

NATIONAL HYDROCARBONS COMPANY

N.H.C

STATE'S PETROLEUM JOINT VENTURES EQUITY MANAGEMENT

AUDITOR'S GENERAL REPORT

FINANCIAL STATEMENTS

PERIOD ENDED DECEMBER 31ST, 2013

In our capacity as auditor, we hereby present our report on the financial statement for year ended 31 December, 2013 which contains:

- the examination of the accompanying financial statements of NATIONAL HYDROCARBONS COMPANY (NHC), State's Petroleum joint ventures equity management, presented in CFA Francs,
- our opinion on the financial statements for the period ended December 31, 2013.
- the specific procedures and disclosures prescribed by law, for the period ended December 31ST, 2013.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.



I. ANNUAL FINANCIAL STATEMENTS

Our audit engagement was carried out on the financial statements having the following significant figures (in million FCFA) as at December 31st, 2013:

– Total balance sheet	:	1 454 164
– Oil and gas sales revenue	:	841 287
– Net income (before transfers to states accounts):		697 700
– Bank and cash in hand	:	364 158

2. OUR METHODOLOGICAL APPROACH

In carrying out our mission as auditors, we implemented all necessary diligence to enable us to form an opinion on whether the financial statements of National Hydrocarbons Corporation (NHC) State's Petroleum joint ventures equity management present a true and fair view. We have audited the financial statements in accordance with professional standards applicable to Cameroon and, accordingly, performed such auditing procedures as we considered necessary in the circumstances in compliance with OHADA Act.

The performance of our diligences led us to:

- assess the procedures and internal controls at the company's level in order to identify potential risk areas in the accounts and to define the schedule and scope of the samples to be tested substantively in the accounts;



- appreciate the physical stock-take report as at 31st December 2013;
- make a direct confirmation request for the balances and information with third parties that conducted businesses with the company, including banks, customers, suppliers, lawyers, insurers and affiliated companies;
- Implement our audit procedures after defining the risk of material misstatements for each account or group of accounts.

3. CONCLUSIONS OF OUR ENGAGEMENT

3.1 REVIEW OF THE INTERNAL CONTROL PROCEDURES

As far as the significant processes are concerned, internal control weaknesses have been noticed during our audits and brought to the attention of the management.

3.2 ASSESSMENT OF ACCOUNTS

Except as noted below, we are not aware of any other significant matters that need to be brought to your attention.

We believe that our audit provides a reasonable basis for our opinion.



4. OPINION ON THE ANNUAL FINANCIAL STATEMENTS

In our opinion, the financial statements of State's petroleum joint-ventures equity management present fairly, in conformity with generally accepted accounting principles, those arising from Oil contracts and SNH Mandate giving by the State, the financial position of the State's equity at December 31st, 2013 and the results of its operations for the year then ended.

5. SPECIFIC AUDIT PROCEDURES

We have carried out specific audit procedures required by international standards and the OHADA Act.

Except the potential impact of points raised and brought to the attention of management in the management letter, we do not have any special point to raise as for the truth and fair view or the conformity of the information provided on the financial statements with the said financial statements.

CAMEROUN AUDIT CONSEIL

Jérôme MINLEND
Partner

August 5th, 2014