PART V

FINANCIAL INFORMATION

SECTION A

FINANCIAL INFORMATION ON PETRO-CANADA NETHERLANDS

Historical financial information relating to Petro-Canada Netherlands for the years ended 31 December 2007, 31 December 2008 and 31 December 2009 is set out on pages 34 to 59 of this document, is presented in Euros and has been prepared in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the EU. Certain adjustments have been made to the published audited statutory financial statements of Petro-Canada Netherlands for the years ending 31 December 2007, 31 December 2008 and 31 December 2009 to ensure consistency with the accounting policies of Dana. The use of the defined term the "Company" within Part V Section A refers to Petro-Canada Netherlands and not to Dana.

Income Statement for the year ended 31 December

	Note	*2009* *€'000*	*2008* *€'000*	*2007* *€'000*
Revenue	3	227,976	473,717	437,263
Cost of Sales		(75,243)	(109,970)	(135,679)
Gross Profit		152,733	363,747	301,584
Gain on sale of D&P assets	5	—	6,904	—
Exploration & Evaluation: Expense	5	(987)	(739)	(555)
Administrative Expenses		(2,738)	(2,672)	(3,286)
Foreign Exchange	5	(219)	2,220	(2,177)
Profit on Ordinary Activities before Interest and Taxation	5	148,789	369,460	295,566
Interest Income	3	374	4,119	3,146
Finance Costs	7	(6,385)	(8,349)	(5,824)
Profit on Ordinary Activities before Taxation		142,778	365,230	292,888
Taxation	9	(65,593)	(173,435)	(137,154)
Profit for the Financial Year Attributable to the Equity Holders of the Company		77,185	191,795	155,734

The results above are entirely derived from continuing operations.

Statement of Comprehensive Income for the year ended 31 December

	Note	*2009* *€'000*	*2008* *€'000*	*2007* *€'000*
Profit for the Financial Year		77,185	191,795	155,734
Other Comprehensive Income for the Year, Net of Tax		—	—	—
Total Comprehensive Income for the Year, Net of Tax Attributable to Equity Holders of the Parent		77,185	191,795	155,734

Balance Sheet as at 31 December

	Note	2009 €'000	2008 €'000	2007 €'000
Non-Current Assets				
Intangible Assets	10	44,918	35,295	13,590
Property, Plant and Equipment	11	122,177	165,707	218,300
Investments	12	10	10	10
		167,105	201,012	231,900
Current Assets				
Inventories	13	935	1,309	1,066
Trade and Other Receivables	14	90,135	77,643	154,154
		91,070	78,952	155,220
Total Assets		258,175	279,964	387,120
Current Liabilities				
Trade and Other Payables	15	11,989	20,027	31,936
Current Tax	16	14,678	4,033	18,251
		26,667	24,060	50,187
Non-current Liabilities				
Provision for Deferred Taxation	9	33,906	35,377	20,071
Provision for Liabilities and Charges	17	92,428	98,538	91,668
		126,334	133,915	111,739
Net Assets		105,174	121,989	225,194
Equity Attributable to Equity Holders				
Called-up Share Capital	19	36,542	36,542	36,542
Retained Earnings		68,632	85,447	188,652
Total Equity		105,174	121,989	225,194

Statement of Changes in Equity for the year ended 31 December

	Note	*Share Capital €000's*	*Retained Earnings €000's*	*Total Equity €000's*
Equity at 1 January 2007		36,542	161,918	198,460
Profit for the Financial Year		—	155,734	155,734
Total Comprehensive (Loss)/Income		—	—	—
Dividends Paid	27	—	(129,000)	(129,000)
Equity at 31 December 2007		36,542	188,652	225,194
Profit for the Financial Year		—	191,795	191,795
Total Comprehensive (Loss)/Income		—	—	—
Dividends Paid	27	—	(295,000)	(295,000)
Equity at 31 December 2008		36,542	85,447	121,989
Profit for the Financial Year		—	77,185	77,185
Total Comprehensive Income/(Loss)		—	—	—
Dividends Paid	27	—	(94,000)	(94,000)
Equity at 31 December 2009 (note 26)		36,542	68,632	105,174

Cash Flow Statement for the year ended 31 December

	Note	*2009* *€'000*	*2008* *€'000*	*2007* *€'000*
Operating Activities				
Cash Generated from Operations	22	169,747	495,732	302,551
Taxation Paid		(55,495)	(174,564)	(155,375)
Interest Received		374	4,119	3,146
Interest Paid		(11)	(2,940)	(1,307)
Net Cash from Operating Activities		114,615	322,347	149,015
Investing Activities				
Expenditure on Intangible and Property, Plant & Equipment Assets		(20,615)	(29,861)	(20,015)
Receipts on Sale of D&P assets		—	(2,514)	—
Net Cash Invested in Investing Activities		(20,615)	(27,347)	(20,015)
Financing Activities				
Dividend Paid		(94,000)	(295,000)	(129,000)
Net Cash used in Financing Activities		(94,000)	(295,000)	(129,000)
Currency Translation Differences		—	—	—
Net (Decrease)/Increase in Cash and Cash Equivalents		—	—	—
Cash and Cash Equivalents at the Beginning of the Year		—	—	—
Cash and Cash Equivalents at the End of the Year		—	—	—

Notes to the Financial Statements

1 Authorisation of financial statements and statement of compliance with IFRS

Petro-Canada Netherlands B.V. ("PCNL") is a limited company incorporated and domiciled in The Netherlands. The Company is a wholly owned subsidiary of Petro-Canada (International) Holdings B.V., a company incorporated in The Netherlands which is a wholly owned subsidiary of Suncor Energy Inc, a company incorporated in Canada. The principal activities of PCNL are oil and gas exploration and production in the North Sea.

