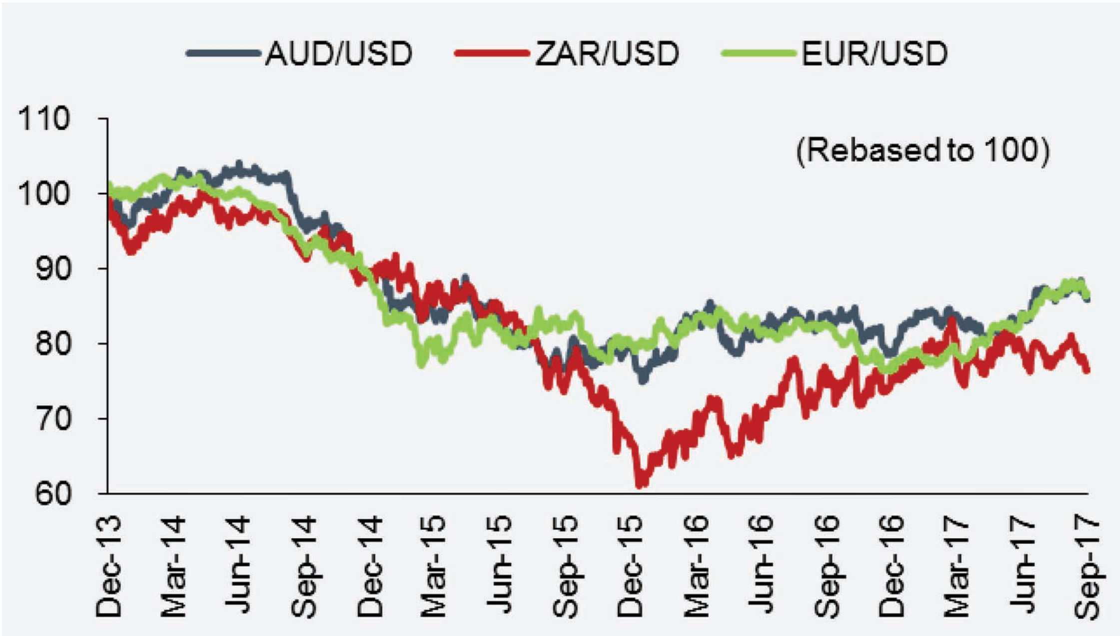
We have been able to maintain stable unit margins (and hence, gross profits) from quarter to quarter and year to year despite fluctuations in oil prices over the last few years. In the fully and semi-regulated markets in which we operate (accounting for 62.7% of our downstream gross profit and 74.4% of our downstream EBITDA during the twelve months ended September 30, 2017), including, for example, Angola, the Republic of Congo and Nicaragua, the regulations applicable to our activities set a maximum margin, at which we are permitted to sell our refined oil products. Prices in fully and semi-regulated markets are either based on a formula defined by the relevant regulatory regime, or negotiated directly with the regulators. In these markets, although increases in oil prices or local currency devaluations tend to have an adverse near-term effect, prices tend over time (though generally with some time lag) to adjust to increases in oil prices and local currency devaluations. In free markets, we can increase prices in local currency terms in response to a local currency's devaluation, or an increase in oil prices, without adversely affecting our competitive position as local competitors typically respond in a similar fashion to currency and oil price movements. This provides us with stable unit margins, which have historically contributed to stable cash flows despite oil price fluctuations.

The first chart below shows our downstream unit margin from January 1, 2014 to September 30, 2017, which has ranged between $11-$13 per barrel (or $70-80 per cubic meter), alongside the price of Brent crude futures during the same period. The chart that immediately follows illustrates the significant devaluation of the Australian dollar, the South African rand and the euro against the U.S. dollar over the same period.

Comparison of downstream unit margins versus oil prices



Comparison of the AUD, the South African rand and the euro against the U.S. dollar

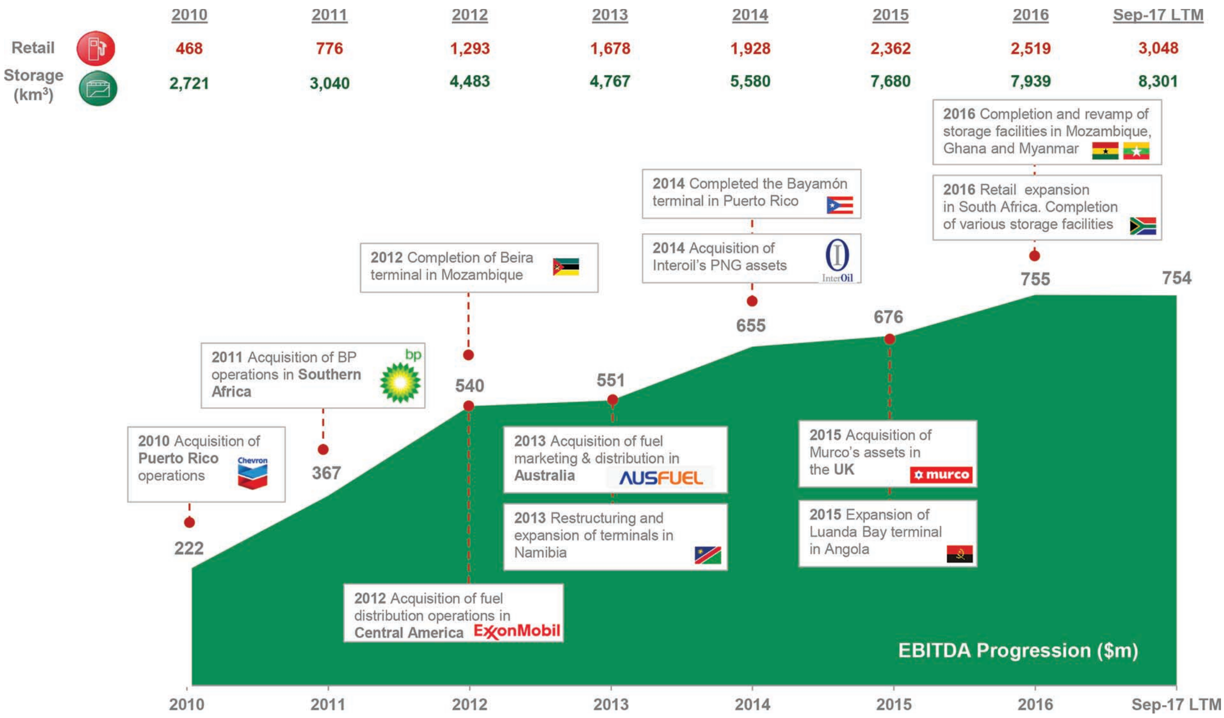


Our exposure to oil prices is further mitigated by the hedging of our inventory in free and semi-regulated markets. Whilst the value of our inventories in free and semi-regulated markets fluctuates with changes in oil prices, for the period between the purchase and sale of the product, we secure the price through the use of commodity futures and swaps. In regulated markets on the other hand, both the purchase and the sale price are fixed, so the Group is not exposed to fluctuations in oil prices. Furthermore, our inventories are fully covered by insurance against any risks or damages.

We also have a track record of stable cash flows generated from our existing, strong asset base and operations. We limit the extension of credit to facilitate a rapid cash conversion of our sales, and most of our retail and wholesale customers are not extended credit. We target and typically achieve third-party DSO of 10-15 days. Such short payment terms also allow us to mitigate the impact of currency exchange fluctuations on non-US dollars denominated receivables. We also seek to manage our local currency exposure by accessing local currency funding where possible, including the use of working capital lines and overdrafts in local currencies, which provides a natural currency hedge for local currency receivables.

Successful completion of the acquisition and investment phase with focus on extracting value from established asset base

Since our inception in 1997, we have significantly expanded our operations and entered new countries and markets, through both acquisitions of existing businesses and organic investments. We believe that we have achieved a strong market share in most of our markets, both through acquiring local market leaders and the organic development of our business, and integrating acquired local downstream operations with our existing regional and global infrastructure and supply base. Between January 2010 and September 2017, we invested $3.2 billion in various organic growth initiatives, and made business acquisitions for a total consideration of $2.7 billion. This resulted in a strong increase in EBITDA and a comprehensive retail and storage infrastructure as illustrated in the chart below. EBITDA, service sites and storage capacity increased from $222.0 million, 468 and 2,721 cubic meters for the year ended December 31, 2010 to $753.9 million, 3,048 (as adjusted for the Pakistan Acquisition) and 8.3 million cubic meters for the twelve months period ended September 30, 2017. The chart below illustrates the number of retail sites at September 30, 2017 as adjusted for the Pakistan Acquisition.



Although we may continue to pursue acquisitions on an opportunistic basis, we believe that we have largely completed our expansion phase and we now aim to focus on optimizing our strategic asset base and improving operational efficiency, which we expect will result in reduced capital expenditure spending going forward and increased profitability.

Prudent financial and capital structure management

We believe that we are benefiting from our prudent financial management. As part of our ongoing strategy of replacing Operating Group secured debt with unsecured debt at the Issuer level, which will rank *pari passu* with the Notes, we have reduced the secured debt at the Operating Group level as a percentage of our gross total debt from 65.1% as at December 31, 2013, to 3.4% as at September 30, 2017. Unsecured financing incurred by the Issuer represented 86.1% of our gross total debt as at September 30, 2017. The shift in our funding strategy in recent years has been viewed positively by rating agencies, including Moody's Investor Services, which in October 2016 upgraded the credit rating on the 2021 Senior Notes to Ba2 from Ba3, citing the reductions in debt at the level of the Group's operating subsidiaries, while affirming the Company's corporate family rating at Ba2. We have also sought to actively manage our debt maturities and to extend the Company's debt maturity profile when possible to do so on attractive terms. On October 6, 2017, we refinanced $590 million of our senior notes via an offering of the 2024 Senior Notes, which further contributed to this strategy and further extended out our debt maturity profile. This Offering and the Refinancing are part of our strategy to further extend the Company's debt maturity profile.

The table below summarizes the maturity profile of our financial liabilities as at September 30, 2017, after giving effect to the Recent Refinancing Transaction and the full drawing of the Club Facility and use of proceeds therefrom as if these had each occurred on September 30, 2017:

	Less than 1 year	1 - 5 years	More than 5 years	Total
		($ millions)		
As at September 30, 2017				
Interest bearing loans and borrowings, as adjusted[1]	626.8	1,908.1	919.7	3,454.6
Trade and other payables	1,861.2	—	—	1,861.2
Financial derivatives	43.3	—	—	43.3
Other liabilities	0.3	35.8	—	36.1
Total	2,531.6	1,943.9	919.7	5,395.2

(1) In this table, the line ''Interest bearing loans and borrowings'' discloses the amount outstanding under total (current and non-current) interest-bearing loans and borrowings including the accounting impact of arrangement fees, premiums and discounts.

We have maintained stable leverage despite our growth profile. Our ratio of total Net Debt (excluding inventories) (defined as total borrowings less cash and cash equivalents and less inventories) to EBITDA was 2.6x, 3.0x, 2.8x and 2.8x as at December 31, 2014, 2015 and 2016 and September 30, 2017, after giving effect to the Recent Refinancing Transaction and the full drawing of the Club Facility and use of proceeds therefrom as if these had each occurred on September 30, 2017, respectively. We intend to maintain our ratio of Net Debt (excluding inventories) to EBITDA at or below 3.0x, while maintaining strong liquidity and continued diversification of funding sources (including bonds, private placements, revolving credit facilities, term loans and borrowing base facilities).

We also have a strong liquidity position and one that we have prudently strengthened in recent months, in particular through the reduction of utilization of existing revolving facilities with excess cash on hand, and through new financings. As of September 30, 2017, after giving effect to the Recent Refinancing Transaction and the full drawing of the Club Facility and use of proceeds therefrom as if these had each occurred on September 30, 2017, we had $539.3 million of undrawn committed credit lines and a strong network of banks both at global corporate level and at local retail level. We also have a $500 million undrawn committed shareholder loan granted by Trafigura.

We have a strong ability to upstream cash flows, through our supply system, capital expenditure and procurement invoices, dividends, as well as inter-company loans. Moreover, as cash generated by our local operating subsidiaries is generally immediately transferred to us through the payment of intracompany invoices (rather than as dividends), we usually have limited exposure to cash repatriation risk.

Experienced management team with supportive lead shareholders

Our management team has extensive experience in all aspects of midstream and downstream operations across numerous oil industry sectors, including the supply, energy trading, and wholesale segments. Our stable and highly experienced senior management team, comprised of ten members, has a combined 60 years of experience with Puma Energy and a total of 259 years of experience, including serving in various management positions in companies such as Total, British Petroleum, Umicore, Endesa and Deloitte.

We have a decentralized management structure which allows for flexible decision-making at the local level, while maintaining centralized control and reporting systems. Further, our IT and control systems provide us with real-time, centralized management information and a live online reporting system, which are key to managing the complexity of our business and improving our decision making process.

Our growth has also been fostered by equity investments from our shareholders, who have contributed $1.3 billion of new equity in the business since 2009. In 2009, our largest shareholder, Trafigura, converted a $200 million shareholder loan to us into equity. In 2010 and 2011, Cochan

Holding and Sonangol entered into the share capital of Puma Energy. In 2013, a capital increase of $500 million grew Sonangol's holding in Puma Energy from 20% to 30%. In 2015, we raised $350 million through a capital increase from two of our main shareholders, Trafigura and Cochan. Although our largest shareholder Trafigura has historically provided us with financial support, this is no longer key to meeting the Group's financing needs. Due to stable cash flows generated from our operations, a $500 million committed shareholder loan granted by Trafigura has remained undrawn since 2014.

Trafigura continues to provide us with operational support and is our key supplier of refined oil products, as well as a customer of our infrastructure and logistics services. In addition, we benefit from the local market knowledge of Cochan, an Angola-based investment firm, and Sonangol, the state-owned oil company of Angola and one of the leading oil producers in Africa. We also purchase some of our refined oil products from Sonangol.

Strong risk management and compliance functions

We operate a risk management and control framework which governs decision making at each corporate level and defines reporting lines and controls. Underlining our commitment to robust risk management and compliance standards, we appointed a new Global Head of Compliance in 2016, who reports directly to the Chairman and the CFO, and have adopted a comprehensive sanctions, anti-bribery and corruption compliance program designed to help prevent, detect, and deter conduct that would violate relevant regulations. Our management team closely monitors our Group's compliance with principles of good corporate governance by employing a framework that provides for checks and balances while allowing our management flexibility for prompt decision-making in the ordinary course of business.

Our risk management and control model also focuses on various business risks such as commodity and currency exposures, compliance with laws and regulations in the various jurisdictions in which we operate and increased transparency. We comply with stringent industry standards, with 91% of our terminals being API-compliant and a large number being ISO 9001 or ISO 14001 certificated, limiting our operational risk. Our business model, where cash generated by our local operating subsidiaries is generally immediately transferred to us through the payment of intracompany invoices (rather than as dividends), allows us to limit exposure to cash repatriation risk. We have been able to maintain stable unit margins despite fluctuations in oil prices over the last few years. We also actively monitor counter-party credit risk, and we seek to minimize our exposure to this risk by targeting and achieving an average of 10-15 days of sales outstanding. All of our retail business is cash based. For other customers, typically industrial companies and airlines, we establish credit limits, engage in ''know your customer'' checks, invest in advanced management systems and maximize geographic and customer diversification in order to minimize credit losses. To further address credit risk and improve the collectability of our trade receivables, in some geographies we use a combination of credit insurance and factoring. Our maximum credit loss on a single receivable amounted to $3.2 million.

To manage our exposure to political risk, we seek to maintain a politically neutral stance in all of our operating jurisdictions. We have political risk insurance to further minimize our exposure to nationalization, expropriation and confiscation. We believe that successful implementation of risk management strategies, further supported by our cooperation with local governments in establishing needed infrastructure (and the goodwill this tends to generate), is integral to the performance of our integrated geographic platform.

Our strategy

Our strategy is to further enhance our leading position in the downstream and midstream segments and geographical areas in which we operate, while enhancing the quality and efficiency of our infrastructure base and customer offer and targeting new markets on an opportunistic basis. We believe the following key initiatives will allow us to successfully execute and implement our core strategies:

Secure or maintain leading market shares in each of our geographies

We aim to maintain our strong position in our midstream and downstream activities, in both high growth developing markets and in more mature developed markets. We are not expecting to exit any of our current markets as we intend to continue to take advantage of opportunities in markets where we can integrate supply, storage and distribution. Whilst historically many markets were supplied by local refineries, the closure of such refineries provides us with the opportunity to use our own supply system to ensure a strong market position. One example is our acquisition in 2015 of the former refinery at Milford Haven in the United Kingdom, which we transformed into a storage terminal. This presented us with an interesting opportunity to enter the United Kingdom market, which is a mature but significant market.

We believe we are well-positioned to pursue and capitalize on market opportunities due to our strong infrastructure base, and supply system, including our cooperation with our largest shareholder, Trafigura.

Expand our offering to our customers

We intend to maintain and grow our leading position both in midstream and downstream markets, by expanding our fuel and non-fuel offerings. We believe that we can leverage our established presence across our markets, our local, regional and global experience, and our existing infrastructure and asset base to access new revenue-generating opportunities, including through the provision of additional products and services in geographic markets where we are already active. We have an established track record of successfully entering into new business lines in the markets in which we operate. For example, we have grown our aviation operations, by increasing our presence from 27 airports as at December 31, 2013 to 68 as at September 30, 2017. We sold approximately 55% more aviation fuel by volume across our locations in 2016, compared with 2015.

We are also improving the quality of fuel distributed in order to provide cleaner and more efficient fuel to consumers and aim to continue to grow our specialized products offerings (such as lubricants and LPG). We are also continuing to expand our non-fuel operations. During the twelve months ended September 30, 2017, we derived 5.5% of our gross profit from sales of non-fuel products and services (and related rental income, royalties and franchise fees). The increased focus on non-fuel activities in our retail sites illustrates our overall strategy of increasing profitability per site, diversifying revenues and further extracting value from our existing asset base.

We believe our continued emphasis on integrating non-fuel products and services, and entering into new business lines in existing markets, represents attractive cross-selling opportunities within our business, solidifies our brand, and allows us to diversify revenue streams and attract customers even when they do not need to refuel.

Extract value from existing asset base

Over the past few years, we have significantly increased our asset base and geographic footprint, through both capital expenditures and acquisitions. These initiatives have been successful and we now benefit from a large and strategic infrastructure base. In the near term, we aim to focus on completing ongoing organic investments and optimizing our existing asset base, which should translate into significantly reduced capital expenditure spending going forward. While we do not foresee any major acquisitions in the near future, we will keep assessing and, where appropriate, pursuing, investment opportunities as and when they arise, and continue developing our retail network.

We aim to improve operational efficiencies and profit margins over time, through optimization of our existing asset base and processes. Thus we aim to capitalize on our network of strategically located storage terminals and hubs, to further strengthen our competitive position and increase the volumes sold to our customers.

We will continue to rely on what we believe to be very high customer service standards at each of the locations we operate and grow our non-fuel product and service offering to reach new markets, improve our cost efficiency, our customers' experience and connectivity. The ongoing digitalization and automation of our activities will further increase our ability to offer services throughout the day and night, whenever our customers want access.

Maintaining a robust financial position

Prudent financial management and planning are central to the successful delivery of our business strategy. We intend to maintain sufficient liquidity to provide us with the financial flexibility required to operate while maintaining prudent leverage. We intend to continue to pursue our financing strategy and lengthen the company's debt maturity profile, maintaining Net Debt (excluding inventories) to EBITDA at or below 3.0x. We are also continuously focusing on cash flow generation and diversification of funding sources and our dividend policy sets the maximum amount of dividends to 20% of net attributable income. In the years ended December 31, 2014, 2015 and 2016, we distributed nil, $17.0 million and nil, respectively, as dividends to our shareholders. During the first nine months of 2017, we distributed $23.6 million as dividends to our shareholders.

We strive to maintain an appropriate debt maturity and cash balance while approaching decisions concerning capital expenditures and leverage in a financially responsible manner.

History

Since the acquisition of the Puma Energy brand by Trafigura in 1997, the Group has expanded its geographic footprint through both organic investments and acquisitions. From 1997 to 2002, we were primarily active in Central America, building up our asset base and market share in key markets in the region.

In 2002, we entered Africa through an investment in the Republic of the Congo and, during the following three years, we focused on investments in the midstream sector in sub-Saharan Africa. Our strategy focused on investment in infrastructure related to oil imports aimed at facilitating our access to downstream markets where the existing infrastructure was insufficient to address the expected growth in demand.

We entered Angola and the Ivory Coast in 2007, and started our operations in Europe in 2008 with the acquisition of a storage business, in Estonia, Northern Russia and Norway. We began operations in the Middle East in 2009 with the purchase of a terminal in the UAE.

In 2010, we entered the Democratic Republic of the Congo (the ''**DRC**'') and Mozambique. Since 2010, we have complemented our organic growth with the acquisition of several downstream companies. In 2011 we acquired the distribution business from BP in Namibia, Botswana, Zambia, Malawi and Tanzania. In 2012 we acquired Chevron's downstream operations in Puerto Rico and Namibia, Capeco's operations in Puerto Rico and ExxonMobil's midstream and downstream activities in Central Americas. In 2013, we acquired several fuel distributors in Australia, adding a significant network of retail sites and storage assets.

In 2014 we expanded into Papua New Guinea by acquiring InterOil's operations including a refining business, an extensive network of fuel terminals, retail service stations and aviation facilities. Following the acquisition we have become Papua New Guinea's major supplier of fuel. Since 2014, we also extended our operations to Myanmar, with the construction of a major import terminal, and the start of our aviation operations, now serving all airlines operating in the country. In 2014 we have also continued our expansion into Africa with the acquisition of Sasol's and Chevron's downstream activities in Swaziland and Lesotho, and the acquisition of UBI Group in Ghana. We further developed our existing assets via a rebranding of our retail sites in Australia (acquired in 2013) and the opening of a bitumen terminal, which we built in Malaysia.

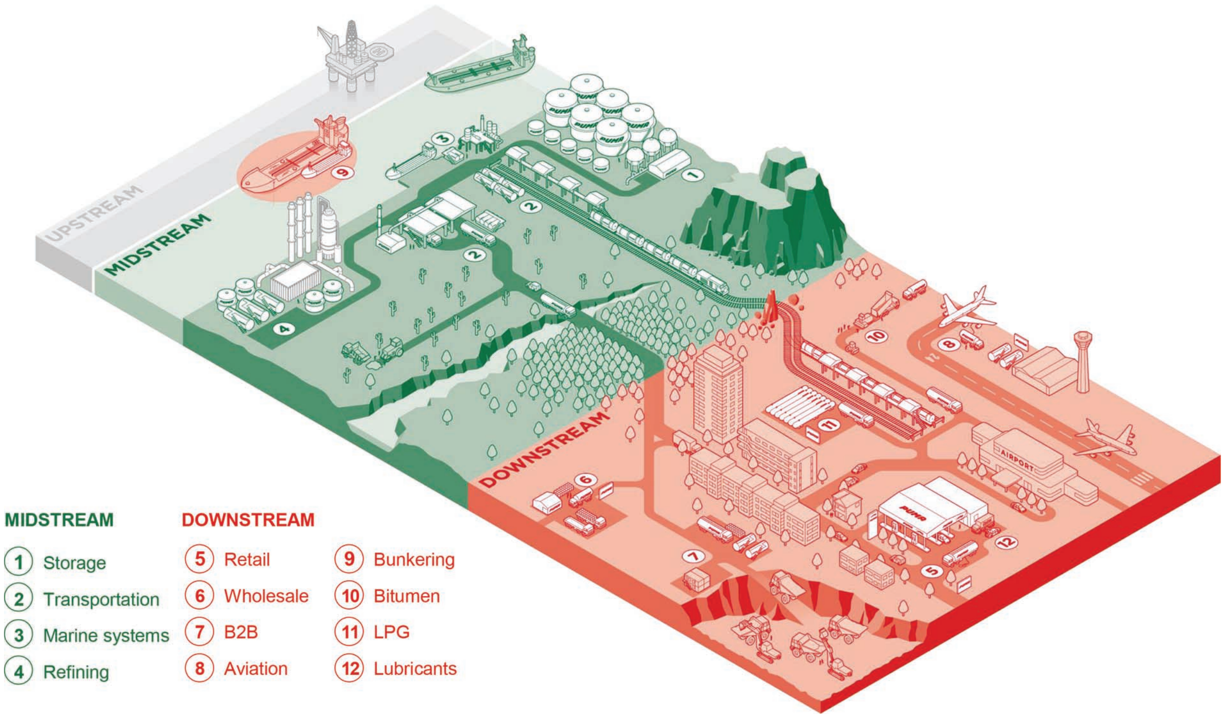
In 2015, we made our first acquisition in the United Kingdom from Murco Petroleum Limited, a subsidiary of Murphy Oil Corporation, including a wholesale and distribution business, as well as 1.4 million cubic meters of midstream storage. In 2015, we also acquired several independent retail distributors in Colombia, Peru and South Africa, purchased BP's aviation fuel business in Puerto Rico, and completed the acquisition of BP Australia's bitumen business. We have also finished the construction of the Matola terminal in Mozambique, which acts as a storage hub for our Southern African operations.

In 2016, we opened a bulk fuel storage terminal at Matadi in the Democratic Republic of Congo and acquired retail activities in Tanzania and Ghana and bitumen storage assets in Nigeria. In 2017, we completed the acquisition of BP's bulk storage terminal in Belfast, Northern Ireland, increasing the Group's storage capacity by 143,000 cubic meters. We also began the construction of a fuel terminal in Rostov, Russia, in order to supply a new international airport which is being built as part of the country's federal program for the upcoming FIFA World Cup 2018. In July 2017 we also acquired 100% of the share capital in Tropifuel Energies Corp., a Panamanian fuel distributor and in November 2017 a 51% interest in Admore Gas Pvt. Ltd, operating over 470 retail sites in Pakistan.

Our Operations

The following diagram depicts our downstream and midstream operations.

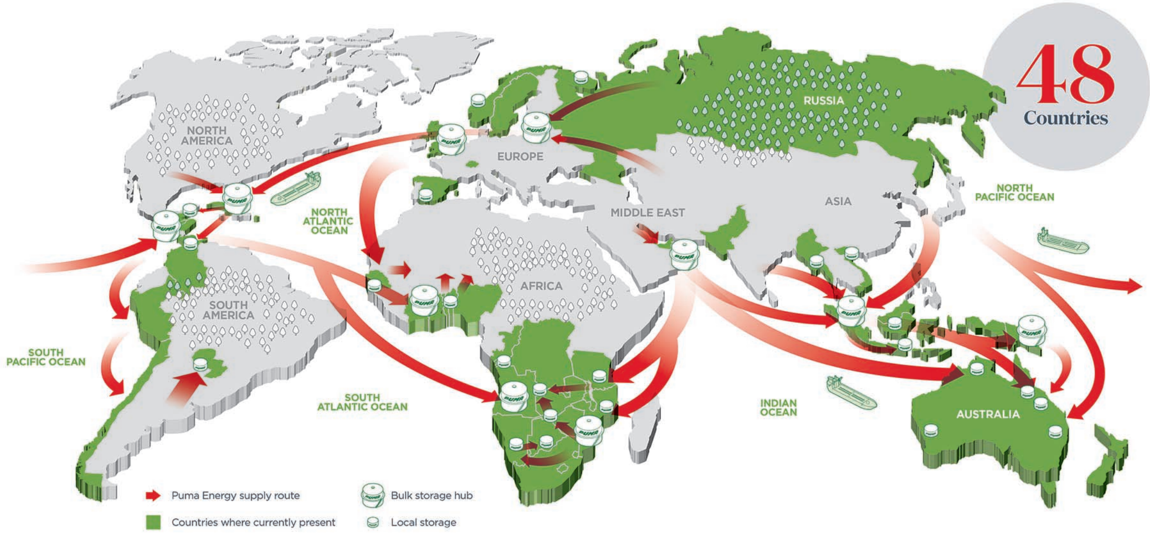
Our Business Model



Our downstream business covers the distribution of refined oil products in high-growth markets to our end customers. Downstream operations include the following business lines: retail, business-to-business, wholesale, bunkering, aviation, lubricants, bitumen, LPG and supply. Within our midstream business, we own and operate infrastructure to store and transport refined oil products internationally, such as bulk storage depots and offshore mooring systems.

Our storage infrastructure is primarily intended to support our downstream business, although it also earns income as a result of providing storage services to third and related parties. In addition, our midstream operations allow us to more efficiently source refined oil products by providing the storage capacity and infrastructure necessary for us to hold supply stocks, which allows us to purchase when prices are most favorable. We operate primarily in regions with high oil consumption growth, such as the Americas, Africa, Asia Pacific, and we invest in oil-related infrastructure in developing and, more recently, developed markets (including Australia and the United Kingdom) where we consider that the existing infrastructure is insufficient and where the addition of oil-related infrastructure has the potential to facilitate our access to downstream markets.

The following diagram depicts our storage hubs, assets and primary global supply routes.



Supply

Our operations depend on a steady supply of refined oil products. We have organized our supply activities as a separate business line within our downstream operations, and we manage the supply business on both a regional and global level. The role of the supply function is to seek to ensure that:

- our requirements are managed at regional, rather than country, level to capture economies of scale and to avoid unutilized space on vessels;
- we use our expertise in inland logistics to optimize supply chain costs, truck routes and scheduling;
- price exposure is controlled using hedging instruments having a maturity between three months and one year; and
- products are sourced at competitive price levels.

We have centralized supply teams, which coordinate the supply of refined oil products and bitumen across the Group. We typically purchase the largest volumes of our refined oil products from Trafigura, our largest shareholder. The terms of these purchases include, in certain cases, arbitrage cargoes coming from outside the region where we intend to sell the refined oil products. We purchased 70% of our refined oil products from Trafigura (for a total amount of $5,871.8 million), our largest shareholder, in the year ended December 31, 2016 and around 7% by value of our refined oil products from Sonangol, our second-largest shareholder (for a total amount of $775.6 million), in the same period. Our contract with Trafigura provides us with refined oil products for our downstream operations with a high level of reliability and at competitive prices, whilst providing us with a superior visibility and understanding of market trends. Although the contract with Trafigura includes an exclusivity clause, it is subject to exceptions, which allow us to switch to alternative supply sources, if and when they are more favourable. Our in-house supply team constantly assesses market opportunities, and its negotiating position is further enhanced by the Group's size, procurement power and available storage capacity. See ''*Related Party Transactions—Supply*'' for further details of the supply contracts. Our supply department also purchases refined oil products from third parties, which account for the remaining purchases of refined oil products.

Downstream

Our downstream, activities encompass the sale of refined oil products, including fuel oil, gasoline, diesel, jet, LPG, bitumen and lubricants to retail, industrial and aviation end-customers. It is our main segment accounting for 86.5% of gross profit and 83.0% of EBITDA during the twelve months ended September 30, 2017.

Retail

During the twelve months ended September 30, 2017, our retail operations sold 6.8 million cubic meters of fuel through our expansive network of retail sites in countries across Africa, the Americas and Asia Pacific (which has since expanded from the Pakistan Acquisition). We are also focusing our efforts on implementing a digitalization strategy in order to further improve our services offered, reach new markets and customers and improve our cost efficiency.

We choose our retail site locations by analyzing road networks, town development, marketing considerations (such as where competitors operate), traffic, site visibility and land ownership. In recent years we have grown our network of retail sites through both the acquisition of local retail distributors and organic investments.

Our preferred operating model is CoDo (company owned; dealer operated), which allows us to secure ownership of the retail site and to operate through dealers, typically under renewable one-year contracts. Under the CoDo model, we own the retail site, while the dealer is responsible for operating the site under our brand. Our net sales comprise revenues from the sale of fuel products to the dealer, and rental fees for the non-fuel premises (convenience stores products, car washes and restaurants).

Under the DoDo model (dealer owned; dealer operated), a dealer owns the retail site and operates the site under our brand pursuant to a dealer or similar agreement. We sell the fuel to dealers (typically under an exclusive supply arrangement) and our net sales comprise revenues from the supply of automotive fuel, and in some cases brand license fees. When it is not possible to acquire ownership of the retail station, we use the DoDo operating model. With the recent Pakistan Acquisition, we added another 470 retail sites under the DoDo model, to our existing network. We also use the DoDo operating model in certain cases when entering new markets.

We operate a small number of retail sites under the CoCo (company owned; company operated) operating model. Under the CoCo model, we own the retail site and the fuel inventories and we operate the retail site, directly employing the dealer and other site employees. Our net sales and cost of sales reflect the sales of automotive fuels and non-fuel complimentary products and services. In certain limited cases, operating retail sites under the CoCo operating model, is a strategic choice, allowing us to retain a high degree of control over the brand and the station and capturing the additional revenues generated by convenience stores and restaurant facilities.

The following table summarizes the split of operating model for each region in which we operated as at the date of this Offering Memorandum:

Operating Model	Number
CoCo	
Americas	1
Africa	63
Asia Pacific	120
Total CoCo	184
CoDo	
Americas	646
Africa	454
Asia Pacific	167
Total CoDo	1,267
DoDo	
Americas	676
Africa	290
Asia Pacific(1)	631
Total DoDo(1)	1,597
Total(1)	**3,048**

(1) Includes the 470 retail sites from the Pakistan Acquisition.

Non-fuel products and services

To complement our retail sites, we operate 1,278 convenience stores, 119 car wash facilities, 140 restaurants and cafes, including our most recently introduced chain of 7th Street Cafes and convenience stores, which opened to the Australian public in June 2016. These new cafes which offer coffee, fresh food, free wifi and phone recharging points, were devised to attract customers into our retail sites. Since opening, we have expanded the number of 7th Street Cafes to 28, which are all open for business across Australia. We also operate 120 truck stops, of which 60 in Australia. We intend to further develop our retail footprint by expanding our non-fuel offer through additional shops, restaurants, car washes and truck stops, which we believe will allow us to capture further value from our retail operations. The following table summarizes the extent to which each non-fuel offers are used in each business model as of the periods indicated:

Non-fuel offer by operating model

	At the date of this Offering Memorandum			
	CoDo	**CoCo**	**DoDo(1)**	**Total(1)**
Convenience Stores	855	110	313	**1,278**
Restaurants and Cafes	83	23	34	**140**
Car Washes	51	7	61	**119**
Truck Stops	47	60	13	**120**

(1) As adjusted for the Pakistan Acquisition.

In the CoDo model we indirectly benefit from non-fuel products and services through the rental price we charge dealers for the premises, which may be a fixed amount or commensurate with the revenues from sales of non-fuel products and services (to the extent permitted by any country-specific rental control laws). At CoCo sites we retain the full margin generated by the convenience stores, restaurants and car washes.

Wholesale

Within our wholesale business line, we supply refined oil products to wholesalers across Africa, Europe, Americas and the Asia Pacific. These wholesalers then resell to third parties, such as independent retailers and small commercial and industrial companies. The use of wholesalers enables us to reach smaller companies and individuals that may be isolated or have higher credit risk, while benefiting from the local expertise of wholesalers.

We offer a full range of refined oil products and operate blending facilities in order to tailor our products to regional demands and specifications. Most of our contractual arrangements with wholesalers require the wholesaler to use unbranded trucks and to resell our products to unbranded retail sites. This limits our reputational risk and exposure to incidents at the distributor or final customer level.

We typically enter into short to medium-term contractual agreements (usually with one- to five-year terms) with wholesalers and use spot arrangements only in certain cases. We typically require that all the products we supply are paid for in cash.

Business-to-business (B2B)

Within our B2B business line, we supply refined oil products to over 20,000 companies across Africa, Europe, the Americas and Asia Pacific. Our industrial customers operate across a wide range of sectors, including transport, power generation, industrial and manufacturing, mining, agricultural and construction.

We aim to offer competitive prices to our industrial customers and provide reliable supply of refined oil products. Our B2B customers include those that require a constant and reliable supply in operating environments where logistics are highly constrained. We continue to invest and widen the services and products we offer to our customers. Our fully integrated offerings to customers cover services beyond mere supply, including fuel stock management, delivery of fuel to vehicles, engine and consumption fleet management and installation of our own storage tanks on our customers' premises. With the ongoing digitalization of our activities, we expect to further optimize the efficiency of our operations (including order taking, stock management, fleet programming, invoicing and cash collection) whilst improving our cost efficiency.

We typically enter into medium-term arrangements (usually with three- to five-year terms) with those customers benefitting from our fully integrated offerings and into spot arrangements with the remainder of our customers. Our industrial customers include, for example, Coca-Cola, Canal de Panama, De Beers and CAT.

Our B2B segments also include the sale of bitumen products mainly for road infrastructure projects and we have bitumen storage and distribution facilities in Angola, Nigeria and Mozambique, Vietnam, Myanmar, Australia, Guatemala, and the United Kingdom. We also own the largest private bitumen terminal in Europe (Cadiz, Spain) and the largest bitumen terminal in South East Asia (Langsat, Malaysia).

Aviation

Our aviation business line provides aviation fuel to commercial and general aviation customers, primarily by performing ''into-plane operations'', where our staff supplies aviation fuel directly into aircrafts.

We operate in 68 airports worldwide, 37 in Africa, 22 in Asia Pacific and 9 in the Americas. We seek to serve airports in high-growth markets and aim to become the most reliable supplier in the airports where we operate. For example, in 2015 we started to distribute jet fuel to Myanmar's Yangon International Airport and we expanded the operations of our aviation fuel operations to the remaining 10 major airports in Myanmar in 2016. We sold 55% more aviation fuel by volume across our locations in 2016, compared with 2015.

Our Aviation business offers the following aviation fuels:

- JET A-1 (Jet fuel) which fully meets Aviation Fuel Quality Requirements for Jointly Operated Systems (AFQRJOS), the requirements of the U.K. Defense Standard 91/91 and ASTM International's standards for jet fuel (known as ASTM specification D-1655); and
- Aviation gasoline 100LL (Avgas), a fuel for propeller aircraft which meets the requirements of the U.K. Ministry of Defense (Defense Standard 91-90 latest issue).

We typically enter into spot arrangements with our aviation customers but we also enter into one-year contractual arrangements with certain customers based on annual tender processes.

Bunkering

Our bunkering business line mainly provides logistics and management services to a fleet of bunker barges in Angola, and supplies marine oil in the Republic of Congo. We act for a limited range of customers and we primarily target customers operating in the upstream oil sector.

We receive a service fee from our customers for our bunkering services

Liquid Petroleum Gas (LPG)

We distribute liquid petroleum gas (''**LPG**'') to small industrial companies and distributors in Honduras, Nicaragua, Puerto Rico, Senegal and Benin. We believe that we have expertise in the bottling and distribution of LPG and have in certain cases used LPG as a way to enter new markets. For instance, in Senegal and Benin, we started our operations in LPG storage, bottling and distribution with the goal of extending our activities to fuel distribution and have since begun marketing refined oil products. In Benin and Senegal, currently Africa's largest LPG consumer, we have LPG storage facilities with a capacity of 4,800 cubic and 5,000 cubic meters, respectively. In the future, we may develop LPG bulk storage capacity and wholesale distribution operations in targeted growth markets. We typically enter into spot contracts with our LPG customers.

Lubricants

We distribute our own-branded and Castrol branded lubricants in more than 30 countries globally. We offer on-road and off-road automotive oil applications, heavy-duty industrial oils, marine oils, hydraulic oils, coolants and greases through retail, wholesale and industrial market channels. We also distribute indirectly through selected distributors based in strategic locations such as large cities. Our mining customers represent an important outlet for our products as lubricants are critical in mining operations.

In certain African and American markets, we currently benefit from an exclusive distribution agreement with Castrol. We acquired the agreement with Castrol in 2011 as part of our purchase of BP Southern Africa and extended this agreement in 2013 to cover certain African and the American markets, including Namibia, Botswana, Tanzania, Malawi, Zambia, and the Republic of the Congo, the DRC, Angola and Benin. This agreement is scheduled to expire in 2021, unless terminated earlier. The arrangement with Castrol also provides for joint distribution to power generation customers in all seven Central American countries where we are present.

In 2016, we launched a new range of high-performance Puma branded lubricants that exceed automotive and industry specifications using technology approved by all major original equipment manufacturers. Going forward, we expect to focus on further expanding the sales of Puma branded lubricants.

Midstream

Within our midstream business, we own and operate infrastructure to supply, store and transport refined oil products internationally, such as bulk storage depots and offshore mooring systems. In particular, our midstream operations are focused on providing the necessary storage capacity for our downstream operations to facilitate the reliable movement of refined oil products through the supply chain. Refining is not our core business, and we only operate two small refineries (in Papua New Guinea and Nicaragua), which have been acquired as part of larger business acquisitions.

Our midstream operations generated EBITDA of $127.8 million, or 17.0% of our EBITDA, for the twelve months ended September 30, 2017 and gross profit of $220.3 million, or 13.5% of our gross profit, for the twelve months ended September 30, 2017.

Storage

We operate 101 terminals and have approximately 8.3 million cubic meters of storage capacity and handled 16.8 million cubic meters of refined oil products during the twelve months ended in September 2017. Since December 31, 2013, we have expanded our storage capacity by 74.0%. We predominantly own this storage, which is operated by our in-house staff. 50.5% of our terminal capacity is used to support our own downstream operations. The table below shows the location and ownership percentage of our terminals with over 100,000 cubic meters of storage capacity.

Region	Country	Terminal name	Capacity k m^3	Asset ownership (%)
Europe	United Kingdom	Milford Haven	1,431.2	100%
Asia Pacific	Malaysia	Langsat	739.0	20%
Europe	Estonia	Sillamae	523.6	95%
Africa	Angola	Luanda Bay	418.7	100%
Asia Pacific	Dubai	Gulf Refining Company	412.1	64%
Asia Pacific	Papua New Guinea	Refinery Terminal	407.7	100%
Europe	Estonia	Paldisky	371.0	95%
Americas	Puerto Rico	Bayamon	323.7	100%
Americas	El Salvador	RASA	283.1	100%
Asia Pacific	Dubai	Emoil	228.4	20%
Latin America	Guatemala	San Jose	190.5	100%
Africa	Ivory Coast	Abidjan	159.1	100%
Europe	United Kingdom	Belfast	154.7	50%
Africa	Mozambique	Beira	140.7	49%
Africa	Namibia	Walvis Bay	122.7	100%
Americas	Nicaragua	MANREF	120.2	100%
Africa	Mozambique	Matola White products	114.9	100%
Africa	Ghana	Tema	113.4	49%
Europe	Russia	Murmansk	109.6	47%

Onshore storage

Our storage terminals provide a full range of services for their respective local markets, including:

- high-volume bulk-building and bulk-breaking services;
- sophisticated blending and butanisation services; and
- rail, truck and pipeline loading and discharging services.

Fuel products stored at one or more of our facilities include crude oil, fuel oil, clean refined oil products, bitumen, LPG and petro-chemicals.

We have developed large storage facilities in the United Kingdom, Angola, Mozambique, Papua New Guinea, Estonia, Guatemala, Puerto Rico, the Ivory Coast and UAE, and we have a 20% interest in terminals in Malaysia and Dubai. These facilities allow us to optimize our supply chain and transportation costs, to mix products in large volumes and to supply vessels with full-capacity liftings. Our large storage facilities are strategically located near refining and export hubs to accommodate both local and regional demand.

In addition to these large storage facilities, we also own smaller storage assets in most of our downstream countries, in order to facilitate a reliable supply of products for our end customers.

Revenues from storage activities are derived from renting storage capacity to a range of customers, and charging fees for additional services, such as product analysis or loading services. We operate through a diverse range of contracts:

- throughput contracts, where a volume-based rate is set for usage of capacity within a specified timeframe, usually with minimum committed volumes (pursuant to take-or-pay arrangements);
- capacity rental contracts, which consist of the rental of a given capacity at a terminal; and
- annual rental contracts, which consist of the rental of an entire storage tank.

Marine systems

Other midstream activities include receiving and delivering refined oil products through marine facilities. We have invested in marine discharge systems in various locations, including offshore mooring systems in Ghana, Guatemala, El Salvador, Honduras, Nicaragua and Belize, and port oil jetties in Puerto Rico, Myanmar, Indonesia, Papua New Guinea, Democratic Republic of the Congo, the United Kingdom, Paraguay the Ivory Coast and Dubai. We also operate one of the world's largest Conventional Buoy Mooring Systems in Luanda Bay, Angola.

Refining

We do not currently operate, nor do we intend to develop, significant refining operations. From time to time, we have acquired refining assets as a byproduct of our acquisitions of larger business operations. In most cases, we converted refineries to create additional storage capacity. We currently own and operate two refineries: a 20,000 barrels of oil per day refinery in Nicaragua that we acquired from ExxonMobil in 2012 and a 32,500 barrels of oil per day refinery in Papua New Guinea that we upgraded in 2014 to improve services to the customers in the local market. These form a critical part of the local supply system.

Transportation

We distribute our refined oil products to our distribution centers primarily by means of chartered trucks and rail cars. In most instances, we do not own the trucks but instead rely on long-term (typically one to five years) chartering arrangements with independent transportation companies.

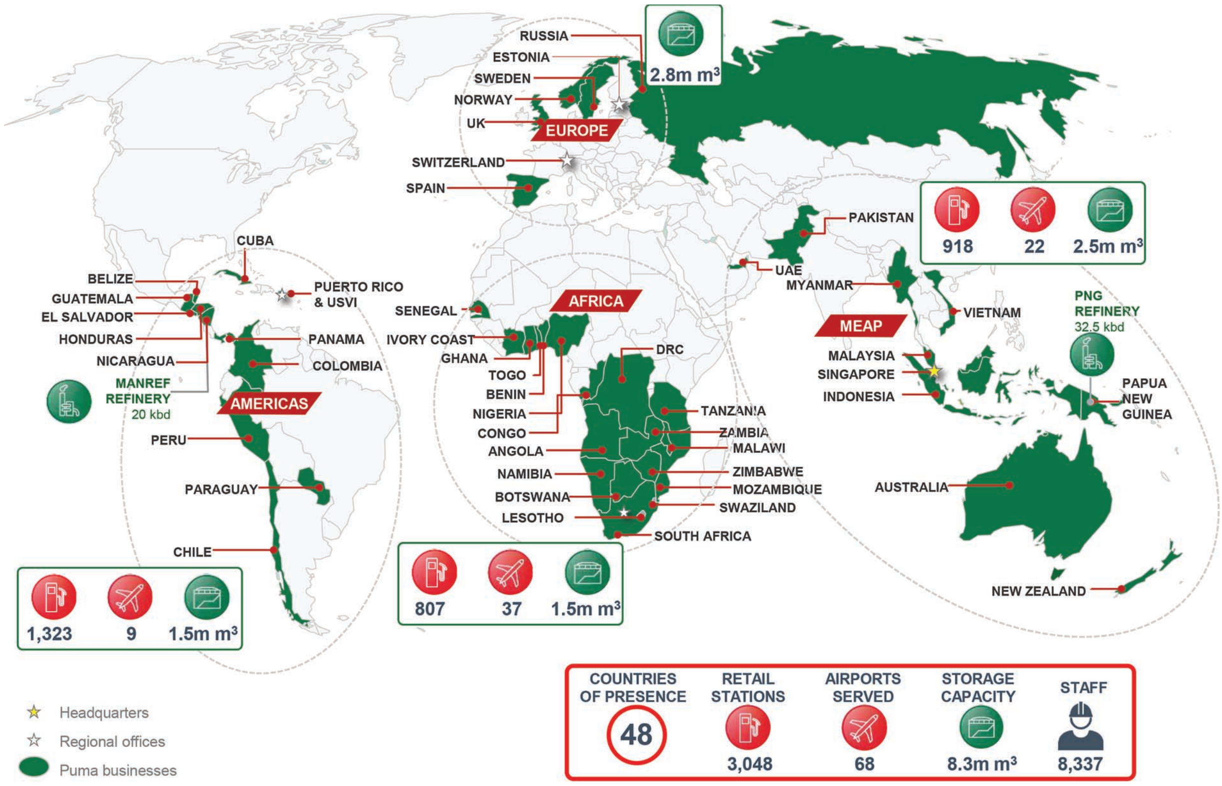
We own a fleet of road tankers in Angola and Australia, in addition to those owned by our Aviation business line. In total, we make approximately 1,500 fuel deliveries by truck every day. However, most of our trucks are chartered to third parties and we organize their management and scheduling. The chartering arrangements are granted through tender processes in the relevant country and approved by our oversight function Puma Health Safety Security and Environment (''**Puma HSSE**''). Puma HSSE seeks to control the quality of the trucks and ensure the reliability of the supply.

Regional Overview

We have operations in Africa, the Americas, Asia Pacific and Europe. Our activities are managed through a network of four regional offices. Our African business is managed from Johannesburg (South Africa), our business in the Americas is managed from San Juan (Puerto Rico), our European business is managed from Tallinn (Estonia) and our Asia Pacific business is managed from Singapore. Reporting is also organized at the regional level with local management teams reporting to a regional Chief Operating Officer.

The following diagram depicts the countries in which we operate in Africa, the Americas, Asia Pacific and Europe.

Puma Energy's geographic footprint



The following table sets forth the number of airports, the number of retail sites, the storage capacity as well as t
the countries in which we operate as at the date of this Offering Memorandum:

		asset base			Downstream Retail & Distribution Activities					Midstream			
	Year of Entry	Service Stations	Storage (k cubic meters)	Airports served	Retail	B2B	Wholesale	Bunkering	Aviation	Lubricants	LPG	Storage	Su
Africa													
Angola	2007	78	473.2	4	✓	✓	✓		✓	✓	✓	✓	
Benin	2012	21	74.9	1	✓		✓		✓	✓		✓	
Botswana	2010	39	4.0	4	✓	✓	✓		✓	✓	✓	✓	
Congo	2002	38	—	—	✓	✓			✓	✓			
DRC	2010	—	42.1	1		✓			✓	✓		✓	
Ghana	2003	81	170.7	1	✓	✓			✓			✓	
Ivory Coast	2007	1	159.1	—	✓							✓	
Lesotho	2014	24	1.2	—	✓								
Malawi	2010	62	13.1	2	✓	✓			✓	✓			
Mozambique	2010	27	276.7	—	✓						✓	✓	
Namibia	2010	58	132.0	3	✓	✓	✓	✓	✓	✓		✓	
Nigeria	2004	—	17.0	—		✓					✓	✓	
Senegal	2012	9	55.9	1	✓				✓			✓	
South Africa	2012	157	4.9	3	✓	✓	✓		✓	✓		✓	
Swaziland	2014	23	0.7	1	✓				✓			✓	
Tanzania	2010	49	94.8	8	✓	✓			✓	✓	✓	✓	
Togo	—	—	—	—		✓							
Zambia	2010	57	23.7	3	✓	✓			✓	✓	✓	✓	
Zimbabwe	2013	83	1.0	5	✓				✓				
Americas													
Belize	2012	14	26.3	1	✓	✓			✓			✓	
Chile	2014	—	0.3	—		✓						✓	
Colombia	2015	93	—	1	✓				✓				
Cuba	1997	—	—	—									
El Salvador	2012	100	320.6	1	✓	✓	✓	✓	✓	✓	✓	✓	
Guatemala	2012	234	299.8	1	✓	✓	✓	✓	✓	✓	✓	✓	
Honduras	2012	204	133.9	—	✓	✓	✓			✓		✓	
Nicaragua	2012	46	201.6	1	✓	✓	✓		✓	✓	✓	✓	
Panama	2012	69	—	—	✓	✓	✓					✓	
Paraguay	2002	191	72.2	1	✓	✓	✓		✓	✓			
Peru	2015	25	—	—	✓								
Puerto Rico & US Virgin Islands	2010	347	469.8	3	✓	✓	✓		✓	✓	✓	✓	

	Year of Entry	asset base: Service Stations	asset base: Storage (k cubic meters)	asset base: Airports served	Downstream Retail & Distribution Activities: Retail	B2B	Wholesale	Bunkering	Aviation	Midstream: Lubricants	LPG	Storage	Su
Europe													
Estonia	2008	—	894.6	—								✓	
Norway	2008	—	95.1	—								✓	
Russia	2008	—	109.6	—								✓	
Spain	2011	—	66.6	—		✓						✓	
Sweden	—	—	—	—		✓							
Switzerland	—	—	—	—									
United Kingdom	2015		1,621.8			✓	✓					✓	
Asia Pacific													
Australia	2013	368	305.5	—	✓	✓						✓	
Indonesia	2012	—	36.0	—		✓	✓					✓	
Malaysia	2012	—	813.9	—								✓	
Myanmar	2014		126.3	11					✓			✓	
New Zealand	2014		—			✓							
Papua New Guinea	2014	80	506.0	11	✓				✓			✓	
Pakistan	2017	470	—	—	✓								
Singapore	2013	—											
United Arab Emirates	2012	—	630.1	—	—							✓	
Vietnam	2012	—	26.0	—	—		✓					✓	
Total		**3,048**(1)	**7,977.9**	**68**									

(1) Includes the 470 retail sites from the Pakistan Acquisition.

Africa

Our African business comprises 807 retail sites, 37 airports, 1.5 million cubic meters of storage capacity in major ports and strategic inland locations. Our operations in Africa generated Regional EBITDA of $280.9 million for the twelve months ended September 30, 2017.

We started our midstream business in Africa in 2002, with storage operations in the Republic of Congo, and our downstream business since 2009. Since 2002, we have invested more than $2.8 billion in Africa, sometimes in strategic partnership with governments, national oil companies and local partners and we now have an established presence in 19 countries in Africa. We believe that we are one of the largest suppliers of refined oil products in sub-Saharan Africa with sales volumes of 6.5 million cubic meters for the twelve months ended September 30, 2017.

In Angola, we started our operations with bitumen in 2007, supporting the country's road expansion program. Our activities now cover the full spectrum of our business lines and we recently finalized the expansion of our storage terminal in Luanda Bay to a total capacity of 418k m^3. In 2011, we acquired the distribution businesses from BP in Namibia, Botswana, Zambia, Malawi and Tanzania, covering retail, business-to-business, aviation and storage operations.

In 2014 we acquired Sasol's and Chevron downstream activities in Swaziland and Lesotho, and 49% of the share capital of UBI Group in Ghana.

In 2015, we started operations in South Africa, with the acquisition of several fuel distributors (including Drakensberg, Brent Oil, Eagle and N'komazi). We are currently rebranding and upgrading this retail network, and have recently started operations at our terminal in Richard's Bay and have started aviation activities at the OR Tambo airport in Johannesburg. In 2015 we have also finished the construction of the Matola terminal in Mozambique, which acts as a storage hub for our Southern African operations. In 2016, we opened an advanced bulk fuel storage terminal at Matadi in DRC ensuring security of product supply to DRC and its neighboring countries. We have also acquired retail distributors in Tanzania and Ghana and a storage and bitumen distribution business in Nigeria.

Americas

In the Americas, we operate a fully-integrated import, storage, wholesale and downstream business and are present in 12 countries throughout the region. Our business in the Americas comprises 1,323 retail sites, nine airports and 1.5 million cubic meters of storage capacity in major ports. Our operations in the Americas generated Regional EBITDA of $296.2 million for the twelve months ended September 30, 2017.

We started our operations in Central America in 1997 with the acquisition and expansion of our first terminals in Guatemala and El Salvador. We continued to focus on the region, as the deregulation of markets provided an opportunity to enter the market and capture significant market share in the downstream segment. In order to support our distribution business we invested in storage facilities in each of the countries in which we operate. Our assets are located at ports along supply routes, allowing us to supply various operations simultaneously, thereby reducing the cost of refined oil products at each location.

As a result of our 2012 acquisition of ExxonMobil's refining and fuels marketing and supply businesses in Belize, El Salvador, Guatemala, Honduras, Nicaragua and Panama, we are one of the market leaders in Central America. Our operations in Central America cover the whole midstream and downstream segment including a small refinery in Nicaragua. Following the acquisition of Capeco and Chevron, we have 469,800 cubic meters of storage capacity and a retail network of 345 sites in Puerto Rico and the US Virgin Islands, and are supplying aviation fuels at the international airport in San Juan. In Cuba, we have a 50% equity stake in ECG, an LPG distribution and bottling joint venture with the Cuban State.

In addition to our operations in Central America, we have an established foothold in South America with a downstream business in Paraguay. In 2015, we also entered Colombia and Peru with the acquisition of local fuel distributors. We continue to invest in the expansion and upgrading of our retail network in Central America.

Europe

In Europe, our activities mainly cover 2.8 million cubic meters of storage capacity across the Baltics and the United Kingdom. Our operations in Europe generated Regional EBITDA of $24.4 million for the twelve months ended September 30, 2017.

Our largest storage assets in Europe are located in the United Kingdom following the acquisition of Murco Petroleum Limited, a subsidiary of Murphy Oil Corporation, in the United Kingdom in 2016, which covered a 1.4 million cubic meters facility at Milford Haven, three inland storage facilities at Westerleigh, Theale and Bedworth. We also recently acquired BP’s storage business in Northern Ireland, and subsequently disposed of a 50% stake in it. We own two large storage terminals in Estonia, and one in Russia, located in the ice-free port of Murmansk. These terminals are connected to the rail network, and are well located to receive products from Kazakhstan’s and Russia’s refineries. We are currently building a terminal at the new Rostov airport in Russia (built for the 2018 FIFA World Cup). We also own a bitumen terminal in Cadiz, Spain, which has the ability to receive the largest vessels currently active in the bitumen market and store value-added products such as emulsion grade and polymer-modified bitumen.

Asia Pacific

In Asia Pacific, we operate in ten countries: the United Arab Emirates, Indonesia, Vietnam, Myanmar, Pakistan, Papua New Guinea, Malaysia, Australia and a regional office in Singapore. Our business in Asia Pacific comprises 918 retail sites, mostly in Australia, as well as 2.5 million cubic meters of storage capacity. Our operations in Asia Pacific generated Regional EBITDA of $152.4 million for the twelve months ended September 30, 2017.

Historically, we have focused on midstream operations in Malaysia and the United Arab Emirates, where we own large storage terminals. In 2013, we entered the Australian market with several acquisitions, adding a sizeable retail and distribution business. In 2014 we expanded into Papua New Guinea by acquiring InterOil’s refining business, an extensive network of fuel terminals, retail sites and aviation operations. Following the acquisition we have become Papua New Guinea’s major supplier of fuel. Also since 2014, we developed our operations to Myanmar, with the construction of a major import terminal, and the start of our aviation operations serving now all airlines in Myanmar. We also own fuel and bitumen storage terminals in Indonesia and Vietnam. In November 2017, we acquired an independent retail distributor in Pakistan, adding another 470 sites to our retail network.

Competition

We compete in highly competitive and fragmented markets that include local independent distributors, oil majors, trading companies, national oil companies and storage companies. Whilst the oil majors share many of our strengths, including the ability to manage and finance large scale projects and to provide high-quality fuels and services as well as in-house operational expertise, most of them have divested their downstream operations. Only Total maintains a strong presence in many of our markets with downstream operations, especially in Africa.

In downstream operations, we mainly compete with local independent distributors (sometimes from government-controlled entities) that benefit from a low-cost base, strong local market shares and flexibility and are increasingly competitive at a national and regional level. Relevant local competitors include Hondupetrol, in Central America, SOL, in the Caribbean, Delta, in Panama, Libya Oil, in Western Africa, and Kenol Kobil, in Eastern Africa.

We also face competition from trading companies seeking to integrate their existing businesses with downstream operations. Traders typically seek to implement this strategy through acquisitions, which increases the competition for the types of assets and businesses we may want to purchase. In particular, Vitol gained access to many of the developing markets in which we are active by means of its acquisition of Shell’s downstream assets. Under the Vivo and Viva business lines, which have a brand license from Shell, Vitol is now competing with our products and services offering, in several of our markets.

While an increasing number of national oil companies are expanding beyond their traditional areas of influence, we believe that most of them typically focus on the upstream segment and do not have the business strengths or the interest to develop downstream operations.

Our midstream operations face competition from storage companies with activities in Europe and the Middle East. Our competitors include Oil Tanking and Vopak.

We believe that, as a result of our vertically integrated business model combined with our diversified geographic presence, we at present have no similar competitor acting on a global scale in our markets, apart from Total.

Health, Safety, Environmental and Community Matters

Health, Safety, Environmental and Community (HSEC) constitute a strategic priority. Our Executive Committee sets and periodically reviews our HSEC policy. We have a HSEC Committee which meets quarterly to review historical HSEC performance, recommend policy changes to our Executive Committee and set priorities on campaigns and any special action plans.

Health, Safety and Environmental (HSE)

On-site HSE coordinators oversee training, conduct annual safety audits and generally provide advice and guidance. We have developed a bespoke safety management system, SAPS, which is built around eight management pillars:

- leadership and commitment of management;
- hazards identification and control;
- accident and incident investigations;
- engineering and management of changes;
- operation analysis and procedures;
- training systems;
- emergency response plans; and
- regulatory documentation and compliance.

We monitor and actively manage our HSE risk. One of our major risks is fire in our terminals, which we seek to mitigate by implementing regular operational controls, and by installing effective firefighting systems. For example, in August 2016, there was a fire at one of our terminals in Puerto Sandino, Nicaragua where compliance with our thorough HSE guidelines assisted in preventing any fatalities. Spillage during storage represents a longer-term exposure, as fuel loss from our storage facilities can pollute surface and groundwater and may result in explosions. In addition, road transportation has become an increasing area of exposure in the last few years and presents a high risk in terms of frequency, particularly in Africa. We outsource the majority of our transportation to third-party transport companies, and we manage our HSE exposure by ensuring that our contracts and interactions with these companies clearly state our HSE requirements. The chartering arrangements are granted through tender processes in the relevant country and approved by Puma HSSE. We work with transporters to improve their own HSE performance and encourage them to properly train their drivers, control driving hours, use monitoring systems such as GPS tracking, and educate drivers on fatigue management. We have recently run a global campaign on road safety, both for our staff and truck drivers calling at our facilities. See ''—*Community Responsibility*''.

Certain of our facilities are ISO9001 and ISO14001 certified. We also apply standards set out by the American Petroleum Institute (API), which constitute the highest standards for storage tanks. Our new tanks are designed in accordance with API 650, and our existing tanks are maintained in line with API 650/NFPA 30. Ninety-one percent of our terminals are in compliance with API. We build our new facilities to comply with National Fire Protection Association (NFPA) codes for firefighting, and we also apply American Fire Fighter standards in our operations.

The table below represents the percentage of our terminals with the indicated accreditation:

ISO accreditation

	% of ISO 9001 Certificated Terminals in 2016	% of ISO 14001 Certificated Terminals in 2016	% of AP1650/ NFPA 30 compliance IN 2016
Americas	24	20	94
Africa	44	44	72
Europe	91	91	91
Middle East and Asia-Pacific	58	72	97

We are an associate member of Oil Spill Response Ltd (OSRL), an industry collective that works to prevent and mitigate oil spills around the world. Membership of the OSRL brings us insight into best practice and benefits such as annual preparedness reviews.

In 2013, we participated in a project developed by Trafigura to introduce a specialized web-based software, ''SafeGuard'', for tracking and managing our HSE performance, specifically our incident and accident reporting and investigation. SafeGuard is now fully implemented and gives our employees and contractors the confidence that every safety incident or near-miss will be captured and acted upon. In 2016, SafeGuard reported zero fatalities at Puma Energy facilities, and a continued reduction in lost time incidents and recordable injuries. Increasing the visibility of incidents allows us to share information across Puma Energy to improve safety compliance throughout the business.

Our environmental approach is to try to couple financial incentives with environmental benefits. For example, we seek to switch retail site lighting to light-emitting diodes (LEDs), which reduces both energy expenses and energy consumption. We focus on the following:

- *Energy use:* we aim to use energy-efficient equipment and favor renewable fuel where economically viable. We also seek to minimize hydrocarbon losses; and
- *Water use:* we have regular fire-fighting drills, which consume large amounts of water, but are clearly an important aspect of safety performance and cannot be compromised. However, where possible we use seawater or recycled water.

Many of our customers are in major energy-consuming industries, such as mining. We aim to help them reduce their fuel usage through our Total Fuel Management program. This looks at every aspect of their fuel needs from security of supply to waste management, identifying, for example, where better maintenance or training could reduce fuel usage and costs.

Communities

We aim to make a positive contribution to local communities and reduce the risks of the negative social, environmental and economic impacts our operations may cause. We systematically assess the social, human rights, environmental and economic risks inherent to our operations. We have developed a comprehensive community relations policy to ensure greater consistency in our approach to community involvement. See ''*Risk Factors—Disagreements with local communities in which we operate could adversely impact our business and reputation.*''

We generally hire employees and suppliers locally. Using local managers to run our operations helps us to understand the issues the local communities face. As operating close to local communities presents risks and often concerns the people in such communities, we seek to operate transparently and maintain a dialogue with local communities to avoid problems before they arise.

As part of our strong commitment to social responsibility and our aim to strengthen our relationships with local communities we have been involved in various social, environmental and health and safety projects, including, but not limited to:

Road Safety

In November 2017, the Puma Energy Foundation launched the fifth year of the global Road Safety campaign. Highlights included partnering with the Zambian Road Safety Trust to launch the Child Road Safety Program, benefiting 11,000 local primary schoolchildren. Puma Energy Zambia has continued that partnership and distributed more than 2,000 reflector-enhanced schoolbags to help children safely navigate road crossings. Zambia is part of our multi-year partnership with Amend, an organization that develops, implements and evaluates evidence-based approaches to reduce the incidence of road traffic injury in Africa. Together, we are working to increase road safety for children in schools across Malawi, Mozambique, Namibia, Botswana, Zambia, Senegal, Tanzania, Lesotho, Swaziland and Ghana.

Vaccinations

In Angola we have developed an engagement program focused on healthcare services. We maintain an active role in the community and our health campaign has resulted in 1,320 local people receiving vaccinations against medical conditions, including tetanus, while more than 1,110 people have received medical check-ups.

Promoting Literacy

In partnership with Buk Bilong Pikinini, a child literacy charity in Papua New Guinea, we were able to distribute over 500,000 books throughout the country in 2017. We plan to continue funding Buk Bilong Pikinini to assist them in establishing facilitated libraries, training more staff and providing resources for the charity's teachers.

Other social activities include Fusades in El Salvador, where we are supporting farmers and their families through productivity improvements, diversification, modernisation and effective connection with the market and 'The Prince's Trust' in the UK, addressing social and economic disadvantage across Wales by supporting unemployed young people to gain the confidence and skills they need to move into work, education, training or regular volunteering.

Awards

We have been acknowledged for our major social, environmental and health and safety involvement and have received numerous awards and acknowledgments in recent years for our operations.

Paso a Paso Award

As part of efforts in Paraguay to improve the service at retail sites, the ''Paso a Paso'' program was launched. The program seeks to standardize the image and service at all service stations participating in the program to substantially improve operational practices. This inspired us to make great efforts towards ensuring that our downstream customers are always satisfied. These efforts were recognized in 2015 and 2016 when we won the Paso a Paso award.

Social Enterprise UK International Impact Award

We have been assisting with 'Alive and Kicking' in Ghana, an organization that provides sustainable, ethical, fair pay jobs for adults in some of the most deprived areas of Nairobi, Accra and Lusaka, to improve the health and quality of life of disadvantaged young people through sports-based health education and social inclusion programs. Due to this social activity we were awarded the 2016 Social Enterprise UK International Impact Award.

Risk Management

We operate a risk management and control framework which governs decision making at each corporate level and defines reporting lines and controls. In 2016 we appointed a new Global Head of Compliance and also appointed regional compliance officers, further underlining our commitment to robust risk management and compliance standards and to deepening our internal capabilities in this area.

We seek to develop a culture of risk awareness through all of our business activities and utilize an internally developed "Risk Management Framework." We systematically hedge our supply inventories to minimize our price risk exposure and we also seek to hedge our exposures to foreign currencies. We manage our credit risk by undertaking a full credit review for all our prospective customers (other than retail customers) prior to starting new business and counterparty credit limits are monitored throughout the life of customer relationships. In some geographic areas on which we focus, we use credit insurance and, in certain geographies such as the United Kingdom and Australia, factoring of receivables on a non-recourse basis alongside credit insurance. In addition, we actively manage political risk by seeking to foster communication and enhance cooperation with governments in the regions in which we operate.

We manage our operational risk by using standardized risk and quality management systems, policies and procedures in our construction and operating activities. All our construction is conducted in accordance with internationally recognized standards and industry best practice and we seek to obtain whenever possible API certification on new constructions. For more information on the risks we face, see "*Risk Factors*."

We will continue to maintain and enhance our core risk management processes and develop our internal information systems to reinforce transparency and controls throughout the business. For more information on our Risk Management, see "*Management's Discussion and Analysis of Financial Condition and Results of Operation—Risk Management*."

We also implement procedures that we believe are designed to mitigate legal risks from business relationships with third-parties, including risks related to anti-money laundering and anti-corruption regulations and related to sanctions such as those administered by the U.S. Department of the Treasury's Office of Foreign Asset Control. See "*Management and Corporate Governance—Code of Business Conduct*."

In December 2013, we started using an industry standard third-party database to assist in our counterparty due diligence and know-your-counterparty processes. We are screening our existing and proposed relationships using industry standard databases. Our standard for evaluating potential counterparties is measured against the Joint Money Laundering Steering Group Guidance, which is promulgated by a group of United-Kingdom-based trade associations in the financial services industry. See "*Risk Factors—Risks relating to our business—We do business in jurisdictions that are subject to sanctions regimes*" and "*—We are exposed to risks and potential liabilities from our use of third-party contractors*."

Employees

We had a total of 7,448, 7,713, 7,652 and 8,337 employees as of December 31, 2014, 2015, 2016 and September 30, 2017, as adjusted for the Pakistan Acquisition, respectively, out of which 5,564, 5,231, 5,189 and 6,077, respectively, represented permanent employees and the rest contractors and agency workers. As of 30 September 2017, this includes 273 employees based in our regional and global head offices.

Our growth strategy relies on our ability to win the trust of our employees. We invest in training and support many social and environmental initiatives. During the year ended December 31, 2016, we provided approximately 80,000 hours of training to our employees, both in our offices and at our operations. We recruit locally and invest in regional expertise wherever we can because knowledge of our markets and local cultures is invaluable. In 2016, 99% of employees were local to the country they worked in.

IT systems and infrastructure

We have prioritized the redevelopment of our IT systems and infrastructure to serve three objectives: scaling up the business, devolving management and maintaining complete transparency and control.

We rely on numerous computer systems that allow us to monitor our inventory, cash management systems and our distribution systems and to gather information upon which management makes decisions regarding our business. Specifically, we operate an Enterprise Resource Planning (''**ERP**'') system and a Terminal Management System (''**TMS**''), that allows us to quickly integrate new companies in our reporting system. We also operate Customer Relation Management platforms and web portals and applications to interface with our customers and we have developed some mobility and scheduling devices to automate our supply chain and delivery capacities.

As part of a digital transformation of our business, we are also introducing a new ''ePuma'' platform into our IT systems. The ePuma is intended to digitalize a number of our internal operations and processes and act as a marketing tool and digital interface with our customers.

See ''*Risk factors—We rely on our computer systems to conduct our business. Our computer systems may fail to perform their functions adequately or be interrupted, which could potentially harm our business; we are subject to the risk of infrastructure disruptions or other effects on such systems.*''

We share some functions, especially servers, network and communications, with Trafigura, based on a service level agreement under which we support Trafigura in some regions, while Trafigura provides operational support at a central level and in some areas where we are still building our internal resources, such as IT services. This arrangement allows us to benefit from economies of scale and the high level of Trafigura's infrastructure. See ''*Related Party Transactions*.''

Insurance

We are covered by several insurance policies, including public and products liability insurance, property damage and increased cost of working insurance, political violence, sabotage and terrorism insurance, construction all risk insurance, aviation refueling liability, directors and officers insurance, hull and machinery and marine cargo insurance. We maintain the types and amounts of insurance coverage that we believe are consistent with customary industry practices in the jurisdictions in which we operate. See ''*Risk factors—We could be subject to substantial liability claims due to the hazardous nature of our business, which liabilities may potentially exceed our insurance coverage*.'' We have not to date had any material claims under insurance policies that would either render them void or materially increase our premiums.

General Liability

We are insured to a global limit of $500 million per incident, which covers comprehensive liabilities (such as products liability, public liability, general) and employee liabilities. Insurance policies are also entered into locally as and where required by local legislation.

Property

We have property coverage that provides cover on all risks policy against the risks of fire, theft, flood, explosion and collision with a standard $100,000 deductible for most risks. This covers fire and loss for amounts tied to the specific replacement value of each location.

Political risks

Insurance cover is provided for standard political risk insurance, namely: confiscation, expropriation and nationalization of investment or withdrawal of operating permits/licenses, etc. that cause the total cessation of the local operations; expropriation extensions; forced abandonment, selective discrimination and forced divestiture; deprivation; consequential loss following an expropriation loss; war/political violence extensions; damage to utility production sites and transmission lines; and consequential loss.

Our philosophy is to arrange such other insurance from time to time in respect of our other operations as required and in accordance with industry practice and at levels which we feel adequately provide for our needs and the risks that we face. We cannot assure you, however, that our insurance coverage will adequately protect us from all risks that may arise or in amounts sufficient to prevent any material loss.

Legal Proceedings

We are subject to various other legal and regulatory proceedings arising in the ordinary course of business from time to time, mainly relating to our retail operations. Below is a description of pending court and arbitration proceedings which we deem to be material. In addition, we are subject, from time to time, to audits and investigations, some of which may result in proceedings being instituted against us in the future.

Papua New Guinea Customs Dispute

One of our subsidiaries operating in Papua New Guinea (''**PNG**''), Puma Energy PNG Limited (''**Puma Energy**''), is the subject of certain payment demands from the PNG customs service (''**Customs**''). Puma Energy is the nominated representative member under the PNG Goods and Services Tax Act 2003 for the Puma group of companies (''**Puma Group**''), including Puma Energy PNG Refining (''**Puma Refining**''), and Puma Energy PNG Supply Ltd (''**Puma Supply**''). Customs' payment demands relate to allegedly unpaid goods and services tax (and associated administrative penalties) on crude oil imported by Puma Refining for its operations in PNG, which Puma Energy Pacific Holdings Pte Ltd (another member of the Puma Group) acquired from South Pacific Refining Limited in 2014.

Specifically, on March 7, 2016, Customs issued a payment demand (''**March 2016 Demand**'') to Puma Energy for an amount of K1,935,883,136.63 (i.e. in excess of $600 million at the then prevailing exchange rates) in allegedly unpaid or undeclared GST and related administrative penalties. On April 19, 2016, Customs issued statutory garnishee notices (''**2016 Garnishee Notices**'') under the PNG Customs Act 1951 in an attempt to directly enforce the March 2016 Demand. Although the 2016 Garnishee Notices were subsequently revoked in April 2016, Customs nevertheless proceeded to serve Puma Energy with another payment demand in September 2016 (''**September 2016 Demand**''), which revised and superseded the March 2016 Demand. Pursuant to the September 2016 Demand, Customs claimed a total of K1,021,953,357.60 (i.e. in excess of $320 million at the then prevailing exchange rates) in allegedly unpaid import GST and associated administrative penalties. In February 2017, Customs issued new statutory garnishee notices (''**2017 Garnishee Notices**'') to four banks seeking to collect the K124,955,621.79 in penalties sought under the September 2016 Demand. No such notices were issued in respect of the claim for alleged unpaid import GST under the September 2016 Demand.

The position of Puma Refining, Puma Supply and Puma Energy is that these payment demands (and associated administrative penalties) are unlawful as a matter of both PNG law and international law.

In March 2017, Puma Energy instituted proceedings with the National Court of Justice at Waigani, Papua New Guinea (the ''**Court**''), seeking an injunction to prevent Customs from enforcing the 2017 Garnishee Notices. The Court granted an interim injunction preventing Customs from enforcing the 2017 Garnishee Notices, which injunction was extended at a further hearing until such time as the Court's final judgment is rendered on an application for permanent injunction, which is still pending. Separately: (i) on October 4, 2016, Puma Energy filed an appeal against the September 2016 Demand with the Customs Review Tribunal of Papua New Guinea, which has not yet taken any decision with respect to the appeal as at the date of this disclosure; and (ii) on July 10, 2017, Puma Refining and Puma Supply filed a Request for Arbitration with the International Centre for Settlement of Investment Disputes (''**ICSID**'') under the Project Agreement between Puma Refining, Puma Supply and PNG dated May 29, 1997, requesting, *inter alia*, an order that PNG provide full restitution to Claimants (by revoking the September 2016 Demand and any related penalties and compensating Claimants for their losses suffered prior to such revocations), or compensate Claimants in full for all losses suffered as a result of PNG's breaches of the Project Agreement and international law. The arbitration hearings have not yet commenced.

As noted, we believe that Customs' payment demands are unlawful and in breach of the Project Agreement and international law. However, we note that we can make no assurances that either the Court actions described above will be successful in granting relief from Customs' claims, or that the ICSID arbitration will result in a judgment in our favor.

Third-Party Complaint in Benin

In May 2017 the Court of Appeal of Cotonou issued a judgment requiring a Puma Energy affiliate in Benin to pay an amount of CFA 10 billion (approx. $17 million) in damages to a third party. This judgment was successfully challenged and the verdict against the affiliate has been vacated. In addition, Puma Energy has taken the appropriate steps to have the associated criminal complaint dismissed and, as a result, this complaint is currently stayed and suspended.

Intellectual Property

We maintain trademarks relating to our business in the countries in which we operate, including the Pumangol brand in Angola and the Puma brand under which we operate most of our service stations. We have other intellectual property rights related to our information systems. We are not currently engaged in any material intellectual property litigation, nor do we know of any material intellectual property claims outstanding. See ''*Risk Factors—We have trademarks and other proprietary rights, and any failure to protect our intellectual property rights may adversely affect our business.*''

Our Brand Development

We are investing in the value of our brand to cultivate customer loyalty and develop and maintain long-standing relationships with our customers. In Australia we have launched the Pumacard, which allows customers to consolidate their fuel, servicing, maintenance and repairs, car parking, roadside response, car rental, taxi and accommodation expenses into one simple monthly statement. The Pumacard can be used at our 371 retail sites in Australia, and can also be used at various other fuel outlets or service stations across the country. We have also developed our range of fuels under the ''Pumamax'' brand. Our Pumamax premium unleaded fuels have been developed using performance-enhancing additives that maximize engine performance and fuel economy.

In certain countries including Angola, Australia, Puerto Rico, with Malawi being the most recent of 12, we have introduced the Puma ''MyFuel Card'' to increase sales and engender loyalty. The MyFuel Card enables customers to manage their fuel purchases through the use of pre-funded chip-cards at all our retail sites. Customer loyalty in the regions in which we operate provides us with a significant advantage and is expected to allow us to disproportionately benefit from growth opportunities in these markets.

Properties

As of September 30, 2017, we predominantly own our storage facilities and well over a majority of our retail sites. For a description of our storage facilities and retail sites, see ''*Business—Our Operations*.'' Apart from a few exceptions, we generally own the land on which such storage terminals are constructed.

An overview of the key storage facilities we own is as follows:

Region	Country	Terminal name	Capacity k m^3	Asset ownership (%)
Europe	United Kingdom	Milford Haven	1,431.2	100%
Asia Pacific	Malaysia	Langsat	739.0	20%
Europe	Estonia	Sillamae	523.6	95%
Africa	Angola	Luanda Bay	418.1	100%
Asia Pacific	Dubai	Gulf Refining Company	412.1	64%
Asia Pacific	Papua New Guinea	Refinery Terminal	407.7	100%
Europe	Estonia	Paldisky	371.0	95%
Americas	Puerto Rico	Bayamon	323.7	100%
Americas	El Salvador	RASA	283.1	100%
Asia Pacific	Dubai	Emoil	228.4	20%
Latin America . . .	Guatemala	San Jose	190.5	100%
Africa	Ivory Coast	Abidjan	159.1	100%
Europe	United Kingdom	Belfast	154.9	50%
Africa	Mozambique	Beira	140.7	49%
Africa	Namibia	Walvis Bay	122.7	100%
Americas	Nicaragua	MANREF	120.2	100%
Africa	Mozambique	Matola White products	114.9	100%
Africa	Ghana	Tema	113.4	49%
Europe	Russia	Murmansk	109.6	47%

MANAGEMENT AND CORPORATE GOVERNANCE

Board of Directors of the Company

The main role of the board of directors of the Company (the ''**Board**'') is to manage the business and affairs of the Company. The Board meets at least four times a year and on other occasions as circumstances may require.

The role of the Board is to (i) provide oversight and supervision of the Company and the Business (while delegating day-to-day management responsibility to the Executive Committee) and (ii) promote the success of the Company for the benefit of the Shareholders as a whole. Its responsibilities include:

- defining the Group's strategic orientation;
- approving the nominations of each member of the Executive Committee and such other specialized committees as deemed necessary;
- approving the Group's annual budget and business plan, including the capital and operating expenditure plans (the ''**Business Plan**''); and
- approving investments, divestments or financing arrangements outside of the business plan that amount to more than 3% of the Group's total net assets.

The name, age and position of each member of the board of directors of the Company as of the date of this Offering Memorandum are presented in the following table:

Name	Age	Position
Graham Sharp	57	Independent Non-Executive Chairman of the Company
Pierre Eladari	47	Chief Executive Officer of the Company
Sarju Raikundalia(1)	40	Puma Energy Director and Sonangol Representative (Chief Financial Officer of Sonangol)
João dos Santos(1)	44	Puma Energy Director and Sonangol Representative (President of the Board of Sonangol)
Leopoldino Fragoso do Nascimento	54	Puma Energy Director and Cochan Representative (Chairman of Cochan)
Pierre Lorinet	45	Puma Energy Director and Trafigura Representative (Director)
Robert Gillon	35	Puma Energy Director and Trafigura Representative (Co-Head of Group Market Risk of Trafigura)
José Larocca	49	Puma Energy Director and Trafigura Representative (Head of Oil Trading of Trafigura)

(1) Following the announcement by Sonangol of changes to its board of directors, although they have not formally resigned, Sarju Raikundalia and João dos Santos have ceased from serving on the Board of Directors of the Company. The Company expects their formal replacement to take place in due course.

Biographical Information

Graham Sharp has been serving as Independent Non-Executive Chairman of the Puma Energy Group since May 2012. He brings more than three decades of experience in energy trading and supply. Previously, Mr. Sharp advised multi-national customers such as Royal Dutch Shell plc and traded clean refined oil products worldwide before becoming a co-founding board member of Trafigura. After his retirement in 2007, Mr. Sharp was a Senior Vice President of TNK-BP (2010-2011) and continues to act as a Senior Advisor to Oliver Wyman Associates. He holds a First Class Honors degree from Oxford University in Engineering, Economics and Management.

Pierre Eladari joined Trafigura in 2004 and has been serving as Chief Executive Officer of the Puma Energy Group since 2007. Previously, Mr. Eladari spent three years working at Boston Consulting Group on a range of international assignments. Prior to that, he was employed by Elf Aquitaine (now Total S.A.) in its downstream and trading divisions. He holds an Engineering degree from Ecole Polytechnique in Paris and an Engineering degree from Ecole des Mines de Paris.

Leopoldino Fragoso do Nascimento joined the Board in September 2013. He is currently the Chairman of Cochan. He has been a partner of DT Group, a joint venture between Trafigura and Cochan, since 2009. In addition, he is a founding partner and president of the board of directors for Kinaxixe Real Estate, Zahara Logistica, Kero Supermarkets and Biocom—Bio Fuels where he is involved in activities relating to the real estate, food distribution and retail, and agriculture and industrial business. He also serves as the President and Secretary of assembly and President of the executive commission of Unitel Telecom. Mr. Fragoso do Nascimento previously served in the Angolan army and was promoted to General in 1989. In connection with Mr. Fragoso do Nascimento's active military duties, he was given additional roles within the Casa Militar of the Presidency, which responsibilities included overseeing telecommunications and transmissions during his time in the military and for a period thereafter. Mr. Fragoso do Nascimento was appointed and served from September 2010 as a ''Consultor do Ministro de Estado e Chefe da Casa Militar'' (consultant to the minister of state and chief of the military house). Mr. Fragoso do Nascimento no longer serves in such capacity. He holds a degree in Telecommunication Engineering from Veliko Tarnovo University, Bulgaria. He also attended Ensino Pre-Universitario PUNIV and Escola Ngola Kiluange (Level III) in Luanda, Angola.

Pierre Lorinet joined the Board in September 2013. He joined Trafigura in 2002 as Co-head of Structured and Corporate Finance and served as its Chief Financial Officer and Management Board Member of Trafigura from January 2007 until September 2015. In 2012, Mr. Lorinet relocated to Singapore to take over management of the Asia Pacific region in addition to his CFO role. Following his departure in September 2015, Mr. Lorinet joined both Trafigura's Board of Directors in December 2015 and the Board of Directors of Trafigura subsidiary, Impala Terminals. In July 2017, Mr. Lorinet joined the board of COFCO International Ltd and took on the role of chair of the audit committee. Before joining Trafigura, Mr. Lorinet worked at Merrill Lynch in London and Banque Indosuez S.A. in the Middle East where he took on various debt and capital markets roles. Mr. Lorinet holds a masters' degree in Finance from Lancaster University.

Robert Gillon joined the Board in November 2016. He joined Trafigura in 2006 as a middle distillate risk manager. Since then he has traded the global paper book for distillates, before becoming Co-Head of the Distillates Desk and later becoming co-Head of Group Market Risk. In 2013 Mr. Gillon became a member of the Trafigura Foundation board and in 2016 was appointed to the Trafigura Trading committee. Prior to joining Trafigura, Mr. Gillon worked at Arrow and Tullett Prebon. He holds a Geography degree from Nottingham University.

José Larocca joined the Board in October 2015. He was appointed to the Trafigura Management Board and Head of the Oil and Petroleum Products trading division in March 2007. He was one of Trafigura's earliest employees, joining Trafigura in London in 1994 on the Oil Deals Desk before taking a series of commercial roles, including as a trader of naphtha and petroleum. Prior to joining Trafigura, Mr. Larocca worked for two years at Interpetrol, a small oil trading company in Buenos Aires. He holds a diploma in International Trading from Fundacion Banco de Boston, Buenos Aires, Argentina.

Executive Committee of the Company

The Executive Committee is under the responsibility of the Chief Executive Officer and is primarily responsible for the day-to-day business and operation of the Group. The Committee is responsible for implementing the strategy formulated by the Board and authorizes related investments, subject to approval from the Board where appropriate.

The Committee meets as often as required by the Chief Executive Officer, but at least once a month. The Committee provides strategic direction and operational support within agreed policies and business portfolios.

Key tasks of the Executive Committee include:

- preparing all decisions to be submitted for the Board's consideration, representing the Board in the boards of the various subsidiaries and executing any decisions that require Board approval;
- reviewing and approving all decisions to be submitted to the Board;

• implementing matters contained in the Business Plan approved by the Board;

• approving investments or divestments of members of the Group outside of the Business Plan;

• preparing information on significant events related to the Company's affairs for review by the Board, in particular for investments or divestments outside of the Business Plan; and

• approving any financing arrangements outside of the Business Plan.

The names of each of the members of the Executive Committee as of the date of this Offering Memorandum, and their respective positions are presented in the following table.

Name	Age	Current position
Pierre Eladari	47	Chief Executive Officer
Denis Chazarain	53	Chief Financial Officer
Christophe Zyde	48	Chief Operating Officer
Robert Jones	40	Chief Operating Officer, Asia Pacific
Jonathan Molapo	49	Chief Operating Officer, Africa
Rodrigo Zavala	49	Chief Operating Officer, Americas
Jonathan Pegler	52	Global Head of Supply and Trading
Antonio Mawad	58	Global Head of Midstream Operations
Raymond Taylor	57	Regional Commercial Manager
Pierre Costa	48	Chief Information Officer

Biographical Information

Denis Chazarain joined the Group as Chief Financial Officer in 2008. His previous experience includes finance roles at Total S.A., Addax & Oryx (where he was Chief Financial Officer and General Manager of Downstream) and Vallourec (where he was Chief Financial Officer of the Oil and Gas Division). He holds an MPhil in International Relations from Pantheon-Sorbonne Université and a MCs from the Institut d'Etudes Politiques de Paris.

Christophe Zyde was appointed Group Chief Operating Officer of Puma Energy in 2016, having worked as Chief Operating Officer for Africa since 2011. Prior to joining the Group, he worked at Trafigura (2010 to 2011) as Head of Trafigura's metal trading for Africa. He previously worked for Umicore N.V. in operational and general management roles. Mr. Zyde holds an Engineering degree from the Royal Military Academy in Brussels.

Robert Jones joined Trafigura as a Project and Investment Manager in 2002 and has been serving the Group as the Chief Operating Officer for Asia Pacific since 2013. Prior to his appointment as COO Asia Pacific, Mr. Jones was employed as the Global Strategy and Portfolio Manager and subsequently Head of Strategy and Investment for the Group. Prior to joining Trafigura, Mr. Jones worked for both Arthur Andersen LLP and Deloitte & Touche LLP in finance and M&A. He holds a First Class Honors degree from the University of Cambridge and is a qualified Chartered Accountant (ICAEW).

Jonathan Molapo is the Chief Operating Officer for Africa, joining Puma Energy in this role in 2015. He previously worked at Total, where he was Executive Vice President for Central and East Africa, having previously been responsible for Total's fuel and lubricants supply into South Africa. Mr. Molapo holds an economics degree from Laurentian University in Canada.

Rodrigo Zavala joined the Group in 2011 to lead the merger of Exxon's Centam storage facilities into the business, and then became General Manager in Paraguay and was appointed Chief Operating Officer for the Americas in 2014. He started in a finance role at Shell before spending 11 years at Petrobras in M&A, refinery logistics planning and marketing in Argentina, Brazil and Chile. Mr. Zavala holds an economics degree from Universidad de Belgrano and an MBA from Universidad del CEMA in Argentina.

Jonathan Pegler joined the Group as Global Head of Supply and Trading in 2015. Before joining the Group, Jonathan was global co-head of crude trading and head of oil Asia for Trafigura, based in Singapore. He has previously worked at Amerada Hess and BP, managing trading portfolios for products and risk management of its European Downstream system. Mr. Pegler graduated from City University in London with a BSc in aeronautical engineering.

Antonio Mawad joined the Group in 2013 as Head of Operations for the Americas and was appointed to the role of Global Head of Midstream Operations in 2015. He started his career in 1983 with PDVSA-Venezuela and has worked in a variety of roles across engineering, refinery operations, logistical optimisation, and supply networks. Mr. Mawad holds a chemical engineer title from Simón Bolívar University in Caracas and an engineering degree in oil refining from the French Petroleum Institute in Paris.

Raymond Taylor joined the Trafigura Group in 2011 before being appointed to the role of Puma Energy's Australia General Manager in 2013 and most recently being appointed in 2017 to the role of Regional Commercial Manager and General Manager of Mayanmar. He was appointed to the Group Executive Committee in 2016. He previously worked for BP as CEO Asia LPG and the C&I Business in the UK. Mr. Taylor holds a chemistry degree from Curtin University, Perth.

Pierre Costa joined Puma Energy in 2017 as Chief Information Officer. Pierre joined from IBM where he held various positions, leading large and complex project deliveries and sales in an international and multi-cultural environment. He holds an engineering degree from Ecole Polytechnique in Paris and an engineering degree from Ecole Nationale des Ponts et Chaussees in France.

Audit Committee

Members of the Audit Committees are Graham Sharp, Christophe Salmon (the Chief Financial Officer of Trafigura) and Mark Irwin (a Director of Trafigura). The Audit Committee meets at least twice a year. The main role of the Committee is to review our audit procedures and plans as well as the risk management framework. The Audit Committee also reviews any specific issues raised on an ad hoc basis.

Ethics and Compliance Committee

In 2016, we hired a new Head of Compliance, reconstituted the Compliance Committee, renaming it the Ethics and Compliance Committee, with new membership and terms of reference and also appointed Regional Compliance Officers. Taken together, this represents a further strengthening of our commitment to act in accordance with our Code of Business Conduct. Members of the Ethics and Compliance Committee are: Pierre Eladari (Chief Executive Officer), Andrew McClarron (Global Head of Compliance), Denis Chazarain (Chief Financial Officer), Christophe Zyde (Group Chief Operating Officer), Jonathan Pegler (Global Head of Supply and Trading), Kerstin Knapp (Global Head of Human Resources) and Antonio Mawad (Global Head of Midstream Operations). The Committee meets at least twice a year and its primary role includes: (i) the review, approval and oversight of our program for ethics and compliance; (ii) the review of significant ethics and compliance risks and confirmation that appropriate risk management activities and plans are in place; (iii) monitoring the overall ethics and compliance performance in the Group; (iv) the review of systems in place to enable staff to speak up about potential breaches of the Code of Business Conduct. The Ethics and Compliance Committee also reviews any specific issues raised on an ad hoc basis.

Compensation

In the years ended December 31, 2014, 2015 and 2016 the aggregate remuneration in the form of salaries, bonuses and other amounts accrued or that we paid to the members of our board of directors and key management was $7.3 million, $5.9 million and $9.1 million respectively. In the nine months ended September 30, 2017, the aggregate remuneration in the form of salaries, bonuses and other amounts accrued or that we paid to the members of our board of directors and key management was $5.1 million.

Code of Business Conduct

The Company is committed to maintaining the highest ethical standards in the personal and professional conduct of its employees, suppliers, contractors and consultants. It aims to ensure that day-to-day business activities are conducted in a fair, honest and ethical manner. Every person working with the Company has individual responsibility for maintaining an ethical workplace. The managers and leaders of the Company are additionally responsible for fostering a proper environment and encouraging ethical practices.

The board of directors has approved a Code of Business Conduct (the ''**Code**''), which provides guidance on a range of topics including (i) ''know your counterparty'' procedures, (ii) compliance with anti-bribery and anti-corruption procedures, (iii) the exchange of gifts and benefits between business associates, (iv) political and charitable contributions, (v) regimes relating to insider trading and market abuse, (vi) compliance with various sanctions and (vii) the provision of a helpline and whistleblower protections. The Code was updated and relaunched in October 2017. The Code is available in English, Portuguese, French, Spanish and Burmese, and must be signed by all staff. We also provide the Code to all of our contractors.

We implement and embed the Code and Ethics and Compliance programme through a compliance function, currently comprising a Global Head of Compliance and three Regional Compliance Officers, and an Ethics and Compliance Committee. In addition, we have a network of Code Ambassadors throughout our operations that, in addition to their day to day role, support local managers and teams in reinforcing the Code. We have an online training package for Code of Conduct and associated risks and will continue to implement face-to-face trainings as required.

Several of the key policies in the Code are summarized below.

Know-Your-Counterparty Diligence Process

In December 2013, we started using an industry standard third-party database to assist in our counterparty due diligence and know-your-counterparty processes. We are screening our existing and proposed relationships using industry standard databases. Our standard for evaluating potential counterparties is measured against the Joint Money Laundering Steering Group Guidance, which is promulgated by a group of United-Kingdom-based trade associations in the financial services industry. See ''*Business—Risk Management*.''

Anti-Corruption and Anti-Bribery Policy

The Company has anti-corruption and anti-bribery policy that apply to all transactions, operations, projects, bid processes, procurements, negotiations, arrangements, documentation processes, applications, activities, agreements, contracts, awards, decisions, practices or other business dealings. These policies must be complied with by all directors, officers, managers and employees (including consulting or contract staff and any third-party personnel providing services to the Company), as well as business partners.

This policy strictly prohibits employees from the following corrupt practices, among others: asking for, accepting, offering or receiving any bribe, benefit or gratification of any kind for themselves or any other person on account of anything done or omitted to be done by them in the discharge of the employee's duties; putting themselves in a position where their personal interests conflict with their duties, responsibilities and the Company's commitment to eradicate corruption; and receiving, accepting or giving in to demands to receive or pay a bribe, kickback, or any portion of a contract payment from any business partner, person or entity having any business relationship with the Company. This policy requires that the Company and its employees exercise due care and take reasonable steps and precautions towards evaluating the risk that prospective business partners may engage in any prohibited activities.

Our internal audit team includes a central field audit team, performing regular audits against policy, as well as a permanent audit team that continuously audits our systems and transactions.

Gifts, Hospitality and Entertainment Policy

The Company's gifts, hospitality and entertainment policy applies to the giving and acceptance of gifts and/or benefits, from persons or entities that deal directly or indirectly with the Company, by all employees, directors and officers, their spouses and immediate family members.

This policy prohibits gifts and benefits in an amount or on a scale that unduly influences business decision-making or that may be perceived by others as an undue influence. In order to comply with these policies, the value of a gift or benefit must be, among other things, (i) reasonable, (ii) directly connected to a legitimate business promotional activity or the performance of an existing contract,

(iii) permitted under local law and in accordance with local business practice and (iv) otherwise consistent with our business practices. Any gift or benefit offered with the intention of conveying an obligation to the donor should be rejected.

Governance Issues

The shareholders of the Company are Trafigura, Sonangol, Cochan, PE Investments Limited, Global PE Investors Plc (''**GPE**''), PE SPV Limited (''**PESPV**'') and PE ESP LLC. For a more detailed description of the principal shareholders, see ''*Principal Shareholders*.''

Trafigura, Sonangol, Cochan and PE Investments Limited entered into a shareholders' agreement with effect from September 16, 2013 (and GPE, PESPV and PE ESP LLC have since signed deeds of adherence). The shareholders' agreement contains, among other matters, a number of customary provisions relating to the governance of the Company and pre-emption rights for the shareholders on a new issue of shares, as well as tag-along and drag-along rights exercisable by the parties under certain circumstances. Trafigura has pre-emption rights on any proposed sale by Cochan or Sonangol and Cochan and Sonangol have pre-emption rights on a proposed sale by Trafigura below a 25% holding.

Under the terms of the shareholders' agreement, the Board shall comprise a maximum of eight directors unless otherwise agreed by the shareholders. Trafigura has the right to appoint three directors, Sonangol has the right to appoint two directors and Cochan has the right to appoint one director. The shareholders' agreement in addition provides for the appointment of the Chief Executive Officer of the Company and an Independent Director (who shall also be Chairman) by shareholders holding together at least 75% of the shares in issue.

