

Dominion Energy plc

Annual Report and Accounts
30 June 2008

DOMINION ENERGY PLC

HEAD OFFICE
2nd Floor, 19/20 Grosvenor Street
London
W1K 4QH

CONTENTS

Directors and advisers	2
Directors report	3
Statement of Directors' responsibilities	5
Auditors report	6
Group profit and loss account	7
Group balance sheet	8
Company balance sheet	9
Group cash flow statement	10
Notes to the financial statements	11
Notice of Annual General Meeting	18

DOMINION ENERGY PLC

DIRECTORS AND ADVISERS

Directors	M Alikhani K Sodha G Verspyck M Ala	Executive Director Executive Director Non-Executive Director Non-Executive Director
Secretary and Registered Office	A Carr 2nd Floor 19/20 Grosvenor Street London W1K 4QH	
Advisers	Hichens Harrison & Co plc Bell Court House 11 Blomfield Street London EC2M 1LB	
Auditors	Henderson & Co 87 Devonshire Road London N13 4QU	
Registrars	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU	
Company number	03986182	

DOMINION ENERGY PLC

DIRECTORS' REPORT

The Directors present their report and financial statements of the Company for the year ended 30 June 2008.

PRINCIPAL ACTIVITY

The Company is engaged in the exploration of oil and natural gas in Tunisia, North Africa.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

FAWAR AND MEZZOUNA (OIL & GAS FIELDS)

The interpretation of the reprocessed data on both permits confirm the identified prospects and leads in the preliminary evaluation of the two blocks.

The exploration summary on both permits is as follows:

- ◆ 2D seismic data have been reprocessed and the interpretation have been completed for 1,435km on Fawar and 1,390km on Mezzouna.
- ◆ New seismic 2D and 3D seismic have been acquired during Q1/2, 2008
Fawar permit : 236 Km² of 3D and 102Km of 2D
Mezzouna permit : 195km of 2D.
- ◆ New reservoir evaluation of the 2wells drilled during 1990's confirm the presence of the hydrocarbon in both wells .
- ◆ Field processed new seismic data confirmed the identified prospects and leads in both permits.
- ◆ The current processing and the interpretation of the new seismic data expected to optimize the risk and to rank the prospects and may modify the exploration strategy in both Fawar and Mezzouna permits.

In the present market conditions we expect the first well in the permit to be now spud in the second part of 2009, with the second well drilled back to back as we did for the seismic acquisition.

The scheduled activities for 2009 still remain the inclusion of new 3D and 2D seismic acquisition, processing, integrating seismic interpretation and geological evaluation, including reservoir evaluation and source rock modeling, which will create the basis for refining prospect definition and future well locations in both blocks.

Additional state of the art reservoir characterization and modeling, especially utilizing the 3D seismic data, will be conducted for better assessing the initial prospects and economic risk reduction.

The results of the current evaluation are encouraging and the new 2D/3 seismic data will be used to better define the hydrocarbon potential of the identified prospects and reduce risk in the permits.

Both permits are being worked simultaneously to optimize the duration of the initial exploration program.

This will be in keeping with the Company's philosophy of maximizing the chances of discovery and the amount of hydrocarbon already discovered in LMG-1 well in Fawar permit while keeping costs as low as possible.

The planned work program is scheduled and all attempts will be made to minimize time and cost factors.

FURTHER PROSPECTS

The Company has reviewed and continues to review opportunities to expand operations.

Certain returnable deposits amounting to £1.99million (2007: £3.1million) have been made

DOMINION ENERGY PLC

DIRECTORS' REPORT (CONTINUED)

to maintain participation in Iranian projects under consideration. Our assessments during the period together with potential strategic partners were positive and we have entered into pre-qualification phase on some prospects for which our share of the expenditure was £0.9million included in the exploration costs in the balance sheet.

As previously announced we intend to move from the PLUS Market to AIM, and bearing in mind current market conditions, we expect this to happen during the second quarter of 2009.