The historical financial information of Petro-Canada Netherlands B.V., for all years, is restated to comply with International Financial Reporting Standards ("IFRS") as adopted by the EU as they apply to the financial statements of the Dana Group for the year ended 31 December 2009. The financial statements are also consistent with IFRS as issued by the International Accounting Standards Board. The principal accounting policies adopted by the Company are set out in note 2.

The historical financial information is presented in € since that is the functional currency of the Company.

2 Accounting policies for the financial statements

The following accounting policies are applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of accounting

The financial information has been prepared using accounting policies consistent with IFRS and IFRIC Interpretations adopted by the European Union and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, except for certain fair value adjustments required by those accounting policies.

Accounting estimates

The Company's accounting policies make use of estimates and judgments in the following areas; Impairment, Depreciation, and Decommissioning. These are described in more detail in the relevant accounting policy and related notes to the Financial Statements.

Joint Ventures

The Company is engaged in oil and gas exploration, development and production through unincorporated joint ventures (together "Joint Ventures"). The Company accounts for its share of the results and net assets of these Joint Ventures as jointly controlled assets. In addition, where the Company acts as operator to the Joint Venture, the gross liabilities and receivables (including amounts due to or from non-operating partners) of the Joint Venture are included in the balance sheet.

Revenue

Revenue reflects actual sales value, net of VAT and overriding royalties, in respect of liftings sold. Due to the fact that the Company follows the entitlement basis, adjustments in respect of overlift (liftings greater than production entitlement) and underlift (production entitlement greater than liftings) are recorded in/against cost of sales at market value.

Interest income is recognised on an accruals basis and is disclosed separately on the face of the income statement.

Foreign currencies

The functional currency for the Company is the Euro.

Transactions in foreign currencies during the year are recorded in the functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates ruling at the balance sheet date.

Oil and gas expenditure

The Company accounts for oil and gas expenditure as follows:

Intangible assets – Exploration and Evaluation assets

Capitalisation

Certain costs (other than payments to acquire the legal right to explore) incurred prior to acquiring the rights to explore are charged directly to the income statement. All costs incurred after the rights to explore an area have been obtained, such as geological and geophysical costs and other direct costs of exploration (drilling, trenching, sampling and technical feasibility and commercial viability activities) and appraisal are accumulated and capitalised as intangible exploration and evaluation (E&E) assets.

E&E costs are not amortised prior to the conclusion of appraisal activities. At completion of appraisal activities if technical feasibility is demonstrated and commercial reserves are discovered, then, following development sanction, the carrying value of the relevant E&E asset will be reclassified as a development and production asset, but only after the carrying value of the relevant E&E asset has been assessed for impairment, and where appropriate, its carrying value adjusted. If after completion of appraisal activities in an area, it is not possible to determine technical feasibility and commercial viability or if the legal right to explore expires or if the Company decides not to continue exploration and evaluation activity, then the costs of such unsuccessful exploration and evaluation is written off to the income statement in the period the relevant events occur.

Impairment

If and when facts and circumstances indicate that the carrying value of an E&E asset may exceed its recoverable amount an impairment review is performed.

For E&E assets when there are such indications, an impairment test is carried out by grouping the E&E assets with the development & production assets belonging to the same geographic segment to form the Cash Generating Unit ("CGU") for impairment testing. The equivalent combined carrying value of the CGU is compared against the CGU's recoverable amount and any resulting impairment loss is written off to the income statement. The recoverable amount of the CGU is determined as the higher of its fair value less costs to sell and its value in use.

Property, plant and equipment – Development and Production assets

Capitalisation

Development and production (D&P) assets are accumulated into single field cost centres and represent the cost of developing the commercial reserves and bringing them into production together with the E&E expenditures incurred in finding commercial reserves previously transferred from E&E assets as outlined in the policy above.

Depreciation

a) Gas storage

Depreciation is provided at a rate calculated to write off the cost less estimated residual value of the gas storage asset on a straight-line basis. This rate is as follows:

- Gas storage 5%

b) Assets other than gas storage

Costs relating to each single field cost centre are depleted on a unit of production method based on the commercial proven and probable reserves for that cost centre. Development assets are not depreciated until production commences. The amortisation calculation takes account of the estimated future costs of development of recognised proven and probable reserves, based on current price levels. Changes in reserve quantities and cost estimates are recognised prospectively from the last reporting date.

Currently there are no significant items of property, plant and equipment deemed to have different useful lives.

Impairment

A review is performed for any indication that the value of the Company's D&P assets may be impaired.

For D&P assets when there are such indications, an impairment test is carried out on the CGU. Each CGU is identified in accordance with IAS 36. The Company's CGUs are those assets which generate largely independent cash flows and are normally, but not always, single development or production areas. If necessary, additional depletion is charged through the income statement if the capitalised costs of the CGU exceed the associated estimated future discounted cash flows of the related commercial oil and gas reserves.

Asset purchases and disposals

When a commercial transaction involves the purchase of a D&P asset in exchange for an E&E asset, the transaction is accounted for at fair value with the difference between fair value and cost being taken to the income statement.

When a commercial transaction involves the exchange of E&E assets of similar size and characteristics, no fair value calculation is performed. The capitalised costs of the asset being sold are transferred to the asset being acquired. However, where the size and characteristics of the E&E assets significantly differ, the transaction is accounted for at fair value with the difference between fair value and cost being taken to the income statement.

Proceeds from the entire disposal of an E&E asset are deducted from the capitalised costs of the asset with any surplus/deficit taken to the income statement as a gain or loss on sale. Proceeds from a part disposal of an E&E asset are deducted from the capitalised cost of the asset with any surplus taken to the income statement as a gain on sale.

Proceeds from the entire disposal of a D&P asset, or any part thereof, are taken to the income statement together with the requisite proportional net book value of the asset, or part thereof, being sold.