The shareholders' agreement provides that certain other matters (''reserved matters'') shall also be approved by the shareholders holding together at least 75% of the shares in issue. The reserved matters are proposed by the Board to the shareholders and include, among others, any application for the listing of any shares or other securities of any member of the Group on any stock exchange or for permission for dealings in any shares or other securities of any member of the Group in any securities market, the modification of any rights attached to the shares, permitting any substantial alteration to the general nature of the business, and entering, varying or terminating any arrangement, or agreement with any shareholder.

Interests of Directors and Company Executive Committee Members

Certain of our directors have indirect shareholdings in the Company. For more information, see ''*Principal Shareholders*.''

Conflicts of Interest

The Company has procedures for managing conflicts of interest in place. Should directors become aware that they, or their connected parties, have an interest in an existing or proposed transaction with the Company, they are required under such procedures to notify the board in writing or at the next board meeting.

Internal controls are in place to ensure that any related party transactions involving directors, or their connected parties, are conducted on an arm's length basis. Directors have a continuing duty to update any changes to these conflicts.

None of our directors or key management have been subject to any bankruptcy, receivership or liquidation proceedings (other than entities which have been liquidated on a solvent basis); nor have any of them been convicted of any fraudulent offence or been subject to any official public incrimination or sanctions by statutory or regulatory authorities (including designated professional bodies) in acting as founder, director or senior manager of any company for the last five years; nor has any of them been disqualified by a court from acting as a member of the management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for the last five years.

Our director Leopoldino Fragoso do Nascimento has been mentioned in connection with his historical indirect shareholding in Nazaki in a U.S. Securities and Exchange Commission and a U.S. Department of Justice investigation into a joint venture partner of Nazaki. These allegations can be found in the public domain. We have never had any relationship with Nazaki or the joint partner of Nazaki that was subject to investigation, and we are not involved in these investigations.

There are currently no actual or potential conflicts of interest between the duties of our directors and key management set out in this section owed to the Company, and the personal interests of those directors or key management.

In the ordinary course of business, we have engaged, and continue to engage in purchase and sale transactions with parties that are related parties to the Company on an arm's length basis. For a more detailed description of these transactions, see ''*Related Party Transactions*.''

The majority of our related party transactions constitute transactions between us and our two main shareholders, Trafigura and Sonangol. There are currently no actual or potential conflicts of interest in relation to our purchase and sale transactions with Trafigura and Sonangol between the duties of our directors and key management set out in this section owed to the Company, and the personal interests of those directors or key management.

Board of Directors of the Issuer

General consideration

The board of directors of the Issuer represents the essential corporate body generally entrusted with the management of the Issuer. It defines the general policy and strategic direction of the Issuer and, to that end, is vested to that purpose with the broadest powers to perform all acts of administration and disposition in relation to the corporate purposes of the Issuer. All powers not expressly reserved by the Luxembourg Company Law, and/or the articles of association of the Issuer to the general meeting of shareholders of the Issuer, fall within the competence of the board of directors.

Composition of the board of directors of the Issuer

The board of directors of the Issuer is currently composed of directors of category A and of category B whose name, age, position and category as of the date of this Offering Memorandum are presented in the following table:

Name	Age	Position	Category
Pierre Eladari	47	Chief Executive Officer of Puma Energy	Category A Director
Denis Chazarain	52	Chief Financial Officer of Puma Energy	Category A Director
Dirk Jan Vanderbroeck	42	Global Head of Corporate Finance and Treasury of Puma Energy	Category A Director
Christophe Gaul	40	Managing Director of Headstart S.àr.l., Luxembourg	Category B Director
Constance Collette	41	Director of Headstart S.àr.l., Luxembourg	Category B Director
Patrick Labranche	52	President of Groupe Ecore (Luxembourg) SAS	Category B Director
Remy Cornet	33	Senior Manager at Headstart S.àr.l., Luxembourg	Category B Director

Category B directors are based in Luxembourg. For a quorum at the Board meeting at least one Category A and one Category B director is required, and a decision taken is by simple majority including at least one vote from one Category A directors and one from Category B directors. Towards third parties the Company is bound by the joint signature of one Category A director and one Category B director.

The board of directors may elect among its members a permanent chairman (*président du conseil d'administration*), who is responsible for convening and chairing meetings of the board of directors pursuant to the articles of association of the Issuer.

Biographical information of the members of the board of directors of the Issuer

Dirk-Jan Vanderbroeck joined the Group in February 2014 as Global Head of Corporate Finance and Treasury. He holds a MSc degree in Business Economics from the University of Groningen in the Netherlands. Mr Vanderbroeck worked at Goldman Sachs from 1999 to 2012, most recently as a Managing Director in its Investment Banking Division. Prior to joining the Group, Mr Vanderbroeck was at Royal Mail Plc and Marylebone Energy Partners.

Christophe Gaul founded Headstart S.àr.l. (part of the Estera group) Luxembourg in 2009 and is its Managing Director. Having graduated with a degree in accountancy from Haute Ecole Blaise Pascal in Belgium, and having qualified as a chartered accountant in Luxembourg he began his career in the domiciliation departments at PricewaterhouseCoopers LLP and Alter Domus. Subsequently he spent four years developing and managing the private equity business at Apax Partners in Luxembourg before becoming Luxembourg Chief Financial Officer within BI-Invest Advisors S.A from 2008 and 2009.

Constance Collette has been a director of Headstart S.àr.l. (part of the Estera group) since 2010. Prior to Headstart, Ms. Collette was the Consulting Manager at Securex Luxembourg from 2005 to 2010, and a Payroll advisor and Tax advisor at PriceWaterhouseCoopers LLP from 2000 to 2005. Ms. Collette holds a degree in translation (French/English/German) from Université de Mons-Hainaut-Ecole d'Interprètes Internationaux, a degree in Business Administration from Université de Mons-Hainaut-Faculté Warocque de Sciences Economiques and a degree in Luxembourg tax from Chambre de Commerce et la Société de Comptabilité du Luxembourg.

Rémy Cornet has worked as manager within the domiciliation department at Headstart S.à r.l. (part of the Estera group) since 2012. Prior to Headstart, Mr. Cornet was Officer at Alter Domus Luxembourg from 2007 to 2009 and then Senior Officer from 2009 to 2012. He holds a master in Economic Sciences and International Management from ''HEC, Management School of the University of Liege'' as well as an aggregation in Economic Sciences from ''University of Liege''.

Patrick Labranche is a director of several Groupe Ecore entities, and is President of the group's holding company Groupe Ecore (Luxembourg) SAS. Patrick's responsibility lines include Groupe Ecore Corporate Legal, structuring and Group Tax functions. Patrick has held various finance management positions in his 30 year career, including with Clifford Chance, Loyens & Loeff and the media company RTL Group. Patrick holds a degree in Commercial and Financial Sciences from HEC Liege, Belgium and an MBA from Sacred Heart University, Fairfield, USA.

Appointment of the directors of the Issuer

The directors of the Issuer are appointed by the sole shareholder, Puma Energy Luxembourg S.à r.l. or at the general meeting of shareholders in case of plurality of shareholders, which may remove them at any time (*révocation ad nutum*). Resolutions of the general meeting of shareholders relating to the appointment or the removal of the directors are passed by a simple majority of the votes expressed by the shareholders present or represented.

Meetings and deliberations of the board of directors of the Issuer

Meetings of the board of directors are convened by the permanent chairman or any director of the Issuer as often as the interest of the Issuer so requires. Meetings of the board of directors are validly held and decisions of the board of directors are validly taken if a majority of the directors is present or represented and with the presence or representation of at least one Category A director and at least one Category B director. Any director of the Issuer may be represented at meetings of the board of directors by another director and any director may represent more than one director at any particular meeting of the board of directors.

Any decision to be taken by the board of directors of the Issuer requires a vote of the simple majority of the directors present or represented including the favorable vote of at least one Category A director and at least one Category B director.

Representation of the Issuer

Pursuant to its articles of association, the Issuer is bound in any circumstances by the joint signature of any director of category A and any director of category B. The Issuer may further be bound for specified matters by the joint signatures or single signature of any persons to whom such signatory power has been delegated by the board of directors, within the limits of such delegated power.

The board of directors may also:

- delegate its power to conduct the daily management (*gestion journalière*) of the Issuer to one or more directors;
- commit the management of the affairs of the Issuer or of a special branch to one or more directors; and
- give special powers for determined matters to one or more proxy holders.

PRINCIPAL SHAREHOLDERS

The Issuer is a wholly owned indirect subsidiary of the Company. As of September 30, 2017, the issued and paid-up share capital of the Company was $2,054,165,835 comprised of 107,446,809 ordinary shares. Ordinary shares issued by the Company having no par value. The following table shows the Company's shareholders as of September 30, 2017:

Name	Percentage ownership
Trafigura[(1)(2)]	49.49%
Sonangol	27.92%
Cochan	15.45%
PE Investments Limited	5.85%
Global PE Investors PLC	0.22%
PE SPV Limited	0.56%
PE ESP LLC[(2)]	0.51%

(1) As of September 30, 2017, Trafigura ultimately owned 49.58% of the shares of the Group, 49.49% via its wholly owned subsidiary Puma Energy Holdings Malta Ltd and the remainder via PE SPV Limited.

(2) On January 5, 2018, Puma Energy Holdings Malta Ltd transferred 201,298 shares to PE ESP LLC.

Trafigura is a private company organized under the laws of Singapore and is a major international commodity trader that began operations (through a predecessor company) in 1993. Trafigura's primary trading businesses involve the supply and transport of crude oil, refined oil products, renewable energies, coal, refined metals, ferrous and non-ferrous ores and concentrates. In 2016, Trafigura generated revenues of $98.1 billion. Trafigura is ultimately owned by its senior management and employees. The beneficiaries of the estate of Claude Dauphin (his immediate family) are each entitled to a 5% interest in Trafigura. On completion of a company restructure, the following shareholders will each beneficially hold between 5% and 20% of Trafigura: Jeremy Weir, José Larocca and Michael Wainwright. Collectively these three shareholders beneficially hold less than 40% of Trafigura's equity. The remainder of Trafigura's equity is beneficially owned by its senior management and employees with no shareholder holding more than 10% (other than as set out above).

Sonangol is a company owned by the state of Angola that was established in 1976 and was one of the first African companies to begin oil exploration and production operations in Africa. Sonangol's main activities include the exploration, development, marketing, production, transportation and refining of hydrocarbons and their derivatives. Sonangol is ultimately owned by Sonangol, E.P., a state-owned oil and investment holding company.

Cochan is a limited liability company organized under the laws of the Marshall Islands. Between 2008 and 2010, Cochan invested in certain of our African operations (for example, in DRC, Mozambique, Angola and the Ivory Coast) through a 51% stake (reduced in 2009 to 50%) in Puma Africa Investment Limited and a 32% stake in Sparnweg Limited (GRC Dubai terminal). In 2010, Cochan exchanged these shareholdings for an 18.75% indirect interest in the Group's previous parent company. In 2013, this holding was restructured so that Cochan would hold directly in the Company, following which Cochan's direct shareholding in 2013 was 15%. The share capital of Cochan is ultimately owned by one of our directors, Leopoldino Fragoso do Nascimento.

PE Investments Limited (''**PEIL**'') is a limited liability company organized under the laws of Malta and which serves as an investment vehicle holding 5.85% of the Company as of September 30, 2017 for a limited number of private investors. PEIL is administered by an independent director who holds a single ''B'' share and exercises the voting rights of PEIL in the Company while the investor shareholders of PEIL hold ''A'' shares which entitle them to dividends and other distributions of PEIL, but do not give them any voting rights in the Company. PEIL is ultimately owned by a consortium of private investors who largely comprise current and former senior managers from Trafigura. Certain of the directors of the Company hold a minority stake which, in aggregate, amounts to less than 10% of PEIL.

Global PE Investors PLC (''**GPE**'') and PE SPV Limited (''**PESPV**'') are companies organized under the laws of Malta, holding 0.22% and 0.56%, respectively, in the Company as of September 30, 2017. Both entities serve as investment vehicles for a consortium of private investors and are administered by an independent director who holds a single ''B'' share and exercises the voting rights of GPE and PESPV in the Company while the investor shareholders hold ''A'' shares which entitle them to dividends and other distributions of GPE and PESPV, but do not give them any voting rights in the Company.

PE ESP LLC is a company organized under the laws of Marshall Islands and holds 0.51% in the Company. This entity has been incorporated to hold the Puma Energy Employee Participation Plan.

Shareholders' Agreement

Trafigura, Sonangol, Cochan and PE Investments Limited entered into a shareholders' agreement with effect from September 16, 2013 (and GPE, PESPV and PE ESP LLC have since signed deeds of adherence). The shareholders' agreement contains, among other matters, a number of customary provisions relating to the governance of the Company and pre-emption rights to the shareholders on a new issue of shares, as well as tag-along and drag-along rights exercisable by the parties under certain circumstances. For a more detailed description of the shareholders' agreement, see ''*Management and Corporate Governance*.''

Under the terms of the shareholders' agreement, Trafigura has the right to appoint three directors, Sonangol has the right to appoint two directors and Cochan has the right to appoint one director. The shareholders' agreement in addition provides for the appointment of the Chief Executive Officer of the Company and an Independent Director (who shall also be Chairman) appointed by shareholders holding together at least 75% of the shares in issue. The shareholders' agreement provides that certain matters shall be approved by the shareholders holding together at least 75% of the shares then in issue. Such matters include, among others, any application for the listing of any shares or other securities of any member of the Company's Group on any stock exchange. The issue and listing of the Notes has been authorized by the shareholders of the Company by way of shareholders' consents dated December 13-15, 2017 in accordance with the provisions of the shareholders' agreement.

RELATED PARTY TRANSACTIONS

The following is a summary of our most significant transactions with related parties from January 1, 2014 to September 30, 2017. For further details of these transactions, see Note 25 to our consolidated financial statements, included elsewhere in this Offering Memorandum.

In the ordinary course of business, we have engaged, and continue to engage, in transactions with parties that are related parties to the Company. The majority of our related party transactions constitute transactions between us and our two main shareholders, Trafigura and Sonangol. We did not engage in transactions directly with members of our board of directors during the period under review.

Supply

We purchase refined oil products from Trafigura and Sonangol in the ordinary course of business. For our purchase and sale transactions with Trafigura and Sonangol, no warranties or corporate guarantees of payment or performance are given or received by either party. The accounts receivable and payable arising from these purchase and sale transactions are unsecured and bear no interest. No provision has been made for the nine months ended September 30, 2017 or for the years ended December 31, 2014, 2015 or 2016 relating to the impairment of accounts receivable from related parties resulting from these purchase and sale transactions.

Trafigura

Trafigura is our preferred supplier of refined oil products for our downstream business, providing us with access to the international petroleum market. We have long-term supply agreements with Trafigura that set forth certain of the terms under which we purchase from Trafigura deliveries of refined oil products, including unleaded gasoline, automotive diesel, jet fuel, liquefied petroleum gas, bitumen, aviation gasoline, bio diesel, ethanol, naptha, gasoline blendstocks, crude oil and fuel oil. The contract price for purchases from Trafigura is determined through a process established by the long-term commercial supply agreements, which grant Trafigura the exclusive right, subject to certain exceptions, to supply the specified products. In general, the long-term commercial supply agreements require that we solicit a supply proposal first from Trafigura for all general and spot supply requirements and solicit third-party supply proposals only after attempting to reach an agreement with Trafigura, with any third-party supply proposals subject to Trafigura's right to match. Trafigura's exclusive supply rights do not apply if (i) we have an existing obligation to receive refined oil products from a third party supplier (which as of the date hereof was not applicable); (ii) we are obliged due to local laws or regulations to source refined oil products from particular suppliers, which applies in certain of the fully regulated markets in which we operate; (iii) Trafigura is unable to meet our supply requirements; or (iv) Trafigura is unable to offer refined oil products at a competitive price, as determined through the process described above.

The long-term commercial supply agreements specify that purchases from Trafigura take place using contract templates, or frame contracts, which differ based on the delivery basis. We specify for each purchase of refined oil products terms such as the quality and quantity of the product, delivery period and delivery location. The frame contracts provide, among other things, that the products sold by Trafigura shall be inspected by an internationally-recognized independent inspector appointed by Trafigura in order to determine the quality of the products. We have the right under these contracts to make claims against Trafigura if the quantity or quality of the product delivered did not meet our specified terms.

Sonangol

We do not have long-term supply agreements with Sonangol and typically enter into spot contracts with Sonangol with respect to the purchase of our refined oil products in Angola, as Sonangol has a State monopoly for supplying refined oil products in the country. As Angola is a fully-regulated market, purchases from Sonangol are made at the reference import price applicable to all purchasers in Angola. See ''*Regulation*.''

Services

Trafigura

We have a services agreement with Trafigura, pursuant to which we are entitled to receive services relating to administration, compliance, legal advice, banking and financial advice, trade support, human resources, engineering and infrastructure from Trafigura, for which we are required to pay Trafigura for the cost of the services plus a margin. The main services we presently obtain from Trafigura under this agreement relate to human resources and infrastructure, in particular IT services, with lower reliance on certain of the other services available under the contract as we have moved some of these services into our Group perimeter through recent hires and the establishment of internal departments. In addition, we supply Trafigura with infrastructure, engineering and logistical services within our midstream business pursuant to the terms of the same long-term services agreement. This agreement has no fixed term and may be terminated by either party with six months' notice.

Sonangol

We also have a long-term services agreement with Sonangol Distribuidora, S.A., pursuant to which Pumangol Bunkering, Ltda. provides Sonangol with bunkering services of marine oil and related products, storage, sales, distribution, logistics, marketing, quality control, billing and related administrative services, for which Sonangol reimburses Pumangol Bunkering of its costs and gives a percentage of the service profits.

The following table summarizes our transactions with Trafigura and Sonangol for the years ended December 31, 2014, 2015 and 2016 and for the twelve months period ended September 30, 2017.

Sales to related parties	Year ended December 31,			9 Months Ended September 30,		Twelve Months Ended September 30,
	2014	2015	2016	2016	2017	2017
	($ millions)					
Trafigura	232.8	575.4	694.2	563.7	543.6	674.1
Sonangol	65.7	48.2	37.2	30.0	10.7	17.9
Others	4.3	12.6	12.5	10.5	68.3	70.3
Total	**302.8**	**636.2**	**743.9**	**604.2**	**622.6**	**762.3**

Purchases from related parties	Year ended December 31,			9 Months Ended September 30,		Twelve Months Ended September 30,
	2014	2015	2016	2016	2017	2017
	($ millions)					
Trafigura	(7,255.3)	(5,719.7)	(5,871.8)	(4,218.9)	(4,994.2)	(6,647.1)
Sonangol	(529.7)	(1,008.5)	(775.6)	(566.0)	(478.1)	(687.7)
Others	—	(4.2)	(0.1)	(0.0)	(15.6)	(15.7)
Total	**(7,785.0)**	**(6,732.4)**	**(6,647.5)**	**(4,784.9)**	**(5,487.9)**	**(7,350.5)**

The following table summarizes our balances with Trafigura and Sonangol as at December 31, 2014, 2015 and 2016 and for the nine months ended September 30, 2016 and September, 2017:

Amounts owed by related parties	Year ended December 31,			As of September 30,
	2014	2015	2016	2017
	($ millions)			
Trafigura	149.8	97.3	77.6	149.5
Sonangol	25.5	201.1	34.0	72.8
Others	0.2	20.8	34.2	29.9
Total	**175.5**	**319.2**	**145.8**	**252.2**

Amounts owed to related parties	Year ended December 31, 2014	2015	2016	As of September 30, 2017
		($ millions)		
Trafigura[(1)]	(889.1)	(804.7)	(896.8)	(1,083.1)
Sonangol	(80.4)	(173.7)	(114.9)	(33.2)
Others	(6.8)	(9.1)	(3.5)	(6.1)
Total	**(976.3)**	**(987.5)**	**(1,015.2)**	**(1,122.4)**

(1) 2014 amounts have been restated for a $153.7 of vendor loan against Trafigura for the bitumen business and ships, acquired during 2014, as well as $6.5million of loans from other related parties.

Loans from Related Parties

On September 30, 2013, Puma Energy Funding Ltd. (‘‘**Puma Funding**’’) and the Company entered into a $1,500 million subordinated credit facilities agreement (the ‘‘**Trafigura Loan**’’) governed by English law with Bulavista Limited (‘‘**Bulavista**’’), a subsidiary of Trafigura.

On June 30, 2014, Puma Energy Funding Ltd, the Company and the Issuer entered into a novation agreement to transfer all the rights and liabilities of Puma Energy Funding Ltd under the Trafigura Loan to the Issuer.

On September 30, 2017, a novation agreement was entered to transfer the rights and the liabilities of Bulavista to Trafigura Pte. Ltd.

The Trafigura Loan provides for (i) a $500 million committed revolving facility (the ‘‘**Trafigura Loan Facility A**’’) and (ii) a $1,000 million uncommitted revolving facility (the ‘‘**Trafigura Loan Facility B**’’ and, together with Trafigura Loan Facility A, the ‘‘**Facilities**’’). The Trafigura Loan provides that, in the event of a winding-up of the Issuer, all obligations and liabilities payable to Trafigura Pte. Ltd. will rank immediately after the Issuer's unsubordinated obligations and liabilities, and *pari passu* with any subordinated claims ranking equally but in priority to all other claims against the Issuer. The Trafigura Loan will not be treated as Subordinated Indebtedness in the Indenture.

All amounts outstanding under the Facilities must be repaid in full on September 30, 2018. In addition, Trafigura Pte. Ltd. may request at any time the payment of all amounts outstanding under the Trafigura Loan Facility B. Any term loans made under the Trafigura Loan would bear interest at an annual rate equal to the aggregate of (i) a margin of 8.0%, and (ii) LIBOR.

The Trafigura Loan requires the Issuer and the Company to ensure compliance with certain financial covenants. The Trafigura Loan also contains certain customary representations and warranties, covenants, and events of default. For further information see ‘‘*Description of Certain Other Indebtedness—Trafigura Loan.*’’

The Trafigura Loan was last drawn in February 2014. As of September 30, 2017, no amounts were outstanding under the Trafigura Loan.

Other

As of September 30, 2017, an aggregate amount of $12.5 million was outstanding under certain loans granted by related parties. The amount outstanding under these loans is included as Other Debt as described in ‘‘*Capitalization*.’’

We have also acquired, by virtue of our various acquisitions, certain legacy loans made to employees of acquired entities. These loans are, individually and in aggregate, immaterial to us.

In addition to the above transactions, a substantial portion of our derivatives are transacted through Trafigura Pte Ltd. See ‘‘*Management's Discussion and Analysis of Financial Condition and Results of Operation—Risk Management—Operational Risk Management*.’’

REGULATION

General

We have operations in 48 countries across Africa, the Americas, Asia Pacific and Europe and we are subject to a broad range of regulations in each of the jurisdictions in which we operate. In many jurisdictions, we are subject to price regulations with respect to the sale of our refined oil products. We are also subject to, among other things, standards and requirements and potential liabilities in respect of pollution control, remediation of environmental contamination, accidents and injuries, the operation of our terminals, depots, retail sites and other facilities and storage and handling of hazardous and toxic materials. The nature and scope of these standards and requirements vary widely from one jurisdiction to another and between our various segments and business lines. The laws and regulations applicable to our operations are subject to change and we expect that we will continue to be subject to increasingly stringent laws and regulations. See also ''*Risk Factors*.''

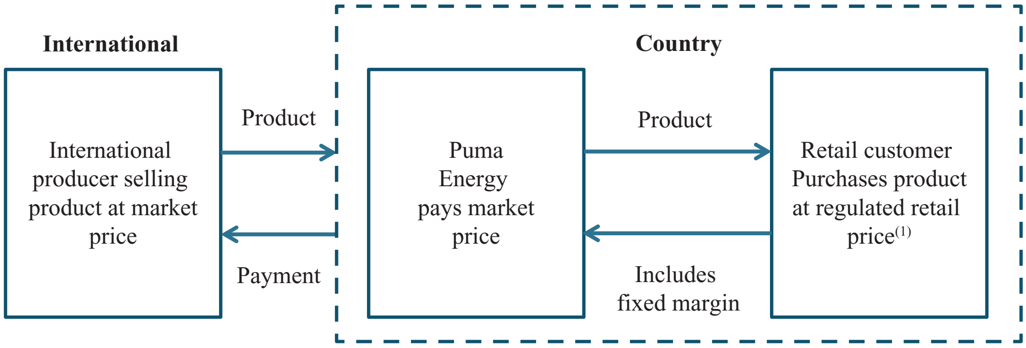
Price regulations

We have downstream operations in free markets, such as Australia, Puerto Rico and Guatemala. In these countries, government regulations do not limit our ability to set the distribution price of the refined oil products we sell to our customers.

However, in the majority of the countries where we operate, the regulations applicable to our activities establish a maximum margin above the price at which we purchased the refined oil products that we may charge our customers. Such maximum margin may apply to specific products (e.g., fuel) or specific customers (e.g., retail customers).

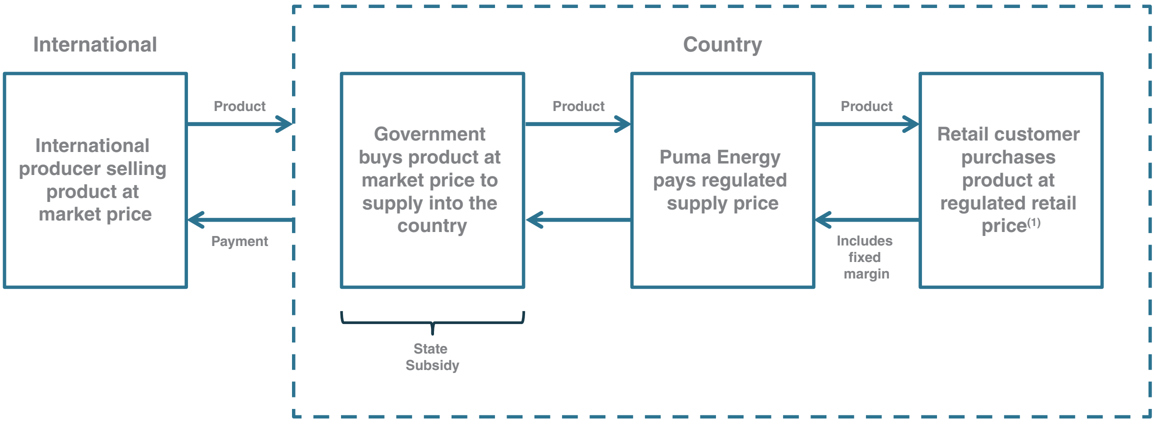
Under the semi-regulated framework, the relevant government establishes a maximum gross margin often established with a reference in U.S. dollars, over a specified reference import price. Companies that are able to achieve a better supply price than the reference import price are allowed to keep the incremental margin, which is equal to the difference between the reference import price and the supply price obtained by the company. The amount of the maximum margins may, in some cases, be adjusted by the relevant government upon request of a corporate operator to reflect greater distances from the retail site to the point of import of the product in the country.

The following diagram provides an example of regulation in a semi-regulated market.



(1) Regulated retail price = regulated supply price + fixed margin

Under a fully regulated framework, refined oil products are made available to retailers at a specified reference import price set by the relevant government. Imports of refined oil products are organized by the relevant government, either directly (such as in Angola), or through a club of fuel dealers (such as in Malawi). In these countries, we are not permitted to source refined oil products in the international market and must buy them at the price set by the relevant government. This reference import price is usually calculated as the difference between the market price paid by the government and a government subsidy aimed at decreasing the final price of the refined oil products for end consumers. The government also establishes a maximum gross margin, often established with a reference in U.S. dollars, that may be adjusted in the same circumstances as those described above with respect to semi-regulated markets. See ''*Risk Factors—Risks relating to our business—Price regulations determine and will determine in the future our margins and define return on investment*.''



In our semi-regulated and fully regulated markets, our margins are not affected by changes in prices of crude oil and refined oil products but depend on other factors such as the efficiency of our logistics chain, the quality and reliability of our products and the location of our retail sites. Depending on the country of operation, the maximum margin may apply to specific products (e.g., automotive fuel) or specific customers (e.g., retail customers).

The following table provides an overview of the regulatory framework applicable to our retail and distribution activities in our main countries of operations.

List of downstream markets[1]

COUNTRY	REGULATORY FRAMEWORK
Africa	
Angola	Fully regulated
Benin	Semi-regulated
Botswana	Semi-regulated
Congo	Fully regulated
DRC	Semi-regulated
Ghana	Free market
Ivory Coast	Fully regulated
Lesotho	Fully regulated
Malawi	Semi-regulated
Mozambique	Fully regulated
Namibia	Semi-regulated
Nigeria	Free market
Senegal	Fully regulated
South Africa	Semi-regulated
Swaziland	Fully regulated
Tanzania	Semi-regulated
Zambia	Semi-regulated
Zimbabwe	Semi-regulated
Latin America	
Belize	Semi-regulated
Colombia	Fully regulated
El Salvador	Semi-regulated
Guatemala	Free market
Honduras	Semi-regulated
Nicaragua	Fully regulated
Panama	Semi-regulated
Paraguay	Semi-regulated
Peru	Free market
Puerto Rico & U.S. Virgin Islands	Free market
Asia Pacific	
Australia	Free market

COUNTRY	REGULATORY FRAMEWORK
Indonesia	Semi-regulated
Myanmar	Semi-regulated
Papua New Guinea	Semi-regulated
Pakistan	Semi-regulated
Vietnam	Semi-regulated
Europe	
United Kingdom	Free market

(1) This list does not include those countries where we are not impacted by fuel price regulations, such as our midstream markets (including Chile, Estonia, Norway, Russia, Spain and U.A.E), our headoffices (Singapore and Switzerland), countries with sales of some speciality products only (Togo, Sweden, Cuba).

Health, safety and environmental regulations

Our operations, particularly those relating to the storage, transportation and sale of fuel and lubricants, are subject to numerous health, safety and environmental laws and regulations in each of the countries in which we operate, including laws and regulations governing the quality of fuels and lubricants, ground pollution and emissions and discharges into air and water, the handling and disposal of hazardous wastes, the use of vapor reduction systems to capture fuel vapor, and the remediation of contamination at retail sites and storage sites.

Some of these health, safety and environmental laws and regulations require us to hold permits, or obtain registrations (including registrations of retail sites and fuel transportation vehicles), in connection with our operations, which may impose limitations or conditions in connection with the initial grant or renewal of permits to store or sell fuel products. Operation of facilities or vehicles or storage of refined oil products in breach of the requirements set out in the permits may result in revocation of the permits, corporate fines, imprisonment or liquidation of the company holding the permits. More generally, we are also required to hold permits or obtain registrations in connection with our operations in most of the countries where we operate. For instance, in Puerto Rico, we are required to hold several permits to participate in the storage, importation and distribution of LPG.

We make stringent efforts to ensure that we hold all necessary permits, including extensive work during the due diligence phase of our acquisitions. If we become aware of an issue with our permits, our policy and practice is to engage openly with the relevant authorities to resolve the issue as rapidly as possible. For instance, when we acquired the Capeco assets in Puerto Rico, while we were awarded a court order as part of the bankruptcy process granting us all of the licenses and permits held by the company prior to our acquisition, we found in practice that we needed to engage with various regulatory bodies including the US EPA, Puerto Rico EQB and US Coast Guard to ensure that the required permits were valid. See also ''*Risk Factors—Risks relating to our business—We are subject to health, safety and environmental laws and regulations and industry standards related to our operations*.

Our activities expose us to certain risks, particularly at our terminals and other storage facilities, where large quantities of fuel are stored, and at our retail sites. These risks include environmental contamination resulting from vapor emissions and spills and leaks at storage facilities and/or in the course of transportation to or from our terminals, retail sites, airports locations and/or other sites. Local laws and regulations applicable to our operations may hold us liable for any leakages or accidents that lead to ground pollution or other forms of environmental damage, whether as landowner, operator or other user of, or supplier to, these locations. We are generally required to clean up and treat sites whenever any environmental damage is identified, regardless of whether environmental damage is discovered as a result of a specific accident or incident or in connection with routine maintenance and infrastructure development at our sites. We are also generally responsible for remediation of sites upon the sale of retail sites or storage facilities. Local laws and regulations may also hold us responsible for remediation of environmental damage at storage facilities or retail sites acquired by us, even if the underlying environmental damage was caused by a prior owner or operator. See also ''*Risk Factors—Risks relating to our business—We are exposed to potential liability arising from accidents or incidents relating to health, safety and the environment and from remediation of such accidents and incidents at our terminals, retail sites and/or other sites*.''

In addition, on a voluntary basis we apply international standards that are often more stringent than applicable local laws and regulations. For instance, the design of our new terminals meets the requirements of the American Petroleum Institute (‘‘**API**’’). Our new fuel tanks are designed in line with API650 and we design our firefighting systems in line with U.S. National Fire Protection Association (‘‘**NFPA**’’) global regulations. When we acquire major storage facilities, we review the existing fire protection and, where necessary, bring features, policies and practices into line with NFPA regulations as part of our capital expenditure and improvement plans. For example, we have recently improved the firefighting systems in our terminal in Walvis Bay in Namibia.

In Puerto Rico, for example, as part of the acquisition of the assets from Capeco, we entered into four agreements with the U.S. Environmental Protection Agency (‘‘**EPA**’’) which define our responsibility to remediate historical environmental issues, including the demolition and remediation of a refinery which had large amounts of asbestos. We also committed to implement measures to improve our leak detection and over-spill protection in the retail sites that are more stringent than existing local regulations. We are required to report regularly to the relevant authorities on our progress, and are subject to inspections and audits conducted by the EPA, the United States Coast Guard and the Puerto Rico Environmental Quality Board.

Aviation

Our refined oil products are required to satisfy international standards and specifications. These specifications are particularly stringent with respect to aviation fuel as the sale of contaminated aviation fuel could result in damage to aircraft and major incidents.

Our Aviation business offers JET A-1 (Aviation Turbine Fuel) and Aviation gasoline 100LL (‘‘**Avgas**’’), a fuel for piston engine aircraft. JET A-1 conforms to the following specifications: Aviation Fuel Quality Requirements for Jointly Operated Systems—latest issue, U.K. Defense Standard 91/91 and ASTM D-1655. Avgas satisfies the requirements of the U.K. Ministry of Defense (Defense Standard 91-90 latest issue).

Aviation fuels pass through a variety of storage and handling systems and procedures from the refinery to our customers. All our aviation facilities and equipment are designed, constructed and operated in accordance with the International Air Transport Association (‘‘**IATA**’’), Joint Inspection Group (‘‘**JIG**’’) and International Civil Aviation Organization standards and accepted codes of practice. The IATA and JIG Standards for Aviation Fuel Quality Control and Operating Procedures consist of internationally agreed procedures for handling aviation fuel at aviation fuel facilities, including airports. They include recommended practice for fuel sampling and testing, depot and hydrant and fueling vehicle design features, as well as procedures for storage and delivery of aviation fuel to aircrafts. We are an associate member of the JIG, which provides us with routine updates on refueling standards, quality control and operations.

We are a strategic partner to IATA, which gives us access in the technical and commercial fuel groups. The technical fuel group focuses on fuel specifications and code of practices, safety, design, construction and product quality. It also covers a broad range of other technical activities such as product testing, filter performance, pressure control, valve performance and testing and fueling hoses manufacture and testing. Task groups are convened to cover special projects or incidents such as fuel hydrant contamination, damage to aircraft during fueling or contamination of aviation fuel from multiproduct pipelines. The technical fuel group also engages regularly with engine manufacturers to discuss performance. The commercial fuel group covers general commercial activities such as hedging, market study, availability of products and airport efficiencies and establishes delegations to engage in discussions with governments and airport authorities on fuel pricing, taxes and levies that are implemented and passed on by the aviation fuel suppliers.

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

The following is a summary of certain provisions of the documents listed below governing certain of the indebtedness of the Company and its subsidiaries. The following summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents. Some of the terms used herein are defined in these agreements, and we have not included all of such definitions herein.

Summary of Significant Facilities

This section includes facilities of the Group which the Group views as significant facilities by virtue of the fact that the maximum facility amount under each is equal to or greater than $40,000,000 (or the equivalent in another currency), but excludes trade financing arrangements entered into in the ordinary course of business.[1]

Facility	Borrower	Amount outstanding as of September 30, 2017	Facility Amount and availability for undrawn available amounts[2]	Type of facility
2015 RCF Agreement	Issuer	Facility B (non-extended tranche): $25,000,000	$25,000,000 Available to May 2018	Revolving credit facility
		Facility B (extended tranche): $365,000,000	$365,000,000 Available to May 2019	
		Facility C (non-extended tranche): $90,000,000	$90,000,000 Availability Period expired	Term loan facility
		Facility C (extended Tranche): $270,000,000	$270,000,000 Availability Period expired	
2016 RCF Agreement	Issuer	Facility B (non-extended tranche): $25,000,000	$25,000,000 Available to May 2019	Revolving credit facility
		Facility B (extended tranche): $330,000,000[3]	$330,000,000[3] Available to May 2020	
2017 RCF Agreement	Issuer	$0	$400,000,000 Available to May 2018	Revolving credit facility
Delta Lloyd Facility Agreement	Issuer	$100,000,000	$100,000,000 Availability Period expired	Term loan facility
Australia Facility Agreement	Issuer Puma Energy (Australia) Pty Ltd	Australian Facility A: AUD 225,000,000[4]	AUD 275,000,000 Availability Period expired	Term loan facility
		Australian Facility B: AUD 65,000,000	AUD 65,000,000 Available to July 2018	Revolving credit facility
Maybank Facility Agreement	Issuer	$54,000,000	$75,000,000 Availability Period expired	Term loan facility
Bank of China Facility Agreement	Issuer	$51,562,500	$75,000,000 Availability Period expired	Term loan facility

Facility	Borrower	Amount outstanding as of September 30, 2017	Facility Amount and availability for undrawn available amounts[(2)]	Type of facility
Banco do Brasil Facility Agreement	Issuer	$18,000,000	$45,000,000 Availability Period expired	Term loan facility
Alexela Facilities Agreement	Alexela Logistics AS	Alexela Facility A: $20,140,000	$106,000,000 Availability Period expired	Term loan facilities and overdraft facilities
		Alexela Facility B: $2,732,747	$18,000,000 Availability Period expired	
		Overdraft $2,516,803	$6,000,000 Available to August 2018	
		Working capital facility $27,410	$3,000,000 Available to June 2020	
NAB Trade Finance and Bank Guarantee	Puma Energy (Australia) Holdings Pty Ltd	Trade Finance Facility A: AUD 40,000,000	AUD 40,000,000 Available to November 2018	Committed revolving facility and revolving letter of credit facility
		Bank Guarantee Facility B: AUD 0	AUD 40,000,000 Available to November 2018	
Private Placement Bond (2022 Euro Notes)	Issuer	€200,000,000	€200,000,000 No further amounts available	Bond
2021 Senior Notes	Issuer	$1,000,000,000[(5)]	$1,000,000,000	Bond
Club Facility	Issuer	$135,000,000[(6)]	$350,000,000 Availability Period expired	Term loan facility
Trafigura Loan	Issuer	Facility A:$0	$500,000,000 Available to October 2018	Shareholder loan
		Facility B: $0	$1,000,000,000 Available to October 2018	

(1) This table does not include the $600,000,000 senior notes due 2024, which were issued after September 30, 2017 and the use of proceeds therefrom to refinance $590 million of the 2021 Senior Notes. The amounts shown in this table reflect the gross amounts drawn, under the respective loan agreements, without considering the accounting impact of arrangement fees, premiums and discounts.

(2) Facility amount in this column is the total amount of the facility overall prior to any amortisation not the amount that is still available for drawing.

(3) As of the date of this Offering Memorandum, this facility has been increased by $40 million with a new lender accessing this facility via the accordion feature on November 1, 2017 and available to May 2020.

(4) As of the date of this Offering Memorandum, this facility has been repaid and cancelled in full on October 19, 2017.

(5) As of the date of this Offering Memorandum $410 million is outstanding under the 2021 Senior Notes and would be redeemed in full by the Issuer using the proceeds of the Offering. See also footnote (1).

(6) As of the date of this Offering Memorandum, this facility has been fully drawn. Proceeds have been used to repay and/or cancel existing indebtedness including, inter alia, Australian Facility A (cf. note (4)).

RCF Agreements

Overview and structure

On May 11, 2015, the Issuer as borrower entered into a $1,250,000,000 credit facilities agreement (as amended and restated on May 4, 2016) governed by English law with, among others, Australia and New Zealand Banking Group Limited, Arab Petroleum Investments Corporation (APICORP)—Foreign Branch, Emirates NBD Capital Limited, FirstRand Bank Limited (acting through its Rand Merchant Bank Division), Industrial and Commercial Bank of China Limited, London Branch, Industrial and Commercial Bank of China Limited, Singapore Branch, ING Bank N.V., Natixis, Nedbank Limited, London Branch, Société Générale Corporate & Investment Banking (the Corporate and Investment Banking Division of Société Générale) and The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) as mandated lead arrangers and bookrunners (the ''**2015 RCF Agreement**'').

The 2015 RCF Agreement provides for (i) a revolving loan facility in an aggregate amount of up to $390,000,000 (the ''**2015 Facility B**'') and (ii) a term loan facility in an aggregate amount of up to $360,000,000 (the ''**2015 Facility C**''). All other facilities under the 2015 RCF Agreement have been cancelled or have expired.

On May 4, 2016, the Issuer as borrower entered into a $800,000,000 credit facilities agreement governed by English law with, among others, Australia and New Zealand Banking Group Limited, Coöperatieve Rabobank U.A. (trading as Rabobank London), Emirates NBD Capital Limited, Industrial and Commercial Bank of China (Europe) S.A., Amsterdam Branch, Industrial and Commercial Bank of China Limited, London Branch, ING Bank N.V., Natixis, Nedbank Limited, London Branch, Société Générale Corporate & Investment Banking (the Corporate and Investment Banking Division of Société Générale), The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) and Unicredit Bank AG as mandated lead arrangers and bookrunners (the ''**2016 RCF Agreement**'').

The 2016 RCF Agreement originally provided for a revolving loan facility in an aggregate amount up to $270,000,000; an additional $85,000,000 was added in May 2017 through exercise by the Issuer of the accordion feature in the 2016 RCF Agreement; an additional $40,000,000 was added in November 2017 through exercise by the Issuer of the accordion feature in the 2016 RCF Agreement (the ''**2016 Facility B**''). All other facilities under the 2016 RCF Agreement have been cancelled or have expired.

On May 4, 2017, the Issuer as borrower entered into a $400,000,000 credit facilities agreement governed by English law with, among others, Australia and New Zealand Banking Group Limited, Bank of America Merrill Lynch International Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Coöperatieve Rabobank U.A., trading as Rabobank London, Emirates NBD Capital Limited, FirstRand Bank Limited (acting through its Rand Merchant Bank Division), Industrial and Commercial Bank of China (Europe) S.A., Amsterdam Branch, Industrial and Commercial Bank Of China Limited, London Branch, ING Bank N.V., Natixis, Nedbank Limited, London Branch, Société Générale Corporate & Investment Banking (The Corporate and Investment Banking Division of Société Générale), The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) and Unicredit Bank AG as mandated lead arrangers and bookrunners (the ''**2017 RCF Agreement**'', together with the 2015 RCF Agreement and the 2016 RCF Agreement, the ''**RCF Agreements**'').

The 2017 RCF Agreement provides for a revolving loan facility in an aggregate amount of up to $400,000,000 (the ''**2017 Facility**'', together with the 2015 Facility B, 2015 Facility C and 2016 Facility B, the ''**Facilities**'').

Each of the RCF Agreements also contains an accordion feature pursuant to which the Issuer may invite lenders or other entities to commit to an increase in all or any commitments, subject to the aggregate amount of the total commitments under the relevant RCF Agreement after the increase not exceeding USD 250,000,000 over the aggregate amount of the total commitments as at the effective date of the relevant RCF Agreement.

The Facilities must be used for the general corporate and working capital purposes of the Group, including refinancing certain existing facilities.

Maturity and Repayment Requirements

Amounts repaid by the Issuer on loans made under the 2015 Facility B, the 2016 Facility B and the 2017 Facility may be reborrowed during the availability period for that facility, subject to certain conditions.

All loans outstanding under the 2015 Facility B must be repaid in full at maturity. For lenders who did not agree to extend the maturity applicable to their participation (approx. $25,000,000), the maturity is May 18, 2018. For those lenders who did consent (approx. $365,000,000) the maturity has been extended to May 13, 2019. Subject to obtaining the consent of more than 50.1% of the lenders and the payment of an extension fee, the Issuer may request that the maturity be extended on one further occasion by up to a further 90 days beyond the current termination date.

All loans outstanding under the 2015 Facility C must be repaid in full at maturity. For lenders who did not agree to extend the maturity applicable to their participation (approx. $90,000,000), the maturity is May 18, 2018. For those lenders who did consent (approx. $270,000,000) the maturity has been extended to May 13, 2019. Subject to obtaining the consent of more than 50.1% of the lenders and the payment of an extension fee, the Issuer may request that such date be extended on one further occasion by up to a further 90 days beyond the current termination date.

All loans outstanding under the 2016 Facility B must be repaid in full at maturity. For lenders who did not agree to extend the maturity applicable to their participation (approx. $25,000,000), the maturity is May 13, 2019. For those lenders who did consent (approx. $245,000,000) and those joining via the exercise of the accordion feature for $85,000,000 and the exercise of the accordion feature for $40,000,000 the maturity has been extended to May 13, 2020. Subject to obtaining the consent of more than 50.1% of the lenders and the payment of an extension fee, the Issuer may request that the maturity be extended on (i) one further occasion by up to a further 90 days beyond the then applicable termination date and (ii) on one occasion by up to a further 12 months beyond the then applicable termination date.

All loans outstanding under the 2017 Facility must be repaid in full on May 11, 2018. Subject to obtaining the consent of more than 50.1% of the lenders and the payment of an extension fee, the Issuer may request that maturity be extended on three occasions; on two occasions up to a further 364 days and on one occasion up to a further 90 days beyond the then applicable termination date.

Interest Rate and Fees

The loans made under the Facilities bear interest at an annual rate equal to the aggregate of (i) a margin and (ii) LIBOR. Margin in respect of loans made under the 2015 Facility B and 2015 Facility C is 2.45% per annum, margin in respect of loans made under the 2016 Facility B is 2.30% per annum and margin in respect of loans made under the 2017 Facility is 1.45% per annum.

Under each of the RCF Agreements, the Issuer must pay a commitment fee computed at the rate of 35% of the relevant margin on the undrawn, uncancelled amount of each lender's commitment under each of the Facilities.

Prepayment and Cancellation

A lender may require mandatory prepayment of the loan upon the occurrence of certain prepayment events, including (i) illegality, (ii) change of control (specifically, if Trafigura Beheer B.V. and Sonangol Holdings Limitada, acting together, cease to, directly or indirectly, have control of the Company and a lender so requires, all commitments of that lender will be cancelled and all participations of that lender in all outstanding loans, together with accrued interest, and all other amounts accrued and owing to that lender shall become immediately due and payable) and (iii) breach of the sanctions warranty or, in the case of the 2017 RCF Agreement only, the anti-bribery and corruption warranty (specifically, if a lender so requires in those circumstances, all commitments of that lender will be cancelled and all participations of that lender in all outstanding loans, together with accrued interest, and all other amounts accrued and owing to that lender shall become due and payable no earlier than the last day of any applicable grace period allowed by law).

Under each RCF Agreement, the Issuer may voluntarily prepay loans outstanding under the Facilities, subject to satisfaction of notice periods and minimum amounts.

Also, the Issuer is entitled to voluntarily cancel any unutilized commitments in whole or in part subject to a *de minimis* amount.

Representations, Warranties, Covenants and Events of Default

Each RCF Agreement contains customary representations and warranties, as well as customary affirmative and restrictive operating and financial covenants, subject to certain agreed exceptions, including, among others, covenants that restrict members of the Group in their ability to: (i) create or allow to exist any security interest over any of its assets, (ii) make certain disposals of its assets, (iii) incur certain financial indebtedness, (iv) change its business and (v) merge into or consolidate with other companies. The covenants are subject to customary materiality, knowledge and other qualifications, exceptions and baskets.

The Company's financial and operating performance is monitored by covenants that require it to maintain certain ratios of (i) consolidated EBITDA to consolidated net financial interest and (ii) consolidated net financial indebtedness (excluding shareholder and other loans that are subordinated, excluding derivative positions and less cash, short term deposits and inventories) to consolidated EBITDA. The Company is also required to ensure that the sum of all paid-up capital, minority interests, share premiums and distributable and non-distributable reserves of the Company and its Subsidiaries, plus any retained earnings, plus any subordinated debt is not less than $1,500,000,000.

Each RCF Agreement also contains customary events of default.

Guarantee

The Company guarantees the performance by the Issuer of all of its obligations in connection with the RCF Agreements.

Delta Lloyd Facility Agreement

Overview and Structure

On January 11, 2016, the Issuer as borrower entered into a $100,000,000 facility agreement governed by English law with DL Levensverzekering NV and DL Life N.V/SA as lenders (the ''**Delta Lloyd Facility Agreement**'').

The Delta Lloyd Facility Agreement provides for a term loan facility in an aggregate amount of $100,000,000 (the ''**Delta Lloyd Facility**''). Amounts borrowed under the Delta Lloyd Facility Agreement must be used for refinancing existing indebtedness of the Group and for general corporate and working capital purposes of the Group.

Maturity and Repayment Requirements

The Delta Lloyd Facility must be repaid in full on the termination date being the date falling 7 years after the utilisation date.

Interest Rate

The loan under the Delta Lloyd Facility bears interest at a fixed rate of 5.87%.

Prepayment and Cancellation

A lender may require mandatory prepayment of the Delta Lloyd Facility upon the occurrence of certain prepayment events, including (i) illegality and (ii) change of control, in each case on similar terms to the RCF Agreements above. There is also a mandatory prepayment where the Issuer uses proceeds of the facility or otherwise acts in a manner that does not comply with certain sanctions provisions.

Also, the Issuer may voluntarily prepay the outstanding loan, subject to the payment of a fee and satisfaction of notice periods and minimum amounts.

Representations, Warranties, Covenants and Events of Default

The Delta Lloyd Facility Agreement contains customary representations and warranties, as well as customary affirmative and restrictive operating and financial covenants, in each case on similar terms to the RCF Agreements above.

The Delta Lloyd Facility Agreement also contains customary events of default.

Guarantee

The Company guarantees the performance of the Issuer's obligations under the Delta Lloyd Facility Agreement.

Club Facility Agreement

Overview and structure

On September 14, 2017 the Issuer as borrower entered into a $350,000,000 facility agreement governed by English law with, among others, Bank of America Merrill Lynch International Limited, Industrial and Commercial Bank of China Limited, London Branch, ING Bank N.V., Qatar National Bank (Q.P.S.C.) and Rand Merchant Bank, a division of Firstrand Bank Limited (London Branch) as mandated lead arrangers (the "**Club Facility Agreement**").

The Club Facility Agreement provides for a $350,000,000 term loan facility (the "**Club Facility A**") and a $0 term loan facility (the "**Club Facility B**", together with the Club Facility A, the "**Club Facility**").

The Club Facility Agreement also contains an accordion feature pursuant to which the Issuer may invite lenders or other entities to commit to an increase in all or any commitments, subject to the amount of the total commitments after the increase in respect of the Club Facility A not exceeding in aggregate $75,000,000 over the total commitments under the Club Facility A as at the date of the Club Facility Agreement and in respect of Club Facility B not exceeding in aggregate $50,000,000 over the total commitments under the Club Facility B as at the date of the Club Facility Agreement.

Amounts borrowed under the Club Facility A must be applied for the general corporate purposes of the Group (including to refinance certain existing indebtedness) and amounts borrowed under the Club Facility B must be applied to refinance certain existing indebtedness.

Maturity and Repayment Requirements

The Club Facility A matures five years after the date of the Club Facility Agreement and the Club Facility B matures 6 years after the date of the Club Facility Agreement.

Interest Rate

The loans made under the Club Facility A bear interest at a rate equal to (i) LIBOR and (ii) a margin of 2.85% per annum, subject to a margin rachet relating to the leverage ratio of the Group and loans made under the Club Facility B bear interest at an agreed fixed rate.

Prepayment and Cancellation

A lender may require mandatory prepayment of the loan upon the occurrence of certain prepayment events, including (i) illegality, (ii) change of control and (iii) breach of the sanctions and anti-bribery and corruption warranties, in each case on similar terms to the RCF Agreements above.

The Issuer may voluntarily prepay loans outstanding under the Club Facility, subject to satisfaction of notice periods and minimum amounts, and may voluntarily cancel any unutilized commitments in whole or in part, subject to a *de minimis* amount. Voluntary prepayments of loans drawn pursuant to any future exercise of the accordion feature under Club Facility B will require payment of make-whole fees.

Representations, Warranties, Covenants and Events of Default

The Club Facility Agreement contains customary representations and warranties, as well as customary affirmative and restrictive operating and financial covenants, in each case on similar terms to the RCF Agreements.

The Club Facility Agreement also contains customary events of default.

Guarantee

The Company guarantees the performance of the Issuer's obligations under the Club Facility Agreement.

Australia Facility Agreement

Overview and structure

On July 31, 2015, the Issuer and Puma Energy (Australia) Pty Ltd as borrowers entered into an AUD 300,000,000 facility agreement governed by English law with, among others, Australia and New Zealand Banking Group Limited, Bank of China Limited, Luxembourg Branch, Bank of China Limited, Sydney Branch, Industrial and Commercial Bank of China, London Branch and Industrial and Commercial Bank of China, Sydney Branch as mandated lead arrangers and original lenders (the ''**Australia Facility Agreement**'').

The Australia Facility Agreement provides for (a) an AUD 235,000,000 term loan facility (available to the Issuer only) (the ''**Australian Facility A**'') and (b) an AUD 65,000,000 revolving loan facility (available to both the Issuer and Puma Energy (Australia) Pty Ltd) (the ''**Australian Facility B**'', together with the Australian Facility A, the ''**Australian Facilities**''). It is expected that proceeds under the Club Facility Agreement will be used to refinance Australia Facility A in full.

The Australia Facility Agreement also contains an accordion feature pursuant to which the Issuer may invite lenders or other entities to commit to an increase in all or any commitments, subject to the aggregate amount of the total commitments after the increase not exceeding AUD 150,000,000 over the aggregate amount of the total commitments as at the date of the Australia Facility Agreement. An additional AUD 40,000,000 was raised under the Australian Facility A on September 14, 2015.

Amounts borrowed under the Australia Facility Agreement must be applied towards refinancing certain existing financial indebtedness and thereafter for the general corporate and working capital purposes of the Group.

Maturity and Repayment Requirements

Amounts repaid or voluntarily prepaid under the Australian Facility B may be reborrowed during its availability period, subject to certain conditions. Both Australian Facilities mature three years after first drawdown. Subject to obtaining the consent of more than 50.1% of the lenders under the relevant Australian Facility and the payment of an extension fee, the Issuer may request that the termination date of each Australian Facility be extended on two occasions by up to a further 12 months on each occasion beyond the then applicable termination date.

An early prepayment and cancellation reduced the Australian Facility A by AUD 50,000,000 and a subsequent early prepayment and cancellation prepaid Australian Facility A in full.

Interest Rate

The loans made under the Australian Facilities bear interest at a rate equal to (i) the Australian Bank Bill Swap Reference Rate (Bid) (BBSY) and (ii) a margin of 2.35% per annum.

Prepayment and Cancellation

A lender may require mandatory prepayment of the loan upon the occurrence of certain prepayment events, including (i) illegality, (ii) change of control and (iii) breach of the sanctions warranty, in each case on similar terms to the RCF Agreements above.

The Issuer or Puma Energy (Australia) Pty Ltd may voluntarily prepay loans outstanding under the Australia Facilities subject to satisfaction of notice periods and minimum amounts, and may voluntarily cancel any unutilized commitments in whole or in part, subject to a *de minimis* amount.

Representations, Warranties, Covenants and Events of Default

The Australia Facility Agreement contains customary representations and warranties, as well as customary affirmative and restrictive operating and financial covenants, in each case on similar terms to the RCF Agreements.

The Australia Facility Agreement contains a ''Principal Banking Facility'' clause by which specific covenants may be amended by the facility agent or the Issuer, including financial covenants and the negative pledge clause, to reflect the equivalent provisions in the Group's principal banking facilities, being currently the RCF Agreement(s).

The Australia Facility Agreement also contains customary events of default.

Guarantee

The Company guarantees the performance of the Issuer's and Puma Energy (Australia) Pty Ltd's obligations under the Australia Facility Agreement.

Maybank Facility Agreement

Overview and Structure

On December 18, 2014, the Issuer as borrower entered into a $75,000,000 term loan facility agreement governed by English law with, among others, Maybank Kim Eng Securities Pte. Ltd. as mandated lead arranger, Malayan Banking Berhad, London Branch as lender and Malayan Banking Berhad, Singapore Branch as hedge counterparty (the ''**Maybank Facility Agreement**'').

The Maybank Facility Agreement provides for a term loan facility in an aggregate amount of $75,000,000 (the ''**Maybank Facility**''). Amounts borrowed under the Maybank Facility Agreement must be used for the general corporate and working capital purposes of the Issuer and/or the Group.

Maturity and Repayment Requirements

The Maybank Facility is repayable in quarterly instalments starting 15 months after the utilisation date with a final balloon instalment payable on the date falling 60 months after the utilisation date.

Interest Rate

The loan under the Maybank Facility bears interest at a rate equal to (i) LIBOR and (ii) a margin of 3.85% per annum.

Prepayment

The lender may require mandatory prepayment of the loan upon the occurrence of certain prepayment events, including (i) illegality and (ii) change of control in each case on similar terms to the RCF Agreements above. There is also a mandatory prepayment where the Issuer uses proceeds of the Maybank Facility or otherwise acts in a manner that does not comply with certain sanctions provisions.

The Issuer may voluntarily prepay loans outstanding under the Maybank Facility, subject to satisfaction of notice periods and minimum amounts and may voluntarily cancel any unutilized commitments in whole or in part.

Representations, Warranties, Covenants and Events of Default

The Maybank Facility Agreement contains customary representations and warranties, as well as customary affirmative and restrictive operating and financial covenants, in each case on similar terms to the RCF Agreements above.

The Maybank Facility Agreement contains a ''Principal Banking Facility'' clause by which specific covenants may be amended by the lender or the Issuer, including financial covenants and the negative pledge clause, to reflect the equivalent provisions in the Group's principal banking facilities, being currently the RCF Agreement(s).

The Maybank Facility Agreement also contains customary events of default.

Guarantee and Hedging

The Company guarantees the performance of the Issuer's obligations under the Maybank Facility Agreement. In addition, the Issuer is required to have hedged interest rate risks in relation to a notional amount not less than 50% of the amount of the Maybank Facility.

Bank of China Facility Agreement

Overview and structure

On March 17, 2015, the Issuer as borrower entered into $75,000,000 term loan facility agreement governed by English law with Bank of China Limited, Luxembourg Branch as lender (the ''**Bank of China Facility Agreement**'').

The Bank of China Facility Agreement provides for a term loan facility in an aggregate amount of $75,000,000 (the ''**Bank of China Facility**''). Amounts borrowed under the Bank of China Facility Agreement must be used for general corporate and working capital purposes of the Group.

Maturity and Repayment Requirements

The Bank of China Facility is repayable in equal quarterly instalments starting 15 months after the utilisation date with the final instalment payable on the date falling 60 months after the utilisation date.

Interest Rate

The loan under the Bank of China Facility bears interest at a rate equal to (i) LIBOR and (ii) a margin of 2.65% per annum.

Prepayment

The lender may require mandatory prepayment of the loan upon the occurrence of certain prepayment events, including (i) illegality and (ii) change of control, in each case on similar terms to the RCF Agreements above. There is also a mandatory prepayment event where the Issuer uses proceeds of the facility or otherwise acts in a manner that does not comply with certain sanctions provisions.

The Issuer may voluntarily prepay loans outstanding under the Bank of China Facility, subject to satisfaction of notice periods and minimum amounts and may voluntarily cancel any unutilized amount of the Bank of China Facility in whole or in part, subject to satisfaction of notice periods and minimum amounts.

Representations, Warranties, Covenants and Events of Default

The Bank of China Facility Agreement contains customary representations and warranties, as well as customary affirmative and restrictive operating and financial covenants, in each case on similar terms to the RCF Agreements above.

The Bank of China Facility Agreement contains a ''Principal Banking Facility'' clause by which specific covenants may be amended by the Issuer, including financial covenants and the negative pledge clause, to reflect the equivalent provisions in the Group's principal banking facilities, being currently the RCF Agreement(s).

The Bank of China Facility Agreement also contains customary events of default.

Guarantee

The Company guarantees the performance of the Issuer's obligations under the Bank of China Facility Agreement.

Banco do Brasil Facility Agreement

Overview and structure

On April 13, 2015, the Issuer as borrower entered into a $45,000,000 term loan facility agreement governed by English law with, amongst others, Banco do Brasil S.A., London Branch as lender (the ''**Banco do Brasil Facility Agreement**'').

The Banco do Brasil Facility Agreement provides for a term loan facility in an aggregate amount of $45,000,000 (the ''**Banco do Brasil Facility**''). Amounts borrowed under the Banco do Brasil Facility Agreement must be used for general corporate and working capital purposes of the Group.

Maturity and Repayment Requirements

The Banco do Brasil Facility is repayable in equal half-yearly instalments starting 12 months after the utilisation date with the final instalment payable on the date falling 36 months after the utilisation date.

Interest Rate

The loan under the Banco do Brasil Facility bears interest at a rate equal to (i) LIBOR and (ii) a margin of 2.35% per annum.

Prepayment

The lender may require mandatory prepayment of the loan upon the occurrence of certain prepayment events, including (i) illegality and (ii) change of control, in each case on terms similar to the RCF Agreements above. There is also a mandatory prepayment event where the Issuer uses proceeds of the facility or otherwise acts in a manner that does not comply with certain sanctions provisions.

The Issuer may voluntarily prepay loans outstanding under the Banco do Brasil Facility, subject to satisfaction of notice periods and minimum amounts and may voluntarily cancel any unutilized part of the Banco do Brasil Facility in whole or in part, subject to satisfaction of notice periods and minimum amounts.

Representations, Warranties, Covenants and Events of Default

The Banco do Brasil Facility Agreement contains customary representations and warranties, as well as customary affirmative and restrictive operating and financial covenants in each case on terms similar to the RCF Agreements above.

The Banco do Brasil Facility Agreement contains a ''Principal Banking Facility'' clause by which specific covenants may be amended by the Issuer, including financial covenants and the negative pledge clause, to reflect the equivalent provisions in the Group's principal banking facilities, being currently the RCF Agreement(s).

The Banco do Brasil Facility Agreement also contains customary events of default.

Guarantee

The Company guarantees the performance of the Issuer's obligations under the Banco do Brasil Facility Agreement.

Alexela Facilities Agreement

Overview and Structure

On June 21, 2011, Alexela Logistics AS as borrower entered into a $156,000,000 facility agreement (as amended on 22 August 2011, 27 October 2011, 28 June 2012, 23 September 2014, 22 June 2015 and 15 February 2016) governed by Estonian law with, among others, Nordea Bank Finland plc as mandated lead arranger, Swedbank AS lead arranger, Bank DnB NORD A/S Eesti filiaal as arranger and Nordea Bank Finland plc, Swedbank AS and Bank DnB NORD A/S Eesti filial as original lenders (the ''**Alexela Facilities Agreement**'').

The Alexela Facilities Agreement originally provided for (a) a $106,000,000 term loan facility, (b) a $18,000,000 term loan facility, (c) a $26,000,000 term loan facility to be made available by any additional lender and (d) a $9,000,000 revolving credit facility to be utilised by way of ancillary facilities. The Alexela Facilities Agreement now provides for (a) a $106,000,000 term loan facility (the ''**Alexela Facility A**'') and (b) a $18,000,000 term loan facility (the ''**Alexela Facility B**'', together with the Alexela Facility A, the ''**Alexela Term Facilities**'') and (c) a $6,000,000 overdraft facility (the ''**Alexela OD**'') and (d) a $3,000,000 working capital facility (the ''**Alexela WC**'', together with the Alexela Term Facilities and the Alexela OD, the ''**Alexela Facilities**'').

Certain amounts borrowed under Alexela Facility A must be applied towards refinancing existing debt and certain amounts borrowed under Alexela Facility A must be applied towards certain capital expenditure. Amounts borrowed under Alexela Facility B must be applied towards certain construction works.

Amounts borrowed under the Alexela OD and Alexela WC must be by way of ancillary facilities and shall be applied towards the general corporate and working capital purposes of the Group, but not towards acquisitions of companies, businesses or undertakings or prepayment of the Alexela Term Facilities.

Maturity and Repayment Requirements

All amounts outstanding under the Alexela Facility A and the Alexela Facility B must be repaid in quarterly instalments on the dates agreed in the Alexela Facilities Agreement. Any amounts outstanding under the Alexela Facility A and the Alexela Facility B after the payment of such instalments shall be due on December, 31 2018. The Alexela OD matures in August 2018 and Alexela WC matures in June 2020.

The termination date under the Alexela Facilities Agreement shall be December 31, 2017, if the leverage ratio at that time is above 1.35.

Interest Rate

Each loan under the Alexela Facilities Agreement bears interest at a rate equal to (i) LIBOR and (ii) a margin of 3.00%.

Prepayment and Cancellation

A lender may require mandatory prepayment of the loan upon the occurrence of certain prepayment events, including (i) illegality, (ii) flotation and (iii) change of control subject to certain requirements as set out in the Alexela Facilities Agreement.

Alexela Logistics AS may voluntarily prepay loans outstanding under the Alexela Term Facilities, subject to satisfaction of notice periods and minimum amounts. Prepayments may only be made on the last day of the availability period or on the last day of an interest period relating to that loan.

Representations, Warranties, Covenants and Events of Default

The Alexela Facilities Agreement contains customary representations and warranties, as well as customary affirmative and restrictive operating and financial covenants, in each case on similar terms to the RCF Agreements above except that there is a wider range of financial and operating performance measures.

The Alexela Facilities Agreement also contains customary events of default.

Guarantee

The following subsidiaries guarantee the performance of the obligations under the Alexela Facilities Agreement: (i) Aktsiaselts Alexela Terminal, (ii) Aktsiaselts Alexela Sillamäe, (iii) Alexela Sløvåg AS, (iv) NWE Logistics Limited and (v) Nomes Management Limited.

NAB Trade Finance and Bank Guarantee

Overview and Structure

On November 24, 2015, Puma Energy (Australia) Holdings Pty Ltd as borrower entered into an AUD 80,000,000 trade finance and bank guarantee governed by Queensland law with National Australia Bank Limited as lender (the ''**NAB Trade Finance and Bank Guarantee**'').

The lender provides for (a) an AUD 40,000,000 committed revolving facility (the ''**Trade Finance Facility**'') and (b) an AUD 40,000,000 uncommitted revolving letter of credit facility to be utilised by way of credit instruments (the ''**Bank Guarantee**'', together with the Trade Finance Facility, the ''**Trade Finance and Bank Guarantee Facilities**''). Under the Bank Guarantee, in addition to requesting the issuance of credit instruments by order for itself, Puma Energy (Australia) Holdings Pty Ltd may request credit instruments by order of Puma Energy (Australia) Holdings Pty Ltd for the account of any members of the Australia group (which includes Puma Energy (Australia) Holdings Pty Ltd, Puma Energy (Australia) Assets Holdings Pty Ltd and their subsidiaries).

Amounts borrowed/credit instruments issued under the NAB Trade Finance and Bank Guarantee must be applied towards working capital purposes of the Australian group.

Maturity and Repayment Requirements

Loans under the Trade Finance Facility are repayable on the last day of its Interest Period and on the termination date being November 24, 2018. There is also a clean down provision which requires that all aggregate Utilisations under the Trade Finance Facility do not exceed zero for at least 2 consecutive Business Days per month.

Each credit instrument issued under the Bank Guarantee is repayable on the earlier of the maturity date for that credit instrument and the termination date being November 24 (borrower may need to give cash cover, bank guarantees, L/Cs or other undertakings in favour of the lender).

Interest Rate

The Trade Finance Facility bears interest at a rate equal to (i) the Australian Bank Bill Swap Reference Rate (Bid) (BBSY) and (ii) a margin of 1.15% per annum. A fee is payable in connection with credit instruments under the Bank Guarantee, being a margin of 2.1% per annum for financial guarantees and a margin of 1.0% per annum for performance guarantees.

Prepayment and Cancellation

A lender may require mandatory prepayment of the loan upon the occurrence of certain prepayment events, including (i) illegality, (ii) change of control and (iii) breach of the sanctions warranty, in each case on similar terms to the RCF Agreements above.

Puma Energy (Australia) Holdings Pty Ltd may voluntarily prepay loans outstanding, subject to satisfaction of notice periods and minimum amounts and may also prepay credit instruments by providing cash cover and satisfying additional requirements.

Also, Puma Energy (Australia) Holdings Pty Ltd is entitled to voluntarily cancel the Available Commitment in whole or in part, subject to satisfaction of notice periods and minimum amounts.

Representations, Warranties, Covenants and Events of Default

The NAB Trade Finance and Bank Guarantee contains customary representations and warranties, as well as customary affirmative and restrictive operating and financial covenants, in each case on similar terms to the RCF Agreements above.

The NAB Trade Finance and Bank Guarantee contains a ''Principal Banking Facility'' clause by which specific covenants may be amended by the lender or Puma Energy Holdings Pte. Ltd., including financial covenants and the negative pledge clause, to reflect the equivalent provisions in the Group's principal banking facilities, being currently the RCF Agreement(s).

The NAB Trade Finance and Bank Guarantee also contains customary events of default.

Guarantee

Puma Energy (Australia) Assets Holdings Pty Ltd and the Company guarantee the performance of the obligations under the NAB Trade Finance and Bank Guarantee.

Private Placement Bond (2022 Euro Notes)

On October 22, 2014, the Issuer issued the Euro 200 million of 4.5% senior notes due 2022 (the ''**2022 Euro Notes**''). The 2019 Notes are traded on the Euro MTF market of the Luxembourg Stock Exchange and will mature on October 22, 2022. The 2022 Euro Notes are guaranteed on a senior unsecured basis by the Parent Guarantor (the ''**Parent Guarantee**''). The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the ''**Securities Act**''), and were offered and sold only to non-U.S. persons outside the United States in ''offshore transactions'' as defined in, and in accordance with, Regulation S under the Securities Act.

The 2022 Euro Notes and the Parent Guarantee rank *pari passu* in right of payment to all of the Issuer's and the Parent Guarantor's existing and future senior unsecured indebtedness and that is not subordinated in right of payment to the 2022 Euro Notes and the Parent Guarantee, respectively.

The 2022 Euro Notes and the Parent Guarantee are effectively subordinated to any of the Issuer's and the Parent Guarantor's respective existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. The 2022 Euro Notes and the Parent Guarantee are be structurally subordinated to any existing and future indebtedness of our subsidiaries that do not guarantee the 2022 Euro Notes.

The 2022 Euro Notes contain covenants, that, among other things, limit the ability of the Parent Guarantor and its restricted direct and indirect subsidiaries to, subject to certain limitations and exceptions, incur or guarantee additional indebtedness; pay dividends on, redeem or repurchase our capital stock; make certain restricted payments and investments, including dividends or other distributions with regard to the shares of the Parent Guarantor or its restricted direct and indirect subsidiaries; create or incur certain liens; enter into agreements that restrict the restricted subsidiaries' ability to pay dividends or other distributions or make loans or advances to the Parent Guarantor, the Issuer or any of the restricted subsidiaries; transfer or sell assets; merge or consolidate with other entities; change the lines of business and engage in certain transactions with affiliates.

As of September 30, 2017, the amount outstanding under the 2022 Euro Notes was EUR 200 million.

2024 Senior Notes

On October 6, 2017, the Issuer issued $600 million of 5.125% Senior Notes due 2024 (the ''**2024 Senior Notes**'').

The 2024 Senior Notes are traded on the Euro MTF market of the Luxembourg Stock Exchange and will mature on October 6, 2024. The 2024 Senior Notes are guaranteed on a senior unsecured basis by the Parent Guarantor (the ''**Parent Guarantee**''). The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the ''**Securities Act**''), and were offered and sold only to non-U.S. persons outside the United States in ''offshore transactions'' as defined in, and in accordance with, Regulation S under the Securities Act and to ''qualified institutional buyers,'' as defined in Rule 144A under the Securities Act.

The 2024 Senior Notes and the Parent Guarantee rank *pari passu* in right of payment to all of the Issuer's and the Parent Guarantor's existing and future senior unsecured indebtedness and that is not subordinated in right of payment to the 2021 Senior Notes and the Parent Guarantee, respectively.

The 2024 Senior Notes and the Parent Guarantee are effectively subordinated to any of the Issuer's and the Parent Guarantor's respective existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. The 2021 Senior Notes and the Parent Guarantee are structurally subordinated to any existing and future indebtedness of our subsidiaries that do not guarantee the 2021 Senior Notes.

The 2024 Senior Notes contain covenants, that, among other things, limit the ability of the Parent Guarantor and its restricted direct and indirect subsidiaries to, subject to certain limitations and exceptions, incur or guarantee additional indebtedness; pay dividends on, redeem or repurchase our capital stock; make certain restricted payments and investments, including dividends or other distributions with regard to the shares of the Parent Guarantor or its restricted direct and indirect subsidiaries; create or incur certain liens; enter into agreements that restrict the restricted subsidiaries' ability to pay dividends or other distributions or make loans or advances to the Parent Guarantor, the Issuer or any of the restricted subsidiaries; transfer or sell assets; merge or consolidate with other entities; change the lines of business and engage in certain transactions with affiliates.

Trafigura Loan

Overview and Structure

On September 30, 2013, Puma Energy Funding Ltd. entered into a $1,500,000,000 shareholder loan agreement with Bulavista Limited, a subsidiary of Trafigura, and its successors and assigns, consisting of the Trafigura Loan Facility A and the Trafigura Loan Facility B (together, the ''**Trafigura Loan**''). The Company is party to the Trafigura Loan as parent.

On June 30, 2014, Puma Energy Funding Ltd, the Company and the Issuer entered into a novation agreement to transfer all the rights and liabilities of Puma Energy Funding Ltd under the Trafigura Loan to the Issuer.

On September 30, 2017, a novation agreement was entered to transfer the rights and the liabilities of Bulavista to Trafigura Pte. Ltd.

The Trafigura Loan provides that, in the event of a winding-up of the Issuer, all obligations and liabilities payable to Trafigura Pte. Ltd. will rank in priority immediately after the Issuer's unsubordinated obligations and liabilities, and *pari passu* with any subordinated claims ranking equally but in priority to all other claims against the Issuer.

Maturity and Repayment Requirements

Amounts borrowed under the Trafigura Loan are repayable on the last day of the relevant interest period. Both the Trafigura Loan Facility A and the Trafigura Loan Facility B Facility mature on September 30, 2018.

Interest Rate

The loans bear interest at a rate equal to (i) LIBOR and (ii) a margin of 8.00% per annum for each of the Trafigura Loan Facility A and the Trafigura Loan Facility B.

Prepayment and Cancellation

A lender may require mandatory prepayment of the loan upon the occurrence of certain prepayment events, including (i) illegality and (ii) a change of control or the sale of all or substantially all of the assets of the group.

Where Trafigura Pte. Ltd. (i) fails to make a loan available by the utilisation date and in accordance with the Trafigura Loan (ii) has rescinded or repudiated a finance document, or (iii) is subject to an insolvency event (other than the occurrence of certain specified events), the Issuer may cancel Trafigura Pte. Ltd.'s available commitment under the Trafigura Loan and repay any loans outstanding, subject to notification requirements.

The Issuer may voluntarily prepay loans outstanding under this facility, subject to satisfaction of notice periods and minimum amounts.

Also, the Issuer is entitled to voluntarily cancel any unutilized commitments in whole or in part, subject to satisfaction of notice periods and minimum amounts.

Representations, Warranties, Covenants and Events of Default

The Trafigura Loan contains customary representations and warranties made by the Issuer and the Company, as well as affirmative and restrictive operating and financial covenants, subject to certain agreed exceptions, including among others, covenants that restrict the members of the group in their ability to change their business and requirements of each member of the group to maintain, repair and renew its assets. The covenants are subject to customary materiality, actual knowledge or other qualifications and exceptions.

The Issuer's and the Company's financial and operating performance is monitored by covenants that require it to maintain certain ratios of (i) consolidated EBITDA to consolidated net financial interest and (ii) consolidated net financial indebtedness, excluding shareholder and other loans that are subordinated, excluding derivative positions and less cash, short term deposits and inventories to consolidated EBITDA. The Issuer and the Company are also required to ensure that the sum of all paid-up capital, minority interests, share premiums and distributable and non-distributable reserves of the Issuer and the Company plus any retained earnings, plus any subordinated debt must not be less than $1,200,000,000.

The Trafigura Loan also contains events of default.

Other Credit Facilities

The Issuer and other members of the Group have entered into several other credit facilities with international and local banks, including borrowing base facilities, trade finance facilities and bilateral credit facilities which are used for working capital purposes.

Borrowing base facilities

The borrowing base facilities are generally uncommitted and are generally used for working capital purposes and the purchase of commodities (*e.g.*, crude oil and other petroleum products) that constitute our inventories. Subject to obtaining the consent of a certain percentage of the relevant lenders and the payment of an extension fee, the borrowers under certain borrowing base facilities may request an extension to the maturity of such facilities by (generally) up to a further 364 days.

The borrowing base facilities provide for customary representations and warranties, affirmative and negative covenants and events of default. Also, since the amount of the utilizations under such facilities and/or certain repayment obligations are determined on the basis of a borrowing base amount, which is calculated taking into account the aggregate of inventory, receivables and (in most cases) cash in specified collection accounts, these facilities provide for specific obligations relating to the calculation of such amount and the delivery of relevant reports. The borrowing base facilities also contain mechanisms pursuant to which the borrower is required to maintain certain collection accounts to be credited with the proceeds of payment by the purchasers of the inventory financed by the borrowing base facilities. The borrowing base facility documents authorise the account bank to debit those collection accounts if so instructed by the facility agent.

The borrowing base facilities generally contain a guarantee from the Company of the obligations of the relevant borrower(s) in connection with the borrowing base facility agreement. The security package generally reflects the scope of the borrowing base (inventory; collection accounts; receivables; rights under the supply contract which the inventories financed are acquired by the borrower).

For a summary of amounts outstanding under our borrowing base facilities, see ''*Capitalization*.''

Trade finance and other working capital facilities

Certain members of the Group have entered into trade finance facilities or other (often bilateral) credit facilities which are used for working capital purposes. Facilities include term and revolving loan facilities and other facilities granted in order to facilitate foreign exchange dealings and hedging transactions, or to allow the borrower to request the issuance of letters of credit, bank guarantees and other similar trade or non-cash credit instruments. The same agreement typically regulates the terms of several different types of facility made available by the same bank. Some trade finance and short-term facilities are uncommitted and repayable on demand, generally subject to notice periods.

Certain of these facilities are supported by a guarantee from the Company of the obligations of the relevant borrower(s).

Certain of the trade facilities in particular require the borrowers to grant security over certain assets. Where security is required, the scope of the security may include; the inventory whose purchase, storage or shipment is being financed; bank accounts opened with the lender, receivables derived from the inventory; and/or loss payee arrangements with respect to insurance relating to the inventory being financed.

These facilities contain customary representations and warranties restrictive and affirmative covenants and undertakings, events of default and mandatory prepayment events. The scope of these varies. Our general practice is to satisfy ourselves that these are no more onerous than the equivalent terms in our RCF Agreements.

DESCRIPTION OF NOTES

Puma International Financing S.A. (the ‘‘**Issuer**’’) will issue $750 million aggregate principal amount of 5.00% Notes due 2026 (the ‘‘**Notes**’’) guaranteed by Puma Energy Holdings Pte. Ltd. (the ‘‘**Company**’’) under an indenture (the ‘‘**Indenture**’’) among, *inter alios*, the Issuer, the Company, The Law Debenture Trust Corporation p.l.c. as trustee (the ‘‘**Trustee**’’) and Banque Internationale à Luxembourg S.A. as paying agent, transfer agent and registrar, in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933 (the ‘‘**Securities Act**’’). The terms of the Notes include those set forth in the Indenture.

Certain defined terms used in this description but not defined below under ‘‘*—Certain Definitions*’’ have the meanings assigned to them in the Indenture. You can find the definitions of certain terms used in this description under the subheading ‘‘*—Certain Definitions*.’’ In this description, the term ‘‘*Issuer*’’ refers only to Puma International Financing S.A. and the term ‘‘*Company*’’ refers only to Puma Energy Holdings Pte. Ltd. and not to any of its Subsidiaries, except for the purposes of financial data determined on a consolidated basis.

Unless the context requires otherwise, references in this ‘‘*Description of Notes*’’ to the Notes include the Notes and any Additional Notes that are issued. The Indenture will not be qualified under, incorporate or include any of, or be subject to, the provisions of the U.S. Trust Indenture Act of 1939, as amended.

The following description is a summary of the material provisions of the Indenture and the Notes. This description does not restate those documents in their entirety. We urge you to read the Indenture and the Notes because those documents, and not this description, define your rights as holders of the Notes. Copies of the Indenture and the form of Note are available as set forth under ‘‘*—Listing and General Information*.’’

The Issuer has made an application to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF Market. The Issuer can provide no assurance that the Notes will be so listed or admitted to trading.

The registered holder of a Note will be treated as the owner of any Note for all purposes. Only registered holders will have rights under the Indenture.

As of the Issue Date, all of the Company’s Subsidiaries will be ‘‘Restricted Subsidiaries’’ for purposes of the Indenture. However, under the circumstances described below under the caption *‘‘—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*,’’ the Company will be permitted to designate Restricted Subsidiaries as Unrestricted Subsidiaries. The restrictive covenants in the Indenture will not apply to Unrestricted Subsidiaries.

Brief Description of the Notes and the Company Guarantee

The Notes:

The Notes will:

- be general obligations of the Issuer;
- rank equally in right of payment with all future Indebtedness of the Issuer that is not subordinated in right of payment to the Notes;
- be senior in right of payment to all future Indebtedness of the Issuer that is subordinated in right of payment to the Notes, if any;
- be effectively subordinated to any future Indebtedness of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of such property and assets securing such Indebtedness;
- be structurally subordinated to all existing and future obligations of Subsidiaries of the Company (other than the Issuer) except any such Subsidiaries that in the future provide Guarantees; and
- be guaranteed on a senior basis by the Company.

Guarantees

The Notes will be guaranteed by the Company. The Notes may in the future be guaranteed by other Subsidiary Guarantors. Each Guarantee will:

- be a general obligation of the Guarantor that granted such Guarantee;
- rank equally in right of payment with all existing and future obligations of the applicable Guarantor that are not subordinated in right of payment to such Guarantee;
- be senior in right of payment to any of the applicable Guarantor's future Indebtedness that is subordinated in right of payment to its Guarantee, if any; and
- be effectively subordinated to any existing and future obligations of the applicable Guarantor that is secured by property or assets that do not secure such Guarantee, to the extent of the value of property and assets securing such obligation.

In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Restricted Subsidiaries, the non-guarantor Restricted Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to a Guarantor.

The Issuer is a finance company that has no subsidiaries and limited operations, and the Company is a holding company with limited assets and operations. As a result, the Issuer depends on the cash flow of the Company's other Subsidiaries to meet its obligations, including its obligations under the Notes, and the Company depends on the cash flow of the Company's other Subsidiaries to meet its obligations, including its obligations under the Company Guarantee.

On the Issue Date, none of the Company's Subsidiaries will be Subsidiary Guarantors. The Notes will accordingly be effectively subordinated in right of payment to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of the Company's Subsidiaries (other than the Issuer) except any such Subsidiaries that in the future provide Guarantees. Any right of the Issuer or a Guarantor to receive assets of any of the Company's non-guarantor Subsidiaries upon that non-guarantor Subsidiary's liquidation or reorganization (and the consequent right of the holders of the Notes to participate in those assets) will be effectively subordinated to the claims of that non-guarantor Subsidiary's creditors, except to the extent that the Issuer or such Guarantor is itself recognized as a creditor of the non-guarantor Subsidiary, in which case the claims of the Issuer or such Guarantor, as the case may be, would still be subordinate in right of payment to any security in the assets of the non-guarantor Subsidiary and any Indebtedness of the non-guarantor Subsidiary senior to that held by the Issuer or such Guarantor.

As of September 30, 2017, on a *pro forma* basis (as adjusted to give effect to the Transactions and the issuance of the 2024 Notes and the use of proceeds therefrom as if they had occurred on September 30, 2017), our non-guarantor Restricted Subsidiaries (other than the Issuer) had total Indebtedness of $481.7 million. As of September 30, 2017, on a *pro forma* basis (as adjusted to give effect to the Transactions and the issuance of the 2024 Notes and the use of proceeds therefrom as if they had occurred on September 30, 2017), we had $117.3 million of secured debt. See ''*Risk Factors—Your right to receive payments under the Notes will be structurally or effectively subordinated to claims of existing and future creditors of our subsidiaries*.''

Limitations under the Guarantees

Under the Indenture, the Company, jointly and severally with any future Subsidiary Guarantors, will guarantee the due and punctual payment of all amounts payable under the Notes and the Indenture, including principal, premium and Additional Amounts, if any, and interest payable under the Notes. The obligations of each Guarantor under its Guarantee will be contractually limited to the maximum amount that can be guaranteed by such Guarantor without rendering its Guarantee void, voidable or unenforceable under applicable law or as otherwise necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, corporate benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law, including the liability of directors and officers. See ''*Risk factors—The Guarantees will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*.'' After the Issue Date, the Company may from time to time be required to procure the issuance of additional guarantees. See ''*—Certain covenants—Limitation on Issuances of Guarantees of Indebtedness*'' below.

Release of the Guarantees

The Guarantee of the Company will be automatically and unconditionally released under any one or more of the following circumstances:

(1) upon the defeasance or discharge of the Notes as provided in ''*—Legal Defeasance and Covenant Defeasance*'' or ''*—Satisfaction and Discharge*,'' in each case, in accordance with the terms of the Indenture;

(2) upon full and final repayment of the Notes and performance of all obligations of the Issuer and the Guarantors under the Indenture and the Notes; or

(3) as described under the caption ''*—Amendment, Supplement and Waiver*.''

The Guarantee of any Subsidiary Guarantor will be automatically and unconditionally released under any one or more of the circumstances set forth in clauses (1) through (3) of the preceding paragraph or under any one or more of the following circumstances:

(1) upon the sale, disposition or transfer of all or substantially all of the assets of the applicable Subsidiary Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary of the Company, if such sale, disposition or transfer does not violate the provisions set forth under ''*—Repurchase at the Option of Noteholders—Asset Sales;*''

(2) upon the sale, disposition or transfer of Capital Stock of the applicable Subsidiary Guarantor (or Capital Stock of a Parent of the relevant Subsidiary Guarantor (other than the Company)) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary of the Company, if (i) after giving effect to such sale, disposition or transfer, such Person is no longer a Restricted Subsidiary of the Company and (ii) the sale, disposition or transfer does not violate the provisions set forth under ''*—Repurchase at the Option of Noteholders—Asset Sales;*''

(3) if the relevant Subsidiary Guarantor is designated as an Unrestricted Subsidiary (or is a Subsidiary of such designated Subsidiary) and such designation complies with the other applicable provisions of the Indenture; and

(4) upon the release or discharge of the guarantee of Indebtedness by such Subsidiary Guarantor which resulted in the obligation to provide such Guarantee so long as no other Indebtedness is at that time guaranteed by the relevant Subsidiary Guarantor that would result in the requirement that such Subsidiary Guarantor provide a Guarantee pursuant to the covenant described under the caption ''*—Certain Covenants—Limitation on Issuances of Guarantees of Indebtedness.*''

Upon any occurrence giving rise to a release of a Guarantee, as specified in this section, the Trustee, subject to receipt of an Officer's Certificate and an Opinion of Counsel certifying that the event or circumstance giving rise to a release of a Guarantee has occurred and that such release of Guarantee complies with the Indenture, will execute any documents reasonably required by the Issuer in order to evidence or effect such release.

Principal, maturity and interest

In this offering, the Issuer will issue $750 million in aggregate principal amount of Notes. The Indenture will provide for the issuance of additional Notes having terms and conditions identical in all respects to the Notes offered in this offering (or, at the option of the Issuer, in all respects except for the issue date, the initial interest accrual date, and the amount of the first payment of interest) (the ''**Additional Notes**''), subject to compliance with the covenants contained in the Indenture, including the covenant described below under the caption ''*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*.'' The Notes and any Additional Notes will be treated as a single class for all purposes under the Indenture and will vote together as one class on all matters with respect to the Notes, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase; *provided* that if the Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, the Additional Notes will be issued with one or more separate identification codes from the Notes. Unless the context otherwise requires, for all purposes of the Indenture and this description, references to the ''**Notes**'' include the Notes offered hereby and any Additional Notes actually issued. The Notes will mature on the Maturity Date.

Interest on the Notes will accrue at the rate of 5.00% per annum and will be payable semi-annually in arrears on January 24 and July 24 (each, an ''**Interest Payment Date**''), commencing on July 24, 2018.

Interest on overdue principal and interest, including Additional Amounts (as defined herein), if any, will, to the extent lawful, accrue at a rate that is 1% per annum higher than the interest rate on the Notes. The Issuer will make each interest payment to the holders of record on the immediately preceding January 10 and July 10 (each, a ''**Record Date**'').

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

The rights of holders of the Notes to receive payments of interest on the Notes will be subject to any applicable procedures of Euroclear and Clearstream.

Form of Notes

The Issuer will issue the Notes in denominations of $200,000 and integral multiples of $1,000 in excess thereof. The Notes will be issued on the date of the Indenture only in fully registered form without coupons.

Transfer and exchange

Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act (''**Rule 144A**'') will initially be represented by one or more global notes in registered form without interest coupons attached (the ''**144A Global Note**''). Notes sold outside the United States pursuant to Regulation S under the Securities Act (''**Regulation S**'') will initially be represented by one or more global notes in registered form without interest coupons attached (the ''**Reg S Global Note**'' and, together with the 144A Global Note, the ''**Global Notes**'').

The Global Notes will each be deposited with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream. Ownership of interests in the Global Notes (''**Book-Entry Interests**'') will be limited to persons that have accounts with Euroclear and/or Clearstream, or persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under ''*Transfer Restrictions*.'' In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in a 144A Global Note, or the ''**144A Book-Entry Interests**,'' may be transferred to a person who takes delivery in the Book-Entry Interests in a Reg S Global Note, or the ''**Reg S Book-Entry Interests**,'' only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S. Any sale or transfer of such interest to U.S. persons shall not be permitted unless such resale or transfer is made pursuant to Rule 144A or another applicable exemption from the registration requirements of the Securities Act. Subject to the foregoing, Reg S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a ''qualified institutional buyer'' within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with applicable transfer restrictions and any applicable securities laws of any state of the United States or any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear and/or Clearstream, from the participant or indirect participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under ''*Transfer Restrictions*.''

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of $200,000 and integral multiples of $1,000, in excess thereof, to persons who take delivery thereof in the form of Definitive Registered Notes. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear and/or Clearstream, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Noteholder, other than any taxes, duties and governmental charges payable in connection with such transfer or exchange; *provided* that if the Issuer is a party to the transfer or exchange, the holder will not be required to pay such taxes, duties and governmental charges.

Notwithstanding the foregoing, the Issuer (or, as applicable, any Registrar or transfer agent) is not required to register the transfer of any Definitive Registered Notes:

(1) for a period of 15 calendar days prior to any date fixed for the redemption of the Notes;

(2) for a period of 15 calendar days immediately prior to the date fixed for selection of Notes to be redeemed in part;

(3) for a period of 15 calendar days prior to the record date with respect to any Interest Payment Date; or

(4) which the Noteholder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Sale Offer.

Paying agent, registrar and transfer agent for the Notes

The initial paying agent will be Banque Internationale à Luxembourg S.A. in Luxembourg (the ''**Paying Agent**'').

The Issuer will also maintain a registrar (the ''**Registrar**'') and a transfer agent. The initial Registrar will be Banque Internationale à Luxembourg S.A. The initial transfer agent will be Banque Internationale à Luxembourg S.A. The Registrar will maintain a register reflecting ownership of Definitive Registered Notes outstanding from time to time and will make payments on and facilitate transfer of Definitive Registered Notes on the behalf of the Issuer. The transfer agent shall perform the functions of a transfer agent.

The Issuer may change the Paying Agent, the Registrar or the transfer agent without prior notice to the Noteholders. For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules and regulations of the Luxembourg Stock Exchange so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or transfer agent in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort)* or, to the extent and in the manner permitted by such rules and regulations, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Optional redemption

Prior to January 24, 2021, the Company may on any one or more occasions instruct the Issuer to, and upon receipt of such instructions the Issuer will, redeem up to 40% of the aggregate principal amount of the Notes upon giving not less than 10 nor more than 60 days' prior written notice to the Noteholders, at a price equal to 105.00% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed to, but not including, the date set for the redemption of the Notes (the ''**Redemption Date**'') (subject to the right of Noteholders on the relevant Record Date to receive interest on the relevant Interest Payment Date), with the net cash proceeds of one or more Equity Offerings; *provided* that: (a) at least 60% of the aggregate principal amount of the Notes originally issued under the Indenture remain outstanding immediately after the occurrence of such redemption; and (b) the redemption occurs within 180 days of the date of the closing of such Equity Offering.

Notice of any redemption upon any Equity Offering may be given prior to the completion thereof, and any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering.

At any time prior to January 24, 2021, the Company may on one or more occasions instruct the Issuer to, and upon receipt of such instructions the Issuer will, redeem, in whole or in part, the Notes, upon giving not less than 10 nor more than 60 days' prior written notice to the Noteholders, at a redemption price equal to 100% of the principal amount of Notes to be redeemed, plus the Applicable Premium (as calculated by the Issuer) as of, and accrued and unpaid interest and Additional Amounts, if any, on the Notes being redeemed to, but not including, the applicable Redemption Date (subject to the rights of Noteholders on the relevant Record Date to receive interest on the relevant Interest Payment Date).

Except pursuant to the first, fifth and seventh paragraphs of this section ''—*Optional Redemption*'' and pursuant to ''—*Redemption for Changes in Taxes*,'' the Notes may not be redeemed, in whole or in part, at the option of the Issuer prior to January 24, 2021. However, the Issuer, the Company or any Restricted Subsidiary may at any time acquire the Notes by means other than a redemption, whether by open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws. Such acquired Notes will not be deemed to be outstanding and the Company and its Restricted Subsidiaries and affiliates shall not be entitled to any of the voting rights provided to the Noteholders under the Indenture.

On or after January 24 2021, the Company may on any one or more occasions instruct the Issuer to, and upon receipt of such instructions the Issuer will redeem, in whole or in part, the Notes upon giving not less than 10 nor more than 60 days' prior written notice to the Noteholders, at the prices (expressed as percentages of the outstanding principal amount on the Redemption Date) set forth below plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed, to, but not including, the applicable Redemption Date, if redeemed during the twelve-month period beginning on January 24 of the years indicated below (subject to the right of Noteholders on the relevant Record Date to receive interest on the relevant Interest Payment Date):

Year	Redemption Price
2021	102.50%
2022	101.25%
2023 and thereafter	100.00%

Any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, including that the Issuer has received sufficient funds from the Company to pay the full redemption price payable to the holders of the Notes on or before the relevant redemption date. If such redemption is subject to the satisfaction of one or more conditions precedent, the related notice shall describe each such condition, and if applicable, shall state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date as so delayed; *provided*, however, that in no case shall such delayed redemption date occur more than 60 days after the date on which such notice was originally delivered. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

Notwithstanding the foregoing, in connection with any tender offer for the Notes (including a Change of Control Offer or Asset Sale Offer) at a price of at least 100.000% of the principal amount of the Notes tendered, plus accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the applicable tender settlement date, if holders of Notes of not less than 90% in aggregate principal amount of the applicable outstanding Notes validly tender and do not validly withdraw such Notes in such tender offer and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases, all of the Notes validly tendered and not withdrawn by such holders, the Issuer or (with the approval of the Issuer) such third party will have the right upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such tender offer's expiration date, to redeem the Notes that remain outstanding in whole, but not in part following such purchase at a price equal to the price offered to each other holder of Notes (excluding any early tender fee) in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, thereon, to, but excluding, such redemption date.

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable Redemption Date.

Mandatory redemption

The Issuer will not be required to make mandatory redemption payments or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase the Notes as described under the captions "*—Repurchase at the Option of Noteholders—Change of Control*" and "*—Repurchase at the Option of Noteholders—Asset Sales*."

Selection and notice

If less than all of the Notes are to be redeemed at any time, the Paying Agent or the Registrar, as applicable, will select Notes for redemption on a *pro rata* basis (or, in case of Notes issued in global form as discussed under "*Book-entry; Delivery and Form*," based on a method that most nearly approximates *pro rata* selection as the Paying Agent or Registrar, as applicable, deems fair), unless otherwise required by law or applicable stock exchange or depository requirements. The Trustee, the Paying Agent or the Registrar will not be liable for selections made by it in accordance with this paragraph.

No Notes of $200,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 10 but not more than 60 days before the redemption date to each of the Noteholders to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Noteholder upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

For Notes which are represented by global certificates held on behalf of Euroclear and/or Clearstream, notices may be given by delivery of the relevant notices to Euroclear and/or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules and regulations of the Luxembourg Stock Exchange so require, any such notice to the Noteholders of the relevant Notes shall also be published in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) and, in connection with any redemption, the Issuer will notify the Euro MTF Market of any change in the principal amount of Notes outstanding.

