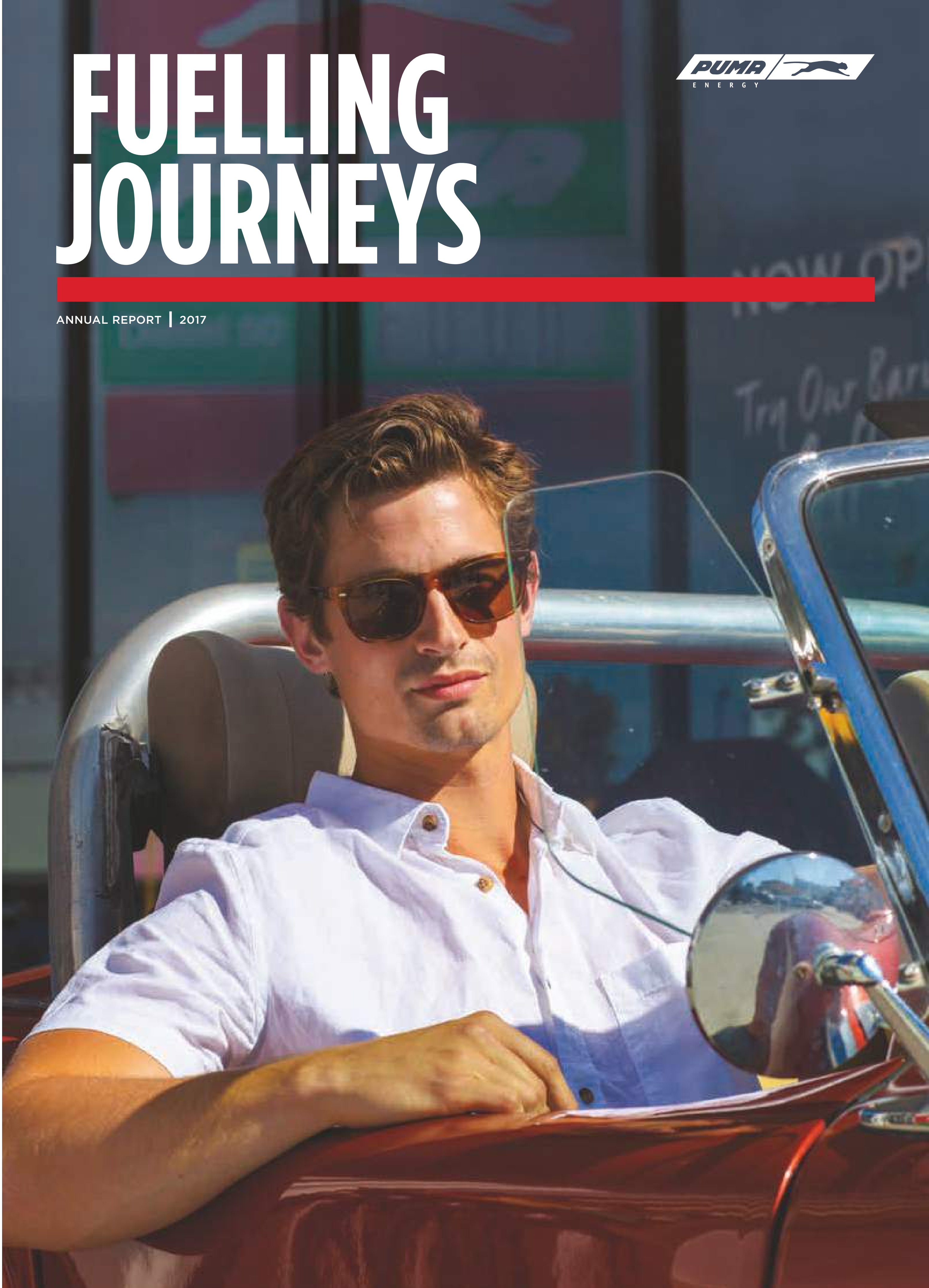
FUELLING JOURNEYS

ANNUAL REPORT | 2017



CONTENTS

At Puma Energy, our pioneering, passionate and performance-driven spirit delivers authentic customer experiences that make a real difference to the businesses and communities we serve.

We are there around the clock, always ready to provide what our customers need – from the petrol and diesel that fuel their journeys, to the full range of high-quality products we supply to many of the world's largest airlines, mining and construction companies and power suppliers.