Decommissioning

The Company recognises the full discounted cost of decommissioning when the obligation to rectify environmental damage arises, principally on development sanction. The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding D&P asset of an amount equivalent to the provision is also created. This is subsequently depreciated as part of the capital costs of the D&P asset. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the D&P asset. The unwinding of the discount on the decommissioning provision is included as a finance cost.

Property, plant and equipment other than D&P assets

Property, plant and equipment other than D&P assets are stated in the balance sheet at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis at the following annual rates:

- Equipment 10% – 25%
- Computer equipment 33%

Finance costs and debt

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for the intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

Finance costs of debt are allocated to periods over the term of the related debt at a constant rate on the carrying amount. Arrangement fees and issue costs are amortised and charged to the income statement as finance costs over the term of the debt.

Inventories

Inventories comprise materials and equipment, which are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing the materials and equipment to its present condition and location.

Trade and other receivables

Trade receivables are recognised and carried at the original invoiced amount. Other receivables, excluding underlifted amounts, are measured at nominal value. Underlifted amounts are measured at market value in accordance with industry practice.

Trade and other payables

Trade and other payables, excluding overlifted amounts, are measured at cost. Overlifted amounts are measured at market value in accordance with industry practice.

Taxation

General

Statutory tax rates are:

- Corporation income tax (CIT):
  Taxable income until €200,000 at 20 per cent.
  Taxable income €200,000 and above at 25.5 per cent.

- State Profit Share (SPS):
  Taxable income at 50 per cent.

Note:
– Calculated SPS amount is a deductible expense for CIT
– 10 per cent. uplift for certain expenditures
– PGI gas storage activities are 22.5 per cent. SPS relevant

- Deferred tax is provided for at 50 per cent.

The combined statutory tax rate is approximately 48 per cent.

Current tax

Current tax is recognised as a liability to the extent unpaid or if the amount paid exceeds the amount due it is recognised as an asset. Current tax assets and liabilities are measured at the amount expected to be paid/recovered from the taxation authorities, using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred income tax is recognised on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the Company financial statements.

Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction (other than a business combination), that at the time of the transaction affects neither, accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets are recognised to the extent that it is probable that future income tax profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Pensions

The Company contributes to a Defined Contribution Scheme through Nationale-Nederlanden for Directors and employees up to a specified percentage of salary dependent on the age of the individual. Contributions are charged to the income statement as incurred.

Derivative financial instruments and hedging

The Company uses derivative financial instruments to manage its exposure to fluctuations in foreign exchange rates, interest rates and movements in oil and gas prices.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are remeasured at their fair value at each subsequent reporting date.

Derivatives embedded in other financial instruments or non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported in the income statement.

Fair value estimation of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the reporting date. The fair value of foreign exchange contracts is determined using forward exchange market rates at the balance sheet date. Other financial instruments are valued using standard pricing models or discounted cash flow techniques.

Operating leases

Rentals under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Maintenance expenditure

Expenditure on major maintenance, refits or repairs is capitalised where it enhances the life or performance of an asset above its originally assessed standard of performance; replaces an asset or part of an asset which was separately depreciated and which is then written off; or restores the economic benefits of an asset which has been fully depreciated. All other maintenance expenditure is charged to the income statement as incurred.

Cash and cash equivalents

To optimise Group treasury activities the Company uses centralised corporate bank accounts. These balances are reported under receivables.

Share based payments

The Company participated in the former Petro-Canada Corporate stock option plan. According to this plan options to buy Petro-Canada common stock were granted to directors and certain employees. The stock options had a maximum term of 7 years, vested over periods of up to 4 years and were exercisable at the market prices for the shares on the dates that the options were granted. As a result of the merger of Petro-Canada with Suncor this plan was abolished. Since 1 August 2009, no new stock options have been granted.

All existing Petro-Canada stock options were converted to 1.28 Suncor stock options. This was in line with the share conversion of Petro-Canada shares to Suncor.

All expenses related to the stock option cost were carried by Suncor Energy Inc, Calgary. The Company did not reflect any cost in the accounts. Under Dana Petroleum group policies the Company would be required to reflect a cost in the accounts, however, due to the fact that the schemes would have different assumptions and fair values no adjustment has been made for these costs in these accounts. Also, the Suncor Schemes will cease to exist prior to Completion.

Impact of new standards and interpretations

The Company has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2009:

IFRS 2: Share based payment – Vesting Conditions and Cancellations

This standard has been amended to clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. The adoption of this amendment did not have any impact on the financial position or performance of the Company.

IFRS 7: Financial Instruments: Disclosures

This standard requires enhanced disclosure relating to the fair value measurements and liquidity risk of financial instruments. The adoption of the revised standard has not had any impact on the Company's reported income or net assets and the required disclosure is detailed throughout the financial statements.

IFRS 8: Operating Segments

This standard requires disclosure of information about the Company's operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Company. Adoption of this standard did not have any effect on the financial position or performance of the Company. The Company determined that it has one operating segment which is Europe and the required disclosure is detailed throughout the financial statements.

IAS 1: Revised Presentation of Financial Statements

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income. It presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Company has elected to present two statements. The adoption of the revised standard has not impacted the financial position or performance of the Company.

IAS 23: Borrowing Costs

The standard has been revised to require capitalisation of borrowing costs on qualifying assets. This is already in line with the Company's current accounting policy.

IAS 32: Financial Instruments: Presentation and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation

The standards have been amended to allow a limited scope exception for puttable financial instruments to be classified as equity if they fulfill a number of specified criteria. The adoption of these amendments did not have any impact on the financial position of performance of the Company.

No IFRIC issued in the period has had an impact on the Company.

In May 2008 and April 2009 the IASB issued an omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The amendments applicable to 31 December 2009 did not have any impact on the accounting policies, financial position or performance of the Company and it is not anticipated that the improvements effective for periods after 31 December 2009 will have any impact on the Company.