GOING CONCERN

In order to provide working capital, complete further work on the Tunisian permits and continue to pursue the opportunities in Iran, we need finance. We have created substantial opportunities and we are in the process of negotiations to bring together strategic partners to move forward. Even at the present level of oil price of around US\$50 per barrel, there is a strong interest from the strategic partners to participate.

RESULTS AND DIVIDENDS

The results for the year are set out in the group profit and loss account on page 7.

The group results for the year show a loss of £428,676 compared with a loss of £635,952 for the prior year. The results include salaries of oil and gas executives, overseas staff, costs of consultants and administrative expenses of overseas and UK offices. Administrative expenses include £31,000 (2007:£34,551) for undrawn remuneration payable to Dominion Directors.

The directors do not recommend the payment of a dividend on the ordinary shares.

DIRECTORS AND THEIR INTERESTS

The Directors in office during the year were as follows:

- M Alikhani (Executive Director)
- K Sodha (Executive Director)
- G Verspyck (Non-executive Director)
- Dr M Ala (Non-executive Director)

In accordance with the Articles of Association, Mr. Verspyck retires and, being eligible, offers himself for re-election. None of the directors standing for re-election has a service contract with the Company.

The interests (as defined in the Companies Act 1985) of the Directors holding office at 30 June 2008 in the share capital of Dominion Energy PLC are shown below:

	Ordinary shares of 1p	
	at 30 June 2008	at 30 June 2007
M Alikhani	573,000	573,000
K Sodha	1,166,666	1,166,666

Issue of shares and warrants

During the year no ordinary shares of nominal value 1 pence each were issued (2007: 3,000,000).

A number of share warrants for key directors, employees and consultants have been approved for which no contracts have been issued.

DOMINION ENERGY PLC

ENVIRONMENTAL MATTERS

The Group undertakes a review of the environmental matters prior to deciding to proceed with an investment in a new operation. Once an investment is made the environmental implications are monitored on a regular basis and where necessary improvements are proposed.

CREDITOR PAYMENT POLICY

The Company does not follow any formal payment code but agrees terms with suppliers when opening an account, to ensure the supplier is made aware of these terms and to comply with payment terms agreed.

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss of the Company for that period. In preparing those financial statements, the Directors confirm:

- ◆ suitable accounting policies have been selected and are applied consistently;
- ◆ judgments and estimates made are reasonable and prudent;
- ◆ applicable accounting standards have been followed;
- ◆ the financial statements have been prepared on a going concern basis.

The Directors are also responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group to enable them to ensure that the financial statements comply with the stated accounting policies. They are also responsible for safeguarding the assets of the Company and of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

AUDITORS

A resolution proposing the re-appointment of Henderson & Co. as auditors will be put to the shareholders at the Annual General Meeting.

Approved by the Board of Directors and signed on its behalf by:

M Alikhani
Director

2nd Floor, 19/20 Grosvenor Street
London
W1K 4QH

28 November 2008

DOMINION ENERGY PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DOMINION ENERGY PLC

FOR THE YEAR ENDED 30 JUNE 2008

We have audited the financial statements on pages 7 to 17 which have been prepared under the historical cost convention in accordance with the accounting policies as set out in pages 11 and 12.

This report is made solely to the Company's members, as body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors' responsibility for preparing the financial statements in accordance with applicable laws, and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities, on page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- * the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company and the Group as at 30 June 2008 and of its loss and cash flow of the Group for the year then ended;
- * the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- * the information given in the Directors' Report is consistent with the financial statements for the year ended 30 June 2008.

Emphasis of Matter – Going Concern

Without qualifying our opinion, we draw attention to the disclosures made in note 2 of the financial statements concerning the Company's ability to continue as a going concern which would depend upon obtaining additional financing to meet the ongoing costs. This indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern as it is not practicable to determine or quantify them.

For these reasons the Directors continue to adopt the going concern basis in preparing the financial statements.