Additional amounts

All payments made by or on behalf of the Issuer or any of the Guarantors under or with respect to the Notes or the Guarantees will be made without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction of such Taxes is required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of any jurisdiction in which the Issuer, the Company or a Guarantor, is incorporated, organized, engaged in a business for tax purposes through a branch, agency or permanent establishment or resident for tax purposes or any political subdivision thereof or therein or any jurisdiction by or through which payment is made by or on behalf of the Issuer, the Company, a Guarantor or any political subdivision thereof or therein (each, a "**Tax Jurisdiction**") will at any time be required by law to be made from any payments made by or on behalf of the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Guarantee, including payments of principal, redemption price, purchase price, interest or premium, the Issuer or the relevant Guarantor, as applicable, will pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts received in respect of such payments after such withholding or deduction (including any such deduction or withholding from such Additional Amounts) will equal the respective amounts which would have been received in respect of such payments in the absence of such withholding or deduction; *provided, however*, that no Additional Amounts will be payable with respect to:

(1) any Taxes to the extent such taxes would not have been imposed but for the Noteholder or the beneficial owner of the Notes (or a fiduciary, settlor, beneficiary, partner of, member or shareholder of, or possessor of a power over, the relevant Noteholder, if the relevant Noteholder is an estate, trust, nominee, partnership, limited liability company or corporation) being or having been a citizen or resident or national of, incorporated, present, or engaged in a trade or business in, or having or having had a permanent establishment in, the relevant Tax Jurisdiction in which such Taxes are imposed or having any other present or former connection with the relevant Tax Jurisdiction other than by the mere acquisition or holding of, exercise or enforcement of rights under, or the receipt of payments in respect of, the Notes or any Guarantee;

(2) any Taxes to the extent such Taxes are imposed or withheld as a result of the failure of the Noteholder or beneficial owner of the Notes to comply with any reasonable written request by the Issuer to provide timely and accurate information concerning the nationality, residence or identity of such Noteholder or beneficial owner or to make any valid or timely declaration or similar claim or satisfy any certification, information or other reporting requirement, which is required or imposed by a statute, treaty, regulation or administrative practice of the relevant Tax Jurisdiction as a precondition to exemption from all or part of, or reduction in the rate of deduction or withholding of, such Taxes (in each case, to the extent such Noteholder or beneficial owner is legally entitled to do so);

(3) any Taxes imposed or withheld as a result of the presentation of any Note for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the Noteholder (except to the extent that the Noteholder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30 day period);

(4) any estate, inheritance, gift, sale, transfer, personal property or similar tax or assessment;

(5) any Taxes payable otherwise than by deduction or withholding on or in respect of any Note or any Guarantee;

(6) any Taxes imposed on or with respect to any payment by the Issuer to the Noteholder if such Noteholder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that Taxes would not have been imposed on such payments had such Noteholder been the sole beneficial owner of such Note;

(7) any Taxes payable pursuant to section 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, any regulations or other official guidance thereunder, or any agreement (including any intergovernmental agreement) entered into in connection therewith; or

(8) any combination of items (1) through (7) above.

In addition to the foregoing, the Issuer and the Guarantors will also pay and indemnify each holder for any present or future stamp, issue, registration, court or documentary Taxes, or any other excise or property Taxes, charges or similar levies or Taxes which are levied by any Tax Jurisdiction on the execution, delivery, issuance or registration of, or by any jurisdiction on the enforcement of, any of the Notes, the Indenture, any Guarantee or any other document referred to therein (other than on a transfer of the Notes that is not part of the initial resale by the Initial Purchasers), or the receipt of any payments with respect to the Notes (limited, solely in the case of Taxes attributable to the receipt of any payments, to any such Taxes imposed in a Tax Jurisdiction that are not excluded under clauses (1) through (4) or (6) or (7) above or any combination thereof).

If the Issuer or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or any Guarantee, the Issuer or the relevant Guarantor, as the case may be, will deliver to the Trustee and the Paying Agent on a date which is less than 45 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises after the 30th day prior to that payment date, in which case the Issuer or the relevant Guarantor shall notify the Trustee and the Paying Agent promptly thereafter) an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer's Certificate must also set forth any other information reasonably necessary to enable the Paying Agent to pay Additional Amounts on the relevant payment date. The Trustee and the Paying Agent shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

The Issuer or the relevant Guarantor will make all withholdings and deductions as required by law and will remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer or the relevant Guarantor will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer or the relevant Guarantor will furnish to the Trustee, within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Issuer or a Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payment (reasonably satisfactory to the Trustee) by such entity.

Whenever in the Indenture or in this ''*Description of Notes*'' there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, interest or of any other amount payable under, or with respect to, any of the Notes or any Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the Indenture, any transfer by a holder or beneficial owner of the Notes and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the Issuer or any Guarantor is incorporated, organized, engaged in business for tax purposes or otherwise resident for tax purposes or any jurisdiction from or through which any payment under or with respect to the Notes (or any Guarantee) is made and any department or political subdivision thereof or therein.

Redemption for changes in taxes

The Company may instruct the Issuer to, and upon receipt of such instruction the Issuer will, redeem the Notes, in whole but not in part, at the Company's discretion at any time upon giving not less than 10 nor more than 60 days' prior notice to the holders of the Notes (which notice will be irrevocable and given in accordance with the procedures described under the provision ''*—Selection and notice*''), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption (a ''**Tax Redemption Date**'') and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (and subject to the right of holders of the Notes on the relevant record date to receive interest due on the relevant Interest Payment Date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Notes, the Issuer or any Guarantor, is or would be required to pay Additional Amounts and the Issuer or the relevant Guarantor (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor without the obligation to pay Additional Amounts) cannot avoid any such payment obligation by taking reasonable measures available (including making payment through a Paying Agent located in another jurisdiction), and the requirement arises as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the relevant Tax Jurisdiction which change or amendment has not been publicly announced before the Issue Date and becomes effective on or after the Issue Date (or, if the relevant Tax Jurisdiction has been added since the Issue Date, the date on which that Tax Jurisdiction became a Tax Jurisdiction under the Indenture); or

(2) any change in, or amendment to, the existing official written position regarding the application, administration or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice), which change, amendment, application or interpretation has not been publicly announced before the Issue Date and becomes effective on or after the Issue Date (or, if the relevant Tax Jurisdiction has been added since the Issue Date, the date on which that Tax Jurisdiction became a Tax Jurisdiction under the Indenture).

The Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Issuer or the relevant Guarantor would be obligated to make such payment or withholding if a payment in respect of the Notes or any Guarantee were then due. Prior to the publication or, where relevant, mailing or other delivery of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Trustee an Opinion of Independent Internationally recognized Tax Counsel, the choice of such counsel to be subject to the prior written approval of the Trustee (such approval not to be unreasonably withheld), to the effect that there has been such change or amendment which would entitle the Issuer to redeem the Notes hereunder and an Officer's Certificate to the effect that the Issuer or Guarantor, as applicable, cannot avoid any obligation to pay Additional Amounts by taking reasonable measures available to it. For the avoidance of doubt, reasonable measures shall not include anything which has any material impact on the business of the Issuer. The Trustee shall be entitled to rely absolutely and without further enquiry on such Opinion of Independent Internationally recognized Tax Counsel and Officer's Certificate as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on all Noteholders.

Repurchase at the Option of Noteholders

Change of Control

Upon the occurrence of a Change of Control, the Issuer will make an offer (a ''**Change of Control Offer**'') to each Noteholder to repurchase all or any part (equal to \$200,000 and integral multiples of \$1,000 in excess thereof) of that Noteholder's Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the Notes repurchased plus accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased to, but not including, the date of purchase (the ''**Change of Control Payment**''); *provided, however*, that the Issuer shall not be obliged to repay Notes as described under this provision, in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes in accordance with the Indenture, and all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all the Notes in accordance with the Indenture and all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will deliver a notice to each Noteholder, describing the transaction or transactions that constitute the Change of Control and offering to purchase Notes on the date specified in the notice, which shall be no earlier than 10 days and no later than 60 days from the date such notice is delivered (the ''**Change of Control Payment Date**''), pursuant to the procedures set forth in the Indenture.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with the purchase of the Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached their obligations under the Indenture by virtue of such compliance.

On the Change of Control Payment Date, if a Change of Control has occurred, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with an agent (expected to be the Paying Agent) an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate to the Trustee stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

Such agent will promptly mail or wire transfer to each Noteholder which has properly tendered and so accepted the Change of Control Payment for such Notes, and the Trustee (or the authenticating agent appointed by it) will promptly authenticate and mail (or cause to be transferred by book entry) to each Noteholder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each new Note will be in denominations of $200,000 and integral multiples of $1,000 in excess thereof. Any Note so accepted for payment will cease to accrue interest on and after the Change of Control Payment Date. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as reasonably practicable after the Change of Control Payment Date.

If a Change of Control occurs at a time when the Company's Subsidiaries are prohibited under their then existing financing arrangements from making funds available (directly or indirectly) to the Company or the Issuer to fund a purchase of the Notes, the Company and its Subsidiaries could seek the consent of their lenders to fund the purchase of Notes or could attempt to refinance the arrangements that contain such a prohibition. If they do not obtain that consent or refinance those arrangements, the Company and its Subsidiaries may remain prohibited from making funds available (directly or indirectly) to fund a repurchase of the Notes. In such case, any failure by the Issuer to purchase tendered Notes would constitute an Event of Default under the Indenture and the Notes, which could in turn also constitute a default under the Company's then existing finance facilities.

The Issuer's ability to pay cash to the Noteholders upon a repurchase pursuant to a Change of Control Offer may be limited by the Issuer's then existing financial resources, including its ability to access the financial resources of the Company and its Restricted Subsidiaries. There can be no assurance that sufficient funds will be available to the Issuer when necessary to make any required repurchases. See ''*Risk factors—Although the occurrence of specific change of control events affecting us will permit you to require us to repurchase your notes, we may not be able to repurchase your notes.*''

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Noteholders to require that the Issuer repurchase or redeem the notes in the event of a takeover, recapitalization or similar transaction.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if (x) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this provision and purchases all Notes properly tendered for purchase and not withdrawn under the Change of Control Offer, or (y) notice of redemption has been given pursuant to the section under ''*—Optional redemption*'' hereof and all conditions thereto have been satisfied or waived, unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of ''all or substantially all'' of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase ''substantially all'' there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Noteholder to require the Issuer to repurchase its notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

The provisions of the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes following a Change of Control may be waived or modified with the prior written consent of the Noteholders of a majority in principal amount of the Notes prior to the occurrence of a Change of Control.

If and for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange so require, the Issuer will publish a public announcement with respect to the results of any Change of Control Offer in a leading daily newspaper of general circulation in Luxembourg (which is currently expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Asset Sales

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company and its Restricted Subsidiaries receive consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests subject to such Asset Sale; and

(2) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash, Cash Equivalents or Government Guaranteed Securities.

The amount of (i) any liabilities, as recorded on the most recent balance sheet, of the Company or any Restricted Subsidiary of the Company (other than contingent liabilities and liabilities that are subordinated in right of payment to the Notes or any Guarantee) that are assumed by the transferee of any such assets and as a result of which the Company or such Restricted Subsidiary of the Company are released from or are indemnified against any further liability in connection therewith, (ii) any securities, notes, other obligations or assets received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days of the receipt thereof, to the extent of the cash or Cash Equivalents received in that conversion, (iii) Indebtedness of any Restricted Subsidiary of the Company that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Company and each other Restricted Subsidiary are released from any guarantee of such Indebtedness in connection with such Asset Sale, (iv) the Fair Market Value of any Capital Stock or assets of the kind referred to in clause (1)(b) or (1)(d) of the next paragraph, (v) any Designated Non-Cash Consideration received by the Company or any of its Restricted Subsidiaries in such Asset Sale having an aggregate Fair Market Value, when taken together with all other Designated Non-Cash Consideration received pursuant to this clause (v) that is at that time outstanding, in an amount not to exceed the greater of $245.0 million and 4.75% of Total Non-Current Assets (with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value), and (vi) consideration consisting of Indebtedness of the Company or any of its Restricted Subsidiaries of a type set forth in clause (1) of the following paragraph (other than Indebtedness that is by its terms subordinated to the Notes or any Guarantee) received from Persons who are not the Company or any Restricted Subsidiary shall be deemed to be cash for purposes of clause (2) above and for no other purpose.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Company (or any Restricted Subsidiary of the Company, as the case may be) may:

(1) apply such Net Proceeds, at its option:

   (a) (w) to repay, repurchase, prepay or redeem Indebtedness of the Company or any of its Restricted Subsidiaries that is secured by a Lien that does not secure the Notes, (x) to repay, repurchase, prepay or redeem Indebtedness of a Restricted Subsidiary of the

Company that is not a Guarantor (other than Indebtedness owed to the Company or any of its Restricted Subsidiaries), (y) to repay, repurchase, prepay or redeem Pari Passu Indebtedness; *provided* that if such Pari Passu Indebtedness constitutes Public Debt, the Company (or the applicable Restricted Subsidiary, as the case may be) makes an offer on a *pro rata* basis to all holders of Notes at a purchase price equal to at least 100% of the principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase (a ''**Notes Offer**'') or (z) towards the making of a Notes Offer, and, in connection with any such repayment of Indebtedness initially incurred under the first paragraph of the covenant described under ''*—Incurrence of indebtedness and issuance of preferred stock*,'' the Company or such Restricted Subsidiary will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so repaid;

(b) to acquire all or substantially all of the assets of, or any Capital Stock of a Person engaged in, another Permitted Business; *provided* that in the case of any such acquisition of Capital Stock, such Person is or becomes a Restricted Subsidiary of the Company;

(c) to make a capital expenditure; or

(d) to acquire other assets that are not classified as current assets under IFRS and that are used or useful in a Permitted Business, or

(2) enter into a binding commitment to apply the Net Proceeds pursuant to clause (1)(b), (1)(c) or (1)(d) of this paragraph, *provided* that such binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated, and (y) the 180th day following the expiration of the aforementioned 365 day period; or

(3) any combination of the foregoing.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph will constitute ''**Excess Proceeds**.'' When the aggregate amount of Excess Proceeds exceeds $50.0 million, within 10 Business Days thereof, the Issuer will make an offer to all Noteholders (an ''**Asset Sale Offer**'') and (at the Issuer's election) holders of other Pari Passu Indebtedness containing provisions similar to those set forth in the Indenture with respect to offers to purchase or repay with the proceeds of sales of assets, to purchase, prepay or redeem the maximum principal amount of Notes and such other Pari Passu Indebtedness (*plus* accrued and unpaid interest and Additional Amounts, if any, to the date of purchase, prepayment or redemption) that may be repaid out of the Excess Proceeds. The offer price in any Asset Sale Offer will be (in the case of the Notes) equal to 100% of the principal amount of the Notes and (in the case of Pari Passu Indebtedness) no greater than 100% of the principal amount (or accreted value, as applicable) of such Pari Passu Indebtedness *plus*, in each case, accrued and unpaid interest to, but excluding, the date of repayment or repurchase and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company and its Restricted Subsidiaries may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other Pari Passu Indebtedness tendered into (or to be redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds, the Notes and such other Pari Passu Indebtedness to be repaid shall be repaid on a *pro rata* basis based on the principal amount of Notes and such other Pari Passu Indebtedness presented for purchase. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

Pending the final application of any Net Proceeds, the Company (or the applicable Restricted Subsidiary) may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture.

Not later than the date upon which written notice of an Asset Sale Offer is delivered to the Trustee, the Issuer shall deliver to the Trustee an Officer's Certificate as to (i) the amount of the Excess Proceeds, (ii) the allocation of the Net Proceeds from the Asset Sales pursuant to which such Asset Sale Offer is being made and (iii) the compliance of such allocation with the provisions of this provision and the Indenture. Upon the expiration of the period for which the Asset Sale Offer remains open (the ''**Offer Period**''), the Issuer shall deliver to the Paying Agent for cancellation the Notes or portions thereof that have been properly presented for purchase to and are to be accepted by the Issuer. Upon receipt from the Issuer of the repurchase price for the Notes accepted for payment, the Paying Agent shall promptly (but in any case not later than 10 Business Days after the Paying Agent receives such amounts) cause to be repaid to each selling Noteholder an amount equal to the repurchase price of the Notes presented for purchase by such Noteholder and accepted by the Issuer for repayment. In the event that the Excess Proceeds delivered by the Issuer to the Paying Agent is greater than the repurchase price of the Notes presented for purchase, the Paying Agent shall deliver the excess to the Issuer without undue delay after the expiration of the Offer Period for application in accordance with this provision.

Notices of an Asset Sale Offer shall be delivered at least 10 but not more than 60 days before the repayment date to each Noteholder, pursuant to the procedures set forth in the Indenture. If any Note is to be purchased in part only, any notice of purchase that relates to such Note shall state the portion of the principal amount thereof that is to be purchased.

On and after the repurchase date, unless the Issuer defaults in payment of the purchase price, interest shall cease to accrue on Notes or portions thereof purchased.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with the purchase of the Notes as a result of an Asset Sale Offer or a Notes Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance.

Certain Covenants

Restricted Payments

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company or other than payable in the form of Subordinated Shareholder Debt and other than dividends or distributions payable to the Company or a Restricted Subsidiary of the Company);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) any Equity Interests of the Company or any Parent;

(3) make any principal payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, any Subordinated Indebtedness (excluding any intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries) prior to any Stated Maturity thereof, except the purchase, repurchase, or other acquisition of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase or acquisition;

(4) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire for value any Subordinated Shareholder Debt (other than non-cash interest payable in Equity Interests (other than Disqualified Stock) or additional Subordinated Shareholder Debt); or

(5) make any Restricted Investment,

(all such payments and other actions set forth in the foregoing clauses (1) through (5) being collectively referred to as ''**Restricted Payments**'') unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(2) the Company would, after giving *pro forma* effect to such Restricted Payment as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have

been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under ''—*Incurrence of Indebtedness and Issuance of Preferred Stock*;'' and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries since the 2024 Notes Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (4), (5), (6), (7), (9), (12), (13) and (14) of the next succeeding paragraph), is less than the sum, without duplication, of:

(a) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) starting from July 1, 2017 to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); *plus*

(b) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities and other property received by the Company since the 2024 Notes Issue Date (x) as a contribution to its common equity capital or (y) from the issue or sale of Equity Interests of the Company or any Parent (other than Disqualified Stock) or from Subordinated Shareholder Debt or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Restricted Subsidiary of the Company) except, in each case, to the extent such proceeds are used to purchase, redeem or otherwise retire Capital Stock, Subordinated Indebtedness or Subordinated Shareholder Debt as set forth in clause (2) or (3) of the following paragraph; *plus*

(c) to the extent that any Restricted Investment that was (i) made after the 2024 Notes Issue Date is sold or otherwise disposed of or otherwise liquidated or repaid, 100% of the aggregate amount received in cash and the Fair Market Value of marketable securities and other property received or (ii) made in an entity that subsequently becomes a Restricted Subsidiary (or is merged or consolidated with or into the Company or a Restricted Subsidiary), 100% of the Fair Market Value of the Restricted Investment of the Company and its Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary (or is so merged or consolidated) or (iii) a guarantee made by the Company or one of its Restricted Subsidiaries to any Person, upon the full and unconditional release of such Restricted Investment, an amount equal to the amount of such guarantee; *plus*

(d) to the extent that any Unrestricted Subsidiary of the Company designated as such after the Issue Date is redesignated as a Restricted Subsidiary after the 2024 Notes Issue Date or has been merged or consolidated with or into, or transfers or conveys its assets to, the Company or a Restricted Subsidiary of the Company, 100% of the Fair Market Value of the Company's Investment in such Subsidiary as of the date of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable) and after deducting the amount of any Investment in such Unrestricted Subsidiary that constituted a Permitted Investment made pursuant to clause (14) or (15) of the definition of Permitted Investment; *plus*

(e) the amount by which Indebtedness of the Company or a Restricted Subsidiary is reduced on the Company's consolidated balance sheet upon the conversion or exchange (other than by the Company or its Restricted Subsidiary) of such Indebtedness for Equity Interests (other than Disqualified Stock) of the Company or Subordinated Shareholder Debt (*less* the amount of any cash, and the Fair Market Value of any other property, distributed by the Company or any Restricted Subsidiary on any such conversion or exchange); *plus*

(f) 100% of (i) the Fair Market Value of any dividends, distributions or payment received by the Company or a Restricted Subsidiary of the Company after the 2024 Notes Issue Date from an Unrestricted Subsidiary of the Company and (ii) any cash dividends or distributions received by the Company or a Restricted Subsidiary of the Company after the 2024 Notes Issue Date from a Person in which the Company or a Restricted Subsidiary of the Company has a Restricted Investment, in the case of each of (i) and (ii), to the extent that such dividends, distributions or payments were not otherwise included in the Consolidated Net Income of the Company for such period.

We estimate that the amount available for making Restricted Payments under the preceding provisions as of September 30, 2017 (the most recent date as of which our consolidated financial statements are available as of the Issue Date) would have been approximately US$10.5 million.

The preceding provisions will not prohibit any of the following (collectively, ''**Permitted Payments**''):

(1) the payment of any dividend or distribution or the consummation of any redemption within 60 days after the date of declaration of the dividend or distribution or giving of the redemption notice, as the case may be, if, at the date of declaration or notice, the dividend, distribution or redemption payment would have complied with the provisions of the Indenture;

(2) the making of any Restricted Payment in exchange for, or out of the net cash proceeds received by the Company from the substantially concurrent sale or issuance (other than to a Subsidiary of the Company) of, Equity Interests of the Company or any Parent (other than Disqualified Stock) or Subordinated Shareholder Debt or from the substantially concurrent contribution of such proceeds to the capital of the Company in any form other than Disqualified Stock; *provided* that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from the calculation of amounts under clause (3)(b) of the preceding paragraph above and will not be considered to be net cash proceeds from an Equity Offering for the purposes of the ''Optional Redemption'' provisions of the Indenture;

(3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Indebtedness in exchange for or with the net cash proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness;

(4) the declaration or payment of any dividend or the making of any other payment or distribution by a Restricted Subsidiary of the Company to the holders of its Equity Interests (other than the Company or any Restricted Subsidiary) on no more than a *pro rata* basis;

(5) the repurchase, redemption or other acquisition or retirement (or dividends or distributions to any Parent to finance any such repurchase, redemption or other acquisition or retirement) for value of any Equity Interests of the Company, any Parent or any Restricted Subsidiary of the Company held by any current or former officer, director, consultant or employee of the Company, any Parent or any Restricted Subsidiary of the Company (or permitted transferees of such current or former officers, directors, consultants or employees) pursuant to any equity subscription agreement, stock option agreement, shareholders' or members' agreement or similar agreement, plan or arrangement; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed 2% of Total Non-Current Assets in any one-year period; and *provided, further*, that such amount in any one-year period may be increased by an amount not to exceed the cash proceeds received by the Company or a Restricted Subsidiary during such period from the sale of Equity Interests of the Company or a Restricted Subsidiary in each case to members of management or directors or consultants of the Company or any Restricted Subsidiary or any Parent to the extent the cash proceeds from the sale of Equity Interests have not otherwise been applied to the making of Restricted Payments pursuant to clause (3)(b) of the preceding paragraph or clause (2) of this paragraph;

(6) the repurchase of Equity Interests deemed to occur upon the exercise of stock options or warrants to the extent such Equity Interests represent a portion of the exercise price of those stock options or warrants;

(7) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Company or any preferred stock of any Restricted Subsidiary issued on or after the 2024 Notes Issue Date in accordance with the covenant described under the caption *''—Incurrence of Indebtedness and Issuance of Preferred Stock*;''

(8) Permitted Payments to Parent;

(9) other Restricted Payments in an aggregate amount not to exceed the greater of $285.0 million and 5.5% of Total Non-Current Assets since the 2024 Notes Issue Date;

(10) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any of its Restricted Subsidiaries pursuant to the provisions similar to those described under the captions (i) ''*—Repurchase at the Option of the Noteholders—Change of Control*'' at a purchase price not greater than 101% of the principal amount of such Indebtedness and (ii) ''*—Repurchase at the Option of the Noteholders—Asset Sales*'' at a purchase price not greater than 100% of the principal amount of such Indebtedness, *provided* that the Company has complied with its obligations under the covenants described under ''*—Repurchase at the Option of the Noteholders—Change of control'' and* ''*—Repurchase at the Option of the Noteholders—Asset Sales*,'' as applicable, and all Notes validly tendered by Noteholders in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed or acquired for value;

(11) following an Initial Public Offering of the Capital Stock of the Company or a Parent, the declaration of any dividends or distributions on the Capital Stock of the Company or the making of any loans or advances in an amount per annum not to exceed the greater of (a) 6.0% of the net cash proceeds received from such Initial Public Offering by the Company or any subsequent Equity Offering by the Company that are contributed in cash to the Company's equity (other than through the issuance of Disqualified Stock) and (b) an amount equal to the greater of (i) 6.0% of the Market Capitalization and (ii) 6.0% of the IPO Market Capitalization; provided that in the case of this clause (11)(b), after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Net Leverage Ratio of the Company would not exceed 3.5 to 1.0; *provided*, that if such Initial Public Offering or any subsequent Equity Offering was of Capital Stock of a Parent, the net proceeds of any such loans, advances, dividends or distributions are used to fund a corresponding dividend in equal or greater amount on the Capital Stock of such Parent;

(12) any payments to minority shareholders as required by law or regulation pursuant to or in contemplation of a merger or consolidation involving the Company or any of its Restricted Subsidiaries that does not violate the provisions of the covenant described under ''*—Merger, Consolidation or Sale of Assets*;''

(13) payments of cash, dividends, distributions, advances or other Restricted Payments by the Company or any Restricted Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon (x) the exercise of options or warrants or (y) the conversion or exchange of Capital Stock of any such Person;

(14) payments or other transactions pursuant to any tax sharing agreement or arrangement among the Company or any of its Restricted Subsidiaries and any other Person with which the Company or any of its Restricted Subsidiaries files or filed a consolidated tax return or with which the Company or any of its Restricted Subsidiaries is or was part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation in amounts not otherwise prohibited by the Indenture; *provided*, *however*, that such payments, and the value of such transactions, shall not exceed the amount of tax that the Company or such Restricted Subsidiaries would owe without taking into account such other Person; and *provided, further,* that such payments shall be paid over to the appropriate taxing authority within 30 days of receipt;

(15) the payment of any Securitization Fees and purchases of Securitization Assets and related assets pursuant to a Securitization Repurchase Obligation in connection with a Qualified Securitization Financing; and

(16) any Restricted Payments; *provided* that, on the date of any such Restricted Payment, the Consolidated Net Leverage Ratio of the Company does not exceed 2.25 to 1.0 on a *pro forma* basis after giving effect thereto,

provided, *however*, that at the time of, and after giving effect to, any Restricted Payment permitted under clause (9), (11) or (16) of this paragraph, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

Incurrence of Indebtedness and Issuance of Preferred Stock

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, incur, any Indebtedness (including Acquired Debt) and the Company will not permit the Issuer or any Subsidiary Guarantor to issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any preferred stock; *provided, however*, that the Company may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, the Subsidiary Guarantors may issue Disqualified Stock and the Company's Restricted Subsidiaries may incur Indebtedness (including Acquired Debt) and issue preferred stock, if the Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such preferred stock is issued, as the case may be, would have been at least 2.0 to 1.0, determined on a *pro forma* basis (including the *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the preferred stock had been issued, as the case may be, at the beginning of such four-quarter period; and *provided further* that the aggregate principal amount of Indebtedness of Restricted Subsidiaries that are not Guarantors incurred or issued pursuant to this paragraph at any one time outstanding shall not exceed 12.5% of Total Non-Current Assets.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, ''**Permitted Debt**''):

(1) the incurrence by the Company and its Restricted Subsidiaries of Indebtedness under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed, immediately after giving *pro forma* effect to any such incurrence and the use of proceeds thereof, the greater of (a) $1,765.0 million and (b) 34% of Total Non-Current Assets; *plus* in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, costs and expenses (including fees and commissions paid as discounts) incurred in connection with such refinancing;

(2) the incurrence by the Company and its Restricted Subsidiaries of Indebtedness under Credit Facilities for the purposes of financing inventory in an aggregate principal amount at any one time outstanding under this clause (2) not to exceed, immediately after giving *pro forma* effect to any such incurrence and the use of proceeds thereof, the fair market value of inventories of the Company and its Restricted Subsidiaries as of such date;

(3) the Indebtedness represented by the Notes issued on the Issue Date and the Company Guarantee;

(4) any Indebtedness of the Company or any Restricted Subsidiary outstanding on the Issue Date (other than Indebtedness outstanding on the Issue Date that is deemed to be incurred under clauses (1) or (3) of this paragraph on the Issue Date pursuant to the allocation provisions of the next succeeding paragraph) after giving *pro forma* effect to the use of proceeds of the Notes;

(5) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations or other Indebtedness or preferred stock, in each case, incurred for the purpose of financing or refinancing all or any part of the purchase price or cost of design, development, construction, lease, installation or improvement of property (real or personal), plant or equipment that is used or useful in a Permitted Business (including Equity Interests of any Person owning such assets) (including any reasonable related fees or expenses incurred in connection therewith) in an aggregate principal amount at any one time outstanding under this clause (5) (including all Permitted Refinancing Indebtedness incurred or issued to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (5)) not to exceed, immediately after giving *pro forma* effect to any such incurrence and the use of proceeds thereof, the greater of $245.0 million and 4.75% of Total Non-Current Assets;

(6) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge, any Indebtedness (other than intercompany Indebtedness) that was permitted by the Indenture to be incurred under the first paragraph of this covenant and clauses (3) and (4) above, this clause (6) and clause (13) below;

(7) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries; *provided*, *however*, that:

   (a) (except in respect of current liabilities incurred in the ordinary course of business in connection with cash management, tax and accounting operations) if the Issuer or any Guarantor is the obligor of such Indebtedness and the lender is not the Issuer or a Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes or the relevant Guarantee, as the case may be; and

   (b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary of the Company and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary of the Company shall be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (7);

(8) the issuance by any of the Company's Restricted Subsidiaries to the Company or to another Restricted Subsidiary of shares of preferred stock; *provided*, *however*, that:

   (a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Company or a Restricted Subsidiary of the Company, and

   (b) any sale or other transfer of any such preferred stock to a Person that is not either the Company or a Restricted Subsidiary of the Company,

   will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (8);

(9) the incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations in the ordinary course of business and other than for speculative purposes as determined in good faith by a financial or accounting officer of the Company;

(10) the guarantee by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary that was permitted to be incurred by another provision of this covenant; *provided* that, if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Notes or a Guarantee, then the guarantee thereof shall be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness so guaranteed;

(11) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in respect of workers' compensation claims, payment obligations in connection with health or other types of social security benefits, unemployment or other insurance or self-insurance obligations, statutory obligations, bankers' acceptances, export, import, customs, VAT and other tax guarantees, performance, surety, reclamation, remediation or similar bonds and letters of credit or completion or performance guarantees or equipment leases or other similar obligations in the ordinary course of business or consistent with past practice;

(12) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds; *provided* that such Indebtedness is extinguished within five Business Days of its incurrence;

(13) Indebtedness or preferred stock of Persons that are acquired by the Company or any of its Restricted Subsidiaries or merged into a Restricted Subsidiary, or assumed by the Company or any Restricted Subsidiary pursuant to any acquisition of assets and assumption of related liabilities; *provided*, *however*, that such Indebtedness or preferred stock is not incurred or issued in contemplation of such acquisition or merger or to provide all or a portion of the funds or credit support required to consummate such acquisition or merger; and *provided further*, *however*, that, for any such Indebtedness or preferred stock outstanding under this clause (13) on the date such Person is acquired by the Company or a Restricted Subsidiary, after giving

pro forma effect to such acquisition and the incurrence or issuance of such Indebtedness or preferred stock, either:

(a) the Company would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the first paragraph of this covenant above; or

(b) the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such acquisition or other transaction;

(14) the incurrence of Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, earn outs, guarantees, or similar obligations, in each case, incurred or assumed in connection with the disposition or acquisition of any business, assets or Equity Interests of a Subsidiary in accordance with the terms of the Indenture, other than guarantees of Indebtedness incurred or assumed by any Person acquiring all or any portion of such business, assets or Equity Interests of a Subsidiary for the purpose of financing such acquisition;

(15) the incurrence by the Company and its Restricted Subsidiaries of additional Indebtedness or the issuance by any Restricted Subsidiary of preferred stock in an aggregate principal amount (or accreted value, as applicable) or having an aggregate liquidation preference at any time outstanding (including all Permitted Refinancing Indebtedness incurred or issued to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (15)) not to exceed the greater of $165.0 million and 3.25% of Total Non-Current Assets;

(16) the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness arising out of advances on exports, advances on imports, advances on trade receivables, factoring of receivables, customer prepayments and similar transactions in the ordinary course of business, and take-or-pay obligations contained in supply arrangements incurred in the ordinary course of business;

(17) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(18) Indebtedness of the Company or any Restricted Subsidiary in respect of Management Advances; and

(19) the guarantee by the Company or any Restricted Subsidiary that is a shareholder or creditor of an Unrestricted Subsidiary or joint venture of Indebtedness of such Unrestricted Subsidiary or joint venture; *provided* that (a) the holder has no debt claim or recourse whatsoever against any of the stock or assets of the Company or any Restricted Subsidiary other than the Capital Stock of or receivables under loans to the Unrestricted Subsidiary or joint venture and (b) such guarantee is being provided solely to facilitate the granting of a Lien permitted by clause (20)(a)(i) of the definition of Permitted Liens.

For purposes of determining compliance with this covenant, in the event that an item of proposed Indebtedness or preferred stock meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (19) above or is entitled to be incurred pursuant to the first paragraph of this covenant, the Company will be permitted to classify such item of Indebtedness or preferred stock on the date of its incurrence and will only be required to include the amount and type of such Indebtedness or preferred stock in one of the above clauses, although the Company may divide and classify an item of Indebtedness or preferred stock in one or more of the types of Indebtedness or preferred stock and may later reclassify all or a portion of such item of Indebtedness or preferred stock, in any manner that complies with this covenant; *provided* that:

(i) Indebtedness under the Issuer Facilities Agreements (in aggregate, constituting $1,254.0 million as of September 30, 2017) will be deemed to be incurred under clause (1) and not clause (2) or (4) of the preceding paragraph and may not be reclassified pursuant to this paragraph;

(ii) Indebtedness represented by the 2024 Notes and the Company's Guarantee thereof after giving *pro forma* effect to the use of proceeds of the Notes and any Permitted Refinancing Indebtedness thereof will be deemed to be incurred under clause (4) and may not be reclassified pursuant to this paragraph;

(iii) Indebtedness represented by the Notes issued on the Issue Date and the Company Guarantee will be deemed to be incurred under clause (3) and not (4) and may not be reclassified pursuant to this paragraph.

The accrual of interest or dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock or preferred stock in the form of additional shares of the same class of Disqualified Stock or preferred stock will not be deemed to be an incurrence of Indebtedness or an issuance of preferred stock for purposes of this covenant; *provided*, in each such case (other than preferred stock that is not Disqualified Stock), that the amount of any such accrual, accretion or payment is included in Fixed Charges of the Company as accrued. Notwithstanding any other provision of this covenant (including pursuant to any Permitted Refinancing Indebtedness permitted pursuant to this covenant), the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be: (a) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount; (b) the principal amount of the Indebtedness, in the case of any other Indebtedness; (c) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of: (x) the Fair Market Value of such assets at the date of determination; and (y) the amount of the Indebtedness of the other Person; and (d) in the case of Hedging Obligations, the net amount payable if such Hedging Obligations were terminated at that time due to default by such Person (after giving effect to any contractually permitted set-off).

For purposes of determining compliance with any U.S. Dollar-denominated restriction on the incurrence of Indebtedness, the U.S. Dollar-equivalent principal amount of Indebtedness denominated in a different currency shall be utilized, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred; *provided however*, that (i) if such Indebtedness is non-U.S. Dollar-denominated and subject to a Currency Exchange Protection Agreement with respect to U.S. Dollars, the amount of such Indebtedness expressed in U.S. Dollars will be calculated so as to take into account the effects of such Currency Exchange Protection Agreement; and (ii) the dollar-equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date. The principal amount of any refinancing Indebtedness incurred in the same currency as the Indebtedness being refinanced will be the U.S. Dollar-equivalent of the Indebtedness refinanced determined on the date such Indebtedness was originally incurred, except that to the extent that:

(1) such U.S. Dollar-equivalent was determined based on a Currency Exchange Protection Agreement, in which case the refinancing Indebtedness will be determined in accordance with the preceding sentence; and

(2) the principal amount of the refinancing Indebtedness exceeds the principal amount of the Indebtedness being refinanced, in which case the U.S. Dollar equivalent of such excess will be determined on the date such refinancing Indebtedness is being incurred.

The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Permitted Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Neither the Issuer nor any Guarantor will incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the applicable Guarantee on substantially identical terms; *provided, however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness.

Liens

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien securing Indebtedness (an ''**Initial Lien**'') of any kind, except Permitted Liens, upon any of their property or assets (including Equity Interests of Restricted Subsidiaries of the Company), whether owned on the Issue Date or thereafter acquired, unless all obligations due under the Indenture, the Notes and the Guarantees are, in each case, secured on an equal and rateable basis or on a priority basis with the obligations secured by the Initial Lien (and on a priority basis if such obligations secured by the Initial Lien are subordinated in right of payment to either the Notes or any Guarantee).

Any Lien created for the benefit of the Noteholders pursuant to the preceding paragraph shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon (or, where not automatically released and discharged, the Person having granted such security will be entitled to seek such Liens' unconditional release and discharge) under any one or more of the following circumstances;

(1) the release and discharge of the Initial Lien to which it relates;

(2) upon the sale, disposition or transfer of the assets which are subject to such Liens (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction), the Company or a Restricted Subsidiary of the Company, if such sale, disposition or transfer does not violate the provisions set forth under ''*—Repurchase at the Option of Noteholders—Asset Sales*;''

(3) upon the sale, disposition or transfer of Capital Stock of the Restricted Subsidiary that has granted such Liens (or Capital Stock of a Parent of the relevant Restricted Subsidiary (other than the Company)) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary of the Company, if (i) after giving effect to such sale, disposition or transfer, such Person is no longer a Restricted Subsidiary of the Company and (ii) the sale, disposition or transfer does not violate the provisions set forth under ''*—Repurchase at the Option of Noteholders—Asset Sales*;''

(4) upon the defeasance or discharge of the Notes as provided in ''*—Legal defeasance and covenant defeasance*'' or ''*—Satisfaction and Discharge*,'' in each case, in accordance with the terms of the Indenture;

(5) if the relevant Restricted Subsidiary is designated as an Unrestricted Subsidiary (or is a Subsidiary of such designated Subsidiary) and such designation complies with the other applicable provisions of the Indenture, in which case the release of Liens on the Capital Stock, Indebtedness, property and assets of such Restricted Subsidiary shall be effected;

(6) upon full and final repayment of the Notes and performance of all obligations of the Issuer and the Guarantors under the Indenture and the Notes; or

(7) in accordance with the caption below entitled ''*—Certain Covenants—Amendment, Supplement and Waiver*,''.

Upon any occurrence giving rise to a release and discharge of a Lien created for the benefit of the Noteholders pursuant to the first paragraph of this covenant ''*Liens*,'' as specified above, the Trustee, subject to receipt of an Officer's Certificate and an Opinion of Counsel certifying that the event or circumstance in question has occurred and such release of Lien complies with the Indenture, will execute any documents reasonably requested by the Issuer in order to evidence or effect such release and discharge in respect of such Lien.

Dividend and Other Payment Restrictions Affecting Subsidiaries

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Company or any of its Restricted Subsidiaries;

(2) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(3) sell, lease or transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries,

provided that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill period to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness incurred by the Company or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

The restrictions in the prior paragraph will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements governing Indebtedness outstanding or any other agreements or instruments or arrangements that are in effect or entered into on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that such amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such encumbrances or restrictions than those contained in those agreements on the Issue Date or would not, in the good faith determination of the Company, materially impair the ability to (a) make payments of amounts due in respect of the Notes or (b) comply with the respective obligations of the Issuer or any Guarantor under the Notes or the Indenture (as, in each case, determined in good faith by a responsible accounting or financial officer of the Company);

(2) the Indenture, the Notes, and the Guarantees;

(3) applicable law, rule, regulation, order, approval, license, authorization, concession or permit or any similar restriction or other control by any government or governmental authority;

(4) any instrument or agreement governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred or issued in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred;

(5) customary non-assignment provisions or subletting restrictions in contracts, leases and licenses entered into in the ordinary course of business;

(6) purchase money obligations for property (including Capital Stock) acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (3) of the preceding paragraph;

(7) any agreement for the sale or other disposition of the Capital Stock or assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending closing of the sale or other disposition;

(8) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced (as determined in good faith by a responsible accounting or financial officer of the Company);

(9) Liens permitted to be incurred as set forth in the covenant described under ‘‘—*Liens*’’ that limit the right of the debtor to dispose of the assets securing such Indebtedness;

(10) customary provisions limiting the disposition or distribution of assets or property or transfer of Capital Stock in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements, limited liability company organizational documents, and other similar agreements entered into (a) in the ordinary course of business, consistent with past practice or (b) with the approval of the Company’s Board of Directors, which limitation is applicable only to the assets, property or Capital Stock that are the subject of such agreements;

(11) Hedging Obligations entered into from time to time for *bona fide* hedging purposes of the Company and the Restricted Subsidiaries;

(12) restrictions on cash, Cash Equivalents, Government Guaranteed Securities or other deposits or net worth imposed by customers, suppliers, or lessors or required by insurance, surety or bonding companies under contracts or leases entered into in the ordinary course of business;

(13) other Indebtedness of the Company and its Restricted Subsidiaries permitted to be incurred after the Issue Date as set forth in the covenant described under ‘‘—*Incurrence of Indebtedness and Issuance of Preferred Stock*’’ hereof; *provided* that such encumbrances or restrictions are (i) not materially less favorable to the Noteholders with respect to such encumbrances and restrictions, taken as a whole, than those contained in the Credit Facilities then in effect or (ii) customary in comparable financings or (iii) would not materially impair the ability to (a) make payments of amounts due in respect of the Notes or (b) comply with the respective obligations of the Issuer or any Guarantor under the Notes or the Indenture (as, in each case in (i), (ii) and (iii), determined in good faith by a responsible accounting or financial officer of the Company);

(14) encumbrances on property that exist at the time the property was acquired by the Company or a Restricted Subsidiary of the Company provided such encumbrance was not created in anticipation of such acquisition;

(15) any mortgage financing or mortgage refinancing that imposes restrictions on the real property securing such Indebtedness and any restrictions in a Qualified Securitization Financing; or

(16) any encumbrances or restrictions imposed by any amendments or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (15) above; *provided* that such amendments or refinancings are not materially more restrictive, taken as a whole, than such encumbrances and restrictions prior to such amendment or refinancing (as determined in good faith by a responsible accounting or financial officer of the Company).

Merger, Consolidation or Sale of Assets

(1) Neither the Company nor the Issuer will, in a single transaction or through a series of transactions, (x) merge, consolidate, amalgamate or otherwise combine with or into any other Person or (y) in the case of the Company, sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of the Company’s and the Restricted Subsidiaries’ properties and assets to any other Person or Persons. The previous sentence will not apply if at the time and immediately after giving effect to any such transaction or series of transactions:

(a) either: (i) the Company or the Issuer, as the case may be, will be the continuing corporation; or (ii) the Person (if other than the Company or the Issuer, as the case may be) formed by or surviving any such merger, consolidation, amalgamation or other combination or to which such sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries on a consolidated basis has been made (the ‘‘**Surviving Entity**’’):

(x) will be a corporation duly incorporated and validly existing under the laws of any member state of the European Union, Switzerland, Japan, Canada, Australia, Singapore, the United States of America, any state thereof, or the District of Columbia; and

(y) will expressly assume obligations of the Company or the Issuer, as applicable, under the Notes, the Company Guarantee and the Indenture; and the Notes, the Company

Guarantee and the Indenture will remain in full force and effect as so assumed and/or amended and supplemented;

(b) immediately after giving effect to such transaction or series of transactions, no Default or Event of Default will have occurred and be continuing;

(c) immediately before and immediately after giving effect to such transaction or series of transactions on a *pro forma* basis (on the assumption that the transaction or series of transactions occurred on the first day of the four-quarter fiscal period immediately prior to the consummation of such transaction or series of transactions with the appropriate adjustments with respect to the transaction or series of transactions being included in such *pro forma* calculation), the Company or the Issuer (or the Surviving Entity if the Company or the Issuer is not the continuing obligor under the Indenture) (i) could incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio set forth in the first paragraph of the ''*Incurrence of Indebtedness and Issuance of Preferred Stock*'' covenant or (ii) would have a Fixed Charge Coverage Ratio not less than it was immediately prior to giving *pro forma* effect to such transaction;

(d) the Company or the Issuer or the Surviving Entity, as the case may be, has delivered to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officer's Certificate and an Opinion of Counsel, each stating that such merger, consolidation, amalgamation or other combination or sale, assignment, conveyance, transfer, lease or other disposition, complies with this covenant; *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to matters of fact, including as to satisfaction of clauses 1(b) and 1(c) above;

(e) if there is a Surviving Entity, the Surviving Entity will succeed to, and be substituted for, and may exercise every right and power of, the Company or the Issuer, as applicable, under the Indenture, but, in the case of a lease of all or substantially all of the Company's or the Issuer's assets, the Company or the Issuer, as applicable, will not be released from the obligation to pay the principal of, and premium, if any, any interest, on the Notes (or, with respect to the Company, the guarantee of such obligations); and

(f) for as long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and to the extent that the rules and regulations of the Luxembourg Stock Exchange so require, notify such exchange or any such merger, consolidation, amalgamation or other combination or sale.

Although there is a limited body of case law interpreting the phrase ''all or substantially all,'' there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstance there may be a degree of uncertainty as to whether a particular transaction would involve ''all or substantially all'' of the property or assets of a Person.

(2) Subject to the provisions described under ''—*Brief Description of the Notes and the Company Guarantee—Release of the Guarantees,*'' no Subsidiary Guarantor will, in a single transaction or through a series of transactions, merge, consolidate, amalgamate or otherwise combine with or into any other Person or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of such Subsidiary Guarantor's properties and assets to any other Person or Persons. The previous sentence will not apply if such sale, disposition or consolidation, amalgamation or combination is not in violation of the covenant described under ''—*Repurchase at the Option of Noteholders—Asset Sales*,'' or at the time and immediately after giving effect to any such transaction or series of transactions;

(a) either (x) such Subsidiary Guarantor is the continuing corporation; or (y) the Person formed by or surviving any such consolidation or merger (if other than such Subsidiary Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made (such Subsidiary Guarantor or such Person, as the case may be, being herein called the ''**Successor Subsidiary Guarantor**'') expressly assumes all the obligations of such Subsidiary Guarantor under its Guarantee and the Indenture, pursuant to agreements in a form reasonably satisfactory to the Trustee;

(b) immediately after such transaction, no Default or Event of Default exists and is continuing;

(c) the Subsidiary Guarantor or the Successor Subsidiary Guarantor has delivered to the Trustee, in form and substance satisfactory to the Trustee, an Officer's Certificate and an Opinion of Counsel, each stating that such merger, consolidation, amalgamation or other combination or sale, assignment, conveyance, transfer, lease or other disposition, complies with this covenant; *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clause 2(b) above; and

(d) the Successor Subsidiary Guarantor will succeed to, and be substituted for, and may exercise every right and power of, the relevant Subsidiary Guarantor under the Indenture, but, in the case of a lease of all or substantially all of the Subsidiary Guarantor's assets, the Subsidiary Guarantor will not be released from the obligation to pay the principal of, premium, if any, and interest, on the Subsidiary Guarantee.

Notwithstanding anything to the contrary in the preceding paragraphs or elsewhere in the Indenture, the provisions set forth in this ''*Merger, Consolidation or Sale of Assets*'' covenant shall not restrict (and shall not apply to): (i) any Restricted Subsidiary of the Company that is not the Issuer or a Subsidiary Guarantor from consolidating with, merging or liquidating into or transferring all or substantially all of its properties and assets to the Issuer, a Guarantor or any other Restricted Subsidiary of the Company; (ii) any Subsidiary Guarantor from merging or liquidating into or transferring all or part of its properties and assets to the Issuer or another Guarantor; (iii) any consolidation or merger of the Issuer into any Guarantor; *provided* that, in the case of (iii) if the Issuer is not the surviving entity of such merger or consolidation, clauses (1)(a) and (1)(d) shall apply to the transaction. Further, clauses (1)(b) and (c) and clause 2(b) will not apply to transactions in which the Issuer or any Guarantor consolidates into or merges or combines with an Affiliate incorporated or organized for the purpose of changing the legal domicile of such entity, reincorporating such entity in another jurisdiction, or changing the legal form of such entity.

Limitation on Lines of Business

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business, except to the extent as would not be material to the Company and its Restricted Subsidiaries taken as a whole.

Transactions with Affiliates

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each, an ''**Affiliate Transaction**''), involving aggregate consideration in any single Affiliate Transaction or series of related Affiliate Transactions in excess of $15.0 million, unless:

(1) the Affiliate Transaction is on terms that are not materially less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction on an arms-length basis by the Company or such Restricted Subsidiary with an unrelated Person; and

(2) the Company delivers to the Trustee: (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $25.0 million, a resolution of the Board of Directors of the Company set forth in an Officer's Certificate, on which the Trustee shall be able to rely absolutely and without further inquiry, certifying that such Affiliate Transaction complies with this covenant and the Indenture and that such Affiliate Transaction has been approved by a majority of the disinterested members, if any, of the Board of Directors of the Company (or if there is only one such member in respect of the Affiliate Transaction, such member); and (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $25.0 million where there is no such disinterested member, an opinion issued by an accounting, appraisal or investment banking firm of national or international standing stating that the transaction or series of related transactions is (i) fair from a financial point of view taking into account all relevant circumstances or (ii) on terms not less favorable than might have been obtained in a

comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the first paragraph of this covenant:

(1) any employment agreement, collective bargaining agreement, employee benefit plan, officer or director indemnification agreement, including any stock option, stock appreciation rights, stock incentive or similar plans or any similar arrangement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice and payments or other transactions pursuant thereto;

(2) transactions (including a merger) between or among the Company and/or any of its Restricted Subsidiaries;

(3) transactions with a Person (other than an Unrestricted Subsidiary of the Company) that is an Affiliate of the Company solely because the Company owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(4) payment of reasonable fees to, reimbursements of expenses and indemnity provided on behalf of, officers, directors, employees or consultants of the Company or any of its Restricted Subsidiaries or of any Parent;

(5) any issuance of Equity Interests (other than Disqualified Stock) of the Company to Affiliates of the Company or to any director, officer, employee or consultant of the Company or of any Parent, receipt of cash capital contributions from Affiliates of the Company in exchange for Equity Interests of the Company (other than Disqualified Stock) or the incurrence of Subordinated Shareholder Debt;

(6) Restricted Payments and Permitted Investments (other than Permitted Investments described in clauses (3), (9) (to the extent such guarantee is in respect of Indebtedness of a Person that is not the Company, a Restricted Subsidiary, an Unrestricted Subsidiary or a Person that is an Affiliate of the Company solely because the Company owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person), (14) and (15) of the definition thereof) that do not violate the covenant ''*—Certain Covenants—Restricted Payments*'' hereof;

(7) Management Advances;

(8) (a) transactions with customers, clients, lenders, suppliers, joint venture partners or purchasers or sellers or other providers of goods or services, or lessors or lessees of property, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture which are fair to the Company or its Restricted Subsidiaries or on terms at least as favorable to the Company or its Restricted Subsidiaries as might reasonably have been obtained at such time from an unaffiliated party (in each case, as determined in good faith by a responsible accounting or financial officer of the Company); (b) to the extent constituting Affiliate Transactions, transactions with any government or governmental agency or entity in connection with a Permitted Business; and (c) transactions at regulated prices;

(9) (a) pledges of Equity Interests or Indebtedness of Unrestricted Subsidiaries and joint ventures for the benefit of lenders thereto; (b) guarantees of performance by the Company and its Restricted Subsidiaries of the Company's Unrestricted Subsidiaries in the ordinary course of business (as determined in good faith by a responsible accounting or financial advisor of the Company), except for guarantees of Indebtedness in respect of borrowed money, and (c) to the extent constituting Affiliate Transaction, transactions with charities and charitable foundations or with or that form part of community or social or environmental projects or initiatives;

(10) if such Affiliate Transaction, following an Initial Public Offering, is with a Person in its capacity as a holder of Capital Stock of the Company or any Restricted Subsidiary where such Person is treated no more favorably than the holders of Capital Stock of the Company or any Restricted Subsidiary;

(11) transactions effected pursuant to or contemplated by agreements or arrangements in effect or entered into on the Issue Date and any amendments, modifications or replacements of such agreements or arrangements (so long as such amendments, modifications or replacements are

not materially more disadvantageous to the Noteholders, taken as a whole, than the original agreements or arrangements as in effect on or entered into on the Issue Date) (as determined in good faith by a responsible accounting or financial officer of the Company);

(12) Permitted Payments to Parent;

(13) any transaction effected as part of a Qualified Securitization Financing;

(14) transactions effected pursuant to or contemplated by agreements or arrangements between any Person and an Affiliate of such Person existing at the time such Person is acquired by, merged into or amalgamated, arranged or consolidated with the Company or any of its Restricted Subsidiaries; *provided* that such agreements or arrangements were not entered into in contemplation of such acquisition, merger, amalgamation, arrangement or consolidation, and any amendments, modifications or replacements of such agreements or arrangements (so long as such amendments, modifications or replacements are not materially more disadvantageous to the Noteholders, taken as a whole, than the original agreements or arrangements as in effect on the date of such acquisition, merger, amalgamation, arrangement or consolidation) (as determined in good faith by a responsible accounting or financial officer of the Company);

(15) Hedging Obligations entered into from time to time for *bona fide* hedging purposes of the Company and the Restricted Subsidiaries and the unwinding of any Hedging Obligations; and

(16) execution, delivery and performance of any consolidated group arrangements for tax or accounting purposes, *provided* that any payments to be made pursuant to such arrangements are made in compliance with the covenant as set forth in ''*—Certain Covenants—Restricted Payments*.''

Limitation on Issuances of Guarantees of Indebtedness

The Company will not cause or permit any of its Restricted Subsidiaries that are not Guarantors or the Issuer, directly or indirectly, to guarantee, assume or in any manner become liable with respect to any Indebtedness of the Issuer (other than the Notes), the Company or any other Guarantor unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture providing for the guarantee of the payment of the Notes by such Restricted Subsidiary, which Guarantee will be senior to or *pari passu* with such Restricted Subsidiary's guarantee of such other Indebtedness.

This covenant will not apply to any guarantees (a) outstanding on the Issue Date of Indebtedness of the Company or any Restricted Subsidiary outstanding on the Issue Date after giving effect to the use of proceeds of the Notes, (b) that existed at the time such Person became a Restricted Subsidiary if the guarantee was not incurred in connection with, or in contemplation of such Person becoming a Restricted Subsidiary, (c) that constitute a Lien not prohibited by the covenant described under ''*—Certain Covenants—Liens*'' or a Permitted Lien, (d) of current liabilities incurred in the ordinary course of business in connection with cash management, tax and accounting operations or (e) of Indebtedness of the Company or any Restricted Subsidiary provided by the Issuer or a Guarantor.

Each Guarantee provided pursuant to the provisions of this covenant (a ''**Subsidiary Guarantee**'') will be limited to the maximum amount that can be guaranteed by such Guarantor without rendering such Guarantee void, voidable or unenforceable under applicable law or as otherwise necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, corporate benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law, including the liability of directors and officers.

Notwithstanding the foregoing, the Company shall not be obligated to cause such Restricted Subsidiary to guarantee the Notes to the extent that such Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in (i) a violation of applicable law which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Company or the Restricted Subsidiary (ii) any liability for the officers, directors or shareholders of the Company or such Restricted Subsidiary, or (iii) any significant cost, expense, liability or obligation (including with respect to Taxes but other than reasonable out-of-pocket) of the Company and its Restricted Subsidiaries to the extent such costs, expenses, liabilities and/or other obligations are disproportionate to the benefit obtained by the holders of the Notes with respect to the receipt of the guarantee (as determined in good faith by a responsible accounting or financial officer of the Company).

Any Subsidiary Guarantee provided pursuant to this covenant will be automatically and unconditionally released and discharged in the circumstances described under ''—*Brief Description of the Notes and the Guarantees—Release of the Guarantees.*''

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Company may designate any Restricted Subsidiary of the Company (other than the Issuer) to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary designated as Unrestricted Subsidiary shall be deemed to be an Investment made as of the time of the designation. That designation will only be permitted if such Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Any designation of a Restricted Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the Trustee by filing promptly with the Trustee a certified copy of a resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described under ''—*Certain Covenants—Restricted Payments*'' hereof or under one or more clauses of such definition of Permitted Investments, as determined by the Company. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be incurred as of such date in the covenant described under ''—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*,'' the Company will be in Default of such covenant. The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Company; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under ''—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*,'' calculated on a *pro forma* basis taking into account such designation as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation.

Financial Calculations for Limited Condition Acquisitions

When calculating the capacity of the Issuer, the Company or a Restricted Subsidiary to incur Indebtedness, make a Restricted Payment or make a Permitted Investment, in each case in connection with a Limited Condition Acquisition, the date of determination of any basket or ratio and of any Default or Event of Default shall, at the option of the Issuer, be the date the definitive agreements for such Limited Condition Acquisition are entered into, and such baskets or ratios shall be calculated with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* provisions set forth in the definition of Consolidated Net Leverage Ratio after giving effect to such Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable period for purposes of determining the ability to consummate any such Limited Condition Acquisition (and not for purposes of any subsequent availability of any basket or ratio), and, for the avoidance of doubt, (1) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in the Total Non-Current Assets or Consolidated EBITDA of the Company or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant Limited Condition Acquisition, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the Limited Condition Acquisition is permitted hereunder and (2) such baskets or ratios shall not be tested at the time of consummation of such Limited Condition Acquisition or related transactions; *provided*, that if the Company elects to have such determinations occur at the time of entry into such definitive agreement, any such transactions (including any incurrence of Indebtedness and the use of proceeds therefrom) shall be deemed to have occurred on the date the definitive agreements are entered and outstanding thereafter for purposes of calculating any baskets or ratios under the Indenture after the date of such agreement and before the consummation of such Limited Condition Acquisition; and *provided, further*, that the Consolidated Net Income (and any other financial term derived therefrom), other than for purposes of calculating any ratios in connection with such Limited Condition Acquisition, shall not include any Consolidated Net Income of or attributable to the target company or assets associated with any such Limited Condition Acquisition unless and until the closing of such Limited Condition Acquisition shall have actually occurred.

Suspension of Covenants on Achievement of Investment Grade Status

If on any date following the Issue Date: (i) the Notes are assigned an Investment Grade Rating from both of the Rating Agencies and (ii) no Default or Event of Default shall have occurred and be continuing (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a ''**Covenant Suspension Event**'' and the date thereof being referred to as the ''**Suspension Date**''), beginning on the Suspension Date, the provisions of the Indenture summarized under the following captions, and in each case, any related default provision of the Indenture, will not apply to the Notes or the Company and its Restricted Subsidiaries (collectively, the ''**Suspended Covenants**''):

(1) ''*—Certain Covenants—Restricted Payments*,''

(2) ''*—Certain Covenants—Dividend and Other Payment Restrictions Affecting Subsidiaries*,''

(3) ''*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*,''

(4) ''*—Certain Covenants—Transactions with Affiliates*,''

(5) clause (1)(c) of the covenant entitled ''*—Certain Covenants—Merger, Consolidation or Sale of Assets*,''

(6) ''*—Repurchase at the Option of Noteholders—Asset Sales*,'' and

(7) ''*—Designation of Restricted and Unrestricted Subsidiaries*.''

If and while the Company and the Restricted Subsidiaries are not subject to the Suspended Covenants, the Notes will be entitled to substantially less covenant protection. In the event that the Company and the Restricted Subsidiaries are not subject to the Suspended Covenants under the Indenture for any period of time as a result of the foregoing, and on any subsequent date (the ''**Reversion Date**'') one or both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the Notes below an Investment Grade Rating, then the Company and the Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under the Indenture with respect to future events. Upon any such Reversion Date, the Company shall promptly notify the Trustee. The period of time between the Suspension Date and the Reversion Date is referred to in this Description of Notes as the ''**Suspension Period**.'' Upon the occurrence of a Covenant Suspension Event, the amount of Excess Proceeds from Net Proceeds shall be reset to zero.

Notwithstanding the foregoing, in the event of any such reinstatement, no action taken or omitted to be taken by the Company or any Restricted Subsidiary prior to such reinstatement will give rise to a Default or Event of Default under the Indenture with respect to the Notes; *provided* that (i) with respect to Restricted Payments made after such reinstatement, the amount available to be made as Restricted Payments will be calculated as though the covenant described under ''*—Certain Covenants—Restricted Payments*'' had been in effect prior to, but not during, the Suspension Period; (ii) all Indebtedness incurred, or Disqualified Stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (4) of the second paragraph of ''*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*;'' (iii) any transactions with Affiliates entered into after such reinstatement pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (11) of the second paragraph of the covenant described under ''*—Certain Covenants—Transactions with Affiliates*;'' and (iv) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in clauses (1) through (3) of the first paragraph of the covenant described under ''—*Certain Covenants—Dividend and other payment restrictions affecting subsidiaries*'' that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (1) of the second paragraph of the covenant described under ''—*Certain Covenants—Dividend and other payment restrictions affecting subsidiaries*.''

For the avoidance of doubt, the Company and any Restricted Subsidiary will be permitted, without causing a Default or Event of Default or breach of any kind under the Indenture, to honor, comply with or otherwise perform any contractual commitments or obligations entered into during a Suspension Period and to consummate the transactions contemplated thereby; *provided, however*, that (i) the Company and its Subsidiaries did not incur or otherwise enter into such contractual commitments or obligations in contemplation of the Suspension Period ending and (b) the Company reasonably believed that such incurrence or actions would not result in the of the Suspension Period ending. For purposes of clauses (a) and (b) in the preceding sentence, anticipation and reasonable belief shall be as determined in good faith by a responsible accounting or financial officer of the Company.

The Company shall notify the Trustee that the two conditions set forth under the first paragraph of this covenant have been satisfied; *provided* that such notification shall not be a condition for the suspension of the covenants set forth above to be effective. The Trustee shall not be obliged to notify holders of such event or, if applicable, upon the occurrence of a Reversion Date.

There can be no assurance that the Notes will achieve or maintain an Investment Grade Rating.

Maintenance of listing

The Company and the Issuer will use commercially reasonable efforts to list and all commercially reasonable efforts to maintain the listing of the Notes on the Official List of the Luxembourg Stock Exchange and the admission to trading of the Notes on the Euro MTF Market of the Luxembourg Stock Exchange for so long as such Notes are outstanding; *provided* that if at any time the Company and the Issuer determine that they are unable to list or if maintenance of such listing becomes unduly onerous, they will obtain, prior to the delisting of the Notes from the Official List of the Luxembourg Stock Exchange, where applicable, and thereafter use all commercially reasonable efforts to maintain, a listing of such Notes on another recognized stock exchange.

Reports

For so long as any Notes are outstanding, the Company will provide to the Trustee the following reports:

(1) within 120 days after the end of the Company's fiscal year beginning with the first fiscal year ending after the Issue Date, annual reports containing, to the extent applicable, and in a level of detail that is substantially comparable to this Offering Memorandum, the following information: (a) audited consolidated balance sheets, income statements and statements of cash flow of the Company, including footnotes to such financial statements, for the two most recent fiscal years, and the report of the independent auditors on the financial statements; (b) unaudited *pro forma* income statement information and balance sheet information of the Company, together with explanatory footnotes (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available or available only at unreasonable expense) for any acquisition or disposition that individually represents 20% or more of the consolidated revenues, earnings before interest, taxation, depreciation and amortization, or assets of the Company on a *pro forma* basis in each case unless such *pro forma* financial information has been provided in a previous report pursuant to clause (2) or (3) below; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Company, and a discussion of material commitments and contingencies and critical accounting policies; (d) a description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments; and (e) a description of material risk factors;

(2) within 60 days following the end of each of the first three fiscal quarters in each fiscal year of the Company all quarterly reports of the Company containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent year-to-date periods ending on the unaudited condensed balance sheet date, and the comparable prior year period, together with condensed footnote disclosure; (b) unaudited *pro forma* income statement information and balance sheet information of the Company, together with explanatory footnotes (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available or available only at unreasonable expense), for any acquisition or disposition that individually represents 20% or more of the consolidated revenues, earnings before interest, taxation, depreciation and amortization, or assets of the Company on a *pro forma* basis in each case unless such *pro forma* financial information has been provided in a previous report pursuant to clause (1), (2) or (3) of this covenant; (c) a summary operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, earnings before interest, taxation, depreciation and amortization and material changes in liquidity and capital resources of the Company, and a discussion of material changes not in the ordinary course of business in commitments and contingencies since the most recent report; and (d) any material changes to the risk factors disclosed in the most recent annual report; and

(3) promptly after the occurrence of any material acquisition, disposition or restructuring or any senior executive officer changes at the Company or change in auditors of the Company or any other material event that the Company or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

All financial statement and *pro forma* financial information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement and on a consistent basis for the periods presented; *provided*, that the reports set forth in clauses (1), (2) and (3) of the first paragraph of this covenant may, in the event of a change in applicable IFRS, present earlier periods on a basis that applied to such periods; and *provided* that following any adoption by the Company of IFRS 16 *Leases*, the annual and quarterly financial information required by the first two clauses of this covenant shall include, as supplemental unaudited information, EBITDA, total debt, net interest expense and cash and cash equivalents for the relevant period or as at the relevant period-end disregarding the impact of IFRS 16 *Leases* and any successor standard thereto. Except as provided for below, no report need include separate financial statements for Subsidiaries of the Company or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Offering Memorandum and in no event shall U.S. GAAP information or reconciliation to U.S. GAAP be required.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Company, then the annual and quarterly financial information required by the first two clauses of the first paragraph of this covenant shall include either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Company and its Subsidiaries, which reconciliation shall include the following items: net sales, EBITDA, cash flow from operations, total debt and interest expense.

Substantially concurrently with the issuance to the Trustee of the reports specified in clauses (1), (2) and (3) of the first paragraph of this covenant, the Company shall also (a) file a press release with the appropriate internationally recognized wire services in connection with such a report and (b) post a copy of such a report on such website as may be then maintained by the Company and its Subsidiaries. The Company will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant, if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules and regulations of the Luxembourg Stock Exchange so require, at the offices of the Paying Agent or, to the extent and in the manner permitted by such rules, post such reports on the official website of the Luxembourg Stock Exchange.

The Company will, either (i) within ten Business Days after the delivery of each report discussed in clauses (1) and (2) of the first paragraph of this covenant, conduct a conference call to discuss such report and answer questions about such report, which conference call will be open to all Noteholders or (ii) provide Noteholders with access to and the opportunity to participate in any public conference call, investor presentation, webcast or other event, the primary purpose of which is to discuss results of operations or any material event referenced in clause (3) of the first paragraph of this covenant with investors in the Capital Stock of the Company. Details of such conference calls will either (x) be delivered with each report or (y) posted on an electronic website that is used by the Company to communicate to the equity holders generally for which the Noteholders have been, prior to the posting of such notice, informed of the website address and relevant password specifications, which notice shall constitute reasonable notice of such public calls for the purpose of this paragraph.

In addition, so long as any Notes are ''restricted securities'' (as defined in Rule 144 under the Securities Act) during any period during which the Issuer is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Issuer shall furnish to the Noteholders and prospective purchasers, upon their request, of the Notes, the information required to be delivered pursuant to Rule 144A(d)(4).

Following an Initial Public Offering, if and for so long as the equity securities of an IPO Entity, the Company or a Parent are listed on the Main Market of the London Stock Exchange (or one or more of the equivalent markets of the New York Stock Exchange, the Paris Stock Exchange, Euronext Paris, the SIX Swiss Exchange or the Singapore Stock Exchange) (each a ''**Recognized Stock Exchange**'') and the IPO Entity, the Company or a Parent are subject to the admission and disclosure standards applicable to issuers of equity securities admitted to trading on the Recognized Stock Exchange, for so long as it elects, the Company will be entitled to make available to the Trustee such annual reports, information, documents and other reports that the IPO Entity, a Parent or the Company is, or would be, required to file with (or otherwise publicly disclose pursuant to the rules of) the Recognized Stock Exchange. Upon complying with the foregoing sentence, and provided that such requirements require the IPO Entity, the Company or a Parent to prepare and file (or otherwise publicly disclose) annual reports, information, documents and other reports with the Recognized Stock Exchange, the Company will be deemed to have complied with the provisions contained in the preceding paragraphs in this covenant, provided that (i) the Company has publicly made available EBITDA, total debt, net interest expense and cash and cash equivalents on at least a quarterly basis (including, if the Company has adopted IFRS 16 Leases at such point, such information for the relevant period or as at the relevant period-end disregarding IFRS 16 Leases and any successor standard thereto); and (ii) the IPO Entity (if other than the Company) is a holding company without assets or operations (other than its direct or indirect holding in the Capital Stock of the Company and any intermediate holding companies, and other limited assets and operations necessary or incidental to its status as a publicly listed company). Such reports shall include a reasonably detailed description of material differences between the financial statements of the IPO Entity or the Parent and consolidated financial statements of the Company.

Events of Default and Remedies

Under the Indenture, each of the following is an ''**Event of Default**'':

(1) default for 30 days in the payment when due of interest or Additional Amounts, if any, on the Notes;

(2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on the Notes;

(3) failure by the Company or any of its Restricted Subsidiaries to comply with the covenant described under ''—*Certain Covenants—Merger, Consolidation or Sale of Assets*;''

(4) failure by the Issuer, the Company or any of the Subsidiary Guarantors for 60 days after notice to the Issuer and the Company by the Trustee or holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the other

agreements in the Indenture (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (1), (2) or (3)), the Notes, or the Guarantees;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or guarantee now exists, or is created after the date of the Indenture (but excluding Indebtedness owing to the Company or a Restricted Subsidiary), if that default: (a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness after the expiration of the grace period provided in such Indebtedness upon the Stated Maturity of such Indebtedness (a ''**Payment Default**''); or (b) results in the acceleration of such Indebtedness prior to its Stated Maturity, and, in each case, the principal amount of any such Indebtedness that is due and has not been paid or which has been accelerated, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $50.0 million or more;

(6) failure by the Issuer, the Company or any of its Restricted Subsidiaries to pay final and non-appealable judgments entered by a court or courts of competent jurisdiction aggregating in excess of $50.0 million (net of any amounts which are covered by insurance or bonded), which judgments are not paid, waived, satisfied, discharged or stayed for a period of 60 days;

(7) certain events of bankruptcy or insolvency described in the Indenture with respect to the Issuer, the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary; and

(8) except as permitted by the Indenture, any Guarantee is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect (other than in accordance with the terms of such Guarantee and the Indenture), or any Guarantor, or any Person acting on behalf of any Guarantor, denies or disaffirms its obligations under its Guarantee and such Default continues for 10 days.

In the case of an Event of Default specified in clause (7) above, all outstanding Notes (including accrued interest and premium, if any) will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee may, or the Noteholders of at least 25% in aggregate principal amount of the then outstanding Notes may and the Trustee shall, if so directed by Noteholders of at least 25% in aggregate principal amount of the then outstanding Notes, declare all the Notes to be due and payable immediately. Upon any such declaration, the Notes shall become due and payable immediately.

Noteholders of not less than a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may on behalf of the Noteholders of all of the Notes rescind an acceleration or waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Notes (including in connection with an offer to purchase). Upon any such rescission or waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of the Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Noteholders of a majority in aggregate principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture that the Trustee determines may be unduly prejudicial to the rights of other Noteholders or that may involve the Trustee in personal liability.

The Trustee may withhold from Noteholders notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or Additional Amounts or premium, if any, on the Notes.

In case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Noteholders unless such Noteholders have offered to the Trustee indemnity and/or security (including by way of pre-funding) satisfactory to the Trustee against any loss, liability or expense.

A Noteholder may pursue a remedy with respect to the Indenture or the Notes only if: (a) such Noteholder has given the Trustee written notice that an Event of Default is continuing; (b) Noteholders of at least 25% in aggregate principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy; (c) such Noteholder or Noteholders have offered the Trustee security (including by way of pre-funding) and/or indemnity satisfactory to the Trustee against any loss, liability or expense; (d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of such security (including by way of pre-funding) and/or indemnity; and (e) during such 60-day period, Noteholders of a majority in aggregate principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with such request.

The Issuer and the Company are each required to deliver to the Trustee annually a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, the Company is required to deliver to the Trustee a statement specifying such Default or Event of Default and specifying what action, if any, it is taking in respect of such Default or Event of Default.

No personal liability of directors, officers, employees and stockholders

No director, officer, employee, incorporator or stockholder of the Issuer or any Guarantor, as such, will have any liability for any obligations of any Guarantor or the Issuer under the Notes, the Indenture, the Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Noteholder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws of the United States.

Acts by Noteholders

In determining whether the Noteholders of the required principal amount of the Notes have concurred in any direction, waiver or consent, the Notes owned by the Issuer, any Guarantor or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company will be disregarded and deemed not to be outstanding.

Legal Defeasance and Covenant Defeasance

The Company may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, instruct the Issuer to, and upon receipt of such instruction the Issuer will have all of its obligations discharged with respect to the outstanding Notes and all obligations of the Guarantors discharged with respect to their Guarantees (''**Legal Defeasance**'') except for:

(1) the rights of Noteholders to receive payments in respect of the principal of, or interest or premium, if any and Additional Amounts, if any, on such Notes when such payments are due from the trust referred to below;

(2) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's obligations in connection therewith; and

(4) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

In addition, the Company may, at its option and at any time, instruct the Issuer to, and upon receipt of such instruction the Issuer will have the obligations of the Issuer released with respect to certain covenants (including the obligation to make Change of Control Offers and Asset Sale Offers, its obligations under the covenants described in ''*—Certain Covenants*,'' and the cross-acceleration provision and judgment default provisions described under ''*—Events of Default and Remedies*'') that are described in the Indenture (''**Covenant Defeasance**'') and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes.

In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under ''—*Events of Default and Remedies*'' will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer must irrevocably deposit with the Trustee or such other entity designated by the Trustee for this purpose, in trust, for the benefit of the Noteholders, cash in U.S. Dollars, non-callable U.S. Dollar Government Obligations, or a combination of cash in U.S. Dollars and non-callable U.S. Dollar Government Obligations, in amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest and premium and Additional Amounts, if any, on, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Issuer must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of Legal Defeasance, the Issuer must deliver to the Trustee (i) an Opinion of Counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) confirming that: (a) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Noteholders and the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred; and (ii) an Opinion of Counsel in the jurisdiction of organization of the Issuer and reasonably acceptable to the Trustee to the effect that the Noteholders and the beneficial owners of the Notes will not recognize income, gain or loss for income tax purposes of such jurisdiction as a result of such Legal Defeasance and will be subject to income tax in such jurisdiction on the same amounts and in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee (i) an Opinion of Counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) confirming that: the Noteholders and the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred; and (ii) an Opinion of Counsel in the jurisdiction of organization of the Issuer and reasonably acceptable to the Trustee to the effect that the Noteholders and the beneficial owners of the Notes will not recognize income, gain or loss for income tax purposes of such jurisdiction as a result of such Covenant Defeasance and will be subject to income tax in such jurisdiction on the same amounts and in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from, or arising in connection with, the borrowing of funds to be applied to such deposit and the grant of any Lien securing such borrowing);

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Indenture and the agreements governing any other Indebtedness being defeased, discharged or replaced) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(6) The Issuer must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring Noteholders over the other creditors of the Issuer or the Guarantors; and

(7) the Issuer must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel reasonably acceptable to the Trustee, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Issuer, the Guarantors and the Trustee (each insofar as it is party to the Notes Document in question) may amend, supplement or waive any of the terms of any of the Notes Documents with the consent of the Noteholders of at least a majority in aggregate principal amount of the then outstanding Notes voting as a single class (including, without limitation, consents obtained in connection with a tender offer, exchange offer or purchase of the Notes) and, subject to certain exemptions, any existing Default or Event of Default or compliance with any provision of the Notes Documents may be waived with the consent of the Noteholders of a majority in aggregate principal amount of the then outstanding Notes voting as a single class (including, without limitation, consents obtained in connection with a tender offer, exchange offer or purchase of the Notes).

Without the consent of the Noteholders holding not less than 90% of the then outstanding principal amount of the Notes (including, without limitation, consents obtained in connection with a tender offer, exchange offer or purchase of the Notes), an amendment, supplement or waiver may not, with respect to any Notes held by a non-consenting Noteholder:

(1) reduce the principal amount of Notes whose Noteholders must consent to an amendment supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter the provisions relating to the redemption dates or the applicable redemption premium with respect to the redemption of the Notes (other than provisions relating to the covenants described under ''*—Repurchase at the Option of Noteholders—Asset Sales*'' and ''*—Repurchase at the Option of Noteholders—Change of Control*'');

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or premium of Additional Amounts, if any, or interest on, the Notes (except a rescission of acceleration of the Notes by the Noteholders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the Payment Default that resulted from such acceleration);

(5) make any Note payable in money other than that stated in the applicable Note;

(6) make any change in the provisions of the Indenture relating to waivers of past Defaults or impair the rights of Noteholders to receive payments of principal of, or interest or premium or Additional Amounts, if any, on, the Notes;

(7) make any changes in the provision of the Indenture described under ''*Additional Amounts*'' that adversely affects the rights of any holder of the Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Issuer and/or Guarantor agrees to pay Additional Amounts, if any, in respect thereof;

(8) waive a redemption payment with respect to any Note (other than a payment required by the provisions described under ''*—Repurchase at the Option of Noteholders—Asset Sales*'' and ''*—Repurchase at the Option of Noteholders—Change of Control*'' hereof);

(9) release any Guarantor from any of its obligations under its Guarantee, except in accordance with the terms of the Indenture;

(10) impair the right to institute suit for the enforcement of any payment on or with respect to the Notes or any Guarantee;

(11) make any change in the preceding amendment and waiver provisions.

For the avoidance of doubt, no amendment to or deletion of, or actions taken in compliance with, the covenants described herein (including under ''*Certain Covenants*'' and ''*Asset Sales*'') shall be deemed to impair or affect any rights of holders of Notes to receive payment of principal of, or premium, if any, or interest on, the Notes.

Notwithstanding the foregoing, the Issuer, the Company and the Trustee (each insofar as it is a party to the Notes Document in question) may amend or supplement any of the Notes Documents without the consent of any Noteholders:

(1) to cure any ambiguity, mistake, omission, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of section 163(f) of the U.S. Internal Revenue Code of 1986, as amended);

(3) to provide for the assumption of a Guarantor's, the Company's or the Issuer's obligations under the Note Documents by a successor to such Guarantor, the Company or the Issuer in the case of a merger or consolidation or sale of all or substantially all of such Guarantor's, Company's or the Issuer's assets in accordance with the terms of the Notes Documents, as applicable;

(4) to make any change that would provide any additional rights or benefits to the Noteholders or that does not adversely affect the legal rights hereunder of any Noteholder in any material respect;

(5) to allow any Restricted Subsidiary to become a Guarantor in accordance with the provisions of the Indenture, to add Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to effect, confirm and evidence the release, termination or discharge of any Guarantee or Lien with respect to or securing the Notes when such release, termination or discharge is provided for under the Indenture;

(6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;

(7) to provide for a successor Trustee in accordance with the terms of the Indenture or to otherwise comply with any requirement of the Indenture; or

(8) to conform the text of the Indenture, the Guarantees or the Notes to any provision of this Description of Notes to the extent that such provision in this Description of Notes was intended to be a *verbatim* recitation of a provision of the Indenture, the Guarantees or the Notes.

In formulating its opinion on such matters, the Trustee will be entitled to request, receive and rely absolutely on such evidence as it deems appropriate, including Opinions of Counsel and Officer's Certificates.

The consent of the Noteholders is not necessary under the Indenture to approve the particular form of any proposed amendment waiver or consent. It is sufficient if such consent approves the substance of the proposed amendment, waiver or consent. A consent to any amendment or waiver by any Noteholder given in connection with a tender of such Noteholder's Notes will not be rendered invalid by such tender. Until an amendment or waiver becomes effective, a consent to it by a Noteholder is a continuing consent by such Noteholder and every subsequent Noteholder of all or part of the related Note. Any such Noteholder or subsequent Noteholder may revoke such consent as to its Note by written notice to the Trustee or the Company, received thereby before the date on which the Company certifies to the Trustee that the Noteholders of the requisite principal amount of Notes have consented to such amendment or waiver.

Satisfaction and Discharge

The Indenture, the Notes, the Guarantees and any related defaults will be discharged and will cease to be of further effect when:

(1) either:

  (a) all Notes that have been authenticated and delivered, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Paying Agent for cancellation; or

(b) all Notes that have not been delivered to the Paying Agent for cancellation have become due and payable by reason of the making of a notice of redemption or otherwise or will become due and payable by reason of the making of a notice of redemption or otherwise within one year and the Issuer or a Guarantor has irrevocably deposited or caused to be deposited with the Trustee, or such other entity designated by the Trustee for this purpose, as trust funds in trust solely for the benefit of the Noteholders, cash in U.S. Dollars, non-callable U.S. Dollar-denominated Government Obligations or a combination of cash in U.S. Dollars or non-callable U.S. Dollar-denominated Government Obligations, in amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;

(2) no Default or Event of Default with respect to the Indenture or the Notes issued thereunder shall have occurred and be continuing on the date of such deposit or shall occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other material instrument to which the Company or any Restricted Subsidiary of the Company is a party or by which the Company or any Restricted Subsidiary of the Company is bound;

(3) the Issuer or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

(4) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes issued thereunder at maturity or the redemption date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent in the Indenture relating to satisfaction and discharge have been satisfied.

Concerning the Trustee

The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest, in its capacity as Trustee it must eliminate such conflict within 90 days or resign as Trustee (which resignation shall not take effect prior to appointment of a replacement trustee).

The holders of a majority in aggregate principal amount of the then outstanding Notes issued under the Indenture will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture will provide that in case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Noteholder, unless such Noteholder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

The Issuer and the Guarantors jointly and severally will indemnify the Trustee for certain claims, losses, liabilities and expenses incurred without gross negligence or willful misconduct on its part arising out of or in connection with its duties.

Currency indemnity

Any payment on account of an amount that is payable in U.S. Dollars (the "**Required Currency**"), which is made to or for the account of any Noteholder or the Trustee in lawful currency of any other jurisdiction (the "**Judgment Currency**"), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer or a Guarantor, shall constitute a discharge of the Issuer's obligation under the Indenture and the Notes, only to the extent of the amount of the Required Currency which such Noteholder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of the Required Currency that could be so purchased is less than the amount of the Required Currency originally due to such Noteholder or the Trustee, as the case may be, the Issuer shall indemnify and hold harmless the

Noteholder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture or the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Prescription

Claims against the Issuer for the payment of principal, premium or Additional Amounts, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer for the payment of interest will be prescribed five years after the applicable due date for the payment of interest.

Governing law

The Indenture, the Notes and the Guarantees will be governed by, and construed in accordance with, the laws of the State of New York.

Consent to jurisdiction and service of process

Each of the Issuer and each Guarantor will irrevocably and unconditionally: (1) submit itself and its property in any legal action or proceeding relating to the Indenture to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the general jurisdiction of the Courts of the State of New York, sitting in the Borough of Manhattan, The City of New York, the courts of the United States of America for the Southern District of New York, appellate courts from any thereof and courts of its own corporate domicile, with respect to actions brought against it as defendant; (2) consent that any such action or proceeding may be brought in such courts and waive any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; and (3) appoint an agent to receive on its behalf service of all process in any such action or proceeding, such service being hereby acknowledged by the Issuer to be effective and binding in every respect.

Enforceability of judgments

All of the assets of the Issuer and the Guarantors are outside the United States. As a result, any judgment obtained in the United States against the Issuer or the Guarantors, including judgments with respect to the payment of principal, premium, interest, Additional Amounts and any redemption price and any purchase price with respect to the Notes, may not be collectable within the United States. See ''*Service of Process and Enforceability of Civil Liabilities*.''

Certain definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

''*2024 Notes*'' means the 5.125% $600 million senior notes due 2024, issued by the Issuer on October 6, 2017.

''2024 Notes Issue Date'' means October 6, 2017.

''*Acquired Debt*'' means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Restricted Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

''*Affiliate*'' of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, ''*control*,'' as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms ''*controlling*,'' ''*controlled by*'' and ''*under common control with*'' have correlative meanings.

''*Applicable Premium*'' means, on any Redemption Date (as such term is defined in the provision described under ''*—Optional Redemption*''), the greater of:

(1) 1.0% of the principal amount of the Notes; and

(2) the excess of:

  (a) the present value at the Redemption Date of (i) the redemption price of the Notes at January 24, 2021 (such redemption price being set forth in the table appearing in the provision entitled ''*—Optional Redemption*'' hereof) plus (ii) all required interest payments due on the Notes through January 24, 2021 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such Redemption Date plus 50 basis points; over

  (b) the outstanding principal amount of the Notes.

For the avoidance of doubt, calculation of the Applicable Premium shall be the responsibility of the Company and shall not be a duty or obligation of the Trustee or the Paying Agent.

''*Asset Sale*'' means:

(1) the sale, lease, conveyance or other disposition of any assets or rights by the Company or any of its Restricted Subsidiaries; *provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions described under ''*—Repurchase at the Option of Noteholders—Change of Control*'' hereof and/or the covenant described under ''*—Certain Covenants—Merger, Consolidation or Sale of Assets*'' hereof and not by the provisions described under ''*—Repurchase at the Option of Noteholders—Asset Sales*'' hereof; and

(2) the issuance or sale of Equity Interests in any of the Company's Restricted Subsidiaries.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets or Equity Interests of any Restricted Subsidiary having a Fair Market Value of less than the greater of $25.0 million and 0.50% of Total Non-Current Assets;

(2) a transfer of assets between or among the Company and any of its Restricted Subsidiaries;

(3) an issuance or sale of Equity Interests by a Restricted Subsidiary of the Company to the Company or to another Restricted Subsidiary of the Company;

(4) the sale, lease, assignment, exchange or other transfer of inventory, products, services, raw materials, receivables or other assets in the ordinary course of business;

(5) the sale or discounting of accounts receivable in the ordinary course of business and the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceeds of any customers or vendors of the Company or any of its Restricted Subsidiaries or in connection with any Qualified Securitization Financing;

(6) any sale or other disposition of damaged, worn-out, obsolete or excess assets or properties or other assets that are no longer used or useful in or necessary for the proper conduct of the business of the Company and its Restricted Subsidiaries;

(7) any sale of assets received by the Company or any of its Restricted Subsidiaries upon the foreclosure on a Lien;

(8) the sale or other disposition of cash, Cash Equivalents or Government Guaranteed Securities;

(9) a Restricted Payment that does not violate the covenant described under ''—*Certain Covenants—Restricted Payments*'' hereof, or a Permitted Payment;

(10) the granting of Liens not otherwise prohibited by the Indenture;

(11) the foreclosure, condemnation or any similar action with respect to any property or other assets or the surrender, or waiver of contract rights or settlement, release or surrender of contract, tort or other claims;

(12) licenses and sublicenses by the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(14) the unwinding of any Hedging Obligations; or

(15) any Asset Swap.

''*Asset Swap*'' means any substantially contemporaneous (and in any event occurring within 180 days of each other) purchase and sale or exchange (including, without limitation, by way of lease or sublease) of any assets or properties or interests therein used or useful in a Permitted Business between the Company or any of its Restricted Subsidiaries and another Person; *provided* that the Fair Market Value of the properties or assets or interests therein traded or exchanged by the Company or such Restricted Subsidiary (together with any cash) is reasonably equivalent (as determined in good faith by a responsible accounting or financial officer of the Company) to the Fair Market Value of the properties or assets or interests therein (together with any cash) to be received by the Company or such Restricted Subsidiary, and *provided further* that any net cash received must be applied in accordance with ''—*Repurchase at the Option of Noteholders—Asset Sales*'' if then in effect.

''*Beneficial Owner*'' has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular ''person'' (as that term is used in Section 13(d)(3) of the Exchange Act), such ''person'' shall be deemed to have beneficial ownership of all securities that such ''person'' has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms ''*Beneficially Owns*'' and ''*Beneficially Owned*'' have a corresponding meaning.

''*Board of Directors*'' means:

(1) with respect to a corporation, the board of directors or other governing body of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the board of directors or other governing body of the general partner of the partnership;

(3) with respect to a limited liability company, the board of directors or other governing body, and in the absence of the same, the manager or board of managers or the managing member or members or any controlling committee thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

''*Business Day*'' means a day (other than a Saturday or Sunday) on which banks are open for general business in London, New York and (in relation to any date for the payment or purchase of a currency other than U.S. Dollars) the principal financial center of the country of that currency.

''*Capital Lease Obligation*'' means, with respect to any Person, any obligation of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed), which obligation is required to be classified and accounted for as a capital lease obligation under IFRS, and, for purposes of the Indenture, the amount of such obligation at any date will be the capitalized amount thereof at such date, determined in accordance with IFRS and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

''*Capital Stock*'' means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity that is not a corporation, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

''*Cash Equivalents*'' means:

(1) securities issued or directly and fully guaranteed or insured by the United States government or any member of the European Union (provided that such member has long-term government debt rating of ''Baa3'' or higher by Moody's or ''BBB−'' or higher by S&P) or Switzerland or Norway or Japan, or any agency or instrumentality of the United States government or any member of the European Union (provided that such member has long-term government debt rating of ''Baa3'' or higher by Moody's or ''BBB−'' or higher by S&P) or Switzerland or Norway or Japan (*provided* that the full faith and credit of the United States or relevant member of the European Union or Switzerland or Norway or Japan is pledged in support of those securities) having maturities of not more than one year from the date of acquisition.

(2) certificates of deposit, time deposits and U.S. Dollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case, (i) with a financial institution that is a lender under the Issuer Facilities Agreements or any affiliate thereof or any financial institution that has an existing banking relationship with the Company or its Restricted Subsidiaries on the Issue Date or any affiliate thereof; *provided* that in the case of this sub-clause (i) such financial institution ranks, in terms of combined capital and surplus and undivided profit or the ratings on its long term debt, among the top five financial institutions in the jurisdiction of its organization, or (ii) with a bank or trust company which is having capital and surplus in excess of $500.0 million and a rating at the time of acquisition thereof of P-2 or better from Moody's or A-2 or better from S&P; provided that, in the case of this sub-clause (ii), if such bank or trust company is not rated with respect to its short-term debt obligations, it shall have a long-term debt rating of ''Baa3'' or higher by Moody's or ''BBB−'' or higher by S&P;

(3) repurchase obligations for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;

(4) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within one year after the date of acquisition;

(5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition.

''*Change of Control*'' means the occurrence of any of the following:

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries, in each case, taken as a whole, to any ''person'' (as that term is used in Section 13(d)(3) of the Exchange Act) other than one or more Permitted Holders;

(2) the adoption of a plan relating to the liquidation or dissolution of the Company (other than in a transaction which complies with the provisions described under ''*—Merger, Consolidation or Sale of Assets*'');

(3) the Company becoming aware of the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any ''person'' or ''group'' (as such terms are used in sections 13(d) and 14(d) of the Exchange Act) other than one or more Permitted Holders becomes the Beneficial Owner, directly or indirectly, of more than 50% of the voting power of the Voting Stock of the Company; *provided* that for purposes of this clause (3), Sonangol and Cochan and their respective Affiliates shall be considered a single ''person''

irrespective of whether or not such persons would otherwise qualify as a ''person'' or ''group'' as such terms are used in sections 13(d) and 14(d) of the Exchange Act; or

(4) the Company shall cease to directly or indirectly hold 100% of the Capital Stock of the Issuer (except directors' qualifying shares and any *de minimis* number of shares held by other Persons to the extent required by applicable law to be held by a Person other than by the Parent or a Subsidiary of its Parent).

''*Clearstream*'' means Clearstream Banking S.A.

''*Cochan*'' means Cochan Holdings LLC, and its successors and assigns.

''*Company Guarantee*'' means the Guarantee provided by the Company.

''*Consolidated EBITDA*'' means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period *plus*, without duplication to the extent the same was excluded in calculating Consolidated Net Income:

(1) provision for Taxes based on income, profits or capital of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for Taxes was deducted in computing such Consolidated Net Income; *plus*

(2) the Fixed Charges of such Person and its Restricted Subsidiaries for such period, and (but only to the extent not already included in Fixed Charges) any cost charged to finance costs in accordance with IFRS, in each case to the extent deducted in computing such Consolidated Net Income; *plus*

(3) depreciation, amortization (including, without limitation, amortization of intangibles and deferred financing fees), and other non-cash charges and expenses (including without limitation write-downs and impairment of property, plant, equipment and intangibles and other long-lived assets and the impact of purchase accounting on such Person and its Restricted Subsidiaries for such period) of such Person and its Restricted Subsidiaries, but excluding any non-cash items for which a future cash payment will be required and for which an accrual or reserve is required by IFRS to be made, to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; *plus*

(4) the minority interest expense consisting of subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Subsidiary in such period or any prior period, except to the extent of dividends declared or paid on Equity Interests held by third parties; *plus*

(5) any charge (or *minus* any income) attributable to a post-employment benefit scheme other than the current service costs attributable to the scheme; *minus*

(6) non-cash items increasing such Consolidated Net Income for such period (other than any non-cash items increasing such Consolidated Net Income pursuant to clauses (1) through (13) of the definition of Consolidated Net Income), other than (i) any items which represent the reversal in such period of any accrual of, or cash reserve for, anticipated charges in any prior period where such accrual or reserve is no longer required; or (ii) items related to percentage of completion accounting,

in each case, on a consolidated basis and determined in accordance with IFRS.

''*Consolidated Net Income*'' means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with IFRS (and before any reduction for Preferred Stock dividends); *provided* that:

(1) any extraordinary, unusual or nonrecurring gains or losses or income or expense or charge (as determined in good faith by a responsible accounting or financial officer of the Company) (including, without limitation, pension expense, casualty losses, severance expenses, redundancy expenses, integration expenses, relocation expenses, other restructuring expenses and fees, expenses or charges or other costs related to any offering of Equity Interests of such Person, any Investment, acquisition, disposition, recapitalization or listing or incurrence of Indebtedness permitted to be incurred hereunder (in each case, whether or not successful) or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events)) shall be excluded;

(2) any income or loss from discontinued operations and any net after-tax gain or loss on disposal of discontinued operations shall be excluded;

(3) any gains or losses attributable to business dispositions or asset dispositions of the Company or any of its Restricted Subsidiaries (including pursuant to any sale leaseback transaction) other than in the ordinary course of business (as determined in good faith by a responsible accounting or financial officer of the Company) shall be excluded;

(4) any income or loss and other costs (including deferred financing costs written off and other expenses directly incurred) attributable to the early extinguishment of Indebtedness and Hedging Obligations shall be excluded;

(5) (A) the Net Income for such period of any Person that is not the Company or a Restricted Subsidiary of the Company shall be included only to the extent of the amount of dividends or distributions or other payments in respect of equity that are actually paid in cash (or to the extent converted into cash) by the referent Person to the Company or a Restricted Subsidiary thereof in respect of such period, (B) the Net Income for such period shall include any dividend, distribution or other payments in respect of equity paid in cash by such Person to the Company or a Restricted Subsidiary thereof in excess of the amount included in clause (A) and (C) the net loss of any Person that is not a Restricted Subsidiary will be included only to the extent that such loss has been funded with cash by the specified Person or a Restricted Subsidiary of such Person;

(6) any long-term incentive plan accruals that are not settled in cash and any non-cash compensation charge or expense realized from grants of stock appreciation or similar rights, stock options or other similar rights to officers, directors and employees of such Person or any of its Restricted Subsidiaries shall be excluded;

(7) solely for the purpose of determining the amount available for Restricted Payments under clause (3)(a) of the second paragraph under ''—*Certain covenants—Restricted Payments*,'' the Net Income of any Restricted Subsidiary (other than the Issuer and any Guarantor) will be excluded to the extent that such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Issuer by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its stockholders or members (other than (a) restrictions that have been waived or otherwise released or (b) restrictions listed under clauses (1) through (4), (13) and (16) (but in the case of clause (16), only as it relates to the aforementioned clauses) of the second paragraph of ''—*Dividend and Other Payment Restrictions Affecting Subsidiaries*''); *provided* that Consolidated Net Income of such Person shall be included in Consolidated Net Income up to the aggregate amount of dividends or distributions or other payments that are actually paid in cash or Cash Equivalents or Government Guaranteed Securities (or to the extent converted into cash or Cash Equivalents or Government Guaranteed Securities) by such Person to the Company or another Restricted Subsidiary thereof in respect of such period, to the extent not already included therein;

(8) the cumulative effect of a change in accounting principles shall be excluded;

(9) any unrealized exchange gains or losses, including any arising on translation of currency debt, and any hedging gains or losses relating to finance costs and any unrealized gains or losses on any financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis), shall be excluded;

(10) goodwill or other intangible asset impairment charge will be excluded;

(11) any expenses, charges, reserves or other costs (including any increases in amortization or depreciation) in relation to any acquisition of another Person or business will be excluded;

(12) the impact of capitalized, accrued or accreting or pay-in-kind interest or accreting principal on Subordinated Shareholder Debt shall be excluded; and

(13) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards shall be excluded.

''*Consolidated Net Leverage*'' means, as of any date of determination, the sum of the total amount of Indebtedness, *less* the amount of cash and cash equivalents of the Company and its Restricted Subsidiaries on a consolidated basis.