The following standards and interpretations have been issued but not yet adopted and will be applicable to the Company:

International Accounting Standards (IAS/IFRS)	*Accounting Periods Commencing After*
• IFRS 2 Group Cash-settled share based payment arrangements	1 January 2010
• IFRS 3 Business Combinations (Revised)	1 July 2009
• IAS 27 Consolidated and Separate Financial Statements	1 July 2009
• IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (Amendment)	1 July 2009
• IFRIC 17 Distributions of Non-cash Assets to Owners	1 July 2009

IFRS 2: Group Cash-settled share based payment arrangements

The IASB issued an amendment to IFRS 2 that clarifies the scope and the accounting for group cash-settled share based payment transactions. The Company does not expect the standard to have an impact on the Company.

IFRS 3: Business Combinations (Revised) and IAS 27: Consolidated and Separate Financial Statements (Amended)

IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after this date. Changes affect the valuation of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results. IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by IFRS 3 (Revised) and IAS 27 (Amended) will affect any future acquisitions or loss of control of subsidiaries and transactions with non-controlling interests.

IAS 39: Financial Instruments: Recognition and Measurement

Eligible Hedged Items – the amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Company has concluded that the amendment will have no impact on the financial position or performance of the Company, as the Company has not entered into any such hedges.

IFRIC 17: Distributions of Non-cash Assets to Owners

It provides guidance on how to account for non-cash distributions to owners. The interpretation clarifies when to recognise a liability, how to measure it and the associated assets, and when to derecognise the asset and liability. The Company does not expect IFRIC 17 to have an impact on the financial statements.

No other standard or interpretation issued in the period is expected to have an impact on the Company.

3 Revenue

Revenue disclosed in the income statement is analysed as follows:

	2009 *€'000*	*2008* *€'000*	*2007* *€'000*
Oil, gas and condensate sales	214,354	460,401	423,553
Gas storage Income	11,480	11,402	11,338
Other revenue	2,142	1,914	2,372
Revenue	227,976	473,717	437,263
Interest from group companies (financial assets not at fair value through profit and loss)	146	2,556	2,920
Interest income other (financial assets not at fair value through profit and loss)	228	1,563	226
Total revenue	228,350	477,836	440,409

No revenue was derived from the exchange of goods and services (2008 & 2007: £Nil).

Other revenue includes amounts receivable in respect of third party tariff income.

4 Segment information

As described in note 2 and in accordance with IFRS 8, Operating Segments, the Company has one reportable operating segment as follows:

Europe – The Company is currently involved in the exploration, development and production of hydrocarbons in this geographic location.

No operating segments have been aggregated to form the above reportable operating segment.

Management monitors the operating results of this business unit. No further disclosures other than as disclosed in the following tables is required in relation to the business unit as all the relevant disclosure is already detailed throughout these financial statements.

Revenues from major products and services

The Company's revenues from its major products and services were as follows:

	2009 *€'000*	*2008* *€'000*	*2007* *€'000*
Oil	134,595	330,185	327,634
Gas	79,187	128,860	94,591
Condensate	572	1,356	1,328
Gas Storage Income	11,480	11,402	11,338
Tariff income	2,142	1,914	2,372
Total revenue	227,976	473,717	437,263

Geographical Information

The Company's revenue from external customers and information about its segment assets by geographical location are detailed below:

	2009 *€'000*	*2008* *€'000*	*2007* *€'000*
Netherlands	127,479	259,749	343,744
Germany	51,915	119,026	53,008
UK	28,584	—	16,872
Sweden	14,122	56,956	7,037
Other	5,876	37,986	16,602
Total revenue	227,976	473,717	437,263

Information about Major Customers

Included in revenues arising from Europe are revenues of approximately €215,378,000 (2008: €445,619,000, 2007: €384,516,000), which arose from sales to the Company's four largest customers.

5 Profit on operating activities before interest and taxation

Profit on operating activities before interest and taxation is stated after charging/(crediting):

	2009 *€'000*	*2008* *€'000*	*2007* *€'000*
Depreciation (note 11)	37,943	66,750	93,710
Asset impairment (note 11)	4,089	—	—
Net (under)/over lifted production movement	(5,115)	2,351	(4,347)
Net foreign exchange differences	219	(2,220)	2,177
Operating lease rentals	943	888	811
Gain on sale of D&P assets (note 11)	—	(6,904)	—
Exploration and Evaluation: Expense			
– Pre licence expenditure	987	739	555

6 Auditors' remuneration

	2009 *€'000*	*2008* *€'000*	*2007* *€'000*
Audit of the Company's accounts	80	80	80
Other fees to auditors:			
– Taxation services	121	79	420

None of the fees above relate to Ernst & Young LLP who are the auditors of Dana Petroleum.

7 Finance costs

	2009 *€'000*	*2008* *€'000*	*2007* *€'000*
Unwinding of decommissioning discount (note 17)	6,374	5,409	4,517
Other finance costs – interest costs	11	2,940	1,307
Total finance costs	6,385	8,349	5,824

8 Employment costs

	2009 *€'000*	*2008* *€'000*	*2007* *€'000*
Wages and salaries	6,361	6,377	5,867
Pension costs	701	597	433
Social security costs	481	431	440
Total	7,543	7,405	6,740

The weighted average number of employees (including Executive Directors) during the year was:

	2009	*2008*	*2007*
Technical and administration, incl. management	91	81	63

In addition to the employees who have a contract with the Company, there are four expatriates employed by Petro-Canada UK Ltd, working in The Hague office under a long-term assignment contract in 2009 (2008: 5, 2007: 6).