Henderson & Co
Chartered Accountants and Registered Auditor
87 Devonshire Road
London N13 4 QU

28 November 2008

DOMINION ENERGY PLC

**GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2008**

	Notes	30.06.08	30.06.07
		£	£
Administrative expenses		(428,719)	(637,342)
OPERATING LOSS	4	(428,719)	(637,342)
Interest receivable and similar income		43	1,390
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(428,676)	(635,952)
Tax on loss on ordinary activities	5	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	14	(428,676)	(635,952)
LOSS PER SHARE	6	(0.195)p	(0.290)p

The above results all relate to continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Note	30.06.08	30.06.07
		£	£
Loss for the financial year		(428,676)	(635,952)
Exchange differences on translation into sterling of net assets of subsidiary undertaking		-	110,706
Total gains and losses recognised in the financial year	15	(428,676)	(525,246)

DOMINION ENERGY PLC

GROUP BALANCE SHEET
AS AT 30 JUNE 2008

	Notes	30.06.08 £	30.06.07 £
FIXED ASSETS			
Intangible assets	8	3,260,121	3,260,121
Tangible assets	9	4,802,606	436,204
Investment	10	5,000	50,000
		<u>8,067,727</u>	<u>3,746,325</u>
CURRENT ASSETS			
Debtors	11	2,037,905	3,366,540
Cash at bank and in hand		29,904	39,409
		<u>2,067,809</u>	<u>3,405,949</u>
CREDITORS			
Amounts falling due within one year	12	(3,820,516)	(408,578)
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,752,707)</u>	<u>2,997,371</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,315,020</u>	<u>6,743,696</u>
CAPITAL AND RESERVES			
Called up share capital	13	2,194,540	2,194,540
Share premium account	14	6,121,505	6,121,505
Profit and loss account	14	(2,001,025)	(1,572,349)
SHAREHOLDERS' FUNDS		<u>6,315,020</u>	<u>6,743,696</u>

These financial statements were approved by the Board of Directors on 28 November 2008 and signed on behalf of the Board of Directors.

M Alikhani

DOMINION ENERGY PLC

COMPANY BALANCE SHEET
AS AT 30 JUNE 2008

	Notes	30.06.08 £	30.06.07 £
FIXED ASSETS			
Tangible assets	9	1,002	1,812
Investment in subsidiary undertakings	10	4,071,758	3,183,053
Investment	10	5,000	50,000
		<u>4,077,760</u>	<u>3,234,865</u>
CURRENT ASSETS			
Debtors	11	3,250,535	4,070,134
Cash at bank and in hand		560	13,830
		<u>3,251,095</u>	<u>4,083,964</u>
CREDITORS			
Amounts falling due within one year	12	<u>(623,686)</u>	<u>(343,570)</u>
NET CURRENT ASSETS		<u>2,627,409</u>	<u>3,740,394</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,705,169</u>	<u>6,975,259</u>
CAPITAL AND RESERVES			
Called up share capital	13	2,194,540	2,194,540
Share premium account	14	6,121,505	6,121,505
Profit and loss account	14	<u>(1,610,876)</u>	<u>(1,340,786)</u>
SHAREHOLDERS' FUNDS		<u>6,705,169</u>	<u>6,975,259</u>

These financial statements were approved by the Board of Directors on 28 November 2008 and signed on behalf of the Board of Directors.

M Alikhani

DOMINION ENERGY PLC

GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Notes	30.06.08 £	30.06.07 £
Net cash inflow/(outflow) from operating activities	16	<u>4,377,679</u>	<u>(2,272,799)</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		<u>43</u>	<u>1,390</u>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>43</u>	<u>1,390</u>
NET CASH OUTFLOW FOR EXPENDITURE AND FINANCIAL INVESTMENTS			
Purchase of tangible fixed assets		<u>(4,387,227)</u>	<u>(409,983)</u>
CASH OUTFLOW BEFORE FINANCING		<u>(9,505)</u>	<u>(2,681,392)</u>
FINANCING ACTIVITIES			
Issue of ordinary shares		<u>-</u>	<u>150,000</u>
NET CASH INFLOW FROM FINANCING		<u>-</u>	<u>150,000</u>
(DECREASE)/INCREASE IN CASH	17	<u>(9,505)</u>	<u>(2,531,392)</u>
 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (note 16)			
(DECREASE)/INCREASE IN CASH		<u>£ (9,505)</u>	<u>£ (2,531,392)</u>
Movement in net funds during the year			
Net funds at 1 July 2007		<u>39,409</u>	<u>2,570,801</u>
NET FUNDS AT 30 JUNE 2008		<u>29,904</u>	<u>39,409</u>

DOMINION ENERGY PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 30 JUNE 2008

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been drawn up under the historic cost convention, in accordance with applicable accounting standards and on a going concern basis since the Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which demonstrate that the Company will be able to continue to trade and to meet its liabilities as they fall due.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its operating subsidiary undertaking. No profit and loss account is presented for the Company as permitted by Section 230 of the Companies Act 1985.