''*Consolidated Net Leverage Ratio*'' means, with respect to any specified Person as of any date of determination, the ratio of (a) the Consolidated Net Leverage of such Person on such date to (b) the Consolidated EBITDA of such Person for the most recent four consecutive fiscal quarters ending immediately prior to such date for which financial statements are available. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or (in the case of any Restricted Subsidiary) issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Consolidated Net Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Net Leverage Ratio is made (for the purposes of this definition, the ''*Calculation Date''*), then the Consolidated Net Leverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Company) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period; *provided, however,* that the *pro forma* calculation of the Consolidated Net Leverage Ratio shall not give effect to (i) any Indebtedness incurred on the date of determination pursuant to the provisions described in the definition of Permitted Debt or (ii) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the application of the proceeds of Indebtedness incurred pursuant to the provisions described in the definition of Permitted Debt.

For purposes of calculating the Consolidated EBITDA for such period:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of its Restricted Subsidiaries (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by the Company's chief executive officer, chief financial officer or any person performing a similarly senior accounting role and may include expense, cost reduction and operating improvements that have occurred or are reasonably expected to occur) as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) any Person that is a Restricted Subsidiary (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary) on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and

(4) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period.

''*Contingent Obligations*'' means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness (''*primary obligations*'') of any other Person in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security thereof;

(2) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such obligation against loss in respect thereof.

''*Credit Facilities*'' means one or more debt facilities, instruments or arrangements or any revolving credit facility or commercial paper facilities, overdraft facilities, indentures or trust deeds (including the Issuer Facilities Agreements), in each case with banks or other institutional lenders or investors providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), inventory financing, letters of credit, bonds, notes, debentures or other corporate debt instruments or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time in one or more agreements or indentures (in each case with the same or new lenders or institutional investors or investors), including any agreement or indenture extending the maturity thereof or otherwise restructuring all or any portion of the indebtedness thereunder, increasing the amount loaned or issued thereunder, altering the maturity thereof, adding Subsidiaries of the Company as additional borrowers, issuers or guarantors thereunder or otherwise altering the terms and conditions thereof.

''*Currency Exchange Protection Agreement*'' means, in respect of any Person, any foreign exchange contract, currency swap agreement, currency option, cap, floor, ceiling or collar or agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in currency exchange rates as to which such Person is a party.

''*Default*'' means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

''*Designated Non-Cash Consideration*'' means the Fair Market Value of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Sale that is designated in good faith as Designated Non-Cash Consideration by a responsible accounting or financial officer of the Company.

''*Disqualified Stock*'' means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 180 days after the date on which the Notes mature; *provided* that if such Capital Stock is issued pursuant to any plan for the benefit of employees of the Company or any Restricted Subsidiary of the Company, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Company or any such Restricted Subsidiary in order to satisfy applicable statutory or regulatory obligations. Notwithstanding the preceding sentence, any Capital Stock will not constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company or any Guarantor to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of the Indenture will be the maximum amount that the Company and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends. The term ''*Disqualified Stock*'' shall also include any options, warrants or other rights that are convertible into Disqualified Stock or that are redeemable at the option of the holder or required to be redeemed, prior to the date that is 180 days after the date on which the Notes mature.

''*Equity Interests*'' means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

''*Equity Offering*'' means an offering of Capital Stock (other than Disqualified Stock) of the Company or any Parent (to the extent the net proceeds therefrom are contributed to the equity capital of the Company or loaned or otherwise extended as credit to the Company as Subordinated Shareholder Debt) pursuant to (x) a registration statement that has been declared effective by the SEC pursuant to the Securities Act (other than a registration statement on Form S-8 or otherwise relating to equity securities issuable under any employee benefit plan of the Company or any Parent), (y) Rule 144A and/or Regulation S to professional market investors or similar persons or (z) pursuant to a flotation on the London Stock Exchange or any other internationally recognized stock exchange.

''*Euroclear*'' means Euroclear Bank, SA/NV.

''*European Union*'' means the European Union as of January 1, 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became a member of the European Union after January 1, 2004.

''Exchange Act'' means the U.S. Securities Exchange Act of 1934, as amended.

''*Fair Market Value*'' means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Company's chief executive officer, chief financial officer or a responsible accounting or financial officer of the Company (unless otherwise provided in the Indenture); *provided* that, with respect to property other than cash and marketable securities in clauses (3)(b) and (3)(c) of the first paragraph of the covenant described under ''*—Certain Covenants—Restricted Payments*,'' any determination of value in excess of $25.0 million, shall be made or affirmed by a majority of the disinterested members, if any, of the Board of Directors of the Company (or if there is only one such member in respect of the relevant transaction, such member); and (b) where there is no such disinterested member, supported by an opinion issued by an accounting, appraisal or investment banking firm of national or international standing stating that the transaction or series of related transaction is (i) fair from a financial point of view taking into account all relevant circumstances or (ii) on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate.

''*Fitch*'' means Fitch Ratings, Inc. and its successors.

''*Fixed Charge Coverage Ratio*'' means, with respect to any specified Person for any period, the ratio of (a) the Consolidated EBITDA of such Person for such period to (b) the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or (in the case of any Restricted Subsidiary or Subsidiary Guarantor) issues, repurchases or redeems preferred stock or Disqualified Stock, as applicable, subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (for the purposes of this definition, the ''*Calculation Date''*), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Company) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period; *provided*, however, that the *pro forma* calculation of the Fixed Charge Coverage Ratio shall not give effect to (i) any Indebtedness incurred on the date of determination pursuant to the provisions described in the definition of Permitted Debt (other than any such additional Indebtedness that is incurred under clause (13) of the definition of ''Permitted Debt'', the incurrence of which itself requires the calculation of the Fixed Charge Coverage Ratio) or (ii) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the proceeds incurred pursuant to the provisions described in the definition of Permitted Debt.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiary acquired by the specified Person or any of its Restricted Subsidiary, and including all related financing transactions and including increases in ownership of its Restricted Subsidiaries (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by the Company's chief executive officer, chief financial officer or any person performing a similarly senior accounting role and may include

expense, cost reduction and operating improvements that have occurred or are reasonably expected to occur) as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any Restricted Subsidiary following the Calculation Date;

(4) any Person that is a Restricted Subsidiary (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary) on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and

(6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as of the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Indebtedness).

''*Fixed Charges*'' means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense (net of interest income) of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, excluding amortization of debt issuance costs and the expensing of any bridge or other financing fees, expenses and commissions, but including amortization of original issue discount, non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark-to-market valuation of Hedging Obligations or other derivative instruments), the interest component of any deferred payment obligations (classified as Indebtedness under the Indenture), the interest component of all payments associated with Capital Lease Obligations and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates; *plus*

(2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; *plus*

(3) all cash dividend payments or other cash distributions on any series of preferred stock of such Person and all other dividend payments or other distributions on the Disqualified Stock of such Person (other than dividends or distributions payable to the Company or any Restricted Subsidiary),

in each case, on a consolidated basis and in accordance with IFRS, but not, in each case, including any non-cash interest expense relating to Subordinated Shareholder Debt.

''*Government Guaranteed Securities*'' means:

(1) securities issued or directly and fully guaranteed or insured by the U.S. government or any agency or instrumentality thereof (other than Cash Equivalents) and in each case with maturities not exceeding two years from the date of acquisition;

(2) corresponding instruments by any member state of the European Union (*provided* that such member state has one of the two highest ratings obtainable from Moody's or S&P) or Switzerland or Norway or Japan, or any agency or instrumentality of any member state of the European Union (*provided* that such member state has one of the two highest ratings obtainable from Moody's or S&P) or Switzerland or Norway or Japan and in each case with maturities not exceeding two years from the date of acquisition; and

(3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) above which fund may also hold immaterial amounts of cash pending investment and/or distribution.

''*Government Obligations*'' mean direct obligations (or certificates representing an ownership interest in such obligations) of the U.S. government or any agency or instrumentality thereof, or any member state of the European Union (provided that such member state has one of the two highest ratings obtainable from Moody's or S&P) or Switzerland or Norway or Japan, or any agency or instrumentality of any member state of the European Union (provided that such member state has one of the two highest ratings obtainable from Moody's or S&P) or Switzerland or Norway or Japan for the payment of which the full faith and credit of such government is pledged.

''*Guarantee*'' means the guarantee by the Company and each Subsidiary Guarantor of obligations under the Indenture and the Notes.

''*guarantee*'' means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

''*Guarantors*'' means each of the Company and any Subsidiary Guarantors, and each of their respective successors and assigns, in each case, until the Guarantee of such Person has been released in accordance with the provisions of the Indenture.

''*Hedging Obligations*'' means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

''*IFRS*'' means International Financial Reporting Standards promulgated by the International Accounting Standards Board or any successor board or agency from time to time, or any variation thereof with which the Company or its Restricted Subsidiaries are, or may be, required to comply. Notwithstanding the foregoing, the impact of IFRS 16 *Leases* and any successor standard thereto shall be disregarded with respect to all ratios, calculations and determinations based upon IFRS to be calculated or made, as the case may be, pursuant to the Indenture and (without limitation) any lease, concession or license of property that would be considered an operating lease under IFRS as of the 2024 Notes Issue Date and any guarantee given by the Company or any Restricted Subsidiary in the ordinary course of business solely in connection with, and in respect of, the obligations of the Company or any Restricted Subsidiary under any such operating lease shall be accounted for in accordance with IFRS as in the effect on the 2024 Notes Issue Date.

''*Indebtedness*'' means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables) (without duplication), whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments;

(3) representing reimbursement obligations in respect of letters of credit, bankers' acceptances or similar instruments (except to the extent satisfied within 30 business days of incurrence or that relate to trade payables in the ordinary course of business);

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services (excluding trade payables in the ordinary course of business) due more than one year after such property is acquired or such services are completed;

(6) representing any Hedging Obligations; or

(7) the principal amount of any Disqualified Stock of the Company or any preferred stock of any Restricted Subsidiary,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS. In addition, the term ''*Indebtedness*'' includes (i) all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person); *provided, however*, that the amount of such Indebtedness shall be the lesser of (x) the Fair Market Value of such asset as of such date of determination and (y) the amount of such Indebtedness of such other Person; and (ii) to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, ''Indebtedness'' shall not include any:

(A) Subordinated Shareholder Debt;

(B) Contingent Obligations incurred in the ordinary course of business;

(C) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 90 days thereafter;

(D) any contingent obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes;

(E) anything accounted for as an operating lease under IFRS; or

(F) any deposits or prepayments received by the Company or a Restricted Subsidiary for services or products to be provided or delivered.

''*Indenture*'' means the indenture in respect of the Notes to be dated the Issue Date (as amended or supplemented from time to time).

''*Initial Public Offering*'' means an Equity Offering of common stock or other common equity interests of the Company or any Parent or any successor of the Company or any Parent (the ''*IPO Entity*'') following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

''*Initial Purchasers*'' means Merrill Lynch International, Emirates NBD Bank P.J.S.C., ING Bank N.V., London Branch, MUFG Securities EMEA plc, Natixis and Société Générale.

''*Investment Grade Rating*'' means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB− (or the equivalent) by Fitch or, if either such entity ceases to rate the Notes for reasons outside of the control of the Issuer, the equivalent investment grade credit rating from any other Rating Agency.

''*Investment*'' means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations), advances or capital contributions (excluding accounts receivable, trade credit and advances to customers or suppliers and commission, travel and similar advances to officers, employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS. If the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company's Investments in such Restricted Subsidiary that were not sold or disposed of in an amount determined as provided herein. Except as otherwise provided in the Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value. The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment; provided, that to the extent that the amount of Restricted Payments outstanding at any time pursuant to paragraph (a) of the covenant described under ''—*Certain Covenants—Restricted Payments*'' is so reduced by any portion of any such amount or value that would otherwise be included in the calculation of Consolidated Net Income, such portion of such amount or value shall not be so included for purposes of calculating the amount of Restricted Payments that may be made pursuant to paragraph (a) of the covenant described under ''—*Certain Covenants—Restricted Payments*.''

''*IPO Entity*'' has the meaning assigned to it in the definition of ''*Initial Public Offering*.''

''IPO Market Capitalization'' means an amount equal to (a) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (b) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

''*Issue Date*'' means January 24, 2018.

''*Issuer Facilities Agreements*'' means:

(1) the credit facilities agreement originally dated May 11, 2015 (as amended and restated on May 4, 2016) among, inter alios, the Issuer as borrower and Australia and New Zealand Banking Group Limited, Arab Petroleum Investments Corporation (APICORP)—Foreign Branch, Emirates NBD Capital Limited, FirstRand Bank Limited (acting through its Rand Merchant Bank Division), Industrial and Commercial Bank of China Limited, London Branch, Industrial and Commercial Bank of China Limited, Singapore Branch, ING Bank N.V., Natixis, Nedbank Limited, London Branch, Société Générale Corporate & Investment Banking (the Corporate and Investment Banking Division of Société Générale) and The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) as mandated lead arrangers and bookrunners;

(2) the credit facilities agreement dated May 4, 2016 among, inter alios, the Issuer as borrower and Australia and New Zealand Banking Group Limited, Coöperatieve Rabobank U.A. (trading as Rabobank London), Emirates NBD Capital Limited, Industrial and Commercial Bank of China (Europe) S.A., Amsterdam Branch, Industrial and Commercial Bank of China Limited, London Branch, ING Bank N.V., Natixis, Nedbank Limited, London Branch, Société Générale Corporate & Investment Banking (the Corporate and Investment Banking Division of Société Générale), The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) and Unicredit Bank AG as mandated lead arrangers and bookrunners;

(3) the credit facilities agreement dated May 4, 2017 among, inter alios, the Issuer as borrower and Australia and New Zealand Banking Group Limited, Bank of America Merrill Lynch International Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Coöperatieve Rabobank U.A., trading as Rabobank London, Emirates NBD Capital Limited, FirstRand Bank Limited (acting through its Rand Merchant Bank Division), Industrial and Commercial Bank of China (Europe) S.A., Amsterdam Branch, Industrial and Commercial Bank Of China Limited, London Branch, ING Bank N.V., Natixis, Nedbank Limited, London Branch, Société Générale Corporate & Investment Banking (The Corporate and Investment Banking Division of Société Générale), The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) and Unicredit Bank AG as mandated lead arrangers and bookrunners; and

(4) the term loan facility agreement dated March 17, 2015 among, inter alios, the Issuer as borrower, the Company as guarantor and Bank Of China Limited, Luxembourg Branch as lender,

each as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time.

''*Lien*'' means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

‘‘*Limited Condition Acquisition*’’ means any acquisition, including by way of merger, amalgamation or consolidation, by the Issuer, the Company or one or more of its Restricted Subsidiaries whose consummation is not conditioned upon the availability of, or on obtaining, third-party financing.

‘‘*Management Advances*’’ means, loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Company or any Restricted Subsidiary of the Company:

(1) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business;

(2) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility or office; or

(3) (in the case of this clause (3)) in the ordinary course of business or consistent with past practice not to exceed $5.0 million in the aggregate at any one time outstanding.

‘‘*Market Capitalization’’* means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend or distribution or the making of the relevant loan or advance multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the thirty (30) consecutive trading days immediately preceding the date of declaration of such dividend or distribution or the making of the relevant loan or advance.

‘‘*Maturity Date*’’ means January 24, 2026.

‘‘*Moody’s*’’ means Moody’s Investors Service, Inc. and its successors and assigns.

‘‘*Net Income*’’ means, with respect to any Person for any period, the net income (loss) of such Person for such period on a consolidated basis, as determined in accordance with IFRS and before any reduction in respect of dividends on preferred stock.

‘‘*Net Proceeds*’’ means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received, and excluding the assumption by the acquiring Person of Indebtedness relating to the disposed assets or other consideration received in any non-cash form (whether or not deemed to be ‘‘cash’’ under the covenant described under ‘‘*—Repurchase at the option of Noteholders-Asset Sales*’’), net of the direct costs relating to such Asset Sale, including, without limitation, (i) legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale or Taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing agreements, and amounts required to be applied to the repayment of Indebtedness secured by a Lien on the asset or assets that were the subject of such Asset Sale and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with IFRS, including without limitation, pension and post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction, and (ii) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Sale.

‘‘*Noteholder*’’ means a Person in whose name a Note is registered.

‘‘*Notes Documents*’’ means the Notes, the Indenture and the Guarantees.

‘‘*Obligations*’’ means any principal, interest, penalties, fees, indemnifications, reimbursements, damages, costs, expenses and other liabilities payable under the documentation governing any Indebtedness.

‘‘*Officer*’’ means, with respect to any Person, the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary, the General Counsel, any Senior Vice President, any Vice President or any Assistant Vice President of such Person, any other person performing similar functions, or any responsible accounting or financial officer of the Parent and any other person designated as an ''Officer'' for the purposes of the Indenture by the Board of Directors of such Person.

''*Officer's Certificate*'' means a certificate signed on behalf of the Company by one Officer of the Company that meets the requirements of the Indenture.

''*Opinion of Counsel*'' means a written opinion from legal counsel reasonably satisfactory to the Trustee that meets the requirements of the Indenture.

''*Parent*'' means any direct or indirect parent company or entity of the Company and where specified any direct or indirect parent company or entity of the specified entity.

''*Pari Passu Indebtedness*'' means (1) any Indebtedness of the Issuer that is *pari passu* in right of payment to the Notes, (2) any Indebtedness of the Company, or that benefits from a guarantee by the Company, that is *pari passu* in right of payment to the Guarantee by the Company in respect of the Notes and (3) with respect to any Subsidiary Guarantee, Indebtedness that ranks *pari passu* in right of payment to such Subsidiary Guarantee.

''*Permitted Business*'' means the businesses, services or activities of the Company and its Subsidiaries on the date of the Indenture and any other businesses, services or activities that are similar, incidental, complementary, ancillary or reasonably related to, or a reasonable extension, expansion or development of, such businesses.

''*Permitted Holders*'' means Trafigura and its Affiliates.

''*Permitted Investment*'' means:

(1) any Investment in the Company or in a Restricted Subsidiary of the Company;

(2) any Investment in cash, Cash Equivalents, or Government Guaranteed Securities;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of the Company; or

(b) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company, and, in each of cases (a) and (b), any Investment then held by such Person; *provided* that any such Investment was not made by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary of the Company or such merger, consolidation, amalgamation, transfer, conveyance or liquidation;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the provisions described under ''*—Repurchase at the Option of Noteholders—Asset Sales*'' hereof;

(5) any Investment the payment for which consists of Equity Interests (other than Disqualified Stock) of the Company or any Parent or Subordinated Shareholder Debt (or the net proceeds of a substantially concurrent issuance or sale of such Equity Interests or Subordinated Shareholder Debt);

(6) any Investments received: (i) in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (B) litigation, arbitration or other disputes; or (ii) as a result of a foreclosure by the Company or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(7) Investments represented by Hedging Obligations entered into from time to time for *bona fide* purposes of the Company and the Restricted Subsidiaries;

(8) Management Advances;

(9) guarantees, keepwells and similar arrangements not prohibited by the covenant described under ''*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*;''

(10) any Investment existing on the 2024 Notes Issue Date or made pursuant to binding written commitments in existence on the 2024 Notes Issue Date and any Investment that replaces, refinances or refunds an existing Investment (or an Investment made pursuant to binding written commitments in existence on the 2024 Notes Issue Date); *provided* that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted under the Indenture;

(11) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of intellectual property, in each case in the ordinary course of business;

(12) any Investment in connection with a Qualified Securitization Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such financings or any related Indebtedness;

(13) Investments made in the ordinary course of, or of a nature that are customary in, a Permitted Business which form part of community or social or environmental projects or initiatives, or satisfy other customary objectives in such Permitted Business;

(14) additional Investments in joint ventures, Unrestricted Subsidiaries or other Persons engaged in a Permitted Business (including minority interests), which Investments, taken together with all other Investments made pursuant to this clause (14) that are at the time outstanding, shall not exceed the greater of $245.0 million and 4.75% of Total Non-Current Assets (net of the cash return thereon received after the 2024 Notes Issue Date as a result of any sale for cash, repayment, redemption, liquidation, distribution or other cash realization; *provided* that, any such amount used to reduce the aggregate amount of Investments made pursuant to this clause (14) will not be included in clause 3(a), 3(c) or 3(d) of the covenant described under the caption ''*Certain Covenants—Restricted Payments*''; and *provided further* that if any Investment pursuant to this clause (14) is made in a Person that is not a Restricted Subsidiary of the Company at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Company after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (14) for so long as such Person continues to be a Restricted Subsidiary);

(15) additional Investments by the Company or any Restricted Subsidiary having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), which Investments taken together with all other Investments made pursuant to this clause (15) that are at the time outstanding not to exceed $35.0 million in any one-year period with unused amounts being available for use in succeeding periods (net of the cash return thereon received after the 2024 Notes Issue Date as a result of any sale for cash, repayment, redemption, liquidation, distribution or other cash realization; *provided* that, any such amount used to reduce the aggregate amount of Investments made pursuant to this clause (15) will not be included in clause (3)(a) or (3)(c) of the covenant described under the caption ''*Certain Covenants—Restricted Payments*''; and *provided, further*, that if any Investment pursuant to this clause (15) is made in a Person that is not a Restricted Subsidiary of the Company at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Company after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (15) for so long as such Person continues to be a Restricted Subsidiary; or

(16) Investments in the Notes, any Additional Notes and any other Indebtedness of the Company or any Restricted Subsidiaries,

provided, *however*, that with respect to any Investment, the Company may, in its sole discretion, allocate all or any portion of any Investment to one or more of the above clauses (1) through (16) so that the entire Investment would be a Permitted Investment.

"*Permitted Liens*" means:

(1) Liens in favor of the Company or any Restricted Subsidiaries of the Company.

(2) Liens on property (including Capital Stock) of a Person existing at the time such Person becomes a Restricted Subsidiary of the Company or is merged with or into or consolidated with the Company or any Restricted Subsidiary of the Company; *provided* that such Liens were in existence prior to, and not incurred in contemplation of, such Person becoming a Restricted Subsidiary of the Company or such merger or consolidation and do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary or is merged into or consolidated with the Company or the Restricted Subsidiary (plus improvements, accessions, proceeds or dividends or distributions in respect thereof);

(3) Liens on property or assets (including Capital Stock) existing at the time of acquisition of the property or assets by the Company or any Subsidiary of the Company (plus improvements, accessions, proceeds or dividends or distributions in respect thereof); *provided* that such Liens were in existence prior to, such acquisition, and not incurred in contemplation of, such acquisition and do not extend to any property or assets other than the property or assets so acquired by the Company or such Restricted Subsidiary;

(4) Liens or deposits to secure the performance of tenders, bids, statutory or regulatory obligations, or surety, appeal, indemnity or performance bonds, warranty, contractual, netting or set-off requirements or other obligations of a like nature incurred in the ordinary course of business;

(5) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other assets relating to such letters of credit and products and proceeds thereof;

(6) Liens to secure Indebtedness (including Capital Lease Obligations) permitted to be incurred pursuant to clause (5) of the definition of Permitted Debt covering only the assets or property referred to in such clause (5);

(7) Liens existing on the Issue Date or provided for under written arrangements existing on the Issue Date;

(8) Liens for Taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted or the non-payment of which in the aggregate would not reasonably be expected to have a material adverse effect on the Company and its Restricted Subsidiaries; *provided* that any reserve or other appropriate provision as is required in conformity with IFRS has been made therefor;

(9) Liens created for the benefit of (or to secure) the Notes or the Guarantees;

(10) Liens securing Indebtedness or other obligations of the Company or any Subsidiary Guarantor that were permitted to be incurred pursuant to clause (1) of the definition of Permitted Debt;

(11) licenses of intellectual property in the ordinary course of business;

(12) Liens in the ordinary course of business in connection with the provision to the Company or any Restricted Subsidiary of clearing bank facilities or overdraft facilities or cash pooling arrangements permitted under the Indenture;

(13) Liens arising under retention of title, extended retention of title, or conditional sale arrangements arising under provisions in a supplier's standard conditions of supply in respect of goods supplied to the Company or any Restricted Subsidiary in the ordinary course of trading and on arm's length terms;

(14) Liens on property or equipment of the Company or any Restricted Subsidiary granted in the ordinary course of business to clients upon whose property or premises such property or equipment is located;

(15) Liens imposed by law (including, without limitation, Liens in favor of customers for equipment under order or in respect of advances paid in connection therewith), such as carriers', warehousemen's, landlords', lessors', suppliers', banks', repairmen's and mechanics' Liens,

and Liens of landlords securing obligations to pay lease payments that are not yet due and payable or in default, in each case, incurred in the ordinary course of business;

(16) Liens incurred or deposits made in the ordinary course of business to secure payment of workers' compensation or to participate in any fund in connection with workmen's compensation, unemployment insurance, old-age pensions or other social security programs;

(17) easements, rights of way, zoning and similar restrictions, reservations (including severances, leases or reservations of oil, gas, coal, minerals or water rights), restrictions or encumbrances in respect of real property or title defects that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties (as such properties are used by the Company or its Subsidiaries) or materially impair their use in the operation of the business of the Company and its Subsidiaries;

(18) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under the Indenture; *provided*, *however*, that: (a) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to such property or proceeds or distributions thereof); and (b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(19) Liens arising from precautionary Uniform Commercial Code financing statement filings regarding operating leases entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(20) (a) Liens on Capital Stock of or receivables under loans to an Unrestricted Subsidiary or joint venture that secure (i) indebtedness or other obligations of such Unrestricted Subsidiary or joint venture, or (ii) guarantees in respect thereof, the incurrence of which is permitted under the covenant entitled ''*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*'' and (b) Liens over the assets or property of any Restricted Subsidiary that is not a Guarantor securing Indebtedness of a Restricted Subsidiary that is not a Guarantor;

(21) Liens securing insurance premium financing arrangements; *provided* that such Lien is limited to the applicable insurance contracts;

(22) Liens arising by way of set-off or pledge (in favor of the account holding bank) arising by operation of law or under standard banking terms and conditions *provided* that the relevant bank account has not been set up nor has the relevant credit balance arisen in order to implement a secured financing;

(23) Liens on escrowed proceeds for the benefit of related holders of debt securities or other Indebtedness (or the underwriter or arrangers thereof) or on cash set aside at the time of the incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are hold in escrow account or similar arrangement to be applied for such purpose;

(24) Liens securing Hedging Obligations permitted pursuant to clause (9) of the definition of Permitted Debt;

(25) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(26) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(27) Liens incurred in connection with a cash management program established in the ordinary course of business;

(28) leases, licenses sublease and sublicenses of assets in the ordinary course of business;

(29) Liens created on or subsisting over any asset held in Euroclear as operator of the Euroclear system, Clearstream or any other securities depository or any clearing house pursuant to the standard terms and procedures of the relevant clearing house applicable in the normal course of trading where such asset is held for the investment purposes of the Company or a Restricted Subsidiary;

(30) Liens on Securitization Assets and related assets incurred in connection with any Qualified Securitization Financing; and

(31) any amendment, modification, extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (30) (but excluding clause (10); *provided* that any such Lien is limited to all or part of the same property or assets that secured (or, under the written arrangements under the original Lien arose, could secure) the relevant Indebtedness secured by the original Lien.

''*Permitted Payments to Parent*'' means, without duplication as to amounts:

(1) payments to any Parent or Permitted Holder in amounts equal to the amounts required to pay fees and expenses (including franchise or similar Taxes and fees and expenses properly incurred in the ordinary course of business to auditors and legal advisors) required to maintain its corporate existence, customary salary, bonus and other benefits payable to officers and employees of any Parent of the Company or Permitted Holder and general corporate overhead expenses of any Parent of the Company or Permitted Holder to the extent such fees and expenses are attributable to the ownership or operation of the Company and its Subsidiaries not to exceed (y) $1.0 million per calendar year or (z) following an Initial Public Offering of the Capital Stock of the Company or a Parent, $10.0 million per calendar year;

(2) costs (including all professional fees and expenses) incurred by any Parent or Permitted Holder in connection with reporting obligations under or otherwise incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Indebtedness of the Company or any Restricted Subsidiaries, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder; and amounts equal to customary indemnification obligations of any Parent or Permitted Holder owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreement with any such Person to the extent relating to the Company and its Subsidiaries;

(3) fees and expenses of any Parent or Permitted Holder incurred in relation to any public offering or other sale of Capital Stock or Indebtedness (whether or not completed) (a) where the net proceeds of such offering or sale are received by or contributed to the Company or any Restricted Subsidiaries; (b) in a prorated amount of such expenses in proportion to the amount of such net proceeds so received or contributed; or (c) otherwise on an interim basis prior to completion of such offering so long as any Parent will cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed and there is a reasonable expectation of completion;

(4) fees and expenses (including the fees and expenses of legal counsel) of any Parent or Permitted Holder incurred in connection with (i) the issuance of the Notes offered hereby and the related refinancing as set forth in the Offering Memorandum under the section ''*Use of Proceeds*'' or (ii) in relation to the offering of the 2024 Notes and the transactions related thereto; or

(5) payments to the Parent or any Permitted Holder in reimbursement at cost of expenses incurred by the Parent or Permitted Holder on behalf of the Company or its Restricted Subsidiaries in the ordinary course of business.

''*Permitted Refinancing Indebtedness*'' means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net cash proceeds of which are used to extend, renew, refund, refinance, replace, defease or discharge other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness) (including any other Permitted Refinancing Indebtedness); *provided* that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, renewed, refunded, refinanced, replaced, defeased or discharged (which, for the avoidance of doubt, may include Indebtedness under one or more separate agreements or instruments that will be refinanced with a single agreement or instrument or Indebtedness under a single agreement or instrument that will be refinanced with multiple separate agreements or instruments) (plus any accrued interest and any premium required to be paid on the Indebtedness being so renewed, refunded, replaced, defeased or discharged, plus the amount of all fees, commissions and expenses incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of, the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged or, alternatively, a final maturity date that is later than the final Stated Maturity of the Notes;

(3) if the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged is Subordinated Indebtedness, such Permitted Refinancing Indebtedness is subordinated in right of payment to, the Notes or the Guarantees, as applicable, on terms at least as favorable to the Noteholders as those contained in the documentation governing the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged; and

(4) such Indebtedness is incurred either by the Issuer or a Guarantor if the Issuer or a Guarantor was the obligor on the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged, or, if such Indebtedness was incurred on or after the Issue Date by another Restricted Subsidiary that would, under the terms of the Indenture, have initially been capable of incurring the Indebtedness,

provided, *however*, that, clauses (2) to (4) above shall not apply to extensions, renewals, refundings, refinancings, replacements, defeasances or discharges of up to $200.0 million aggregate principal amount of Indebtedness under Credit Facilities incurred on the Issue Date under clause (4) of the definition of ''Permitted Debt'' designated for such non-application by the Company in its sole discretion (or to any subsequent refinancings thereof).

Permitted Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be incurred from time to time at or after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

''*Person*'' means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

''*Public Debt*'' means any capital markets Indebtedness, consisting of bonds, debentures, notes or other similar debt securities issued in (a) a public offering registered under the Securities Act or (b) a private placement to institutional investors whether or not it is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act and whether or not it includes registration rights entitling holders of such debt securities to registration thereof with the SEC for public resale.

''*Public Market*'' means any time after:

(1) an Equity Offering has been consummated; and

(2) at least 20% of the total issued and outstanding shares of common equity interests of the IPO Entity has been distributed to investors (other than the Permitted Holder).

''*Qualified Securitization Financing*'' means any financing pursuant to which the Company or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any other Person or grant a security interest in, any Securitization Assets (and related assets) in any aggregate principal amount equivalent to the Fair Market Value of such Securitization Assets (and related assets) of the Company or any of its Restricted Subsidiaries; provided that (a) the covenants, events of default and other provisions applicable to such financing shall be on market terms (as determined in good faith by the Company's Board of Directors or senior management) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by the Company's Board of Directors or senior management) at the time such financing is entered into and (c) such financing shall be non-recourse to the Company or any of its Restricted Subsidiaries except to a limited extent customary for such transactions.

''*Rating Agency*'' means each of Moody's and Fitch, or if Moody's or Fitch or both shall not make a rating on the Notes publicly available, any other ''nationally recognized statistical rating organization'' within the meaning of Rule 15c3-1(c)(2)(vi)(F) (or any rule or regulation replacing such rule) under the Exchange Act to be selected by the Company as a replacement agency.

''*Restricted Investment*'' means an Investment other than a Permitted Investment.

''*Restricted Subsidiary*'' of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary, and unless otherwise specified, means such a Restricted Subsidiary of the Company.

''*S&P*'' means Standard & Poor's Ratings Services and its successors and assigns.

''*SEC*'' means the Securities and Exchange Commission.

''*Securitization Assets*'' means any accounts receivable, inventory, royalty or revenue streams of the Company or any of its Restricted Subsidiaries in the ordinary course of business subject to a Qualified Securitization Financing.

''*Securitization Fees*'' means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not the Company or any of its Restricted Subsidiaries in connection with any Qualified Securitization Financing.

''*Securitization Repurchase Obligation*'' means any obligation of a seller of Securitization Assets in a Qualified Securitization Financing to repurchase Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

''*Securities Act*'' means the U.S. Securities Act of 1933, as amended.

''*Significant Subsidiary*'' means any Restricted Subsidiary of the Company that meets any of the following conditions: (a) the Company's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; (b) the Company's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or (c) the Company's and its Restricted Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Company and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

''*Sonangol*'' means Sonangol Holdings Lda. and its successors and assigns.

''*Stated Maturity*'' means, with respect to any installment of principal on any Indebtedness, the date on which the payment of principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date or as of the date of incurrence thereof, and will not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

''*Subordinated Indebtedness*'' means any Indebtedness of the Company or any of its Restricted Subsidiaries that is contractually subordinated in right of payment to the Notes or to any Guarantee, *provided* that Subordinated Indebtedness shall not include Indebtedness incurred under the Trafigura Facility Agreement.

''*Subordinated Shareholder Debt*'' means, collectively, any funds provided to the Company by an Affiliate of the Parent or the Parent in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Debt; *provided, however,* that such Subordinated Shareholder Debt:

(1) does not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Company or any funding meeting the requirements of this definition);

(2) does not (including upon the happening of any event) require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;

(3) contains no change of control or similar provisions and does not (including upon the happening of any event) accelerate and has no right (including upon the happening of any event) to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes;

(4) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Restricted Subsidiaries and is not guaranteed by any Restricted Subsidiary of the Company;

(5) pursuant to its terms, is subordinated in right of payment to the prior payment in full in cash of the Notes and the Guarantees in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Company;

(6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or the Guarantees or compliance by the Company with its obligations under the Indenture;

(7) does not (including upon the happening of an event) constitute Voting Stock; and

(8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder thereof; in whole or in part, prior to the date on which the Notes mature, other than into or for Capital Stock (other than Disqualified Stock) of the Company.

''*Subsidiary*'' means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); *provided* that any corporation, association or other business entity shall also be deemed to be a Subsidiary if and for so long as such corporation, association or other business entity is consolidated in the financial statements of such Person in accordance with IFRS; and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

''*Subsidiary Guarantee''* means the Guarantee provided by a Subsidiary Guarantor.

''*Subsidiary Guarantor*'' means any Restricted Subsidiary of the Company that provides a Guarantee in accordance with the provisions of the Indenture, and their respective successors and assigns, in each case, until the Guarantee of such Person has been released in accordance with the provisions of the Indenture.

‘‘*Tax*’’ means any tax, duty, levy, impost, assessment or other governmental charge (including penalties and interest related thereto and any other additions thereto, and, for the avoidance of doubt, including any withholding or deduction for or on account of Tax (and *‘‘Taxes*’’ and ‘‘*Taxation*’’ shall be construed to have corresponding meanings)).

‘‘*Total Non-Current Assets*’’ means the total consolidated non-current assets of the Company and its Restricted Subsidiaries, as shown on the most recent balance sheet of the Company, calculated on a consolidated basis in accordance with IFRS (and, in the case of any determination relating to any incurrence of Indebtedness or any Investment, on a *pro forma* basis including any property or assets being acquired in connection therewith).

‘‘*Trafigura*’’ means Trafigura Beheer B.V. and any one or more of their successor entities (including successor entities incorporated or organized for the purpose of changing legal domicile, reincorporation in another jurisdiction, or changing legal form, and whether for tax or other reasons).

‘‘*Trafigura Facility Agreement*’’ means the $1,500 million credit facilities agreement dated as of September 30, 2013, among, *inter alios*, the Issuer as borrower, Puma Energy Holdings Pte. Ltd. as parent and Bulavista Limited as original lender and facility agent, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time.

‘‘*Treasury Rate*’’ means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to January 24, 2021; *provided*, *however*, that if the period from the redemption date to January 24, 2021, is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

‘‘*Trustee*’’ means The Law Debenture Trust Corporation p.l.c. in its capacity as trustee under the Indenture.

‘‘*Unrestricted Subsidiary*’’ means:

(1) any Subsidiary (other than the Issuer or any successor thereto) of the Company that at the time of determination is designated an Unrestricted Subsidiary by the Board of Directors of the Company in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary of the Company but other than the Issuer or any successor thereto) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of the Company or any Restricted Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated; *provided*, *further*, that any such Subsidiary may only be designated as an Unrestricted Subsidiary if:

(1) the Company would be permitted to make, at the time of such designation, a Permitted Investment or an Investment pursuant to the covenant set forth under ‘‘*—Certain Covenants—Restricted Payments*’’ above, in either case, in an amount equal to its share of the Fair Market Value of the net assets of such Subsidiary;

(2) such Subsidiary does not hold any Liens on any property of the Company or any of its Restricted Subsidiaries that is not a Subsidiary of the Subsidiary to be so designated (other than Liens in the ordinary course of business not securing Indebtedness);

(3) except as otherwise permitted by ‘‘*—Certain Covenants—Transactions with Affiliates*,’’ is not a party to any contract, arrangement or understanding with the Company or any of its Restricted Subsidiaries unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company.

‘‘*U.S. Dollar*’’ or ‘‘*$*’’ means the lawful currency of the United States of America.

''*Voting Stock*'' of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

''we'' and ''our'' refer collectively to the Company and its Restricted Subsidiaries.

''*Weighted Average Life to Maturity*'' means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; *by*

(2) the then outstanding principal amount of such Indebtedness.

BOOK-ENTRY; DELIVERY AND FORM

General

The Notes sold within the United States to qualified institutional buyers (''**QIBs**'') in reliance on Rule 144A under the U.S. Securities Act will initially be represented by a global note in registered form without interest coupons attached (the ''**Rule 144A Global Note**''). The Notes sold to persons outside the United States in compliance with Regulation S under the U.S. Securities Act will initially be represented by a global note in registered form without interest coupons attached (the ''**Regulation S Global Note**'' and, together with the Rule 144A Global Note, the ''**Global Notes**''). The Global Notes will be deposited, on the Issue Date, with a common depositary and registered in the name of the nominee the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Note (''**Rule 144A Book-Entry Interests**'') and ownership of interests in the Regulation S Global Note (the ''**Regulation S Book-Entry Interests**'' and, together with the Rule 144A Book-Entry Interests, the ''**Book-Entry Interests**'') will be limited to persons that have accounts with Euroclear and/or Clearstream or persons who hold interests through such participants. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described below, Book-Entry Interests will not be issued in definitive certificated form.

Book-Entry Interests will be shown on, and transfers thereof will be done only through, records maintained in the book-entry form by Euroclear and Clearstream and their participants. The Book-Entry Interests in the Global Notes will be issued only in denominations of $200,000 and in integral multiples of $1,000 and will not be held in definitive form. Instead Euroclear or Clearstream will credit on its Book-Entry transfer and registration systems a participants account with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive certificated form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not be considered the owners or ''holders'' of Notes for any purpose.

So long as the Notes are held in global form, the common depositary for Euroclear and/or Clearstream (or the common depositary's nominee), will be considered the sole holders of the Global Notes for all purposes under the Indenture. In addition, participants must rely on the procedures of Euroclear and Clearstream, and indirect participants must rely on the procedures of Euroclear, Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture.

Neither we nor the Trustee will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Redemption of the Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and/or Clearstream, as applicable in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream, as applicable will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or on such other basis as they deem fair and appropriate unless otherwise required by law or applicable stock exchange or depositary requirements; *provided*, *however*, *that* no Book-Entry Interest of $200,000 principal amount or less may be redeemed in part.

Payments on Global Notes

We will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, and interest) to the common depositary or its nominee for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their customary procedures. We will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under ''*Description of Notes—Additional Amounts*.'' If any such deduction or withholding is required to be made, then, to the extent described under ''*Description of Notes—Additional Amounts*'' above, we will pay additional amounts as may be necessary in order for the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding to equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, the Issuer, the Paying Agent, Registrar and the Trustee will treat the registered holders of the Global Notes (*i.e.* the common depositary (or its nominee)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee or any of their respective agents has or will have any responsibility or liability for any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests to such Notes through Euroclear or Clearstream in U.S. dollars.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described below) only at the direction of one or more participants to whose account the Book-Entry Interests are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the Notes, Euroclear and/or Clearstream, at the request of the holders of the Notes, reserves the right to exchange the Global Notes for definitive registered Notes in certificated form (the ''**Definitive Registered Notes**''), and to distribute such Definitive Registered Notes to its participants.

Transfers

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in jurisdictions that require physical delivery of securities or to pledge such Notes, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set out in the Indenture.

The Global Notes will have a legend to the effect set out under ''*Transfer Restrictions*.'' Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under ''*Transfer Restrictions*.''

Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the Securities Act or any other exemption (if available under the Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest denominated in the same currency only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under ''*Transfer Restrictions*'' and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive Definitive Registered Notes:

- if Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by us within 120 days; or
- if the owner of a Book-Entry Interest requests such an exchange in writing delivered through either Euroclear or Clearstream following an Event of Default under the Indenture and enforcement action is being taken in respect thereof.

In the case of the issuance of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Note by surrendering it to the Registrar or Transfer Agent. In the event of a partial transfer or a partial redemption of a holding of Definitive Registered Notes represented by one Definitive Registered Note, a Definitive Registered Note will be issued to the transferee in respect of the part transferred and a new Definitive Registered Note in respect of the balance of the holding not transferred or redeemed will be issued to the transferor or the holder, as applicable; *provided that* no Definitive Registered Note in a denomination less than $200,000 will be issued. We will bear the cost of preparing, printing, packaging and delivering the Definitive Registered Notes.

We will not be required to register the transfer or exchange of Definitive Registered Notes for a period of 15 calendar days preceding (i) the record date for any payment of interest on the Notes, (ii) any date fixed for redemption of the Notes or (iii) the date fixed for selection of the Notes to be redeemed in part. Also, we are not required to register the transfer or exchange of any Notes selected for redemption or which the holder has tendered (and not withdrawn) for repurchase in connection with a change of control offer or asset sale offer. In the event of the transfer of any Definitive Registered Note, the Trustee, the transfer agents and the Registrar may require a holder, among other things, to furnish appropriate endorsements and transfer documents as described in the Indenture. We may require a holder to pay any taxes and fees required by law and permitted by the Indenture and the Notes.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Note has been lost, destroyed or wrongfully taken, or if such Definitive Registered Note is mutilated and is surrendered to the Registrar or at the office of the Transfer Agent, we will issue and the Trustee (or an authentication agent appointed by it) will authenticate a replacement Definitive Registered Note if the Trustee's and our requirements are met. The Issuer or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both to protect themselves, the Trustee or the paying agents appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer may charge for any expenses incurred by us in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Issuer pursuant to the provisions of the Indenture, the Issuer, in its discretion, may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in the Global Notes only after the transferor first delivers to the Trustee a written certification (in the form provided in the Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such Notes. See ''*Transfer Restrictions*.''

Payment of principal, any repurchase price, premium and interest on Definitive Registered Notes will be payable at the office of the Issuer's paying agent in Luxembourg so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of such exchange so require.

To the extent permitted by law, the Issuer, the Trustee, the Paying Agent, the Transfer Agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Registrar, and such registration is a means of evidencing title to the Notes.

The Registrar will send a copy of the Register to the Issuer on the Issue Date and after any change to the Register made by the Registrar, with such copy to be held by the Issuer at its registered office. For purposes of Luxembourg law, ownership of the Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

The Issuer will not impose any fees or other charges in respect of the Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream.

Information Concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither we nor the Initial Purchasers are responsible for those operations or procedures.

We understand as follows with respect to Euroclear and Clearstream. Euroclear and Clearstream hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the

Euroclear or Clearstream systems will receive distributions attributable to the 144A Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement Under the Book-Entry System

The Notes represented by the Global Notes are expected to be admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of us, the Trustee or the Paying Agent will have any responsibility for the performance by Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes will be made in U.S. dollars. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

TAXATION

Prospective purchasers of the Notes are advised to consult their own tax advisers as to the tax consequences, under the tax laws of the country of which they are resident, of a purchase of Notes including without limitation, the consequences of receipt of interest and premium, if any, on and sale or redemption of, the Notes or any interest therein.

Luxembourg Tax Considerations

The following summary is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. In addition, any reference to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Tax residency of the holders of the Notes

Investors will not become resident, nor be deemed to be resident in Luxembourg by reason only of the holding of the Notes, or the execution, performance, delivery and/or enforcement of their rights thereunder.

Taxation of the holders of Notes—Withholding tax

Withholding tax

In principle, Luxembourg does not levy a withholding tax on an at-arm's-length interest, except for interest on certain profit sharing bonds or similar instruments and interest paid as a profit share under certain silent partnership type arrangements, subject to the application of the Luxembourg law dated 23 December 2005, as amended (the ''**2005 Luxembourg Tax Law**'').

Luxembourg non-resident individuals

Under the Luxembourg tax law currently in effect, there is no withholding tax on payments of interests (including accrued but unpaid interest) and other similar income made to a Luxembourg non-resident holder of the Notes. There is also no Luxembourg withholding tax upon repayment of the principal, or, subject to the application of the laws in effect, upon redemption or exchange of the Notes.

On 10 November 2015, the Council of the European Union approved Council Directive 2015/2060/EU (the ''**Directive 2015/2060**'') repealing the Council Directive 2003/48/EC on the taxation of savings income from January 1, 2017 in the case of Austria and from January 1, 2016 in the case of all other EU Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). According to this directive, EU Member States should provide to the tax authorities of other EU Member States information on the payment of interest or other similar income that a paying agent performs in favor of a beneficial owner which is resident of such other EU Member State or in favor of certain other entities established in this other EU Member State. The Directive 2015/2060 was implemented into Luxembourg law by the law of 23 July 2016 repealing the Luxembourg Law of 21 June 2005 transposing the Savings Directive and amending the RELIBI Law (as defined below), as applicable as from 1st January 2016 (the "**Law of July 23, 2016**")

Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the 2005 Luxembourg Tax Law mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the 2005 Luxembourg Tax Law, interest or similar income paid or credited by an economic operator located in Luxembourg that would qualify as a "paying agent" for the purposes of the Law of July 23, 2016 to or for the benefit of an individual beneficial owner who is resident of Luxembourg or to certain residual entities that secure interest payments on behalf of such individuals, is subject to a withholding tax of 20% (the "**20% WHT**"). The 20% WHT will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

Furthermore, a Luxembourg resident individual who acts in the course of his/her private wealth and is the beneficial owner of interest or other similar income by a paying agent established outside Luxembourg in a Member State of the European Union or the European Economic Area or in a jurisdiction having concluded an agreement with Luxembourg in connection with the Savings Directive may opt for a final 20% levy (the "**20% Levy**"). In such case, the 20% Levy is calculated on the same amounts as if the paying agent were a Luxembourg paying agent. The option for the 20% Levy must cover all interest or similar income allocated by eligible foreign paying agents to the beneficial owner during the entire fiscal year.

Taxation of the holders of Notes—Income taxation

Non-resident holders of Notes

A non-resident holder of Notes, not having a permanent establishment or permanent representative in Luxembourg to which such Notes are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes. A gain realized by such non-resident holders of Notes on the sale or disposal, in any form whatsoever, of the Notes is further not subject to Luxembourg income tax.

A non-resident corporate holder of Notes or an individual holder of Notes acting in the course of the management of a professional or business undertaking, who has a permanent establishment or a permanent representative in Luxembourg to which such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realized upon the sale or disposal, in any form whatsoever, of the Notes.

Resident holder of Notes

Resident corporate holder of Notes

A resident corporate holder of Notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

Resident individual holder of Notes

A resident individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts, under the Notes, except if the final 20% WHT or the final 20% Levy applied on such income in accordance with the 2005 Luxembourg Tax Law. A gain realized by an individual holder of Notes, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. An individual holder of Notes, who acts in the course of the management of his/her private wealth and who is a resident of Luxembourg for tax purposes, must also include the portion of the gain corresponding to accrued but unpaid income in respect of the Notes in his/her taxable income, insofar as the accrued but unpaid interest is indicated separately in the agreement.

Luxembourg resident individual holder of Notes acting in the course of the management of a professional or business undertaking to which the Notes are attributable, must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

Luxembourg holder of Notes benefiting from a special tax regime

Luxembourg holders of Notes subject to certain special tax regimes such as, for example, specialized investment funds governed by the amended law of February 13, 2007, family wealth management companies governed by the amended law of May 11, 2007 or undertakings for collective investment governed by the law of December 17, 2010 are not subject to Luxembourg income tax. Interest accrued or received, any redemption premium or issue discount and gains realized on the sale or disposal, in any form whatsoever, of the Notes by such holders of Notes are not subject to income tax.

Net wealth taxation

Corporate Luxembourg resident holders of Notes or non-resident holders of Notes which maintain a permanent establishment, a fixed place of business or a permanent representative in Luxembourg to which the holding of Notes or any resulting income is connected, are subject to an annual Luxembourg net wealth tax on such Notes, except if the holder of Notes is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment subject to the law dated December 17, 2010 (as amended), (iii) a securitisation vehicle governed by the law dated March 22, 2004 on securitisation (as amended), (iv) a company governed by the law dated June 15, 2004 on venture capital vehicles (as amended), (v) a specialised investment fund subject to the law dated February 13, 2007 (as amended), (vi) a family wealth management company subject to the law dated May 11, 2007 (as amended), or (vii) a reserved alternative investment fund. Pursuant to the law dated December 18, 2015, net wealth tax will be levied at a 0.5% rate up to EUR 500 million taxable base and at a 0.05% rate on the taxable base in excess of EUR 500 million. Securitisation vehicles and SICARs (organised as tax opaque companies) are subject to net wealth tax up to the amount of the minimum net wealth tax introduced by this law.

An individual holder of Notes, whether or not he/she is resident of Luxembourg, is not subject to Luxembourg wealth tax on such Notes.

Other taxes

Neither the issuance nor the transfer of Notes will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties unless the documents relating to the Notes are voluntarily registered in Luxembourg or presented during a court proceeding.

Where a holder of Notes is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes. Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg notarial deed or otherwise recorded in Luxembourg.

U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a beneficial owner of a Note that is, for U.S. federal income tax purposes: (i) an individual who is a citizen or resident of the United States, (ii) a corporation or any entity taxable as a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, (iv) a trust if (a) it is subject to the primary supervision of a U.S. court and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) that has a valid election in effect under applicable Treasury regulations to be treated as a United States person (a ''**U.S. Holder**''). This summary addresses only U.S. Holders and to a limited extent, Non-U.S. Holders (as defined below), that purchase Notes for cash at original issue and at their ''issue price'' (the first price at which a substantial amount of the Notes is sold for money, not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), and that hold such Notes as capital assets. The summary does not address the Medicare tax imposed on certain investment income or the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any state, local or non-U.S. tax laws.

This summary does not address all of the U.S. federal income tax considerations that may be relevant to an investor in light of such investor's particular circumstances or the tax considerations applicable to investors that may be subject to special tax rules, such as banks or other financial institutions, tax-exempt entities, partnerships (or entities or arrangements treated as partnerships for U.S. federal income tax purposes) or partners therein, insurance companies, regulated investment companies, dealers in securities or currencies, traders in securities electing to mark to market, persons that will hold the Notes as a position in a ''straddle'' or conversion transaction, or as part of a ''synthetic security'' or other integrated financial transaction, persons liable for the alternative minimum tax, U.S. expatriates or U.S. Holders that have a ''functional currency'' other than the U.S. dollar. Furthermore, this summary does not address the U.S. federal income tax considerations to persons that acquire Notes and hold 2021 Senior Notes that are redeemed by the Issuer.

This summary is based on the Internal Revenue Code of 1986, as amended (the ''**Code**''), existing, proposed and temporary U.S. Treasury regulations and judicial and administrative interpretations thereof, in each case as of the date hereof. All of the foregoing are subject to change (possibly with retroactive effect) or to differing interpretations, which could affect the U.S. federal income tax consequences described herein.

If any entity treated as a partnership for U.S. federal income tax purposes holds the Notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership, and partners in such partnerships, should consult their tax advisors regarding the tax consequences of the acquisition, ownership and disposition of the Notes.

A ''**Non-U.S. Holder**'' is a beneficial owner of the Notes that is not a U.S. Holder.

INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE NOTES, INCLUDING THE APPLICATION TO THEIR PARTICULAR CIRCUMSTANCES OF THE U.S. FEDERAL INCOME TAX CONSIDERATIONS DISCUSSED BELOW, AS WELL AS THE APPLICATION OF U.S. FEDERAL ESTATE, GIFT AND ALTERNATIVE MINIMUM TAX LAWS, U.S. STATE AND LOCAL TAX LAWS AND FOREIGN TAX LAWS.

U.S. Holders

The following summary applies to holders of Notes that are U.S. Holders.

Stated Interest

The amount of stated interest payments on a Note (including any additional amounts paid in respect of withholding taxes and without reduction for any amounts withheld) will generally be taxable to a U.S. Holder as ordinary income at the time it is paid or accrued, in accordance with such U.S. Holder's method of accounting for U.S. federal tax purposes.

Interest income in respect of the Notes generally will constitute foreign-source income and generally will be considered ''passive category income'' for purposes of computing the foreign tax credit allowable under the U.S. federal income tax laws. The rules governing the foreign tax credit are complex. U.S. Holders should consult their own tax advisors regarding the availability of foreign tax credits or deductions in respect of foreign taxes and the treatment of additional amounts.

Sale, Exchange and Retirement of Notes

A U.S. Holder generally will recognize capital gain or loss upon the sale, exchange, retirement or other taxable disposition of a Note in an amount equal to the difference between the U.S. dollar value of the amount realized upon such disposition (other than amounts attributable to accrued but unpaid interest, which will be taxed as ordinary income to the extent not previously included in gross income) and such U.S. Holder's tax basis in the Note. A U.S. Holder's tax basis will generally equal the purchase price for that Note. Any such gain or loss recognized will be capital gain or loss, and generally will be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year at the time of disposition. Long-term capital gain realized by a non-corporate U.S. Holder (including an individual) generally is subject to tax at a reduced rate. The deductibility of capital losses is subject to limitations. Such gain or loss generally will be treated as U.S. source gain or loss, as applicable, for U.S. foreign tax credit purposes.

Non-U.S. Holders

Subject to the backup withholding discussion below under ''—*Backup Withholding and Information Reporting,*'' a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on any payments on the Notes and gain from the sale, exchange, redemption or other disposition of the Notes.

Backup Withholding and Information Reporting

Payments in respect of the Notes that are paid within the United States or through certain U.S.-related financial intermediaries are subject to information reporting and to backup withholding unless the holder provides its taxpayer identification number to the paying agent and complies with certain certification procedures or otherwise establishes an exemption from backup withholding. Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding. Backup withholding is not an additional tax. The amount of any backup withholding collected from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability, and may entitle the U.S. Holder to a refund, *provided that* certain required information is timely furnished to the U.S. Internal Revenue Service.

European Union

The proposed financial transaction tax (''FTT'')

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the ''**participating Member States**''). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under current proposals, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, ''established'' in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and the legality of the proposal is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the participating Member States may decide to withdraw. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Singapore Tax Considerations

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines in force as of the date of this Offering Memorandum and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the Singapore tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject to. It is emphasised that none of the Issuer, the Company, the Initial Purchasers and any other persons involved in the issuance of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

General

An individual is a tax resident in Singapore in a year of assessment if in the preceding year he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more or if he resides in Singapore.

A Singapore tax resident individual is taxed at the current progressive rates ranging from 0% to 22%. Non-resident individuals, subject to certain exceptions, are subject to Singapore income tax on income accruing in or derived from Singapore at the current rate of 22%.

A company is a tax resident in Singapore if the control and management of its business is exercised in Singapore.

The corporate tax rate in Singapore is currently 17%. In addition, three-quarters of up to the first S$10,000, and one-half of up to the next S$290,000, of a company's chargeable income otherwise subject to normal taxation is exempt from corporate tax. New companies will also, subject to certain conditions and exceptions, be eligible for full tax exemption on the first S$100,000 and 50% tax exemption on the next S$200,000 of normal chargeable income a year for each of the company's first three consecutive years of assessment.

Singapore Withholding Tax

Under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17%. The applicable rate for non-resident individuals is currently 22%. However, if the payment is derived by a non-resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The rate of 15% may be reduced by applicable tax treaties.

On the basis that payments made by the Issuer under the Notes are not deemed to be derived from Singapore under Section 12(6) of the ITA, such payments should not be subject to Singapore withholding tax. However, payments made by the Company under the Company Guarantee may be subject to Singapore withholding tax if such payments are regarded as derived from Singapore under Section 12(6) of the ITA.

Nevertheless, as stated in the terms and conditions of the Indenture, any payments made by the Issuer with respect to the Notes or by the Company with respect to the Company Guarantee will be made without withholding or deduction for taxes in any jurisdiction unless required by law. If any deduction or withholding for taxes of a relevant tax jurisdiction is required by law with respect to a payment to the holders of the Notes or the Company Guarantee, subject to certain exceptions, the Issuer or the Company, as the case may be will pay the additional amounts necessary so that the net amount received after the withholding is not less than the amount that holders of the Notes would have received in the absence of such withholding.

Interest and other payments under the Notes

On the basis that payments made by the Issuer under the Notes are not deemed to be derived from Singapore under Section 12(6) of the ITA, such payments made by the Issuer would generally be considered as sourced outside Singapore (unless the Notes are held as part of a trade or business carried on in Singapore, in which event the holders of such Notes may be taxed on such payments as they are derived).

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore, subject to certain exceptions. All foreign-sourced income received in Singapore on or after 1 January 2004 by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax if the Comptroller of Income Tax in Singapore (‘‘**Comptroller**’’) is satisfied that the tax exemption would be beneficial to the individual. Foreign-sourced income received or deemed received in Singapore by an individual not resident in Singapore is exempt from Singapore income tax.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore.

Non-Singapore tax resident corporate taxpayers are subject to income tax on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed received in Singapore, subject to certain exceptions.

Capital Gains

Singapore does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterization of capital gains and hence, gains arising from the disposal of the Notes by any person may be construed to be of an income nature and subject to income tax, especially if they arise from activities which the Comptroller would regard as the carrying on of a trade or business in Singapore.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard (‘‘**FRS**’’) 39—or FRS 109 may, for Singapore income tax purposes, be required to recognize gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39 or FRS 109. Please see the section below on ‘‘Adoption of FRS 39 and FRS 109 for Singapore income tax purposes’’.

Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment of financial instruments in accordance with FRS 39 (subject to certain exceptions and ‘‘opt-out’’ provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The Inland Revenue Authority of Singapore has also issued a circular entitled ''Income Tax Implications Arising from the Adoption of FRS 39— Financial Instruments: Recognition & Measurement''.

FRS 109 is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109, subject to certain exceptions. The Inland Revenue Authority of Singapore has also issued a circular entitled ''Income Tax: Income Tax Treatment Arising from the Adoption of FRS 109—Financial Instruments''.

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished for deaths occurring on or after 15 February 2008.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the purchase agreement (the ''**Purchase Agreement**'') entered into on or about the date of this Offering Memorandum by and among the Issuer, the Company and the Initial Purchasers, the Issuer has agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed, severally and not jointly, to purchase from the Issuer the entire principal amount of the Notes.

The Purchase Agreement provides for the obligations of the Initial Purchasers to pay for and accept delivery of the Notes. The Notes will initially be offered at the price indicated on the cover page of this Offering Memorandum.

The Purchase Agreement also provides that the Issuer and the Company will indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. The Issuer and Company have agreed, subject to certain limited exceptions, that during the period from the date hereof through and including the date that is 120 days after the date the Notes are issued, to not, without having received the prior written consent provided for in the Purchase Agreement, offer, sell, contract to sell or otherwise dispose of any securities issued or guaranteed by the Issuer or Company that are substantially similar to the Notes and the Company Guarantee.

The Initial Purchasers are offering the Notes, subject to the conditions contained in the Purchase Agreement, including the receipt by the Initial Purchasers of officer's certificates and legal opinions. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The Initial Purchasers propose to offer the Notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A. The Initial Purchasers will not offer or sell the Notes except:

- to persons they reasonably believe to be ''**qualified institutional buyers**,'' as defined in Rule 144A under the Securities Act; or
- pursuant to offers and sales that occur outside the United States within the meaning of Regulation S.

Notes may not be offered or resold in the United States or to U.S. persons (as defined in Regulation S), except under an exemption from the registration requirements of the Securities Act or under a registration statement declared effective under the Securities Act.

Each purchaser of the Notes will be deemed to have made acknowledgments, representations and agreements as described under ''*Transfer Restrictions*.''

Prior to the Offering, there has been no active market for the Notes. The Initial Purchasers have advised us that they presently intend to make a market in the Notes as permitted by applicable laws and regulations. The Initial Purchasers are not obligated, however, to make a market in the Notes and any such market making may be discontinued at any time at the sole discretion of the Initial Purchasers without any notice.

Each Initial Purchaser has also represented and agreed that, (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the ''**FSMA**'') with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and (ii) it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to us.

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

- the expression ''**retail investor**'' means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, ''**MiFID II**''); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the ''**Insurance Mediation Directive**''), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the ''**Prospectus Directive**''); and

- the expression ''**offer**'' includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

In connection with the issuance of the Notes, Merrill Lynch International (the ''**Stabilizing Manager**'') (or any person acting on behalf of the Stabilizing Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager (or any person acting on behalf of the Stabilizing Manager) will undertake stabilizing action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes.

We expect that the delivery of the Notes will be made against payment on the Notes on or about , 2018 which will be the tenth Business Day following the date of pricing of the Notes (such settlement being referred to as ''T+10''). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing or the following seven Business Days (i.e., through January , 2018) will be required, by virtue of the fact that the Notes will initially settle in T+10, to specify an alternate settlement cycle at the time of such trade to prevent failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

We have applied, through a listing agent, to have the Notes admitted to trading on the Euro MTF Market operated by the Luxembourg Stock Exchange and listed on the Official List of the Luxembourg Stock Exchange.

From time to time, the Initial Purchasers and their affiliates have provided, and may in the future provide, investment banking services to the Company and its affiliates, and the Initial Purchasers and their affiliates have provided, and may in the future provide, commercial banking services to the Company and its affiliates, for which they have received or may receive customary fees and commissions. Certain of the Initial Purchasers have entered and may from time to time enter into hedging arrangements with the Company and its affiliates. The Initial Purchasers or their respective affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act) may also receive allocations of the Notes. In addition, certain of the Initial Purchasers and their affiliates are lenders and/or agents under certain of the bank facilities described in ''*Description of Certain Other Indebtedness—Summary of Significant Facilities*'', for which they have received and may receive customary fees and commissions.

To the extent the Initial Purchasers intend to make any offers or sales of the Notes in the United States, or to nationals or residents of the United States, they will do so only through one or more registered broker-dealers in compliance with applicable securities laws and regulations, as well as with applicable laws of the various states.

The Initial Purchasers may offer and sell Notes through certain of their affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act).

TRANSFER RESTRICTIONS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

Neither the Notes nor the Guarantee have been registered under the U.S. Securities Act of 1933 as amended (the ''**Securities Act**'') or any state securities laws and may not be offered, sold or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, we are offering and selling the Notes only:

- to persons that we reasonably believe to be ''**qualified institutional buyers**,'' commonly referred to as ''**QIBs**,'' (as defined in Rule 144A under the Securities Act (''**Rule 144A**'')) in compliance with Rule 144A; and
- to non-U.S. persons in offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the Securities Act (''**Regulation S**'').

We use the terms ''**offshore transaction**,'' ''**U.S. person**'' and ''**United States**'' with the meanings given to them in Regulation S.

If you purchase Notes in this Offering, you will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

(1) You understand that the Notes and the Guarantee are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act or any other applicable securities law, that neither the Notes nor the Guarantee have been or will be registered under the Securities Act and that (A) if in the future you decide to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only in compliance with the registration requirements of the Securities Act or any other applicable securities laws, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs 4 and 5, and that (B) you will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes from it of the resale restrictions referred to in the legend below.

(2) You are not our ''**affiliate**'' (as defined in Rule 144) or acting on our behalf and you are either:

  (a) QIB and are aware that any sale of these Notes to you will be made in reliance on Rule 144A and such acquisition will be for your own account or for the account of another party that is a QIB; or

  (b) a non-U.S. person purchasing the Notes in an offshore transaction in accordance with Regulation S.

(3) You acknowledge that none of the Issuer, the Company, the Initial Purchasers or any person representing the Issuer, the Company or the Initial Purchasers has made any representation to you with respect to the Issuer or the offer or sale of any of the Notes, other than by the Issuer and the Company with respect to the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that the Initial Purchasers make no representation or warranty as to the accuracy or completeness of this Offering Memorandum. You have had access to such financial and other information concerning the Issuer, the Company, the Indentures, the Notes, and the Guarantee as you have deemed necessary in connection with your decision to purchase Notes, including an opportunity to ask questions of and request information from the Issuer, the Company and the Initial Purchasers.

(4) You represent that you are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the Securities Act or any state securities law, subject to any requirement of law that the disposition of your property or the property of that investor account or accounts be at all

times within your or their control and subject to your or their ability to resell the Notes pursuant to Rule 144A or any other available exemption from registration under the Securities Act.

(5) You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes only (i) to the Issuer, the Company or any subsidiary thereof; (ii) pursuant to a registration statement that has been declared effective under the Securities Act, (iii) for so long as the Notes are eligible pursuant to Rule 144A, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A, (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposal of its property or the property of such investor account or accounts be at all times within its or their control and in compliance with any applicable state securities laws, and any applicable local laws and regulations, *provided that*, as to the Regulation S Notes only, the restriction set forth above applies only until the date that is 40 days after the later of the date of issuance of the Notes and the last date on which the Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto)). Resales pursuant to the above restriction are further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer (I) pursuant to clause (iv) and (v) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the Trustee.

Each purchaser acknowledges that each Note will contain a legend substantially in the following form:

THIS SECURITY HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE ''**SECURITIES ACT**''), OR OTHER SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, PLEDGED, ENCUMBERED OR OTHERWISE TRANSFERRED UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, [Reg S Notes Only— PRIOR TO THE DATE (THE ''**RESALE RESTRICTION TERMINATION DATE**'') WHICH IS 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)] ONLY (A) TO THE ISSUER, THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (''**RULE 144A**''), TO A PERSON IT REASONABLY BELIEVES IS A ''**QUALIFIED INSTITUTIONAL BUYER**'' AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR

ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSES (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(6) You acknowledge that until 40 days after the commencement of the offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

(7) You acknowledge that the Registrar will not be required to accept for registration of transfer any Notes acquired by you, except upon presentation of evidence satisfactory to us and the Registrar that the restrictions set forth herein have been complied with.

(8) You acknowledge that:

(a) the Issuer, the Company, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations and agreements set forth herein and you agree that, if any of your acknowledgements, representations or agreements herein cease to be accurate and complete, you will notify us and the Initial Purchasers promptly in writing; and

(b) if you are acquiring any Notes as fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:

(i) you have sole investment discretion; and

(ii) you have full power to make the foregoing acknowledgements, representations and agreements.

(9) You agree that you will give to each person to whom you transfer these Notes notice of any restrictions on the transfer of the Notes.

(10) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "*Plan of Distribution*."

INDEPENDENT AUDITORS

The Company's consolidated financial statements for each of the years ended December 31, 2014, 2015 and 2016, each appearing in this Offering Memorandum, have been audited by Ernst & Young Ltd.

LEGAL MATTERS

Certain legal matters with respect to the Notes offered hereby will be passed up on for us by White & Case LLP with respect to U.S. law, Wildgen S.A. with respect to Luxembourg law and Allen & Gledhill LLP with respect to Singapore law.

Certain legal matters with respect to the Notes will be passed upon for the initial purchasers by Cleary Gottlieb Steen & Hamilton LLP with respect to New York and U.S. federal law.

SERVICE OF PROCESS AND ENFORCEABILITY OF CIVIL LIABILITIES

The Issuer and Puma Corporation are companies incorporated under the laws of the Grand Duchy of Luxembourg, and the Company is incorporated under the laws of Singapore. Future guarantors may be organized under the laws of non-U.S. jurisdictions.

All of the Issuer's directors and executive officers and all of the directors and officers of the Company are non-residents of the United States. Although the Issuer and the Company have submitted or will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on the directors and executive officers of the Issuer or the Company. In addition, as many of the Issuer's and the Company's assets and the assets of our and their directors and executive officers are located outside of the United States, you may be unable to enforce against them or us judgments obtained in the U.S. courts predicated on civil liability provisions of the federal securities laws of the United States. If a judgment is obtained in a U.S. court against the Issuer or the Company, investors will need to enforce such judgment in jurisdictions where the relevant company has assets. Even though the enforceability of U.S. court judgments outside the U.S. as currently in force is described below for the countries in which the Issuer, the Company, directors and key management are located, you should consult with your own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

Luxembourg

Enforcement of U.S. Court Judgments in Luxembourg

As far as U.S. court judgments are concerned, we have been advised by our Luxembourg counsel, Wildgen S.A., that the United States and Luxembourg do not have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters.

As a result, a final judgment for the payment of monies rendered by any U.S. federal or state court based on civil liability would not directly be enforceable in Luxembourg and would require recognition and enforcement proceedings (*exequatur*) before the Luxembourg courts in accordance with the Luxembourg rules for recognition and enforcement of foreign judgments, as those rules have been determined by the Luxembourg courts. A party in whose favor such final judgment is rendered may indeed initiate enforcement proceedings in Luxembourg by requesting enforcement of the U.S. judgment rendered in civil or commercial matters by the competent Luxembourg District Court (*Tribunal d'Arrondissement*) pursuant to articles 678 and *seq.* of the Luxembourg New Code of Civil Procedure (*Nouveau Code de Procédure Civile*).

The competent Luxembourg District Court will authorize the enforcement in Luxembourg of a U.S. court judgment if it is satisfied that all the following conditions are met:

- the judgment is final and enforceable (*exécutoire*) in the U.S. where the judgment was rendered;
- the U.S. court that rendered the judgment had full jurisdiction over the subject matter leading to the judgment according to both the Luxembourg principles of conflict of jurisdiction (and, in particular, that Luxembourg courts did not have exclusive jurisdiction over the case to be considered) and applicable domestic U.S. federal or state jurisdictional rules;
- the U.S. court has applied to the dispute the substantive law which would have been applied by the Luxembourg courts (although some first instance decisions rendered in Luxembourg—which have not been confirmed by the Luxembourg Court of Appeal—no longer apply this condition);
- the U.S. court order or judgment must not result from an evasion of Luxembourg law (*fraude a la loi*);
- the U.S. court judgment does not contravene Luxembourg international public policy (*ordre public international*); and
- the U.S. court has acted in accordance with its own procedural laws and the U.S. court judgment was granted following proceedings in which the parties had the opportunity to appear and to present a defense.

If an original action is brought in Luxembourg, Luxembourg courts may refuse to apply the designated law among others, in particular if its application contravenes Luxembourg international public policy. In an action brought in Luxembourg on the basis of U.S. federal or state securities laws, Luxembourg courts may not have the requisite power to grant the remedies sought. Also, an enforcement proceeding may be refused in respect of punitive damages.

Further, in the event of any proceedings being brought in a Luxembourg court in respect of a monetary obligation expressed to be payable in a currency other than euro, a Luxembourg court would have power to give judgment expressed as an order to pay a currency other than euro. However, enforcement of the judgment against any party in Luxembourg would be available only in Euro and for such purposes all claims or debts would be converted into euro.

Subject to the foregoing, purchasers of the Notes may be able to enforce judgments in civil and commercial matters obtained from U.S. federal or state courts in Luxembourg. We cannot, however, assure you that attempts to enforce judgments in Luxembourg will be successful.

Singapore

Enforcement of U.S. Court Judgments in Singapore

A U.S. Court Judgment may not be enforced in Singapore pursuant to the Reciprocal Enforcement of Commonwealth Judgments Act, or the Reciprocal Enforcement of Foreign Judgments Act, or (as at the date of this Offering Memorandum), the Choice of Court Agreements Act (as the U.S. is currently a signatory but not yet a party to the 2005 Hague Convention on the Choice of Court Agreements). It has to be enforced by commencing a common law action for enforcement of a foreign judgment in the Singapore Courts. The U.S. Court Judgment must be an *in personam* final and conclusive judgment against the Company, it must be for a definite and actually ascertained sum of money granted by a U.S. court which has jurisdiction over the Company and it must not have been stayed or fully satisfied. The Singapore Courts will not enforce the U.S. Court Judgment if:

- it had been procured by the Plaintiff by fraud;
- its enforcement would be contrary to the public policy of Singapore;
- it was obtained in proceedings which were contrary to natural justice; or
- it was for the enforcement of foreign penal revenue, or public laws.

AVAILABLE INFORMATION

Each purchaser of the Notes from the Initial Purchasers will be furnished with a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to this Offering Memorandum acknowledges that: (i) such person has been afforded an opportunity to request from us, and has received, all additional information considered to be necessary to verify the accuracy and completeness of the information herein; (ii) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and (iii) except as provided in clauses (i) and (ii), no person has been authorized to give any information or to make any representation concerning the Notes other than those contained herein, and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

We are not currently subject to the periodic reporting and other information requirements of the Exchange Act of 1934, as amended (the ''**Exchange Act**''). For so long as any of the Notes are ''restricted securities'' within the meaning of Rule 144(a)(3) under the Securities Act and we are neither subject to Section 13 or 15(d) of the Exchange Act of 1934, nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, we will furnish to any holder or beneficial owner of such restricted securities, or to any prospective purchaser of such restricted securities designated by any such holder or beneficial owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Pursuant to the Indenture (as defined herein) and so long as the Notes are outstanding, we will furnish periodic information to holders of the Notes. See ''*Description of Notes—Certain covenants—Reports.*'' For so long as the Notes are listed on the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market thereof and the rules of that exchange so require, copies of the organizational documents of the Issuer and the Company, the Indenture (which includes the Company Guarantee and the form of the Notes) and our most recent consolidated financial statements published by us will be available for review at the office of the paying agent.

LISTING AND GENERAL INFORMATION

The Issuer

The Issuer, Puma International Financing S.A., is a public limited liability company (*société anonyme*) organized and existing under the laws of Luxembourg, which was incorporated on December 12, 2013. The Issuer's registered address is 7, rue Robert Stümper, L-2557 Luxembourg and its telephone number is + 35 22 67 30 21. The Issuer is registered with the Luxembourg Trade and Companies Register under number B 182802.

Business

The Issuer is a financing subsidiary and does not conduct any revenue-generating operations of its own.

Share capital

As of the date of this Offering Memorandum, the share capital of the Issuer was $2,050,000 divided into 50,000 class A shares with a par value of $1 per share and 2,000,000 class B shares with a par value of $1.

Directors' interests

None of the directors of the Issuer has any conflict of interest between any of their respective duties to the Issuer and their respective private interests and/or other duties.

As a matter of Luxembourg law, each director of the Issuer is under a duty to act honestly and in good faith with regard to the best interests of the Issuer, regardless of any other directorships such director may hold.

The Company

The Company, Puma Energy Holdings Pte. Ltd., is a private company limited by shares incorporated under the laws of Singapore, which was incorporated on May 2, 2013. The Company's registered address is One Marina Boulevard #28-00, Singapore 018989 and its telephone number is + 65 6319 2960.

General Information

Other than as disclosed in this Offering Memorandum, there has been no material adverse change in the Issuer's or the Company's prospects since December 31, 2016.

Other than as disclosed in this Offering Memorandum, there has been no significant change in the financial or trading position of the Issuer since December 31, 2016.

For the avoidance of doubt, any website referred to in this Offering Memorandum does not form part of this Offering Memorandum prepared in connection with the proposed offering of the Notes.

Listing

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market of the Luxembourg Stock Exchange. Prior to such listing and admission to trading, however, the Luxembourg Stock Exchange will permit dealings in the Notes in accordance with its rules.

We expect that the total expenses related to the listing and admission of the Notes to trading will be approximately €1,600.

Luxembourg Listing Information

So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF Market of that exchange and the rules and regulations of the Luxembourg Stock Exchange so require, the Issuer will publish or make available any notices (including financial notices) to the public in written form at places indicated by announcements to be published in a leading newspaper having a general circulation in Luxembourg (which is expected to be the Luxemburger Wort) or on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or by any other means considered equivalent by the Luxembourg Stock Exchange.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, copies of the following documents may be obtained at the specified office of the listing agent in Luxembourg and the registered office of the Issuer during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded):

- the organizational documents of the Issuer and the Company;
- the financial statements included in this Offering Memorandum;
- our most recent audited consolidated financial information, and any interim financial information published by us;
- the purchase agreement relating to the Notes; and
- the Indenture (which includes the Guarantee and the form of the Notes).

The Issuer has appointed Banque Internationale à Luxembourg S.A. as paying agent, transfer agent, listing agent and registrar to make payments on, when applicable, and transfers of, the Notes. The Issuer reserves the right to change this appointment in accordance with the terms of the Indenture and will publish notice of such change of appointment in a newspaper having a general circulation in Luxembourg (which is currently expected to be the Luxemburger Wort) or on the official website of the Luxembourg Stock Exchange (www.bourse.lu).

Application may also be made to the Euro MTF Market to have the Notes removed from listing on the Euro MTF Market, including if necessary to avoid any new withholding taxes in connection with the listing.

The Issuer accepts responsibility for the information contained in this Offering Memorandum. The Issuer declares that, having taken all reasonable care to ensure that such is the case, to the best of its knowledge, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect its import. This Offering Memorandum may only be used for the purposes for which it has been published.

Clearing Systems

The Notes sold pursuant to Regulation S and the Notes sold pursuant to Rule 144A have been accepted for clearance through the facilities of Euroclear and/or Clearstream. The international securities identification number, or ISIN, for the Notes sold pursuant to Regulation S is XS1751117604 and for the Notes sold pursuant to Rule 144A is XS1751189348. The common code for the Notes sold pursuant to Regulation S is 175111760 and for the Notes sold pursuant to Rule 144A is 175118934.

Consents and Authorizations

We have obtained all necessary consents, approvals and authorizations in the jurisdiction of our incorporation in connection with the issue and performance of the Notes and the issue and performance of the related Guarantee.

The creation and issuance of the Notes have been authorized by resolutions of the Issuer's board of directors dated on December 22, 2017. The Company Guarantee was authorized by a resolution of Puma Energy Holdings Pte. Ltd.'s board of directors dated December 18, 2017.

Documents on Display

Copies of the following documents may be inspected upon request at the offices of the Issuer during usual business hours on any week day (Saturday, Sunday and public holidays excepted) for the life of this Offering Memorandum:

(a) the memorandum and articles of association of the Issuer and the Company;

(b) the financial statements of the Issuer and the Company included in this Offering Memorandum;

(c) the Indenture among the Issuer, the Company and The Law Debenture Trust Corporation p.l.c., as trustee, governing the Notes.

GLOSSARY OF TECHNICAL TERMS

Below we provide definitions of technical terms used in this Offering Memorandum:

"**arbitrage cargoes**"	Method of supply consisting in comparing prices of refined oil products simultaneously in different markets
"**Avgas**"	A gasoline fuel suitable for piston engines and sold in connection with the Company's aviation business
"**API**"	American Petroleum Institute
"**bitumen**"	A residual product in petroleum refineries after higher tractions such as gas, petrol, kerosene and diesel are removed by distillation from crude oil used as a common binder for bituminous road constructions
"**bulk-breaking**"	The breaking of large bulk cargoes into smaller ones
"**bunker fuel oil**"	A type of fuel oil used aboard ships
"**CoCo operating model**"	Company owned and Company operated fuel station operating model for a fuel station whereby the fuel station site is owned and the fuel station is operated by the Company
"**CoDo operating model**"	Company owned and dealer operated fuel station operating model for a fuel station whereby the fuel station site is owned by the Company but a dealer is responsible for the operation of the fuel station under the Company's brand under a dealer or similar agreement
"**diesel**"	A heavy petroleum fraction used as fuel in diesel engines
"**DoDo operating model**"	Dealer-owned and dealer-operated fuel station operating model for a fuel station whereby the fuel station site and infrastructure are owned and the fuel station is operated by a dealer under the Company's brand under a dealer or similar agreement
"**emulsion-grade bitumen**"	Suspension of bitumen in water, with the aid of an emulsifying agent. Such bitumen is mainly used in road construction and maintenance
"**ex-works**"	Incoterm corresponding to the sale of products from our storage terminal, without freight and insurance
"**Jet A-1**"	A kerosene-grade jet fuel suitable for reactor turbine engines
"**LPG**"	Liquefied petroleum gas which is comprised of propane and butane
"**lubricants**"	Substances including greases, oils and coolants used to reduce friction between two surfaces in relative motion
"**marine gasoil**"	A type of gasoil distilled from petroleum used for ships
"**OSRL**"	Oil Spill Response Ltd, an industry collective that works to prevent and mitigate oil spills around the world
"**polymer-modified bitumen**"	A type of modified bituminous binder used for roads
"**refined oil products**"	Fuel products produced from processed crude oil at refineries
"**sales volume**"	Quantity of refined oil products sold in our downstream operations or from our refinery
"**throughput volume**"	Quantity of oil products going through our storage facilities or pipelines in our midstream operations

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PUMA ENERGY HOLDINGS PTE. LTD.

Report of the independent auditor

with interim consolidated financial statements at 30 September 2017 of

Puma Energy Holdings Pte Ltd, Singapore

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To the Board of Directors of

Puma Energy Holdings Pte Ltd, Singapore

Geneva, 22 December 2017

Report of the independent auditor on the interim consolidated financial statements

Introduction

We have reviewed the accompanying interim consolidated financial statements of Puma Energy Holdings Pte Ltd at 30 September 2017 which comprise the interim consolidated statement of financial position at 30 September 2017 and the related interim consolidated statements of income, consolidated comprehensive income, consolidated changes in equity and consolidated cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *''Review of Interim Financial Information Performed by the Independent Auditor of the Entity''.* A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the financial position of the entity at 30 September 2017, and of its financial performance and its cash flows for the nine-month period then ended in accordance with International Financial Reporting Standards.

Ernst & Young Ltd

Scott Duncan
Licensed audit expert
(Auditor in charge)

Didier Lequin
Licensed audit expert

Financial Statements

Consolidated statement of income

For the 9 months ended 30 September

in US$'000	Notes	2017 unaudited	2016 unaudited
Continuing operations			
Net sales	7.1/7.2/9.1	10,781,115	9,272,320
Cost of sales	25	(9,552,043)	(8,080,154)
Gross profit		**1,229,072**	**1,192,166**
Selling and operating costs	7.1/7.2/9.2	(800,617)	(777,774)
General and administrative expenses	7.1/7.2/9.3	(156,366)	(117,282)
Other operating income	9.4	3,217	402
Other operating expenses	9.4	(6,707)	(23,664)
Share of net profits in associates and joint ventures	8	3,848	4,706
Operating profit		**272,447**	**278,554**
Finance income	9.5	8,655	7,187
Finance costs	9.6	(160,757)	(173,574)
Net foreign exchange losses		(13,681)	(18,220)
Profit before tax		**106,664**	**93,947**
Income tax expense	10	(29,355)	(27,725)
Profit for the period		**77,309**	**66,222**
Attributable to:			
Owners of the parent		67,266	62,854
Non-controlling interests		10,043	3,368

Financial Statements

Consolidated statement of comprehensive income

For the 9 months ended 30 September

in US$'000	2017 unaudited	2016 unaudited
Profit for the period	**77,309**	**66,222**
Other comprehensive income / (loss)		
Exchange differences on translation of foreign operations, net of tax	53,530	(95,832)
Net other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods	**53,530**	**(95,832)**
Actuarial gains / (losses)	708	(1,855)
Net other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods	**708**	**(1,855)**
Total comprehensive income / (loss) for the period, net of tax	**131,547**	**(31,465)**
Attributable to:		
Owners of the parent	121,216	(32,372)
Non-controlling interests	10,331	907

Financial Statements

Consolidated statement of financial position

At 30 September 2017 and 31 December 2016

in US$'000	Notes	30 September 2017 unaudited	31 December 2016 audited
Assets			
Non-current assets			
Property and equipment	11	3,449,250	3,328,833
Intangible assets and goodwill	12	1,399,373	1,342,091
Investments in associates	8	46,505	94,473
Other financial assets	15	74,161	31,257
Deferred tax assets	10	106,875	100,543
Other assets	16	116,628	143,264
Total non-current assets		**5,192,792**	**5,040,461**
Current assets			
Inventories	14	868,648	745,258
Other assets	16	357,482	229,614
Income tax receivable		22,393	17,569
Trade receivables	17	667,964	528,107
Other financial assets	15	24,829	22,462
Cash and cash equivalents	18	473,994	335,656
Total current assets		**2,415,310**	**1,878,666**
Total assets		**7,608,102**	**6,919,127**
Equity and liabilities			
Equity			
Registered share capital	20	2,054,166	2,054,166
Retained earnings		679,412	629,986
Foreign currency translation reserve		(807,966)	(861,306)
Other components of equity		(1,230)	(1,840)
Equity attributable to owners of the parent		**1,924,382**	**1,821,006**
Non-controlling interests		122,987	79,389
Total equity		**2,047,369**	**1,900,395**
Non-current liabilities			
Interest-bearing loans and borrowings	21	2,612,789	2,714,904
Retirement benefit obligation		5,698	6,002
Other financial liabilities	23	35,735	41,177
Deferred tax liabilities	10	55,466	59,548
Provisions	22	54,258	51,047
Total non-current liabilities		**2,763,946**	**2,872,678**
Current liabilities			
Trade and other payables	24	1,861,220	1,631,727
Interest-bearing loans and borrowings	21	841,772	421,081
Other financial liabilities	23	43,645	39,267
Income tax payable		34,864	39,235
Provisions	22	15,286	14,744
Total current liabilities		**2,796,787**	**2,146,054**
Total liabilities		**5,560,733**	**5,018,732**
Total equity and liabilities		**7,608,102**	**6,919,127**

Financial Statements

Consolidated statement of changes in equity

At 30 September 2017 and 2016

For the 9 months ended 30 September 2017—unaudited

	Attributable to owners of the parent						
In US$'000	**Registered share capital**	**Retained earnings**	**Foreign currency translation reserve**	**Other components of equity**	**Total**	**Non-controlling interest**	**Total equity**
At 1 January 2017	**2,054,166**	**629,986**	**(861,306)**	**(1,840)**	**1,821,006**	**79,389**	**1,900,395**
Profit for the period	—	67,266	—	—	67,266	10,043	77,309
Other comprehensive income	—	—	53,340	610	53,950	288	54,238
Total comprehensive income	**—**	**67,266**	**53,340**	**610**	**121,216**	**10,331**	**131,547**
Dividends	—	(23,639)	—	—	(23,639)	(6,276)	(29,915)
Acquisition/disposal of non-controlling interests	—	2,085	—	—	2,085	—	2,085
Share-based payments	—	4,479	—	—	4,479	—	4,479
Change in consolidation method	—	—	—	—	—	39,543	39,543
Other	—	(765)	—	—	(765)	—	(765)
At 30 September 2017	**2,054,166**	**679,412**	**(807,966)**	**(1,230)**	**1,924,382**	**122,987**	**2,047,369**

For the 9 months ended 30 September 2016—unaudited

	Attributable to owners of the parent						
In US$'000	**Registered share capital**	**Retained earnings**	**Foreign currency translation reserve**	**Other components of equity**	**Total**	**Non-controlling interest**	**Total equity**
At 1 January 2016	**2,204,166**	**535,233**	**(741,616)**	**(123)**	**1,997,660**	**73,995**	**2,071,655**
Profit for the period	—	62,854	—		62,854	3,368	66,222
Other comprehensive loss	—	—	(93,465)	(1,761)	(95,226)	(2,461)	(97,687)
Total comprehensive loss	**—**	**62,854**	**(93,465)**	**(1,761)**	**(32,372)**	**907**	**(31,465)**
Reduction of share capital	(150,000)	—	—	—	(150,000)	(1,474)	(151,474)
Dividends	—	—	—	—	—	(4,269)	(4,269)
Acquisition of non-controlling interests	—	(4,261)	—		(4,261)	3,761	(500)
Puerto Rico pension plan settlement	—	1,887	—	(1,887)	—	—	—
Acquisitions of subsidiaries	—	—	—	—	—	16,684	16,684
Other	—	—	—	—	—	(364)	(364)
At 30 September 2016	**2,054,166**	**595,713**	**(835,081)**	**(3,771)**	**1,811,027**	**89,240**	**1,900,267**

Financial Statements

Consolidated statement of cash flows

For the 9 months ended 30 September

in US$'000	Notes	2017 unaudited	2016 unaudited
Profit before tax		**106,664**	**93,947**
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation and impairment of property and equipment	9.2/11	258,156	232,107
Amortisation and impairment of intangible assets	9.2/12	28,238	29,215
Tangible and intangible fixed assets written off	11/12	—	15,045
Gain on disposal of property and equipment and intangible assets		(3,234)	(401)
Net interest (income) / expenses	9.5/9.6	147,294	160,050
Dividend income	9.5	(614)	(2,482)
Share of net profit of associates	8	(3,848)	(4,705)
Provisions		(73)	(16)
Unrealised (gains) / losses on derivative financial instruments		(9,903)	89,844
Working capital adjustments			
(Increase) / decrease in trade and other receivables and prepayments		(201,339)	17,075
(Increase) / decrease in inventories		(102,433)	(115,144)
Increase / (decrease) in trade and other payables and accrued expenses		149,952	222,499
Interest received		5,269	4,705
Dividends received from associates		2,701	212
Income tax paid		(41,958)	(55,668)
Net cash flows from operating activities		**334,872**	**686,283**
Investing activities			
Net proceeds from sale of tangible and intangible assets		13,908	48,725
Net proceeds from sale of interest in subsidiary(1)	6	13,827	—
Purchase of intangible assets	12	(14,265)	(27,847)
Purchase of property and equipment	11	(276,518)	(434,621)
Cash inflow from change in ownership		31,262	—
Acquisition/sale of subsidiaries, net of cash acquired	6.3	(27,678)	(129,254)
Investments in associates		(1,962)	(5,800)
Dividends received		613	2,482
Net cash flows used in investing activities		**(260,813)**	**(546,315)**
Financing activities			
Loans (granted) / reimbursed		1,526	(3,565)
Proceeds from borrowings		266,215	198,098
Proceeds from bond issuance		—	100,000
Proceeds from equity increase/(reduction)		—	(1,403)
Interest paid		(177,605)	(178,181)
(Acquisitions)/divestment of non-controlling interests		2,085	(500)
Dividends paid		(19,564)	(4,269)
Net cash flows from financing activities		**72,657**	**110,180**
Net increase in cash and cash equivalents		**146,716**	**250,149**
Effects of exchange rate differences		(8,378)	(57,315)
Cash and cash equivalents at the beginning of the period		335,656	281,209
Cash and cash equivalents at the end of the period		**473,994**	**474,043**

(1) Relates to the disposal of a 50% stake in BP Northern Ireland, storage business, which was acquired in February 2017

1. Corporate information

Puma Energy Holdings Pte Ltd (the ''Company'') was incorporated in Singapore as a private company limited by shares on 2 May 2013. The registered office of the Company is One Marina Boulevard #28-00, 1 Marina Boulevard, Singapore 018989.

The principal business activities of the Company and its subsidiaries (the ''Group'') are the ownership and operation of storage facilities for, and the sale and distribution of, petroleum products.

The Group is ultimately owned, directly and indirectly, by Trafigura Beheer BV (49.58%), Sonangol Holdings Lda (27.92%), Cochan Limited (15.45%) and other investors (7.05%).

During 2015, three new investment vehicles (Global PE Investors PLC, PE SPV Ltd and PE ESP Ltd) entered into the share capital of Puma Energy Holdings Pte Ltd. The Group also made a US$ 500 million equity increase with its main shareholders Trafigura Beheer BV, Sonangol Holdings Lda and Cochan Holdings LLC, of which US$ 150 million remained outstanding at 31 December 2015.

In 2016, the unpaid portion of US$ 150 million has been cancelled.

2. Accounting methods

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (''IFRS'') as issued by the International Accounting Standards Board (''IASB'').

The consolidated financial statements have been prepared on a historical cost basis, except derivative financial instruments that have been measured at fair value and those inventories that qualify for fair value accounting using the IAS 2 Inventories exemption.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at 30 September 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or

2. Accounting methods (Continued)

disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interests.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

a) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed, are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively.
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a

2. Accounting methods (Continued)

business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (e.g. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

b) Foreign currency translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in effect at the closing date of each reporting period. These items are recorded, according to their nature, either as components of finance income or finance costs in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Group companies

The presentation currency of the Group is the US$. Consolidated statement of financial position items are translated into US$ at the exchange rate applicable on the date of closure of the reporting period, and consolidated statement of income items are translated using the average exchange rate over the reporting period. Foreign exchange differences arising on translation for consolidation are recognised in other comprehensive income and included in consolidated shareholders' equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

c) Non-current assets held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale

2. Accounting methods (Continued)

transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

d) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in joint operations are recorded according to IFRS 11 Joint Arrangements:

- Assets, including its share of any assets held jointly.
- Liabilities, including its share of any liabilities incurred jointly.
- Revenue from the sale of its share of the output arising from the joint operation.
- Share of the revenue from the sale of the output by the joint operation.
- Expenses, including its share of any expenses incurred jointly.

The results of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held For Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The requirements of IAS 39 Financial Instruments: Recognition and Measurement are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 Impairment of Assets to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IAS 39

2. Accounting methods (Continued)

Financial Instruments: Recognition and Measurement. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a Group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

e) Goodwill

Goodwill is measured as being the excess of the aggregate of the consideration transferred, the amount recognised for any non-controlling interest and the acquisition—date fair values of any previously held interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date.

At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units or group of cash generating units expected to benefit from the combination's synergies.

Following initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit or group of cash generating units to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of cash generating units is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period. For the impairment test, see note 2.3h.

Goodwill may also arise upon investments in associates, being the surplus of the cost of investments in associates. Goodwill is included in the carrying amount of the investment in associate and is neither amortised nor individually tested for impairment.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised according to the straight-line method for the periods corresponding to their expected useful lives. Intangible assets are mainly comprised of software licences (useful lives ranging from 3 to 5 years) and certain long term concession rights related to land usage (useful lives ranging from 33 to 99 years).

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2. Accounting methods (Continued)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

g) Property and equipment

Property and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a finance lease is also included within property and equipment.

Land and buildings are accounted for under the cost model. Hence no revaluation is carried out, in line with IAS 16 Property, Plant and Equipment.

Depreciation is provided on a straight-line basis over estimated useful lives of the respective assets, taking into account the residual value. The estimated useful lives are:

- Buildings: 33 years
- Machinery and equipment: 3 to 20 years
- Other fixed assets: 1 to 5 years

The expected useful lives of property and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

When significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

h) Impairment of non-financial assets

The Group assesses its non-financial assets at each reporting date for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable and, as a result, charges for impairment are recognised in the Group results from time to time.

Such indicators include changes in the Group's business plans, changes in commodity prices leading to sustained unprofitable performance, an increase in the discount rate, low asset utilisation, evidence of physical damage and, for petroleum related properties, significant downward or upward revisions of estimated volumes.

The assessment for impairment entails comparing the carrying value of the asset or cash-generating unit with its recoverable amounts being the higher of fair value less costs to sell

2. Accounting methods (Continued)

and value in use. A cash-generating unit is the smallest group of assets whose continued use generates cash inflows which are largely independent of cash inflows generated by other groups of assets. Value in use is usually determined on the basis of discounted estimated future net cash flows. When the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects of inflation on operating expenses, discount rates and the outlook for global or regional market supply-and-demand conditions for petroleum products. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Goodwill and intangible assets with an indefinite useful life are subject to an annual impairment test, or more frequently, if there are indications of a loss in value.

For assets, excluding goodwill and intangible assets with an indefinite life, an assessment is made at each reporting date of whether there is an impairment and if such an indication exists, an impairment test is carried out.

If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Impairment losses relating to goodwill cannot be reversed in future periods.

i) Financial assets

Financial assets are recognised initially at fair value, plus transaction costs, except in case of financial assets recorded at fair value through profit or loss. The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Usually, the difference between amortised cost and the nominal amount of receivables is not material. Gains and losses are recognised in profit or loss in finance costs when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised when the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, at which time the cumulative loss is reclassified to profit or loss in finance costs. Interest earned whilst

2. Accounting methods (Continued)

holding available-for-sale financial investments is reported as interest income using the effective interest rate method.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39 Financial Instruments: Recognition and Measurement.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in finance income or finance costs (as appropriate) in profit or loss. Financial assets designated upon initial recognition at fair value through profit or loss are designated at the initial recognition date and only if the criteria set out in IAS 39 Financial Instruments: Recognition and Measurement are satisfied. The Group has not designated any financial assets upon initial recognition at fair value through profit or loss.

Derecognition

A financial asset as defined under IAS 32 Financial Instruments: Presentation is totally derecognised (removed from the consolidated statement of financial position) when, for instance, the Group expects no further cash flow to be generated by it and transfers substantially all risks and rewards attached to it.

In the case of trade receivables, a transfer without recourse in case of payment default by the debtor is regarded as a transfer of substantially all risks and rewards of ownership, thus making such receivables eligible for derecognition under IAS 39 Financial Instruments: Recognition and Measurement, on the basis that risk of late payment is considered marginal.