9 Taxation

a) *Analysis of Tax on profit on ordinary activities*

	2009 *€'000*	*2008* *€'000*	*2007* *€'000*
Current Taxation			
Corporation tax	67,066	158,128	127,039
Total current tax charge	67,066	158,128	127,039
Deferred Taxation			
Deferred corporation tax	(1,473)	15,307	10,115
Total deferred tax charge/(credit)	(1,473)	15,307	10,115
Total tax charge in the income statement	65,593	173,435	137,154

No tax was charged or credited to equity.

b) *Reconciliation of the total tax charge*

The tax charge for the year is lower than the weighted average rate for the year. The difference is explained below:

	2009 *€'000*	*2008* *€'000*	*2007* *€'000*
Profit on ordinary activities before tax	142,778	365,230	292,888
Tax at the weighted average rate of corporation tax of 48% (2008: 48%, 2007: 48%)	68,533	175,310	140,586
Income not liable to state profit share tax	(2,940)	(1,875)	(3,432)
Total tax expense reported in the income statement	65,593	173,435	137,154

c) *Deferred taxation*

Deferred tax included in the Company balance sheet is as follows:

	2009 *€'000*	*2008* *€'000*	*2007* *€'000*
Deferred tax liability			
Accelerated capital allowances	42,813	38,187	22,233
Other temporary differences	(8,907)	(2,810)	(2,162)
	33,906	35,377	20,071

The deferred tax included in the Company income statement is as follows:

Deferred tax in the income statement			
Accelerated capital allowances	4,626	15,954	14,572
Other temporary differences	(6,099)	(647)	(4,457)
Deferred tax charge/(credit)	(1,473)	15,307	10,115

10 Intangible assets

The movements during the years were as follows:

	Exploration and Evaluation Assets €'000
Cost and net book value:	
At 1 January 2007	1,717
Additions	11,873
At 31 December 2007	13,590
Additions	21,705
At 31 December 2008	35,295
Additions	9,623
At 31 December 2009	44,918

Exploration and Evaluation

Additions to exploration and evaluation assets represent the ongoing execution of the underlying work programmes and the fulfillment of individual licence requirements.

11 Property, plant and equipment

The movements during the years were as follows:

	Development and Production assets €'000	*Other €'000*	*Total €'000*
Cost:			
At 1 January 2007	651,999	4,544	656,543
Additions	24,968	1,398	26,366
At 31 December 2007	676,967	5,942	682,909
Additions	14,099	213	14,312
Disposal	(15,483)	—	(15,483)
At 31 December 2008	675,583	6,155	681,738
Additions	(1,587)	89	(1,498)
At 31 December 2009	673,996	6,244	680,240
Depletion and depreciation:			
At 1 January 2007	368,627	2,272	370,899
Provided in year (note 5)	92,354	1,356	93,710
At 31 December 2007	460,981	3,628	464,609
Disposal	(15,328)	—	(15,328)
Provided in year (note 5)	66,278	472	66,750
At 31 December 2008	511,931	4,100	516,031
Impairment of assets (note 5)	4,089	—	4,089
Provided in year (note 5)	37,429	514	37,943
At 31 December 2009	553,449	4,614	558,063
Net book value			
At 31 December 2009	120,547	1,630	122,177
At 31 December 2008	163,652	2,055	165,707
At 31 December 2007	215,986	2,314	218,300
At 1 January 2007	283,372	2,272	285,644

The net book value of D&P assets at 31 December 2009 includes an amount of £Nil in respect to assets under the course of construction (2008: €3,775,000, 2007: €6,429,000).

In April 2008, the obsolete assets of P15 oil production were sold for €2,514,000. A gain of €6,904,000 has been recognised in the income statement in relation to the disposal (note 5).

12 Investments

	2009 *€'000*	*2008* *€'000*	*2007* *€'000*
Holdings in affiliated companies	10	10	10

	Share in issued capital in %
P15 a,b (Groep) BV, The Hague	10.66
P15 c (Groep) BV, The Hague	8.56
P18 c (Groep) BV, The Hague	3.75

	2009 *€'000*	*2008* *€'000*	*2007* *€'000*
P15 a,b (Groep) BV, The Hague	5	5	5
P15 c (Groep) BV, The Hague	4	4	4
P18 c (Groep) BV, The Hague	1	1	1

All of the above affiliates are incorporated in The Netherlands and are 'cost companies' which are obligatory in The Netherlands for production licences with State participation.

13 Inventories

	2009 *€'000*	*2008* *€'000*	*2007* *€'000*
Materials and equipment	935	1,309	1,066

14 Trade and other receivables

	2009 *€'000*	*2008* *€'000*	*2007* *€'000*
Trade receivables (note 18)	29,775	44,912	61,813
Other receivables and prepayments	12,545	7,248	6,207
Receivables from group companies (note 18)	47,815	25,483	86,134
	90,135	77,643	154,154
Ageing analysis of trade receivables – within 30 days	29,775	44,912	61,813

Intercompany receivables bear no interest (apart from the cash clearing account) and fall due in less than one year. See note 18 for details of the interest charged on the cash clearing account.

No bad debts exist at the year end (2008: €Nil, 2007: €Nil).

15 Trade and other payables

a) *Current liabilities*

	2009 *€'000*	*2008* *€'000*	*2007* *€'000*
Trade and other payables (note 18)	136	4,549	6,620
Payables to group companies	4,463	5,361	12,576
Accruals and deferred income	7,390	10,117	12,740
	11,989	20,027	31,936

16 Current tax

	2009 €'000	2008 €'000	2007 €'000
State profit share taxation	14,678	4,033	18,251
	14,678	4,033	18,251

17 Provisions for liabilities and charges

Decommissioning provision

	2009 €'000	2008 €'000	2007 €'000
At 1 January	98,538	91,668	69,218
New provisions and changes in estimates	(12,478)	6,002	18,224
Unwinding of discount (note 7)	6,374	5,409	4,517
Release of provision on sale of assets	—	(4,543)	—
Expenditure incurred	(6)	2	(291)
At 31 December	92,428	98,538	91,668

The decommissioning provision of €92,428,000 (2008: €98,538,000, 2007: €91,668,000) relates primarily to the Company's production and development facilities. These costs are expected to be incurred at various intervals over the next 17 years. The provision has been estimated using existing technology at current prices, escalated at 2.5 per cent., and discounted at 7 per cent. The economic life and the timing of the decommissioning liabilities are dependent on Government legislation, commodity price and the future production profiles of the respective production and development facilities. In addition, the costs of decommissioning are subject to inflationary/deflationary pressures in the cost of third party service provision.