Foreign Exchange

Transactions of UK company denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of transaction. Any foreign exchange differences are taken to the profit and loss account. Balances at the year end denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date.

Assets and liabilities of foreign currency subsidiary undertakings are translated into sterling at closing rates of exchange; profit and loss financial statements are translated at average rates of exchange. The exchange differences resulting from the translation at closing rates of net investments in foreign currency subsidiary undertakings, together with the differences between profit and loss statements translated at average rates and at closing rates, are taken to reserves and separately identified as an exchange reserve.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment to their carrying values.

Tangible fixed asset

Costs of acquiring undeveloped acreage and of successful exploration and appraisal activity are capitalised. Unsuccessful exploration and appraisal activity and geology and geophysical costs are expensed.

Costs of acquiring developed acreage, drilling and equipping productive wells, including development dry holes, related production facilities and related pre-production interest are capitalised. All capitalised exploration and development costs are classified as tangible assets.

Depreciation and amortisation

The acquisition costs of acreage for which there are no developed plans are amortised over the lives of the related leases or such shorter periods as necessary to fully depreciate the acreage. Depreciation and amortisation of successful exploration and appraisal acreage, wells and oil and gas production equipment is determined under the unit of production method based on the estimated proven producing oil and gas reserves by field. Under the unit of production method, the effects of any changes in estimates are dealt with prospectively. Additional depreciation charges are provided for field assets where the Directors consider that there has been an indicator of impairment and the test, carried out in accordance with FRS11, results in an impairment of the assets.

Depreciation of other fixed assets is determined under the straight line method using various rates up to 20 per cent, designed to write off assets over their estimated useful lives.

DOMINION ENERGY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

2. GOING CONCERN

In order to provide working capital, complete further work on the Tunisian permits and continue to pursue the opportunities in Iran, the Group needs finance. The Directors have created substantial opportunities and are in the process of negotiations to bring together strategic partners to move forward. The Directors feel comfortable that with the involvement of strategic partners and with an appropriate business plan, there is a reasonable chance that they can raise the additional funds necessary to meet needs of the next twelve months to 30th November 2009.

For these reasons the Directors continue to adopt the going concern basis in preparing the financial statements.

3. TURNOVER AND SEGMENTAL INFORMATION

Turnover represents the amount of goods sold and services provided during the year stated net of any value added tax or any royalty interests to external customers. There was no turnover for the year ended 30 June 2008 and the year ended 30 June 2007.

	Profit (Loss) analysis		Asset (liability) analysis	
	30.06.08	30.06.07	30.06.08	30.06.07
	£	£	£	£
Tunisian activities	(119,427)	(117,511)	(90,083)	(117,511)
Bermudan activities	(39,158)	(32,911)	(39,158)	(32,911)
UK head office	(270,134)	(486,920)	6,414,357	6,854,709
	(428,719)	(637,342)	6,285,116	6,704,287
UK net interest income/(expense)	43	1,390		
Loss on ordinary activities before taxation	(428,676)	(635,952)		
Total operating assets			6,285,116	6,704,287
Cash			29,904	39,409
Total net assets			6,315,020	6,743,696

DOMINION ENERGY PLC

4. OPERATING LOSS

	30.06.08	30.06.07
	£	£
Operating loss is stated after charging:		
Depreciation	23,030	26,833
Auditors' remuneration	10,000	5,500
- audit services		
- non audit services	-	4,500

5. TAXATION

No liability to U.K. Corporation Tax or Tunisian Tax arises based on the results for the year. The Group is carrying tax losses in UK and Tunisia which are available for relief against future taxable profits.