Amortised cost

Amortised cost is calculated using the effective interest rate method less any reductions (direct, or in the form of a provision) for impairment or uncollectibility. The calculation takes into account any premium and discount at the time of acquisition, as well as transaction costs and fees forming an integral part of the effective interest rate.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of impairment losses on financial assets carried at amortised cost is calculated as the difference between the carrying amount of the asset and the best possible estimate of the future cash flows, discounted at the effective rate of interest of the financial instrument determined on the initial recognition of the instrument.

2. Accounting methods (Continued)

If the decrease in impairment relates to an objective event occurring after the impairment was recognised, a previously recognised impairment loss is reversed to a maximum of the amount required to carry the asset at amortised cost at the time of the reversal if no impairment had taken place. The impairment loss reversal is taken to profit or loss.

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss—measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss—is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity investments are not reversed through profit or loss. Increases in their fair value after impairments are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

The amount of impairment losses on investments in equity instruments carried at cost is calculated as the difference between the carrying amount of the financial asset and the best possible estimate of the future cash flows, discounted at the current cost of capital for a similar asset. A previously recognised impairment loss is reversed if the removal of the indication of impairment is shown objectively.

j) Financial liabilities

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39 Financial

2. Accounting methods (Continued)

Instruments: Recognition and Measurement. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss should be designated at the initial recognition date and only if the criteria set out in IAS 39 Financial Instruments: Recognition and Measurement are satisfied.

Other financial liabilities

Following initial measurement, other financial liabilities are carried at amortised cost using the effective interest rate method. This category includes loans with original maturities greater than one year. Gains or losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

Derecognition

A financial liability is derecognised when the associated obligation is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

k) Derivative financial instruments

The Group utilises derivative financial instruments (shown separately in the consolidated statement of financial position under other financial assets and other financial liabilities) to economically hedge its primary market risk exposures, primarily risks related to commodity price movements, and to a lesser extent, related to exposure to foreign currency exchange and interest rate movements. For some of these derivative transactions, the Group will enter into positions through Trafigura Pte Ltd. The Group has an agreement in place with Trafigura Pte Ltd whereby those derivative transactions entered into on behalf of the Group by Trafigura Pte Ltd are contractually binding to the Group and therefore any gains or losses arising from such transactions are strictly for the account of the Group.

Derivatives, including separated embedded derivatives, are classified as held for trading at fair values and related gains and losses are recorded in profit or loss unless they are designated as effective hedging instruments as defined by IAS 39 Financial Instruments: Recognition and Measurement. The Group does not generally apply hedge accounting as defined by IAS 39 Financial Instruments: Recognition and Measurement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

2. Accounting methods (Continued)

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include: using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis; or other valuation models.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (e.g. the underlying contracted cash flows).

Where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.

Embedded derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.

l) Inventory

Inventories, other than inventories held for trading purposes, are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and comprises direct purchase costs, costs of production, transportation and manufacturing expenses. Borrowing costs are not included in the cost of inventory.

Net realisable value of petroleum products is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition.

Any write-off is recognised when the probable realisable value is lower than the net book value.

With respect to inventories held for trading purposes, the Group accounts for them at fair value less costs to sell and any changes in value are recognised in profit or loss. Trading activities include optimisation of the Group supply cycle and the supply of petroleum products to business-to-business and wholesale clients. Further details are provided in Note 14.

m) Leases

The Group as lessee

Finance leases, which transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term.

2. Accounting methods (Continued)

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

n) Cash and short term deposits

Cash and short term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short term deposits as defined above.

o) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

p) Pensions and other post-employment benefits

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Group. Deferred bonus arrangements that have a vesting date more than 12 months after the period end are valued on an actuarial basis using the projected unit credit method and amortised on a straight-line basis over the service period until the awards vest.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method. Unvested past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested. Past service costs are recognised immediately if the benefits have already vested immediately following the introduction of, or changes to, a pension plan. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in profit or loss during the period in which the settlement or curtailment occurs.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at

2. Accounting methods (Continued)

the beginning of the year of long term market returns on plan assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year.

Actuarial gains and losses are recognised in full within other comprehensive income in the year in which they occur.

The defined benefit pension plan surplus or deficit in the consolidated statement of financial position comprises the total for each plan at the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and, in the case of quoted securities, is the published bid price.

Contributions to defined contribution schemes are recognised in profit or loss in the period in which they become payable.

q) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue is reduced for estimated customer returns, discounts and other similar allowances. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold.
- Revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2. Accounting methods (Continued)

r) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised in other comprehensive income is also recognised in other comprehensive income and not in profit or loss.

Deferred tax

Deferred tax assets and liabilities are recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date and for operating loss and tax credit carry forwards. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect on deferred tax assets and liabilities of changes in tax rates is recognised in profit or loss in the period of the enactment of the change in tax rates.

Tax exposure

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities and such changes to tax liabilities will impact tax expense in the period that such a determination is made.

2. Accounting methods (Continued)

s) Share based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in employee benefits expense, together with a corresponding increase in equity (retained earnings), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Changes in these assumptions may materially affect the consolidated financial position or performance reported in future periods. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the consolidated financial statements.

Impairment of assets

In accordance with IAS 36 Impairment of Assets, the Group performs an assessment at each reporting date to determine whether there are any indications of impairment at each reporting date. If indications of impairment exist, an impairment test is performed to assess the recoverable amount of the assets.

Goodwill impairment

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit, and a suitable discount rate, in order to calculate present value. Details of the Group's goodwill impairment assessment at 30 September 2017 and 31 December 2016 are described in Note 13.

Useful lives of intangible assets and property and equipment

Intangible assets and property and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. The useful lives are estimated by management at the time the assets are acquired and are reassessed annually, with the estimated useful lives being based on historical experience with similar assets, market conditions and future anticipated events.

The actual useful lives might be different from the estimated useful lives. The related carrying amounts at 30 September 2017 and 31 December 2016 are disclosed in Note 11 and Note 12.

3. Significant accounting judgements, estimates and assumptions (Continued)

Environmental costs

Costs associated with environmental remediation obligations are provided for when the Group has a present obligation and the provision can be reasonably estimated. Such provisions are adjusted as further information develops or circumstances change. The related carrying amounts at 30 September 2017 and 31 December 2016 are disclosed in Note 22.

Recovery of deferred tax assets

Judgement is required in determining whether deferred tax assets should be recognised in the consolidated statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred income tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, oil and natural gas prices, reserves, operating costs, decommissioning costs, capital expenditure, dividends and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows impacting the taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

Pension benefits obligation

The accounting policy applied by the Group for defined benefit pension schemes requires management to make judgements as to the nature of such benefits provided by each scheme which thereby determines the classification of each scheme. The cost of defined benefit pension plans and the present value of the pension obligation are required to be determined annually using actuarial valuations. An actuarial valuation involves making various estimates and assumptions. These include the determination of the future returns on each different type of scheme asset, the discount rate, future salary increases, employee attrition rates, mortality rates, expected remaining periods of service of employees and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Determination of fair values in business combinations

The Group has applied estimates and judgements in order to determine the fair value of assets acquired and liabilities and contingent liabilities assumed by way of a business combination.

The value of assets, liabilities and contingent liabilities recognised at the acquisition date are recognised at fair value. In determining fair value the Group has utilised valuation methodologies including discounted cash flow analysis, market value assessments or replacement value by third parties for, in particular, acquired property and equipment. The market value of property and equipment is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper

3. Significant accounting judgements, estimates and assumptions (Continued)

marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The assumptions made in performing these valuations include assumptions as to discount rates, foreign exchange rates, commodity prices, the timing of development, capital costs, and future operating costs. Any significant change in key assumptions may cause the acquisition accounting to be revised including the recognition of additional goodwill or a discount on acquisition.

4. Significant events

Acquisition of BP terminal in Northern Ireland

In February 2017, the Group completed the acquisition of a bulk storage terminal in Belfast, Northern Ireland, adding storage capacity of 143k m3.

In April 2017, the Group resold a 50% stake in the Belfast operations to Nicholls (Fuel Oils) Ltd.

Senior Credit Facility refinancing

In May 2017, the Group refinanced and extended some tranches of its Senior Credit Facility. Total liquidity available under this facility amounts to US$ 1.50 billion.

Acquisition of a 51% stake in Admore

In August 2017, the Group announced that it has entered into an agreement with the Chishti Group to acquire a 51% interest in Admore Gas Pvt Ltd (Admore). This acquisition, adding another 470 retail sites to the Group's network, was completed in November 2017.

Acquisition of Tropifuel in Panama

In July 2017, the Group signed an agreement to acquire 100% of the share capital in Tropifuel Energies Corp, a Panamanian fuel distributor. This acquisition adds 18 retail sites to the Group's network.

New 5-year facility

In September 2017, the Group has successfully closed a US$350 million term loan facility. The proceeds of the facility have been used to repay existing debt and continue to extend the current maturity profile of the Group.

5. Changes in accounting standards

New and amended standards and interpretations

The Group adopted the following new or amended standards and interpretations which were effective for annual periods beginning on or after 1 January 2017:

- Annual Improvements 2014-2016 Cycle (effective for annual periods beginning on or after 1 January 2017).
- Amendments to IAS 7 Disclosure (effective for annual periods beginning on or after 1 January 2017).
- Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (effective for annual periods beginning on or after 1 January 2017).

The adoption of these new or amended standards and interpretations did not have a material impact on the interim consolidated financial position or performance of the Group.

5. Changes in accounting standards (Continued)

Standards issued but not yet effective

The standards and interpretations that have been issued or amended, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt the following standards, interpretations and amendments when they become effective, to the extent they are relevant to the Group.

- IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2018).
- IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018).
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2018).
- IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration (effective for annual periods beginning on or after 1 January 2018).
- Amendments to IAS 40 Transfers of Investment Property (effective for annual periods beginning on or after 1 January 2018).
- IFRS 16 Leases (effective for annual periods beginning on or after 1 January 2019).
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (effective date to be determined by the IASB).

With the exception of IFRS 16 Leases, for which the impact is still being assessed, the adoption of these issued or amended standards and interpretations is not expected to have a material impact on the consolidated financial position or performance of the Group.

6. Business combinations and acquisition of non-controlling interests

6.1 Subsidiaries acquired

The following table summarises those subsidiaries acquired during the nine months ended 30 September 2017.

Subsidiaries acquired	Principal activity	Date of acquisition	Proportion of voting equity interests acquired
			%
BP Northern Ireland, storage business	Fuel storage	1 February 2017	100%
Tropifuels Panama	Fuel marketing and distribution	24 July 2017	100%

In May 2017, the Group resold a 50% stake in the Belfast operations to Nicholls (Fuel Oils) Ltd.

The following table summarises those subsidiaries acquired during the nine months ended 30 September 2016.

Subsidiaries acquired	Principal activity	Date of acquisition	Proportion of voting equity interests acquired
			%
Kili Oil Tanzania	Fuel marketing and distribution	1 January 2016	100%
Wabeco Nigeria	Bitumen storage and supply	19 January 2016	60%
Grace Petroleum	Fuel marketing and distribution	4 April 2016	100%

6. Business combinations and acquisition of non-controlling interests (Continued)

6.2 Assets acquired and liabilities recognised at date of transaction

The provisional fair value of the identifiable assets and liabilities of the entities acquired during the nine months ended 30 September 2017, at the date of acquisition, were:

in US$'000	Downstream segment(1)	Total
Current assets		
Cash and cash equivalents	711	711
Other current assets	35	35
Non-current assets		
Property and equipment (Note 11)	27,904	27,904
Intangible assets (Note 12)	3,921	3,921
Current liabilities		
Trade and other payables	(662)	(662)
Interest-bearing loans and borrowings	(8,356)	(8,356)
Total identifiable net assets acquired at fair value	**23,553**	**23,553**
Non-controlling interests measured at the proportionate share of the acquiree's identifiable net assets	—	—
Net assets acquired	**23,553**	**23,553**
Goodwill arising on acquisition	7,385	7,385
Purchase consideration	**30,938**	**30,938**

(1) Includes the acquisitions of the storage business of BP in Northern Ireland and Tropifuels in Panama

The provisional fair value of the identifiable assets and liabilities of the entities acquired during the nine months ended 30 September 2016, at the date of acquisition, were:

in US$'000	Downstream segment(2)	Total
Non-current assets		
Property and equipment (Note 11)	43,011	43,011
Intangible assets	4,844	4,844
Total identifiable net assets acquired at fair value	**47,855**	**47,855**
Non-controlling interests measured at the proportionate share of the acquiree's identifiable net assets	(16,684)	(16,684)
Net assets acquired	**31,171**	**31,171**
Goodwill arising on acquisition	6,355	6,355
Purchase consideration	**37,526**	**37,526**

(2) Includes the acquisition of Wabeco bitumen assets in Nigeria, Grace Petroleum in Ghana and Kili Oil in Tanzania

The goodwill recognised is primarily attributable to the expected revenue growth, synergies, and optimised supply across the respective markets. None of the goodwill recognised is expected to be deductible for tax purposes.

Transaction costs connected to this acquisition have been expensed as incurred through profit or loss.

6. Business combinations and acquisition of non-controlling interests (Continued)

6.3 Cash flow on acquisitions

The cash flow on acquisitions made during the nine months ended 30 September 2017 is summarised below:

in US$'000	Downstream segment[(1)]	Total
Cash flow on acquisition		
Purchase consideration	(30,938)	(30,938)
Cash and cash equivalent acquired	711	711
Prepayment made in 2016	2,549	2,549
Net cash outflow	**(27,678)**	**(27,678)**

(1) Includes the acquisition of the storage business of BP in Northern Ireland

The cash flow on acquisitions made during the nine months ended 30 September 2016 is summarised below:

in US$'000	Downstream segment[(2)]	Total
Cash flow on acquisition		
Purchase consideration	(37,526)	(37,526)
Deferred payment	427	427
Repayment of vendor loan	(92,155)	(92,155)
Net cash outflow	**(129,254)**	**(129,254)**

(2) Includes the acquisition of Wabeco bitumen assets in Nigeria, Grace Petroleum in Ghana, and the repayment of the vendor loan for the bitumen business acquired in 2014.

6.4 Proforma impact of acquisitions on the results of the Group

From the date of acquisition, the contribution of business acquired during the first 9 months of 2017, was US$ 1.1 million to sales and US$ (0.6) million to operating profit.

From the date of acquisition, the contribution of business acquired during the first 9 months of 2016, was US$ 145.8 million to sales and US$ (220)k to operating profit (net of acquisition costs).

6.5 Changes in non-controlling interests

During 2017, the Group assessed that it effectively held control over National Energy and Puma Aviation Services Co Ltd in Myanmar, and started to consolidate this subsidiary. The fair value of the identifiable assets and liabilities at the date of consolidation were:

in US$'000	Downstream segment	Total
Current assets		
Cash and cash equivalents	31,262	31,262
Other current assets	6,548	6,548
Non-current assets		
Property and equipment (Note 11)	50,471	50,471
Current liabilities		
Trade and other payables	(13,821)	(13,821)
Total identifiable net assets at fair value	**74,460**	**74,460**
Changes in non-controlling interests	(39,012)	(39,012)
Restatement of investment in associates (Note 8)	**(35,448)**	**(35,448)**

6. Business combinations and acquisition of non-controlling interests (Continued)

From the date of consolidation, the contribution of this business, was US$ 100.5 million to sales and US$ 13.8 million to operating profit.

The Group also received a refund of US$ 2.1 million related to the repurchase of a non-controlling interest made in 2016.

in US$'000	Total
Change in retained earnings from non-controlling interest purchase	2,085
Purchase consideration	**(2,085)**

During the first 9 months of 2016, the Group made a payment of US$ 500k, related to the sale of a 20% stake in Puma Energy Botswana, to the Botswana Public Officers Pension Fund:

in US$'000	Total
Change in retained earnings from non-controlling interest purchase	(500)
Purchase consideration	**500**

7. Segment and geographic information

7.1 Segment information

For management purposes, the Group is organised into business units based on products and services and has two reportable segments:

- Midstream business activities that include refining and storage of oil and gas products internationally.
- Downstream business activities that include distribution, wholesale and retail sales of refined products.

The Group Executive Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. Transfer prices between operating segments are based on terms determined by the Group's management.

7. Segment and geographic information (Continued)

For the 9 months ended 30 September 2017

in US$'000	Downstream	Midstream	Consolidated
Net sales	10,432,750	348,365	10,781,115
Gross profit	**1,067,432**	**161,640**	**1,229,072**
Selling and operating costs	(701,359)	(99,258)	(800,617)
General and administrative expenses	(145,732)	(10,634)	(156,366)
Other operating income / (expense), net	(5,339)	1,849	(3,490)
Share of net profit / (loss) in associates and joint ventures	1,886	1,962	3,848
Operating profit	**216,888**	**55,559**	**272,447**
Finance income			8,655
Finance costs			(160,757)
Net foreign exchange gains / (losses)			(13,681)
Profit before tax			**106,664**
At 30 September 2017			
Total non-current assets (excluding financial, deferred tax and other assets)	4,165,285	729,843	4,895,128
Total current assets	2,141,556	273,754	2,415,310
Total current liabilities	2,632,442	164,345	2,796,787

For the 9 months ended 30 September 2016

in US$'000	Downstream	Midstream	Consolidated
Net sales	8,880,982	391,338	9,272,320
Gross profit	**1,023,430**	**168,736**	**1,192,166**
Selling and operating costs[(i)]	(668,793)	(108,981)	(777,774)
General and administrative expenses	(107,271)	(10,011)	(117,282)
Other operating income / (expense), net	(13,661)	(9,601)	(23,262)
Share of net profit / (loss) in associates and joint ventures	3,123	1,583	4,706
Operating profit	**236,828**	**41,726**	**278,554**
Finance income			7,187
Finance costs			(173,574)
Net foreign exchange gains / (losses)			(18,220)
Profit before tax			**93,947**
At 31 December 2016			
Total non-current assets (excluding financial, deferred tax and other assets)	4,015,347	750,050	4,765,397
Total current assets (including assets classified as held for sale)	1,676,969	201,697	1,878,666
Total current liabilities	1,999,681	146,373	2,146,054

(i) Selling and operating costs include an impairment charge of US$ 1.3 million, entirely attributable to the midstream segment.

Selling and operating costs, as well as general and administrative expenses that are not specifically linked to a segment operating entity are allocated on a pro-rata basis according to the relative weighting of gross profit for each segment.

Other income / (expenses) include finance income / (costs), net foreign exchange gains / (losses), net share of profit / (loss) in associates and income tax expenses that are not allocated, as they do

7. Segment and geographic information (Continued)

not relate to a specific segment and are managed on a Group basis. These accounts do not form part of the review of the operating segment performance done by management.

7.2 Geographic information

The Group is organised in four main regions in terms of management:

- Americas (mainly composed of Latin America and Caribe)
- Asia Pacific (including Australia and Papua New Guinea)
- Africa
- Europe (including Russia)

in '000 m^3 Unreviewed	9 months ended 30 September 2017 Downstream	2017 Midstream	2016 Downstream	2016 Midstream
Throughput volumes (midstream)				
Americas	—	370	—	340
Asia Pacific	—	3,885	—	3,715
Africa	—	3,056	—	6,725
Europe	—	5,099	—	4,511
Total	**—**	**12,410**	**—**	**15,291**
Sales volumes (downstream)				
Americas	6,488	—	6,917	—
Asia Pacific	3,182	668	2,529	844
Africa	4,787	—	4,826	—
Europe	1,598	—	1,427	—
Total	**16,055**	**668**	**15,699**	**844**

For the 9 months ended 30 September 2017

In US$'000	Americas	Asia Pacific	Africa	Europe	Consolidated
Net sales	3,371,581	2,568,507	3,422,432	1,418,595	10,781,115
Gross profit	**406,811**	**326,655**	**429,048**	**66,558**	**1,229,072**
Selling and operating costs	(219,693)	(266,374)	(253,613)	(60,937)	(800,617)
General and administrative expenses	(33,176)	(41,229)	(74,883)	(7,078)	(156,366)
Other operating income / (expense), net	3,495	1,834	(10,317)	1,498	(3,490)
Share of net profit / (loss) in associates and joint ventures	1,106	3,243	371	(872)	3,848
Operating profit	**158,543**	**24,129**	**90,606**	**(831)**	**272,447**
At 30 September 2017					
Total non-current assets (excluding financial, deferred tax and other assets)	1,761,555	1,798,720	1,045,451	289,402	4,895,128

7. Segment and geographic information (Continued)

For the 9 months ended 30 September 2016

in US$'000	Americas	Asia Pacific	Africa	Europe	Consolidated
Net sales	2,990,199	1,941,051	3,108,086	1,232,984	9,272,320
Gross profit	**351,698**	**270,714**	**500,957**	**68,797**	**1,192,166**
Selling and operating costs	(206,252)	(240,577)	(267,756)	(63,189)	(777,774)
General and administrative expenses	(31,560)	(27,522)	(50,782)	(7,418)	(117,282)
Other operating income / (expense), net	10	6,640	(30,286)	374	(23,262)
Share of net profit / (loss) in associates and joint ventures	519	5,184	(997)	—	4,706
Operating profit	**114,415**	**14,439**	**151,136**	**(1,436)**	**278,554**
At 31 December 2016					
Total non-current assets (excluding financial, deferred tax and other assets)	1,050,567	1,725,844	1,707,810	281,176	4,765,397

Selling and operating costs, as well as general and administrative expenses that are not specifically linked to an operating region are allocated on a pro-rata basis according to the relative weighting of gross profit for each region.

The Group has no material commercial operations and no material non-current assets in its country of incorporation, Singapore.

8. Investments in associates

The following table summarises the Group investments in associates for the 9 months ended 30 September 2017 and the year ended 31 December 2016. None of the entities included below are listed on any public exchange.

8.1 List of investments

			Proportion of voting interests held at	
Associate name	Activity	Location	30 September 2017	31 December 2016
Empresa Cubana de Gas	Fuel marketing	Caribbean	50%	50%
Puma Energy Belfast Ltd	Storage	United Kingdom	50%	—
Emoil Petroleum Storage FZCO	Storage	United Arab Emirates	20%	20%
Langsat Terminal (One) Sdn Bhd	Storage	Malaysia	20%	20%
Langsat Terminal (Two) Sdn Bhd	Storage	Malaysia	20%	20%
National Energy and Puma Aviation Services Co Ltd	Aviation	Myanmar	—	49%
Oil Malal SA	Storage	Chile	33%	33%
Sakunda Petroleum (Pvt) Ltd	Fuel marketing	Zimbabwe	49%	49%
Fuel Distributors of Western Australia Pty Ltd	Fuel supply and cartage	Australia	50%	50%
Phoenix Petroleum Pty Ltd	Fuel supply and cartage	Australia	50%	50%
Phoenix Petroleum Unit Trust	Fuel supply and cartage	Australia	50%	50%
APN Retail Property Fund	Retail property fund	Australia	8%	29%

During 2017, the Group assessed that it effectively held control over National Energy and Puma Aviation Services Co Ltd, and started to consolidate this subsidiary (see also Note 6.5).

8. Investments in associates (Continued)

In July 2017, the APN Retail Property Fund was listed on the Australia Stock Exchange, and Puma Energy's investment was diluted to 8.4% and has been reclassified to investments (see Note 15. Other financial assets).

8.2 Associates summarised financial information

in US$'000	At 30 September 2017	At 31 December 2016
Associates' assets and liabilities:		
Current assets	101,707	159,645
Non-current assets	194,277	274,345
Current liabilities	(58,555)	(70,378)
Non-current liabilities	(107,736)	(119,126)
Equity	**129,693**	**244,486**
Carrying amount of the investments	**46,505**	**94,473**

in US$'000	9 months ended 30 September 2017	9 months ended 30 September 2016
Associates' revenues and net profits/(losses) (all from continuing operations):		
Revenues	216,297	231,900
Profits/(losses), net of tax	11,161	20,697
Group's share of net profits/(losses) of associates	**3,848**	**4,706**

9. Consolidated statement of income

9.1 Net sales

	9 months ended 30 September	
in US$'000	2017	2016
Net sales of goods	10,415,927	8,893,361
Rendering of services	365,188	378,959
Total net sales	**10,781,115**	**9,272,320**

Sales of goods are net of any sales taxes, value-added taxes, petroleum taxes and discounts.

9.2 Selling and operating costs

	9 months ended 30 September	
in US$'000	2017	2016
Employee benefit expenses	(141,585)	(132,658)
Operating expenses	(372,638)	(383,794)
Depreciation (Note 11)	(257,238)	(230,775)
Amortisation (Note 12)	(28,238)	(29,215)
Impairment (Note 11)	(918)	(1,332)
Total selling and operating costs	**(800,617)**	**(777,774)**

9. Consolidated statement of income (Continued)

9.3 General and administrative expenses

in US$'000	9 months ended 30 September 2017	9 months ended 30 September 2016
Employee benefit expenses	(91,429)	(84,530)
Operating expenses	(64,937)	(32,752)
Total general and administrative expenses	**(156,366)**	**(117,282)**

9.4 Other operating income / expenses

in US$'000	9 months ended 30 September 2017	9 months ended 30 September 2016
Operating gains on disposal of assets and investments	3,217	402
Total other operating income	**3,217**	**402**

in US$'000	9 months ended 30 September 2017	9 months ended 30 September 2016
Provision for doubtful accounts	(1,664)	(3,199)
Other provisions	(1,504)	(955)
Foreign exchange losses on operations	(4,929)	(3,191)
Other non-operating expenses	1,390	(16,319)
Total other operating expenses	**(6,707)**	**(23,664)**

9.5 Finance income

in US$'000	9 months ended 30 September 2017	9 months ended 30 September 2016
Interest income on other loans and finance lease receivables	5,269	4,705
Dividend income	614	2,482
Net gain on financial instruments carried at fair value through profit or loss	2,772	—
Total finance income	**8,655**	**7,187**

9.6 Finance costs

in US$'000	9 months ended 30 September 2017	9 months ended 30 September 2016
Interest on loans and borrowings from third parties	(151,549)	(150,275)
Interest on loans and borrowings from related parties	(1,014)	(14,479)
Unwinding of discount	(1,262)	(932)
Foreign exchange hedging costs	(6,932)	(7,501)
Net loss on financial instruments carried at fair value through profit or loss	—	(387)
Total finance costs	**(160,757)**	**(173,574)**

10. Income tax

10.1 Current income tax expense

The income tax charge for the 9 months ended 30 September 2017 amounted to US$ 29.4 million (9 months ended 30 September 2016: US$ 27.7 million) for a total effective tax rate of 27.5% (9 months ended 30 September 2016: 29.5%).

	9 months ended 30 September	
in US$'000	**2017**	**2016**
Current income tax		
Current income tax charge	(35,266)	(35,365)
Adjustments in respect of current income tax of previous year	1,997	(1,245)
	(33,269)	**(36,610)**
Deferred tax		
Relating to origination and reversal of temporary differences	7,576	17,962
	7,576	**17,962**
Withholding tax		
Applicable in the current period	(3,662)	(9,077)
	(3,662)	**(9,077)**
Income tax expense reported in the consolidated statement of income	**(29,355)**	**(27,725)**

10.2 Reconciliation of accounting profit to income tax expense

The Group's effective tax rate differs from the Company's statutory income tax rate in Singapore, which was 17% in 2017 (2016: 17%) due to the Group operating in several jurisdictions. The reconciliation between tax expense and the product of accounting profit multiplied by the Company's statutory blended income tax rate of jurisdictions the Group operates in for the

10. Income tax (Continued)

9 months ended 30 September 2017 and for the 9 months ended 30 September 2016 was as follows:

in US$'000	9 months ended 30 September 2017	2016
Accounting profit before income tax	**106,664**	**93,947**
Share of net profit / (loss) in associates	(3,848)	(4,706)
Accounting profit before income tax net of share of net profit / (loss) in associates	**102,816**	**89,242**
Income tax expense at statutory blended tax rate of 23.82% (2016: 31.02%)	(24,489)	(27,682)
Non-deductible expenses	(29,963)	(54,396)
Other non-taxable income	7,752	3,854
Capital gains or losses	18	237
Income exempt or subject to specific tax holidays(i)	22,156	56,479
Other permanent differences	3,251	2,673
Adjustment for countries not based on net taxable income	4,853	(2,448)
Adjustments recognised in the current period in relation to current income tax of previous years	1,997	(1,245)
Adjustments recognised in the current period in relation to deferred income tax of previous years	941	(4,866)
Impact of rate differences	—	160
Effect of unrecognised and unused tax losses not recognised as deferred tax assets	(9,660)	11,607
Withholding tax	(3,662)	(9,077)
Minimum tax and surtax	(3,201)	(1,415)
Rate difference impacts	(11)	(72)
Other	663	(1,534)
At the effective income tax rate of 27.52% (2016: 29.51%)	**(29,355)**	**(27,725)**
Accounting profit before tax	**106,664**	**93,947**

(i) Income exempt or subject to specific tax holidays'' is mainly the result of tax specific incentives granted by certain national authorities to the Group given certain investments made by the Group which resulted in the development of local infrastructure.

10.3 Current tax assets and liabilities

Current income taxes are computed on the profit before tax presented in the consolidated statement of income adjusted to taxable profit in accordance with local tax legislation. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities.

Current tax assets relate to overpaid income tax. Current tax liabilities relate to income tax payable.

10. Income tax (Continued)

10.4 Deferred tax relates to the following:

in US$'000	Consolidated statement of financial position		Consolidated statement of income 9 months ended 30 September	
	At 30 September 2017	At 31 December 2016	2017	2016
Accelerated depreciation for tax purposes	(23,359)	(20,924)	(452)	3,789
Revaluations	(40,033)	(43,846)	(2,458)	(905)
Losses	148,494	134,464	(10,662)	(18,745)
Other temporary differences	(33,693)	(28,699)	5,996	(2,101)
Deferred tax expense / (income)			**(7,576)**	**(17,962)**
Deferred tax liability, net	**51,409**	**40,995**		
Reflected in the consolidated balance sheet as follows:				
Deferred tax assets	106,875	100,543		
Deferred tax liabilities	(55,466)	(59,548)		
Deferred tax liability, net	**51,409**	**40,995**		

Reconciliation of net deferred tax assets / (liabilities)

in US$'000	At 30 September 2017	At 31 December 2016
Opening balance as of 1 January	40,995	10,427
Tax income / (expense) recognised in profit or loss during the period	7,576	33,348
Change in tax rate recognised in profit or loss during the period	—	198
Transfers	2,838	(2,979)
Other movements during the period	—	1
Closing balance	**51,409**	**40,995**

At 30 September 2017, the Group had unrecognised tax loss carry forwards amounting to US$ 148.0 million (31 December 2016: US$ 140.0 million). These losses relate to subsidiaries that have had historical losses, which mainly do not expire or have an expiry date of more than 3 years. These losses may not be used to offset taxable income elsewhere in the Group and where the subsidiaries have no taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets.

At 30 September 2017, the Group had unrecognised other temporary differences amounting to US$ 0.8 million (31 December 2016: US$ 1.0 million). These temporary differences have no expiry date.

If the Group was able to recognise all unrecognised deferred tax assets, profit would increase by US$ 37.5 million (31 December 2016: US$ 34.7 million).

As the policy of the Group is not to distribute dividends there is no recognised deferred tax liability related to undistributed and distributed profits of its subsidiaries.

10.5 Tax uncertainties

The Group operates in numerous jurisdictions worldwide resulting in cross-border intercompany transactions whereby the transfer pricing rules applied in one country have an impact on the results in another country. In order to reduce transfer pricing uncertainties, transfer pricing studies are performed and reports are prepared to fulfil local transfer pricing requirements. Due to complexity of

10. Income tax (Continued)

tax rules, interpretation by local taxing authorities can differ from the Group's interpretation based on opinions provided by local tax counsel.

In countries where the Group starts new operations or alters business models, the issue of having a permanent establishment and profit allocation thereto may arise. The risk is that taxing authorities in multiple jurisdictions claim taxation rights over the same profit.

11. Property and equipment

in US$'000	Land and buildings	Machinery and equipment	Motor vehicles	Office and IT equipment	Fixed assets in progress	Total
Cost or valuation						
At 1 January 2016—audited	1,135,092	2,448,752	192,707	79,503	443,516	4,299,570
Additions	28,460	123,362	18,182	14,695	375,894	560,593
Disposals	(5,317)	(87,913)	(56,223)	(11,682)	(584)	(161,719)
Acquisitions of subsidiaries	11,513	1,050	619	—	10,940	24,122
Write-off	(453)	(3,070)	(539)	(192)	(13,297)	(17,551)
Reclassifications	81,721	245,553	5,977	5,542	(363,330)	(24,537)
Exchange adjustment	(63,546)	(103,406)	(3,789)	(2,051)	(21,227)	(194,019)
Other movements	(1,164)	—	—	—	—	(1,164)
At 31 December 2016—audited	**1,186,306**	**2,624,328**	**156,934**	**85,815**	**431,912**	**4,485,295**
Additions	34,122	136,897	6,761	4,089	94,649	276,518
Sale of interest in subsidiary[(i)]	(450)	(17,407)	1	(2,031)	(6)	(19,893)
Disposals	(7,043)	(7,989)	(7,034)	(875)	(8)	(22,949)
Acquisition of subsidiary (Note 6)[(i)]	3,518	20,734	695	2,025	932	27,904
Write-off	(44)	(1,398)	(44)	(1,793)	—	(3,279)
Reclassifications	21,927	272,479	2,004	2,390	(306,428)	(7,628)
Exchange adjustments	14,367	57,236	6,980	2,700	1,664	82,947
Change in consolidation method[(ii)]	5,477	39,184	5,563	162	12,950	63,336
At 30 September 2017—unaudited	**1,258,180**	**3,124,064**	**171,860**	**92,482**	**235,665**	**4,882,251**

11. Property and equipment (Continued)

in US$'000	Land and buildings	Machinery and equipment	Motor vehicles	Office and IT equipment	Fixed assets in progress	Total
Depreciation and impairment						
At 1 January 2016—audited	(227,755)	(708,511)	(42,751)	(37,846)	—	(1,016,863)
Depreciation	(60,215)	(205,345)	(23,080)	(15,917)	—	(304,557)
Disposals	5,198	86,720	9,868	10,835	—	112,621
Impairment	(8)	(2,002)	—	—	—	(2,010)
Write-off	312	625	256	166	—	1,359
Exchange adjustment	20,156	29,887	1,340	828	—	52,211
Other movements	(3,332)	2,693	349	1,067	—	777
At 31 December 2016—audited	**(265,644)**	**(795,933)**	**(54,018)**	**(40,867)**	**—**	**(1,156,462)**
Depreciation (Note 9.2)	(53,316)	(174,512)	(17,258)	(12,152)	—	(257,238)
Sale of interest in subsidiary	(4)	262	—	234	—	492
Disposals	428	4,322	4,895	705	—	10,350
Impairment (Note 9.2)	(129)	(775)	(12)	(2)	—	(918)
Write-off	44	1,398	44	1,793	—	3,279
Exchange adjustment	(3,266)	(14,171)	(2,629)	(787)	—	(20,853)
Change in consolidation method(ii)	(388)	(12,100)	(440)	63	—	(12,865)
Other movements	22	815	89	288	—	1,214
At 30 September 2017—unaudited	**(322,253)**	**(990,694)**	**(69,329)**	**(50,725)**	**—**	**(1,433,001)**
At 30 September 2017	935,927	2,133,370	102,531	41,757	235,665	3,449,250
At 31 December 2016	920,662	1,828,395	102,916	44,948	431,912	3,328,833
At 1 January 2016	907,337	1,740,241	149,956	41,657	443,516	3,282,707

(i) Relates to the acquisition of BP's storage assets in Northern Ireland and the subsequent disposal of a 50% stake.

(ii) Relates to the consolidation of National Energy and Puma Aviation Services Co Ltd in Myanmar.

Certain items included in property and equipment, for a total amount of US$ 56.3 million, are pledged as collateral for third party loans granted to certain of the Group's affiliates.

The Group does not hold any property for investment purposes.

Exchange rate adjustments reflect the translation effects from movements in foreign currencies against the US$. All property, plant and equipment is valued at historic cost, and no revaluations are made, in line with Group policy.

12. Intangible assets and goodwill

in US$'000	Goodwill	Licences	Other intangibles	Total
Cost or valuation				
At 1 January 2016—audited	956,009	61,387	386,579	1,403,975
Acquisitions of subsidiaries	24,234	—	10,873	35,107
Additions	—	22,442	15,375	37,817
Disposals	(389)	(4,636)	(1,505)	(6,530)
Exchange adjustment	5,449	(827)	(19,273)	(14,651)
Reclassification	(3)	(3,999)	28,539	24,537
Write-off	—	—	(5,002)	(5,002)
Other movements	861	—	(1,306)	(445)
At 31 December 2016—audited	**986,161**	**74,367**	**414,280**	**1,474,808**
Acquisitions of subsidiaries[(i)]	7,385	—	3,921	11,306
Additions	—	9,791	4,474	14,265
Sale of interest in subsidiary[(i)]	—	—	(3,999)	(3,999)
Disposals	—	(64)	—	(64)
Exchange adjustments	48,348	1,966	10,222	60,536
Reclassification	—	330	7,298	7,628
Other movements	—	124	(1,765)	(1,641)
At 30 September 2017—unaudited	**1,041,894**	**86,514**	**434,431**	**1,562,839**
Amortisation				
At 1 January 2016—audited	(15,954)	(32,370)	(50,691)	(99,015)
Amortisation	—	(13,018)	(27,220)	(40,238)
Impairment	—	(215)	—	(215)
Disposals	—	4,625	1,212	5,837
Exchange adjustment	—	303	513	816
Other movements	—	5	93	98
At 31 December 2016—audited	**(15,954)**	**(40,670)**	**(76,093)**	**(132,717)**
Amortisation (Note 9.2)	—	(7,615)	(20,623)	(28,238)
Disposals	—	64	—	64
Exchange adjustment	—	(634)	(3,592)	(4,226)
Other movement	—	(23)	1,674	1,651
At 30 September 2017—unaudited	**(15,954)**	**(48,878)**	**(98,634)**	**(163,466)**
At 30 September 2017	1,025,940	37,636	335,797	1,399,373
At 31 December 2016	970,207	33,697	338,187	1,342,091
At 1 January 2016	940,055	29,017	335,888	1,304,960

(i) Relates to the acquisition of BP's storage assets in Northern Ireland and the subsequent disposal of a 50% stake.

13. Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill acquired through business combinations and intangible assets with indefinite lives have been allocated to two cash-generating units, which are also operating and reportable segments, for impairment testing as follows:

- Midstream cash-generating unit.
- Downstream cash-generating unit.

13. Impairment testing of goodwill and intangible assets with indefinite lives (Continued)

An impairment test was carried out per 30 September 2017. The carrying amount of goodwill (other than goodwill relating to discontinued operations) was allocated to cash-generating units as follows:

in US$'000	At 30 September 2017	At 31 December 2016
Midstream unit	41,500	41,438
Downstream unit	984,440	928,769
Total carrying amount of goodwill	**1,025,940**	**970,207**

Midstream cash generating unit:

The midstream cash generating unit relates to entities with refining and storage facilities. The recoverable amounts of the net assets tested under this cash-generating unit have been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period, and an average pre-tax discount rate of 7.52% per annum (2016: 7.83% per annum).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a continuous 1.0% per annum growth rate (2016: 1.0%).

Downstream cash generating unit:

The downstream cash generating unit pertains to entities that include distribution of refined oil and gas products. The recoverable amount of the net assets tested under this cash-generating unit have been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period, and an average pre-tax discount rate of 6.96% per annum (2016: 7.27% per annum).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 2.0% per annum growth rate (2016: 2.0%).

13.1 Key assumptions used in value in use calculations

Gross profits—Gross profits are based on average values achieved in the three years preceding the start of the budget period, adjusted for any new investments or change in market dynamics. These are volume-driven and are increased over the budget period according to the expected gross domestic product growth and applicable local petroleum regulations of each country where the units operates.

Discount rates—Discount rates represent the current market assessment of the risks specific to each cash generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital. The weighted average cost of capital takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on its interest bearing loans and borrowings which the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on management's knowledge of the particular markets in which it operates.

Petroleum product prices—Forecasted commodity prices are publicly available.

13. Impairment testing of goodwill and intangible assets with indefinite lives (Continued)

Market share assumptions—These assumptions are important because, as well as using industry data for growth rates (as noted below), management assesses how the unit's position, relative to its competitors, might change over the budget period. Management expects the Group's share of the petroleum product market to be stable over the budget period.

Growth rate estimates—Rates are based on management's estimates.

13.2 Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the midstream and downstream units, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

A 1 percentage point increase in the discount rate or a 1 percentage point fall in the growth rate would not result in a recoverable amount below net book value.

14. Inventories

in US$'000	At 30 September 2017	At 31 December 2016
Petroleum inventories at fair value[i]	213,044	219,479
Petroleum inventories at lower of cost and net realizable value, net	639,330	511,916
Merchandise inventories	16,274	13,863
Total inventories, net[ii]	**868,648**	**745,258**

(i) Inventories held for trading purposes are stated at fair value less costs to sell and any changes in net fair value are recognised in profit or loss. Certain of the Group's subsidiaries engage in commodity trading activities for which the exemption stipulated in *IAS 2—Inventories for commodity broker-traders* applies. Trading activities undertaken include optimisation of the Group's supply cycle and the supply of petroleum products to business-to-business and wholesale clients.

(ii) Bank loans are secured by mortgages over certain of the Group's inventories. The total value of the pledged inventories at 30 September 2017 was US$ 161 million (31 December 2016: US$ 169 million).

The costs of inventories in costs of sales for the first nine months of 2017 amounted to US$ 9,287.7 million (first nine months of 2016: US$ 7,867 million).

15. Other financial assets

in US$'000	At 30 September 2017	At 31 December 2016
Financial assets carried at fair value through profit or loss[i]	20,218	5,974
Finance lease receivable[ii]	4,169	4,569
Loans receivables[iii]	48,535	33,225
Investments	26,068	9,951
Total financial assets	**98,990**	**53,719**
Of which due from related parties (Note 25)	2,835	9,322
Current	24,829	22,462
Non-current	74,161	31,257
	98,990	**53,719**

(i) All held for trading derivatives are swaps and commodity futures with maturities of less than one year.

(ii) Relating to a finance lease contracts for petroleum storage equipment.

(iii) The Group makes a limited number of loans to third and related parties. None of these loans were past due and management believes there are no circumstances which would warrant impairing these loans.

16. Other assets

in US$'000	At 30 September 2017	At 31 December 2016
Prepayments, deposits and guarantees[(i)]	196,089	159,168
Tax receivables[(ii)]	184,597	170,245
Other receivables	93,424	43,465
Total other receivables and other assets	**474,110**	**372,878**
Of which due from related parties (Note 25)	37,983	5,063
Current	357,482	229,614
Non-current	116,628	143,264
	474,110	**372,878**

(i) Prepayments, deposits and guarantees mainly include payments made for the purchase of equipment and construction materials, capital expenditure prepayments, a deposit made for deferred payments on the Neumann Australia acquisition, as well as other guarantees and deposits.

(ii) Other tax receivables include non-income tax related items such as VAT and petroleum tax receivables.

17. Trade receivables

Trade receivables include the short term portion of trade accounts receivable and related accounts. The portion due in more than one year of the aforementioned accounts is included in other financial assets.

in US$'000	At 30 September 2017	At 31 December 2016
Trade receivables	**667,964**	**528,107**
Of which due from related parties (Note 25)	211,355	131,365

Trade receivables are non-interest bearing and are generally on cash to 30 day terms. At period-end Group days of sales outstanding amounted to 12.4 days (2016: 12.3 days).

The most significant allowance for doubtful debts on an individual trade receivable amounted to US$ 3.2 million (31 December 2016: US$ 3.2 million), fully recognised in 2016. The impairment recognised represents the difference between the carrying amount of the trade receivables and the present value of the expected proceeds. The Group does not hold any collateral over these balances.

As illustrated below, there were no significant movements in the provision for impairment of receivables (see credit risk disclosure in Note 27.3 for further guidance).

Movement in the allowance for doubtful debts

in US$'000	At 30 September 2017	At 31 December 2016
Balance at beginning of the period	(14,805)	(16,414)
Impairment losses recognised on receivables	(2,095)	(7,351)
Amounts written off during the period as uncollectible	1,698	6,016
Amounts recovered during the period	396	3,085
Foreign exchange translation gains and losses	(341)	(141)
Balance at end of period	**(15,147)**	**(14,805)**

17. Trade receivables (Continued)

The ageing analysis of receivables was as follows:

in US$'000	Total	Neither past due nor impaired	Past due but not impaired		
			<30 days	30 - 90 days	>90 days
At 30 September 2017	456,609	412,927	23,158	8,550	11,974
At 31 December 2016	396,742	342,516	43,052	4,852	6,322

Receivables from associates and related parties are excluded from the table above. While some of these receivables may be past due, they have not been impaired.

At 30 September 2017 US$ 185.8 million of receivables related to the operations in the United Kingdom, and US$ 28.3 million in Australia were sold on a non-recourse basis.

18. Cash and short term deposits

in US$'000	At 30 September 2017	At 31 December 2016
Cash at bank and on hand	338,109	285,406
Restricted cash	36,565	42,256
Short term deposits	99,320	7,994
Cash and short term deposits	**473,994**	**335,656**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short term deposit rates. Restricted cash is mainly comprised of a US$ 31 million guarantee deposit made for a construction project in Angola ($ 30.0 million at 31 December 2016).

19. Assets classified as held for sale

No assets have been classified as held for sale at 30 September 2017 and 31 December 2016.

20. Capital and reserves

in US$'000	At 30 September 2017	At 31 December 2016
Registered share capital(i)		
100,000,000 ordinary shares of US$0.01 par value each	1,000	1,000
7,446,805 ordinary shares of US$47 par value each	350,000	350,000
1 share for Trafigura Beheer BV of US$830,967 thousand	830,967	830,967
1 share for Sonangol Holdings LDA of US$510,950 thousand	510,950	510,950
1 share for Cochan Holdings LLC of US$255,475 thousand	255,475	255,475
1 share for PE Investments Limited of US$105,774 thousand	105,774	105,774
Total share capital	**2,054,166**	**2,054,166**

(i) At 30 September 2017, the Group had 107,446,809 shares issued.

21. Interest bearing loans and borrowings

in US$'000	At 30 September 2017	At 31 December 2016
Unsecured—at amortised cost		
Senior notes[(i)]	1,329,729	1,304,448
Bank overdrafts	201,868	176,637
Obligations under finance leases	390	339
Accrued interest on loans and bonds	20,666	36,868
Unsecured bank loans[(ii)]	1,774,774	1,559,468
Related parties[(iii)]	12,494	1,563
	3,339,921	**3,079,323**
Secured—at amortised cost		
Secured bank loans[(ii),(iv)]	114,640	56,662
	114,640	**56,662**
Total interest-bearing loans and borrowings	**3,454,561**	**3,135,985**
Of which due to related parties (Note 25)	12,494	1,563
Current	841,772	421,081
Non-current	2,612,789	2,714,904
	3,454,561	**3,135,985**

(i) 6.75% senior notes of US$ 750 million and US$ 250 million issued in January and July 2014 respectively, maturing in 2021, a 4.5% private placement of EUR 200 million maturing in 2022, and a 5.87% private placement of US$ 100 million, maturing in 2023.

(ii) Secured and unsecured bank loans consist of fixed and floating rate loans, for which the weighted average effective interest rate (including arrangement fees) on the loans was 5.15% for the nine months ended 30 September 2017. The Group economically hedges a portion of the loans for interest rate risk via an interest rate swap, exchanging variable rate interest for fixed rate interest.

(iii) As a result of the Group's cash optimisation strategy, the Group will, on occasion, have short term loans with related parties of the Group at terms determined by management. The interest rate applicable to these loans was LIBOR plus 8% for the nine months ended 30 September 2017, as well as for the nine months ended 30 September 2016.

(iv) Bank loans are secured by mortgages over certain of the Group's assets (mainly inventories, qualifying receivables, shares of certain subsidiaries and other long-term assets). The total value of the pledged assets at 30 September 2017 was US$ 263 million (31 December 2016: US$ 287 million).

All externally imposed capital requirements were complied with by the Group during the reported periods.

Loan maturity schedule

in US$'000	At 30 September 2017	At 31 December 2016
Not later than one year	841,772	421,081
Later than one year and not later than five years	2,283,060	2,409,669
Later than five years	329,729	305,235
Total interest-bearing loans and borrowings	**3,454,561**	**3,135,985**

In addition to the aforementioned debt facilities, the Group entered into a US$ 1.5 billion loan with Bulavista Limited, an indirect subsidiary of Trafigura. This loan, which was not drawn at 30 September 2017 or 31 December 2016, consists of a US$ 500 million committed revolving credit facility and a US$ 1.0 billion uncommitted revolving credit facility. This loan is not secured, and bears interest of 8.1% per annum (2016: 8.1% per annum). The maturity of the loan is five years, expiring in September 2018.

22. Provisions

in US$'000	Employee related provisions(i)	Provisions for contingencies and expenses(ii)	Provision for remediation(iii)	Total
At 1 January 2017	10,197	26,455	29,139	65,791
Arising during the period	3,234	2,878	629	6,741
Utilised	(91)	(2,333)	—	(2,424)
Unused amounts reversed	(973)	(1,642)	(1,154)	(3,769)
Foreign exchange translation gains and losses	413	336	2,456	3,205
At 30 September 2017	**12,780**	**25,694**	**31,070**	**69,544**
At 30 September 2017				
Current	10,262	4,553	471	15,286
Non-current	2,518	21,141	30,599	54,258
	12,780	**25,694**	**31,070**	**69,544**
At 31 December 2016				
Current	7,432	5,699	1,613	14,744
Non-current	2,765	20,756	27,526	51,047
	10,197	**26,455**	**29,139**	**65,791**

(i) Employee related provisions mainly reflect holiday accruals, provision for employee benefits as well as provisions for long service leave in Australia and Papua New Guinea.

(ii) Provisions for contingencies and expenses mainly relate to operations in Australia, El Salvador and Papua New Guinea.

(iii) Remediation provisions relate to the business in the United Kingdom, acquired in 2016, and Capeco in Puerto Rico, acquired in 2011.

23. Other financial liabilities

in US$'000	At 30 September 2017	At 31 December 2016
Financial liabilities carried at fair value through profit or loss(i)	43,259	38,933
Vendor loan—capex payables(ii)	30,989	34,638
Other non-current liabilities	5,132	6,873
Total other financial liabilities	**79,380**	**80,444**
Of which due to related parties (Note 25)	—	—
Current	43,645	39,267
Non-current	35,735	41,177
	79,380	**80,444**

(i) Derivative positions include commodity futures, commodity swaps and interest rate swaps used to economically hedge certain of the Group's financial risks. A substantial portion of the derivatives are transacted with Trafigura Pte Ltd.

(ii) Includes vendor loans for capex incurred for terminal construction projects

24. Trade and other payables

in US$'000	At 30 September 2017	At 31 December 2016
Trade payables	1,459,329	1,329,950
Other payables and accrued liabilities	199,472	140,225
Other current liabilities	202,419	161,552
Total trade and other payables	**1,861,220**	**1,631,727**
Of which due to related parties (Note 25)	1,109,869	1,013,622

Trade payables are generally non-interest bearing. Interest payable is normally settled on a monthly basis throughout the financial period.

25. Related parties disclosures

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Related parties not part of the Group include the following entities and their affiliates:

		% equity interest in the Group	
Entity name	Country of incorporation	At 30 September 2017	At 31 December 2016
Trafigura Beheer BV	Netherlands	49.49%	49.49%
Sonangol Holdings LDA	Angola	27.92%	27.92%
Cochan Holdings LLC	Marshall Islands	15.45%	15.45%
PE Investments Limited	Malta	5.85%	5.85%
Global PE Investors PLC	Malta	0.22%	0.22%
PE SPV Ltd	Malta	0.56%	0.56%
PE ESP Ltd	Malta	0.51%	0.51%

25.1 Related party transactions

Group entities entered into the following transactions with related parties, which are not members of the Group for the nine months ending 30 September 2017 and 30 September 2016:

	Sales to related parties		Purchases from related parties	
	9 months ended 30 September		9 months ended 30 September	
in US$'000	2017	2016	2017	2016
Trafigura Group	543,559	563,726	(4,994,245)	(4,218,841)
Sonangol Group	10,709	29,982	(478,049)	(565,977)
Other	68,348	10,525	(15,601)	(34)
Total	**622,616**	**604,233**	**(5,487,895)**	**(4,784,852)**

25. Related parties disclosures (Continued)

Group entities entered into the following transactions with related parties at 30 September 2017 and at 31 December 2016:

in US$'000	Amounts owed by related parties[i]		Amounts owed to related parties[ii]	
	At 30 September 2017	At 31 December 2016	At 30 September 2017	At 31 December 2016
Trafigura Group	149,531	77,567	(1,082,998)	(896,759)
Sonangol Group	72,791	34,002	(33,228)	(114,925)
Other[iii]	29,851	34,181	(6,137)	(3,501)
Total	**252,173**	**145,750**	**(1,122,363)**	**(1,015,185)**

(i) Includes trade and other receivables, loans to related parties and other assets

(ii) Includes trade and other payables, loans from related parties and other liabilities

(iii) Includes receivables against our investments in associates for a total amount of US$ 20.1 million (US$ 25.3 million)

In addition to the above transactions and balances, a substantial portion of the Group's derivatives are transacted with Trafigura Pte Ltd. The fair value of derivatives contracted with Trafigura Pte Ltd amounted to US$ (17.5) million at 30 September 2017 (31 December 2016: US$ (30.3) million).

25.2 Related party loans

The Group has acquired, by virtue of its various acquisitions, certain legacy loans made to employees of acquired entities. These loans are, individually and in aggregate, immaterial to the Group. However, the Group entered into a US$ 1.5 billion loan with Bulavista Limited, an indirect subsidiary of Trafigura, which was not drawn at 30 September 2017 or 31 December 2016. This loan is not secured, and bears interest of 8.1% per annum (2016: 8.1% per annum) and is meant to support the Group in its investment activities.

25.3 Key management personnel compensation

Key management personnel compensation amounted to US$ 5.1 million for the nine months ended 30 September 2017 (US$ 4.6 million for the nine months ended 30 September 2016).

26. Commitments and contingencies

Off-balance sheet commitments

in US$'000	At 30 September 2017	At 31 December 2016
Storage and land rental	781,718	661,181
Assets under construction	22,177	130,223
Supply contract	—	510
Other commitments[i]	80,695	96,316
Total	**884,590**	**888,230**

26. Commitments and contingencies (Continued)

in US$'000	At 30 September 2017	At 31 December 2016
Within one year	202,106	269,318
After one year but not more than five years	260,808	280,425
More than five years	421,676	338,487
Total	**884,590**	**888,230**

Contingent liabilities

in US$'000	At 30 September 2017	At 31 December 2016
Letters of credit[(ii)]	197,642	246,813
Guarantees[(iii)]	64,384	90,042
Legal and other claims[(iv)]	50,028	48,556
Total	**312,054**	**385,411**

(i) Other commitments mainly include, options granted on Australian retail sites for US$ 19 million and guarantees issued to third parties for US$ 45 million.

(ii) The Group utilises standby letters of credit and documentary credits, where appropriate, when transacting with counterparties who have limited credit history or where certain of the Group underwriting banks require such facilities to be put in place.

(iii) Guarantees issued by the Group are mostly related to performance bonds for performance on specific contracts. No liability is expected to arise from these guarantees.

(iv) Legal and other claims includes existing legal cases for which the Group believes no further charge will arise in the future as the Group believes it has the legal grounds to eventually conclude the cases favourably. The amount reported represents the maximum potential liabilities.

Excluded from the contingent liabilities listed above are those mortgages and assets pledged as collateral on certain financing transactions. These items are disclosed in Note 11.

27. Financial risk management objectives and policies

The Group Executive Committee oversees the management of financial risks and reviews and agrees policies for managing these risks, which are defined in the Group Risk Management Framework. The Group Risk Management Framework is a comprehensive management tool utilised by the Group Executive Committee to assess potential risks facing the Group. With the support of the Group internal audit team, the Group Risk Management Framework provides a context through which the Group is able to continuously monitor external risks. The Group Risk Management Framework is reviewed on a quarterly basis by the Group Executive Committee. The Group is primarily a midstream and downstream business with a strong risk management philosophy. The Group manages its exposure to key financial risks in accordance with the Group Risk Management Framework. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The main risks that could adversely affect the Group's financial assets, liabilities or future cash flows are: market risks, comprising commodity price risk, cash flow interest rate risk and foreign currency risk; liquidity risk; and credit risk. As a rule, commodity price risk relating to the physical supply activities is systematically economically hedged, with the support of Trafigura Pte Ltd. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken as all derivative transactions are entered into with the purpose of managing the Group's physical

27. Financial risk management objectives and policies (Continued)

inventory exposure. At this stage, the Group does not currently apply any form of hedge accounting.

Furthermore, the Group, through the Group Risk Management Framework, has established conservative consolidated risk limits and closely monitors the Group's risk positions to ensure that the Group risk exposure remains well within these limits.

27.1 Market risk

The Group operates in various national markets where petroleum prices are predominantly regulated and therefore in many of its markets, it has limited market risk in terms of price exposure. Furthermore, where the Group operates in unregulated markets, the Group is typically able to price its products so as to reflect increases or decreases in market prices on a timely basis and thereby substantially mitigate its price exposure. Despite the Group selling into markets where price exposure is largely mitigated, the Group does economically hedge its physical supply. The primary purpose of the economic hedging activities is to protect the Group against the risk of physical supply transactions being adversely affected by changes in commodity prices. The Group systematically enters into economic hedging contracts to cover price exposures in its physical supply activities. In particular, substantially all supply stock is at all times either pre-sold or the commodity index price risk is economically hedged. By virtue of the nature of the markets in which the Group operates and given the economic hedging conducted in the Group's supply activities as per the Group Risk Management Framework, the Group faces limited market risk.

The following table provides an overview of the derivative contracts at the period-end. All commodity derivatives had maturities of less than one year at each period-end.

	Fair value of derivatives	
in US$'000	**At 30 September 2017**	**At 31 December 2016**
Commodity	(20,651)	(30,305)
Currency and interest swaps	(2,390)	(2,654)
Total	**(23,041)**	**(32,959)**

Currency risk

The Group has exposures to foreign currency risk on its activities. However a substantial part of this foreign exchange exposure is economically hedged out. The Group does not use financial instruments to hedge the translation risk related to equity and earnings of foreign subsidiaries and non-consolidated companies.

Interest rate risk

Interest rate risk of the Group is mainly applicable on the long term funding of the Group. Please refer to the comments below for further details on the Group's funding. The Group has entered into certain interest rate swap transactions in order to limit its exposure to floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax through the impact on floating

27. Financial risk management objectives and policies (Continued)

rate interest bearing loans and borrowings and cash and cash equivalents. The impact on equity is the same as the impact on profit before tax.

in US$'000	Effect on profit before tax for the full year ended At 30 September 2017	At 31 December 2016
+1.0 percentage point	(15,013)	(13,563)
−1.0 percentage point	15,013	13,563

The carrying amount of all financial assets and liabilities except for interest-bearing loans and borrowings approximated the estimated fair value, due to the short-term nature of the financial instruments. The following table summarises the fair value of interest-bearing loans and borrowings:

	Carrying amount		Fair value	
in US$'000	At 30 September 2017	At 31 December 2016	At 30 September 2017	At 31 December 2016
Interest-bearing loans and borrowings(i)	3,454,561	3,135,985	3,217,215	2,804,576
Total	**3,454,561**	**3,135,985**	**3,217,215**	**2,804,576**

(i) For the purpose of the above disclosure, fixed rate interest-bearing loans and borrowings have been discounted using the actual cost of debt of the Group. The fair value of interest-bearing loans and borrowings for disclosure purposes is based on quoted prices in an active market for identical liabilities. These financial instruments are based on a Level 2 fair value measurement (refer to Note 27.6).

27.2 Liquidity risk

The Group, by virtue of the nature of its operations, has demonstrated a consistent ability to generate cash through its ongoing daily operations. The flow of cash received and generated by the Group throughout its global locations is such that the Group views itself as being in a favourable position from a liquidity perspective. The Group generates stable cash flows as the Group's assets are utilised to deliver an essential product to customers in specific national markets, and the Group is thereby not entirely exposed to international commodity market movements. At the same time, the Group has the flexibility to decide whether to invest or not in capital expenditures as its ability to generate cash flows is not bound, in the short term, by significant capital commitments or significant mandatory capital asset maintenance.

Furthermore, the Group monitors its risk to a shortage of funds by monitoring the maturity dates of existing debt. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. At 30 September 2017, the Group had US$ 713.3 million (December 2016: US$ 896 million) of undrawn committed borrowing facilities. In addition, the Group had US$ 500 million of undrawn committed shareholder loans.

24% of the Group's debt will mature in less than one year at 30 September 2017 (December 2016: 13%) based on the balances reflected in the consolidated financial statements. The maturity profile of the Group's debt is summarised in Note 21 and below. The Group's liquidity risk is further mitigated as a large part of the borrowing activities of the Group are related to the financing of petroleum stocks and by their nature, these stocks are readily convertible into cash.

27. Financial risk management objectives and policies (Continued)

The table below summarises the maturity profile of the Group's financial liabilities based on non-discounted contractual payments:

in US$'000	Less than 1 year	1 - 5 years	5+ years	Total
At 30 September 2017:				
Interest-bearing loans and borrowings	985,777	2,581,331	329,732	3,896,841
Trade and other payables	1,861,220	—	—	1,861,220
Financial derivatives	43,259	—	—	43,259
Other financial liabilities	386	35,735	—	36,121
Total	**2,890,642**	**2,617,066**	**329,732**	**5,837,441**

in US$'000	Less than 1 year	1 - 5 years	5+ years	Total
At 31 December 2016:				
Interest-bearing loans and borrowings	554,389	2,745,119	313,048	3,612,556
Trade and other payables	1,631,727	—	—	1,631,727
Financial derivatives	38,933	—	—	38,933
Other financial liabilities	334	41,177	—	41,511
Total	**2,225,383**	**2,786,296**	**313,048**	**5,324,727**

27.3 Credit risk

The Group has a formalised credit process, with credit officers in the key locations around the world. Strict credit limits are established for each counterparty on the basis of detailed financial and business analyses. These limits are constantly monitored and revised in light of counterparty or market developments and the amount of exposure relative to the size of the Group's consolidated statement of financial position. The Group conducts transactions with the following major types of counterparties:

- Physical commodity counterparties spread across the vertical chains for oil (e.g. resellers and end-users). Sales to counterparties are made on open terms up to internally approved credit limits. Exposures above such limits are subject to independent payment guarantees.
- Payment guarantee counterparties (e.g. prime financial institutions from which the Group obtains payment guarantees).

The Group is present in different geographic regions. Wherever appropriate, guarantees, insurance and letters of credit are used to reduce payment or performance risk. The Group's maximum exposure to credit risk is equivalent to the amounts of financial assets presented in the consolidated statement of financial position. The Group has no significant concentrations of credit risk and no single customer accounts for more than 2.5% of the Group's sales volumes. In addition, a significant part of the activity of the Group's downstream business (mainly service stations) is on a cash or prepayment basis.

Refer to Note 17 for an ageing analysis of trade receivables.

27.4 Operational risk

The operations department has representatives in key locations around the world and is responsible for a number of tasks including contract insurance and logistics management. The operations department is also responsible for ensuring that industry, environmental safety, and internal policies and procedures are complied with at all times. Detailed procedures manuals are implemented throughout the Group and all operations personnel receive regular and adequate training covering the relevant subjects according to their specific functions within the operating

27. Financial risk management objectives and policies (Continued)

activities of the Group. This ensures that operations staff are kept up to date with all applicable procedural, legal, regulatory and industry changes.

The Group, when chartering vessels, applies a strict vessel vetting procedure which complements insurance requirements and focuses on the vessel age, classification, protection, indemnity and pollution insurance cover. Similar vetting procedures are also applied for both rail car and truck movements. The Group also has a storage procedure which involves full due diligence being undertaken of every proposed storage location—including a site visit to the storage location, the tank or warehouse. Regular stock analysis is undertaken to avoid losses such as theft and contamination, and each approved location is checked annually to evaluate the ongoing situation.

By virtue of the Group's relationship with its significant shareholder, Trafigura Beheer BV, the Group does have a risk of supplier concentration as the Trafigura group of companies account for around 70% (2016: 70%) of all purchases made by the Group.

27.5 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions in order to ensure a sound capital structure. Accordingly, the Group has not historically paid dividends to shareholders as the Group has opted to ensure that adequate capital is maintained and built upon for further growth.

27.6 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

All financial assets and liabilities measured at fair value, at 30 September 2017 and 31 December 2016, fall under the Level 1 category described above, and include financial derivatives for a net amount of US$ (23.0) million (December 2016: US$ 33.0 million) and inventories for US$ 213.0 million (December 2016: US$ 219.5 million). There have been no transfers between fair value levels during any of the reporting periods.

28. Events after the reporting period

Repurchase of old notes and issuance of new notes

In October 2017, the Group repurchased US$ 590.0 million of the 6.75% US$ 1.0 billion senior notes due 2021, and issued US$ 600.0 million of 5.125% senior notes due 2024.

29. Significant consolidated subsidiaries and participating interests

The consolidated financial statements for the period ended 30 September 2017 include the Company's financial statements and those of the following operating entities listed in the table below:

Name of subsidiary	Place of incorporation	Proportion of ownership interest held by the Group At 30 September 2017	At 31 December 2016	Legal relationship
Puma Energy Holdings Pte Ltd	Singapore	100%	100%	Parent company
Alexela Slovag AS	Norway	95%	95%	Subsidiary
Angobetumes Lda	Angola	100%	100%	Subsidiary
APN Retail Property Fund	Australia	8%	29%	Equity investment
AS Alexela Logistics	Estonia	95%	95%	Subsidiary
AS Alexela Sillamäe	Estonia	95%	95%	Subsidiary
AS Alexela Terminal	Estonia	95%	95%	Subsidiary
Central Combined Group Pty Ltd	Australia	100%	100%	Subsidiary
Comercial el Hogar SA	Honduras	100%	100%	Subsidiary
Directhaul Pty Ltd	Australia	100%	100%	Subsidiary
DP Drakensberg Properties Pty Ltd	South Africa	100%	100%	Subsidiary
Drakensberg Oil Pty Ltd	South Africa	100%	100%	Subsidiary
Emoil Petroleum Storage FZCO	United Arab Emirates	20%	20%	Equity investment
Empresa Cubana de Gas	Cuba	50%	50%	Equity investment
Fuel Distributors of Western Australia Pty Ltd	Australia	50%	50%	Equity investment
Gulf Refining Company NV	Curacao	64%	64%	Subsidiary
Hull Ocean Going Barges UK Ltd	United Kingdom	100%	100%	Subsidiary
Kpone Marine Services Ltd	Ghana	100%	100%	Subsidiary
Langsat Terminal (One) Sdn Bhd	Malaysia	20%	20%	Equity investment
Langsat Terminal (Two) Sdn Bhd	Malaysia	20%	20%	Equity investment
National Energy and Puma Aviation Services Co Ltd[(i)]	Myanmar	49%	49%	Subsidiary
Neumann Petroleum Pty Ltd	Australia	100%	100%	Subsidiary
Oil Malal SA	Chile	33%	33%	Equity investment
PC Puerto Rico LLC	Puerto Rico	100%	100%	Subsidiary
PE Bitumen Resources Nigeria Ltd	Nigeria	60%	60%	Subsidiary
PE Swaziland (Pty) Ltd	Swaziland	100%	100%	Subsidiary
PE Tanzania Services Assets Ltd	Tanzania	100%	100%	Subsidiary
Pervyi Murmanskiy Terminal[(i)]	Russia	47%	47%	Subsidiary
Petrobeira Lda[(ii)]	Mozambique	49%	49%	Subsidiary
Phoenix Petroleum Pty Ltd	Australia	50%	50%	Equity investment
Phoenix Petroleum Unit Trust	Australia	50%	50%	Equity investment
PT Puma Energy Indonesia	Indonesia	100%	100%	Subsidiary
Puma El Salvador SA de CV	El Salvador	100%	100%	Subsidiary
Puma Energia España SLU	Spain	100%	100%	Subsidiary
Puma Energy (Australia) Bitumen Pty Ltd	Australia	100%	100%	Subsidiary
Puma Energy (Australia) Fuels Pty Ltd	Australia	100%	100%	Subsidiary
Puma Energy (Aviation) SA	Panama	100%	100%	Subsidiary

29. Significant consolidated subsidiaries and participating interests (Continued)

Name of subsidiary	Place of incorporation	Proportion of ownership interest held by the Group: At 30 September 2017	Proportion of ownership interest held by the Group: At 31 December 2016	Legal relationship
Puma Energy Belfast Ltd	United Kingdom	50%	—	Equity investment
Puma Energy (Malaysia) Sdn Bhd	Malaysia	100%	100%	Subsidiary
Puma Energy (Moçambique) Lda	Mozambique	100%	100%	Subsidiary
Puma Energy (Namibia) (Pty) Ltd	Namibia	100%	100%	Subsidiary
Puma Energy (Singapore) Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy (UK) Ltd	United Kingdom	100%	100%	Subsidiary
Puma Energy Asia Sun Co Limited	Myanmar	80%	80%	Subsidiary
Puma Energy Asia Supply Company SA	Panama	100%	100%	Subsidiary
Puma Energy Bahamas SA	Bahamas	100%	100%	Subsidiary
Puma Energy Benin SA	Benin	100%	100%	Subsidiary
Puma Energy Bitumen (Vietnam) Ltd	Vietnam	80%	80%	Subsidiary
Puma Energy Bitumen Supply SA	Panama	100%	100%	Subsidiary
Puma Energy Botswana (Pty) Ltd	Botswana	80%	80%	Subsidiary
Puma Energy Caribe LLC	Puerto Rico	100%	100%	Subsidiary
Puma Energy Colombia Combustibles SAS	Colombia	100%	100%	Subsidiary
Puma Energy Colombia Holdings AG	Switzerland	100%	100%	Subsidiary
Puma Energy Cote d'Ivoire SA	Ivory Coast	100%	100%	Subsidiary
Puma Energy Distribution Benin SA	Benin	100%	100%	Subsidiary
Puma Energy Group Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy Guatemala SA	Guatemala	100%	100%	Subsidiary
Puma Energy Honduras SA de CV	Honduras	100%	100%	Subsidiary
Puma Energy International BV, Geneva Branch	Netherlands	100%	100%	Branch
Puma Energy Irrawaddy Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy Johannesburg Supply SA	Panama	100%	100%	Subsidiary
Puma Energy LS (Pty) Ltd	Lesotho	100%	100%	Subsidiary
Puma Energy Ltd (FZE)	Nigeria	100%	100%	Subsidiary
Puma Energy Luxembourg Sàrl	Luxembourg	100%	100%	Subsidiary
Puma Energy Malawi Ltd(i)	Malawi	50%	50%	Subsidiary
Puma Energy New Zealand Limited	New Zealand	100%	100%	Subsidiary
Puma Energy Panama Supply SA	Panama	100%	100%	Subsidiary
Puma Energy Paraguay SA	Paraguay	100%	100%	Subsidiary
Puma Energy Peru SAC	Peru	100%	100%	Subsidiary

29. Significant consolidated subsidiaries and participating interests (Continued)

Name of subsidiary	Place of incorporation	Proportion of ownership interest held by the Group At 30 September 2017	Proportion of ownership interest held by the Group At 31 December 2016	Legal relationship
Puma Energy PNG Ltd	Papua New Guinea	100%	100%	Subsidiary
Puma Energy PNG Refining Ltd	Papua New Guinea	100%	100%	Subsidiary
Puma Energy PNG Supply Ltd	Cayman Islands	100%	100%	Subsidiary
Puma Energy Procurement BV	Netherlands	100%	100%	Subsidiary
Puma Energy Senegal SA	Senegal	80%	80%	Subsidiary
Puma Energy Services (Singapore) Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy Services South Africa (Pty) Ltd	South Africa	100%	100%	Subsidiary
Puma Energy South Africa (Pty) Ltd	South Africa	75%	75%	Subsidiary
Puma Energy Tanzania Ltd(i)	Tanzania	50%	50%	Subsidiary
Puma Energy Zambia PLC	Zambia	76%	76%	Subsidiary
Puma International Congo SA	Congo	100%	100%	Subsidiary
Puma International Financing SA	Luxembourg	100%	100%	Subsidiary
Puma Overseas Projects Pte Ltd	Singapore	100%	100%	Subsidiary
Pumangol Industrial Lda	Angola	100%	100%	Subsidiary
Pumangol Lda	Angola	100%	100%	Subsidiary
Redan Petroleum (Pvt) Ltd	Zimbabwe	60%	60%	Subsidiary
Refineria Petrolera de Acajutla SA de CV	El Salvador	100%	100%	Subsidiary
Sakunda Petroleum (Pvt) Ltd	Zimbabwe	49%	49%	Equity investment
Tema Offshore Mooring Ltd	Ghana	100%	100%	Subsidiary
Tropifuels SA (Panama)	Panama	100%	—	Subsidiary
UBI Group Ltd(i)	Ghana	49%	49%	Subsidiary
Ultrapar SA	Paraguay	100%	100%	Subsidiary

Presented below are explanations for those entities which are consolidated despite the Group having less than 50% interest in those entities:

(i) The Group retains effective control over these entities, despite the fact that it does not hold clear majority of the shares, by virtue of the fact the Group is exposed to, or has rights to, variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

(ii) Management believes that the Group retains effective control over this entity as a result of there being both a shareholder and an investment agreement in place with the National Oil Company of Mozambique stipulating that the Group has 100% economic control over the entity.

The Group does not have any non-controlling interests exceeding 5% of the Group's long-term assets or 20% of the Group's operating profit.

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To the shareholders of

Puma Energy Holdings Pte Ltd, Singapore

Geneva, 28 February 2017

Report of the independent auditor with consolidated financial statements

Opinion

We have audited the consolidated financial statements of Puma Energy Holdings Pte Ltd and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position at 31 December 2016 and the consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group at 31 December 2016, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRS').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISA'). Our responsibilities under those provisions and standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code') and we have fulfilled our ethical responsibilities in accordance with the IESBA Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Valuation of property and equipment, intangible assets and goodwill

Risk

At 31 December 2016, the Group's balance sheet includes property and equipment amounting to US$3,329 million (2015: US$3,283 million), intangible assets amounting to US$372 million (2015: US$365 million), and goodwill amounting to US$970 million (2015: US$940 million). The assessment of the recoverable value of these assets for property and equipment and intangible assets, or of the relevant cash-generating unit for goodwill, incorporates significant judgement in respect of factors such as gross profits, discount rates, petroleum product prices, market shares and growth rates, which are affected by expected future market or economic conditions in many different countries.

The Group's disclosures about property and equipment, intangible assets and goodwill, are included in Notes 11, 12 and 13 of the consolidated financial statements.

Our audit response

We performed the following procedures:

- We reviewed the Group's calculation of value in use or fair value less costs to sell, as appropriate.
- We involved our valuation specialists to evaluate methodologies and key assumptions, such as cash flow forecasts included in the impairment assessment for each cash generating unit or asset tested on a stand-alone basis, and discount rate assumptions.
- We assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation.

Recoverability of deferred tax assets

Risk

At 31 December 2016, the Group had deferred tax assets on deductible temporary differences of US$93 million (2015: US$103 million) which were recognised. At the same date the Group also had deferred tax assets on tax losses carried forward of US$134 million (2015: US$114 million), which were recognised and US$35 million (2015: US$39 million) which were not recognised. The analysis of the recognition and recoverability of the deferred tax assets was significant to our audit because the amounts are material, the assessment process is complex and judgmental and is based on assumptions that are affected by expected future market or economic conditions.

The Group's disclosures about deferred tax assets are included in Note 10 of the consolidated financial statements.

Our audit response

We performed the following procedures:

- We evaluated the Group's process for the identification and evaluation of uncertain tax positions and other tax risks as well as for the assessment of the recoverability of deferred tax assets.
- We also considered the Group's process for the recording and continuous reassessment of the related (contingent) liabilities and provisions as well as deferred taxes.
- We reviewed tax exposures estimated by management and the risk analysis associated with these exposures along with claims or assessments made by tax authorities to date.
- We analysed the tax risk provision to evaluate whether it reflects the tax risks in the business.
- We reviewed documentation of tax audits and evaluated whether exposures raised by the tax authorities have been considered.
- We analysed these with involvement of our internal tax experts, and assessed the tax risk provision.
- We tested the calculation of deferred tax assets and liabilities and considered the management estimates relating to the recoverability of deferred tax assets.
- We analysed these with involvement of our tax experts, and assessed the tax risk provision.
- We analysed the offsetting and presentation of deferred tax positions.

Determination of fair values in business combinations

Risk

In 2016, the Group acquired 3 subsidiaries (2015: 10) for total consideration up to US$51 million (2015: US$272 million). For these acquisitions, the Group made purchase price allocations in which the consideration was allocated to the various assets and liabilities of the acquired companies. The audit of the purchase price allocations is a key audit matter given the magnitude of the amount and since significant management judgment is required to determine the purchase price allocations to the various assets and liabilities of the acquired companies.

The Group's disclosures about business combinations are included in Note 6 of the consolidated financial statements.

Our audit response

We performed the following procedures:

- We assessed, with involvement of our valuation specialists, the valuation methodology adopted in determining fair values, the underlying assumptions and the mathematical accuracy of the valuation models.
- We analysed the purchase price allocations and assessed the allocation of goodwill to cash generating units.
- We involved our tax specialists to assess the recognition and valuation of deferred tax assets and liabilities.
- We analysed the disclosures relating to the business combinations.
- We assessed whether transactions were correctly classified as business combinations or acquisitions of a group of assets.

Other information in the annual report

Management is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 this regard.

Responsibility of management for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

- In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 ISA 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 consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with management 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.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young Ltd

Scott Duncan Licensed audit expert (Auditor in charge)	Didier Lequin Licensed audit expert

CONSOLIDATED STATEMENT OF INCOME

For the years ended 31 December

in US$'000	Notes	2016	2015
Continuing operations			
Net sales	9.1, 25	12,669,511	12,686,410
Cost of sales	25	(11,068,913)	(11,190,655)
Gross profit		**1,600,598**	**1,495,755**
Selling and operating costs	9.2	(1,022,643)	(1,016,604)
General and administrative expenses	9.3	(169,332)	(167,939)
Other operating income	9.4	1,295	39,962
Other operating expenses	9.4	(37,350)	(12,261)
Share of net profits of associates	8.2	10,581	3,132
Operating profit		**383,149**	**342,045**
Finance income	9.5	8,651	10,431
Finance costs	9.6	(228,263)	(211,164)
Net foreign exchange (losses)/gains		(14,890)	25,777
Profit before tax		**148,647**	**167,089**
Income tax (expense)/credit	10.1	(32,282)	9,762
Profit for the year		**116,365**	**176,851**
Attributable to:			
Owners of the parent		114,594	174,715
Non-controlling interests		1,771	2,136

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended 31 December

in US$'000	2016	2015
Profit for the year	**116,365**	**176,851**
Other comprehensive loss		
Exchange differences on translation of foreign operations, net of tax	(121,106)	(461,215)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	**(121,106)**	**(461,215)**
Re-measurement gains on defined benefit plans, net of tax	130	148
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**130**	**148**
Total comprehensive loss for the year, net of tax	**(4,611)**	**(284,216)**
Attributable to:		
Owners of the parent	(4,926)	(262,876)
Non-controlling interests	315	(21,340)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the years ended 31 December

in US$'000	Notes	2016	2015
Assets			
Non-current assets			
Property and equipment	11	3,328,833	3,282,707
Intangible assets and goodwill	12	1,342,091	1,304,960
Investments in associates	8.2	94,473	71,170
Other financial assets	15, 25	31,257	36,733
Deferred tax assets	10.5	100,543	73,187
Other assets	16, 25	143,264	158,131
Total non-current assets		**5,040,461**	**4,926,888**
Current assets			
Inventories	14	745,258	614,974
Other assets	16, 25	229,614	459,602
Income tax receivable	10.4	17,569	20,090
Trade receivables	17, 25	528,107	543,769
Other financial assets	15, 25	22,462	69,397
Cash and cash equivalents	18	335,656	281,209
Assets classified as held for sale	19	—	9
Total current assets		**1,878,666**	**1,989,050**
Total assets		**6,919,127**	**6,915,938**
Equity and liabilities			
Equity			
Share capital	20	2,054,166	2,204,166
Retained earnings		629,986	535,233
Foreign currency translation reserve		(861,306)	(741,616)
Other components of equity		(1,840)	(123)
Equity attributable to owners of the parent		**1,821,006**	**1,997,660**
Non-controlling interests		79,389	73,995
Total equity		**1,900,395**	**2,071,655**
Non-current liabilities			
Interest-bearing loans and borrowings	21	2,714,904	2,366,885
Retirement benefit obligations		6,002	6,251
Other financial liabilities	23	41,177	46,703
Deferred tax liabilities	10.5	59,548	62,760
Provisions	22	51,047	66,365
Total non-current liabilities		**2,872,678**	**2,548,964**
Current liabilities			
Trade and other payables	24, 25	1,631,727	1,556,820
Interest-bearing loans and borrowings	21	421,081	525,489
Other financial liabilities	23	39,267	154,352
Income tax payable	10.4	39,235	42,478
Provisions	22	14,744	16,180
Total current liabilities		**2,146,054**	**2,295,319**
Total liabilities		**5,018,732**	**4,844,283**
Total equity and liabilities		**6,919,127**	**6,915,938**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the years ended 31 December

In US$'000	Notes	Share capital	Retained earnings	Foreign currency translation reserve	Other components of equity	Total	Non-controlling interest	Total equity
		Attributable to owners of the parent						
At 1 January 2016		**2,204,166**	**535,233**	**(741,616)**	**(123)**	**1,997,660**	**73,995**	**2,071,655**
Profit for the year		—	114,594	—	—	114,594	1,771	116,365
Other comprehensive loss		—	—	(119,690)	170	(119,520)	(1,456)	(120,976)
Total comprehensive loss		**—**	**114,594**	**(119,690)**	**170**	**(4,926)**	**315**	**(4,611)**
Cancellation of shares		(150,000)	—	—	—	(150,000)	(1,475)	(151,475)
Dividends		—	—	—	—	—	(4,691)	(4,691)
Deemed distribution to shareholder		—	(25,465)	—	—	(25,465)	—	(25,465)
Share based payments		—	7,998	—	—	7,998	—	7,998
Acquisitions/disposals of non-controlling interests	6.5	—	(4,261)	—	—	(4,261)	3,761	(500)
Reclassification of other comprehensive income to retained earnings		—	1,887	—	(1,887)	—	—	—
Acquisitions of subsidiaries	6.2	—	—	—	—	—	7,883	7,883
Other		—	—	—	—	—	(399)	(399)
At 31 December 2016		**2,054,166**	**629,986**	**(861,306)**	**(1,840)**	**1,821,006**	**79,389**	**1,900,395**

In US$'000	Notes	Share capital	Retained earnings	Foreign currency translation reserve	Other components of equity	Total	Non-controlling interest	Total equity
		Attributable to owners of the parent						
At 1 January 2015		**1,704,166**	**372,698**	**(303,873)**	**(275)**	**1,772,716**	**98,923**	**1,871,639**
Profit for the year		—	174,715	—	—	174,715	2,136	176,851
Other comprehensive loss		—	—	(437,743)	152	(437,591)	(23,476)	(461,067)
Total comprehensive loss		**—**	**174,715**	**(437,743)**	**152**	**(262,876)**	**(21,340)**	**(284,216)**
Issuance of share capital		500,000	—	—	—	500,000	—	500,000
Dividends		—	(17,000)	—	—	(17,000)	(4,803)	(21,803)
Acquisitions/disposals of non-controlling interests	6.5	—	4,820	—	—	4,820	7,046	11,866
Acquisitions of subsidiaries	6.2	—	—	—	—	—	1,573	1,573
Other		—	—	—	—	—	(7,404)	(7,404)
At 31 December 2015		**2,204,166**	**535,233**	**(741,616)**	**(123)**	**1,997,660**	**73,995**	**2,071,655**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended 31 December

in US$'000	Notes	2016	2015
Operating activities			
Profit before tax		**148,647**	**167,089**
Non-cash adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property and equipment	9.2, 11	306,567	321,504
Amortisation and impairment of intangible assets	9.2, 12	40,453	43,632
Gain on business combination	9.4	—	(35,522)
Tangible and intangible fixed assets written off	11,12	21,194	2,578
Gain on disposal of assets and investments	9.4	(1,295)	(1,419)
Net interest expense	9.5, 9.6	206,575	188,460
Dividend income	9.5	(2,514)	(2,005)
Share of net profit of associate	8.2	(10,581)	(3,132)
Provisions		(49)	(10,906)
Changes in value of derivative financial instruments		94,224	(9,603)
Working capital adjustments:			
Decrease/(increase) in trade, other receivables and prepayments		134,192	(14,701)
Decrease/(increase) in inventories		(153,777)	(42,369)
(Decrease)/increase in trade, other payables and accrued expenses		108,991	181,126
Interest received	9.5	6,137	8,426
Dividends received from associates		1,422	1,260
Income tax paid		(61,949)	(59,518)
Net cash flows from operating activities		**838,237**	**734,900**
Investing activities			
Net proceeds from sale of assets and investments		51,255	8,160
Purchase of intangible assets	12	(37,817)	(53,874)
Purchase of property and equipment	11	(612,552)	(820,781)
Acquisitions of subsidiaries, net of cash acquired	6.3	(132,234)	(260,843)
Investments in associates and financial investments	8, 15	(3,933)	(12,953)
Dividends received		2,514	2,005
Net cash flows used in investing activities		**(732,767)**	**(1,138,286)**
Financing activities			
Loans (granted)/reimbursed	21	(9,739)	(13,414)
Proceeds from/(repayment of) borrowings	21	137,226	61,802
Proceeds from bond issuance	21	100,000	—
Proceeds from equity increase/(reduction) in equity	20	(1,475)	349,963
Interest paid		(209,053)	(194,054)
(Acquisition)/divestment of non-controlling interests	6.5	(500)	21,866
Dividends paid		(4,691)	(21,803)
Deemed distribution to shareholder		(25,465)	—
Net cash flows from financing activities		**(13,697)**	**204,360**
Net increase/(decrease) in cash and cash equivalents		91,773	(199,026)
Effects of exchange rate differences		(37,326)	3,407
Cash and cash equivalents at 1 January	18	281,209	476,828
Cash and cash equivalents at 31 December	**18**	**335,656**	**281,209**

1. Corporate information

Puma Energy Holdings Pte Ltd (the ''Company'') was incorporated in Singapore as a private company limited by shares on 2 May 2013. The registered office of the Company is 1 Marina Boulevard #28-00, One Marina Boulevard, Singapore 018989.

The principal business activities of the Company and its subsidiaries (the ''Group'') are the ownership and operation of storage facilities for, and the sale and distribution of, petroleum products.

The Group is ultimately owned by Trafigura Beheer BV (49.49%), Sonangol Holdings Lda (27.92%), Cochan Holdings LLC (15.45%) and other investors (7.14%).

During 2015, three new investment vehicles (Global PE Investors PLC, PE SPV Ltd and PE ESP Ltd) entered into the share capital of Puma Energy Holdings Pte Ltd. The Group also made a US$500million equity increase with its main shareholders Trafigura Beheer BV, Sonangol Holdings Lda and Cochan Holdings LLC, of which US$150million remained outstanding at 31 December 2015.

In 2016, the unpaid portion of US$150million has been cancelled.

2. Accounting methods

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (''IFRS'') as issued by the International Accounting Standards Board (''IASB'').

The consolidated financial statements have been prepared on a historical cost basis, except derivative financial instruments that have been measured at fair value and those inventories that qualify for fair value accounting using the IAS 2 *Inventories* exemption.

The Group had current assets of US$1,879million and current liabilities of US$2,146million at 31 December 2016 (2015: current assets of US$1,989million and current liabilities of US$2,295million). Despite the fact the Group's current liabilities exceeded the Group's current assets, the Group has access to various undrawn loan facilities as described in Note 27.2 and therefore the Group's consolidated financial statements have been prepared on a going concern basis.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at 31 December 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group voting rights and potential voting rights.

2. Accounting methods (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group accounting policies. All intra-Group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interests.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

a) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed, are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively.
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests which are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

2. Accounting methods (Continued)

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (e.g. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

b) Foreign currency translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in effect at the closing date of each reporting period. These items are recorded, according to their nature, either as components of finance income or finance costs in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Group companies

The presentation currency of the Group is the US$. Consolidated statement of financial position items are translated into US$ at the exchange rate applicable on the date of closure of the reporting period, and consolidated statement of income items are translated using the average exchange rate over the reporting period. Foreign exchange differences arising on translation for consolidation are recognised in other comprehensive income and included in consolidated shareholders' equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

c) Non-current assets held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are

2. Accounting methods (Continued)

classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

d) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interest in joint operations are recorded according to IFRS 11 *Joint Arrangements*:

- Assets, including its share of any assets held jointly.
- Liabilities, including its share of any liabilities incurred jointly.
- Revenue from the sale of its share of the output arising from the joint operation.
- Share of the revenue from the sale of the output by the joint operation.
- Expenses, including its share of any expenses incurred jointly.

The results of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The requirements of IAS 39 *Financial Instruments: Recognition and Measurement* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 *Impairment of Assets* to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. The difference between the previous carrying

2. Accounting methods (Continued)

amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a Group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

e) Goodwill

Goodwill is measured as being the excess of the aggregate of the consideration transferred, the amount recognised for any non-controlling interest and the acquisition-date fair values of any previously held interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date.

At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units or group of cash generating units expected to benefit from the combination's synergies.

Following initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit or group of cash generating units to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of cash generating units is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period. For the impairment test, see note 13.

Goodwill may also arise upon investments in associates, being the surplus of the cost of investments in associates. Goodwill is included in the carrying amount of the investment in an associate and is neither amortised nor individually tested for impairment.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised according to the straight-line method for the periods corresponding to their expected useful lives. Intangible assets are mainly comprised of software licences (useful lives ranging from 3 to 5 years) and certain long term concession rights related to land usage (useful lives ranging from 33 to 99 years).

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2. Accounting methods (Continued)

g) Property and equipment

Property and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a finance lease is also included within property and equipment.

Land and buildings are accounted for under the cost model. Hence no revaluation is carried out, in line with IAS 16 *Property, Plant and Equipment*.

Depreciation is provided on a straight-line basis over estimated useful lives of the respective assets, taking into account the residual value. The estimated useful lives are:

Buildings	33 years
Machinery and equipment	3 to 20 years
Other fixed assets	1 to 5 years

The expected useful lives of property and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

When significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

h) Impairment of non-financial assets

The Group assesses its non-financial assets at each reporting date for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable and, as a result, charges for impairment are recognised in the Group results from time to time.

Such indicators include changes in the Group business plans, changes in commodity prices leading to sustained unprofitable performance, an increase in the discount rate, low asset utilisation, evidence of physical damage and, for petroleum related properties, significant downward or upward revisions of estimated volumes.

The assessment for impairment entails comparing the carrying value of the asset or cash-generating unit with its recoverable amounts being the higher of fair value less costs to sell and value in use. A cash-generating unit is the smallest group of assets whose continued use generates cash inflows which are largely independent of cash inflows generated by other groups of assets. Value in use is usually determined on the basis of discounted estimated future net cash flows. When the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects of

2. Accounting methods (Continued)

inflation on operating expenses, discount rates and the outlook for global or regional market supply-and-demand conditions for petroleum products. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Goodwill and intangible assets with an indefinite useful life are subject to an annual impairment test, or more frequently, if there are indications of a loss in value.

For assets, excluding goodwill and intangible assets with an indefinite life, an assessment is made at each reporting date of whether there is an impairment and if such an indication exists, an impairment test is carried out.

If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Impairment losses relating to goodwill cannot be reversed in future periods.

i) Financial assets

Financial assets are recognised initially at fair value, plus transaction costs, except in case of financial assets recorded at fair value through profit or loss. The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Usually, the difference between amortised cost and the nominal amount of receivables is not material. Gains and losses are recognised in profit or loss in finance costs when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised when the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, at which time the cumulative loss is reclassified to profit or loss in finance costs. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the effective interest rate method.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also

2. Accounting methods (Continued)

classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39 *Financial Instruments: Recognition and Measurement.*

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in finance income or finance costs (as appropriate) in profit or loss. Financial assets designated upon initial recognition at fair value through profit or loss are designated at the initial recognition date and only if the criteria set out in IAS 39 *Financial Instruments: Recognition and Measurement* are satisfied. The Group has not designated any financial assets upon initial recognition at fair value through profit or loss.

Derecognition

A financial asset as defined under IAS 32 *Financial Instruments: Presentation* is totally derecognised (removed from the consolidated statement of financial position) when, for instance, the Group expects no further cash flow to be generated by it and transfers substantially all risks and rewards attached to it.

In the case of trade receivables, a transfer without recourse in case of payment default by the debtor is regarded as a transfer of substantially all risks and rewards of ownership, thus making such receivables eligible for derecognition under IAS 39 *Financial Instruments: Recognition and Measurement*, on the basis that risk of late payment is considered marginal.

Amortised cost

Amortised cost is calculated using the effective interest rate method less any reductions (direct, or in the form of a provision) for impairment or uncollectibility. The calculation takes into account any premium and discount at the time of acquisition, as well as transaction costs and fees forming an integral part of the effective interest rate.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of impairment losses on financial assets carried at amortised cost is calculated as the difference between the carrying amount of the asset and the best possible estimate of the future cash flows, discounted at the effective rate of interest of the financial instrument determined on the initial recognition of the instrument. If the decrease in impairment relates to an objective event occurring after the impairment was recognised, a previously recognised impairment loss is reversed to a maximum of the amount required to carry the asset at amortised cost at the time of the reversal if no impairment had taken place. The impairment loss reversal is taken to profit or loss.

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and

2. Accounting methods (Continued)

for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss—measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss—is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity investments are not reversed through profit or loss. Increases in their fair value after impairments are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

The amount of impairment losses on investments in equity instruments carried at cost is calculated as the difference between the carrying amount of the financial asset and the best possible estimate of the future cash flows, discounted at the current cost of capital for a similar asset. A previously recognised impairment loss is reversed if the removal of the indication of impairment is shown objectively.

j) Financial liabilities

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39 *Financial Instruments: Recognition and Measurement*. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss should be designated at the initial recognition date and only if the criteria set out in IAS 39 *Financial Instruments: Recognition and Measurement* are satisfied.

Other financial liabilities

Following initial measurement, other financial liabilities are carried at amortised cost using the effective interest rate method. This category includes loans with original maturities greater than one year. Gains or losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

2. Accounting methods (Continued)

Derecognition

A financial liability is derecognised when the associated obligation is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

k) Derivative financial instruments

The Group utilises derivative financial instruments (shown separately in the consolidated statement of financial position under other financial assets and other financial liabilities) to economically hedge its primary market risk exposures, primarily risks related to commodity price movements, and to a lesser extent, related to exposure to foreign currency exchange and interest rate movements. For some of these derivative transactions, the Group will enter into positions through Trafigura Pte Ltd. The Group has an agreement in place with Trafigura Pte Ltd whereby those derivative transactions entered into on behalf of the Group by Trafigura Pte Ltd are contractually binding to the Group and therefore any gains or losses arising from such transactions are strictly for the account of the Group.

Derivatives, including separated embedded derivatives, are classified as held for trading at fair values and related gains and losses are recorded in profit or loss unless they are designated as effective hedging instruments as defined by IAS 39 *Financial Instruments: Recognition and Measurement*. The Group does not generally apply hedge accounting as defined by IAS 39 *Financial Instruments: Recognition and Measurement*.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include: using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis; or other valuation models.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (e.g. the underlying contracted cash flows).

- Where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.

2. Accounting methods (Continued)

l) Inventory

Inventories, other than inventories held for trading purposes, are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and comprises direct purchase costs, cost of production, transportation and manufacturing expenses. Borrowing costs are not included in the cost of inventory.

Net realisable value of petroleum products is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition.

Any write-off is recognised when the probable realisable value is lower than the net book value.

With respect to inventories held for trading purposes, the Group accounts for them at fair value less costs to sell and any changes in value are recognised in profit or loss. Trading activities include optimisation of the Group's supply cycle and the supply of petroleum products to business-to-business and wholesale clients. Further details are provided in Note 14.

m) Leases

The Group as lessee

Finance leases, which transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term.

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

n) Cash and short term deposits

Cash and short term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short term deposits as defined above.

2. Accounting methods (Continued)

o) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

p) Pensions and other post-employment benefits

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Group. Deferred bonus arrangements that have a vesting date more than 12 months after the period end are valued on an actuarial basis using the projected unit credit method and amortised on a straight-line basis over the service period until the awards vest.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method. Unvested past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested. Past service costs are recognised immediately if the benefits have already vested immediately following the introduction of, or changes to, a pension plan. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in profit or loss during the period in which the settlement or curtailment occurs.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long term market returns on plan assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year.

Actuarial gains and losses are recognised in full within other comprehensive income in the year in which they occur.

The defined benefit pension plan surplus or deficit in the consolidated statement of financial position comprises the total for each plan at the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and, in the case of quoted securities, is the published bid price.

Contributions to defined contribution schemes are recognised in profit or loss in the period in which they become payable.

q) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue is reduced for estimated customer returns, discounts and other similar allowances. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or

2. Accounting methods (Continued)

agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold.
- Revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

r) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised in other comprehensive income is also recognised in other comprehensive income and not in profit or loss.

Deferred tax

Deferred tax assets and liabilities are recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date and for operating loss and tax credit carry forwards. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to

2. Accounting methods (Continued)

control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect on deferred tax assets and liabilities of changes in tax rates is recognised in profit or loss in the period of the enactment of the change in tax rates.