18 Financial instruments

An outline of the objectives, policies and strategies pursued by the Company in relation to financial instruments is set out in note 2 of these accounts.

Nature and extent of risk associated with financial instruments

Market risk

As an upstream oil & gas company, the Company is subject to many risks, at both the macro and micro level, including currency, interest and credit risk, arising in the normal course of the Company's business.

These risks are considered typical for an upstream company of PCNL's size.

Medium Probability	*High Probability*
High Impact	
Taxation – legislation changes	Material fall in oil and gas price
Significant cost over-runs on major development projects	
Inability to finance work programme	
HS&E incidents	
Loss of key employees	
Inability to deliver key projects	
Failure of third party services	
Medium Impact	
Commercial misalignment with coventurers	Exploration well failure
Poor reservoir performance	
Default of co-venturer	
Lack of operational resources	

In particular, this highlights a number of risks which have emerged as a result of the rapid deterioration of the global economy into recession and the liquidity and credit crises in the world banking markets. Risks such as inability to finance work programmes, or potential default of co-venturers and suppliers are all now higher profile risks facing the sector and the Company. The Company is currently self funding with the ability to receive intercompany finance if necessary for larger projects. Also, the Company continues to generally partner with larger, well- established upstream companies, so believes it has substantially mitigated these risks.

The Company remains unhedged with respect to commodity price, interest rates and currency fluctuations. Specific financial instrument risks are therefore deemed to be of low probability in nature and of low impact in quantum relative to the macro risks highlighted above. It is against this backdrop and context that the following disclosure on the nature and extent of risks from financial instruments is provided.

Financial assets and liabilities: credit risk

Credit risk is not considered a significant issue of the Company as described further below:

Cash Clearing

To optimise treasury activities, the Company uses centralised corporate bank accounts. Cash balances are settled via cash clearing and reported under intercompany receivables.

These cash clearing accounts will bear interest on their daily balance at the monthly market rate. The rate for each month is the overnight LIBOR - 0.25 for credit balances and LIBOR - 0.50 for debit balances quoted by the BBA (British Bankers Association) on the 15th calendar day of the month. If the 15th is not a business day then the rate for the previous day is used.

Cash clearing balances are held at call with maturities of less than 12 months. The fellow subsidiary holding the cash clearing balance is Petro-Canada International GMBH.

Trade and other receivables

The Company's exposure to credit risk in trade receivables is minimal.

Oil is sold to a company which is part of the Petro-Canada Group which is a creditworthy party of an international oil and gas company.

Sales of gas are sold under long-term contracts with GasTerra which is the Dutch government designated servicer with significant market power. Each contract has built in escalation mechanisms to promote stable economic prices.

The Company has had no credit issues in the past and typically invoices are paid within the 30 day payment terms.

As of 28 February 2010, 100 per cent. of receivables outstanding at the year end had been collected.

The maximum credit risk exposure relating to financial assets and liabilities is represented by their carrying value as at the balance sheet date as set out in the summary table below.

Financial assets and liabilities: Liquidity risk

The Company's liquidity risk arises from the possibility that it may not be able to settle or meet its obligations as they fall due. This is a core management activity and is regularly reviewed by Directors. Operational, capital and regulatory requirements are amongst the matters considered in the management of liquidity risk, in conjunction with the Company's short- and long-term forecast information. The Company believes it has minimal liquidity risk due to the fact that at the moment it is self funding, has no external debt and has significant cash clearing and intercompany receivable balances as noted below:

Cash Clearing and Intercompany receivables

As at 31 December 2009, the Company had Intercompany receivables (which include the cash clearing account) of €47,815,000 (2008: €25,483,000, 2007: €86,134,000). These are all repayable in less than one year.

Financial assets and liabilities: Interest rate risk

Details of the Company's interest rate risk profile on financial assets and liabilities is set out below:

Intercompany interest is earned on cash clearing balances. See above for rates applicable to cash clearing balances.

Financial assets

	Fixed rate €000's	*Floating rate €000's*	*Total €000's*
2009			
Cash Clearing	47,420	—	47,420
2008			
Cash Clearing	25,292	—	25,292
2007			
Cash Clearing	85,271	—	85,271

Financial liabilities

The other financial instruments of the Company are non-interest bearing and are therefore not subject to interest rate risk.

Changes in interest rates on the Company's financial liabilities have an insignificant impact on the Company's earnings.

Financial assets and liabilities: Currency risk

The predominant functional currency within the Company is Euro but due to the Company's USD oil sales, the Company does remain exposed to fluctuations in the USD currency, the primary area of currency risk. Such exposures can be hedged against using financial instruments but the Company takes the view that this would be inconsistent with the Company's unhedged position on commodity price, given the historic inverse correlation between movements in the price of oil and movements in the USD.

Whilst this approach may give rise to currency exchange gains and losses, these are in effect largely offset by corresponding gains and losses in the value of crude oil sales.

In cash terms the Company is long Euro and long USD. The following table demonstrates the sensitivity to a reasonably possible change in the USD exchange rate, with all other variables held constant, on the Company's profit before tax and the Company's equity.