6. LOSS PER ORDINARY SHARE

The loss per share of 0.195 pence (2007:loss 0.290 pence) has been calculated on the loss of £428,676 (2007:loss £635,952) and on 219,453,958 (2007:219,223,821) ordinary shares, being the weighted average number of ordinary shares issued during the year ended 30 June 2008.

7. DIRECTORS AND STAFF

The emoluments and remunerations for the year for Directors and staff is as follows:

	30.06.08	30.06.07
	£	£
Highest paid director	15,000	15,000
Staff costs including directors		
Wages and salaries	31,000	36,551
Social Security costs	3,875	4,678
	34,875	41,229

The average monthly number of persons employed by the Group during the year, including executive directors

	30.06.08	30.06.07
	£	£
Management	4	2

8. INTANGIBLE ASSETS - GOODWILL

	30.06.08	30.06.07
	£	£
Group		
Cost:		
At 1 July 2007 and at 30 June 2008	3,260,121	3,260,121
As at 30 June 2008	3,260,121	3,260,121

Exploration work is ongoing in Tunisia, and hence goodwill has not been amortised.

In early 2006, the Company acquired the entire share capital of First Africa Petroleum Consortium Ltd, a company registered in Bermuda. The company owns the concession of oil and gas rights in Fawar and Mezzouna areas of Tunisia.

DOMINION ENERGY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. TANGIBLE ASSETS

	Subsidiary Exploration Costs	Subsidiary Office equipment & software	Subsidiary Motor Vehicles	Company Office equipment	Group Total
Cost:	£	£	£	£	£
At 1 July 2007	342,910	53,414	64,422	4,050	464,796
Additions	4,386,062	1,165	–	–	4,387,227
Exchange Difference	–	544	301	–	845
At 30 June 2008	<u>4,728,972</u>	<u>55,123</u>	<u>64,723</u>	<u>4,050</u>	<u>4,852,868</u>
<i>Depreciation and amortisation:</i>					
At 1 July 2007	–	12,351	14,003	2,238	28,592
Charge for the period	–	9,281	12,939	810	23,030
Exchange Difference	–	–	(1,360)	–	(1,360)
At 30 June 2008	<u>–</u>	<u>21,632</u>	<u>25,582</u>	<u>3,048</u>	<u>50,262</u>
Net book value:					
At 30 June 2008	<u>4,728,972</u>	<u>33,491</u>	<u>39,141</u>	<u>1002</u>	<u>4,802,606</u>
At 30 June 2007	342,910	41,063	50,419	1,812	436,204

As exploration costs are ongoing, no depreciation has been provided.

10. INVESTMENTS

Group & Company

Cost:	£
At 1 July 2007	50,000
Revaluation	(45,000)
As at 30 June 2008	<u>5,000</u>

The investment comprises the cost of the Company's investment in shares of 10p each in Cape Diamonds Plc.

Company

Cost:			
	Iran	Tunisia	Total
	£	£	£
At 1 July 2007	–	3,183,053	3,183,053
Additions	888,705	–	888,705
As at 30 June 2008	<u>888,705</u>	<u>3,183,053</u>	<u>4,071,758</u>

Subsidiary undertakings:

The Company owns 100 per cent of share capital of First Africa Petroleum Consortium Ltd, company registered in Bermuda. The company owns the concession of oil and gas rights in Fawar and Mezzouna areas of Tunisia.

DOMINION ENERGY PLC

11. DEBTORS

	Group		Company	
	30.06.08	30.06.07	30.06.08	30.06.07
	£	£	£	£
Amount due from subsidiary	–	–	1,216,097	707,657
Other debtors*	2,034,437	3,362,602	2,034,438	3,359,573
Prepayments	3,468	3,938	–	2,904
	<u>2,037,905</u>	<u>3,366,540</u>	<u>3,250,535</u>	<u>4,070,134</u>

* Other debtors includes: £1,993,851 due from OEID Company, Iran. At 30 June 2007, £3,174,482 was due from OEID Company, Iran. £1,564,615 was received in July 2007.