Tax exposure

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities and such changes to tax liabilities will impact tax expense in the period that such a determination is made.

s) Share based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in employee benefits expense, together with a corresponding increase in equity (retained earnings), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Changes in these assumptions may materially affect the

3. Significant accounting judgements, estimates and assumptions (Continued)

consolidated financial position or performance reported in future periods. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the consolidated financial statements.

Impairment of assets

In accordance with IAS 36 *Impairment of Assets*, the Group performs an assessment at each reporting date to determine whether there are any indications of impairment at each reporting date. If indications of impairment exist, an impairment test is performed to assess the recoverable amount of the assets.

Goodwill impairment

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit, and a suitable discount rate, in order to calculate present value. Details of the Group goodwill impairment assessment at 31 December 2016 and 2015 are described in Note 13.

Useful lives of intangible assets and property and equipment

Intangible assets and property and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. The useful lives are estimated by management at the time the assets are acquired and are reassessed annually, with the estimated useful lives being based on historical experience with similar assets, market conditions and future anticipated events.

The actual useful lives might be different from the estimated useful lives. The related carrying amounts at 31 December 2016 and 2015 are disclosed in Note 11 and Note 12.

Environmental costs

Costs associated with environmental remediation obligations are provided for when the Group has a present obligation and the provision can be reasonably estimated. Such provisions are adjusted as further information develops or circumstances change. The related carrying amounts at 31 December 2016 and 2015 are disclosed in Note 22.

Recovery of deferred tax assets

Judgement is required in determining whether deferred tax assets should be recognised in the consolidated statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred income tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, oil and natural gas prices, reserves, operating costs, decommissioning costs, capital expenditure, dividends and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction.

Contingencies

To the extent that future cash flows impacting the taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

3. Significant accounting judgements, estimates and assumptions (Continued)

Pension benefits obligation

The accounting policy applied by the Group for defined benefit pension schemes requires management to make judgements as to the nature of such benefits provided by each scheme which thereby determines the classification of each scheme. The cost of defined benefit pension plans and the present value of the pension obligation are required to be determined annually using actuarial valuations. An actuarial valuation involves making various estimates and assumptions. These include the determination of the future returns on each different type of scheme asset, the discount rate, future salary increases, employee attrition rates, mortality rates, expected remaining periods of service of employees and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Determination of fair values in business combinations

The Group has applied estimates and judgements in order to determine the fair value of assets acquired and liabilities and contingent liabilities assumed by way of a business combination.

The value of assets, liabilities and contingent liabilities recognised at the acquisition date are recognised at fair value. In determining fair value the Group has utilised valuation methodologies including discounted cash flow analysis market value assessments or replacement value by third parties for, in particular, acquired property and equipment. The market value of property and equipment is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The assumptions made in performing these valuations include assumptions as to discount rates, foreign exchange rates, commodity prices, the timing of development, capital costs, and future operating costs. Any significant change in key assumptions may cause the acquisition accounting to be revised including the recognition of additional goodwill or a discount on acquisition.

4. Significant events

US$100million Private Placement

In January 2016, the Group entered into a US$100million Private Placement with Delta Lloyd, at a fixed interest rate of 5.87% per year, which matures in 2023.

Storage assets in Nigeria

In January 2016, the Group acquired the storage assets of Wabeco in Nigeria. Wabeco keeps a 40% stake in the legal entity, which owns two import terminals and distributes bitumen in Nigeria.

Acquisition of Grace Petroleum

In April 2016, the Group acquired Grace Petroleum, a retail distribution company in Ghana.

Senior Credit Facility refinancing

In May 2016, the Group refinanced and increased its Senior Credit Facility from US$1.25billion to US$1.55billion.

4. Significant events (Continued)

Equity increase

In October 2015, the Group issued a US$500million capital increase with its main shareholders, Trafigura Beheer BV, Sonangol Holdings Lda and Cochan Holdings LLC, with $350million having been paid at the end of 2015. The outstanding portion of US$150million of this capital increase was cancelled in April 2016.

Transfer of storage and distribution contracts

In July 2016, certain contracts for the rental of storage facilities and the distribution of bitumen products in the United States have been transferred from Trafigura Group to the Group. These contracts were transferred at no cost.

Acquisition in Tanzania

In December 2016, the Group acquired a network of 13 service stations in Tanzania from Kili Oil.

Acquisition of BP terminal in Northern Ireland

In November 2016, the Group announced the acquisition of a bulk storage terminal in Belfast, Northern Ireland. This increases the Group's storage capacity by 143k m^3, to a total of 7.9million m^3. This acquisition was closed during the first quarter of 2017.

Australia property trust

In December 2016, the Group made an AUD20million investment in a retail property fund, holding 23 service stations in Australia.

5. Changes in accounting standards

New and amended standards and interpretations

In 2016, the Group adopted the following new or amended standards and interpretations for the first time:

- Amendments to IAS 1 *Presentation of Financial Statements* (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IFRS 11 *Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations* (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 27 *Equity Method in Separate Financial Statements* (effective for annual periods beginning on or after 1 January 2016).
- Annual improvements 2012-2014 cycle (effective for annual periods beginning on or after 1 January 2016):
  - IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.
  - IFRS 7 *Financial Instruments: Disclosure*.
  - IAS 19 *Employee Benefits*.
  - IAS 34 *Interim Financial Reporting*.

Standards issued but not yet effective

The standards and interpretations that have been issued or amended, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below.

5. Changes in accounting standards (Continued)

The Group intends to adopt the following standards, interpretations and amendments when they become effective, to the extent they are relevant to the Group.

- Annual Improvements 2014-2016 Cycle (effective for annual periods beginning on or after 1 January 2017).
- Amendments to IAS 7 *Disclosure* (effective for annual periods beginning on or after 1 January 2017).
- Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses* (effective for annual periods beginning on or after 1 January 2017).
- IFRS 9 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018).
- IFRS 15 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2018).
- Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions* (effective for annual periods beginning on or after 1 January 2018).
- IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration* (effective for annual periods beginning on or after 1 January 2018).
- Amendments to IAS 40 *Transfers of Investment Property* (effective for annual periods beginning on or after 1 January 2018).
- IFRS 16 *Leases* (effective for annual periods beginning on or after 1 January 2019).
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between and Investor and its Associate or Joint Venture* (effective date to be determined by the IASB).

With the exception of IFRS 16 *Leases*, for which the impact is still being assessed, the adoption of these issued or amended standards and interpretations is not expected to have a material impact on the consolidated financial position or performance of the Group.

6. Business combinations and acquisition of non-controlling interests

6.1a Subsidiaries acquired in 2016

The following table summarises those subsidiaries acquired in 2016:

Subsidiaries acquired	Principal activity	Date of acquisition	Proportion of voting equity interests acquired
			%
Wabeco Nigeria	Bitumen storage and supply	19 January 2016	60%
Grace Petroleum	Fuel marketing and distribution	4 April 2016	100%
Kili Oil Tanzania	Fuel marketing and distribution	1 January 2016	100%

6. Business combinations and acquisition of non-controlling interests (Continued)

6.1b Subsidiaries acquired in 2015

The following table summarises those subsidiaries acquired in 2015:

Subsidiaries acquired	Principal activity	Date of acquisition	Proportion of voting equity interests acquired
			%
Save Combustibles SAS, Colombia	Fuel marketing and distribution	19 March 2015	100%
N'komazi South Africa	Fuel marketing and distribution	23 March 2015	100%
Drakensberg	Fuel marketing and distribution	1 April 2015	75%
Portsmith	Fuel marketing and distribution	1 June 2015	100%
Murco Petroleum Ltd	Fuel storage, marketing and distribution	1 July 2015	100%
BP Puerto Rico, aviation business	Fuel marketing and distribution	1 July 2015	100%
Brent Oil	Fuel marketing and distribution	10 August 2015	75%
BP Australia, bitumen business	Bitumen supply and distribution	21 August 2015	100%
Ferush SAS	Fuel marketing and distribution	2 October 2015	100%
Sasol Swaziland	Fuel marketing and distribution	1 December 2015	100%

6.2a Assets and liabilities recognised at date of acquisition in 2016

The provisional fair value of the identifiable assets and liabilities of the entities acquired at the date of acquisition was:

in US$'000	Downstream segment(i)	Total
Assets		
Property and equipment	24,122	24,122
Intangible assets	10,873	10,873
Other receivable	54	54
Total identifiable net assets acquired at fair value(i)	35,049	35,049
Non-controlling interest measured at the proportionate share of the acquiree's net assets	(7,883)	(7,883)
Net assets acquired	27,166	27,166
Goodwill arising on acquisition	24,234	24,234
Purchase consideration	51,400	51,400

(i) Includes the acquisition of Wabeco bitumen assets in Nigeria, Grace Petroleum in Ghana and Kili Oil in Tanzania

The goodwill recognised on these acquisitions reflects the expected revenue growth, synergies, and optimised supply. None of the goodwill recognised is expected to be deductible for tax purposes.

Transaction costs of US$0.1million have been expensed (included in selling and operating costs) and are part of the operating cash flows in the consolidated statement of cash flows.

6. Business combinations and acquisition of non-controlling interests (Continued)

6.2b Assets and liabilities recognised at date of acquisition in 2015

The fair value of the identifiable assets and liabilities of the entities acquired at the date of acquisition was:

in US$'000	Downstream segment(i)	Total
Assets		
Cash and cash equivalents	6,128	6,128
Trade receivables	9,241	9,241
Property and equipment	216,165	216,165
Intangible assets	51,983	51,983
Deferred tax assets	926	926
Other assets	79,962	79,962
Liabilities		
Trade and other payables	(72,533)	(72,533)
Interest-bearing loans and borrowings	(677)	(677)
Other liabilities	(69,503)	(69,503)
Deferred tax liabilities	(6,589)	(6,589)
Total identifiable net assets acquired at fair value(i)	**215,103**	**215,103**
Non-controlling interest measured at the proportionate share of the acquiree's net assets	(1,573)	(1,573)
Net assets acquired	**213,530**	**213,530**
Goodwill arising on acquisition	98,031	98,031
Gain on business combination	(39,522)	(39,522)
Purchase consideration	**272,039**	**272,039**

(i) Includes the acquisitions of Save Combustibles SAS, N'komazi, Drakensberg, Portsmith, Murco Petroleum Ltd, BP's aviation business in Puerto Rico, Brent Oil, BP Australia, bitumen business, Ferush SAS and Sasol Swaziland

In aggregate, the fair value of the trade receivables amounted to US$9.2million. The gross amount of trade receivables was US$14.9million. The difference of US$5.7million represented provisions for doubtful debts at the respective acquisition dates.

The Group recognised a gain on the acquisitions of Murphy Oil in the United Kingdom and BP's aviation business in Puerto Rico. The goodwill recognised on the other acquisitions reflects the expected revenue growth, synergies, and optimised supply. None of the goodwill recognised is expected to be deductible for tax purposes.

Transaction costs of US$10.6million have been expensed (included in selling and operating costs) and are part of the operating cash flows in the consolidated statement of cash flows.

6. Business combinations and acquisition of non-controlling interests (Continued)

6.3 Cash flow on acquisitions

6.3a Cash flow on acquisitions in 2016

The cash flow on acquisitions made in 2016 is summarised below:

in US$'000	Downstream segment[(ii)]	Total
Purchase consideration	(51,400)	(51,400)
Deferred payment/prepayment made	10,902	10,902
Reduction in purchase price	419	419
Repayment of vendor loan	(92,155)	(92,155)
Net cash outflow	**(132,234)**	**(132,234)**

(ii) Includes the acquisition of Wabeco bitumen assets in Nigeria, Grace Petroleum in Ghana and Kili Oil in Tanzania, and the repayment of the vendor loan for a business acquired in 2014.

6.3b Cash flow on acquisitions in 2015

in US$'000	Downstream segment[(iii)]	Total
Cash consideration	(272,039)	(272,039)
Cash and cash equivalents acquired	6,128	6,128
Vendor loan	5,068	5,068
Net cash outflow	**(260,843)**	**(260,843)**

(iii) Includes the acquisitions of Save Combustibles SAS, N'komazi, Drakensberg, Portsmith, Murco Petroleum Ltd, BP's aviation business in Puerto Rico, Brent Oil, BP Australia, bitumen business, Ferush SAS and Sasol Swaziland

6.4 Pro forma impact of acquisitions on the results of the Group

6.4a Pro forma impact of 2016 acquisitions on the results of the Group

None of the businesses acquired during 2016 had a material impact on sales and operating profit of the Group.

6.4b Pro forma impact of 2015 acquisitions on the results of the Group

From the date of acquisition, the aggregate contributions of the acquired businesses were US$1,258million to sales and US$(10.9)million to operating profit (net of acquisition costs).

Had these business combinations been in effect from 1 January 2015, the aggregate contribution to sales of the Group from continuing operations for the whole year would have been US$2,588million (mainly Murphy Oil US$1,782million, Brent Oil US$265million and BP Bitumen US$145million).

The Group Executive Committee considers these ''pro-forma'' numbers to represent an approximate measure of the performance of the combined Group on an annualised basis and to provide a reference point for comparison in future periods.

6.5 Non-controlling interests acquired

The following non-controlling interests in subsidiaries were purchased in 2016:

in US$'000	Total
Non-controlling interests purchased	**(3,761)**
Change in retained earnings from non-controlling interest purchase	(4,261)
Purchase consideration	**500**

6. Business combinations and acquisition of non-controlling interests (Continued)

The following non-controlling interests in subsidiaries were purchased/sold in 2015:

in US$'000	Total
Non-controlling interests purchased/(sold)	**(7,046)**
Change in retained earnings from non-controlling interest purchase/sale	4,820
Purchase/(sale) consideration	**(11,866)**
Amount outstanding	**(10,000)**

7. Segment and geographic information

7.1 Segment information

For management purposes, the Group is organised into business units based on products and services and has two reportable segments as follows:

- Midstream business activities that include refining and storage of oil and gas products internationally.
- Downstream business activities that include distribution, wholesale and retail sales of refined products.

No operating segments have been aggregated to form the above reportable operating segments.

The Group Executive Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are based on terms determined by the Group's management.

Year ended 31 December 2016

in US$'000	Downstream	Midstream	Consolidated
Net sales	**12,134,652**	**534,859**	**12,669,511**
Gross profit	**1,373,200**	**227,398**	**1,600,598**
Selling and operating costs(i)	(875,158)	(147,485)	(1,022,643)
General and administrative expenses	(156,147)	(13,185)	(169,332)
Other operating income/(expenses), net	(24,922)	(11,133)	(36,055)
Share of profits/(losses) of associates	8,263	2,318	10,581
Operating profit	**325,236**	**57,913**	**383,149**
Finance income			8,651
Finance costs			(228,263)
Net foreign exchange gains/(losses)			(14,890)
Profit before tax			**148,647**
Total non-current assets (excluding other financial, deferred tax and other assets)	4,015,347	750,050	4,765,397
Total current assets	1,676,969	201,697	1,878,666
Total current liabilities	1,999,681	146,373	2,146,054

(i) Selling and operating costs include an impairment charge of US$2.2million, of which US$1.4million are attributable to the midstream segment.

7. Segment and geographic information (Continued)

Year ended 31 December 2015

in US$'000	Downstream	Midstream	Consolidated
Net sales	12,213,403	473,007	12,686,410
Gross profit	**1,285,954**	**209,801**	**1,495,755**
Selling and operating costs[(ii)]	(822,996)	(193,608)	(1,016,604)
General and administrative expenses	(159,128)	(8,811)	(167,939)
Other operating income/(expenses), net	9,782	17,919	27,701
Share of profits/(losses) of associates	31	3,101	3,132
Operating profit	**313,643**	**28,402**	**342,045**
Finance income			10,431
Finance costs			(211,164)
Net foreign exchange gains/(losses)			25,777
Profit before tax			**167,089**
Total non-current assets (excluding other financial, deferred tax and other assets)	3,836,923	821,914	4,658,837
Total current assets	1,837,802	151,248	1,989,050
Total current liabilities	2,094,293	201,026	2,295,319

(ii) Selling and operating costs include impairment charges of US$42.7million, of which US$33.5million are attributable to the midstream segment.

Selling and operating costs and general and administrative expenses that are not specifically linked to a segment operating entity are allocated on a pro-rata basis according to the relative weighting of gross profit for each segment.

Finance income/(costs), net foreign exchange gains/(losses) and income tax expenses are not allocated as they do not relate to a specific segment and are managed on a Group basis. These accounts do not form part of the review of the operating segment performance monitored by management.

7.2 Geographic information

The Group is organised in four main regions:

- Americas (mainly composed of Latin America and Caribbean)
- Asia Pacific (including Middle East and Australia)
- Africa
- Europe (including Russia)

7. Segment and geographic information (Continued)

in K m^3 (unaudited)	2016 Downstream	2016 Midstream	2015 Downstream	2015 Midstream
Throughput volumes (midstream)				
Americas	—	458	—	414
Asia Pacific	—	5,160	—	3,615
Africa	—	8,643	—	8,260
Europe	—	5,432	—	6,083
Total	**—**	**19,693**	**—**	**18,372**
Sales volumes (downstream and midstream)				
Americas	8,922	—	8,144	—
Asia Pacific	3,468	1,127	3,071	711
Africa	6,499	—	6,348	—
Europe	1,952	—	670	—
Total	**20,841**	**1,127**	**18,233**	**711**

Year ended 31 December 2016

in US$'000	Americas	Asia Pacific	Africa	Europe	Consolidated
Net sales	4,030,893	2,711,260	4,229,680	1,697,678	12,669,511
Gross profit	**475,510**	**375,985**	**658,063**	**91,040**	**1,600,598**
Selling and operating costs	(273,712)	(322,931)	(342,500)	(83,500)	(1,022,643)
General and administrative expenses	(41,964)	(39,066)	(79,077)	(9,225)	(169,332)
Other operating income/(expenses), net	(223)	3,873	(39,709)	4	(36,055)
Net profits/(losses) in associates	986	10,349	(754)	—	10,581
Operating profit	**160,597**	**28,210**	**196,023**	**(1,681)**	**383,149**
Total non-current assets (excluding other financial, deferred tax and other assets)	1,050,567	1,725,844	1,707,810	281,176	4,765,397

Year ended 31 December 2015

in US$'000	Americas	Asia Pacific	Africa	Europe	Consolidated
Net sales	4,400,673	2,788,296	4,495,156	1,002,285	12,686,410
Gross profit	**438,911**	**376,647**	**599,205**	**80,992**	**1,495,755**
Selling and operating costs	(268,160)	(316,946)	(321,469)	(110,029)	(1,016,604)
General and administrative expenses	(43,270)	(47,352)	(72,535)	(4,782)	(167,939)
Other operating income/(expenses), net	(9,281)	11,479	(14,995)	40,498	27,701
Net profits/(losses) in associates	1,625	3,252	(1,745)	—	3,132
Operating profit	**119,825**	**27,080**	**188,461**	**6,679**	**342,045**
Total non-current assets (excluding other financial, deferred tax and other assets)	1,093,733	1,690,443	1,560,725	313,936	4,658,837

7. Segment and geographic information (Continued)

Selling and operating costs and general and administrative expenses that are not specifically linked to an operating region are allocated on a pro-rata basis according to the relative weighting of gross profit for each region.

The Group has no material commercial operations and no material non-current assets in its country of incorporation, Singapore.

Non-current assets for this purpose consist of investments in associates, property and equipment, intangible assets and goodwill (Notes 8, 11 and 12).

8. Investments in associates

The following table summarises the Group's investments in associates for the years ended 31 December 2016 and 2015. None of the entities included below are listed on any public exchange.

8.1 List of investments

Associate name	Activity	Location	Proportion of voting interests held at 31 December 2016	2015
			%	%
Empresa Cubana de Gas	Fuel marketing	Caribbean	50%	50%
Hidrosur Asfaltos SAPI de CV	Bitumen marketing and distribution	Mexico	—	49%
Emoil Petroleum Storage FZCO	Storage	United Arab Emirates	20%	20%
Langsat Terminal (One) Sdn Bhd	Storage	Malaysia	20%	20%
Langsat Terminal (Two) Sdn Bhd	Storage	Malaysia	20%	20%
National Energy and Puma Aviation Services Co Ltd	Aviation	Myanmar	49%	49%
Oil Malal SA	Storage	Chile	33%	33%
Sakunda Petroleum (Pvt) Ltd	Fuel marketing	Zimbabwe	49%	49%
Fuel Distributors of Western Australia Pty Ltd	Fuel supply and cartage	Australia	50%	50%
Phoenix Petroleum Pty Ltd	Fuel supply and cartage	Australia	50%	50%
Phoenix Petroleum Unit Trust	Fuel supply and cartage	Australia	50%	50%
APN Retail Property Fund	Retail property fund	Australia	29%	—

8.2 Associates summarised financial information

The following table illustrates summarised financial information of the Group's investments in associates, which apply the same reporting dates and periods as the Group:

in US$'000	2016	2015
Associates' assets and liabilities:		
Current assets	159,645	119,855
Non-current assets	274,345	220,788
Current liabilities	(70,378)	(65,998)
Non-current liabilities	(119,126)	(99,627)
Equity	**244,486**	**175,018**
Carrying amount of the investments	**94,473**	**71,170**
Associates' revenues and net profits/(losses) (all from continuing operations):		
Revenues	342,613	77,143
Profits/(losses), net of tax	31,908	14,281
Group's share of net profits/(losses) of associates	**10,581**	**3,132**

9. Consolidated statement of income

9.1 Net sales

in US$'000	2016	2015
Net sales of goods	12,156,552	12,187,680
Rendering of services	512,959	498,730
Total net sales	**12,669,511**	**12,686,410**

Sales of goods are net of any sales taxes, value-added taxes, petroleum taxes and discounts.

9.2 Selling and operating costs

in US$'000	2016	2015
Employee benefit expenses	(173,220)	(157,453)
Operating expenses	(502,403)	(494,015)
Depreciation (Note 11)	(304,557)	(288,041)
Amortisation (Note 12)	(40,238)	(34,403)
Impairment (Note 11/12)	(2,225)	(42,692)
Total selling and operating costs	**(1,022,643)**	**(1,016,604)**

9.3 General and administrative expenses

in US$'000	2016	2015
Employee benefit expenses	(108,614)	(95,108)
Operating expenses	(60,718)	(72,831)
Total general and administrative expenses	**(169,332)**	**(167,939)**

9.4 Other operating income/(expenses)

in US$'000	2016	2015
Movements in provisions	—	3,021
Gains on disposal of assets and investments	1,295	1,419
Gain on business combination(i)	—	35,522
Total other operating income	**1,295**	**39,962**

(i) The line gain on business combination includes a US$ 36million gain in 2015, relating to the acquisition of Murco Petroleum in the United Kingdom.

in US$'000	2016	2015
Provision for doubtful accounts	(4,266)	(2,150)
Movements in other provisions	(3,852)	(1,889)
Foreign exchange losses on operations	(5,464)	(5,136)
Other expenses(ii)	(23,768)	(3,086)
Total other operating expenses	**(37,350)**	**(12,261)**

(ii) The line other expenses includes US$ 21.2million for the write-off of tangible and intangible assets (2015: US$ 2.6million)

9. Consolidated statement of income (Continued)

9.5 Finance income

in US$'000	2016	2015
Interest income on other loans and finance lease receivables	6,137	8,426
Dividend income	2,514	2,005
Total finance income	**8,651**	**10,431**

9.6 Finance costs

in US$'000	2016	2015
Interest on loans and borrowings from third parties	(196,864)	(190,291)
Interest on loans and borrowings from related parties	(15,848)	(6,595)
Unwinding of discount	(2,126)	(1,652)
Hedging costs	(10,131)	(11,481)
Net loss on financial instruments carried at fair value through profit or loss	(3,294)	(1,145)
Total finance costs	**(228,263)**	**(211,164)**

10. Income tax

10.1 Current income tax expense

The major components of income tax expense for the years ended 31 December 2016 and 2015 were:

in US$'000	2016	2015
Current income tax:		
Current income tax charge	52,102	49,173
Adjustments in respect of current income tax of previous year	(625)	3,650
	51,477	**52,823**
Deferred tax:		
Relating to origination and reversal of temporary differences	(33,546)	(76,430)
	(33,546)	**(76,430)**
Withholding tax:		
Applicable withholding tax in the current year	14,351	13,845
	14,351	**13,845**
Income tax expense/(credit) reported in the consolidated statement of income	**32,282**	**(9,762)**

10.2 Income tax recognised directly in other comprehensive income

Income tax totalling US$(0.1)million (2015: US$(0.1)million) was recognised directly in other comprehensive income. The entire amount recognised related to the actuarial losses recognised during the year from the Group's various defined benefit plans.

10.3 Reconciliation of accounting profit to income tax expense

The Group's effective tax rate differs from the Company's statutory income tax rate in Singapore, which was 17% in 2016 (2015: 17%) due to the Group operating in several jurisdictions. A reconciliation between tax expense and the product of accounting profit multiplied by the Group's

10. Income tax (Continued)

statutory blended income tax rate of jurisdictions the Group operates in for the years ended 31 December 2016 and 2015 was as follows:

in US$'000	2016	2015
Accounting profit before tax	**148,647**	**167,089**
Share of net profits in associates	(10,581)	(3,132)
Accounting profit before tax net of share of net profits in associates	**138,066**	**163,957**
Income tax expense at statutory blended tax rate of 31.02% (2015: 34.64%)	(42,824)	(56,790)
Non-deductible expenses	(62,128)	(30,536)
Other non-taxable income	5,138	11,555
Capital gains or losses	315	1
Income exempt or subject to specific tax holidays(i)	75,305	75,985
Other permanent differences	3,564	3,496
Adjustment for countries not based on net taxable income	(3,264)	9,725
Adjustments recognised in the current year in relation to current income tax of previous years	625	(3,650)
Adjustments recognised in the current year in relation to deferred income tax of previous years	(6,514)	2,552
Impact of rate differences on deferred tax items	213	505
Effect of unrecognised and unused tax losses not recognised as deferred tax assets	15,476	14,669
Withholding tax	(14,351)	(13,845)
Minimum tax and surtax	(1,887)	(2,665)
Rate difference impacts	96	1,232
Others	(2,046)	(2,472)
At the effective income tax rate of 21.72% (2015: (5.84%))	**(32,282)**	**9,762**

(i) Income exempt or subject to specific tax holidays is mainly the result from tax specific incentives granted by certain national authorities to the Group given certain investments made by the Group which resulted in the development of local infrastructure.

The Group operates in a multitude of jurisdictions and adheres to applicable local and international tax law in the countries in which it operates, including legislation on transfer pricing. The Group's tax policy is to pay appropriate tax according to work carried out in each jurisdiction, as determined by a functional analysis of operations using standard measures wherever possible, underpinned by reports prepared to fulfil local transfer pricing requirements. The Group's effective tax rate—the average rate at which consolidated pre-tax profits are taxed—varies from year to year according to circumstances, but in 2016 it was 21.72% (2015: (5.84%)). The difference in effective tax rate between the two years is explained, by recognition of deferred tax assets relating to tax loss carry forwards.

10.4 Current tax assets and liabilities

Current income taxes are computed on the profit before tax presented in the consolidated statement of income adjusted to taxable profit in accordance with local tax legislation.

Current tax assets relate to overpaid income tax. Current tax liabilities relate to income tax payable.

10. Income tax (Continued)

10.5 Deferred tax relates to the following:

in US$'000	Consolidated statement of financial position		Consolidated statement of income	
	2016	2015	2016	2015
Accelerated depreciation for tax purposes	(20,924)	(26,629)	7,361	1,236
Revaluations	(43,846)	(47,673)	616	3,067
Losses	134,464	113,745	(34,690)	(68,927)
Other temporary differences	(28,699)	(29,016)	(6,833)	(11,806)
Deferred tax expense/(income)			**(33,546)**	**(76,430)**
Deferred tax liability, net	**40,995**	**10,427**		
Reflected in the consolidated statement of financial position as follows:				
Deferred tax assets	100,543	73,187		
Deferred tax liabilities	(59,548)	(62,760)		
Deferred tax asset/(liability), net	**40,995**	**10,427**		

Reconciliation of net deferred tax assets/(liabilities)

in US$'000	2016	2015
Opening balance at 1 January	10,427	(61,684)
Tax income recognised in profit or loss during the year	33,348	76,416
Change in tax rate recognised in profit or loss during the year	198	14
Transfers	(2,979)	(5,663)
Other movements during the year	1	1,344
Closing balance at 31 December	**40,995**	**10,427**

At 31 December 2016, the Group had unrecognised tax loss carry forwards amounting to US$140.0million (2015: US$160.1million). These losses relate to subsidiaries that have had historical losses, which have an expiry date of more than four years. These losses may not be used to offset taxable income elsewhere in the Group and where the subsidiaries have no taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets.

At 31 December 2016, the Group had unrecognised other temporary differences amounting to US$1.0million (2015: US$0.7million). These temporary differences have no expiry date. If the Group was able to recognise all unrecognised deferred tax assets, profit would increase by US$34.7million (2015: US$39.3million).

10.6 Tax uncertainties

The Group operates in numerous jurisdictions worldwide resulting in cross-border intercompany transactions whereby the transfer pricing rules applied in one country have an impact on the results in another country. Due to complexity of tax rules, interpretation by local taxing authorities can differ from the Group's interpretation based on opinions provided by local tax counsel.

In countries where the Group starts new operations or alters business models, the issue of having a permanent establishment and profit allocation thereto may arise. The risk is that taxing authorities in multiple jurisdictions claim taxation rights over the same profit.

11. Property and equipment

in US$'000	Land and buildings	Machinery and equipment	Motor vehicles	Office and IT equipment	Fixed assets in progress	Total
Cost:						
At 1 January 2015	1,013,570	2,062,217	158,741	66,343	396,209	3,697,080
Additions[(i)]	48,867	140,710	36,636	15,829	614,723	856,765
Disposals	(1,385)	(7,301)	(7,673)	(678)	(255)	(17,292)
Acquisitions of subsidiaries (Note 6.2)	33,817	177,322	4,617	361	48	216,165
Write-offs	(1,359)	(2,979)	(289)	(133)	(291)	(5,051)
Reclassifications	175,525	294,009	16,956	5,495	(507,718)	(15,733)
Exchange adjustment	(125,694)	(211,328)	(13,777)	(7,583)	(51,091)	(409,473)
Other movements	(8,249)	(3,898)	(2,504)	(131)	(8,109)	(22,891)
At 31 December 2015	**1,135,092**	**2,448,752**	**192,707**	**79,503**	**443,516**	**4,299,570**
Additions[(ii)]	28,460	123,362	18,182	14,695	375,894	560,593
Disposals	(5,317)	(87,913)	(56,223)	(11,682)	(584)	(161,719)
Acquisitions of subsidiaries (Note 6.2)	11,513	1,050	619	—	10,940	24,122
Write-offs	(453)	(3,070)	(539)	(192)	(13,297)	(17,551)
Reclassifications	81,721	245,553	5,977	5,542	(363,330)	(24,537)
Exchange adjustments	(63,546)	(103,406)	(3,789)	(2,051)	(21,227)	(194,019)
Other movements	(1,164)	—	—	—	—	(1,164)
At 31 December 2016	**1,186,306**	**2,624,328**	**156,934**	**85,815**	**431,912**	**4,485,295**
Depreciation and impairment:						
At 1 January 2015	(181,436)	(566,311)	(30,532)	(31,408)	—	(809,687)
Depreciation (Note 9.2)	(66,614)	(188,521)	(21,178)	(11,728)	—	(288,041)
Disposals	280	6,288	3,328	668	—	10,564
Impairment (Note 9.2)	(8)	(33,417)	—	(38)	—	(33,463)
Write-offs	11	2,106	289	67	—	2,473
Reclassification	(10,606)	12,227	(3,002)	1,381	—	—
Exchange adjustment	31,186	58,610	4,879	3,189	—	97,864
Other movements	(568)	507	3,465	23	—	3,427
At 31 December 2015	**(227,755)**	**(708,511)**	**(42,751)**	**(37,846)**	**—**	**(1,016,863)**
Depreciation (Note 9.2)	(60,215)	(205,345)	(23,080)	(15,917)	—	(304,557)
Disposals	5,198	86,720	9,868	10,835	—	112,621
Impairment (Note 9.2)	(8)	(2,002)	—	—	—	(2,010)
Write-offs	312	625	256	166	—	1,359
Exchange adjustment	20,156	29,887	1,340	828	—	52,211
Other movements	(3,332)	2,693	349	1,067	—	777
At 31 December 2016	**(265,644)**	**(795,933)**	**(54,018)**	**(40,867)**	**—**	**(1,156,462)**
Net book value:						
At 31 December 2016	920,662	1,828,395	102,916	44,948	431,912	3,328,833
At 31 December 2015	907,337	1,740,241	149,956	41,657	443,516	3,282,707

(i) Includes US$36.0million of deferred capex in Mozambique and Angola financed through vendor loans.

(ii) 2016 additions of fixed assets as per the cash flow statement include US$52.0million of deferred payments made for assets acquired in 2014.

Certain items included in property and equipment are pledged as collateral for the third party loans granted to certain of the Group's affiliates amounting to US$78million (2015: US$195million). The Group does not hold any property for investment purposes.

11. Property and equipment (Continued)

Exchange rate adjustments reflect the translation effects from movements in foreign currencies against the US$. All property, plant and equipment is valued at historic cost, and no revaluations are made, in line with Group policy.

12. Intangible assets and goodwill

in US$'000	Goodwill	Licences	Other intangibles	Total
Cost or valuation:				
At 1 January 2015	960,266	40,908	332,693	1,333,867
Acquisitions/disposals of subsidiaries (Note 6.2)	98,031	94	51,889	150,014
Additions	—	15,214	38,660	53,874
Disposals	—	(7)	(5)	(12)
Exchange adjustment	(102,288)	(2,469)	(37,942)	(142,699)
Reclassifications	—	7,757	7,976	15,733
Write-offs	—	(51)	(6)	(57)
Other movements	—	(59)	(6,686)	(6,745)
At 31 December 2015	**956,009**	**61,387**	**386,579**	**1,403,975**
Acquisitions/disposals of subsidiaries (Note 6.2)	24,234	—	10,873	35,107
Additions	—	22,442	15,375	37,817
Disposals	(389)	(4,636)	(1,505)	(6,530)
Exchange adjustment	5,449	(827)	(19,273)	(14,651)
Reclassifications	(3)	(3,999)	28,539	24,537
Write-offs	—	—	(5,002)	(5,002)
Other movements	861	—	(1,306)	(445)
At 31 December 2016	**986,161**	**74,367**	**414,280**	**1,474,808**
Amortisation:				
At 1 January 2015	(6,725)	(20,542)	(34,352)	(61,619)
Amortisation charge for the year (Note 9.2)	—	(12,690)	(21,713)	(34,403)
Impairment (Note 9.2)	(9,229)	—	—	(9,229)
Disposals	—	7	2	9
Exchange adjustment	—	781	5,518	6,299
Reclassification	—	17	(146)	(129)
Write-offs	—	57	—	57
At 31 December 2015	**(15,954)**	**(32,370)**	**(50,691)**	**(99,015)**
Amortisation charge for the year (Note 9.2)	—	(13,018)	(27,220)	(40,238)
Impairment (Note 9.2)	—	(215)	—	(215)
Disposals	—	4,625	1,212	5,837
Exchange adjustment	—	303	513	816
Other movements	—	5	93	98
At 31 December 2016	**(15,954)**	**(40,670)**	**(76,093)**	**(132,717)**
Net book value:				
At 31 December 2016	970,207	33,697	338,187	1,342,091
At 31 December 2015	940,055	29,017	335,888	1,304,960

13. Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill acquired through business combinations and intangible assets with indefinite lives have been allocated to two cash-generating units, which are also operating and reportable segments, for impairment testing as follows:

- Midstream cash-generating unit.
- Downstream cash-generating unit.

13. Impairment testing of goodwill and intangible assets with indefinite lives (Continued)

The carrying amount of goodwill (other than goodwill relating to discontinued operations) was allocated to cash-generating units as follows:

in US$'000	2016	2015
Midstream unit	41,438	41,386
Downstream unit	928,769	898,669
Total carrying amount of goodwill	**970,207**	**940,055**

Midstream cash generating unit:

The midstream cash generating unit relates to entities with refining and storage facilities. The recoverable amounts of the net assets tested under this cash-generating unit have been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period, and an average pre-tax discount rate of 7.83% per annum (2015: 8.45%).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a continuous 1.0% per annum growth rate (2015: 1.0%).

Downstream cash generating unit:

The downstream cash generating unit pertains to entities that include distribution of refined oil and gas products. The recoverable amount of the net assets tested under this cash-generating unit have been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period, and an average pre-tax discount rate of 7.27% per annum (2015: 8.14%).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 2.0% per annum growth rate (2015: 2.0%).

13.1 Key assumptions used in value in use calculations

Gross profits—Gross profits are based on average values achieved in the three years preceding the start of the budget period, adjusted for any new investments or change in market dynamics. These are volume-driven and are increased over the budget period according to the expected gross domestic product growth and applicable local petroleum regulations of each country where the units operates.

Discount rates—Discount rates represent the current market assessment of the risks specific to each cash generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital. The weighted average cost of capital takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on its interest bearing loans and borrowings which the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on management's knowledge of the particular markets in which it operates.

Petroleum product prices—Forecasted commodity prices are publicly available.

Market share assumptions—These assumptions are important because, as well as using industry data for growth rates (as noted below), management assesses how the unit's position, relative to its competitors, might change over the budget period. Management expects the Group's share of the petroleum product market to be stable over the budget period.

13. Impairment testing of goodwill and intangible assets with indefinite lives (Continued)

Growth rate estimates—Rates are based on management's estimates.

13.2 Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the midstream and downstream units, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

A 1% increase in the discount rate or a 1% fall in the growth rate would not result in a recoverable amount below net book value.

14. Inventories

in US$'000	2016	2015
Petroleum inventories at fair value(i)	219,479	146,998
Petroleum product inventories at lower of cost and net realisable value, net	511,916	456,425
Merchandise inventories, net	13,863	11,551
Total inventories, net	**745,258**	**614,974**

(i) As indicated in Note 2.3.l, inventories held for trading purposes are stated at fair value less costs to sell and any changes in net fair value are recognised in profit or loss. Certain of the Group's subsidiaries engage in commodity trading activities for which the exemption stipulated in IAS 2 I*nventories for commodity broker-traders* applies. Trading activities undertaken include optimisation of the Group's supply cycle and the supply of petroleum products to business-to-business and wholesale clients.

The cost of inventories recognised in cost of sales in 2016 amounted to US$10,784million (2015: US$10,899million).

15. Other financial assets

in US$'000	2016	2015
Financial assets carried at fair value through profit or loss(i)	5,974	64,869
Finance lease receivable(ii)	4,569	4,992
Loans to other entities(iii)	33,225	25,218
Investments	9,951	11,051
Total other financial assets	**53,719**	**106,130**
Of which due from related parties (Note 25)	9,322	—
Current	22,462	69,397
Non-current	31,257	36,733
	53,719	**106,130**

(i) All held for trading derivatives are swaps and commodity futures with maturities less than one year.

(ii) The Group has a finance lease arrangement for petroleum storage equipment.

(iii) The Group makes a limited number of loans to third and related parties. None of these loans were past due and management believes there are no circumstances which would warrant impairing these loans.

16. Other assets

in US$'000	2016	2015
Prepayments, deposits and guarantees(i)	159,168	190,815
Other tax receivables(ii)	170,245	184,950
Other receivables(iii)	43,465	241,968
Total other assets	**372,878**	**617,733**
Of which due from related parties (Note 25)	5,063	179,345
Current	229,614	459,602
Non-current	143,264	158,131
	372,878	**617,733**

(i) Prepayments, deposits and guarantees mainly include payments made for the purchase of equipment and construction materials, capital expenditure prepayments, a deposit made for deferred payments on the Neumann Australia acquisition, as well as other guarantees and deposits.

(ii) Other tax receivables include non-income tax related items such as VAT and petroleum tax receivables.

(iii) The decrease in other receivables is mainly due to the forfeiture and cancellation of the unpaid shares of the Company, amounting to US$150million, from the share capital increase made in October 2015.

17. Trade receivables

Trade and other accounts receivable include the short term portion of trade accounts receivable and related accounts.

in US$'000	2016	2015
Trade receivables	**528,107**	**543,769**
Of which due from related parties (Note 25)	131,365	139,816

Trade receivables are non-interest bearing and are generally on cash to 30 day terms. At year-end Group days of sales outstanding amounted to 12.4 days (2015: 12.3 days).

The most significant allowance for doubtful debts on an individual trade receivable amounted to US$3.2million (31 December 2015: US$2.9million). The impairment recognised represents the difference between the carrying amount of the trade receivables and the present value of the expected proceeds. The Group does not hold any collateral over these balances. As illustrated below, there were no significant movements in the allowance for impairment of receivables (see credit risk disclosure in Note 27.3 for further guidance).

The movement in the allowance for doubtful debts was as follows:

in US$'000	2016	2015
Balance at beginning of the year	(16,414)	(12,016)
Impairment losses recognised on receivables	(7,351)	(6,323)
Amounts written off during the year as uncollectible	6,016	2,142
Amounts recovered during the year	3,085	3,672
Foreign exchange translation gains and losses	(141)	1,768
Integration of existing allowances from acquired entities	—	(5,657)
Balance at end of the year	**(14,805)**	**(16,414)**

17. Trade receivables (Continued)

At 31 December, the ageing analysis of trade receivables from third parties was as follows:

in US$'000	Total	Neither past due nor impaired	Past due but not impaired		
			<30 days	30 - 90 days	>90 days
2016	396,742	342,516	43,052	4,852	6,322
2015	403,953	353,608	33,161	9,749	7,435

Receivables from related parties are neither past due nor impaired and are therefore excluded from the table above.

17.1 Receivables sold without recourse

At 31 December 2016, trade receivables of US$130.6million (2015: US$61.4million), related to the operations in the United Kingdom, had been sold without recourse.

18. Cash and cash equivalents

in US$'000	2016	2015
Cash at banks and on hand	285,406	226,616
Restricted cash	42,256	26,137
Short term deposits	7,994	28,456
Cash and short term deposits	**335,656**	**281,209**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates. Restricted cash is mainly comprised of a US$30million guarantee deposit made for a construction project in Angola (2015: US$18million).

19. Assets classified as held for sale

in US$'000	2016	2015
Total assets held for sale	**—**	**9**

20. Capital and reserves

Shares	2016	2015
Registered share capital[(i)]		
100,000,000 ordinary shares of US$0.01 par value each	1,000	1,000
7,446,805 ordinary shares of US$47 par value each	350,000	500,000
1 share for Trafigura Beheer BV of US$830,967 thousand	830,967	830,967
1 share for Sonangol Holdings Lda of US$510,950 thousand	510,950	510,950
1 share for Cochan Holdings LLC of US$255,475 thousand	255,475	255,475
1 share for PE Investments Limited of US$105,774 thousand	105,774	105,774
Total share capital	**2,054,166**	**2,204,166**

(i) At 31 December 2016, the Group had 107,446,809 shares issued.

21. Interest bearing loans and borrowings

in US$'000	2016	2015
Unsecured—at amortised cost		
Senior notes(i)	1,304,448	1,210,450
Bank overdrafts	176,637	134,787
Obligations under finance leases	339	890
Accrued interest(ii)	36,868	34,141
Unsecured bank loans(iii)	1,559,468	1,073,519
Related parties	1,563	9,344
	3,079,323	**2,463,131**
Secured—at amortised cost		
Secured bank loans(iv)	56,662	429,243
	56,662	**429,243**
Total interest-bearing loans and borrowings	**3,135,985**	**2,892,374**
Of which due to related parties (Note 25)	1,563	9,344
Current	421,081	525,489
Non-current	2,714,904	2,366,885
	3,135,985	**2,892,374**

(i) 6.75% senior notes of US$750million and US$250million issued in January and July 2014 respectively, maturing in 2021, as well as a 4.5% private placement of EUR 200million maturing in 2022, and a 5.87% private placement of US$100million, maturing in 2023.

(ii) Prior year accrued interest of US$34million has been reclassified from trade payables to interest-bearing loans and borrowings to conform with the current year presentation.

(iii) Secured and unsecured bank loans consist of fixed and floating rate loans, for which the weighted average effective interest rate (including arrangement fees) on the loans was 5.96% for the year ended 31 December 2016 and 5.89% for the year ended 31 December 2015. The Group economically hedges a portion of the loans for interest rate risk via an interest rate swap, exchanging variable rate interest for fixed rate interest. The fair value of interest-bearing loans and borrowings for disclosure purposes is based on quoted prices in an active market for identical liabilities. These financial instruments are fair valued, based on Level 2 measurement.

(iv) Bank loans are secured by mortgages over certain of the Group's assets (mainly inventories, qualifying receivables, shares of certain subsidiaries and other long-term assets). The total value of the pledged assets at 31 December 2016 was US$287million (2015: US$696million).

Loan maturity schedule

in US$'000	2016	2015
Not later than one year	421,081	525,489
Later than one year and not later than five years	2,409,669	1,151,209
Later than five years	305,235	1,215,676
Total interest-bearing loans and borrowings	**3,135,985**	**2,892,374**

In addition to the aforementioned debt facilities, the Group entered into a US$1.5billion loan with Bulavista Limited, an indirect subsidiary of Trafigura Beheer BV. This loan which was not drawn at 31 December 2016 and 2015 consists of a US$500million committed revolving credit facility and a US$1.0billion uncommitted revolving credit facility. This loan is not secured, and bears interest of 8.10% per annum (2015: 8.10% per annum). The maturity of the loan is five years, expiring in September 2018.

22. Provisions

in US$'000	Employee related provisions(i)	Provisions for contingencies and expenses(ii)	Provision for remediation(iii)	Total
At 1 January 2016	11,677	28,521	42,347	82,545
Arising during the year	1,940	3,064	2,435	7,439
Utilised	(114)	(2,255)	—	(2,369)
Unused amounts reversed	(3,178)	(2,477)	(1,770)	(7,425)
Foreign exchange translation gains and losses	(128)	(398)	(13,873)	(14,399)
At 31 December 2016	**10,197**	**26,455**	**29,139**	**65,791**
Current	7,432	5,699	1,613	14,744
Non-current	2,765	20,756	27,526	51,047
	10,197	**26,455**	**29,139**	**65,791**
At 31 December 2015				
Current	7,890	5,290	3,000	16,180
Non-current	3,787	23,231	39,347	66,365
	11,677	**28,521**	**42,347**	**82,545**

(i) Employee related provisions mainly reflect holiday accruals, provision for employee benefits as well as provisions for long service leave in Australia and Papua New Guinea.

(ii) Provisions for contingencies and expenses mainly relate to operations in Australia, El Salvador and Papua New Guinea.

(iii) Remediation provisions mainly relate to the UK business acquired in 2015, and the Capeco terminal in Puerto Rico, acquired in 2011.

23. Other financial liabilities

in US$'000	2016	2015
Financial liabilities carried at fair value through profit or loss(i)	38,933	3,760
Vendor loan-related parties(ii)	—	144,114
Vendor loan-third parties(iii)	34,638	40,671
Other liabilities(iv)	6,873	12,510
Total other financial liabilities	**80,444**	**201,055**
Of which due to related parties (Note 25)	—	144,114
Current	39,267	154,352
Non-current	41,177	46,703
	80,444	**201,055**

(i) Derivative positions include commodity futures, commodity swaps and interest rate swaps used to economically hedge certain of the Group's financial risks. A substantial portion of the derivatives are transacted with Trafigura Pte Ltd.

(ii) At 31 December 2015, the Group had a vendor loan from Trafigura Group, which has been repaid during the first quarter of 2016.

(iii) Includes a vendor loan granted for capex payables related to the Matola terminal in Mozambique, as well as deferred payment for the Brent Oil acquisition.

(iv) Other liabilities mainly include branding fees in connection with the Australian acquisition.

24. Trade and other payables

in US$'000	2016	2015
Trade payables	1,329,950	1,171,016
Other payables and accrued liabilities	140,225	227,892
Other liabilities[(i)]	161,552	157,912
Total trade and other payables	**1,631,727**	**1,556,820**
Of which due to related parties (Note 25)	1,013,622	834,095

(i) Other current liabilities include mainly tax, social security and VAT payables.

Terms and conditions of the above liabilities:

- Trade payables are generally non-interest bearing
- Interest payable is normally settled on a monthly basis throughout the financial year.

25. Related parties disclosures

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Related parties not part of the Group include the following:

		% equity interest in the Group	
Entity name	Country of incorporation	2016	2015
Trafigura Beheer BV	Netherlands	49.49%	48.39%
Sonangol Holdings Lda	Angola	27.92%	30.0%
Cochan Holdings LLC	Marshall Islands	15.45%	15.0%
PE Investments Limited	Malta	5.85%	5.61%
Global PE Investors PLC	Malta	0.22%	0.21%
PE SPV Ltd	Malta	0.56%	0.54%
PE ESP Ltd	Malta	0.51%	0.25%

25.1 Related party transactions

Group entities entered into the following transactions with related parties that are not members of the Group:

	Sales to related parties		Purchases from related parties	
in US$'000	2016	2015	2016	2015
Trafigura Group	694,177	575,414	(5,871,812)	(5,719,671)
Sonangol Group	37,223	48,180	(775,566)	(1,008,520)
Others	12,521	12,615	(92)	(4,210)
Total	**743,921**	**636,209**	**(6,647,470)**	**(6,732,401)**

25. Related parties disclosures (Continued)

in US$'000	Amounts owed by related parties(i) 2016	Amounts owed by related parties(i) 2015	Amounts owed to related parties(ii) 2016	Amounts owed to related parties(ii) 2015
Trafigura Group	77,567	97,297	(896,759)	(804,724)
Sonangol Group	34,002	201,048	(114,925)	(173,724)
Others	34,181	20,816	(3,501)	(9,105)
Total	**145,750**	**319,161**	**(1,015,185)**	**(987,553)**

(i) Includes trade and other receivables, loans to related parties and other assets

(ii) Includes trade and other payables, loans from related parties and other liabilities

In addition to the above transactions and balances, a substantial portion of the Group's derivatives are transacted with Trafigura Pte Ltd. The fair value of derivatives contracted with Trafigura Pte Ltd amounted to US$(30.3)million at 31 December 2016 (2015: US$61.5million).

The reduction in amounts owned by Sonangol is related to the US$150.0million cancellation of the unpaid share capital increase.

25.2 Related party loans

The Group has acquired, by virtue of its various acquisitions, certain legacy loans made to employees of acquired entities. These loans are, individually and in aggregate, immaterial to the Group. Furthermore, the Group entered into a US$1.5billion loan with Bulavista Limited, an indirect subsidiary of Trafigura Beheer BV, which was not drawn at 31 December 2016 and 2015. This loan is not secured, and bears interest of 8.1% per annum (2015: 8.1% per annum) and is meant to support the Group in its investment activities.

25.3 Key management personnel compensation

Key management personnel compensation amounted to US$9.1million in 2016 (2015: US$5.9million).

26. Commitments and contingencies

Off balance sheet commitments:

in US$'000	2016	2015
Storage and land rental	661,181	603,469
Assets under construction	130,223	208,765
Supply contracts	510	737
Other commitments(i)	96,316	51,545
Total	**888,230**	**864,516**

in US$'000	2016	2015
Within one year	269,318	293,282
After one year but not more than five years	280,425	234,999
More than five years	338,487	336,235
Total	**888,230**	**864,516**

26. Commitments and contingencies (Continued)

Contingent liabilities:

in US$'000	2016	2015
Letters of credit(ii)	246,813	88,577
Guarantees(iii)	90,042	101,087
Legal and other claims(iv)	48,556	34,376
Total	**385,411**	**224,040**

(i) Other commitments mainly include guarantees issued to third parties for US$15million, US$48million related to retail sites in Australia and US$23million related to a capital commitment for the acquisition of a terminal in Belfast.

(ii) The Group utilises standby letters of credit and documentary credits, where appropriate, when transacting with counterparties who have limited credit history or where certain of the Group underwriting banks require such facilities to be put in place.

(iii) Guarantees issued by the Group are mostly related to performance bonds for performance on specific contracts. No liability is expected to arise from these guarantees.

(iv) Legal and other claims includes existing legal cases for which the Group believes no further charge will arise in the future as the Group believes it has the legal grounds to eventually conclude the cases favourably. The amount reported represents the maximum potential liabilities.

Excluded from the contingent liabilities listed above are those mortgages and assets pledged as collateral on certain financing transactions. These items are disclosed in Note 11.

27. Financial risk management objectives and policies

The Group Executive Committee oversees the management of financial risks and reviews and agrees policies for managing these risks, which are defined in the Group Risk Management Framework. The Group Risk Management Framework is a comprehensive management tool utilised by the Group Executive Committee to assess potential risks facing the Group. With the support of the Group internal audit team, the Group Risk Management Framework provides a context through which the Group is able to continuously monitor external risks. The Group Risk Management Framework is reviewed on a quarterly basis by the Group Executive Committee.

The Group is primarily a midstream and downstream business with a strong risk management philosophy. The Group manages its exposure to key financial risks in accordance with the Group Risk Management Framework. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The main risks that could adversely affect the Group's financial assets, liabilities or future cash flows are: market risks, comprising commodity price risk, cash flow interest rate risk and foreign currency risk; liquidity risk; and credit risk. As a rule, commodity price risk relating to the physical supply activities is systematically economically hedged, with the support of Trafigura Pte Ltd. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken as all derivative transactions are entered into for the purpose of managing the Group's physical inventory exposure. At this stage, the Group does not currently apply any form of hedge accounting.

Furthermore, the Group, through the Group Risk Management Framework, has established conservative consolidated risk limits and closely monitors the Group's risk positions to ensure that the Group's risk exposure remains well within these limits.

27.1 Market risk

The Group operates in various national markets where petroleum prices are predominantly regulated and therefore in many of its markets, it has limited market risk in terms of price exposure. Furthermore, where the Group operates in unregulated markets, the Group is typically able to price its products so as to reflect increases or decreases in market prices on a timely basis and thereby substantially mitigate its price exposure. Despite the Group selling into markets where price

27. Financial risk management objectives and policies (Continued)

exposure is largely mitigated, the Group does economically hedge its physical supply. The primary purpose of the economic hedging activities is to protect the Group against the risk of physical supply transactions being adversely affected by changes in commodity prices. The Group systematically enters into economic hedging contracts to cover price exposures in its physical supply activities. In particular, substantially all supply stock is at all times either pre-sold or the commodity index price risk is economically hedged. By virtue of the nature of the markets in which the Group operates and given the economic hedging conducted in the Group's supply activities as per the Group Risk Management Framework, the Group faces limited market risk.

The following table provides an overview of the derivative contracts at the year-end. All commodity derivatives had maturities of less than one year at each year-end.

	Fair value of derivatives	
in US$'000	**2016**	**2015**
Commodity futures and swaps	(30,305)	61,553
Currency swaps	(2,654)	(433)
Interest rate swaps	—	(11)
Total	**(32,959)**	**61,109**

Currency risk

The Group has exposures to foreign currency risk on its activities. However a substantial part of this foreign exchange exposure is economically hedged out. The Group does not use financial instruments to hedge the translation risk related to equity and earnings of foreign subsidiaries and non-consolidated companies.

Interest rate risk

Interest rate risk of the Group is mainly applicable on the long term funding of the Group. Please refer to the comments below for further details on the Group's funding.

The Group has entered into certain interest rate swap transactions in order to limit its exposure to floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax through the impact on floating rate interest bearing loans and borrowings and cash and cash equivalents. The impact on equity is the same as the impact on profit before tax.

	Effect on profit before tax for the year ended	
in US$'000	**2016**	**2015**
+1.0%	(13,563)	(9,864)
−1.0%	13,563	9,864

27. Financial risk management objectives and policies (Continued)

The carrying amount of all financial assets and liabilities except for interest-bearing loans and borrowings approximated the estimated fair value, due to the short-term nature of the financial instruments. The following table summarises the fair value of interest-bearing loans and borrowings:

	Carrying amount		Fair value	
in US$'000	**2016**	**2015**	**2016**	**2015**
Interest-bearing loans and borrowings[i]	3,135,985	2,892,374	2,804,576	2,549,902
Total	**3,135,985**	**2,892,374**	**2,804,576**	**2,549,902**

(iii) For the purpose of the above disclosure, fixed rate interest-bearing loans and borrowing have been discounted using the actual cost of debt of the Group.

(iv) The fair value of interest-bearing loans and borrowings for disclosure purposes is based on quoted prices in an active market for identical liabilities. These financial instruments are based on a Level 2 fair value measurement (refer to Note 27.6).

27.2 Liquidity risk

The Group, by virtue of the nature of its operations, has demonstrated a consistent ability to generate cash through its ongoing daily operations. The flow of cash received and generated by the Group throughout its global locations is such that the Group views itself as being in a favourable position from a liquidity perspective. The Group generates stable cash flows as the Group's assets are utilised to deliver an essential product to customers in specific, national markets and the Group is therefore not entirely exposed to international commodity market movements. At the same time, the Group has the flexibility to decide whether to invest or not in capital expenditures as its ability to generate cash flows is not bound, in the short term, by significant capital commitments or significant mandatory capital asset maintenance.

Furthermore, the Group monitors its risk to a shortage of funds by monitoring the maturity dates of existing debt. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. At 31 December 2016, the Group had US$896million (2015: US$967million) of undrawn committed borrowing facilities. In addition the Group had US$500million of undrawn committed shareholder loans.

17% of the Group's debt will mature in less than one year at 31 December 2016 (2015: 17%) based on the balances reflected in the consolidated financial statements. The maturity profile of the Group's debt is summarised in Note 21 and below. The Group liquidity risk is further mitigated as a large part of the borrowing activities of the Group are related to the financing of petroleum stocks and by their nature, these stocks are easily convertible into cash.

27. Financial risk management objectives and policies (Continued)

The table below summarises the maturity profile of the Group's financial liabilities based on non-discounted contractual payments:

in US$'000	Less than 1 year	1 - 5 years	5+ years	Total
At 31 December 2016:				
Interest-bearing loans and borrowings	554,389	2,745,119	313,048	3,612,556
Trade and other payables	1,631,727	—	—	1,631,727
Financial derivatives	38,933	—	—	38,933
Other financial liabilities	334	41,177	—	41,511
Total	**2,225,383**	**2,786,296**	**313,048**	**5,324,727**
At 31 December 2015:				
Interest-bearing loans and borrowings	655,985	1,532,872	1,259,379	3,448,236
Trade and other payables	1,556,820	—	—	1,556,820
Financial derivatives	3,748	12	—	3,760
Other financial liabilities	150,604	48,391	—	198,995
Total	**2,367,157**	**1,581,275**	**1,259,379**	**5,207,811**

27.3 Credit risk

The Group has a formalised credit process, with credit officers in the key locations around the world. Strict credit limits are established for each counterparty on the basis of detailed financial and business analyses. These limits are constantly monitored and revised in light of counterparty or market developments and the amount of exposure relative to the size of the Group's consolidated statement of financial position. The Group conducts transactions with the following major types of counterparties:

- Physical commodity counterparties spread across the vertical chains for oil (e.g. resellers and end-users). Sales to counterparties are made on open terms up to internally approved credit limits. Exposures above such limits are subject to independent payment guarantees.
- Payment guarantee counterparties (e.g. prime financial institutions from which the Group obtains payment guarantees).

The Group is present in different geographic regions. Wherever appropriate, guarantees, insurance and letters of credit are used to reduce payment or performance risk. The Group's maximum exposure to credit risk is equivalent to the amounts of financial assets presented in the consolidated statement of financial position. The Group has no significant concentrations of credit risk and no single customer accounts for more than 2% of the Group's revenues. In addition, a significant part of the activity of the Group's downstream business (mainly service stations) is on a cash or prepayment basis.

Refer to Note 17 for an ageing analysis of trade receivables.

27.4 Operational risk

The operations department has representatives in key locations around the world and is responsible for a number of tasks including contract insurance and logistics management. The operations department is also responsible for ensuring that industry, environmental safety, and internal policies and procedures are complied with at all times. Detailed procedures manuals are implemented throughout the Group and all operations personnel receive regular and adequate training covering the relevant subjects according to their specific functions within the operating activities of the Group. This ensures that operations staff are kept up to date with all applicable procedural, legal, regulatory and industry changes.

27. Financial risk management objectives and policies (Continued)

The Group, when chartering vessels, applies a strict vessel vetting procedure which complements insurance requirements and focuses on the vessel age, classification, protection, indemnity and pollution insurance cover. Similar vetting procedures are also applied for both rail car and truck movements. The Group also has a storage procedure which involves full due diligence being undertaken of every proposed storage location—including a site visit to the storage location, the tank or warehouse. Regular stock analysis is undertaken to avoid losses such as theft and contamination, and each approved location is checked annually to evaluate the ongoing situation.

By virtue of the Group's relationship with its significant shareholder, Trafigura Beheer BV, the Group does have a risk of supplier concentration as the Trafigura group of companies account for around 70% (2015: 70%) of all purchases made by the Group.

27.5 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions in order to ensure a sound capital structure.

27.6 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

All financial assets and liabilities measured at fair value, at 31 December 2016 and 2015, fall under the Level 2 category described above, and include financial derivatives for a net amount of US$33.0million (2015: US$61.1million) and inventories for US$219.5million (2015: US$147.0million). There have been no transfers between fair value levels during any of the reporting periods.

28. Events after the reporting period

No material events occurred after the reporting period.

29. Significant consolidated subsidiaries and participating interests

The consolidated financial statements for the year ended 31 December 2016 include the Company's financial statements and those of the following operating entities listed in the table below:

Name of subsidiary	Place of incorporation	Proportion of ownership interest held by the Group at 31 December for the year ended 2016	2015	Legal relationship
Puma Energy Holdings Pte Ltd	Singapore	100%	100%	Parent company
Alexela Slovag AS	Norway	95%	95%	Subsidiary
Angobetumes Lda	Angola	100%	100%	Subsidiary
APN Retail Property Fund	Australia	29%	—	Equity investment

29. Significant consolidated subsidiaries and participating interests (Continued)

Name of subsidiary	Place of incorporation	Proportion of ownership interest held by the Group at 31 December for the year ended 2016	2015	Legal relationship
AS Alexela Logistics	Estonia	95%	95%	Subsidiary
AS Alexela Sillamäe	Estonia	95%	95%	Subsidiary
AS Alexela Terminal	Estonia	95%	95%	Subsidiary
Central Combined Group Pty Ltd	Australia	100%	100%	Subsidiary
Comercial el Hogar SA	Honduras	100%	100%	Subsidiary
Directhaul Pty Ltd	Australia	100%	100%	Subsidiary
DP Drakensberg Properties Pty Ltd	South Africa	100%	100%	Subsidiary
Drakensberg Oil Pty Ltd	South Africa	100%	100%	Subsidiary
Emoil Petroleum Storage FZCO	United Arab Emirates	20%	20%	Equity investment
Empresa Cubana de Gas	Cuba	50%	50%	Equity investment
Fuel Distributors of Western Australia Pty Ltd	Australia	50%	50%	Equity investment
Gulf Refining Company NV	Curacao	64%	64%	Subsidiary
Hidrosur Asfaltos SAPI de CV	Mexico	—	49%	Equity investment
Hull Ocean Going Barges UK Ltd	United Kingdom	100%	100%	Subsidiary
Kpone Marine Services Ltd	Ghana	100%	100%	Subsidiary
Langsat Terminal (One) Sdn Bhd	Malaysia	20%	20%	Equity investment
Langsat Terminal (Two) Sdn Bhd	Malaysia	20%	20%	Equity investment
National Energy and Puma Aviation Services Co Ltd	Myanmar	49%	49%	Equity investment
Neumann Petroleum Pty Ltd	Australia	100%	100%	Subsidiary
Oil Malal SA	Chile	33%	33%	Equity investment
PC Puerto Rico LLC	Puerto Rico	100%	100%	Subsidiary
PE Bitumen Resources Nigeria Ltd	Nigeria	60%	—	Subsidiary
PE Swaziland (Pty) Ltd	Swaziland	100%	100%	Subsidiary
PE Tanzania Services Assets Ltd	Tanzania	100%	100%	Subsidiary
Pervyi Murmanskiy Terminal(i)	Russia	47%	47%	Subsidiary
Petrobeira Lda(ii)	Mozambique	49%	49%	Subsidiary
Phoenix Petroleum Pty Ltd	Australia	50%	50%	Equity investment
Phoenix Petroleum Unit Trust	Australia	50%	50%	Equity investment
PT Puma Energy Indonesia	Indonesia	100%	100%	Subsidiary
Puma El Salvador SA de CV	El Salvador	100%	100%	Subsidiary
Puma Energia España SLU	Spain	100%	100%	Subsidiary
Puma Energy (Australia) Bitumen Pty Ltd	Australia	100%	100%	Subsidiary
Puma Energy (Australia) Fuels Pty Ltd	Australia	100%	100%	Subsidiary
Puma Energy (Aviation) SA	Panama	100%	100%	Subsidiary
Puma Energy (Malaysia) Sdn Bhd	Malaysia	100%	100%	Subsidiary
Puma Energy (Moçambique) Lda	Mozambique	100%	100%	Subsidiary
Puma Energy (Namibia) (Pty) Ltd	Namibia	100%	100%	Subsidiary
Puma Energy (Singapore) Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy (UK) Ltd	United Kingdom	100%	100%	Subsidiary
Puma Energy Asia Sun Co Limited	Myanmar	80%	80%	Subsidiary
Puma Energy Asia Supply Company SA	Panama	100%	100%	Subsidiary
Puma Energy Bahamas SA	Bahamas	100%	100%	Subsidiary
Puma Energy Benin SA	Benin	100%	100%	Subsidiary
Puma Energy Bitumen (Vietnam) Ltd	Vietnam	80%	80%	Subsidiary
Puma Energy Bitumen Supply SA	Panama	100%	100%	Subsidiary
Puma Energy Botswana (Pty) Ltd	Botswana	80%	80%	Subsidiary
Puma Energy Caribe LLC	Puerto Rico	100%	100%	Subsidiary
Puma Energy Colombia Combustibles SAS	Colombia	100%	100%	Subsidiary
Puma Energy Colombia Holdings AG	Switzerland	100%	100%	Subsidiary
Puma Energy Cote d'Ivoire SA	Ivory Coast	100%	100%	Subsidiary
Puma Energy Distribution Benin SA	Benin	100%	100%	Subsidiary
Puma Energy Group Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy Guatemala SA	Guatemala	100%	100%	Subsidiary
Puma Energy Honduras SA de CV	Honduras	100%	100%	Subsidiary
Puma Energy International BV, Geneva Branch	Netherlands	100%	100%	Branch

29. Significant consolidated subsidiaries and participating interests (Continued)

Name of subsidiary	Place of incorporation	Proportion of ownership interest held by the Group at 31 December for the year ended 2016	2015	Legal relationship
Puma Energy Irrawaddy Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy Johannesburg Supply SA	Panama	100%	100%	Subsidiary
Puma Energy LS (Pty) Ltd	Lesotho	100%	100%	Subsidiary
Puma Energy Ltd (FZE)	Nigeria	100%	80%	Subsidiary
Puma Energy Luxembourg Sàrl	Luxembourg	100%	100%	Subsidiary
Puma Energy Malawi Ltd(i)	Malawi	50%	50%	Subsidiary
Puma Energy New Zealand Limited	New Zealand	100%	100%	Subsidiary
Puma Energy Panama Supply SA	Panama	100%	100%	Subsidiary
Puma Energy Paraguay SA	Paraguay	100%	100%	Subsidiary
Puma Energy Peru SAC	Peru	100%	100%	Subsidiary
Puma Energy PNG Ltd	Papua New Guinea	100%	100%	Subsidiary
Puma Energy PNG Refining Ltd	Papua New Guinea	100%	100%	Subsidiary
Puma Energy PNG Supply Ltd	Cayman Islands	100%	100%	Subsidiary
Puma Energy Procurement BV	Netherlands	100%	100%	Subsidiary
Puma Energy Senegal SA	Senegal	80%	80%	Subsidiary
Puma Energy Services (Singapore) Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy Services South Africa (Pty) Ltd	South Africa	100%	100%	Subsidiary
Puma Energy South Africa (Pty) Ltd	South Africa	75%	75%	Subsidiary
Puma Energy Tanzania Ltd(i)	Tanzania	50%	50%	Subsidiary
Puma Energy Zambia PLC	Zambia	76%	76%	Subsidiary
Puma International Congo SA	Congo	100%	100%	Subsidiary
Puma International Financing SA	Luxembourg	100%	100%	Subsidiary
Puma Overseas Projects Pte Ltd	Singapore	100%	100%	Subsidiary
Pumangol Industrial Lda	Angola	100%	100%	Subsidiary
Pumangol Lda	Angola	100%	100%	Subsidiary
Redan Petroleum (Pvt) Ltd	Zimbabwe	60%	60%	Subsidiary
Refineria Petrolera de Acajutla SA de CV	El Salvador	100%	100%	Subsidiary
Sakunda Petroleum (Pvt) Ltd	Zimbabwe	49%	49%	Equity investment
Tema Offshore Mooring Ltd	Ghana	100%	100%	Subsidiary
UBI Group Ltd(i)	Ghana	49%	49%	Subsidiary
Ultrapar SA	Paraguay	100%	100%	Subsidiary

Presented below are explanations for those entities which are consolidated despite the Group having less than 50% interest in those entities:

(i) The Group retains effective control over these entities, despite the fact that it does not hold clear majority of the shares, by virtue of the fact the Group is exposed to, or has rights to, variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

(ii) Management believes that the Group retains effective control over this entity as a result of there being both a shareholder and an investment agreement in place with the National Oil Company of Mozambique stipulating that the Group has 100% economic control over the entity.

The Group does not have any non-controlling interests exceeding 5% of the Group's long-term assets or 20% of the Group's operating profit.

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Independent auditor's report

To the shareholders of Puma Energy Holdings Pte Ltd

Geneva, 2 March 2016

We have audited the accompanying consolidated financial statements of Puma Energy Holdings Pte Ltd and its subsidiaries (the ''Group''), which comprise the consolidated statement of financial position at 31 December 2015, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedure selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young Ltd

Mark Hawkins
Chartered accountant

Scott Duncan
Chartered accountant

Consolidated statement of income

For the years ended 31 December

in US$'000	Notes	2015	2014
Continuing operations			
Net sales	9.1	12,686,410	13,433,041
Cost of sales		(11,190,655)	(12,004,345)
Gross profit		1,495,755	1,428,696
Selling and operating costs	9.2	(1,016,604)	(932,806)
General and administrative expenses	9.3	(167,939)	(100,266)
Other operating income	9.4	39,962	7,704
Other operating expenses	9.4	(12,261)	(11,545)
Share of net profits/(losses) of associates[(i)]	8.2	3,132	4,297
Operating profit		342,045	396,080
Finance income	9.5	10,431	12,173
Finance costs	9.6	(211,164)	(184,911)
Net foreign exchange gains/(losses)		25,777	(2,668)
Profit before tax		167,089	220,674
Income tax expense	10.1	9,762	(37,156)
Profit for the year		176,851	183,518
Attributable to:			
Owners of the parent		174,715	170,517
Non-controlling interests		2,136	13,001

(i) The Group's share of net profits/(losses) of associates has been reclassified from below the operating profit line to above the operating profit line, to reflect the operating nature of these activities.

Consolidated statement of comprehensive income

For the years ended 31 December

in US$'000	2015	2014
Profit for the year	176,851	183,518
Other comprehensive loss		
Exchange differences on translation of foreign operations, net of tax	(461,215)	(144,439)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(461,215)	(144,439)
Re-measurement gains/(losses) on defined benefit plans, net of tax	148	(1,058)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	148	(1,058)
Total comprehensive income/(loss) for the year, net of tax	(284,216)	38,021
Attributable to:		
Owners of the parent	(262,876)	29,913
Non-controlling interests	(21,340)	8,108

Consolidated statement of financial position

For the years ended 31 December

in US$'000	Notes	2015	2014
Assets			
Non-current assets			
Property and equipment	11	3,282,707	2,887,393
Intangible assets and goodwill	12	1,304,960	1,272,248
Investments in associates	8.2	71,170	27,905
Other financial assets	15	36,733	35,648
Deferred tax assets	10.5	73,187	16,611
Other assets	16	158,131	108,829
Total non-current assets		4,926,888	4,348,634
Current assets			
Inventories	14	614,974	638,640
Other assets	16	459,602	340,406
Income tax receivable	10.4	20,090	37,561
Trade receivables	17	543,769	652,140
Other financial assets	15	69,397	57,836
Cash and cash equivalents	18	281,209	476,828
		1,989,041	2,203,411
Assets classified as held for sale	19	9	246
Total current assets		1,989,050	2,203,657
Total assets		6,915,938	6,552,291
Equity and liabilities			
Equity			
Share capital	20	2,204,166	1,704,166
Retained earnings		535,233	372,698
Foreign currency translation reserve		(741,616)	(303,873)
Other components of equity		(123)	(275)
Equity attributable to owners of the parent		1,997,660	1,772,716
Non-controlling interests		73,995	98,923
Total equity		2,071,655	1,871,639
Non-current liabilities			
Interest-bearing loans and borrowings	21	2,366,885	2,193,794
Retirement benefit obligations		6,251	6,292
Other financial liabilities	23	46,703	18,898
Deferred tax liabilities	10.5	62,760	78,295
Provisions	22	66,365	31,173
Total non-current liabilities		2,548,964	2,328,452
Current liabilities			
Trade and other payables	24	1,590,961	1,538,242
Interest-bearing loans and borrowings	21	491,348	584,806
Other financial liabilities	23	154,352	157,915
Income tax payable	10.4	42,478	49,981
Provisions	22	16,180	21,256
Total current liabilities		2,295,319	2,352,200
Total liabilities		4,844,283	4,680,652
Total equity and liabilities		6,915,938	6,552,291

Consolidated statement of changes in equity
For the years ended 31 December

In US$'000	Notes	Share capital	Retained earnings	Foreign currency translation reserve	Other components of equity	Total	Non-controlling interest	Total equity
		Attributable to owners of the parent						
At 1 January 2015		1,704,166	372,698	(303,873)	(275)	1,772,716	98,923	1,871,639
Profit for the year		—	174,715	—	—	174,715	2,136	176,851
Other comprehensive loss		—	—	(437,743)	152	(437,591)	(23,476)	(461,067)
Total comprehensive loss		—	174,715	(437,743)	152	(262,876)	(21,340)	(284,216)
Issued share capital		500,000	—	—	—	500,000	—	500,000
Dividends		—	(17,000)	—	—	(17,000)	(4,803)	(21,803)
Acquisitions/(disposals) of non-controlling interests	6.5	—	4,820	—	—	4,820	7,046	11,866
Acquisitions of subsidiaries	6.2	—	—	—	—	—	1,573	1,573
Other		—	—	—	—	—	(7,404)	(7,404)
At 31 December 2015		2,204,166	535,233	(741,616)	(123)	1,997,660	73,995	2,071,655

in US$'000	Notes	Registered share capital	Share capital pending registration	Total share capital	Other capital reserves	Retained earnings	Foreign currency translation reserve	Other components of equity	Total	Non-controlling interest	Total equity
		Attributable to owners of the parent									
At 1 January 2014		1,000	1,703,166	1,704,166	570	210,581	(164,327)	783	1,751,773	123,321	1,875,094
Profit for the year		—	—	—	—	170,517	—	—	170,517	13,001	183,518
Other comprehensive loss		—	—	—	—	—	(139,546)	(1,058)	(140,604)	(4,893)	(145,497)
Total comprehensive income		—	—	—	—	170,517	(139,546)	(1,058)	29,913	8,108	38,021
Registration of capital		1,703,166	(1,703,166)	—	—	—	—	—	—	—	—
Dividends		—	—	—	—	—	—	—	—	(7,102)	(7,102)
Acquisition of non-controlling interests	6.5	—	—	—	—	(8,970)	—	—	(8,970)	(13,381)	(22,351)
Acquisitions of subsidiaries	6.2	—	—	—	—	—	—	—	—	(3,072)	(3,072)
Disposal of subsidiaries		—	—	—	—	—	—	—	—	(11,107)	(11,107)
Reclassification		—	—	—	(570)	570	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	2,156	2,156
At 31 December 2014		1,704,166	—	1,704,166	—	372,698	(303,873)	(275)	1,772,716	98,923	1,871,639

Consolidated statement of cash flows

For the years ended 31 December

in US$'000	Notes	2015	2014
Operating activities			
Profit before tax		167,089	220,674
Non-cash adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property and equipment	9.2/11	321,504	240,124
Amortisation and impairment of intangible assets	9.2/12	43,632	23,163
Gain on business combination	9.4	(35,521)	—
Tangible fixed assets written off	11	2,578	858
Intangible fixed assets written off	12	—	2
Gain on disposal of property and equipment and intangible assets, net	9.4	(1,411)	(1,285)
Gain on disposal of investments	9.4	(8)	(5,187)
Net interest expense	9.5/9.6	188,460	160,281
Dividend income	9.5	(2,005)	(2,902)
Share of net profit of associate	8	(3,132)	(4,297)
Provisions	22	(10,906)	(9,592)
Unrealised gain on derivative financial instruments	27	(9,604)	(50,899)
Working capital adjustments:			
Decrease/(increase) in trade, other receivables and prepayments		(14,701)	(152,673)
Decrease/(increase) in inventories		(42,369)	140,777
(Decrease)/increase in trade, other payables and accrued expenses		181,126	341,571
Interest received	9.5	8,426	9,271
Dividends received from associates[(i)]		1,260	787
Income tax paid		(59,518)	(49,137)
Net cash flows from operating activities		734,900	861,536
Investing activities			
Net proceeds from sale of tangible and intangible assets		8,152	6,950
Net proceeds from sale of investments		8	21,300
Purchase of intangible assets	12	(53,874)	(42,983)
Purchase of property and equipment	11	(820,781)	(697,174)
Acquisitions of subsidiaries, net of cash acquired	6.3	(260,843)	(569,718)
Acquisition of predecessor intercompany balances	4	—	(52,877)
Investments in associates and financial investments	15	(12,953)	(11,127)
Dividends received		2,005	2,902
Net cash flows used in investing activities		(1,138,286)	(1,342,727)
Financing activities			
Loans (granted)/reimbursed	21	(13,414)	(19,527)
Proceeds from borrowings (including non-recourse loans)	21	944,543	249,212
Proceeds from bond issuance	21	—	1,233,958
Increase/(decrease) in short term borrowings	21	(213,753)	(265,728)
Repayment of borrowings	21	(668,988)	(386,258)
Interest paid		(194,054)	(141,175)
Shareholder financing	25.2	—	(150,000)
Proceeds from equity increase	20	349,963	—
(Acquisition)/divestment of non-controlling interests	6.5	21,866	(22,351)
Dividends paid to shareholders		(17,000)	—
Dividends paid to non-controlling interests		(4,803)	(7,102)
Net cash flows from financing activities		204,360	491,029
Net increase/(decrease) in cash and cash equivalents		(199,026)	9,838
Effects of exchange rate differences		3,407	18,308
Cash and cash equivalents at 1 January	18	476,828	448,682
Cash and cash equivalents at 31 December	18	281,209	476,828

(i) Dividend income from associates has been reclassified from investing cash flows to operating cash flows, to reflect the operating nature of these activities.

Notes to the consolidated financial statements

1. Corporate information

Puma Energy Holdings Pte Ltd (the ''Company'') was incorporated in Singapore as a private company limited by shares on 2 May 2013. The registered office of the Company is One Marina Boulevard #28-00, 1 Marina Boulevard, Singapore 018989.

The principal business activities of the Company and its subsidiaries (the ''Group'') are the ownership and operation of storage facilities for, and the sale and distribution of, petroleum products.

The Group is ultimately owned by Trafigura Beheer BV (48.39%), Sonangol Holdings Lda (30.00%), Cochan Limited (15.00%) and other investors (6.61%). In December 2012, the shareholders agreed that Sonangol would increase its interest in the Group to 30% and the transaction was finalised in May 2013.

Following a reorganisation on 14 December 2012, the Group replaced Puma Energy LLC with a new parent company, Puma Energy Group Pte Ltd, which was incorporated in Singapore on 23 October 2012. On 16 September 2013, the Group was reorganised under the Company as its new parent company.

The restructuring steps can be summarised as follows:

- On 31 December 2011, the ultimate holding company was Puma Energy LLC, Marshall Islands.
- On 23 October 2012, Puma Energy Group Pte Ltd was incorporated in Singapore.
- On 14 December 2012, Puma Energy LLC transferred Puma Energy Holdings Malta Limited to Puma Energy Group Pte Ltd with the result that Puma Energy Group Pte Ltd became the consolidating entity at 31 December 2012.
- On 2 May 2013, Puma Energy Holdings Pte Ltd was incorporated in Singapore.
- On 16 September 2013, following a legal restructuring, Puma Energy Holdings Pte Ltd became the ultimate holding company and the Group consolidating entity for the year ended 31 December 2013.

During 2015, the following changes to the capital structure occurred:

- Three new investment vehicles (Global PE Investors PLC, PE SPV Ltd and PE ESP Ltd) entered into the share capital of Puma Energy Holdings Pte Ltd.
- The Group made a US$500million equity increase with its main shareholders Trafigura Beheer BV, Sonangol Holdings LDA and Cochan Holdings LLC. US$ 350m had been paid at the end of 2015.
- As a result of these changes, the share of Trafigura Beheer BV and PE Investments Ltd was reduced by 0.4 and 0.6 percentage points respectively, whilst the shares of Sonangol Holdings LDA and Cochan Holdings LLC remained stable.

In accordance with IFRS, under the pooling of interests method, the aforementioned reorganisations were not considered to be business combinations under IFRS 3 Business Combinations but rather the continuation of the existing business activities of the Group with a new parent entity.

2. Accounting methods

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (''IFRS'') as issued by the International Accounting Standards Board (''IASB'').

The consolidated financial statements have been prepared on a historical cost basis, except derivative financial instruments that have been measured at fair value and those inventories that qualify for fair value accounting using the IAS 2 *Inventories exemption*.

2. Accounting methods (Continued)

The Group had current assets of US$1,989million and current liabilities of US$2,295 million at 31 December 2015 (2014: current assets of US$2,204 million and current liabilities of US$2,352 million). Despite the fact the Group's current liabilities exceeded the Group's current assets, the Group has access to various undrawn loan facilities as described in Note 27.2 and therefore the Group's consolidated financial statements have been prepared on a going concern basis.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at 31 December 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interests.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.

2. Accounting methods (Continued)

- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

a) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed, are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively.
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (e.g. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2. Accounting methods (Continued)

b) Foreign currency translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in effect at the closing date of each reporting period. These items are recorded, according to their nature, either as components of finance income or finance costs in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Group companies

The presentation currency of the Group is the US$. Consolidated statement of financial position items are translated into US$ at the exchange rate applicable on the date of closure of the reporting period, and consolidated statement of income items are translated using the average exchange rate over the reporting period. Foreign exchange differences arising on translation for consolidation are recognised in other comprehensive income and included in consolidated shareholders' equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

c) Non-current assets held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

d) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

2. Accounting methods (Continued)

Interest in joint operations are recorded according to IFRS 11 *Joint Arrangements*:

- Assets, including its share of any assets held jointly.
- Liabilities, including its share of any liabilities incurred jointly.
- Revenue from the sale of its share of the output arising from the joint operation.
- Share of the revenue from the sale of the output by the joint operation.
- Expenses, including its share of any expenses incurred jointly.

The results of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held For Sale and Discontinued Operations*. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The requirements of IAS 39 *Financial Instruments: Recognition and Measurement* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 Impairment of Assets to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a Group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

e) Goodwill

Goodwill is measured as being the excess of the aggregate of the consideration transferred, the amount recognised for any non-controlling interest and the acquisition-date fair values of any previously held interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date.

At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units or group of cash generating units expected to benefit from the combination's synergies.

2. Accounting methods (Continued)

Following initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit or group of cash generating units to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of cash generating units is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period. For the impairment test, see note 2.3h.

Goodwill may also arise upon investments in associates, being the surplus of the cost of investments in associates. Goodwill is included in the carrying amount of the investment in associate and is neither amortised nor individually tested for impairment.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised according to the straight-line method for the periods corresponding to their expected useful lives. Intangible assets are mainly comprised of software licences (useful lives ranging from 3 to 5 years) and certain long term concession rights related to land usage (useful lives ranging from 33 to 99 years).

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

g) Property and equipment

Property and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a finance lease is also included within property and equipment.

Land and buildings are accounted for under the cost model. Hence no revaluation is carried out, in line with IAS 16 *Property, Plant and Equipment*.

Depreciation is provided on a straight-line basis over estimated useful lives of the respective assets, taking into account the residual value. The estimated useful lives are:

Buildings	33 years
Machinery and equipment	3 to 20 years
Other fixed assets	1 to 5 years

The expected useful lives of property and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

2. Accounting methods (Continued)

When significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

h) Impairment of non-financial assets

The Group assesses its non-financial assets at each reporting date for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable and, as a result, charges for impairment are recognised in the Group results from time to time.

Such indicators include changes in the Group business plans, changes in commodity prices leading to sustained unprofitable performance, an increase in the discount rate, low asset utilisation, evidence of physical damage and, for petroleum related properties, significant downward or upward revisions of estimated volumes.

The assessment for impairment entails comparing the carrying value of the asset or cash-generating unit with its recoverable amounts being the higher of fair value less costs to sell and value in use. A cash-generating unit is the smallest group of assets whose continued use generates cash inflows which are largely independent of cash inflows generated by other groups of assets. Value in use is usually determined on the basis of discounted estimated future net cash flows. When the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects of inflation on operating expenses, discount rates and the outlook for global or regional market supply-and-demand conditions for petroleum products. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Goodwill and intangible assets with an indefinite useful life are subject to an annual impairment test, or more frequently, if there are indications of a loss in value.

For assets, excluding goodwill and intangible assets with an indefinite life, an assessment is made at each reporting date of whether there is an impairment and if such an indication exists, an impairment test is carried out.

If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Impairment losses relating to goodwill cannot be reversed in future periods.

2. Accounting methods (Continued)

i) Financial assets

Financial assets are recognised initially at fair value, plus transaction costs, except in case of financial assets recorded at fair value through profit or loss. The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Usually, the difference between amortised cost and the nominal amount of receivables is not material. Gains and losses are recognised in profit or loss in finance costs when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised when the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, at which time the cumulative loss is reclassified to profit or loss in finance costs. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the effective interest rate method.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39 *Financial Instruments: Recognition and Measurement.*

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in finance income or finance costs (as appropriate) in profit or loss. Financial assets designated upon initial recognition at fair value through profit or loss are designated at the initial recognition date and only if the criteria set out in IAS 39 *Financial Instruments: Recognition and Measurement* are satisfied. The Group has not designated any financial assets upon initial recognition at fair value through profit or loss.

Derecognition

A financial asset as defined under IAS 32 *Financial Instruments: Presentation* is totally derecognised (removed from the consolidated statement of financial position) when, for instance, the Group expects no further cash flow to be generated by it and transfers substantially all risks and rewards attached to it.

In the case of trade receivables, a transfer without recourse in case of payment default by the debtor is regarded as a transfer of substantially all risks and rewards of ownership, thus making such receivables eligible for derecognition under IAS 39 *Financial Instruments: Recognition and Measurement*, on the basis that risk of late payment is considered marginal.

2. Accounting methods (Continued)

Amortised cost

Amortised cost is calculated using the effective interest rate method less any reductions (direct, or in the form of a provision) for impairment or uncollectibility. The calculation takes into account any premium and discount at the time of acquisition, as well as transaction costs and fees forming an integral part of the effective interest rate.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of impairment losses on financial assets carried at amortised cost is calculated as the difference between the carrying amount of the asset and the best possible estimate of the future cash flows, discounted at the effective rate of interest of the financial instrument determined on the initial recognition of the instrument. If the decrease in impairment relates to an objective event occurring after the impairment was recognised, a previously recognised impairment loss is reversed to a maximum of the amount required to carry the asset at amortised cost at the time of the reversal if no impairment had taken place. The impairment loss reversal is taken to profit or loss.

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss-measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss-is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity investments are not reversed through profit or loss. Increases in their fair value after impairments are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent

2. Accounting methods (Continued)

year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

The amount of impairment losses on investments in equity instruments carried at cost is calculated as the difference between the carrying amount of the financial asset and the best possible estimate of the future cash flows, discounted at the current cost of capital for a similar asset. A previously recognised impairment loss is reversed if the removal of the indication of impairment is shown objectively.

j) Financial liabilities

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39 *Financial Instruments: Recognition and Measurement*. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss should be designated at the initial recognition date and only if the criteria set out in IAS 39 *Financial Instruments: Recognition and Measurement* are satisfied.

Other financial liabilities

Following initial measurement, other financial liabilities are carried at amortised cost using the effective interest rate method. This category includes loans with original maturities greater than one year. Gains or losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

Derecognition

A financial liability is derecognised when the associated obligation is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

k) Derivative financial instruments

The Group utilises derivative financial instruments (shown separately in the consolidated statement of financial position under other financial assets and other financial liabilities) to economically hedge its primary market risk exposures, primarily risks related to commodity price movements, and to a lesser extent, related to exposure to foreign currency exchange and interest rate movements. For some of these derivative transactions, the Group will enter into positions through Trafigura Pte Ltd. The Group has an agreement in place with Trafigura Pte Ltd whereby those derivative transactions entered into on behalf of the Group by Trafigura Pte Ltd are contractually binding to the Group and

2. Accounting methods (Continued)

therefore any gains or losses arising from such transactions are strictly for the account of the Group.

Derivatives, including separated embedded derivatives, are classified as held for trading at fair values and related gains and losses are recorded in profit or loss unless they are designated as effective hedging instruments as defined by IAS 39 Financial Instruments: Recognition and Measurement. The Group does not generally apply hedge accounting as defined by IAS 39 *Financial Instruments: Recognition and Measurement*.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include: using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis; or other valuation models.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (e.g. the underlying contracted cash flows).

- Where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.

l) Inventory

Inventories, other than inventories held for trading purposes, are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and comprises direct purchase costs, cost of production, transportation and manufacturing expenses. Borrowing costs are not included in the cost of inventory.

Net realisable value of petroleum products is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition.

Any write-off is recognised when the probable realisable value is lower than the net book value.

With respect to inventories held for trading purposes, the Group accounts for them at fair value less costs to sell and any changes in value are recognised in profit or loss. Trading activities include optimisation of the Group supply cycle and the supply of petroleum products to business-to-business and wholesale clients. Further details are provided in Note 14.

2. Accounting methods (Continued)

m) Leases

The Group as lessee

Finance leases, which transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in profit or loss on a straight line basis over the lease term.

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

n) Cash and short term deposits

Cash and short term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short term deposits as defined above.

o) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

p) Pensions and other post-employment benefits

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Group. Deferred bonus arrangements that have a vesting date more than 12 months after the period end

2. Accounting methods (Continued)

are valued on an actuarial basis using the projected unit credit method and amortised on a straight-line basis over the service period until the awards vest.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method. Unvested past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested. Past service costs are recognised immediately if the benefits have already vested immediately following the introduction of, or changes to, a pension plan. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in profit or loss during the period in which the settlement or curtailment occurs.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long term market returns on plan assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year.

Actuarial gains and losses are recognised in full within other comprehensive income in the year in which they occur.

The defined benefit pension plan surplus or deficit in the consolidated statement of financial position comprises the total for each plan at the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and, in the case of quoted securities, is the published bid price.

Contributions to defined contribution schemes are recognised in profit or loss in the period in which they become payable.

q) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue is reduced for estimated customer returns, discounts and other similar allowances. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold.
- Revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

2. Accounting methods (Continued)

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

r) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised in other comprehensive income is also recognised in other comprehensive income and not in profit or loss.

Deferred tax

Deferred tax assets and liabilities are recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date and for operating loss and tax credit carry forwards. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect on deferred tax assets and liabilities of changes in tax rates is recognised in profit or loss in the period of the enactment of the change in tax rates.

2. Accounting methods (Continued)

Tax exposure

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities and such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Changes in these assumptions may materially affect the consolidated financial position or performance reported in future periods. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the consolidated financial statements.

Impairment of assets

In accordance with IAS 36 *Impairment of Assets*, the Group performs an assessment at each reporting date to determine whether there are any indications of impairment at each reporting date. If indications of impairment exist, an impairment test is performed to assess the recoverable amount of the assets.

Goodwill impairment

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit, and a suitable discount rate, in order to calculate present value. Details of the Group goodwill impairment assessment at 31 December 2015 and 2014 are described in Note 13.

Useful lives of intangible assets and property and equipment

Intangible assets and property and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. The useful lives are estimated by management at the time the assets are acquired and are reassessed annually, with the estimated useful lives being based on historical experience with similar assets, market conditions and future anticipated events.

The actual useful lives might be different from the estimated useful lives. The related carrying amounts at 31 December 2015 and 2014 are disclosed in Note 11 and Note 12.

Environmental costs

Costs associated with environmental remediation obligations are provided for when the Group has a present obligation and the provision can be reasonably estimated. Such provisions are adjusted

3. Significant accounting judgements, estimates and assumptions (Continued)

as further information develops or circumstances change. The related carrying amounts at 31 December 2015 and 2014 are disclosed in Note 22.

Recovery of deferred tax assets

Judgement is required in determining whether deferred tax assets should be recognised in the consolidated statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred income tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, oil and natural gas prices, reserves, operating costs, decommissioning costs, capital expenditure, dividends and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows impacting the taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

Pension benefits obligation

The accounting policy applied by the Group for defined benefit pension schemes requires management to make judgements as to the nature of such benefits provided by each scheme which thereby determines the classification of each scheme. The cost of defined benefit pension plans and the present value of the pension obligation are required to be determined annually using actuarial valuations. An actuarial valuation involves making various estimates and assumptions. These include the determination of the future returns on each different type of scheme asset, the discount rate, future salary increases, employee attrition rates, mortality rates, expected remaining periods of service of employees and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Determination of fair values in business combinations

The Group has applied estimates and judgments in order to determine the fair value of assets acquired and liabilities and contingent liabilities assumed by way of a business combination.

The value of assets, liabilities and contingent liabilities recognised at the acquisition date are recognised at fair value. In determining fair value the Group has utilised valuation methodologies including discounted cash flow analysis market value assessments or replacement value by third parties for, in particular, acquired property and equipment. The market value of property and equipment is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The assumptions made in performing these valuations include assumptions as to discount rates, foreign exchange rates, commodity prices, the timing of development, capital costs, and future operating costs. Any significant change in key assumptions may cause the acquisition accounting to be revised including the recognition of additional goodwill or a discount on acquisition.

4. Significant events

Acquisition of Save Combustibles in Colombia

In March 2015, the Group completed the acquisition of 100% of the shares of Save Combustibles SAS in Colombia, a Colombian fuel distributor.

Acquisition of N'komazi in South Africa and Mozambique

In March 2015, the Group acquired 100% of the share capital in N'komazi Fuel Group, a fuel distributor active in South Africa and Mozambique.

Puma Energy Senegal, change in ownership interest

In March 2015, the Group acquired a 20% minority interest in Puma Energy Senegal, bringing its ownership percentage to 80%.

Acquisition of Drakensberg and minority interest buy-out

In April 2015, the Group acquired 75% of the share capital of Drakensberg Group, a South African fuel distributor. In October 2015 the Group exercised its call option to acquire the remaining 25% of the equity in Drakensberg. As the price for the outstanding shares was included in the initial purchase price, no further payment was made.

Renewal of the senior credit facility

In May 2015, the Group refinanced and increased its senior credit facility from US$725million to US$1.25billion, mainly through an increase in the three-year tranche.

Acquisition of Portsmith Fuel in Australia

In June 2015, the Group acquired 100% of the retail and commercial business of Portsmith Fuel, an Australian retailer.

Acquisition of Murco in the United Kingdom

In July 2015, the Group completed the acquisition of the Milford Haven facility, three inland terminals, as well as the United Kingdom wholesale and distribution business from Murco Petroleum Limited, a subsidiary of Murphy Oil Corporation. This acquisition adds 1.4million m^3 of storage capacity to the Group's midstream operations.

Acquisition of BP aviation business in Puerto Rico

In July 2015, the Group purchased BP's aviation fuel business in Puerto Rico.

Acquisition of Brent Oil

In August 2015 Puma Energy acquired 75% of the share capital in Brent Oil (Pty) Ltd. This acquisition includes 60 service stations, 5 fuel depots, a distribution fleet and long term fuel supply contacts.

Acquisition of BP bitumen operations in Australia

In August 2015, Puma Energy completed the acquisition of BP Australia's bitumen business, covering sites in Brisbane, Townsville, Hobart and Perth.

Equity increase

In October 2015, the Group made a US$500m capital increase, with its main shareholders Trafigura Beheer BV, Sonangol Holdings LDA and Cochan Holdings LLC contributing to the share capital increase.

4. Significant events (Continued)

Sale of a 20% stake in Puma Energy Botswana

In October 2015, the Group sold a 20% share in Puma Energy Botswana to the Botswana Public Officers Pension Fund.

Acquisition of Ferush SAS

In October 2015, the Group acquired 100% of the share capital of Ferush SAS, a Peruvian fuel distributor.

Acquisition of FDWA and Phoenix Petroleum

In November 2015, Puma Energy acquired 50% of the issued shares in the capital of Fuel Distributors of Western Australia Pty Ltd, Phoenix Petroleum Pty Ltd and Phoenix Petroleum Unit Trust.

Sasol Swaziland

In December 2015, the Group completed the acquisition of Sasol's downstream operations in Swaziland.

5. Changes in accounting standards

New and amended standards and interpretations

In 2015, there were no new or amended standards and interpretations, which had been applied for the first time by the Group.

Standards issued but not yet effective

The standards and interpretations that have been issued or amended, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below.

The Group intends to adopt the following standards, interpretations and amendments when they become effective, to the extent they are relevant to the Group.

- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between and Investor and its Associate or Joint Venture* (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IFRS 11 *Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations* (effective for annual periods beginning on or after 1 January 2016).
- IFRS 14 *Regulatory Deferral Account* (effective for annual periods beginning on or after 1 January 2016).
- IFRS 16 *Leases* (effective for annual periods beginning on or after 1 January 2019)
- Amendments to IAS 1 *Presentation of Financial Statements* (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 7 *Disclosure* (effective for annual periods beginning on or after 1 January 2017).
- Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses* (effective for annual periods beginning on or after 1 January 2017, with early application permitted).
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 27 *Equity Method in Separate Financial Statements* (effective for annual periods beginning on or after 1 January 2016).

5. Changes in accounting standards (Continued)

- Annual improvements 2012-2014 cycle (effective for annual periods beginning on or after 1 January 2016):
  - IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*
  - IFRS 7 *Financial Instruments: Disclosure.*
  - IAS 19 *Employee Benefits.*
  - IAS 34 *Interim Financial Reporting.*
- IFRS 9 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018).
- IFRS 15 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2018).

With the exception of IFRS 16 *Leases*, for which the impact is still being assessed, the adoption of these issued or amended standards and interpretations is not expected to have a material impact on the consolidated financial position or performance of the Group.

6. Business combinations and acquisition of non-controlling interests

6.1a Subsidiaries acquired in 2015

The following table summarises those subsidiaries acquired in 2015:

Subsidiaries acquired	Principal activity	Date of acquisition	Proportion of voting equity interests acquired %	Consideration transferred in US$'000
Save Combustibles SAS, Colombia	Fuel marketing and distribution	19 March 2015	100%	12,826
N'komazi South Africa	Fuel marketing and distribution	23 March 2015	100%	22,095
Drakensberg	Fuel marketing and distribution	1 April 2015	75%	8,197
Portsmith	Fuel marketing and distribution	1 June 2015	100%	11,253
Murco Petroleum Ltd	Fuel storage, marketing and distribution	1 July 2015	100%	(6,000)
BP Puerto Rico, aviation business	Fuel marketing and distribution	1 July 2015	100%	9,000
Brent Oil	Fuel marketing and distribution	10 August 2015	75%	33,164
BP Australia, bitumen business	Bitumen supply and distribution	21 August 2015	100%	176,861
Ferush SAS	Fuel marketing and distribution	2 October 2015	100%	1,516
Sasol Swaziland	Fuel marketing and distribution	1 December 2015	100%	3,127
Total consideration transferred				272,039

6. Business combinations and acquisition of non-controlling interests (Continued)

6.1b Subsidiaries acquired in 2014

The following table summarises those subsidiaries acquired in 2014:

Subsidiaries acquired	Principal activity	Date of acquisition	Proportion of voting equity interests acquired %	Consideration transferred in US$'000
UBI Ghana	Fuel marketing and distribution	20 March 2014	49%	36,000
Trafigura Bitumen	Bitumen supply and distribution	31 March 2014	100%	155,257
InterOil Papua New Guinea	Refining, aviation and fuel marketing	30 June 2014	100%	471,675
Malpass	Fuel marketing and distribution	1 September 2014	100%	24,759
Ridge Energy	Fuel marketing and distribution	1 September 2014	100%	9,850
Chevron Swaziland	Fuel marketing and distribution	1 September 2014	100%	6,880
Sasol Lesotho	Fuel marketing and distribution	1 October 2014	100%	14,587
Total				719,008
InterOil Papua New Guinea—acquisition of intercompany balances				52,877
Total consideration transferred				771,885

6.2 Assets acquired and liabilities recognised at date of transaction

6.2a Assets and liabilities recognised at date of transaction in 2015

The provisional fair value of the identifiable assets and liabilities of the entities acquired at the date of acquisition were:

in US$'000	Colombia	N'komazi	Drakensberg	Portsmith	Murco Petroleum	BP aviation	Brent Oil	BP bitumen	Ferush	Sasol Swaziland	Total
Current assets											
Cash and cash equivalents	607	—	1,965	19	—	—	746	—	1,592	1,199	6,128
Trade receivables	1,878	—	5,903	—	—	—	403	—	503	554	9,241
Other assets	3,677	—	1,036	636	—	—	1,721	26,477	587	41,302	75,436
Non-current assets											—
Property and equipment	1,000	16,559	7,331	843	73,302	5,499	5,195	103,342	2,202	892	216,165
Intangible assets	1,371	—	—	5,919	4,000	7,501	10,950	22,142	100	—	51,983
Deferred tax assets	459	—	—	—	—	—	—	—	442	25	926
Other assets	—	49	2,199	—	—	—	2,123	—	155	—	4,526
Current liabilities											—
Trade and other payables	(1,495)	—	(10,658)	—	—	—	(8,719)	—	(10,419)	(41,242)	(72,533)
Interest-bearing loans and borrowings	(627)	(50)	—	—	—	—	—	—	—	—	(677)
Other liabilities	(27)	—	(262)	(226)	—	—	—	648	—	—	133
Non-current liabilities											—
Deferred tax liabilities	—	—	—	—	(6,480)	—	—	—	(109)	—	(6,589)
Other liabilities	(6,569)	(2,849)	(8,317)	(1,018)	(41,300)	—	(5,351)	(3,688)	—	(544)	(69,636)
Total identifiable net assets acquired at fair value(i)	274	13,709	(803)	6,173	29,522	13,000	7,068	148,921	(4,947)	2,186	215,103
Non-controlling interest measured at the proportionate share of the acquiree's net assets	—	—	—	—	—	—	(1,573)	—	—	—	(1,573)
Net assets acquired	274	13,709	(803)	6,173	29,522	13,000	5,495	148,921	(4,947)	2,186	213,530
Goodwill arising on acquisition	12,552	8,386	9,000	5,080	—	—	27,669	27,940	6,463	941	98,031
Gain on business combination	—	—	—	—	(35,522)	(4,000)	—	—	—	—	(39,522)
Purchase consideration	12,826	22,095	8,197	11,253	(6,000)	9,000	33,164	176,861	1,516	3,127	272,039

(i) Net assets acquired mainly include a US$41.3million remediation provision, at Murco Petroleum in the United Kingdom. This acquisition was made at a negative consideration of US$6.0million, mainly to account for the environmental liability taken over, and resulted in a gain on business combination of US$35.5million

In aggregate, the fair value of the trade receivables amounted to US$9.2million. The gross amount of trade receivables was US$14.9million. The difference of US$5.7million represented provisions for doubtful debts at the respective acquisition dates.

The Group recognised a gain on the acquisition of both Murphy Oil in the United Kingdom and BP's aviation business in Puerto Rico. The goodwill recognised on the other acquisitions reflects

6. Business combinations and acquisition of non-controlling interests (Continued)

the expected revenue growth, synergies, and optimised supply. None of the goodwill recognised is expected to be deductible for tax purposes.

Transaction costs of US$10.6million have been expensed (included in selling and operating costs) and are part of the operating cash flows in the consolidated statement of cash flows.

6.2b Assets and liabilities recognised at date of transaction in 2014

The provisional fair value of the identifiable assets and liabilities of the entities acquired at the date of acquisition were:

in US$'000	UBI Ghana	Trafigura Bitumen	InterOil Papua New Guinea(i)	Malpass	Ridge Energy	Chevron Swaziland	Sasol Lesotho	Total
Current assets								
Cash and cash equivalents	838	1,638	39,444	—	6	1,102	4,472	47,500
Trade receivables	148	11,027	118,859	—	—	424	1,194	131,652
Other assets	—	11,540	135,515	1,400	10	2,243	2,142	152,850
Non-current assets								
Property and equipment	21,249	41,592	207,793	4,032	4,937	948	2,213	282,764
Intangible assets	3	1,006	139,679	5,037	—	—	87	145,812
Investments in associates	—	740	—	—	—	—	—	740
Deferred tax assets	—	29	5,289	—	—	111	—	5,429
Other assets	—	7,264	—	4,631	—	—	—	11,895
Current liabilities								
Trade and other payables	(30,719)	(11,500)	(19,544)	—	(2,383)	(788)	(2,469)	(67,403)
Interest-bearing loans and borrowings	—	(2,675)	(62,940)	—	—	—	—	(65,615)
Intercompany balances	—	—	(52,877)	—	—	—	—	(52,877)
Other liabilities	—	(149)	(31,954)	(214)	—	(402)	(2)	(32,721)
Non-current liabilities								
Deferred tax liabilities	—	—	(7,165)	—	—	(143)	(102)	(7,410)
Other liabilities	—	—	(6,855)	—	—	(282)	(359)	(7,496)
Total identifiable net assets acquired at fair value	(8,481)	60,512	465,244	14,886	2,570	3,213	7,176	545,120
Non-controlling interest measured at the proportionate share of the acquiree's net assets	4,325	(1,253)	—	—	—	—	—	3,072
Net assets acquired	(4,156)	59,259	465,244	14,886	2,570	3,213	7,176	548,192
Goodwill arising on acquisition	40,156	95,998	6,431	9,873	7,280	3,667	7,411	170,816
Purchase consideration transferred	36,000	155,257	471,675	24,759	9,850	6,880	14,587	719,008

(i) 2014 values have been restated for the revised purchase price allocation on the Papua New Guinea acquisition

In aggregate, the fair value of the trade receivables amounted to US$131.7million. The gross amount of trade receivables was US$132.8million. The difference of US$1.1million represented provisions for doubtful debts at the respective acquisition dates.

The goodwill recognised mainly derived from the acquisition of UBI in Ghana and Trafigura's bitumen business and reflects the expected revenue growth, synergies, and optimised supply. None of the goodwill recognised is expected to be deductible for tax purposes.

6. Business combinations and acquisition of non-controlling interests (Continued)

Transaction costs of US$10.8million have been expensed (included in selling and operating costs) and are part of the operating cash flows in the consolidated statement of cash flows.

6.3 Cash flow on acquisitions

6.3a Cash flow on acquisitions in 2015

The cash flow on acquisitions made in 2015 is summarised below:

in US$'000	Colombia	N'komazi	Drakensberg	Portsmith	Murco Petroleum	BP aviation	Brent Oil	BP bitumen	Ferush	Sasol Swaziland	Total
Cash consideration	(12,826)	(22,095)	(8,197)	(11,253)	6,000	(9,000)	(33,164)	(176,861)	(1,516)	(3,127)	(272,039)
Cash and cash equivalents acquired . . .	607	—	1,965	19	—	—	746	—	1,592	1,199	6,128
Vendor loan . .	—	—	—	—	—	—	3,733	—	1,335	—	5,068
Net cash (outflow)/ inflow	(12,219)	(22,095)	(6,232)	(11,234)	6,000	(9,000)	(28,685)	(176,861)	1,411	(1,928)	(260,843)

6.3b Cash flow on acquisitions in 2014

The cash flow on acquisitions made in 2014 is summarised below:

in US$'000	UBI Ghana	Trafigura Bitumen	InterOil Papua New Guinea	Malpass	Ridge Energy	Chevron Swaziland	Sasol Lesotho	Total
Cash consideration . . .	(36,000)	(155,257)	(471,675)	(24,759)	(9,850)	(6,880)	(14,587)	(719,008)
Cash and cash equivalents acquired .	838	1,638	39,444	—	6	1,102	4,472	47,500
Vendor loan	—	101,790	—	—	—	—	—	101,790
Net cash outflow	(35,162)	(51,829)	(432,231)	(24,759)	(9,844)	(5,778)	(10,115)	(569,718)

6.4 Pro forma impact of acquisitions on the results of the Group

6.4a Pro forma impact of 2015 acquisitions on the results of the Group

From the date of acquisition, the aggregate contributions of the acquired businesses were US$1,258million to sales and US$(10.9)million to operating profit (net of acquisition costs).

Had these business combinations been in effect from 1 January 2015, the aggregate contribution to sales of the Group from continuing operations for the whole year would have been US$2,588million (mainly Murphy Oil US$1,782million, Brent Oil US$265million and BP Bitumen US$145million).

The Group Executive Committee considers these ''pro-forma'' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

6.4b Pro forma impact of 2014 acquisitions on the results of the Group

From the date of acquisition, the aggregate contributions of the acquired businesses were US$799million to sales and US$22.5million to operating profit (net of acquisition costs).

Had these business combinations been in effect from 1 January 2014, the aggregate contribution to operating profit would have been US$39.2million for the whole year (mainly InterOil Papua New Guinea US$22.2million and Trafigura bitumen business US$16.9million) and the aggregate contribution to sales of the Group from continuing operations for the whole year would have been US$1,576million (mainly InterOil Papua New Guinea US$1,265million, Trafigura bitumen business US$100million and Malpass Enterprises US$112million).

6. Business combinations and acquisition of non-controlling interests (Continued)

6.5 Non-controlling interests acquired

The following non-controlling interests in subsidiaries were purchased/sold in 2015:

in US$'000	Puma Energy Guatemala	Puma Energy Botswana	Puma Energy Irrawady	Puma Energy Senegal	Total
Percentage of interest purchased/(sold)	0.25%	(20)%	13%	20%	
Non-controlling interests purchased/(sold)	72	(10,714)	—	3,596	(7,046)
Change in retained earnings from non-controlling interest purchase/sale	(125)	16,236	(12,500)	1,209	4,820
Purchase/(sale) consideration	197	(26,950)	12,500	2,387	(11,866)
Amount outstanding	—	—	(10,000)	—	(10,000)

The following non-controlling interests in subsidiaries were purchased/sold in 2014:

in US$'000	Puma Energy Guatemala	PT Puma Energy Indonesia	AS Alexela Logistics	Puma Energy Procurement South Africa	Puma Energy Senegal	Total
Percentage of interest purchased/(sold)	0.18%	36%	4.6%	(25)%	(40)%	
Non-controlling interests purchased/(sold)	39	8,807	8,874	(324)	(4,015)	13,381
Change in retained earnings from non-controlling interest purchase/sale	(74)	(8,593)	(292)	(324)	313	(8,970)
Purchase/(sale) consideration	113	17,400	9,166	(0)	(4,328)	22,351

7. Segment and geographic information

7.1 Segment information

For management purposes, the Group is organised into business units based on products and services and has two reportable segments as follows:

- Midstream business activities that include refining and storage of oil and gas products internationally.
- Downstream business activities that include distribution, wholesale and retail sales of refined products.

No operating segments have been aggregated to form the above reportable operating segments.

The Group Executive Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are based on terms determined by the Group's management.

7. Segment and geographic information (Continued)

Year ended 31 December 2015

in US$'000	Downstream	Midstream	Total segments	Consolidated
Net sales	12,213,403	473,007	12,686,410	12,686,410
Gross profit	1,285,954	209,801	1,495,755	1,495,755
Selling and operating costs[(i)]	(822,996)	(193,608)	(1,016,604)	(1,016,604)
General and administrative expenses	(159,128)	(8,811)	(167,939)	(167,939)
Other operating income/(expenses), net	9,782	17,919	27,701	27,701
Share of profits/(losses) of associates	31	3,101	3,132	3,132
Operating profit	313,643	28,402	342,045	342,045
Finance income				10,431
Finance costs				(211,164)
Net foreign exchange gains/(losses)				25,777
Profit before tax				167,089
Total non-current assets (excluding other financial, deferred tax and other assets)	3,836,923	821,914	4,658,837	4,658,837
Total current assets	1,837,802	151,248	1,989,050	1,989,050
Total current liabilities	2,094,293	201,026	2,295,319	2,295,319

(i) Selling and operating costs include an impairment charge of US$42.7 million, of which US$33.5 million are attributable to the midstream segment.

Year ended 31 December 2014

in US$'000	Downstream	Midstream	Total segments	Consolidated
Net sales	12,978,011	455,030	13,433,041	13,433,041
Gross profit	1,230,783	197,913	1,428,696	1,428,696
Selling and operating costs[(i)]	(779,920)	(152,886)	(932,806)	(932,806)
General and administrative expenses	(95,343)	(4,923)	(100,266)	(100,266)
Other operating income/(expenses), net	(5,768)	1,927	(3,841)	(3,841)
Share of profits/(losses) of associates	1,921	2,376	4,297	4,297
Operating profit	351,673	44,407	396,080	396,080
Finance income				12,173
Finance costs				(184,911)
Net foreign exchange gains/(losses)				(2,668)
Profit before tax				220,674
Total non-current assets (excluding other financial, deferred tax and other assets)	3,384,817	802,729	4,187,546	4,187,546
Total current assets	1,964,041	239,616	2,203,657	2,203,657
Total current liabilities	1,954,066	398,134	2,352,200	2,352,200

(i) Selling and operating costs include impairment charges of US$1.8 million, entirely attributable to the downstream segment.

Selling and operating costs and general and administrative expenses that are not specifically linked to a segment operating entity are allocated on a pro-rata basis according to the relative weighting of gross profit for each segment.

Other income/(expenses) include finance income/(costs), net foreign exchange gains/(losses) and income tax expenses that are not allocated as they do not relate to a specific segment and are

7. Segment and geographic information (Continued)

managed on a Group basis. These accounts do not form part of the review of the operating segment performance done by management.

7.2 Geographic information

The Group is organised in four main regions:

- Americas (mainly composed of Latin America and Caribbean)
- Asia Pacific (including Middle East and Australia)
- Africa
- Europe (including Russia)

	2015		2014	
in K m^3 (unaudited)	**Downstream**	**Midstream**	**Downstream**	**Midstream**
Throughput volumes (midstream)				
Americas	—	414	—	464
Asia Pacific	—	3,615	—	4,063
Africa	—	8,260	—	8,177
Europe	—	6,083	—	7,072
Total	—	18,372	—	19,776
Sales volumes (downstream and midstream)				
Americas	8,144	—	7,132	—
Asia Pacific	3,071	711	2,525	298
Africa	6,348	—	4,801	—
Europe	670	—	8	—
Total	18,233	711	14,466	298

Year ended 31 December 2015

in US$'000	**Americas**	**Asia Pacific**	**Africa**	**Europe**	**Consolidated**
Net sales	4,400,673	2,788,296	4,495,156	1,002,285	12,686,410
Gross profit	438,911	376,647	599,205	80,992	1,495,755
Selling and operating costs	(268,160)	(316,946)	(321,469)	(110,029)	(1,016,604)
General and administrative expenses	(43,270)	(47,352)	(72,535)	(4,782)	(167,939)
Other operating income/(expenses), net	(9,281)	11,479	(14,995)	40,498	27,701
Net profits/(losses) in associates	1,625	3,252	(1,745)	—	3,132
Operating profit	119,825	27,080	188,461	6,679	342,045
Total non-current assets (excluding other financial, deferred tax and other assets)	1,093,733	1,690,443	1,560,725	313,936	4,658,837

7. Segment and geographic information (Continued)

Year ended 31 December 2014

in US$'000	Americas	Asia Pacific	Africa	Europe	Consolidated
Net sales	5,803,562	3,303,859	4,199,226	126,394	13,433,041
Gross profit	393,707	356,737	603,996	74,256	1,428,696
Selling and operating costs	(239,816)	(311,059)	(325,235)	(56,696)	(932,806)
General and administrative expenses	(31,332)	(21,181)	(47,530)	(223)	(100,266)
Other operating income/(expenses), net	2,412	(1,272)	(5,638)	657	(3,841)
Net profits/(losses) in associates	1,260	3,060	(23)	—	4,297
Operating profit	126,231	26,285	225,570	17,994	396,080
Total non-current assets (excluding other financial, deferred tax and other assets)	1,030,545	1,510,466	1,369,457	277,078	4,187,546

Selling and operating costs and general and administrative expenses that are not specifically linked to an operating region are allocated on a pro-rata basis according to the relative weighting of gross profit for each region.

The Group has no material commercial operations and no material non-current assets in its country of incorporation, Singapore.

Non-current assets for this purpose consist of investments in associates, property and equipment, intangible assets and goodwill (Notes 8, 11 and 12).

8. Investments in associates

The following table summarises the Group's investments in associates for the years ended 31 December 2015 and 2014. None of the entities included below are listed on any public exchange.

8.1 List of investments

Associate name	Activity	Location	Proportion of voting interests held at 31 December 2015	2014
			%	%
Empresa Cubana de Gas	Fuel marketing	Caribbean	50%	50%
Hidrosur Asfaltos SAPI de CV	Bitumen marketing and distribution	Mexico	49%	—
Emoil Petroleum Storage FZCO	Storage	United Arab Emirates	20%	20%
Langsat Terminal (One) Sdn Bhd	Storage	Malaysia	20%	20%
Langsat Terminal (Two) Sdn Bhd	Storage	Malaysia	20%	20%
National Energy and Puma Aviation Services Co Ltd	Aviation	Myanmar	49%	—
SdnBhdOil Malal SA	Storage	Chile	33%	33%
Sakunda Petroleum (Pvt) Ltd	Fuel marketing	Zimbabwe	49%	49%
Fuel Distributors of Western Australia Pty Ltd	Fuel supply and cartage	Australia	50%	—
Phoenix Petroleum Pty Ltd	Fuel supply and cartage	Australia	50%	—
Phoenix Petroleum Unit Trust	Fuel supply and cartage	Australia	50%	—

8. Investments in associates (Continued)

8.2 Associates summarised financial information

The following table illustrates summarised financial information of the Group's investments in associates, which apply the same reporting dates and periods as the Group:

in US$'000	2015	2014
Associates' assets and liabilities:		
Current assets	119,855	60,473
Non-current assets	220,788	192,820
Current liabilities	(65,998)	(18,584)
Non-current liabilities	(99,627)	(129,991)
Equity	175,018	104,718
Carrying amount of the investments	71,170	27,905
Associates' revenues and net profits/(losses) (all from continuing operations):		
Revenues	77,143	58,920
Profits/(losses), net of tax	14,281	19,196
Group's share of net profits/(losses) of associates	3,132	4,297

9. Consolidated statement of income

9.1 Net sales

in US$'000	2015	2014
Net sales of goods	12,187,680	12,784,337
Rendering of services	498,730	648,704
Total net sales	12,686,410	13,433,041

Sales of goods are net of any sales taxes, value-added taxes, petroleum taxes and discounts.

9.2 Selling and operating costs

in US$'000	2015	2014
Employee benefit expenses	(157,453)	(183,842)
Operating expenses	(494,015)	(485,677)
Depreciation (Note 11)	(288,041)	(238,300)
Amortisation (Note 12)	(34,403)	(23,163)
Impairment (Note 11/12)	(42,692)	(1,824)
Total selling and operating costs	(1,016,604)	(932,806)

9.3 General and administrative expenses

in US$'000	2015	2014
Employee benefit expenses	(95,108)	(75,372)
Operating expenses	(72,831)	(24,894)
Total general and administrative expenses	(167,939)	(100,266)

9. Consolidated statement of income (Continued)

9.4 Other operating income/(expenses)

in US$'000	2015	2014
Provision for risks	2,805	1,094
Provision for litigations	216	—
Operating gains on disposal of property and equipment	1,411	1,423
Gains on disposal of investment	8	5,187
Gain on business combination[(i)]	35,522	—
Total other operating income	39,962	7,704

(i) The line gain on business combination includes a US$ 36million gain, relating to the acquisition of Murco Petroleum in the United Kingdom. The US$4million gain on business combination from the acquisition of BP aviation in Puerto Rico (Note 6.2) has been off-set against the write-off of capital expenditure related to the Puerto Rico airport.

in US$'000	2015	2014
Provision for doubtful accounts	(2,150)	(6,842)
Provision for other receivables	(565)	(1,195)
Other provisions	(1,324)	(41)
Operating gains on disposal of property and equipment	—	(139)
Foreign exchange losses on operations	(5,136)	(3,126)
Other expenses	(3,086)	(202)
Total other operating expenses	(12,261)	(11,545)

9.5 Finance income

in US$'000	2015	2014
Interest income on other loans and finance lease receivables	8,426	9,271
Dividend income	2,005	2,902
Total finance income	10,431	12,173

9.6 Finance costs

in US$'000	2015	2014
Interest on loans and borrowings from third parties	(190,291)	(162,583)
Interest on loans and borrowings from related parties	(6,595)	(6,970)
Unwinding of discount	(1,652)	(2,156)
Hedging Costs	(11,481)	(7,353)
Net loss on financial instruments carried at fair value through profit or loss	(1,145)	(5,849)
Total finance costs	(211,164)	(184,911)

10. Income tax

10.1 Current income tax expense

The major components of income tax expense for the years ended 31 December 2015 and 2014 were:

in US$'000	2015	2014
Current income tax:		
Current income tax charge	49,173	46,000
Adjustments in respect of current income tax of previous year	3,650	(1,408)
	52,823	44,592
Deferred tax:		
Relating to origination and reversal of temporary differences	(76,430)	(16,721)
	(76,430)	(16,721)
Withholding tax:		
Applicable withholding tax in the current year	13,845	9,285
	13,845	9,285
Income tax expense reported in the consolidated statement of income	(9,762)	37,156

10.2 Income tax recognised directly in other comprehensive income

Income tax totalling US$(0.1)million (2014: US$(0.2)million) was recognised directly in other comprehensive income. The entire amount recognised related to the actuarial losses recognised during the year from the Group's various defined benefit plans.

10.3 Reconciliation of accounting profit to income tax expense

The Group's effective tax rate differs from the Company's statutory income tax rate in Singapore, which was 17% in 2015 (2014: 17%) due to the Company operating in several jurisdictions. A reconciliation between tax expense and the product of accounting profit multiplied by the

10. Income tax (Continued)

Company's statutory blended income tax rate of jurisdictions the Company operates in for the years ended 31 December 2015 and 2014 was as follows:

in US$'000	2015	2014
Accounting profit before tax	167,089	220,674
Share of net profits/(losses) in associates	(3,132)	(4,297)
Accounting profit before tax net of share of net profits/(losses) in associates	163,957	216,377
Income tax expense at statutory blended tax rate of 34.64% (2014: 39.19%)	(56,790)	(84,798)
Non-deductible expenses	(30,536)	(17,248)
Other non-taxable income	11,555	8,319
Capital gains or losses	1	75
Income exempt or subject to specific tax holidays[(i)]	75,985	61,610
Other permanent differences	3,496	1,462
Adjustment for countries not based on net taxable income	9,725	1,485
Adjustments recognised in the current year in relation to current income tax of previous years	(3,650)	1,408
Adjustments recognised in the current year in relation to deferred income tax of previous years	2,552	23,423
Impact of rate differences	505	(5,664)
Effect of unrecognised and unused tax losses not recognised as deferred tax assets	14,669	(5,264)
Withholding tax	(13,845)	(9,285)
Minimum tax and surtax	(2,665)	(7,952)
Rate difference impacts	1,232	(1,250)
Other	(2,472)	(3,477)
At the effective income tax rate of (5.84)% (2014: 16.84%)	9,762	(37,156)

(i) Income exempt or subject to specific tax holidays is mainly the result from tax specific incentives granted by certain national authorities to the Group given certain investments made by the Group which resulted in the development of local infrastructure.

The Group operates in a multitude of jurisdictions and adheres to applicable local and international tax law in the countries in which it operates, including legislation on transfer pricing. The Group's tax policy is to pay appropriate tax according to work carried out in each jurisdiction, as determined by a functional analysis of operations using standard measures wherever possible, underpinned by reports prepared to fulfil local transfer pricing requirements. The Group's effective tax rate—the average rate at which consolidate pre-tax profits are taxed—varies from year to year according to circumstances, but in 2015 it was (5.84)% (2014: 16.84%). The difference in effective tax rate between the two years is explained, by recognition of deferred tax assets relating to tax loss carry forwards.

10.4 Current tax assets and liabilities

Current income taxes are computed on the profit before tax presented in the consolidated statement of income adjusted to taxable profit in accordance with local tax legislation.

Current tax assets relate to overpaid income tax. Current tax liabilities relate to income tax payable.

10. Income tax (Continued)

10.5 Deferred tax relates to the following:

in US$'000	Consolidated statement of financial position 2015	Consolidated statement of financial position 2014	Consolidated statement of income 2015	Consolidated statement of income 2014
Accelerated depreciation for tax purposes	(26,629)	(34,139)	1,236	11,453
Revaluations	(47,673)	(45,622)	3,067	(7,711)
Losses	113,745	46,888	(68,927)	(25,877)
Other temporary differences	(29,016)	(28,811)	(11,806)	5,414
Deferred tax expense/(income)			(76,430)	(16,721)
Deferred tax liability, net	10,427	(61,684)		
Reflected in the consolidated statement of financial position as follows:				
Deferred tax assets	73,187	16,611		
Deferred tax liabilities	(62,760)	(78,295)		
Deferred tax asset/(liability), net	10,427	(61,684)		

Reconciliation of net deferred tax liabilities

in US$'000	2015	2014
Opening balance at 1 January	(61,684)	(79,564)
Tax income recognised in profit or loss during the year	76,416	15,354
Change in tax rate recognised in profit or loss during the year	14	1,367
Deferred taxes acquired in business combinations	(5,663)	(1,981)
Other movements during the year	1,344	3,140
Closing balance at 31 December	10,427	(61,684)

As at 31 December 2015, the Group has unrecognised tax loss carry forwards amounting to US$160.1million (2014: US$250.9million). These losses relate to subsidiaries that have had historical losses, which mainly do not expire or have an expiry date of more than 3 years. These losses may not be used to offset taxable income elsewhere in the Group and where the subsidiaries have no taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets.

As at 31 December 2015, the Group has unrecognised other temporary differences amounting to US$0.7million (2014: US$0.4million). These temporary differences have no expiry date. If the Group was able to recognise all unrecognised deferred tax assets, profit would increase by US$39.3million (2014: US$71.3million).

10.6 Tax uncertainties

The Group operates in numerous jurisdictions worldwide resulting in cross-border intercompany transactions whereby the transfer pricing rules applied in one country have an impact on the results in another country Due to complexity of tax rules, interpretation by local taxing authorities can differ from the Group's interpretation based on opinions provided by local tax counsel.

In countries where the Group starts new operations or alters business models, the issue of having a permanent establishment and profit allocation thereto may arise. The risk is that taxing authorities in multiple jurisdictions claim taxation rights over the same profit.

11. Property and equipment

in US$'000	Land and buildings	Machinery and equipment	Motor vehicles	Office and IT equipment	Fixed assets in progress	Total
Cost:						
At 1 January 2014	864,257	1,527,509	90,739	68,342	304,044	2,854,891
Additions[(i)]	105,908	193,999	66,796	5,834	376,596	749,133
Disposals	(5,031)	(11,101)	(2,898)	(4,773)	—	(23,803)
Acquisitions of subsidiaries (Note 6.2)	29,752	155,994	11,774	2,354	82,890	282,764
Disposal of subsidiaries	(956)	(22,947)	—	—	—	(23,903)
Write-offs	(948)	(1,976)	(578)	(491)	(83)	(4,076)
Reclassifications	53,025	292,730	1,399	(2,185)	(354,767)	(9,798)
Exchange adjustment	(32,437)	(71,991)	(8,491)	(2,738)	(12,471)	(128,128)
At 31 December 2014	1,013,570	2,062,217	158,741	66,343	396,209	3,697,080
Additions[(i)]	48,867	140,710	36,636	15,829	614,723	856,765
Disposals	(1,385)	(7,301)	(7,673)	(678)	(255)	(17,292)
Acquisitions of subsidiaries (Note 6.2)	33,817	177,322	4,617	361	48	216,165
Write-offs	(1,359)	(2,979)	(289)	(133)	(291)	(5,051)
Reclassifications	175,525	294,009	16,956	5,495	(507,718)	(15,733)
Exchange adjustments	(125,694)	(211,328)	(13,777)	(7,583)	(51,091)	(409,473)
Other movements	(8,249)	(3,898)	(2,504)	(131)	(8,109)	(22,891)
At 31 December 2015	1,135,092	2,448,752	192,707	79,503	443,516	4,299,570
Depreciation and impairment:						
At 1 January 2014	(142,118)	(442,038)	(20,346)	(24,206)	—	(628,708)
Depreciation (Note 9.2)	(57,756)	(152,937)	(15,384)	(12,223)	—	(238,300)
Disposals	2,982	8,942	2,350	3,982	—	18,256
Impairment (Note 9.2)	(462)	(1,357)	—	(5)	—	(1,824)
Write-offs	754	1,749	390	325	—	3,218
Disposal of a subsidiary	—	7,148	—	—	—	7,148
Reclassifications	9,278	(4,483)	514	239	—	5,548
Exchange adjustment	5,886	16,665	1,944	480	—	24,975
At 31 December 2014	(181,436)	(566,311)	(30,532)	(31,408)	—	(809,687)
Depreciation (Note 9.2)	(66,614)	(188,521)	(21,178)	(11,728)	—	(288,041)
Disposals	280	6,288	3,328	668	—	10,564
Impairment (Note 9.2)	(8)	(33,417)	—	(38)	—	(33,463)
Write-offs	11	2,106	289	67	—	2,473
Reclassification	(10,606)	12,227	(3,002)	1,381	—	—
Exchange adjustment	31,186	58,610	4,879	3,189	—	97,864
Other movements	(568)	507	3,465	23	—	3,427
At 31 December 2015	(227,755)	(708,511)	(42,751)	(37,846)	—	(1,016,863)
At 31 December 2015	907,337	1,740,241	149,956	41,657	443,516	3,282,707
At 31 December 2014	832,134	1,495,906	128,209	34,935	396,209	2,887,393

(i) Includes US$36.0million of deferred capex in Angola, and Mozambique financed through vendor loans (2014: US$52.0million for acquired bitumen business and ships).

Certain items included in property and equipment are pledged as collateral for the third party loans granted to certain of the Group affiliates amounting to US$195million (2014: US$539million).

The Group does not hold any property for investment purposes.

Exchange rate adjustments reflect the translation effects from movements in foreign currencies against the US$. All property, plant and equipment is valued at historic cost, and no revaluations are made, in line with Group policy.

12. Intangible assets and goodwill

in US$'000	Goodwill	Licences	Other intangibles	Total
Cost or valuation:				
At 1 January 2014	849,218	37,725	161,295	1,048,238
Acquisitions/disposals of subsidiaries (Note 6.2)[(i)]	170,816	138	145,674	316,628
Additions	—	6,463	36,520	42,983
Disposals	—	(2,051)	(222)	(2,273)
Exchange adjustment	(59,885)	(404)	(21,380)	(81,669)
Reclassifications	179	(431)	10,901	10,649
Write-offs	—	(532)	(95)	(627)
Other movements	(62)	—	—	(62)
At 31 December 2014[(i)]	960,266	40,908	332,693	1,333,867
Acquisitions/disposals of subsidiaries (Note 6.2)	98,031	94	51,889	150,014
Additions	—	15,214	38,660	53,874
Disposals	—	(7)	(5)	(12)
Exchange adjustment	(102,288)	(2,469)	(37,942)	(142,699)
Reclassifications	—	7,757	7,976	15,733
Write-offs	—	(51)	(6)	(57)
Other movements	—	(59)	(6,686)	(6,745)
At 31 December 2015	956,009	61,387	386,579	1,403,975
Amortisation:				
At 1 January 2014	(6,725)	(14,342)	(20,498)	(41,565)
Amortisation charge for the year (Note 9.2)	—	(8,585)	(14,578)	(23,163)
Disposals	—	2,127	28	2,155
Acquisitions/disposals of subsidiaries	—	(47)	292	245
Exchange adjustment	—	(187)	1,908	1,721
Reclassification	—	(38)	(1,599)	(1,637)
Write-offs	—	530	95	625
At 31 December 2014	(6,725)	(20,542)	(34,352)	(61,619)
Amortisation charge for the year (Note 9.2)	—	(12,690)	(21,713)	(34,403)
Impairment (Note 9.2)	(9,229)	—	—	(9,229)
Disposals	—	7	2	9
Exchange adjustment	—	781	5,518	6,299
Reclassification	—	17	(146)	(129)
Write-offs	—	57	—	57
At 31 December 2015	(15,954)	(32,370)	(50,691)	(99,015)
Net book value:				
At 31 December 2015	940,055	29,017	335,888	1,304,960
At 31 December 2014	953,541	20,366	298,341	1,272,248

(i) 2014 values have been restated for the reviewed purchase price allocation on the Papua New Guinea acquisition

13. Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill acquired through business combinations and intangible assets with indefinite lives have been allocated to two cash-generating units, which are also operating and reportable segments, for impairment testing as follows:

- Midstream cash-generating unit.
- Downstream cash-generating unit.

13. Impairment testing of goodwill and intangible assets with indefinite lives (Continued)

The carrying amount of goodwill (other than goodwill relating to discontinued operations) was allocated to cash-generating units as follows:

in US$'000	2015	2014
Midstream unit	41,386	42,161
Downstream unit	898,669	911,380
Total carrying amount of goodwill	940,055	953,541

Midstream cash generating unit:

The midstream cash generating unit relates to entities with refining and storage facilities. The recoverable amounts of the net assets tested under this cash-generating unit have been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period, and an average pre-tax discount rate of 8.45% per annum (2014: 9.99% per annum).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a continuous 1.0% per annum growth rate (2014: 1.0%).

Downstream cash generating unit:

The downstream cash generating unit pertains to entities that include distribution of refined oil and gas products. The recoverable amount of the net asset tested under this cash-generating unit have been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period, and an average pre-tax discount rate of 8.14% per annum (2014: 9.28% per annum).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 2.0% per annum growth rate (2014: 2.0%).

13.1 Key assumptions used in value in use calculations

Gross profits—Gross profits are based on average values achieved in the three years preceding the start of the budget period, adjusted for any new investments or change in market dynamics. These are volume-driven and are increased over the budget period according to the expected gross domestic product growth and applicable local petroleum regulations of each country where the units operates.

Discount rates—Discount rates represent the current market assessment of the risks specific to each cash generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital. The weighted average cost of capital takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on its interest bearing loans and borrowings which the Group is obliged to service. Segment—specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on management's knowledge of the particular markets in which it operates.

Petroleum product prices—Forecasted commodity prices are publicly available.

Market share assumptions—These assumptions are important because, as well as using industry data for growth rates (as noted below), management assesses how the unit's position, relative to its competitors, might change over the budget period. Management expects the Group's share of the petroleum product market to be stable over the budget period.

13. Impairment testing of goodwill and intangible assets with indefinite lives (Continued)

Growth rate estimates—Rates are based on management's estimates.

13.2 Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the midstream and downstream units, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

A 1% increase in the discount rate or a 1% fall in the growth rate would not result in a recoverable amount below net book value.

14. Inventories

in US$'000	2015	2014
Petroleum inventories at fair value(i)	146,998	120,609
Petroleum product inventories at lower of cost and net realisable value, net	456,425	506,891
Merchandise inventories, net	11,551	11,140
Total inventories, net	614,974	638,640

(i) As indicated in Note 2.3.l, inventories held for trading purposes are stated at fair value less costs to sell and any changes in net fair value are recognised in profit or loss. Certain of the Group's subsidiaries engage in commodity trading activities for which the exemption stipulated in IAS 2 Inventories for commodity broker-traders applies. Trading activities undertaken include optimisation of the Group's supply cycle and the supply of petroleum products to business-to-business and wholesale clients.

The cost of inventories recognised in cost of sales in 2015 amounted to US$10,899million (2014: US$11,617million).

15. Other financial assets

in US$'000	2015	2014
Financial assets carried at fair value through profit or loss		
Held for trading derivatives that are not designated in hedge accounting relationships(i)	64,869	50,531
Financial assets carried at fair value through profit or loss	64,869	50,531
Financial assets carried at amortised cost		
Finance lease receivable(ii)	4,992	5,464
Loans to other entities(iii)	25,218	26,604
Financial assets carried at amortised cost	30,210	32,068
Investments	11,051	10,885
Investments	11,051	10,885
Total other financial assets	106,130	93,484
Current	69,397	57,836
Non-current	36,733	35,648
	106,130	93,484

(i) All held for trading derivatives are swaps and commodity futures with maturities less than one year.

(ii) The Group has a finance lease arrangement for petroleum storage equipment.

(iii) The Group makes a limited number of loans to third parties. None of these loans were past due and management believes there are no circumstances which would warrant impairing these loans.

16. Other assets

in US$'000	2015	2014
Prepayments, deposits and guarantees[(i)]	190,815	173,689
Other tax receivables[(ii)]	184,950	191,480
Other receivables	241,968	84,066
Total other assets	617,733	449,235
Of which due from related parties (Note 25)	179,345	17,429
Current	459,602	340,406
Non-current	158,131	108,829
	617,733	449,235

(i) Prepayments, deposits and guarantees mainly include payments made for the purchase of equipment and construction materials, capital expenditure prepayments, a deposit made for deferred payments on the Neumann Australia acquisition, prepayments for an acquired fuel distributor in Ghana, prepayments for assets to be held by a property trust in Australia, as well as other guarantees and deposits.

(ii) Other tax receivables include non-income tax related items such as VAT and petroleum tax receivables.

17. Trade receivables

Trade and other accounts receivable include the short term portion of trade accounts receivable and related accounts.

in US$'000	2015	2014
Trade receivables	543,769	652,140
Of which due from related parties (Note 25)	139,816	158,080

Trade receivables are non-interest bearing and are generally on cash to 30 day terms. At year-end Group days of sales outstanding amounted to 12.3 days (2014: 13.5 days).

The most significant allowance for doubtful debts on an individual trade receivable amounted to US$ 2.9million (31 December 2014: US$1.1million), fully recognised in 2015. The impairment recognised represents the difference between the carrying amount of the trade receivables and the present value of the expected proceeds. The Group does not hold any collateral over these balances.

As illustrated below, there were no significant movements in the provision for impairment of receivables (see credit risk disclosure in Note 27.3 for further guidance).

The movement in the allowance for doubtful debts was as follows:

in US$'000	2015	2014
Balance at beginning of the year	(12,016)	(9,429)
Impairment losses recognised on receivables	(6,323)	(9,833)
Amounts written off during the year as uncollectible	2,142	4,830
Amounts recovered during the year	3,672	3,034
Foreign exchange translation gains and losses	1,768	468
Integration of existing allowances from acquired entities	(5,657)	(1,086)
Balance at end of the year	(16,414)	(12,016)

At 31 December, the ageing analysis of trade receivables from third parties was as follows:

			Past due but not impaired		
in US$'000	Total	Neither past due nor impaired	<30 days	30 - 90 days	>90 days
2015	403,953	353,608	33,161	9,749	7,435
2014	494,060	428,514	43,002	10,292	12,252

17. Trade receivables (Continued)

Receivables from related parties are neither past due nor impaired and are therefore excluded from the table above.

17.1 Receivables sold without recourse

At 31 December 2015, trade receivables of US$61.4million (2014: US$1.3million), related to the operations in the United Kingdom, had been sold without recourse.

18. Cash and cash equivalents

in US$'000	2015	2014
Cash at banks and on hand	226,616	392,669
Restricted cash	26,137	17,531
Short term deposits	28,456	66,628
Cash and short term deposits	281,209	476,828

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates. Restricted cash is mainly comprised of a US$18m guarantee deposit made for a construction project in Angola.

19. Assets classified as held for sale

in US$'000	2015	2014
Service stations—Puerto Rico	—	192
Others	9	54
Total assets held for sale	9	246

The Group expects to dispose of all these assets in 2016.

20. Capital and reserves

Shares	2015	2014
Registered share capital[(i)]		
100,000,000 ordinary shares of US$0.01 par value each	1,000	1,000
10,638,295 ordinary shares of US$47 par value each	500,000	—
1 share for Trafigura Beheer BV of US$830,967 thousand	830,967	830,967
1 share for Sonangol Holdings LDA of US$510,950 thousand	510,950	510,950
1 share for Cochan Holdings LLC of US$255,475 thousand	255,475	255,475
1 share for PE Investments Limited of US$105,774 thousand	105,774	105,774
Total share capital	2,204,166	1,704,166

(i) At 31 December 2015, the Group had 110,638,299 shares issued. Of these, 3,191,490 shares for a total amount of US$150million have not been paid up at 31 December 2015 (2014: US$0).

21. Interest bearing loans and borrowings

in US$'000	2015	2014
Unsecured—at amortised cost		
Senior notes(i)	1,210,450	1,233,958
Bank overdrafts	134,787	129,942
Obligations under finance leases	890	361
Unsecured bank loans(ii)	1,073,519	537,637
Related parties(iii)	9,344	6,536
	2,428,990	1,908,434
Secured—at amortised cost		
Secured bank loans(iv)	429,243	870,166
	429,243	870,166
Total interest-bearing loans and borrowings	2,858,233	2,778,600
Of which due to related parties (Note 25)	9,344	6,536
Current	491,348	584,806
Non-current	2,366,885	2,193,794
	2,858,233	2,778,600

(i) 6.75% senior notes of US$750million and US$250million issued in January and July 2014 respectively, maturing in 2021, as well as a 4.5% private placement of EUR 200m maturing in 2022.

(ii) Secured and unsecured bank loans consist of fixed and floating rate loans, for which the weighted average effective interest rate (including arrangement fees) on the loans was 5.89% for the year ended 31 December 2015 and 5.83% for the year ended 31 December 2014. The Group economically hedges a portion of the loans for interest rate risk via an interest rate swap, exchanging variable rate interest for fixed rate interest. The fair value of interest-bearing loans and borrowings for disclosure purposes is based on quoted prices in an active market for identical liabilities. These financial instruments are fair valued, based on Level 2 measurement.

(iii) As a result of the Group's cash optimisation strategy, the Group will, on occasion, have short term loans with related parties of the Group at terms determined by management. The interest rate applicable to these loans was LIBOR plus 8% for the years ended 31 December 2015 and 2014.

(iv) Bank loans are secured by mortgages over certain of the Group's assets (mainly inventories, qualifying receivables, shares of certain subsidiaries and other long term assets). The total value of the pledged assets at 31 December 2015 was US$696million (2014: US$1,949million)

Loan maturity schedule

in US$'000	2015	2014
Not later than one year	491,348	584,806
Later than one year and not later than five years	1,151,209	959,836
Later than five years	1,215,676	1,233,958
Total interest-bearing loans and borrowings	2,858,233	2,778,600

In addition to the aforementioned debt facilities, the Group entered into a US$1.5billion loan with Bulavista Limited, an indirect subsidiary of Trafigura. This loan which was not drawn at 31 December 2015 and 2014 consists of a US$500million committed revolving credit facility and a US$1.0billion uncommitted revolving credit facility. This loan is not secured, and bears interest of 8.10% per annum (2014: 8.10% per annum). The maturity of the loan is five years, expiring in September 2018.

22. Provisions

in US$'000	Employee related provisions(i)	Provisions for contingencies and expenses(ii)	Provision for remediation(iii)	Total
At 1 January 2015	12,392	34,719	5,318	52,429
Acquisitions of subsidiaries	1,628	5,343	41,301	48,272
Arising during the year	2,350	1,561	148	4,059
Utilised	(107)	(1,432)	—	(1,539)
Unused amounts reversed	(3,075)	(8,058)	(1,889)	(13,022)
Foreign exchange translation gains and losses	(1,430)	(3,612)	(2,531)	(7,573)
Other movements	(81)	—	—	(81)
At 31 December 2015	11,677	28,521	42,347	82,545
At 31 December 2015				
Current	7,890	5,290	3,000	16,180
Non-current	3,787	23,231	39,347	66,365
	11,677	28,521	42,347	82,545
At 31 December 2014				
Current	9,441	6,497	5,318	21,256
Non-current	2,951	28,222	—	31,173
	12,392	34,719	5,318	52,429

(i) Employee related provisions mainly reflect holiday accruals, provision for employee benefits as well as provisions for long service leave in Australia and Papua New Guinea.

(ii) Provisions for contingencies and expenses mainly relate to operations in Australia, El Salvador and Papua New Guinea.

(iii) The increase in remediation provisions in 2015 relates to the acquired business in the United Kingdom. This caption furthermore includes a remediation provision made, pursuant to the acquisition of Capeco in Puerto Rico in 2011.

23. Other financial liabilities

in US$'000	2015	2014
Financial liabilities carried at fair value through profit and loss		
Held for trading derivatives not designated in hedge accounting relationships(i)	3,760	4,265
Financial liabilities carried at fair value through profit or loss	3,760	4,265
Financial liabilities at amortised cost		
Vendor Loan—Related Parties(i)	144,114	153,749
Vendor Loan—Third Parties(i)	40,671	—
Other liabilities(iiv)	12,510	18,799
Total financial liabilities at amortised cost	197,295	172,548
Total other financial liabilities	201,055	176,813
Of which due to related parties (Note 25)	144,114	153,749
Current	154,352	157,915
Non-current	46,703	18,898
	201,055	176,813

(i) Derivative positions include commodity futures, commodity swaps and interest rate swaps used to economically hedge certain of the Group's financial risks. A substantial portion of the derivatives are transacted with Trafigura Pte Ltd.

(ii) Includes a vendor loan from Trafigura for the purchased bitumen ships and bitumen business.

(iii) Includes vendor loans granted for capex payables related to the Angola Fishing Port and Mozambique Matola terminals, as well as deferred payment for the Brent Oil acquisition.

(iv) Other liabilities mainly include branding fees in connection with the Australian acquisition.

24. Trade and other payables

in US$'000	2015	2014
Trade payables	1,171,016	1,165,941
Other payables and accrued liabilities	227,892	242,548
Interest payable	34,141	32,627
Other liabilities[(i)]	157,912	97,126
Total trade and other payables	1,590,961	1,538,242
Of which due to related parties (Note 25)	834,095	815,999

(i) Other current liabilities include mainly tax, social security and VAT payables, as well as the unpaid share capital in National Energy and Puma Aviation Services (US$ 25million). The increase compared to 2014, mainly derives from the integration of the acquired operations in the United Kingdom.

Terms and conditions of the above liabilities:

- Trade payables are generally non-interest bearing
- Interest payable is normally settled on a monthly basis throughout the financial year.

25. Related parties disclosures

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Related parties not part of the Group include the following:

Entity name	Country of Incorporation	% equity interest in the Group 2015	% equity interest in the Group 2014
Trafigura Beheer BV	Netherlands	48.39%	48.79%
Sonangol Holdings LDA	Angola	30.0%	30.0%
Cochan Holdings LLC	Marshall Islands	15.0%	15.0%
PE Investments Limited	Malta	5.61%	6.21%
Global PE Investors PLC	Malta	0.21%	—
PE SPV Ltd	Malta	0.54%	—
PE ESP Ltd	Malta	0.25%	—

25.1 Related party transactions

Group entities entered into the following transactions with related parties that are not members of the Group:

in US$'000	Sales to related parties 2015	Sales to related parties 2014	Purchases from related parties 2015	Purchases from related parties 2014
Trafigura Group	575,414	232,853	(5,719,671)	(7,255,274)
Sonangol Group	48,180	65,654	(1,008,520)	(529,682)
Others	12,615	4,295	(4,210)	—
Total	636,209	302,802	(6,732,401)	(7,784,956)

25. Related parties disclosures (Continued)

in US$'000	Amounts owed by related parties		Amounts owed to related parties	
	2015	2014	2015	2014
Trafigura Group	97,297	149,762	(804,724)	(889,136)
Sonangol Group	201,048	25,530	(173,724)	(80,390)
Others	20,816	217	(9,105)	(6,758)
Total	319,161	175,509	(987,553)	(976,284)

In addition to the above transactions and balances, a substantial portion of the Group's derivatives are transacted with Trafigura Pte Ltd. The fair value of derivatives contracted with Trafigura Pte Ltd amounted to US$61.5million at 31 December 2015 (2014: US$31.6million).

25.2 Related party loans

The Group has acquired, by virtue of its various acquisitions, certain legacy loans made to employees of acquired entities. These loans are, individually and in aggregate, immaterial to the Group. Furthermore, the Group entered into a US$1.5billion loan with Bulavista Limited, an indirect subsidiary of Trafigura, which was not drawn at 31 December 2015 and 2014. This loan is not secured, and bears interest of 8.1% per annum (2014: 8.1% per annum) and is meant to support the Group in its investment activities.

At 31 December 2015, the Group has outstanding liabilities with its shareholder Trafigura amounting to US$144.1million (2014: US$153.7million) connected to the acquisition of the bitumen business and ships. These liabilities come to maturity in 2016 and bear interest of LIBOR +1.9%.

25.3 Key management personnel compensation

Key management personnel compensation amounted to US$5.9million in 2015 (2014: US$7.3million).

26. Commitments and contingencies

Off balance sheet commitments:

in US$'000	2015	2014
Storage and land rental	603,469	480,152
Assets under construction	208,765	429,553
Supply contracts	737	18
Other commitments[(i)]	51,545	90,516
Total	864,516	1,000,239

in US$'000	2015	2014
Within one year	293,282	453,909
After one year but not more than five years	234,999	266,243
More than five years	336,235	280,087
Total	864,516	1,000,239

26. Commitments and contingencies (Continued)

Contingent liabilities:

in US$'000	2015	2014
Letters of credit(ii)	88,577	56,257
Guarantees(iii)	101,087	98,893
Legal and other claims(iv)	34,376	25,246
Total	224,040	180,396

(i) Other commitments mainly include guarantees issued to third parties for US$17million (2014: US$11million), as well as a US$25million commitment for the acquisition of Wabeco bitumen assets in Nigeria.

(ii) The Group utilises standby letters of credit and documentary credits, where appropriate, when transacting with counterparties who have limited credit history or where certain of the Group underwriting banks require such facilities to be put in place.

(iii) Guarantees issued by the Group are mostly related to performance bonds for performance on specific contracts. No liability is expected to arise from these guarantees.

(iv) Legal and other claims includes existing legal cases for which the Group believes no further charge will arise in the future as the Group believes it has the legal grounds to eventually conclude the cases favourably. The amount reported represents the maximum potential liabilities.

Excluded from the contingent liabilities listed above are those mortgages and assets pledged as collateral on certain financing transactions. These items are disclosed in Note 11.

27. Financial risk management objectives and policies

The Group Executive Committee oversees the management of financial risks and reviews and agrees policies for managing these risks, which are defined in the Group Risk Management Framework. The Group Risk Management Framework is a comprehensive management tool utilised by the Group Executive Committee to assess potential risks facing the Group. With the support of the Group internal audit team, the Group Risk Management Framework provides a context through which the Group is able to continuously monitor external risks. The Group Risk Management Framework is reviewed on a quarterly basis by the Group Executive Committee.

The Group is primarily a midstream and downstream business with a strong risk management philosophy. The Group manages its exposure to key financial risks in accordance with the Group Risk Management Framework. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The main risks that could adversely affect the Group's financial assets, liabilities or future cash flows are: market risks, comprising commodity price risk, cash flow interest rate risk and foreign currency risk; liquidity risk; and credit risk. As a rule, commodity price risk relating to the physical supply activities is systematically economically hedged, with the support of Trafigura Pte Ltd. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken as all derivative transactions are entered into with the purpose of managing the Group's physical inventory exposure. At this stage, the Group does not currently apply any form of hedge accounting.

Furthermore, the Group, through the Group Risk Management Framework, has established conservative consolidated risk limits and closely monitors the Group's risk positions to ensure that the Group risk exposure remains well within these limits.

27.1 Market risk

The Group operates in various national markets where petroleum prices are predominantly regulated and therefore in many of its markets, it has limited market risk in terms of price exposure. Furthermore, where the Group operates in unregulated markets, the Group is typically able to price its products so as to reflect increases or decreases in market prices on a timely basis and thereby

27. Financial risk management objectives and policies (Continued)

substantially mitigate its price exposure. Despite the Group selling into markets where price exposure is largely mitigated, the Group does economically hedge its physical supply. The primary purpose of the economic hedging activities is to protect the Group against the risk of physical supply transactions being adversely affected by changes in commodity prices. The Group systematically enters into economic hedging contracts to cover price exposures in its physical supply activities. In particular, substantially all supply stock is at all times either pre-sold or the commodity index price risk is economically hedged. By virtue of the nature of the markets in which the Group operates and given the economic hedging conducted in the Group's supply activities as per the Group Risk Management Framework, the Group faces limited market risk.

The following table provides an overview of the derivative contracts at the year-end. All commodity derivatives had maturities of less than one year at each year-end.

	Fair value of derivatives	
in US$'000	**2015**	**2014**
Commodity futures and swaps	61,553	47,211
Currency swaps	(433)	(714)
Interest rate swaps	(11)	(231)
Total	61,109	46,266

Currency risk

The Group has exposures to foreign currency risk on its activities. However a substantial part of this foreign exchange exposure is economically hedged out. The Group does not use financial instruments to hedge the translation risk related to equity and earnings of foreign subsidiaries and non-consolidated companies.

Interest rate risk

Interest rate risk of the Group is mainly applicable on the long term funding of the Group. Please refer to the comments below for further details on the Group's funding.

The Group has entered into certain interest rate swap transactions in order to limit its exposure to floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax through the impact on floating rate interest bearing loans and borrowings and cash and cash equivalents. The impact on equity is the same as the impact on profit before tax.

	Effect on profit before tax for the year ended	
in US$'000	**2015**	**2014**
+1.0%	(9,864)	(8,900)
−1.0%	9,864	8,900

27. Financial risk management objectives and policies (Continued)

The carrying amount of all financial assets and liabilities except for interest-bearing loans and borrowings approximated the estimated fair value, due to the short-term nature of the financial instruments. The following table summarises the fair value of interest-bearing loans and borrowings:

	Carrying amount		Fair value	
in US$'000	**2015**	**2014**	**2015**	**2014**
Interest-bearing loans and borrowings[(i)]	2,858,233	2,778,600	2,515,761	2,381,038
Total	2,858,233	2,778,600	2,515,761	2,381,038

(i) For the purpose of the above disclosure, fixed rate interest-bearing loans and borrowing have been discounted using the actual cost of debt of the Group.

27.2 Liquidity risk

The Group, by virtue of the nature of its operations, has demonstrated a consistent ability to generate cash through its ongoing daily operations. The flow of cash received and generated by the Group throughout its global locations is such that the Group views itself as being in a favourable position from a liquidity perspective. The Group generates stable cash flows as the Group's assets are utilised to deliver an essential product to customers in specific, national markets and the Group is thereby not entirely exposed to international commodity market movements. At the same time, the Group has the flexibility to decide whether to invest or not in capital expenditures as its ability to generate cash flows is not bound, in the short term, by significant capital commitments or significant mandatory capital asset maintenance.

Furthermore, the Group monitors its risk to a shortage of funds by monitoring the maturity dates of existing debt. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. At 31 December 2015, the Group had US$966.8million (2014: US$580.3million) of undrawn committed borrowing facilities. In addition the Group had US$500million of undrawn committed shareholder loans.

17% of the Group's debt will mature in less than one year at 31 December 2015 (2014: 21%) based on the balances reflected in the consolidated financial statements. The maturity profile of the Group's debt is summarised in Note 21 and below. The Group liquidity risk is further mitigated as a large part of the borrowing activities of the Group are related to the financing of petroleum stocks and by their nature, these stocks are readily convertible into cash.

The table below summarises the maturity profile of the Group's financial liabilities based on non-discounted contractual payments:

in US$'000	**Less than 1 year**	**1-5 years**	**5+ years**	**Total**
At 31 December 2015:				
Interest-bearing loans and borrowings	621,844	1,532,872	1,259,379	3,414,095
Trade and other payables	1,590,961	—	—	1,590,961
Financial derivatives	3,748	12	—	3,760
Other financial liabilities	150,603	48,391	—	198,994
Total	2,367,156	1,581,275	1,259,379	5,207,810
At 31 December 2014:				
Interest-bearing loans and borrowings	714,387	1,596,608	1,371,701	3,682,696
Trade and other payables	1,538,242	—	—	1,538,242
Financial derivatives	4,166	99	—	4,265
Other financial liabilities	153,749	19,663	—	173,412
Total	2,410,544	1,616,370	1,371,701	5,398,615

27. Financial risk management objectives and policies (Continued)

27.3 Credit risk

The Group has a formalised credit process, with credit officers in the key locations around the world. Strict credit limits are established for each counterparty on the basis of detailed financial and business analyses. These limits are constantly monitored and revised in light of counterparty or market developments and the amount of exposure relative to the size of the Group's consolidated statement of financial position. The Group conducts transactions with the following major types of counterparties:

- Physical commodity counterparties spread across the vertical chains for oil (e.g. resellers and end-users). Sales to counterparties are made on open terms up to internally approved credit limits. Exposures above such limits are subject to independent payment guarantees.
- Payment guarantee counterparties (e.g. prime financial institutions from which the Group obtains payment guarantees).

The Group is present in different geographic regions. Wherever appropriate, guarantees, insurance and letters of credit are used to reduce payment or performance risk. The Group's maximum exposure to credit risk is equivalent to the amounts of financial assets presented in the consolidated statement of financial position. The Group has no significant concentrations of credit risk and no single customer accounts for more than 2% of the Group's revenues. In addition, a significant part of the activity of the Group's downstream business (mainly service stations) is on a cash or prepayment basis.

Refer to Note 17 for an ageing analysis of trade receivables.

27.4 Operational risk

The operations department has representatives in key locations around the world and is responsible for a number of tasks including contract insurance and logistics management. The operations department is also responsible for ensuring that industry, environmental safety, and internal policies and procedures are complied with at all times. Detailed procedures manuals are implemented throughout the Group and all operations personnel receive regular and adequate training covering the relevant subjects according to their specific functions within the operating activities of the Group. This ensures that operations staff are kept up to date with all applicable procedural, legal, regulatory and industry changes.

The Group, when chartering vessels, applies a strict vessel vetting procedure which complements insurance requirements and focuses on the vessel age, classification, protection, indemnity and pollution insurance cover. Similar vetting procedures are also applied for both rail car and truck movements. The Group also has a storage procedure which involves full due diligence being undertaken of every proposed storage location-including a site visit to the storage location, the tank or warehouse. Regular stock analysis is undertaken to avoid losses such as theft and contamination, and each approved location is checked annually to evaluate the ongoing situation.

By virtue of the Group's relationship with its significant shareholder, Trafigura Beheer BV, the Group does have a risk of supplier concentration as the Trafigura group of companies account for around 70% (2014: 60%) of all purchases made by the Group.

27.5 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions in order to ensure a sound capital structure. Accordingly, the Group has not historically paid dividends to shareholders as the Group has opted to ensure that adequate capital is maintained and built upon for further growth.

27. Financial risk management objectives and policies (Continued)

27.6 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

All financial assets and liabilities measured at fair value, at 31 December 2015 and 2014, fall under the Level 2 category described above, and include financial derivatives for a net amount of US$61.1million (2014: US$46.3million) and inventories for US$147.0million (2014: US$120.6million). There have been no transfers between fair value levels during any of the reporting periods.

28. Events after the reporting period

US$100million Private Placement

In January 2016, the Group entered into a US$100million Private Placement with Delta Lloyd, at a fixed interest rate of 5.87% per year, which is maturing in 2023.

Acquisition of Grace Petroleum Company Ltd

In January 2016, the Group acquired supply agreements and certain assets located in Ghana from Grace Petroleum Company Ltd and Rehoboth Properties.

Bitumen assets in Nigeria

In January 2016, the Group acquired the bitumen assets of Wabeco in Nigeria. Wabeco is to keep a 40% stake in the legal entity, which owns two import terminals and distributes bitumen in Nigeria.

29. Significant consolidated subsidiaries and participating interests

The consolidated financial statements for the year ended 31 December 2015 include the Company's financial statements and those of the following operating entities listed in the table below:

Name of subsidiary	Place of incorporation	Proportion of ownership interest held by the Group at 31 December for the year ended 2015	2014	Legal relationship
Puma Energy Holdings Pte Ltd	Singapore	100%	100%	Parent company
Alexela Slovag AS	Norway	95%	95%	Subsidiary
Angobetumes Lda	Angola	100%	100%	Subsidiary
AS Alexela Logistics	Estonia	95%	95%	Subsidiary
AS Alexela Sillamäe	Estonia	95%	95%	Subsidiary
AS Alexela Terminal	Estonia	95%	95%	Subsidiary
Central Combined Group Pty Ltd	Australia	100%	100%	Subsidiary
Comercial el Hogar SA	Honduras	100%	100%	Subsidiary
Directhaul Pty Ltd	Australia	100%	100%	Subsidiary
DP Drakensberg Properties Pty Ltd	South Africa	100%	0%	Subsidiary
Drakensberg Oil Pty Ltd	South Africa	100%	0%	Subsidiary
Emoil Petroleum Storage FZCO	United Arab Emirates	20%	20%	Equity investment
Empresa Cubana de Gas	Cuba	50%	50%	Equity investment
Ferush SAC	Peru	100%	0%	Subsidiary

29. Significant consolidated subsidiaries and participating interests (Continued)

Name of subsidiary	Place of incorporation	Proportion of ownership interest held by the Group at 31 December for the year ended 2015	2014	Legal relationship
Fuel Distributors of Western Australia Pty Ltd	Australia	50%	0%	Equity investment
Gulf Refining Company NV	Curacao	64%	64%	Subsidiary
Hidrosur Asfaltos SAPI de CV	Mexico	49%	0%	Equity investment
Hull Ocean Going Barges UK Ltd	United Kingdom	100%	0%	Subsidiary
IVCO International Ltd	Bahamas	100%	100%	Subsidiary
Kpone Marine Services Ltd	Ghana	100%	100%	Subsidiary
Langsat Terminal (One) Sdn Bhd	Malaysia	20%	20%	Equity investment
Langsat Terminal (Two) Sdn Bhd	Malaysia	20%	20%	Equity investment
National Energy and Puma Aviation Services Co Ltd	Myanmar	49%	—	Equity investment
Neumann Petroleum Pty Ltd	Australia	100%	100%	Subsidiary
Oil Malal SA	Chile	33%	33%	Equity investment
PC Puerto Rico LLC	Puerto Rico	100%	100%	Subsidiary
PE Swaziland (Pty) Ltd	Swaziland	100%	100%	Subsidiary
Pervyi Murmanskiy Terminal(i)	Russia	47%	47%	Subsidiary
Petrobeira Lda(ii)	Mozambique	49%	49%	Subsidiary
Phoenix Petroleum Pty Ltd	Australia	50%	0%	Equity investment
PT Puma Energy Indonesia	Indonesia	100%	100%	Subsidiary
Puma El Salvador SA de CV	El Salvador	100%	100%	Subsidiary
Puma Energia España SLU	Spain	100%	100%	Subsidiary
Puma Energy (Australia) Bitumen Pty Ltd	Australia	100%	100%	Subsidiary
Puma Energy (Australia) Fuels Pty Ltd	Australia	100%	100%	Subsidiary
Puma Energy (Aviation) SA	Panama	100%	100%	Subsidiary
Puma Energy (Malaysia) Sdn Bhd	Malaysia	100%	100%	Subsidiary
Puma Energy (Moçambique) Lda	Mozambique	100%	100%	Subsidiary
Puma Energy (Namibia) (Pty) Ltd	Namibia	100%	100%	Subsidiary
Puma Energy (Singapore) Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy (UK) Ltd	United Kingdom	100%	100%	Subsidiary
Puma Energy Asia Sun Co Limited	Myanmar	80%	80%	Subsidiary
Puma Energy Bahamas SA	Bahamas	100%	100%	Subsidiary
Puma Energy Benin SA	Benin	100%	100%	Subsidiary
Puma Energy Bitumen (Vietnam) Ltd	Vietnam	80%	80%	Subsidiary
Puma Energy Bitumen Supply SA	Panama	100%	100%	Subsidiary
Puma Energy Botswana (Pty) Ltd	Botswana	80%	100%	Subsidiary
Puma Energy Caribe LLC	Puerto Rico	100%	100%	Subsidiary
Puma Energy Centam Holdings I LLC	Marshall Islands	100%	100%	Subsidiary
Puma Energy Colombia Holdings AG	Switzerland	100%	100%	Subsidiary
Puma Energy Cote d'Ivoire SA	Ivory Coast	100%	100%	Subsidiary
Puma Energy Distribution Benin SA	Benin	100%	100%	Subsidiary
Puma Energy Group Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy Guatemala SA	Guatemala	100%	100%	Subsidiary
Puma Energy Honduras SA de CV	Honduras	100%	100%	Subsidiary
Puma Energy International BV, Geneva Branch	Netherlands	100%	100%	Branch
Puma Energy Irrawaddy Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy Johannesburg Supply SA	Panama	100%	100%	Subsidiary
Puma Energy LS (Pty) Ltd	Lesotho	100%	100%	Subsidiary
Puma Energy Ltd (FZE)	Nigeria	80%	80%	Subsidiary
Puma Energy Luxembourg Sàrl	Luxembourg	100%	100%	Subsidiary
Puma Energy Malawi Ltd(i)	Malawi	50%	50%	Subsidiary
Puma Energy New Zealand Limited	New Zealand	100%	100%	Subsidiary
Puma Energy Panama Supply SA	Panama	100%	100%	Subsidiary
Puma Energy Paraguay SA	Paraguay	100%	100%	Subsidiary
Puma Energy PNG Ltd	Papua New Guinea	100%	100%	Subsidiary
Puma Energy PNG Refining Ltd	Papua New Guinea	100%	100%	Subsidiary
Puma Energy PNG Supply Ltd	Cayman Islands	100%	100%	Subsidiary
Puma Energy Procurement BV	Netherlands	100%	100%	Subsidiary

29. Significant consolidated subsidiaries and participating interests (Continued)

Name of subsidiary	Place of incorporation	Proportion of ownership interest held by the Group at 31 December for the year ended 2015	2014	Legal relationship
Puma Energy Senegal SA	Senegal	80%	60%	Subsidiary
Puma Energy Services (Singapore) Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy Services South Africa (Pty) Ltd	South Africa	100%	100%	Subsidiary
Puma Energy South Africa (Pty) Ltd	South Africa	75%	0%	Subsidiary
Puma Energy Tanzania Ltd(i)	Tanzania	50%	50%	Subsidiary
Puma Energy Zambia PLC	Zambia	76%	76%	Subsidiary
Puma International Congo SA	Congo	100%	100%	Subsidiary
Puma International Financing SA	Luxembourg	100%	100%	Subsidiary
Puma Overseas Projects Pte Ltd	Singapore	100%	100%	Subsidiary
Pumangol Industrial Lda	Angola	100%	100%	Subsidiary
Pumangol Lda	Angola	100%	100%	Subsidiary
Redan Petroleum (Pvt) Ltd	Zimbabwe	60%	60%	Subsidiary
Refineria Petrolera de Acajutla SA de CV	El Salvador	100%	100%	Subsidiary
Sakunda Petroleum (Pvt) Ltd	Zimbabwe	49%	49%	Equity investment
SAVE Combustibles SAS	Colombia	100%	0%	Subsidiary
Tema Offshore Mooring Ltd	Ghana	100%	100%	Subsidiary
UBI Group Ltd(i)	Ghana	49%	49%	Subsidiary
Ultrapar SA	Paraguay	100%	100%	Subsidiary

Presented below are explanations for those entities which are consolidated despite the Group having less than 50% interest in those entities:

(i) The Group retains effective control over these entities, despite the fact that it does not hold clear majority of the shares, by virtue of the fact the Group is exposed to, or has rights to, variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

(ii) Management believes that the Group retains effective control over this entity as a result of there being both a shareholder and an investment agreement in place with the National Oil Company of Mozambique stipulating that the Group has 100% economic control over the entity.

The Group does not have any non-controlling interests exceeding 5% of the Group's long term assets or 20% of the Group's operating profit.

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INDEPENDENT AUDITORS' REPORT

To the shareholders of Puma Energy Holdings Pte Ltd

Geneva, 5 March 2015

We have audited the accompanying consolidated financial statements of Puma Energy Holdings Pte Ltd and its subsidiaries (the ''Group''), which comprise the consolidated statement of financial position at 31 December 2014, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (pages 132 to 172).

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2014, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young Ltd

Mark Hawkins
Chartered accountant

Scott Duncan
Chartered accountant

Consolidated statement of income

FOR THE YEARS ENDED 31 DECEMBER

in US$'000	Notes	2014	2013
Continuing operations			
Net sales	7.1/7.2/9.1	13,433,041	11,941,610
Cost of sales		(12,004,345)	(10,783,390)
Gross profit		1,428,696	1,158,220
Selling and operating costs	7.1/7.2/9.2	(932,806)	(738,982)
General and administrative expenses	7.1/7.2/9.3	(100,266)	(89,916)
Other operating income	9.4	7,704	48,631
Other operating expenses	9.4	(11,545)	(7,250)
Operating profit		391,783	370,703
Finance income	9.5	12,173	28,370
Finance costs	9.6	(184,911)	(144,415)
Net foreign exchange gains/(losses)		(2,668)	12,651
Share of net profit/(loss) of associates	8.2	4,297	3,010
Profit before tax		220,674	270,319
Income tax expense	10.1	(37,156)	(48,865)
Profit for the year		183,518	221,454
Attributable to:			
Owners of the parent		170,517	210,581
Non-controlling interests		13,001	10,873

Consolidated statement of comprehensive income

FOR THE YEARS ENDED 31 DECEMBER

in US$'000	2014	2013
Profit for the year	183,518	221,454
Other comprehensive income		
Exchange differences on translation of foreign operations, net of tax	(144,439)	(100,028)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(144,439)	(100,028)
Remeasurement gains/(losses) on defined benefit plans, net of tax	(1,058)	4,018
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	(1,058)	4,018
Total comprehensive income for the year, net of tax	38,021	125,444
Attributable to:		
Owners of the parent	29,913	120,655
Non-controlling interests	8,108	4,789

Consolidated statement of financial position

FOR THE YEARS ENDED 31 DECEMBER

in US$'000	Notes	2014	2013
Assets			
Non-current assets			
Property and equipment	11	2,887,393	2,226,183
Intangible assets and goodwill	12	1,272,248	1,006,673
Investments in associates	8.2	27,905	24,181
Other financial assets	15	35,648	27,646
Deferred tax assets	10.5	16,611	18,476
Other assets	16	108,829	86,214
Total non-current assets		4,348,634	3,389,373
Current assets			
Inventories	14	638,640	669,538
Other assets	16	340,406	218,503
Income tax receivable	10.4	37,561	35,984
Trade receivables from third parties	17	494,060	459,658
Trade receivables from related parties	17	158,080	60,510
Other financial assets	15	57,836	29,159
Cash and cash equivalents	18	476,828	448,682
		2,203,411	1,922,034
Assets classified as held for sale	19	246	484
Total current assets		2,203,657	1,922,518
Total assets		6,552,291	5,311,891
Equity and liabilities			
Equity			
Registered share capital		1,704,166	1,000
Share capital pending registration		—	1,703,166
Total share capital	20	1,704,166	1,704,166
Other capital reserves		—	570
Retained earnings		372,698	210,581
Foreign currency translation reserve		(303,873)	(164,327)
Other components of equity		(275)	783
Equity attributable to owners of the parent		1,772,716	1,751,773
Non-controlling interests		98,923	123,321
Total equity		1,871,639	1,875,094
Non-current liabilities			
Interest-bearing loans and borrowings	21	2,193,794	1,071,586
Loan from shareholder	25.2	—	150,000
Retirement benefit obligations		6,292	3,720
Other financial liabilities	23	18,898	25,287
Deferred tax liabilities	10.5	78,295	98,040
Provisions	22	31,173	28,674
Total non-current liabilities		2,328,452	1,377,307
Current liabilities			
Trade and other payables	24	1,538,242	1,129,564
Interest-bearing loans and borrowings	21	584,806	872,259
Other financial liabilities	23	157,915	12,508
Income tax payable	10.4	49,981	26,045
Provisions	22	21,256	19,114
Total current liabilities		2,352,200	2,059,490
Total liabilities		4,680,652	3,436,797
Total equity and liabilities		6,552,291	5,311,891

Consolidated statement of changes in equity

FOR THE YEARS ENDED 31 DECEMBER

		Attributable to owners of the parent									
in US$'000	**Notes**	**Registered share capital**	**Share capital pending registration**	**Total share capital**	**Other capital reserves**	**Retained earnings**	**Foreign currency translation reserve**	**Other components of equity**	**Total**	**Non-controlling interest**	**Total equity**
At 1 January 2014		1,000	1,703,166	1,704,166	570	210,581	(164,327)	783	1,751,773	123,321	1,875,094
Profit for the year		—	—	—	—	170,517	—	—	170,517	13,001	183,518
Other comprehensive income		—	—	—	—	—	(139,546)	(1,058)	(140,604)	(4,893)	(145,497)
Total comprehensive income		—	—	—	—	170,517	(139,546)	(1,058)	29,913	8,108	38,021
Registration of capital		1,703,166	(1,703,166)	—	—	—	—	—	—	—	—
Dividends		—	—	—	—	—	—	—	—	(7,102)	(7,102)
Acquisition of non-controlling interests	6.5	—	—	—	—	(8,970)	—	—	(8,970)	(13,381)	(22,351)
Acquisitions of subsidiaries	6.2	—	—	—	—	—	—	—	—	(3,072)	(3,072)
Disposal of subsidiaries		—	—	—	—	—	—	—	—	(11,107)	(11,107)
Reclassification		—	—	—	(570)	570	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	2,156	2,156
At 31 December 2014		1,704,166	—	1,704,166	—	372,698	(303,873)	(275)	1,772,716	98,923	1,871,639

		Attributable to owners of the parent									
in US$'000	**Notes**	**Registered share capital**	**Share capital pending registration**	**Total share capital**	**Other capital reserves**	**Retained earnings**	**Foreign currency translation reserve**	**Other components of equity**	**Total**	**Non-controlling interest**	**Total equity**
At 1 January 2013		—	—	—	979,290	224,876	(70,383)	(3,235)	1,130,548	124,383	1,254,931
Profit for the year		—	—	—	—	210,581	—	—	210,581	10,873	221,454
Other comprehensive income		—	—	—	—		(93,944)	4,018	(89,926)	(6,084)	(96,010)
Total comprehensive income		—	—	—	—	210,581	(93,944)	4,018	120,655	4,789	125,444
Capital contribution		—	—	—	500,000	—	—	—	500,000	12,013	512,013
Effect of business restructuring		1,000	1,703,166	1,704,166	(1,479,290)	(224,876)	—	—	—	—	—
Dividends		—	—	—	—	—	—	—	—	(8,928)	(8,928)
Acquisition of non-controlling interests	6.5	—	—	—	570	—	—	—	570	(6,831)	(6,261)
Acquisitions of subsidiaries	6.2	—	—	—	—	—	—	—	—	792	792
Disposal of subsidiaries		—	—	—	—	—	—	—	—	(2,195)	(2,195)
Other		—	—	—	—	—	—	—	—	(702)	(702)
At 31 December 2013		1,000	1,703,166	1,704,166	570	210,581	(164,327)	783	1,751,773	123,321	1,875,094

Consolidated statement of cash flows

FOR THE YEARS ENDED 31 DECEMBER

in US$'000	Notes	2014	2013
Operating activities			
Profit before tax		220,674	270,319
Non-cash adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property and equipment	9.2/11	240,124	193,681
Amortisation and impairment of intangible assets	9.2/12	23,163	18,079
Tangible fixed assets written off		858	3,523
Intangible fixed assets written off		2	91
Gain on disposal of property and equipment and intangible assets, net	9.4	(1,285)	(8,877)
Gain on disposal of investments	9.4	(5,187)	(476)
Net interest expense	9.5/9.6	160,281	112,298
Dividend income	9.5	(2,902)	(3,948)
Share of net profit of associate	8	(4,297)	(3,010)
Provisions	22	(9,592)	(1,752)
Unrealised gain on derivative financial instruments	27	(50,899)	(3,154)
Working capital adjustments:			
Decrease/(increase) in trade, other receivables and prepayments		(152,673)	204,777
Decrease/(increase) in inventories		140,777	(14,757)
(Decrease)/increase in trade, other payables and accrued expenses		341,571	(94,691)
Interest received	9.5	9,271	19,103
Income tax paid		(49,137)	(45,817)
Net cash flows from operating activities		860,749	645,389
Investing activities			
Net proceeds from sale of tangible and intangible assets		6,950	28,978
Net proceeds from sale of investments	4	21,300	5,442
Purchase of intangible assets	12	(42,983)	(106,503)
Purchase of property and equipment	11	(697,174)	(495,692)
Deposits (paid)/refunded for acquisitions of new subsidiaries		—	15,072
Acquisitions of subsidiaries, net of cash acquired	6.3	(569,718)	(869,691)
Acquisition of predecessor intercompany balances	4	(52,877)	—
Investments	15	(11,127)	—
Dividends received		3,689	5,449
Net cash flows used in investing activities		(1,341,940)	(1,416,945)
Financing activities			
Issuance of equity	20	—	500,000
Non-controlling interest capital paid in		—	12,013
Loans (granted)/reimbursed	21	(19,527)	(3,552)
Proceeds from borrowings (including non-recourse loans)	21	249,212	584,407
Proceeds from bond issuance	21	1,233,958	—
Increase/(decrease) in short term borrowings	21	(265,728)	184,010
Repayment of borrowings	21	(386,258)	(89,780)
Interest paid		(141,175)	(129,176)
Shareholder financing	25.2	(150,000)	14,382
Acquisition of non-controlling interests	6.5	(22,351)	(20,529)
Dividends paid to non-controlling interests		(7,102)	(8,928)
Net cash flows from financing activities		491,029	1,042,847
Net increase in cash and cash equivalents		9,838	271,291
Effects of exchange rate differences		18,308	47,806
Cash and cash equivalents at 1 January	18	448,682	129,585
Cash and cash equivalents at 31 December	18	476,828	448,682

Notes to the consolidated financial statements

1. Corporate information

Puma Energy Holdings Pte Ltd (the ''Company'') was incorporated in Singapore as a private company limited by shares on 2 May 2013. The registered office of the Company is One Marina Boulevard #28-00, 1 Marina Boulevard, Singapore 018989.

The principal business activities of the Company and its subsidiaries (the ''Group'') are the ownership and operation of storage facilities for, and the sale and distribution of, petroleum products.

The Group is ultimately owned by Trafigura Beheer BV (48.79%), Sonangol Holdings Lda (30.00%), Cochan Limited (15.00%) and other investors (6.21%). In December 2012, the shareholders agreed that Sonangol would increase its interest in the Group to 30% and the transaction was finalised in May 2013.

Following reorganisation on 14 December 2012, the Group replaced Puma Energy LLC with a new parent company, Puma Energy Group Pte Ltd, which was incorporated in Singapore on 23 October 2012. On 16 September 2013 the Group was reorganised under the Company as its new parent company.

The restructuring steps can be summarised as follows:

- On 31 December 2011, the ultimate holding company was Puma Energy LLC, Marshall Islands.
- On 23 October 2012, Puma Energy Group Pte Ltd was incorporated in Singapore.
- On 14 December 2012, Puma Energy LLC transferred Puma Energy Holdings Malta Limited to Puma Energy Group Pte Ltd with the result that Puma Energy Group Pte Ltd became the consolidating entity as of 31 December 2012.
- On 2 May 2013, Puma Energy Holdings Pte Ltd was incorporated in Singapore.
- On the 16 September 2013, following a legal restructuring, Puma Energy Holdings Pte Ltd became the ultimate holding company and the Group consolidating entity for the year ended 31 December 2013.

In accordance with IFRS, under the pooling of interests method, the aforementioned reorganisations are not considered to be business combinations under IFRS 3 Business Combinations but rather the continuation of the existing business activities of the Group with a new parent entity. This means that the parent company at the reporting date is considered to have been the parent company throughout the reporting periods, including those where comparative financial information is presented.

2. Accounting methods

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (''IFRS'') as issued by the International Accounting Standards Board (''IASB'').

The consolidated financial statements have been prepared on a historical cost basis, except derivative financial instruments that have been measured at fair value and those inventories that qualify for fair value accounting using the IAS 2 *Inventories exemption*.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at 31 December 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2. Accounting methods (Continued)

Specifically, the Group controls an investee if and only if the Group has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interests.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

a) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

2. Accounting methods (Continued)

At the acquisition date, the identifiable assets acquired, and the liabilities assumed, are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively.
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (e.g. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

b) Foreign currency translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in effect at the closing date of each reporting period. These items are recorded, according to their nature, either as components of finance income or finance costs in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is

2. Accounting methods (Continued)

recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Group companies

The presentation currency of the Group is the US$. Consolidated statement of financial position items are translated into US$ at the exchange rate applicable on the date of closure of the reporting period, and consolidated statement of income items are translated using the average exchange rate over the reporting period. Foreign exchange differences arising on translation for consolidation are recognised in other comprehensive income and included in consolidated shareholders' equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

c) Non-current assets held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

d) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interest in joint operations are recorded according to IFRS 11 *Joint Arrangements*:

- Assets, including its share of any assets held jointly.
- Liabilities, including its share of any liabilities incurred jointly.
- Revenue from the sale of its share of the output arising from the joint operation.
- Share of the revenue from the sale of the output by the joint operation.
- Expenses, including its share of any expenses incurred jointly.

The results of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held For Sale and Discontinued Operations*. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate

2. Accounting methods (Continued)

(which includes any long term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The requirements of IAS 39 *Financial Instruments: Recognition and Measurement* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 *Impairment of Assets* to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a Group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

e) Goodwill

Goodwill is measured as being the excess of the aggregate of the consideration transferred, the amount recognised for any non-controlling interest and the acquisition-date fair values of any previously held interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date.

At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units or group of cash generating units expected to benefit from the combination's synergies.

Following initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit or group of cash generating units to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of cash generating units is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period. For the impairment test, see note 2.3h.

Goodwill may also arise upon investments in associates, being the surplus of the cost of investments in associates. Goodwill is included in the carrying amount of the investment in associate and is neither amortised nor individually tested for impairment.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

2. Accounting methods (Continued)

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised according to the straight-line method for the periods corresponding to their expected useful lives. Intangible assets are mainly comprised of software licences (useful lives ranging from 3 to 5 years) and certain long term concession rights related to land usage (useful lives ranging from 33 to 99 years).

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

g) Property and equipment

Property and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a finance lease is also included within property and equipment.

Land and buildings are accounted for under the cost model. Hence no revaluation is carried out, in line with IAS 16 *Property, Plant and Equipment*.

Depreciation is provided on a straight-line basis over estimated useful lives of the respective assets, taking into account the residual value. The estimated useful lives are:

Buildings	33 years
Machinery and equipment	3 to 20 years
Other fixed assets	1 to 5 years

The expected useful lives of property and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

When significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

2. Accounting methods (Continued)

h) Impairment of non-financial assets

The Group assesses its non-financial assets at each reporting date for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable and, as a result, charges for impairment are recognised in the Group results from time to time.

Such indicators include changes in the Group business plans, changes in commodity prices leading to sustained unprofitable performance, an increase in the discount rate, low asset utilisation, evidence of physical damage and, for petroleum related properties, significant downward or upward revisions of estimated volumes.

The assessment for impairment entails comparing the carrying value of the asset or cash-generating unit with its recoverable amounts being the higher of fair value less costs to sell and value in use. A cash-generating unit is the smallest group of assets whose continued use generates cash inflows which are largely independent of cash inflows generated by other groups of assets. Value in use is usually determined on the basis of discounted estimated future net cash flows. When the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects of inflation on operating expenses, discount rates and the outlook for global or regional market supply-and-demand conditions for petroleum products. The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Goodwill and intangible assets with an indefinite useful life are subject to an annual impairment test, or more frequently, if there are indications of a loss in value.

For assets, excluding goodwill and intangible assets with an indefinite life, an assessment is made at each reporting date of whether there is an impairment and if such an indication exists, an impairment test is carried out.

If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Impairment losses relating to goodwill cannot be reversed in future periods.

i) Financial assets

Financial assets are recognised initially at fair value, plus transaction costs, except in case of financial assets recorded at fair value through profit or loss. The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Usually, the difference between amortised cost and the nominal amount of receivables is not material. Gains and losses are recognised in profit or loss in finance costs when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

2. Accounting methods (Continued)

Available-for-sale financial investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised when the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, at which time the cumulative loss is reclassified to profit or loss in finance costs. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the effective interest rate method.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39 *Financial Instruments: Recognition and Measurement*.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in finance income or finance costs (as appropriate) in profit or loss. Financial assets designated upon initial recognition at fair value through profit or loss are designated at the initial recognition date and only if the criteria set out in IAS 39 *Financial Instruments: Recognition and Measurement* are satisfied. The Group has not designated any financial assets upon initial recognition at fair value through profit or loss.

Derecognition

A financial asset as defined under IAS 32 *Financial Instruments: Presentation* is totally derecognised (removed from the consolidated statement of financial position) when, for instance, the Group expects no further cash flow to be generated by it and transfers substantially all risks and rewards attached to it.

In the case of trade receivables, a transfer without recourse in case of payment default by the debtor is regarded as a transfer of substantially all risks and rewards of ownership, thus making such receivables eligible for derecognition under IAS 39 *Financial Instruments: Recognition and Measurement*, on the basis that risk of late payment is considered marginal.

Amortised cost

Amortised cost is calculated using the effective interest rate method less any reductions (direct, or in the form of a provision) for impairment or uncollectibility. The calculation takes into account any premium and discount at the time of acquisition, as well as transaction costs and fees forming an integral part of the effective interest rate.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the

2. Accounting methods (Continued)

group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of impairment losses on financial assets carried at amortised cost is calculated as the difference between the carrying amount of the asset and the best possible estimate of the future cash flows, discounted at the effective rate of interest of the financial instrument determined on the initial recognition of the instrument. If the decrease in impairment relates to an objective event occurring after the impairment was recognised, a previously recognised impairment loss is reversed to a maximum of the amount required to carry the asset at amortised cost at the time of the reversal if no impairment had taken place. The impairment loss reversal is taken to profit or loss.

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss—measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss—is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity investments are not reversed through profit or loss. Increases in their fair value after impairments are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

The amount of impairment losses on investments in equity instruments carried at cost is calculated as the difference between the carrying amount of the financial asset and the best possible estimate of the future cash flows, discounted at the current cost of capital for a similar asset. A previously recognised impairment loss is reversed if the removal of the indication of impairment is shown objectively.

2. Accounting methods (Continued)

j) Financial liabilities

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39 *Financial Instruments: Recognition and Measurement*. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss should be designated at the initial recognition date and only if the criteria set out in IAS 39 *Financial Instruments: Recognition and Measurement* are satisfied.

Other financial liabilities

Following initial measurement, other financial liabilities are carried at amortised cost using the effective interest rate method. This category includes loans with original maturities greater than one year. Gains or losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

Derecognition

A financial liability is derecognised when the associated obligation is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

k) Derivative financial instruments

The Group utilises derivative financial instruments (shown separately in the consolidated statement of financial position under other financial assets and other financial liabilities) to economically hedge its primary market risk exposures, primarily risks related to commodity price movements, and to a lesser extent, related to exposure to foreign currency exchange and interest rate movements. For some of these derivative transactions, the Group will enter into positions through Trafigura Pte Ltd. The Group has an agreement in place with Trafigura Pte Ltd whereby those derivative transactions entered into on behalf of the Group by Trafigura Pte Ltd are contractually binding to the Group and therefore any gains or losses arising from such transactions are strictly for the account of the Group.

Derivatives, including separated embedded derivatives, are classified as held for trading at fair values and related gains and losses are recorded in profit or loss unless they are designated as effective hedging instruments as defined by IAS 39 *Financial Instruments: Recognition and Measurement*. The Group does not generally apply hedge accounting as defined by IAS 39 *Financial Instruments: Recognition and Measurement*.

2. Accounting methods (Continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include: using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis; or other valuation models.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (e.g. the underlying contracted cash flows).

- Where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.

l) Inventory

Inventories, other than inventories held for trading purposes, are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and comprises direct purchase costs, cost of production, transportation and manufacturing expenses. Borrowing costs are not included in the cost of inventory.

Net realisable value of petroleum products is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition.

Any write-off is recognised when the probable realisable value is lower than the net book value.

With respect to inventories held for trading purposes, the Group accounts for them at fair value less costs to sell and any changes in value are recognised in profit or loss. Trading activities include optimisation of the Group supply cycle and the supply of petroleum products to business-to-business and wholesale clients. Further details are provided in Note 14.

m) Leases

The Group as lessee

Finance leases, which transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to

2. Accounting methods (Continued)

achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in profit or loss on a straight line basis over the lease term.

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

n) Cash and short term deposits

Cash and short term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short term deposits as defined above.

o) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

p) Pensions and other post-employment benefits

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Group. Deferred bonus arrangements that have a vesting date more than 12 months after the period end are valued on an actuarial basis using the projected unit credit method and amortised on a straight-line basis over the service period until the awards vest.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method. Unvested past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested. Past service costs are recognised immediately if the benefits have already vested immediately following the introduction of, or changes to, a pension plan. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material

2. Accounting methods (Continued)

reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in profit or loss during the period in which the settlement or curtailment occurs.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long term market returns on plan assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year.

Actuarial gains and losses are recognised in full within other comprehensive income in the year in which they occur.

The defined benefit pension plan surplus or deficit in the consolidated statement of financial position comprises the total for each plan at the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and, in the case of quoted securities, is the published bid price.

Contributions to defined contribution schemes are recognised in profit or loss in the period in which they become payable.

q) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue is reduced for estimated customer returns, discounts and other similar allowances. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold.
- Revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued by reference to the principal outstanding and at the effective interest rate applicable, which

2. Accounting methods (Continued)

is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

r) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised in other comprehensive income is also recognised in other comprehensive income and not in profit or loss.

Deferred tax

Deferred tax assets and liabilities are recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date and for operating loss and tax credit carry forwards. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect on deferred tax assets and liabilities of changes in tax rates is recognised in profit or loss in the period of the enactment of the change in tax rates.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3. Significant accounting judgements, estimates and assumptions (Continued)

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Changes in these assumptions may materially affect the consolidated financial position or performance reported in future periods. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the consolidated financial statements.

Impairment of assets

In accordance with IAS 36 Impairment of Assets, the Group performs an assessment at each reporting date to determine whether there are any indications of impairment at each reporting date. If indications of impairment exist, an impairment test is performed to assess the recoverable amount of the assets.

Goodwill impairment

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit, and a suitable discount rate, in order to calculate present value. Details of the Group goodwill impairment assessment at 31 December 2014 and 2013 are described in Note 13.

Useful lives of intangible assets and property and equipment

Intangible assets and property and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. The useful lives are estimated by management at the time the assets are acquired and are reassessed annually, with the estimated useful lives being based on historical experience with similar assets, market conditions and future anticipated events.

The actual useful lives might be different from the estimated useful lives. The related carrying amounts as of 31 December 2014 and 2013 are disclosed in Note 11 and Note 12.

Environmental costs

Costs associated with environmental remediation obligations are provided for when the Group has a present obligation and the provision can be reasonably estimated. Such provisions are adjusted as further information develops or circumstances change. The related carrying amounts as of 31 December 2014 and 2013 are disclosed in Note 22.

Recovery of deferred tax assets

Judgement is required in determining whether deferred tax assets should be recognised in the consolidated statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred income tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, oil and natural gas prices, reserves, operating costs, decommissioning costs, capital expenditure, dividends and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows impacting the taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

3. Significant accounting judgements, estimates and assumptions (Continued)

Pension benefits obligation

The accounting policy applied by the Group for defined benefit pension schemes requires management to make judgements as to the nature of such benefits provided by each scheme which thereby determines the classification of each scheme. The cost of defined benefit pension plans and the present value of the pension obligation are required to be determined annually using actuarial valuations. An actuarial valuation involves making various estimates and assumptions. These include the determination of the future returns on each different type of scheme asset, the discount rate, future salary increases, employee attrition rates, mortality rates, expected remaining periods of service of employees and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Determination of fair values in business combinations

The Group has applied estimates and judgments in order to determine the fair value of assets acquired and liabilities and contingent liabilities assumed by way of a business combination.

The value of assets, liabilities and contingent liabilities recognised at the acquisition date are recognised at fair value. In determining fair value the Group has utilised valuation methodologies including discounted cash flow analysis market value assessments or replacement value by third parties for, in particular, acquired property and equipment. The market value of property and equipment is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The assumptions made in performing these valuations include assumptions as to discount rates, foreign exchange rates, commodity prices, the timing of development, capital costs, and future operating costs. Any significant change in key assumptions may cause the acquisition accounting to be revised including the recognition of additional goodwill or a discount on acquisition.

4. Significant events

Senior notes

On 29 January 2014, the Group made its first capital markets offering of 6.75% senior notes of US$750.0million aggregate principal, due 2021. On 1 July 2014, the Group tapped additional US$250.0million senior notes due 2021.

Interest on these senior notes is payable semi-annually. The proceeds of the senior notes were used to repay a portion of the Group's existing indebtedness and for general corporate purposes.

The senior notes are senior obligations of Puma International Financing SA and guaranteed by certain of the Company's subsidiaries.

Acquisition of 49% of UBI Ghana

On 20 March 2014, the Group purchased 49% of UBI Group in Ghana, a fuel distribution network, for US$36.0million.

4. Significant events (Continued)

Acquisition of Bitumen business from Trafigura

On 31 March 2014, the Group purchased bitumen assets from Trafigura, consisting of operating entities in Chile, Vietnam and Malaysia, plus the option to acquire the vessels currently operated or under construction by Trafigura. The total consideration of the acquisition was US$179.3million (subsequently reduced to US$155.3million, including working capital balances of US$2.1million), of which US$101.8million, plus accrued interest, are still outstanding.

Swaziland and Lesotho Acquisitions

In April 2014, the Group signed a sale and purchase agreement for the acquisition of the Chevron downstream operations in Swaziland for US$6.9million and the Sasol downstream operations in Lesotho and Swaziland.

Whilst Sasol Lesotho has since been acquired for US$14.6million, the acquisition of Sasol Swaziland is still pending regulatory approval.

PT Medco Downstream Indonesia non-controlling interest buyout

In April 2014, the Group purchased the 36% minority interest in PT Puma Energy Indonesia for a total consideration of US$17.4million.

Senior credit facility renewal

In May 2014, the Group successfully renewed and increased its senior credit facility from US$531.0million to US$725.0million, mainly through an increase in the three years tranche from US$180.0million to US$325.0million.

Townsville Terminal

In May 2014, the Group purchased the Townsville Terminal in Australia from QNI Resources Pty for US$19.7million.

Acquisition of InterOil Papua New Guinea

On 30 June 2014, the Group purchased 100% of InterOil Corporation's Papua New Guinea refining, aviation and fuel marketing businesses for a total consideration of US$524.6million, including US$52.9million of intercompany balances and US$39.4million of cash.