	Increase/decrease in US Dollar rate	*Effect on profit before tax € '000*	*Effect on equity € '000*
2009	(+ or -) 10%	11,554	—
2008	(+ or -) 10%	33,032	—
2007	(+ or -) 10%	42,465	—

Details of the Company's current exposure to USD in its financial assets and liabilities, is set out in the following summary table.

Fair values of financial assets and financial liabilities: Summary

Set out below is a comparison by category of carrying amounts and foreign currency exposure of all of the Company's financial assets and liabilities as at 31 December. The fair values of the financial assets and liabilities generally approximate to the carrying values.

2009	*Source Currency*	*Cash and receivables €'000*	*Other financial assets and liabilities at amortised cost €'000*
Financial assets			
Trade receivables	€/Other	17,365	—
	USD	12,410	—
		29,775	—
Intercompany receivables	€/Other	47,545	—
	USD	270	—
		47,815	—
Financial liabilities			
Trade and other payables	€/Other	—	131
	USD	—	5
		—	136
Intercompany payables	€/Other	—	4,410
	USD	—	53
		—	4,463

2008	*Source Currency*	*Cash and receivables €'000*	*Other financial assets and liabilities at amortised cost €'000*
Financial assets			
Trade receivables	€/Other	34,678	—
	USD	10,234	—
		44,912	—
Intercompany receivables	€/Other	25,102	—
	USD	381	—
		25,483	
Financial liabilities			
Trade and other payables	€/Other	—	757
	USD	—	3,792
		—	4,549
Intercompany payables	€/Other	—	5,361
	USD	—	—
		—	5,361

2007	Source Currency	Cash and receivables €'000	Other financial assets and liabilities at amortised cost €'000
Financial assets			
Trade receivables	€/Other	22,689	—
	USD	39,124	—
		61,813	—
Intercompany receivables	€/Other	85,941	—
	USD	193	—
		86,134	—
Financial liabilities			
Trade and other payables	€/Other	—	4,155
	USD	—	2,465
		—	6,620
Intercompany payables	€/Other	—	12,576
	USD	—	—
		—	12,576

The following significant exchange rates were applied during the reporting periods:

	Average rate 2009 €	Average rate 2008 €	Average rate 2007 €	Year end spot rate 2009 €	Year end spot rate 2008 €	Year end spot rate 2007 €
USD	1.39478	1.47076	1.37048	1.44060	1.39170	1.47210
GBP	0.89094	0.79628	0.68434	0.88810	0.95250	0.73335

19 Called-up share capital

	Number of €1,000 Ordinary	€'000
Authorised ordinary shares		
At 1 January 2007, 31 December 2007, 31 December 2008 and 31 December 2009	50,000	50,000

	Number of €1,000 Ordinary	€'000
Allotted, called up and fully paid ordinary shares		
At 1 January 2007, 31 December 2007, 31 December 2008 and 31 December 2009	36,542	36,542

At 31 December 2009, the issued share capital of the Company was represented by 36,542 ordinary shares of €1,000 each (2008: 36,542, 2007: 36,542).

Capital Structure

The Company's management remains committed to delivering and enhancing shareholder value, and building upon the progress made during recent years. The Directors continue to believe that this can best be achieved by investing in the existing asset portfolio and investing in exploration and development assets for further growth.

Capital for the Company is equity attributable to the equity holders of the company, and is detailed in the Statement of Changes in Equity.

	2009	2008	2007
	€'000	*€'000*	*€'000*
Borrowings and financial liabilities	—	—	—
Less Cash and cash equivalents	—	—	—
Net debt/(funds)	—	—	—
Capital	105,174	121,989	225,194
Gearing ratio	n/a	n/a	n/a

To optimize treasury activities, Petro-Canada Netherlands BV uses centralized corporate bank accounts. Cash balances are settled via cash clearing and reported under receivables.

20 Share-based payments

Stock option plan – 2009

The company participates in the former Petro Canada Corporate stock option plan. According to this plan options to buy Petro-Canada common stock (shares of Petro-Canada listed at the Stock Exchange of Toronto and New York) were granted to directors and certain employees. The stock options have a maximum term of 7 years, vest over periods of up to 4 years and are exercisable at the market prices for the shares on the dates that the options were granted. As a result of the merger of Petro-Canada with Suncor this plan was abolished. Since 1 August 2009, no new stock options have been granted. Existing options remain valid.

All existing Petro-Canada stock options were converted to 1.28 Suncor stock options. This was in line with the share conversion of Petro-Canada shares to Suncor.

All expenses related to the stock option cost are carried by Suncor Energy Inc, Calgary. The Company does not reflect any cost in the accounts. Under Dana Petroleum group policies the Company would be required to reflect a cost in the accounts, however, due to the fact that the schemes would have different assumptions and fair values no adjustment has been made for these costs in these accounts.

Changes in number of outstanding stock options in 2009:

	Directors		*Employees*		*TOTAL*	
	Number	*Price*	*Number*	*Price*	*Number*	*Price*
Balance 31-12-2008 (PC)	69,100	$41.64	274,621	$45.09	343,721	$42.81
Balance 31-12-2008 (Suncor)	88,448	$32.53	351,515	$35.23	439,963	$34.69
Granted in 2009	18,560	$19.44	190,016	$19.44	208,576	$19.44
Excercised in 2009	—	—	(8,692)	$39.04	(8,692)	$39.04
Cancelled in 2009	—	—	(87,451)	—	(87,451)	—
Balance 31-12-2009	107,008	$30.26	445,388	$29.11	552,396	$29.33
Excercisable stock options as at December 31, 2009	56,864	$30.32	136,460	$35.08	193,324	$33.68

Outstanding stock options as at December 31, 2009 for Directors

number	107,008
year	2003 – 2009
exercise price	$30.26
expiration date	2010 – 2016

Outstanding stock options as at December 31, 2009 for Employees

number	445,388
year	2003 – 2009
exercise price	$29.11
expiration date	2010 – 2016

Prices mentioned above are in Canadian dollars.