12. CREDITORS

- amounts falling due within one year

	Group		Company	
	30.06.08	30.06.07	30.06.08	30.06.07
	£	£	£	£
Trade creditors	3,266,492	89,873	85,722	51,954
Other taxes and social security	52,483	34,054	36,425	32,550
Other creditors	470,768	238,293	470,766	238,293
Accruals	30,773	46,358	30,773	20,773
	<u>3,820,516</u>	<u>408,578</u>	<u>623,686</u>	<u>343,570</u>

Trade creditors include £2,847,847 payable to CGG Veritas, a French Company assisting Dominion Tunisia.

13. SHARE CAPITAL

	30.06.08		30.06.07	
	No.	£	No.	£
Ordinary shares of 1p each	<u>500,000,000</u>	<u>5,000,000</u>	<u>300,000,000</u>	<u>3,000,000</u>
	<u>500,000,000</u>	<u>5,000,000</u>	<u>300,000,000</u>	<u>3,000,000</u>
Issued and fully paid:				
Ordinary shares of 1p each	<u>219,453,958</u>	<u>2,194,540</u>	<u>219,453,958</u>	<u>2,194,540</u>
	<u>219,453,958</u>	<u>2,194,540</u>	<u>219,453,958</u>	<u>2,194,540</u>

At the AGM held in March 2008, a resolution was passed authorising the Company to increase the authorised share capital from £3 million to £5 million by creation of 200 million new ordinary shares of 1 pence each, such new Ordinary shares rank pari passu with the existing Ordinary shares.

Share warrants and options

A number of share warrants for key directors, employees and consultants have been approved for which no contracts have been issued.

DOMINION ENERGY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. RESERVES

Group

	Share premium £	Profit and loss account £
At 1 July 2007	6,121,505	(1,572,349)
Retained loss for the year		(428,676)
At 30 June 2008	<u>6,121,505</u>	<u>(2,001,025)</u>

Company

	Share premium £	Profit and loss account £
At 1 July 2007	6,121,505	(1,340,786)
Retained loss for the year		(270,090)
At 30 June 2008	<u>6,121,505</u>	<u>(1,610,876)</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.06.08 £	30.06.07 £
At 1 July 2007	6,743,696	7,118,942
Issue of shares	–	150,000
Total recognised gains and losses	<u>(428,676)</u>	<u>(525,246)</u>
At 30 June 2008	<u>(6,315,020)</u>	<u>6,743,696</u>

16. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating loss	(428,719)	(637,342)
Depreciation	23,030	26,833
Investment revaluation	45,000	–
Decrease/(increase) in debtors	1,328,635	(1,731,776)
Increase/(decrease) in creditors	3,411,938	(39,264)
Foreign currency translation differences	<u>(2,205)</u>	<u>108,750</u>
Net cash outflow from operating activities	<u>4,377,679</u>	<u>(2,272,799)</u>

DOMINION ENERGY PLC

17. ANALYSIS OF CHANGE IN NET FUNDS

	1 July 2007 £	Cash flow £	30 June 2008 £
Cash at bank	39,409	(9,505)	29,904
Net funds	<u>39,409</u>	<u>(9,505)</u>	<u>29,904</u>

18. FINANCIAL INSTRUMENTS

In reporting financial instruments, the Group has taken advantage of the exemption available under FRS13 not to provide numerical disclosures in relation to short term debtors and creditors.

The Group's financial instruments comprise cash. The main purpose of those financial instruments is to provide financing for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors that arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no dealing in financial instruments shall be undertaken, except for the purpose of hedging the Group's financial risks.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The Board considers each of these risks on a regular basis and the Group's policy stance towards each of these risks has remained unchanged during the year.

Interest rate and liquidity risks

The Group finances its operations through a mixture of equity capital and cash. The Group has financed its acquisitions primarily through the issue of shares and share warrants.

Foreign currency risk

Although the Group is based in the UK, it has significant investment in Tunisia. As a result, the Group's sterling balance sheet can be affected by movements in the Tunisian Dinars exchange rate. The movements in the year have been material.