Acquisition of Senstock Senegal

In July 2014, the Group acquired an 18% stake in Senstock Senegal for US$11.1million.

AS Alexela Logistics change in ownership interests

In July 2014, Puma Energy Europe BV repurchased the 9.6% non-controlling interests in AS Alexela Logistics for US$19.2million and subsequently sold back a 5.0% stake for US$10million.

Acquisition of Malpass Enterprises

In August 2014, the Group closed the acquisition of Malpass Enterprises Pty Ltd in Australia for US$24.8million.

Acquisition of Ridge Petroleum

In August 2014, the Group closed the acquisition of Ridge Petroleum in Ghana for US$9.9million.

4. Significant events (Continued)

Papua New Guinea working capital facility renewal

On 30 September 2014, the Group refinanced an existing working capital line in favour of Puma Energy PNG Supply Ltd through a US$120.0million borrowing base facility with Natixis, Singapore Branch, and Australia and New Zealand Banking Group Limited, Singapore Branch.

Senior notes EUR200million addition

On 23 October 2014, the Group issued EUR200.0million of 4.50% senior notes, due 2022, under a private placement.

Sale of 50% stake in Puma Dominicana

On 23 October 2014, the Group sold its 50% stake in Puma Dominicana for US$21.3million.

Acquisition of Benin Petroleum Service SA storage facility

On 4 November 2014, the Group acquired the storage facility of Benin Petroleum Service SA for US$37.0million. The facility located in Cotonou consists of 4 tanks of clean products for a total capacity of 42k m^3.

5. Changes in accounting standards

New and amended standards and interpretations

The Group applied for the first time certain new or amended standards and interpretations, which were effective for annual periods beginning on or after 1 January 2014.

- IFRIC 21 *Levies*.
- Amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities*.
- Amendments to IAS 32—*Offsetting Financial Assets and Financial Liabilities*.
- Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*.
- Annual Improvements 2010-2012 cycle:
  - IFRS 13 *Fair Value Measurement*.
- Annual Improvements 2011-2013 cycle:
  - IFRS 1 *First-time Adoption of International Financial Reporting Standards*.

The adoption of these new or amended standards and interpretations did not have a material impact on the consolidated financial position or performance of the Group.

Standards issued but not yet effective

The standards and interpretations that have been issued or amended, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below.

The Group intends to adopt these standards and interpretations when they become effective.

- IFRS 9 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018).
- IFRS 14 *Regulatory Deferral Account* (effective for annual periods beginning on or after 1 January 2016).
- IFRS 15 *Revenue from Contracts with Customer*s (effective for annual periods beginning on or after 1 January 2017).
- Amendments to IFRS 11 *Joint Arrangements: Accounting for Acquisitions of Interests* (effective for annual periods beginning on or after 1 January 2016).

5. Changes in accounting standards (Continued)

- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 27 *Equity Method in Separate Financial Statements* (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions* (effective for annual periods beginning on or after 1 July 2014).
- Annual improvements 2010-2012 cycle (effective for annual periods beginning on or after 1 July 2014):
  - IFRS 2 *Share-based Payment*.
  - IFRS 3 *Business Combinations*.
  - IFRS 8 *Operating Segments*.
  - IAS 16 *Property, Plant and Equipment*.
  - IAS 38 *Intangible Assets*.
  - IAS 24 *Related Party Disclosures*.
- Annual improvements 2011-2013 cycle (effective for annual periods beginning on or after 1 July 2014):
  - IFRS 3 *Business Combinations*.
  - IFRS 13 *Fair Value Measurement*.
  - IAS 40 *Investment Property*.

The adoption of these issued or amended standards and interpretations is not expected to have a material impact on the consolidated financial position or performance of the Group.

6. Business combinations and acquisition of non-controlling interests

6.1a Subsidiaries acquired in 2014

The following table summarises those subsidiaries acquired in 2014:

Subsidiaries acquired	Principal activity	Date of acquisition	Proportion of voting equity interests acquired	Consideration transferred
			%	in US$'000
UBI Ghana	Fuel marketing and distribution	20 March 2014	49%	36,000
Trafigura Bitumen	Bitumen supply and distribution	31 March 2014	100%	155,257
InterOil Papua New Guinea	Refining, aviation and fuel marketing	30 June 2014	100%	471,675
Malpass	Fuel marketing and distribution	1 September 2014	100%	24,759
Ridge Energy	Fuel marketing and distribution	1 September 2014	100%	9,850
Chevron Swaziland	Fuel marketing and distribution	1 September 2014	100%	6,880
Sasol Lesotho	Fuel marketing and distribution	1 October 2014	100%	14,587
Total				719,008
InterOil Papua New Guinea—acquisition of intercompany balances				52,877
Total consideration transferred				771,885

6. Business combinations and acquisition of non-controlling interests (Continued)

6.1b Subsidiaries acquired in 2013

The following table summarises those subsidiaries acquired in 2013:

Subsidiaries acquired	Principal activity	Date of acquisition	Proportion of voting equity interests acquired	Consideration transferred
			%	in US$'000
Ausfuel	Fuel marketing and distribution	2 March 2013	100%	671,497
Neumann Petroleum	Fuel marketing and distribution	2 March 2013	100%	127,783
Central Combined Group	Fuel marketing and distribution	1 June 2013	100%	76,036
Redan Petroleum	Fuel marketing and distribution	15 November 2013	60%	13,620
				888,936

6.2 Assets acquired and liabilities recognised at date of transaction

6.2a Assets and liabilities recognised at date of transaction in 2014

The provisional fair value of the identifiable assets and liabilities of the entities acquired at the date of acquisition were:

in US$'000	UBI Ghana	Trafigura Bitumen	InterOil Papua New Guinea	Malpass	Ridge Energy	Chevron Swaziland	Sasol Lesotho	Total
Current assets								
Cash and cash equivalents	838	1,638	39,444	—	6	1,102	4,472	47,500
Trade receivables	148	11,027	118,859	—	—	424	1,194	131,652
Other assets	—	11,540	135,515	1,400	10	2,243	2,142	152,850
Non-current assets								
Property and equipment (Note 11)	21,249	41,592	207,793	4,032	4,937	948	2,213	282,764
Investments in associates	—	740	—	—	—	—	—	740
Deferred tax assets	—	29	5,289	—	—	111	—	5,429
Other assets	3	8,270	—	9,668	—	—	87	18,028
Current liabilities								
Trade and other payables	(30,719)	(11,500)	(19,544)	—	(2,383)	(788)	(2,469)	(67,403)
Interest-bearing loans and borrowings	—	(2,675)	(62,940)	—	—	—	—	(65,615)
Intercompany balances	—	—	(52,877)	—	—	—	—	(52,877)
Other liabilities	—	(149)	(31,954)	(214)	—	(402)	(2)	(32,721)
Non-current liabilities								
Deferred tax liabilities	—	—	(7,165)	—	—	(143)	(102)	(7,410)
Other liabilities	—	—	(6,855)	—	—	(282)	(359)	(7,496)
Total identifiable net assets acquired at fair value	(8,481)	60,512	325,565	14,886	2,570	3,213	7,176	405,441
Non-controlling interest measured at the proportionate share of the acquiree's identifiable net assets	4,325	(1,253)	—	—	—	—	—	3,072
Net assets acquired	(4,156)	59,259	325,565	14,886	2,570	3,213	7,176	408,513
Goodwill arising on acquisition	40,156	95,998	146,110	9,873	7,280	3,667	7,411	310,495
Purchase consideration transferred	36,000	155,257	471,675	24,759	9,850	6,880	14,587	719,008

In aggregate, the fair value of the trade receivables amounted to US$131.7million. The gross amount of trade receivables was US$132.8million. The difference of US$1.1million represented provisions for doubtful debts at the respective acquisition dates.

The goodwill recognised mainly derived from the acquisition of InterOil's operations in Papua New Guinea, and Trafigura's bitumen business and reflects the expected revenue growth, synergies, and optimised supply. None of the goodwill recognised is expected to be deductible for tax purposes.

Transaction costs of US$10.6million have been expensed (included in selling and operating costs) and are part of the operating cash flows in the consolidated statement of cash flows.

6. Business combinations and acquisition of non-controlling interests (Continued)

6.2b Assets and liabilities recognised at date of transaction in 2013

The provisional fair value of the identifiable assets and liabilities of the entities acquired at the date of acquisition were

in US$'000	Ausfuel	Neumann Petroleum	Central Combined Group	Redan Petroleum	Total
Current assets					
Cash and cash equivalents	7,912	4,892	1,700	4,741	19,245
Trade receivables	64,163	38,074	16,073	8,397	126,707
Other assets	51,580	28,655	5,577	7,249	93,061
Non-current assets					
Property and equipment (Note 11)	97,810	54,218	8,255	6,909	167,192
Deferred tax assets	4,288	1,598	328	—	6,214
Intangible assets	6,429	611	47	—	7,087
Other financial assets	—	—	—	4,472	4,472
Current liabilities					
Trade and other payables	(80,632)	(78,459)	(5,929)	(33,748)	(198,768)
Non-current liabilities					
Deferred tax liabilities	(435)	—	—	—	(435)
Other liabilities	(7,242)	(3,775)	(23)	—	(11,040)
Total identifiable net assets acquired at fair value	143,873	45,814	26,028	(1,980)	213,735
Non-controlling interest measured at the proportionate share of the acquiree's identifiable net assets	—	—	—	792	792
Net assets acquired	143,873	45,814	26,028	(1,188)	214,527
Goodwill arising on acquisition	527,623	81,969	50,009	14,808	674,409
Purchase consideration transferred	671,496	127,783	76,037	13,620	888,936

In aggregate, the fair value of the trade receivables amounted to US$126.7million. The gross amount of trade receivables was US$127.3million. The difference represented provisions for doubtful debts at the respective acquisition dates.

The goodwill recognised is primarily attributed to the expected revenue growth, synergies, and optimised supply across the respective market segments entered in Australia. All of the goodwill has been allocated to the downstream segment. None of the goodwill recognised is expected to be deductible for tax purposes.

Transaction costs of US$11.4million have been expensed (included in selling and operating costs) and are part of the operating cash flows in the consolidated statement of cash flows.

6. Business combinations and acquisition of non-controlling interests (Continued)

6.3 Cash flow on acquisitions

6.3a Cash flow on acquisitions in 2014

The cash flow on acquisitions made in 2014 is summarised below:

in US$'000	UBI Ghana	Trafigura Bitumen	InterOil Papua New Guinea	Malpass	Ridge Energy	Chevron Swaziland	Sasol Lesotho	Total
Cash flow on acquisition								
Cash consideration	(36,000)	(155,257)	(471,675)	(24,759)	(9,850)	(6,880)	(14,587)	(719,008)
Cash and cash equivalents acquired	838	1,638	39,444	—	6	1,102	4,472	47,500
Vendor loan	—	101,790	—	—	—	—		101,790
Net cash outflow	(35,162)	(51,829)	(432,231)	(24,759)	(9,844)	(5,778)	(10,115)	(569,718)

6.3b Cash flow on acquisitions in 2013

The cash flow on acquisitions made in 2013 is summarised below:

in US$'000	Ausfuel	Neumann Petroleum	Central Combined Group	Redan Petroleum	Total
Cash flow on acquisition					
Cash consideration	(671,497)	(127,783)	(76,036)	(13,620)	(888,936)
Cash and cash equivalents acquired	7,912	4,892	1,700	4,741	19,245
Net cash outflow	(663,585)	(122,891)	(74,336)	(8,879)	(869,691)

6.4 Pro forma impact of acquisitions on the results of the Group

From the date of acquisition, the aggregate contributions of the acquired businesses were US$799million to sales and US$22.5million to operating profit (net of acquisition costs).

Had these business combinations been in effect from 1 January 2014, the aggregate contribution to operating profit would have been US$39.2million for the whole year (mainly InterOil Papua New Guinea US$22.2million, Trafigura bitumen business US$16.9million) and the aggregate contribution to sales of the Group from continuing operations for the whole year would have been US$1,576million (mainly InterOil Papua New Guinea US$1,265million, Trafigura bitumen business US$100million and Malpass Enterprises US$112million).

The Group Executive Committee considers these ''pro-forma'' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

6.5 Non-controlling interests acquired

The following non-controlling interests in subsidiaries were purchased/sold in 2014:

in US$'000	Puma Energy Guatemala	PT Puma Energy Indonesia	AS Alexela Logistics	Puma Energy Procurement South Africa	Puma Energy Senegal	Total
Percentage of interest purchased/ (sold)	0.18%	36%	4.6%	(25)%	(40)%	
Non-controlling interests purchased/ (sold)	39	8,807	8,874	(324)	(4,015)	13,381
Net assets acquired/(sold)	39	8,807	8,874	(324)	(4,015)	13,381
Change in reserves from non-controlling interest purchase/ sale	(74)	(8,593)	(292)	(324)	313	(8,970)
Purchase/(sale) consideration	113	17,400	9,166	(0)	(4,328)	22,351

6. Business combinations and acquisition of non-controlling interests (Continued)

The following non-controlling interests in subsidiaries were purchased in 2013:

in US$'000	Puma Energy Guatemala	Puma Energy Puerto Rico Inc	Angobetumes Lda	Refineria Petrolera de Acjutla SA de CV	Total
Percentage of interest purchased	0.05%	49%	10%	35%	
Non-controlling interests purchased	12	2,424	19,674	(15,277)	6,833
Intercompany balances purchased	—	—	—	14,267	14,267
Net assets/(liabilities) purchased	12	2,424	19,674	(1,010)	21,100
Change in reserves from non-controlling interest purchase	(18)	(6,076)	7,674	(1,010)	570
Purchase consideration	30	8,500	12,000	—	20,530

7. Segment and geographic information

7.1 Segment information

For management purposes, the Group is organised into business units based on products and services and has two reportable segments as follows:

- Midstream business activities that include refining and storage of oil and gas products internationally.
- Downstream business activities that include distribution, wholesale and retail sales of refined products.

No operating segments have been aggregated to form the above reportable operating segments.

The Group Executive Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are based on terms determined by the Group's management.

7. Segment and geographic information (Continued)

Year ended 31 December 2014

in US$'000	Downstream	Midstream	Total segments	Consolidated
Net sales	12,978,011	455,030	13,433,041	13,433,041
Gross profit	1,230,783	197,913	1,428,696	1,428,696
Selling and operating costs[i]	(779,920)	(152,886)	(932,806)	(932,806)
General and administrative expenses	(95,343)	(4,923)	(100,266)	(100,266)
Other operating income/(expense), net	(5,768)	1,927	(3,841)	(3,841)
Operating profit	349,752	42,031	391,783	391,783
Finance income				12,173
Finance costs				(184,911)
Net foreign exchange gains/(losses)				(2,668)
Share of profit/(loss) of associates				4,297
Profit before tax				220,674
Total non-current assets (excluding financial, deferred tax and other assets)	3,384,817	802,729	4,187,546	4,187,546
Total current assets	1,964,041	239,616	2,203,657	2,203,657
Total current liabilities	1,954,066	398,134	2,352,200	2,352,200

(i) Selling and operating costs include an impairment charge of US$1.8million, entirely attributable to the downstream segment.

Year ended 31 December 2013

in US$'000	Downstream	Midstream	Total segments	Consolidated
Net sales	11,593,097	348,513	11,941,610	11,941,610
Gross profit	984,939	173,281	1,158,220	1,158,220
Selling and operating costs[ii]	(608,534)	(130,448)	(738,982)	(738,982)
General and administrative expenses	(83,797)	(6,119)	(89,916)	(89,916)
Other operating income/(expense), net	32,259	9,122	41,381	41,381
Operating profit	324,867	45,836	370,703	370,703
Finance income				28,370
Finance costs				(144,415)
Net foreign exchange gains/(losses)				12,651
Share of profit/(loss) of associates				3,010
Profit before tax				270,319
Total non-current assets (excluding financial, deferred tax and other assets)	2,592,579	664,458	3,257,037	3,257,037
Total current assets	1,907,231	15,287	1,922,518	1,922,518
Total current liabilities	1,906,179	153,311	2,059,490	2,059,490

(ii) Selling and operating costs include an impairment charge of US$0.9million, of which US$0.7million relates to the downstream segment and US$0.2million relates to the midstream segment.

Selling and operating costs and general and administrative expenses that are not specifically linked to a segment operating entity are allocated on a pro-rata basis according to the relative weighting of gross profit for each segment.

Other income/(expenses) include finance income/(costs), net foreign exchange gains/(losses), share of net profit/(loss) in associates and income tax expenses that are not allocated as they do not relate to a specific segment and are managed on a Group basis. These accounts do not form part of the review of the operating segment performance done by management.

7. Segment and geographic information (Continued)

7.2 Geographic information

The Group is organised in four main regions:

- Americas (mainly composed of Latin America and Caribe)
- Asia Pacific (including Middle East and Australia)
- Africa
- Europe (including Russia)

in K m³ (unaudited)	2014 Downstream	2014 Midstream	2013 Downstream	2013 Midstream
Throughput volumes (midstream)				
Americas		464		475
Asia Pacific		4,063		2,767
Africa		8,177		10,024
Europe		7,072		7,783
Total		19,776		21,049
Sales volumes (downstream and midstream)				
Americas	7,132		6,956	
Asia Pacific	2,525	298	1,855	
Africa	4,801		4,236	
Europe	8		6	
Total	14,466	298	13,053	

Year ended 31 December 2014

in US$'000	Americas	Asia Pacific	Africa	Europe	Consolidated
Net sales	5,803,562	3,303,859	4,199,226	126,394	13,433,041
Gross profit	393,707	356,737	603,996	74,256	1,428,696
Selling and operating costs	(239,816)	(311,059)	(325,235)	(56,696)	(932,806)
General and administrative expenses	(31,332)	(21,181)	(47,530)	(223)	(100,266)
Other operating income/(expense), net	2,412	(1,272)	(5,638)	657	(3,841)
Operating profit	124,971	23,225	225,593	17,994	391,783
Total non-current assets (excluding financial, deferred tax and other assets)	1,030,545	1,510,466	1,369,457	277,078	4,187,546

Year ended 31 December 2013

in US$'000	Americas	Asia Pacific	Africa	Europe	Consolidated
Net sales	5,656,864	2,492,941	3,663,478	128,327	11,941,610
Gross profit	337,599	248,555	496,275	75,791	1,158,220
Selling and operating costs	(190,605)	(211,151)	(278,744)	(58,482)	(738,982)
General and administrative expenses	(30,389)	(20,361)	(38,964)	(202)	(89,916)
Other operating income/(expense), net	33,468	2,306	4,500	1,107	41,381
Operating profit	150,073	19,349	183,067	18,214	370,703
Total non-current assets (excluding financial, deferred tax and other assets)	910,152	1,028,117	1,027,788	290,980	3,257,037

7. Segment and geographic information (Continued)

Selling and operating costs and general and administrative expenses that are not specifically linked to an operating region are allocated on a pro-rata basis according to the relative weighting of gross profit for each region.

The Group has no material commercial operations and no material non-current assets in its country of incorporation, Singapore.

Non-current assets for this purpose consist of investments in associates, property and equipment, intangible assets and goodwill (Notes 11 and 12).

8. Investments in associates

The following table summarises the Group's investments in associates for the years ended 31 December 2014 and 2013. None of the entities included below are listed on any public exchange.

8.1 List of investments

			Proportion of voting interests held at 31 December	
Associate name	**Activity**	**Location**	**2014**	**2013**
			%	%
Empresa Cubana de Gas	Fuel marketing	Caribbean	50%	50%
Emoil Petroleum Storage FZCO	Storage	UAE	20%	20%
Langsat Terminal (One) Sdn Bhd	Storage	Malaysia	20%	20%
Langsat Terminal (Two) Sdn Bhd	Storage	Malaysia	20%	20%
SdnBhdOil Malal SA	Storage	Chile	33%	—

8.2 Associates summarised financial information

The following table illustrates summarised financial information of the Group's investments in associates, which apply the same reporting dates and periods as the Group:

in US$'000	2014	2013
Associates' assets and liabilities:		
Current assets	60,473	50,508
Non-current assets	192,820	209,942
Current liabilities	(18,584)	(21,163)
Non-current liabilities	(129,991)	(149,049)
Equity	104,718	90,238
Carrying amount of the investments	27,905	24,181
Associates' revenue and profit:		
Revenue	58,920	36,006
Profit, net of tax	19,196	15,284
Group's share of profit, net of tax	4,297	3,010

9. Consolidated statement of income

9.1 Net sales

in US$'000	2014	2013
Net sales of goods	12,784,337	11,371,286
Rendering of services	648,704	570,324
Total net sales	13,433,041	11,941,610

Sales of goods are net of any sales taxes, value-added taxes, petroleum taxes and discounts.

9.2 Selling and operating costs

in US$'000	2014	2013
Employee benefit expenses	(183,842)	(155,524)
Operating expenses	(485,677)	(371,698)
Depreciation charge for the year (Note 11)	(238,300)	(192,802)
Amortisation charge for the year (Note 12)	(23,163)	(18,079)
Impairment (Note 11)	(1,824)	(879)
Total selling and operating costs	(932,806)	(738,982)

9.3 General and administrative expenses

in US$'000	2014	2013
Employee benefit expenses	(75,372)	(66,719)
Operating expenses	(24,894)	(23,197)
Total selling and operating costs and general and administrative expenses	(100,266)	(89,916)

9.4 Other income/(expenses)

in US$'000	2014	2013
Provision for risks	1,094	5,226
Operating gains on disposal of property and equipment	1,423	10,231
Gains on disposal of investment	5,187	476
Other income	—	32,698
Total other operating income	7,704	48,631

in US$'000	2014	2013
Provision for doubtful accounts	(6,842)	(1,514)
Provision for other receivables	(1,195)	(33)
Provision for litigations	—	(634)
Other provisions	(41)	(1,292)
Operating gains on disposal of property and equipment	(139)	(1,355)
Foreign exchange losses on operations	(3,126)	(2,422)
Other expenses	(202)	—
Total other operating expenses	(11,545)	(7,250)

9. Consolidated statement of income (Continued)

9.5 Finance income

in US$'000	2014	2013
Interest income on other loans and finance lease receivables	9,271	19,124
Dividend income	2,902	3,948
Net gain on financial instruments carried at fair value through profit or loss	—	5,298
Total finance income	12,173	28,370

9.6 Finance costs

in US$'000	2014	2013
Interest on loans and borrowings from third parties	(162,583)	(91,734)
Interest on loans and borrowings from related parties	(6,970)	(39,688)
Unwinding of discount	(2,156)	(2,095)
Foreign exchange hedging costs	(7,353)	(10,898)
Net loss on financial instruments carried at fair value through profit or loss	(5,849)	—
Total finance costs	(184,911)	(144,415)

10. Income tax

10.1 Current income tax expense

The major components of income tax expense for the years ended 31 December 2014 and 2013 were:

in US$'000	2014	2013
Current income tax:		
Current income tax charge	(45,999)	(44,495)
Adjustments in respect of current income tax of previous year	1,407	1,593
	(44,592)	(42,902)
Deferred tax:		
Relating to origination and reversal of temporary differences	16,721	(1,392)
	16,721	(1,392)
Withholding tax:		
Applicable withholding tax in the current year	(9,285)	(4,571)
	(9,285)	(4,571)
Income tax expense reported in the consolidated statement of income	(37,156)	(48,865)

10.2 Income tax recognised directly in other comprehensive income

Income tax totalling US$(0.2)million (2013: US$0.2million) was recognised directly in other comprehensive income. The entire amount recognised related to the actuarial losses recognised in the year from the Group's various defined benefit plans.

10.3 Reconciliation of accounting profit to income tax expense

The Group's effective tax rate differs from the Company's statutory income tax rate in Singapore, which was 17% in 2014 (2013: 17%).

10. Income tax (Continued)

The reconciliation between tax expense and the product of accounting profit multiplied by the Company's statutory income tax rate for the years ended 31 December 2014 and 2013 was as follows:

in US$'000	2014	2013
Accounting profit before tax	220,674	270,319
Share of net profit/(loss) in associates	(4,297)	(3,010)
Accounting profit before tax net of share of net profit/(loss) in associates	216,377	267,309
Income tax expense at statutory blended tax rate of 39.19% (2013: 21.23%)[(i)]	(84,798)	(56,761)
Non-deductible expenses	(17,248)	(23,352)
Other non-taxable income	8,319	5,964
Capital gains or losses	75	(3,054)
Income exempt from tax or subject to specific tax holidays[(ii)]	61,610	45,512
Other permanent differences	1,462	(4,309)
Adjustment for countries not taxed based on net taxable income	1,485	306
Adjustments recognised in the current year in relation to current income tax of previous years	1,407	1,592
Adjustments recognised in the current year in relation to deferred income tax of previous years	23,423	(8,497)
Impact of rate differences	(5,663)	6,104
Effect of unrecognised and unused tax losses not recognised as deferred tax assets	(5,264)	(3,638)
Withholding tax	(9,285)	(4,571)
Minimum tax and surtax	(7,952)	(3,194)
Rate difference impacts	(1,250)	(27)
Other	(3,477)	(940)
At the effective income tax rate of 16.84% (2013: 18.08%)	(37,156)	(48,865)

(i) The increase in the statutory blended tax rate is due to a shift in profits towards jurisdictions with higher tax rates.

(ii) Income exempt from tax or subject to specific tax holidays is mainly the result of tax specific incentives granted by certain national authorities to the Group given certain investments made by the Group which resulted in the development of local infrastructure.

10.4 Current tax assets and liabilities

Current income taxes are computed on the profit before tax presented in the consolidated statement of income adjusted to taxable profit in accordance with local tax legislation. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities.

Current tax assets relate to overpaid income tax. Current tax liabilities relate to income tax payable.

10. Income tax (Continued)

10.5 Deferred tax relates to the following:

in US$'000	Consolidated statement of financial position		Consolidated statement of income	
	2014	2013	2014	2013
Accelerated depreciation for tax purposes	(34,139)	(19,826)	(11,452)	(211)
Revaluations	(45,622)	(54,057)	7,710	10,423
Other temporary differences	46,888	26,878	25,877	9,211
Deferred taxes acquired in business combinations	(28,811)	(32,559)	(5,414)	(20,815)
Deferred tax income/(expense)			16,721	(1,392)
Deferred tax liability, net	(61,684)	(79,564)		
Reflected in the consolidated statement of financial position as follows:				
Deferred tax assets	16,611	18,476		
Deferred tax liabilities	(78,295)	(98,040)		
Deferred tax liability, net	(61,684)	(79,564)		

Reconciliation of net deferred tax liabilities

in US$'000	2014	2013
Opening balance at 1 January	(79,564)	(73,496)
Tax income/(expense) recognised in profit or loss during the year	15,353	(7,388)
Change in tax rate recognised in profit or loss during the year	1,367	5,996
Deferred taxes acquired in business combinations	(1,981)	5,779
Other movements during the year	3,141	(10,455)
Closing balance at 31 December	(61,684)	(79,564)

Group management has considered the uncertainty of tax regimes in the countries in which the Group operates for the purpose of assessing the level of deferred tax assets that should be recognised.

At 31 December 2014, the Group has unrecognised tax loss carry forwards amounting to US$250.9million (2013: US$95.9million). These losses relate to subsidiaries that have had historical losses, of which:

- US$59.8million have no expiry date (2013: US$44.6million).
- US$171.9million will expire after more than four years (2013: US$9.7million).
- US$19.2million will expire within four years (2013: US$41.6million).

These losses may not be used to offset taxable income elsewhere in the Group and may not be recognised where the subsidiaries have no taxable temporary differences, nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets.

At 31 December 2014, the Group has unrecognised other temporary differences amounting to US$0.4million (2013: US$6.5million). These temporary differences have no expiry date.

If the Group was able to recognise all unrecognised deferred tax assets, profit for the year would increase by US$71.3million (2013: US$21.0million).

10.6 Tax uncertainties

The Group operates in a multitude of jurisdictions worldwide resulting in cross border intercompany transactions whereby the transfer pricing rules applied in one country have an impact on the results

10. Income tax (Continued)

in another country. In order to reduce transfer pricing uncertainties, transfer pricing studies are performed and reports are prepared to fulfil local transfer pricing requirements.

Due to complexity of tax rules, interpretation by local taxing authorities can differ from the Group's interpretation based on opinions provided by local tax counsel.

11. Property and equipment

in US$'000	Land and buildings	Machinery and equipment	Motor vehicles	Office and IT equipment	Fixed assets in progress	Total
Cost:						
At 1 January 2013	744,249	1,212,498	34,299	55,714	216,983	2,263,743
Additions	8,582	26,013	13,729	6,698	440,670	495,692
Disposals	(4,463)	(12,109)	(5,151)	(2,565)	(6,630)	(30,918)
Acquisitions of subsidiaries (Note 6.2)	16,812	83,440	52,510	8,292	6,138	167,192
Disposal of subsidiaries	(689)	(530)	(672)	(39)	(4)	(1,934)
Write-offs	(592)	(9,069)	(1,159)	(794)	(2,715)	(14,329)
Reclassifications	93,397	240,291	4,649	4,033	(340,341)	2,029
Exchange adjustment	(16,093)	(28,135)	(8,305)	(3,327)	(10,346)	(66,206)
Reclassification from goodwill upon finalisation of purchase price allocation	24,488	15,250	858	336	289	41,221
Other movements	(1,434)	(140)	(19)	(6)	(0)	(1,599)
At 31 December 2013	864,257	1,527,509	90,739	68,342	304,044	2,854,891
Additions[(i)]	105,908	193,999	66,796	5,834	376,596	749,133
Disposals	(5,031)	(11,101)	(2,898)	(4,773)	—	(23,803)
Acquisitions of subsidiaries (Note 6.2)	29,752	155,994	11,774	2,354	82,890	282,764
Disposal of subsidiaries	(956)	(22,947)	—	—	—	(23,903)
Write-offs	(948)	(1,976)	(578)	(491)	(83)	(4,076)
Reclassifications	53,025	292,730	1,399	(2,185)	(354,767)	(9,798)
Exchange adjustment	(32,437)	(71,991)	(8,491)	(2,738)	(12,471)	(128,128)
At 31 December 2014	1,013,570	2,062,217	158,741	66,343	396,209	3,697,080
Depreciation and impairment:						
At 1 January 2013	(98,731)	(336,148)	(14,094)	(16,886)	—	(465,859)
Depreciation for the year (Note 9.2)	(46,232)	(122,581)	(13,233)	(10,756)	—	(192,802)
Disposals	1,166	4,608	3,525	1,676	—	10,975
Impairment (Note 9.2)	(46)	(802)	—	(31)	—	(879)
Write-offs	636	8,550	900	720	—	10,806
Disposal of a subsidiary	127	139	34	3	—	303
Reclassifications	(607)	(159)	1,702	(9)	—	927
Exchange adjustment	1,838	4,334	809	1,077	—	8,058
Other movements	(269)	21	11	—	—	(237)
At 31 December 2013	(142,118)	(442,038)	(20,346)	(24,206)	—	(628,708)
Depreciation for the year (Note 9.2)	(57,756)	(152,937)	(15,384)	(12,223)	—	(238,300)
Disposals	2,982	8,942	2,350	3,982	—	18,256
Impairment (Note 9.2)	(462)	(1,357)	—	(5)	—	(1,824)
Write-offs	754	1,749	390	325	—	3,218
Disposal of a subsidiary	—	7,148	—	—	—	7,148
Reclassifications	9,278	(4,483)	514	239	—	5,548
Exchange adjustment	5,886	16,665	1,944	480	—	24,975
At 31 December 2014	(181,436)	(566,311)	(30,532)	(31,408)	—	(809,687)
At 31 December 2014	832,134	1,495,906	128,209	34,935	396,209	2,887,393
At 31 December 2013	722,139	1,085,471	70,393	44,136	304,044	2,226,183

(i) Including the US$52.0million of bitumen ships acquired and financed through a vendor loan from Trafigura Pte Ltd.

11. Property and equipment (Continued)

Certain items included in property and equipment are pledged as collateral for the third party loans granted to certain of the Group affiliates amounting to US$539million (2013: US$644million).

The Group does not hold any property for investment purposes.

12. Intangible assets and goodwill

in US$'000	Goodwill	Licences	Other intangibles	Total
Cost or valuation:				
At 1 January 2013	303,505	33,110	70,190	406,805
Acquisitions of subsidiaries (Note 6.2)	674,409	2,800	4,287	681,496
Additions	—	1,329	105,174	106,503
Disposals	(1,872)	(4)	—	(1,876)
Exchange adjustment	(104,682)	(506)	(9,879)	(115,067)
Reclassification to property and equipment upon finalisation of purchase price allocation	(41,221)	—	—	(41,221)
Other adjustments to goodwill	18,863	—	—	18,863
Write-offs	—	—	(8,708)	(8,708)
Other movements	216	996	231	1,443
At 31 December 2013	849,218	37,725	161,295	1,048,238
Acquisitions/disposals of subsidiaries (Note 6.2)	310,495	138	5,995	316,628
Additions	—	6,463	36,520	42,983
Disposals	—	(2,051)	(222)	(2,273)
Exchange adjustment	(69,186)	(404)	(12,079)	(81,669)
Reclassifications	179	(431)	10,901	10,649
Write-offs	—	(532)	(95)	(627)
Other movements	(62)	—	—	(62)
At 31 December 2014	1,090,644	40,908	202,315	1,333,867
Amortisation:				
At 1 January 2013	(6,725)	(7,270)	(19,242)	(33,237)
Amortisation charge for the year (Note 9.2)	—	(7,133)	(10,946)	(18,079)
Impairment	—	—	—	—
Disposals	—	2	—	2
Exchange adjustment	—	78	1,023	1,101
Reclassification	—	(20)	50	30
Write-offs	—	1	8,617	8,618
At 31 December 2013	(6,725)	(14,342)	(20,498)	(41,565)
Amortisation charge for the year (Note 9.2)	—	(8,585)	(14,578)	(23,163)
Impairment	—	—	—	—
Disposals	—	2,127	28	2,155
Acquisitions/disposals of subsidiaries	—	(47)	292	245
Exchange adjustment	—	(187)	1,908	1,721
Reclassification	—	(38)	(1,599)	(1,637)
Write-offs	—	530	95	625
At 31 December 2014	(6,725)	(20,542)	(34,352)	(61,619)
Net book value:				
At 31 December 2014	1,083,919	20,366	167,963	1,272,248
At 31 December 2013	842,493	23,383	140,797	1,006,673

13. Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill acquired through business combinations and intangible assets with indefinite lives have been allocated to two cash-generating units, which are also operating and reportable segments, for impairment testing as follows:

- Midstream cash-generating unit
- Downstream cash-generating unit

The carrying amount of goodwill (other than goodwill relating to discontinued operations) was allocated to cash-generating units as follows:

in US$'000	2014	2013
Midstream unit	97,572	38,826
Downstream unit	986,347	803,667
Total carrying amount of goodwill	1,083,919	842,493

Midstream cash generating unit:

The midstream cash generating unit relates to entities with refining and storage facilities. The recoverable amounts of the net assets tested under this cash-generating unit have been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period, and an average pre-tax discount rate of 9.99% per annum (2013: 9.45% per annum).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a continuous 1.0% per annum growth rate (2013: 1.0%).

Downstream cash generating unit:

The downstream cash generating unit pertains to entities that include distribution of refined oil and gas products. The recoverable amount of the net asset tested under this cash-generating unit have been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period, and an average pre-tax discount rate of 9.28% per annum (2013: 10.84% per annum).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 2.0% per annum growth rate (2013: 2.0%).

13.1 Key assumptions used in value in use calculations

Gross profits—Gross profits are based on average values achieved in the three years preceding the start of the budget period, adjusted for any new investments or change in market dynamics. These are volume-driven and are increased over the budget period according to the expected gross domestic product growth and applicable local petroleum regulations of each country where the units operates.

Discount rates—Discount rates represent the current market assessment of the risks specific to each cash generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital. The weighted average cost of capital takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on its interest bearing loans and borrowings which the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta

13. Impairment testing of goodwill and intangible assets with indefinite lives (Continued)

factors. The beta factors are evaluated annually based on management's knowledge of the particular markets in which it operates.

Petroleum product prices—Forecasted commodity prices are publicly available.

Market share assumptions—These assumptions are important because, as well as using industry data for growth rates (as noted below), management assesses how the unit's position, relative to its competitors, might change over the budget period. Management expects the Group's share of the petroleum product market to be stable over the budget period.

Growth rate estimates—Rates are based on management's estimates.

13.2 Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the midstream and downstream units, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

A 1% increase in the discount rate or a 1% fall in the growth rate would not result in a recoverable amount below net book value.

14. Inventories

in US$'000	2014	2013
Petroleum inventories at fair value(i)	120,609	161,541
Petroleum product inventories at lower of cost and net realisable value, net	506,891	496,356
Merchandise inventories, net	11,140	11,641
Total inventories, net	638,640	669,538

(i) As indicated in Note 2.3.l, inventories held for trading purposes are stated at fair value less costs to sell and any changes in net fair value are recognised in profit or loss. Certain of the Group's subsidiaries engage in commodity trading activities for which the exemption stipulated in *IAS 2 Inventories for commodity broker-traders* applies. Trading activities undertaken include optimisation of the Group's supply cycle and the supply of petroleum products to business-to-business and wholesale clients.

The cost of inventories recognised in cost of sales in 2014 amounted to US$11,617million (2013: US$10,439million).

15. Other financial assets

in US$'000	2014	2013
Financial assets carried at fair value through profit or loss		
Held for trading derivatives that are not designated in hedge accounting relationships(i)	50,531	10,368
Financial assets carried at fair value through profit or loss	50,531	10,368
Financial assets carried at amortised cost		
Finance lease receivable(ii)	5,463	5,904
Loans to other entities(iii)	26,604	36,515
Other financial assets	553	—
Financial assets carried at amortised cost	32,620	42,419
Investments	10,333	4,018
Investments	10,333	4,018
Total other financial assets	93,484	56,805
Current	57,836	29,159
Non-current	35,648	27,646
	93,484	56,805

(i) All held for trading derivatives are swaps and commodity futures with maturities less than one year.

(ii) The Group has a finance lease arrangement for petroleum storage equipment.

(iii) The Group makes a limited number of loans to third parties. None of these loans were past due and management believes there are no circumstances which would warrant impairing these loans.

16. Other assets

in US$'000	2014	2013
Prepayments, deposits and guarantees(i)	173,689	114,350
Other tax receivables(ii)	191,480	156,774
Other receivables from third parties(iii)	84,066	33,593
Total other receivables and other assets	449,235	304,717
Current	340,406	218,503
Non-current	108,829	86,214
	449,235	304,717

(i) Prepayments, deposits and guarantees mainly include payments made for the purchase of equipment and construction materials, capital expenditure prepayments, a deposit made for deferred payments on the Neumann Australia acquisition (US$19.1million), as well as other guarantees and deposits

(ii) Other tax receivables include non-income tax related items such as VAT and petroleum tax receivables.

(iii) Other receivables from third parties mainly relate to employee and other general receivables.

17. Trade receivables

Trade and other accounts receivable include the short term portion of trade accounts receivable and related accounts.

in US$'000	2014	2013
Trade receivables from third parties	506,076	469,087
Allowance for doubtful debts	(12,016)	(9,429)
Receivables from related parties	158,080	60,510
Trade receivables	652,140	520,168

Trade receivables are non-interest bearing and are generally on cash to 30 day terms.

Included in the allowance for doubtful debts is an individually impaired trade receivable of US$1.1million (31 December 2013: US$0.7million). The impairment recognised represents the difference between the carrying amount of the trade receivables and the present value of the expected proceeds. The Group does not hold any collateral over these balances.

See below for the movements in the provision for impairment of receivables (see credit risk disclosure in Note 27.3 for further guidance).

Movement in the allowance for doubtful debts

in US$'000	2014	2013
Balance at beginning of the year	(9,429)	(17,438)
Impairment losses recognised on receivables	(9,833)	(4,575)
Amounts written off during the year as uncollectible	4,830	9,172
Amounts recovered during the year	3,034	2,861
Foreign exchange translation gains and losses	468	1,127
Integration of existing allowances from acquired entities	(1,086)	(576)
Balance at end of the year	(12,016)	(9,429)

At 31 December, the ageing analysis of receivables was as follows:

			Past due but not impaired		
in US$'000	Total	Neither past due nor impaired	< 30 days	30 - 90 days	> 90 days
2014	494,060	428,514	43,002	10,292	12,252
2013	459,658	397,314	43,343	8,396	10,605

Receivables from related parties are neither past due nor impaired and are therefore excluded from the table above.

17.1 Receivables sold without recourse

At 31 December 2014, one trade receivable of US$1.3million, relating to a customer in Panama, was sold without recourse.

18. Cash and cash equivalents

in US$'000	2014	2013
Cash at banks and on hand	392,669	398,361
Restricted cash	17,531	45,977
Short term deposits	66,628	4,344
Cash and short term deposits	476,828	448,682
Bank overdrafts	(129,942)	(141,441)
Total cash and cash equivalents	346,886	307,241

18. Cash and cash equivalents (Continued)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates. Restricted cash is mainly comprised of bid bonds, collateral for guarantees as well as a cash deposit to guarantee fuel coupons emitted in Guatemala.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents excludes outstanding bank overdrafts.

19. Assets classified as held for sale

in US$'000	2014	2013
Service stations—Puerto Rico	192	484
Others	54	—
Total assets held for sale	246	484

The Group expects to dispose of all these assets in 2015.

20. Capital and reserves

Shares	2014	2013
Registered share capital[(i)]		
100,000,000 ordinary shares of US$0.01 par value each	1,000	1,000
1 share for Trafigura Beheer BV of US$830,967 thousand	830,967	
1 share for Sonangol Holdings LDA of US$510,950 thousand	510,950	
1 share for Cochan Holdings LLC of US$255,475 thousand	255,475	
1 share for PE Investments Limited of US$105,774 thousand	105,774	
Share capital under registration[(i)]		
1 share for Trafigura Beheer BV of US$830,967 thousand	—	830,967
1 share for Sonangol Holdings LDA of US$510,950 thousand	—	510,950
1 share for Cochan Holdings LLC of US$255,475 thousand	—	255,475
1 share for PE Investments Limited of US$105,774 thousand	—	105,774
Total share capital	1,704,166	1,704,166

(i) Following a reorganisation on 16 September 2013, Puma Energy Holdings Pte Ltd, Singapore, incorporated on 2 May 2013 as a private company limited by shares, became the ultimate holding company and the Group consolidating entity for the year ended 31 December 2013 and the periods thereafter. The Group had 100,000,004 shares outstanding at 31 December 2014 and 2013. At 31 December 2013, four shares were under registration, which have been registered during the course of 2014.

21. Interest bearing loans and borrowings

in US$'000	2014	2013
Unsecured—at amortised cost		
Senior notes(i)	1,233,958	—
Bank overdrafts	129,942	141,441
Obligations under finance leases	361	193
Bank loans(ii)	537,637	520,993
Related parties(iii)	6,536	15,630
	1,908,434	678,257
Secured—at amortised cost		
Bank loans(iv)	870,166	1,265,588
	870,166	1,265,588
Total interest-bearing loans and borrowings	2,778,600	1,943,845
Current	584,806	872,259
Non-current	2,193,794	1,071,586
	2,778,600	1,943,845

(i) 6.75% senior notes of US$750million and US$250million issued in January and July 2014 respectively, maturing in 2021, as well as a 4.5% private placement of EUR 200m maturing in 2022.

(ii) Secured and unsecured bank loans consist of fixed and floating rate loans, for which the weighted average effective interest rate (including arrangement fees) on the loans was 5.83% for the year ended 31 December 2014 and 4.58% for the year ended 31 December 2013. The Group economically hedges a portion of the loans for interest rate risk via an interest rate swap, exchanging variable rate interest for fixed rate interest.

(iii) As a result of the Group's cash optimisation strategy, the Group will, on occasion, have short term loans with related parties of the Group at terms determined by management. The interest rate applicable to these loans was LIBOR plus 8% for the years ended 31 December 2014 and 2013.

(iv) Bank loans are secured by mortgages over certain of the Group's assets (mainly inventories, qualifying receivables, shares of certain subsidiaries and other long term assets). The total value of the pledged assets at 31 December 2014 was US$1,949million (2013: US$977million).

All externally imposed capital requirements were complied with by the Group in all reporting periods.

Loan maturity schedule

in US$'000	2014	2013
Not later than one year	584,806	872,259
Later than one year and not later than five years	959,836	1,013,408
Later than five years	1,233,958	58,178
Total interest-bearing loans and borrowings	2,778,600	1,943,845

In addition to the aforementioned debt facilities, the Group entered into a US$1.5billion loan with Bulavista Limited, an indirect subsidiary of Trafigura. This loan which was not drawn at 31 December 2014 (2013: US$150million outstanding) consists of a US$500million committed revolving credit facility and a US$1.0billion uncommitted revolving credit facility. This loan is not secured, and bears interest of 8.10% per annum (2013: 8.10% per annum). The maturity of the loan is five years, expiring in September 2018.

In 2014, the Group has issued 6.75% senior notes of US$1.0billion, maturing in 2021, as well as a EUR 200m private placement maturing in 2022. This has extended the maturity schedule of the debt of the Group, increasing the amount of facilities maturing later than five years to US$1,234million, whilst lowering the amounts due later than one year and not later than five years to US$959million and not later than one year to US$585million.

22. Provisions

in US$'000	Employee related provisions(i)	Provisions for contingencies and expenses(ii)	Provision for remediation(iii)	Total
At 1 January 2014	10,805	26,961	10,022	47,788
Acquisition of a subsidiary	3,230	12,945	—	16,175
Arising during the year	2,411	693	548	3,652
Utilised	(327)	(2,909)	—	(3,236)
Unused amounts reversed	(2,875)	(1,171)	(5,226)	(9,272)
Foreign exchange translation gains and losses	(852)	(1,800)	(26)	(2,678)
At 31 December 2014	12,392	34,719	5,318	52,429
At 31 December 2014				
Current	9,441	6,497	5,318	21,256
Non-current	2,951	28,222	—	31,173
	12,392	34,719	5,318	52,429
At 31 December 2013				
Current	7,991	2,504	8,619	19,114
Non-current	2,814	24,457	1,403	28,674
	10,805	26,961	10,022	47,788

(i) Employee related provisions mainly reflect holiday accruals, provision for employee benefits as well as provisions for long service leave in Australia and Papua New Guinea.

(ii) The increase in provisions for contingencies and expenses mainly relates to the integration of the acquired Papua New Guinea business.

(iii) Remediation provisions mainly relate to the environmental commitment, the Group has made with local authorities, pursuant to the acquisition of Capeco in 2011.

23. Other financial liabilities

in US$'000	2014	2013
Financial liabilities carried at fair value through profit and loss		
Held for trading derivatives not designated in hedge accounting relationships(i)	4,265	13,229
Financial liabilities carried at fair value through profit or loss	4,265	13,229
Financial liabilities at amortised cost		
Vendor loan(ii)	153,749	—
Other liabilities(iii)	18,799	24,566
Total financial liabilities at amortised cost	172,548	24,566
of which with related parties	*153,749*	—
Total other financial liabilities	176,813	37,795
Current	157,915	12,508
Non-current	18,898	25,287
	176,813	37,795

(i) Derivative positions include commodity futures, commodity swaps and interest rate swaps used to economically hedge certain of the Group's financial risks. A substantial portion of the derivatives are transacted with Trafigura Pte Ltd.

(ii) Includes a vendor loan from Trafigura for the purchased bitumen ships (US$52.0million) and the bitumen business (US$101.7m)

(iii) Other liabilities mainly include branding fees in connection with the Australian acquisition.

24. Trade and other payables

in US$'000	2014	2013
Trade payables	1,165,941	817,889
Other payables and accrued liabilities	242,548	236,216
Interest payable	32,627	4,303
Other liabilities	97,126	71,156
Total trade and other payables	1,538,242	1,129,564
Of which due to related parties (Note 25)	815,999	585,246

Terms and conditions of the above liabilities:

- Trade payables are generally non-interest bearing.
- Interest payable is normally settled on a monthly basis throughout the financial year.

25. Related parties disclosures

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Related parties not part of the Group include the following:

		% equity interest in the Group	
Entity name	Country of Incorporation	2014	2013
Trafigura Beheer BV	Netherlands	48.79%	48.79%
Sonangol Holdings LDA	Angola	30.0%	30.0%
Cochan Holdings LLC	Marshall Islands	15.0%	15.0%
Puma Investment Limited	Jersey	6.21%	6.21%

25.1 Related party transactions

Group entities entered into the following transactions with related parties that are not members of the Group:

	Sales to related parties		Purchases from related parties	
in US$'000	2014	2013	2014	2013
Trafigura Group	232,853	94,861	(7,255,274)	(7,011,425)
Sonangol Group	65,654	56,152	(529,682)	(506,556)
Others	4,295	—	—	—
Total	302,802	151,013	(7,784,956)	(7,517,981)

	Amounts owed by related parties		Amounts owed to related parties	
in US$'000	2014	2013	2014	2013
Trafigura Group	149,762	29,340	(735,335)	(487,896)
Sonangol Group	25,530	46,420	(80,390)	(97,350)
Others	217	—	(274)	—
Total	175,509	75,760	(815,999)	(585,246)

In addition to the above transactions and balances, a substantial portion of the Group's derivatives are transacted with Trafigura Pte Ltd. The fair value of derivatives contracted with Trafigura Pte Ltd amounted to US$36.1million at 31 December 2014.

25. Related parties disclosures (Continued)

25.2 Related party loans

The Group has acquired, by virtue of its various acquisitions, certain legacy loans made to employees of acquired entities. These loans are, individually and in aggregate, immaterial to the Group. Furthermore, the Group entered into a US$1.5billion loan with Bulavista Limited, an indirect subsidiary of Trafigura, which was not drawn at 31 December 2014 (2013: US$150million outstanding). This loan is not secured, and bears interest of 8.1% per annum (2013: 8.1% per annum) and is meant to support the Group in its investment activities.

At 31 December 2014, the Group has outstanding liabilities with its shareholder Trafigura amounting to US$153.7million (2013: US$0) connected to the acquisition of the bitumen business and ships. These liabilities are maturing within one year (with a possible extension of one additional year) and bear interest of LIBOR +1.9%. A tranche of US$53.5million, amounting to 33% of the initially agreed balance for the acquired bitumen business (before a subsequent reduction of the loan) has been repaid in July 2014.

25.3 Key management personnel compensation

Key management personnel compensation amounted to US$7.3million in 2014 (2013: US$5.9 million).

26. Commitments and contingencies

Off balance sheet commitments:

in US$'000	2014	2013
Storage and land rental	480,152	338,201
Assets under construction	429,553	57,626
Supply contracts	18	2,003
Other commitments(i)	90,516	7,105
Total	1,000,239	404,935

in US$'000	2014	2013
Within one year	453,909	74,289
After one year but not more than five years	266,243	206,696
More than five years	280,087	123,950
Total	1,000,239	404,935

Contingent liabilities:

in US$'000	2014	2013
Letters of credit(ii)	56,257	88,043
Guarantees(iii)	98,893	80,466
Legal and other claims(iv)	25,246	22,000
Total	180,396	190,509

(i) Other commitments mainly include capital commitments of US$67million.

(ii) The Group utilises standby letters of credit and documentary credits, where appropriate, when transacting with counterparties who have limited credit history or where certain of the Group underwriting banks require such facilities to be put in place.

(iii) Guarantees issued by the Group are mostly related to performance bonds for performance on specific contracts. No liability is expected to arise from these guarantees.

26. Commitments and contingencies (Continued)

(iv) Legal and other claims includes existing legal cases (US$25million) for which the Group believes no further charge will arise in the future as the Group believes it has the legal grounds to eventually conclude the cases favourably. The amount reported represents the maximum potential liabilities.

Excluded from the contingent liabilities listed above are those mortgages and assets pledged as collateral on certain financing transactions. These items are disclosed in Note 11.

27. Financial risk management objectives and policies

The Group Executive Committee oversees the management of financial risks and reviews and agrees policies for managing these risks, which are defined in the Group Risk Management Framework. The Group Risk Management Framework is a comprehensive management tool utilised by the Group Executive Committee to assess potential risks facing the Group. With the support of the Group internal audit team, the Group Risk Management Framework provides a context through which the Group is able to continuously monitor external risks. The Group Risk Management Framework is reviewed on a quarterly basis by the Group Executive Committee.

The Group is primarily a midstream and downstream business with a strong risk management philosophy. The Group manages its exposure to key financial risks in accordance with the Group Risk Management Framework. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The main risks that could adversely affect the Group's financial assets, liabilities or future cash flows are: market risks, comprising commodity price risk, cash flow interest rate risk and foreign currency risk; liquidity risk; and credit risk. As a rule, commodity price risk relating to the physical supply activities is systematically economically hedged, with the support of Trafigura Pte Ltd. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken as all derivative transactions are entered into with the purpose of managing the Group's physical inventory exposure. At this stage, the Group does not currently apply any form of hedge accounting.

Furthermore, the Group, through the Group Risk Management Framework, has established conservative consolidated risk limits and closely monitors the Group's risk positions to ensure that the Group risk exposure remains well within these limits.

27.1 Market risk

The Group operates in various national markets where petroleum prices are predominantly regulated and therefore in many of its markets, it has limited market risk in terms of price exposure. Furthermore, where the Group operates in unregulated markets, the Group is typically able to price its products so as to reflect increases or decreases in market prices on a timely basis and thereby substantially mitigate its price exposure. Despite the Group selling into markets where price exposure is largely mitigated, the Group does economically hedge its physical supply. The primary purpose of the economic hedging activities is to protect the Group against the risk of physical supply transactions being adversely affected by changes in commodity prices. The Group systematically enters into economic hedging contracts to cover price exposures in its physical supply activities. In particular, 100% of supply stock is at all times either pre-sold or the commodity index price risk is economically hedged. By virtue of the nature of the markets in which the Group operates and given the economic hedging conducted in the Group's supply activities as per the Group Risk Management Framework, the Group faces limited market risk.

27. Financial risk management objectives and policies (Continued)

The following table provides an overview of the derivative contracts at the year-end. All commodity derivatives had maturities of less than one year at each year-end.

in US$'000	Fair value of derivatives	
	2014	2013
Commodity futures	28,673	(647)
Commodity swaps	18,538	(8,400)
Currency swaps	(714)	5,465
Interest rate swaps	(231)	721
Total	46,266	(2,861)

Currency risk

The Group has exposures to foreign currency risk on its activities. However a substantial part of this foreign exchange exposure is economically hedged out. The Group does not use financial instruments to hedge the translation risk related to equity and earnings of foreign subsidiaries and non-consolidated companies.

Interest rate risk

Interest rate risk of the Group is mainly applicable on the long term funding of the Group. Please refer to the comments below for further details on the Group's funding.

The Group has entered into certain interest rate swap transactions in order to limit its exposure to floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax through the impact on floating rate interest bearing loans and borrowings and cash and cash equivalents. The impact on equity is the same as the impact on profit before tax.

in US$'000	Effect on profit before tax for the year ended	
	2014	2013
+1.0%	(8,900)	16,546
−1.0%	8,900	(16,546)

27. Financial risk management objectives and policies (Continued)

The following table summarises the fair value of the financial assets and liabilities on the Group's consolidated statement of financial position:

in US$'000	Carrying amount		Fair value	
	2014	2013	2014	2013
Financial assets				
Cash and cash equivalents	476,828	448,682	476,828	448,682
Trade receivables from third parties	494,060	459,658	494,060	459,658
Trade receivables from related parties	158,080	60,510	158,080	60,510
Other receivables from third parties	84,066	33,593	84,066	26,966
Other financial assets	93,484	56,805	93,484	142,579
	1,306,518	1,059,248	1,306,518	1,138,395
Financial liabilities				
Trade and other payables	1,538,242	1,129,564	1,538,242	1,129,564
Other financial liabilities	176,813	37,795	176,813	37,795
Interest-bearing loans and borrowings(i)	2,778,600	1,943,845	2,381,038	1,915,743
Loan from shareholder	—	150,000	—	150,000
	4,493,655	3,261,204	4,096,093	3,233,102

(i) For the purpose of the above disclosure, fixed rate interest-bearing loans and borrowing have been discounted using the actual cost of debt of the Group.

27.2 Liquidity risk

The Group, by virtue of the nature of its operations, has demonstrated a consistent ability to generate cash through its ongoing daily operations. The flow of cash received and generated by the Group throughout its global locations is such that the Group views itself as being in a favourable position from a liquidity perspective. The Group generates stable cash flows as the Group's assets are utilised to deliver an essential product to customers in specific, national markets and the Group is thereby not entirely exposed to international commodity market movements. At the same time, the Group has the flexibility to decide whether to invest or not in capital expenditures as its ability to generate cash flows is not bound, in the short term, by significant capital commitments or significant mandatory capital asset maintenance.

Furthermore, the Group monitors its risk to a shortage of funds by monitoring the maturity dates of existing debt. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. At 31 December 2014, the Group had US$580.3million (2013: US$180.7million) of undrawn committed borrowing facilities. In addition the Group had US$500million of undrawn committed shareholder loans.

21% of the Group's debt will mature in less than one year at 31 December 2014 (2013: 43%) based on the balances reflected in the consolidated financial statements. The maturity profile of the Group's debt is summarised in Note 21 and below. The Group liquidity risk is further mitigated as a large part of the borrowing activities of the Group are related to the financing of petroleum stocks and by their nature, these stocks are readily convertible into cash.

27. Financial risk management objectives and policies (Continued)

The table below summarises the maturity profile of the Group's financial liabilities based on non-discounted contractual payments:

in US$'000	Less than 1 year	1 - 5 years	5+ years	Total
At 31 December 2014:				
Interest-bearing loans and borrowings	714,387	1,596,608	1,371,701	3,682,696
Trade and other payables	1,538,242	—	—	1,538,242
Financial derivatives	4,166	99	—	4,265
Other financial liabilities	153,749	19,663	—	173,412
Total	2,410,544	1,616,370	1,371,701	5,398,615
At 31 December 2013:				
Interest-bearing loans and borrowings	930,494	1,157,038	58,830	2,146,362
Loan from shareholder	150,000	—	—	150,000
Trade and other payables	1,129,564	—	—	1,129,564
Financial derivatives	12,508	721	—	13,229
Other financial liabilities	—	24,566	—	24,566
Total	2,222,566	1,182,325	58,830	3,463,721

In January 2014 and July 2014, the Group issued 6.75% senior notes, due in 2021, for a principal amount of US$750million and US$250million, respectively. In October 2014, the Group issued EUR200million of 4.50% senior notes, due 2022, under a private placement.

Interest on these notes is payable semi-annually. The proceeds of the notes were used to repay a portion of the Group's existing indebtedness and for general corporate purposes.

This has extended the maturity schedule of the debt of the Group, increasing the amount of facilities maturing after five years to US$1,234million and lowering the amounts due later than one year and not later than five years to US$960million and not later than one year to US$585million.

27.3 Credit risk

The Group has a formalised credit process, with credit officers in the key locations around the world. Strict credit limits are established for each counterparty on the basis of detailed financial and business analyses. These limits are constantly monitored and revised in light of counterparty or market developments and the amount of exposure relative to the size of the Group's consolidated statement of financial position.

The Group conducts transactions with the following major types of counterparties:

- Physical commodity counterparties spread across the vertical chains for oil (e.g. resellers and end-users). Sales to counterparties are made on open terms up to internally approved credit limits. Exposures above such limits are subject to independent payment guarantees.
- Payment guarantee counterparties (e.g. prime financial institutions from which the Group obtains payment guarantees).

The Group is present in different geographic regions. Wherever appropriate, guarantees, insurance and letters of credit are used to reduce payment or performance risk. Areas in which the Group has a significant gross credit exposure are: Africa, South America, Northern Europe and Central America. Most of this exposure is against third parties. The Group customer base is diversified and accordingly the Group does not have a significant concentration of receivables with any one counterparty. In addition, a significant part of the activity of the Group downstream business (mainly service stations) is on a cash or prepayment basis.

Refer to Note 17 for an ageing analysis of trade receivables.

27. Financial risk management objectives and policies (Continued)

27.4 Operational risk

The operations department has representatives in key locations around the world and is responsible for a number of tasks including contract insurance and logistics management. The operations department is also responsible for ensuring that industry, environmental safety, and internal policies and procedures are complied with at all times. Detailed procedures manuals are implemented throughout the Group and all operations personnel receive regular and adequate training covering the relevant subjects according to their specific functions within the operating activities of the Group. This ensures that operations staff are kept up to date with all applicable procedural, legal, regulatory and industry changes.

The Group, when chartering vessels, applies a strict vessel vetting procedure which complements insurance requirements and focuses on the vessel age, classification, protection, indemnity and pollution insurance cover. Similar vetting procedures are also applied for both rail car and truck movements. The Group also has a storage procedure which involves full due diligence being undertaken of every proposed storage location—including a site visit to the storage location, the tank or warehouse. Regular stock analysis is undertaken to avoid losses such as theft and contamination, and each approved location is checked annually to evaluate the ongoing situation.

By virtue of the Group's relationship with its significant shareholder, Trafigura Beheer BV, the Group does have a risk of supplier concentration as the Trafigura group of companies account for 60% (2013: 65%) of all purchases made by the Group.

27.5 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions in order to ensure a sound capital structure. Accordingly, the Group has not historically paid dividends to shareholders as the Group has opted to ensure that adequate capital is maintained and built upon for further growth.

27.6 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

All financial assets and liabilities measured at fair value, at 31 December 2014 and 2013, fall under the Level 2 category described above, and include financial derivatives for a net amount of US$46.3million (2013: US$(2.9)million) and inventories for US$120.6million (2013: US$161.5million). There have been no transfers between fair value levels during any of the reporting periods.

28. Events after the reporting period

In January 2015, the Group acquired 9 services stations in Senegal from Total Senegal for a total amount of US$6.9million.

In February 2015, the Group acquired Nkomazi Fuel & Oil for a total amount of US$22.3million. The acquired business consists of 12 retail sites in South Africa and Mozambique, as well as business to business activities.

29. Significant consolidated subsidiaries and participating interests

The consolidated financial statements for the year ended 31 December 2014 include the Company's financial statements and those of the following operating entities listed in the table below:

Name of subsidiary	Place of incorporation	2014	2013	Legal relationship
	Proportion of ownership interest held by the Group at 31 December for the year ended			
Puma Energy Holdings Pte Ltd	Singapore	100%	100%	Parent company
Alexela Slovag AS	Norway	95%	90%	Subsidiary
Angobetumes Lda	Angola	100%	100%	Subsidiary
AS Alexela Logistics	Estonia	95%	90%	Subsidiary
AS Alexela Sillamäe	Estonia	95%	90%	Subsidiary
AS Alexela Terminal	Estonia	95%	90%	Subsidiary
Australian Fuel Distributors Pty Ltd	Australia	100%	100%	Subsidiary
Central Combined Group Pty Ltd	Australia	100%	100%	Subsidiary
Comercial el Hogar SA	Honduras	100%	100%	Subsidiary
Directhaul Pty Ltd	Australia	100%	100%	Subsidiary
Downstream Assets and Procurement SA	Panama	100%	100%	Subsidiary
Emoil Petroleum Storage FZCO	United Arab Emirates	20%	20%	Equity investment
Excel Petroleum Lesotho (Pty) Ltd	Lesotho	100%	0%	Subsidiary
Gulf Refining Company NV	Netherlands Antilles	64%	64%	Subsidiary
IVCO International Ltd	Bahamas	100%	100%	Subsidiary
Kpone Marine Services Ltd	Ghana	100%	100%	Subsidiary
Langsat Terminal (One) Sdn Bhd	Malaysia	20%	20%	Equity investment
Langsat Terminal (Two) Sdn Bhd	Malaysia	20%	20%	Equity investment
Neumann Petroleum Pty Ltd	Australia	100%	100%	Subsidiary
Oil Malal SA	Chile	33%	0%	Equity investment
P E Swaziland (Pty) Ltd	Swaziland	100%	0%	Subsidiary
PC Puerto Rico Inc	Puerto Rico	100%	100%	Subsidiary
Pervyi Murmanskiy Terminal[(i)]	Russia	48%	45%	Subsidiary
Petrobeira Lda[(ii)]	Mozambique	49%	49%	Subsidiary
PT Puma Energy Indonesia	Indonesia	100%	64%	Subsidiary
Puma Angola Bunkering SA	Bahamas	100%	100%	Subsidiary
Puma Corporation Sàrl	Luxembourg	100%	100%	Subsidiary
Puma Dominicana SA	Dominican Republic	0%	50%	Subsidiary
Puma El Salvador SA de CV	El Salvador	100%	100%	Subsidiary
Puma Energy Bitumen (Vietnam) Ltd	Vietnam	80%	0%	Subsidiary
Puma Energy Honduras SA de CV	Honduras	100%	100%	Subsidiary
Puma Energia España SLU	Spain	100%	100%	Subsidiary
Puma Energy (Australia) Holdings Pty Ltd	Australia	100%	100%	Subsidiary
Puma Energy (Australia) Mackay Pty Ltd	Australia	100%	100%	Subsidiary
Puma Energy (Australia) North Qld Pty Ltd	Australia	100%	0%	Subsidiary
Puma Energy (Australia) Pty Ltd	Australia	100%	100%	Subsidiary
Puma Energy (Australia) Townsville Pty Ltd	Australia	100%	100%	Subsidiary
Puma Energy (Aviation) SA	Marshall Islands	100%	100%	Subsidiary
Puma Energy (Malaysia) Sdn Bhd	Malaysia	100%	0%	Subsidiary
Puma Energy (Moçambique) Lda	Mozambique	100%	100%	Subsidiary
Puma Energy (Namibia) (Pty) Ltd	Namibia	100%	100%	Subsidiary
Puma Energy (Singapore) Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy (UK) Ltd	United Kingdom	100%	0%	Subsidiary
Puma Energy Bahamas SA	Bahamas	100%	100%	Subsidiary
Puma Energy Bahamas SA (Belize branch)	Bahamas	100%	100%	Branch

29. Significant consolidated subsidiaries and participating interests (Continued)

Name of subsidiary	Place of incorporation	2014	2013	Legal relationship
	Proportion of ownership interest held by the Group at 31 December for the year ended			
Puma Energy Bahamas SA (El Salvador branch)	Bahamas	100%	100%	Branch
Puma Energy Bahamas SA (Guatemala branch)	Bahamas	100%	100%	Branch
Puma Energy Bahamas SA (Honduras branch)	Bahamas	100%	100%	Branch
Puma Energy Bahamas SA (Nicaragua branch)	Bahamas	100%	100%	Branch
Puma Energy Bahamas SA (Panama branch)	Bahamas	100%	100%	Branch
Puma Energy Benin SA	Benin	100%	100%	Subsidiary
Puma Energy Bitumen Supply SA	Panama	100%	100%	Subsidiary
Puma Energy Botswana (Pty) Ltd	Botswana	100%	100%	Subsidiary
Puma Energy Bunkering Inc	Panama	100%	100%	Subsidiary
Puma Energy Caribe LLC	Puerto Rico	100%	100%	Subsidiary
Puma Energy Colombia Holdings AG	Switzerland	100%	0%	Subsidiary
Puma Energy Cote d'Ivoire SA	Ivory Coast	100%	100%	Subsidiary
Puma Energy Distribution Benin SA	Benin	100%	100%	Subsidiary
Puma Energy Funding Ltd	Bahamas/Malta	100%	100%	Subsidiary
Puma Energy Group Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy Guatemala SA	Guatemala	100%	99%	Subsidiary
Puma Energy Irrawaddy Pte Ltd	Singapore	100%	0%	Subsidiary
Puma Energy Johannesburg Supply SA	Panama	100%	100%	Subsidiary
Puma Energy Ltd	Nigeria	100%	100%	Subsidiary
Puma Energy Malawi Ltd[(i)]	Malawi	50%	50%	Subsidiary
Puma Energy New Zealand Limited	New Zealand	100%	0%	Subsidiary
Puma Energy Panama Supply SA	Panama	100%	100%	Subsidiary
Puma Energy Paraguay SA	Paraguay	100%	100%	Subsidiary
Puma Energy PNG Ltd	Papua New Guinea	100%	0%	Subsidiary
Puma Energy PNG Refining Ltd	Papua New Guinea	100%	0%	Subsidiary
Puma Energy Procurement BV	Netherlands	100%	100%	Subsidiary
Puma Energy Puerto Rico Inc	Puerto Rico	100%	100%	Subsidiary
Puma Energy Refining and Supply LLC	Puerto Rico	100%	100%	Subsidiary
Puma Energy Senegal SA	Senegal	60%	100%	Subsidiary
Puma Energy Services (Singapore) Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy Services South Africa (Pty) Ltd	South Africa	100%	100%	Subsidiary
Puma Energy Tanzania Ltd[(i)]	Tanzania	50%	50%	Subsidiary
Puma Energy Zambia PLC	Zambia	76%	75%	Subsidiary
Puma International Congo SA	Congo	100%	100%	Subsidiary
Puma International Financing SA	Luxembourg	100%	100%	Subsidiary
Puma Overseas Projects Pte Ltd	Singapore	100%	100%	Subsidiary
Pumangol Bunkering Lda	Angola	100%	100%	Subsidiary
Pumangol Industrial Lda	Angola	100%	100%	Subsidiary
Pumangol Lda	Angola	100%	100%	Subsidiary
Redan Petroleum (Pvt) Ltd	Zimbabwe	60%	60%	Subsidiary
Refineria Petrolera de Acajutla SA de CV	El Salvador	100%	100%	Subsidiary
Ridge Energy Ltd	Ghana	100%	0%	Subsidiary
Société Petroliere du Congo Sarl	Congo	100%	100%	Subsidiary
Tema Offshore Mooring Ltd	Ghana	100%	100%	Subsidiary

29. Significant consolidated subsidiaries and participating interests (Continued)

Name of subsidiary	Place of incorporation	2014	2013	Legal relationship
	Proportion of ownership interest held by the Group at 31 December for the year ended			
UBI Group Ltd[(i)]	Ghana	49%	0%	Subsidiary
Ultrapar SA	Paraguay	100%	100%	Subsidiary

Presented below are explanations for those entities which are consolidated despite the Group having less than 50% interest in those entities:

(i) The Group retains effective control over these entities, despite the fact that it does not hold clear majority of the shares, by virtue of the fact the Group is exposed to, or has rights to, variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

(ii) Management believes that the Group retains effective control over this entity as a result of there being both a shareholder and an investment agreement in place with the National Oil Company of Mozambique stipulating that the Group has 100% economic control over the entity.

The Group does not have any non-controlling interests exceeding 5% of the Group's long term assets or 20% of the Group's operating profit.

Report on the review of interim financial information

at 30 September 2017 of

Puma International Financing SA, Luxembourg

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Registration

Puma International Financing SA (the ''Company'') was incorporated on 12 December 2013 as a ''Société anonyme'' within the definition of the Luxembourg Law of 10 August 1915, as amended, on commercial companies for an unlimited period of time.

Board of Directors

A Class:

Denis Chazarain (appointed on 5 June 2015)
Pierre Eladari (appointed on 5 June 2015)
Dirk-Jan Vanderbroeck (appointed on 5 June 2015)

B Class:

Christophe Gaul (appointed on 5 June 2015)
Constance Collette (appointed on 5 June 2015)
Rémy Cornet (appointed on 5 June 2015)
Patrick Labranche (appointed on 25 June 2015)

Company secretary

Headstart
7 Rue Robert Stümper
L-2557 Luxembourg

Auditors

Ernst & Young
Route de Chancy 59
1213 Geneva
Switzerland

Registered office

Puma International Financing SA
7 Rue Robert Stümper
L-2557 Luxembourg

To the shareholders of

Puma International Financing SA, Luxembourg

Geneva, 8 Janurary 2018

Report on the review of interim financial information

Introduction

We have reviewed the accompanying interim financial statements of Puma International Financing SA at 30 September 2017 which comprise the interim statement of financial position at 30 September 2017 and the related interim statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the financial position of the entity at 30 September 2017, and of its financial performance and its cash flows for the nine-month period then ended in accordance with International Financial Reporting Standards.

Other matter

The financial statements of Puma International Financing SA for the nine-month period ended 30 September 2016 were not reviewed.

Ernst & Young Ltd

Scott Duncan
Chartered accountant
Partner in charge

Yevgenii Garanaga
Chartered accountant

Puma International Financing SA

Statement of income

For the 9 months ended 30 September 2017 and 2016

	Notes	2017 USD reviewed	2016 USD unreviewed
General and administrative expenses		(1,228,244)	(1,543,210)
Other operating expenses		(1,007,700)	(783,696)
Operating loss		(2,235,944)	(2,326,906)
Finance income		147,071,344	145,973,143
Finance expense		(123,737,180)	(128,837,646)
Unrealised gain on derivatives		3,677,011	67,389
Realised loss on derivatives		(3,418,305)	(5,589,839)
Foreign exchange (loss) / gain		(1,185,574)	1,599,644
Profit on ordinary activities before taxation		20,171,352	10,885,785
Taxation expense	12	(3,592,355)	(4,417,603)
Net profit		16,578,997	6,468,182
Attributable to shareholder		16,578,997	6,468,182

The attached notes form part of these financial statements.

Puma International Financing SA

Statement of comprehensive income

For the 9 months ended 30 September 2017 and 2016

	2017 USD reviewed	2016 USD unreviewed
Net profit	16,578,997	6,468,182
Other comprehensive income	—	—
Total comprehensive income	16,578,997	6,468,182
Attributable to shareholder	16,578,997	6,468,182

The attached notes form part of these financial statements.

Puma International Financing SA

Statement of financial position

At 30 September 2017 and 31 December 2016

	Notes	30/09/2017 USD reviewed	31/12/2016 USD audited
Assets			
Non-current assets			
Loans to related parties	6	5,193,966,514	4,950,941,407
Total non-current assets		5,193,966,514	4,950,941,407
Current assets			
Loans to related parties	6	224,173,276	78,689,542
Financial assets at fair value through profit or loss	10	1,401,475	144,194
Receivables and other assets		56,095	11,387,072
Cash and cash equivalents	7	7,899,702	2,519,102
Total current assets		233,530,548	92,739,910
Total assets		5,427,497,062	5,043,681,317
Equity and liabilities			
Equity			
Issued share capital	5	2,050,000	2,050,000
Share premium	5	98,000,000	98,000,000
Legal reserve		205,000	205,000
Retained earnings		35,986,303	23,707,306
Total equity		136,241,303	123,962,306
Non-current liabilities			
Loans from third parties	8	2,545,058,864	2,625,547,370
Total non-current liabilities		2,545,058,864	2,625,547,370
Current liabilities			
Loans from related parties	9	2,290,510,943	2,127,753,080
Loans from third parties	8	430,891,079	125,113,637
Financial liabilities at fair value through profit or loss	10	2,503,860	2,622,152
Interest payable		19,328,210	35,807,298
Payables and other liabilities		1,067,345	841,469
Taxation payable	12	1,895,458	2,034,005
Total current liabilities		2,746,196,895	2,294,171,641
Total equity and liabilities		5,427,497,062	5,043,681,317

The financial statements have been authorised for issue by the Board of Directors on 8 January 2018 and were signed by:

Denis Chazarain
Director

Christophe Gaul
Director

The attached notes form part of these financial statements.

Puma International Financing SA

Statement of changes in equity

For the 9 months ended 30 September 2017 and 2016

	Share capital USD unreviewed	Share premium USD unreviewed	Legal reserve USD unreviewed	Retained earnings USD unreviewed	Total USD unreviewed
Balance at 01/01/2016	2,050,000	98,000,000	78,328	25,161,167	125,289,495
Net profit	—	—	—	6,468,182	6,468,182
Dividends paid*	—	—	—	(10,000,000)	(10,000,000)
Reclassification*	—	—	126,672	(126,672)	—
Balance at 30/09/2016	2,050,000	98,000,000	205,000	21,502,677	121,757,677

* On 23 May 2016 the sole shareholder approved the 2015 financial statements and decided to allocate USD 126,672 (2015: USD 78,328) to legal reserves.

	Share capital USD reviewed	Share premium USD reviewed	Legal reserve USD reviewed	Retained earnings USD reviewed	Total USD reviewed
Balance at 01/01/2017	2,050,000	98,000,000	205,000	23,707,306	123,962,306
Net profit	—	—	—	16,578,997	16,578,997
Dividends paid**	—	—	—	(4,300,000)	(4,300,000)
Balance at 30/09/2017	2,050,000	98,000,000	205,000	35,986,303	136,241,303

** On 27 March 2017 the sole shareholder approved the 2016 financial statements and decided to distribute USD 4,300,000 (2016: USD 10,000,000) as a dividend.

The attached notes form part of these financial statements.

Puma International Financing SA

Statement of cash flows

For the 9 months ended 30 September 2017 and 2016

	2017 USD reviewed	2016 USD unreviewed
Operating activities		
Profit on ordinary activities before taxation	20,171,352	10,885,785
Non cash adjustments		
—Unrealised gain on derivatives	(1,375,573)	(96,600)
—Unrealised foreign exchange loss	47,959,401	17,743,098
Working capital adjustments		
—Increase in receivables and other assets	(98,390,444)	(120,181,578)
—Increase / (decrease) in payables and other liabilities	225,876	(1,884,792)
Net finance costs	(23,334,164)	(17,135,497)
Income tax paid	(3,730,902)	(2,104,528)
Cash flow used in operating activities	(58,474,454)	(112,774,112)
Investing activities		
Net proceeds from loans provided to related parties	(285,676,443)	(564,477,469)
Interest received	147,071,344	145,973,143
Cash flow used in investing activities	(138,605,099)	(418,504,326)
Financing activities		
Net proceeds from loans received from related parties	169,647,831	138,803,289
Net proceeds from loans received from third parties	177,599,126	449,586,310
Proceeds from bonds	—	100,000,000
Interest expense paid	(140,486,804)	(142,177,038)
Dividend paid	(4,300,000)	(10,000,000)
Cash flow from financing activities	202,460,153	536,212,561
Net increase in cash and cash equivalents	5,380,600	4,934,123
Cash and cash equivalents at 1 January	2,519,102	7,639,635
Cash and cash equivalents at 30 September	7,899,702	12,573,758

The attached notes form part of these financial statements.

Puma International Financing SA

Notes to the financial statements

For the 9 months ended 30 September 2017

1 Corporate information

Puma International Financing SA (the ''Company'') finances operations on behalf of other subsidiaries of Puma Energy Holdings Pte Ltd.

The Company is directly wholly owned by Puma Energy Luxembourg S.a.r.l. (former name Puma Corporation Sàrl). The ultimate parent company of the Company is Puma Energy Holdings Pte Ltd (incorporated in Singapore).

The Company's registered office is at 7, Rue Robert Stumper, L-2557 Luxembourg. The Company was incorporated in Luxembourg on 12 December 2013.

The financial statements of the Company for the nine-month period ended 30 September 2017 were authorised for issue by the Board of Directors on 8 January 2018.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (''IFRS'').

The financial statements have been prepared on a historical cost basis except for derivatives which are measured at fair value.

The financial statements are presented in USD, except when otherwise indicated.

2.2 Summary of significant accounting policies

Foreign currency translation

The Company's financial statements are presented in USD, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to profit or loss with the exception of monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

Interest

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in profit or loss.

Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- Receivables and payables that are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and cash equivalents, receivables and other assets, financial assets at fair value through profit or loss, and loans to related parties.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39 *Financial Instruments: Recognition and Measurement.*

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Financial assets designated upon initial recognition at fair value through profit and loss are designated at their initial recognition date and only if the criteria under IAS 39 *Financial Instruments: Recognition and Measurement* are satisfied. The Company has not designated any financial assets at fair value through profit or loss.

The Company evaluates its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When in rare circumstances the Company is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Company may elect to reclassify these financial assets. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, these instruments cannot be reclassified after initial recognition.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss. The losses arising from impairment are recognised in profit or loss for loans and in cost of sales or other operating expenses for receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Company's financial liabilities include loans from third parties, loans from related parties, financial liabilities at fair value through profit or loss, interest payable, payables and other liabilities and tax payable.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39 *Financial Instruments: Recognition and Measurement.* Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss so designated at the initial date of recognition, and only if criteria of IAS 39 *Financial Instruments: Recognition and Measurement* are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if both the following criteria are met:

- There is a currently enforceable legal right to offset the recognised amounts.
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions.
- Reference to the current fair value of another instrument that is substantially the same.
- A discounted cash flow analysis or other valuation models.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates if different assumptions were used and different conditions existed.

3 Significant accounting judgements, estimates and assumptions (Continued)

In particular, management has identified the following areas where significant judgments, estimates and assumptions are required, and where if actual results were to differ, may materially affect the financial position or financial results reported in future periods:

Impairment of financial assets

As described in the summary of significant accounting policies above, the Company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Management applies significant judgments, estimates and assumptions in making these assessments.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

However, the fact most of the Company's financial assets are with related parties, partially mitigates the judgments, estimates and assumptions required to make these assessments.

4 New and amended standards and interpretations

New and amended standards and interpretations that became effective during 2017

There were no new or amended IFRS standards or IASB interpretations that became effective during 2017 that had a material impact on the financial statements of the Company.

New and amended standards and interpretations issued but not yet effective

There were no IFRS standards or IASB interpretations that were issued or amended, but not yet effective, up to the date of issuance of the Company's financial statements that are expected to have a material impact on the financial statements of the Company.

5 Share capital and share premium

	30/09/2017 USD reviewed	31/12/2016 USD audited
Share capital	2,050,000	2,050,000
Share premium	98,000,000	98,000,000
	100,050,000	100,050,000

The Company's share capital is USD 2,050,000 divided into 2,050,000 shares of a nominal value of USD 1.00 each, all of which were paid up at 31 December 2015.

On 2 April 2015, the sole shareholder resolved to re-classify the 2,050,000 existing shares in the share capital of the Company as follows:

- 50,000 existing shares in the share capital of the Company as Class A shares.
- 2,000,000 existing shares in the share capital of the Company as Class B shares.

5 Share capital and share premium (Continued)

In the event of a distribution on any share, such distribution shall be allocated and paid in the following order of priority:

- An amount equal to 0.10% of the nominal value of each Class A share shall be allocated equally to the holders of all Class A shares.
- The balance of the total distributed amount shall be allocated in its entirety to the holders of the Class B shares.

The share capital and the share premium of the Company are fully owned by the sole shareholder.

6 Loans to related parties

	30/09/2017 USD reviewed	31/12/2016 USD audited
Short-term loans to related parties	224,173,276	78,689,542
Long-term loans to related parties	5,193,966,514	4,950,941,407
	5,418,139,790	5,029,630,949

Loans to related parties are primarily used to finance the fixed assets of Puma Energy group entities.

Loans to related parties of USD 5,193,966,514 (2016: 4,950,941,407) are repayable on demand but have been classified as long-term because the Company has no intention of demanding repayment in the short- term.

USD 2,966,370,248 (2016: USD 3,021,639,341) of the loans to related parties are interest free loans, USD 747,806,833 (2016: USD 595,026,689) have fixed interest rates ranging from 6% to 11.5% and USD 1,591,954,834 (2016: USD 1,410,678,464) have variable interest rates ranging from LIBOR plus 3% to 8.5%. USD 112,007,875 (2016: USD 2,286,455) of the loans to related parties represent accrued interest.

7 Cash and cash equivalents

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of Puma Energy group companies and earn interest at the respective short-term deposit rates.

At 30 September 2017, cash at banks was USD 7,899,702 (2016: USD 2,519,102).

8 Loans from third parties

	30/09/2017 USD reviewed	31/12/2016 USD audited
Long-term senior notes	1,229,729,393	1,204,447,701
Long-term private placement	100,000,000	100,000,000
Long-term bank loans	1,215,329,472	1,321,099,669
Short-term bank loans	416,114,516	103,167,203
Overdraft	14,776,562	21,946,434
	2,975,949,943	2,750,661,007

8 Loans from third parties (Continued)

Senior notes:

On 31 January 2014, the Company issued 6.75% senior notes of USD 750 million aggregate principal, due 2021 with interest payable semi-annually.

On 31 July 2014, the Company issued 6.75% senior notes of USD 250 million aggregate principal, due 2021, to be combined to form a single series with the 6.75% senior notes of USD 750 million described above.

On 22 October 2014, the Company issued 4.50% senior notes of EUR 200 million aggregate principal, due 2022 with interest payable semi-annually.

The proceeds of the notes were used to repay a portion of the Puma Energy group existing indebtedness and for general corporate purposes. The notes are senior obligations of the Company and guaranteed by certain Puma Energy entities.

Private placement:

On 11 January 2016, the Company entered into a private placement agreement with Delta Lloyd Life NV for a facility amount of USD 100,000,000. The private placement bears interest at a fixed rate of 5.87%, with interest payable semi-annually.

The Company did not entered into a new private placement agreement during 2017.

Banks loans:

On 28 July 2014, the Company entered into a revolving credit facility with Nedbank for a maximum facility amount of USD 30,000,000. The revolving credit facility bears interest at a rate of 3 month JIBAR. At 30 September 2017, this facility was partially drawn (USD 22,801,092 equal to ZAR 308,175,000) (2016: USD 22,453,552 equal to ZAR 308,175,000).

On 23 September 2014, the Company entered into a term loan with Itaú BBA for a maximum facility amount of USD 30,000,000. The term loan bears interest at a rate of LIBOR plus 2.85%. At 30 September 2017 this facility was fully repaid (2016: USD 30,000,000).

On 18 December 2014, the Company entered into a revolving credit facility with Malayan Banking Berhad for a maximum facility amount of USD 75,000,000. The term loan bears interest at a rate of LIBOR plus 3.85%. Following the repayment schedule agreed by both parties, during 2017 the Company reimbursed USD 10,500,000. At 30 September 2017 this facility was partially drawn at USD 54,000,000 (2016: 64,500,000).

On 19 December 2014, the Company entered into a revolving credit facility with Investec Bank (Mauritius) Ltd for a maximum facility amount of USD 30,000,000. The revolving credit facility bears interest at a rate of LIBOR plus 3.10%. At 30 September 2017 this facility was not drawn (2016: not drawn).

On 9 March 2015, the Company entered into a term loan with Qatar National Bank SAQ for a maximum facility amount of USD 50,000,000. The term loan bears interest at a rate of LIBOR plus 2.65%. At 30 September 2017 this facility was fully repaid (2016: fully drawn).

On 18 March 2015, the Company entered into a revolving credit facility with KFW IPEX-Bank GmbH for a maximum facility amount of USD 50,000,000. The term loan bears interest at a rate of LIBOR plus 2.45%. At 30 September 2017 this facility was not drawn (2016: not drawn).

On 17 March 2015, the Company entered into a term loan with Bank of China Limited (Luxembourg Branch) for a maximum facility amount of USD 75,000,000. The term loan bears interest at a rate of LIBOR plus 2.65%. Following the repayment schedule agreed by both parties, the Company

8 Loans from third parties (Continued)

reimbursed USD 14,062,500 during 2017. At 30 September 2017 this facility was partially drawn at USD 51,562,500 (2016: 65,625,000).

On 30 April 2015, the Company entered into a term loan with Banco do Brasil SA (London Branch) for a maximum facility amount of USD 45,000,000. The term loan bears interest at a rate of LIBOR plus 2.35%. Following the repayment scheduled agreed by both parties, during 2017 the Company reimbursed USD 9,000,000. At 30 September 2017 this facility was partially drawn at USD 18,000,000 (2016: 27,000,000).

On 11 May 2015, the Company entered into a term loan with a syndicate of banks with Natixis being the agent for a maximum facility amount of USD 1,250,000,000. The revolving credit facility bears interest at a rate of LIBOR plus 2.45%. At 30 September 2017, tranche B for USD 390,000,000 (2016: 270,000,000) and tranche C for USD 360,000,000 (2016: 360,000,000) of this facility were drawn.

On 30 July 2015, the Company entered into a credit facility with Australia and New Zealand Banking Group Limited for a maximum facility amount of AUD 235,000,000 for the A facility and AUD 65,000,000 for the B facility. The credit facility bears interest at a rate of LIBOR plus 2.35%.

On 14 September 2015, the Company and Australia and New Zealand Banking Group Limited agreed to modify the maximum amount of the A facility from AUD 235,000,000 to AUD 275,000,000. At 30 September 2017 both facilities were drawn (Facility A: AUD 225,000,000 equal to USD 176,557,829 and Facility B: AUD 65,000,000 equal to USD 51,005,595) (2016: Facility A: AUD 275,000,000 equal to USD 198,828,718 and Facility B: AUD 65,000,000 equal to USD 46,995,879).

On 18 November 2015, the Company entered into a revolving credit facility with Emirates NBD PJSC for a maximum facility amount of USD 30,000,000. The term loan bears interest at a rate of LIBOR plus 2.45%. At 30 September 2017 this facility was fully drawn (2016: fully drawn).

On 4 May 2016, the Company entered into a term loan with a syndicate of banks with Rabobank being the agent for a maximum facility amount of USD 800,000,000 with tranches as follows: A1 USD 70,000,000, A2 USD 375,000,000 and B USD 355,000,000. The revolving credit facility bears interest at the following rates: A1 LIBOR plus 1.55%, A2 LIBOR plus 1.55% and B LIBOR plus 2.30%. At 30 September 2017, tranche B for USD 355,000,000 of this facility was drawn. The tranches A1 and A2 were not drawn.

On 4 May 2017, the Company entered into a term loan with a syndicate of banks with Rabobank being the agent for a maximum facility amount of USD 400,000,000. The revolving credit facility bears interest at the following rates: LIBOR plus 1.45%. At 30 September 2017, this facility was not drawn.

On 14 September 2017, the Company entered into a term loan with ING for a maximum facility amount of USD 350,000,000. The term loan bears interest at a rate of LIBOR plus 2,85%. At 30 September 2017 this facility was partially drawn at USD 135,000,000.

9 Loans from related parties

	30/09/2017 USD reviewed	31/12/2016 USD audited
Loans from related parties	2,290,510,943	2,127,753,080
	2,290,510,943	2,127,753,080

Loans from related parties are back-to-back and primarily used to finance investments and fixed assets of Puma Energy group entities.

9 Loans from related parties (Continued)

USD 2,097,017,121 (2016: USD 1,955,829,712) of the loans from related parties are interest free loans, USD 23,988,450 (2016: USD 9,256,297) have fixed interest rates of 6.85% and USD 169,505,372 (2016: USD 162,667,071) have variable interest rates ranging from LIBOR plus 0% to 1.50%.

10 Financial assets and liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss represent the fair value of foreign exchange hedging derivatives (refer Note 13).

11 Related party transactions

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners.

Compensation of key management personnel

The directors received no remuneration in their capacity as directors of the Company.

Terms and conditions of transactions with related parties

Transactions with related parties are executed in accordance with the terms and conditions established by management. There have been no guarantees provided or received for any related party receivables or payables.

The following related party transactions were carried out with related parties during the nine-month period ended 30 September 2017 and 31 December 2016:

		30/09/2017 USD reviewed	31/12/2016 USD audited
Puma Energy Holdings Pte Ltd and subsidiaries and associates (Group companies)	Interest income on loans granted	147,014,917	145,960,518
Puma Energy Holdings Pte Ltd and subsidiaries and associates (Group companies)	Interest expense on loans received	(1,938,747)	(18,550,054)
Trafigura Pte Ltd and subsidiaries (other related parties)	Interest expense on loans received	—	(1,062,737)
		145,076,170	126,347,727

11 Related party transactions (Continued)

		30/09/2017 USD reviewed	31/12/2016 USD audited
Puma Energy Holdings Pte Ltd and subsidiaries and associates (Group companies)	Amounts due from	5,416,143,831	5,029,630,949
Eastern Sun Development Pte Ltd (related parties)	Amounts due from	1,995,959	—
Puma Energy Luxembourg S.a.r.l. (Parent)	Amounts due to	(535,107)	(530,725)
Puma Energy Holdings Pte Ltd and subsidiaries and associates (Group companies)	Amounts due to	(2,206,460,720)	(2,049,632,696)
Trafigura Pte Ltd and subsidiaries (other related parties)	Amounts due to	(83,515,116)	(77,589,659)
		3,127,628,847	2,901,877,869

12 Taxation

The Company is subject to corporate income tax at the statutory rate of 31.47% but is able to offset it against withholding tax. It is also subject to a net wealth tax amounting to 0.5% based on the net asset value of the Company at the beginning of the calendar year.

The major components of income tax expense for the nine-month period ended 30 September 2017 and 30 September 2016 were:

	2017 USD reviewed	2016 USD audited
Income tax expense	—	1,850,000
Withholding tax expense	3,129,231	2,117,603
Net wealth tax	450,000	450,000
Adjustments in respect of current income tax of previous period	13,124	—
	3,592,355	4,417,603

Reconciliation between tax expense and the product of accounting profit multiplied by the Company's statutory blended income tax rate has not been provided because income tax is not deemed material to these financial statements

13 Risk management

The main financial risks arising from the Company's financial instruments are credit risk, market risk (including interest rate and foreign exchange risks) and liquidity risk. The financial risks are managed at the Puma Energy group level. At the Puma Energy group level, policies and procedures are in place to minimise financial risks. The main policies and procedures for managing the financial risks are summarised below.

Credit risk

The Company is exposed to credit risk on its financial assets including loans to related parties, financial assets at fair value through profit or loss, receivables and other assets and cash and cash equivalents. However, this risk is partially mitigated by the fact the majority of the financial assets are with related parties. The Company's maximum exposure to credit risk is equivalent to the amounts of financial assets present on the balance sheet.

13 Risk management (Continued)

Market risk

Interest rate risk

The Company is exposed to fluctuations in interest rates on its variable rate loans to related parties, and cash and cash equivalents. However, this exposure is partially offset by the Company's exposure to interest rates on its variable rate loans from related parties.

A one percentage point decrease in interest rates on the Company's interest bearing financial instruments at 30 September 2017 would result in a USD 2,089,945 (2016: 1,762,555) increase in profit. A one percentage point increase in interest rates on the Company's interest bearing financial instruments at 30 September 2017 would result in a USD 2,089,945 (2016: 1,762,555) decrease in profit.

Foreign exchange risk

The Company is exposed to fluctuations in foreign exchanges rates on its cash and cash equivalents and loans denominated in foreign currencies. However, the Company hedges the majority of its financial exposure in foreign currencies.

Liquidity risk

The Company limits its liquidity risk by ensuring adequate funding sources are available.

The Company's financial liabilities comprise loans from third parties, loans from related parties, financial liabilities at fair value through profit or loss, interest payable, payables and other liabilities and taxation payable. The main purpose of these financial liabilities is to provide finance for the Company's operations. The Company's financial assets comprise cash and cash equivalents, loans to related parties, financial assets at fair value through profit or loss, and receivables and other assets which arise directly from its operations.

The tables below summarise the maturities of the Company's financial liabilities at 31 December 2016 and 30 September 2017. The amounts presented exclude future interest cash flows because the repayment schedule for many of the financial liabilities is undetermined due to the revolving nature of the loans.

	< 1 year USD audited	1 to 5 years USD audited	> 5 years USD audited	Total USD audited
At 31 December 2016				
Loans from third parties	125,113,637	—	2,625,547,370	2,750,661,007
Loans from related parties	2,127,753,080	—	—	2,127,753,080
Financial liabilities at fair value through profit or loss	2,622,152	—	—	2,622,152
Interest payable	35,807,298	—	—	35,807,298
Payables and other liabilities	841,469	—	—	841,469
	2,292,137,636	—	2,625,547,370	4,917,685,006

13 Risk management (Continued)

	< 1 year USD reviewed	1 to 5 years USD reviewed	> 5 years USD reviewed	Total USD reviewed
At 30 September 2017				
Loans from third parties	430,891,079	2,209,421,616	335,637,248	2,975,949,943
Loans from related parties	2,290,510,943	—	—	2,290,510,943
Financial liabilities at fair value through profit or loss	2,503,860	—	—	2,503,860
Interest payable	19,328,210	—	—	19,328,210
Payables and other liabilities	1,067,345	—	—	1,067,345
	2,744,301,437	2,209,421,616	335,637,248	5,289,360,301

Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. Management reviews the capital structure on a regular basis. No changes were made in the objectives, policies or processes for managing capital during 2017 or 2016.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, loans from third parties, loans from related parties, financial liabilities at fair value through profit or loss, interest payable, payables and other liabilities, and tax payable, less cash and cash equivalents.

While the Company's leverage may temporarily change with acquisitions, the net debt to equity ratio was as follows:

	30/09/2017 USD	31/12/2016 USD
Loans from third parties	2,975,949,943	2,750,661,007
Loans from related parties	2,290,510,943	2,127,753,080
Financial liabilities at fair value through profit or loss	2,503,860	2,622,152
Interest payable	19,328,210	35,807,298
Payables and other liabilities	1,067,345	841,469
Income tax payable	1,895,458	2,034,005
Less: cash and cash equivalents	(7,899,702)	(2,519,102)
Net debt	5,283,356,057	4,917,199,909
Capital	100,050,000	100,050,000
Capital and net debt	5,383,406,057	5,017,249,909
Gearing ratio %	98%	98%

14 Commitments and contingencies

During the financial period under review, the Company issued guarantees for an aggregate amount of USD 30,000,080 and letter of credits for an aggregate amount of USD 59,350,090 that are mostly related to performance bonds for performance on specific contracts. No liability is expected to arise from these guarantees.

15 Fair values of financial instruments

Management estimated that the fair values of loans to related parties, receivables and other assets, cash and cash equivalents, loans from third parties, loans from related parties, interest payable,

15 Fair values of financial instruments (Continued)

payables and other liabilities and taxation payable approximated their carrying values at 31 December 2016 and 30 September 2017.

16 Subsequent events

On 4 October 2017, the Company exchanged USD 590 million aggregate principal of the old senior notes due 2021 with new USD 600 million aggregate principal senior notes at 5.125%, due 2024, with interest payable semi-annually.

No other events have occurred since 30 September 2017, which would require adjustment of or disclosure in the financial statements.

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$750,000,000 5.00% Senior Notes due 2026

Puma International Financing S.A.

January 31, 2018

OFFERING MEMORANDUM