Stock option plan – 2008

The company participates in the former Petro Canada Corporate stock option plan. According to this plan options to buy Petro-Canada common stock (shares of Petro-Canada listed at the Stock Exchange of Toronto and New York) were granted to directors and certain employees. The stock options have a maximum term of 7 years, vest over periods of up to 4 years and are exercisable at the market prices for the shares on the dates that the options were granted.

Changes in number of outstanding stock options in 2008:

	Stock Options	*Weighted average exercise price*
Balance 31-12-2007	223,906	42.89
Granted in 2008	135,077	45.33
Excercised in 2008	(7,262)	49.83
Cancelled in 2008	(8,000)	—
Balance 31-12-2008	343,721	42.81

Outstanding stock options as at December 31, 2008

number	343,721
year	2002 – 2008
exercise price	42.81
expiration date	2009 – 2015

Exercisable stock options as at December 31, 2008

number	104,544
exercise price	40.89

Stock option plan – 2007

The company participates in the former Petro Canada Corporate stock option plan. According to this plan options to buy Petro-Canada common stock (shares of Petro-Canada listed at the Stock Exchange of Toronto and New York) were granted to directors and certain employees. The stock options have a maximum term of 7 years, vest over periods of up to 4 years and are exercisable at the market prices for the shares on the dates that the options were granted.

Changes in number of outstanding stock options in 2007

	Stock Options	*Weighted average exercise price*
Balance 31-12-2006	136,127	43.24
Granted in 2007	112,960	43.96
Exercised in 2007	(20,881)	—
Cancelled in 2007	(4,300)	—
Balance 31-12-2007	223,906	42.89

Outstanding stock options as at December 31, 2007

number	223,906
year	2001 – 2007
exercise price	42.89
expiration date	2008 – 2014

Exercisable stock options as at December 31, 2007

number	11,212
exercise price	27.43

21 Reconciliation of movements in equity

The reconciliation of movements in equity is detailed in the Group Statement of Changes in Equity on page 37. The following is a description of the nature and purpose of each reserve:

Share capital

The balance classified as share capital is the nominal value on issue of the Group's equity share capital, comprising Euro 1,000 ordinary shares.

22 Net cash flows from operating activities

	2009 *€'000*	*2008* *€'000*	*2007* *€'000*
Profit for the Financial Year	77,185	191,795	155,734
Depreciation	37,943	66,750	93,710
Asset impairment	4,089	—	—
Interest income	(374)	(4,119)	(3,146)
Finance Costs	6,385	8,349	5,824
Taxation	65,593	173,435	137,154
Exchange difference	219	(2,220)	2,177
Exploration and evaluation expense	987	739	555
Gain on sale of D&P assets	—	(6,904)	—
Movements in working capital:			
Inventory movement	793	550	178
Receivables movement	(25,680)	94,239	(43,416)
Payables movement	2,607	(26,882)	(46,219)
Cash Generated from Operating Activities	169,747	495,732	302,551

23 Capital commitments

The Company has commitments for future capital expenditure of €32 million (2008: €16.7 million, 2007: €26.9 million).

24 Obligations under operating leases

Minimum lease payments under operating leases are as follows:

	Land and Buildings 2009 €'000	*Land and Buildings 2008 €'000*	*Land and Buildings 2007 €'000*
Amounts payable on leases due:			
within one year	1,000	1,025	999
in two to five years	999	788	1,813
after five years	—	—	—

Rentals due under operating leases are charged against income on a straight line basis over the term of the lease.

25 Related party transactions

a) ***Key Management Personnel***

The Group defines key management personnel as the Directors of the Company. There are no transactions with Directors in the year (2008 and 2007: Nil).

b) ***Other Related Parties***

Intercompany

Intercompany balances between the Company and its fellow subsidiaries are detailed in the following table:

	31 December 2009 €'000	*31 December 2008 €'000*	*31 December 2007 €'000*
Receivable from Petro-Canada Palmyra BV	258	97	—
Receivable from Petro-Canada Germany GMBH	—	16	88
Receivable from Petro-Canada Venezuele SA	21	21	23
Receivable from Petro-Canada Norge SA	66	57	41
Receivable from Petro-Canada Inc	—	—	3
Receivable from Petro-Canada UK Ltd	—	—	708
Receivable from Petro-Canada Oil North Africa GMBH	50	—	—
Cash Clearing Account (Petro-Canada International GMBH)	47,420	25,292	85,271
Total Receivables	47,815	25,483	86,134
Liability to Petro-Canada (international) Holdings BV	3,363	4,212	5,441
Liability to Suncor Energy	362	259	—
Liability to Petro-Canada UK Ltd	684	858	2,946
Liability to Petro-Canada Germany GMBH	8	—	6
Liability to Petro-Canada Trinidad and Tobago	5	—	—
Liability to Petro-Canada International GMBH	—	—	7
Liability to Petro-Canada Inc	—	—	176
Liability to Petro-Canada UK Trading Ltd	41	32	—
Liability to Affiliate Companies (note 12)	—	—	4,000
Total payables	4,463	5,361	12,576

The company is part of a fiscal unity for corporate income tax and for that reason it is jointly and severally liable for the tax liabilities of the whole fiscal unity.

26 Pensions

The Company contributes to Defined Contribution scheme for Directors and employees up to a specified percentage of salary dependent on the age of the individual. Total pension contributions amounted to €701,000 (2008: €597,000 and 2007: €433,000) for the year ended 31 December 2009.

27. Dividends Paid

The Board of Directors approved the distribution of dividends to the shareholder as follows:

	€'000
2009	94,000
2008	295,000
2007	60,500[(1)]
	449,500

(1) Note that a final 2006 dividend of €68,500,000 was also made during 2007. Total dividend distributed in 2007 was €129,000,000.