DOMINION ENERGY PLC

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at 10.30am on 25 February 2009 at 19-20 Grosvenor Street, London W1K 4QH for the purpose of considering and if thought fit, passing the following resolutions, of which Resolutions 1 to 4 will be proposed as Ordinary Resolutions and Resolution Number 5 will be proposed as a Special Resolution.

1. To receive the Company's annual accounts for the financial year ended 30 June 2008 together with the directors' report and auditors' report on these accounts.
2. To re-appoint Henderson & Co to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company and to authorise the Directors to agree their remuneration.
3. To re-elect Masoud Alikhani as a Director of the Company.
4. THAT for the purposes of section 80 of the Companies Act 1985 as amended (the "Act") (and so that the expressions used in this resolution shall bear the same meanings as in the said section 80) the Directors of the Company be and are generally and unconditionally authorised to allot relevant securities (within the meaning of section 80 (2) of the Act):
 - 4.1 up to an aggregate nominal amount of £2,805,460 provided that the authorities, unless duly renewed, varied or revoked prior to their expiry date, shall expire fifteen months from the passing of this Resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this Resolution, but such authority shall allow the Company to make an offer or agreement which would or might require relevant securities to be allotted after the authorities expire and, in that event, the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authorities conferred hereby had not expired and such authorities shall be in substitution for any authorities conferred upon the Directors in accordance with the said section prior to the passing of this Resolution, which authorities (to the extent they remain in force and unexercised) are hereby revoked.
5. THAT subject to the passing of the Resolution 4, the Directors of the Company be hereby empowered pursuant to section 95 of the Act (within the meaning of section 94(2) of the Act) wholly for cash to allot or make offers or agreements to allot equity securities pursuant to the authority conferred by the Resolution as if section 89 (1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - 5.1 the allotment of equity securities in connection with any invitation made to the holders of ordinary shares to subscribe by way of rights in the same proportions (as nearly as maybe) to their respective holdings but subject to such exclusions or other arrangements as the Directors consider necessary or expedient in connection with ordinary shares representing fractional entitlement or on account of either legal or practical problems arising in connection with the laws of any territory or of the requirements of any applicable regulatory body or stock exchange in any territory;
 - 5.2 the allotment (otherwise than pursuant to sub-paragraph 5.1 above) of equity securities pursuant to warrants granted by the Company prior to the date hereof;

DOMINION ENERGY PLC

5.3 the allotment (otherwise than pursuant to sub-paragraphs 5.1 and 5.2 above) of equity securities up to an aggregate nominal amount of £2,805,460;

provided that the authorities, unless duly renewed, varied or revoked prior to their expiry date, shall expire fifteen months from the passing of this Resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this Resolution, but such authority shall allow the Company to make an offer or agreement which would or might require relevant securities to be allotted after the authority expires and, in that event, the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired and such authorities shall be in substitution for any authorities conferred upon the Directors in accordance with the said section prior to the passing of this Resolution, which authorities (to the extent they remain in force and unexercised) are hereby revoked.

Registered office
19/20 Grosvenor Street
London
W1K 4QH

By order of the Board

M A Alikhani
28 November 2008

Notes to the Notice of Annual General Meeting

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
 - 6 p.m. on 23 February 2009; or,
 - if this Meeting is adjourned, at 6 p.m. on the day two days prior to the adjourned meeting,shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy please contact the Company's registrars, Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
5. In order to facilitate voting by corporate representatives at the AGM, arrangements will be put in place at the AGM so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate representative has not appointed the chairman of the meeting as its

DOMINION ENERGY PLC

corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
- received by Capita Registrars no later than 10:30am on 23 February 2009

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Registrars, at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. In order to revoke a proxy instruction you will need to inform the Company using the following method:

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Registrars, Proxy Department, PO Box 25, Beckenham, Kent, BR3 4TU

- In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
- In either case, the revocation notice must be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 10:30 am on 23 February 2009.
- If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
- Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

10. As at 12 noon on 28 November 2008, the Company's issued share capital comprised 219,453,958 ordinary shares of 1 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 12 noon on 28 November 2008 is 219,453,958.