RISE AND SHINE

08:00

AUSTRALIA

We are individual and unique, and so are our customers. From sunset to sunrise we help them fill up with fuel, grab a coffee, clean their car and put a shine on their day.

www.instagram.com/fuelling_journeys/

1

BUSINESS OVERVIEW

PUMA ENERGY KEY STATISTICS

Whether our customers are working hard to expand their business, or setting out on the journey of a lifetime, we can help. Puma Energy's dynamic approach to fuelling customers and round-the-clock service ensures they always have what they need.

49
COUNTRIES

104
TERMINALS

8.3m m³
TOTAL STORAGE CAPACITY

1,600
TRUCKS LOADED EVERY DAY

16,634k m³
THROUGHPUT VOLUMES

8,333
EMPLOYEES

22,794k m³
SALES VOLUMES

250m
DRIVERS THROUGH OUR RETAIL SITES IN 2017

139
RESTAURANTS/CAFES

20,000+
B2B CUSTOMERS

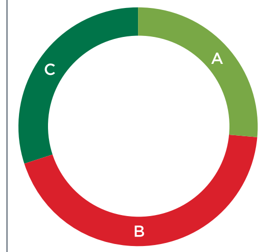
6
MILLION LITRES OF LUBRICANTS SOLD IN OUR RETAIL SITES

161
CAR WASH FACILITIES

71
AIRPORTS SERVED

109
TRUCK STOPS AROUND THE WORLD

BREAKDOWN OF RETAIL SITES



A
817
AFRICA

B
1,329
AMERICAS

C
918
MIDDLE EAST AND ASIA-PACIFIC

3,064
RETAIL SITES AROUND THE WORLD

1,269
SHOPS AT RETAIL SITES

FINANCIAL HIGHLIGHTS

With a wave of major investments now behind us, we have a resilient business model that provides a strong base for organic growth. Puma Energy's focus is now firmly on extracting value from our extensive global asset base and improving our return on investment, cash flows and productivity.

22,794k m³
SALES VOLUMES
(2016 21,968k m³)

16,634k m³
THROUGHPUT VOLUMES
(2016 19,693k m³)

US$15,181m
NET SALES
(2016 US$12,670m)

US$1,672m
GROSS PROFIT
(2016 US$1,601m)

US$740m
EBITDA
(2016 US$755m)

US$298m
ORGANIC CAPITAL EXPENDITURE, NET
(2016 US$561m)

US$322m
OPERATING PROFIT
(2016 US$383m)

US$3,614m
NET FIXED ASSETS
(2016 US$3,329m)

GRAHAM SHARP

CHAIRMAN'S STATEMENT

We continue to strengthen the Puma Energy brand, while building trust with customers across a wide range of sectors, as well as with key stakeholders globally.

Commercially, Puma Energy has once again delivered a steady performance in 2017, and further develops its specialist expertise. We value our reputation for providing the highest-quality fuels and push strongly for improved standards in all the markets and countries we operate in. This is helping us to grow in new and existing markets, and build trust with customers, across various industries and geographies.

Our Chief Executive, Pierre Eladari, his executive management team and our 8,333 people across 49 countries have worked hard throughout a major investment cycle for the Group and have ensured the smooth integration of acquired businesses. They have developed a network of global assets that is unrivalled in our industry.

Puma Energy remains a fast-moving and dynamic business, and it now has firm roots in many important markets and business sectors. Above all, it is a resilient business, and nothing proves this more than when we face a crisis. I am immensely proud of our people in Puerto Rico and their response to the devastating effects of Hurricanes Irma and Maria. Working around the clock, they brought our terminals and retail network back into operation quickly and continue to help the people, government and businesses of the island.

The response in Puerto Rico amply illustrates the Puma Energy spirit that is at the core of our business. It also underlines the strength of our sustainability strategy, which sets us apart from our competitors.

With a strong focus on customer service, profitability and creating value, Puma Energy is well-positioned for future success. ■

Graham Sharp
Chairman

"Puma Energy remains a fast-moving and dynamic business, and it now has firm roots in many important markets and business sectors. Above all, it is a resilient business."

After a successful phase of intense investment, Puma Energy is now focused on extracting full value from the infrastructure and relationships we have put in place. Where we have previously focused on acquisitions and major investments in strategic markets to fuel rapid business growth, we now have the assets and businesses we need to grow organically in the years ahead. We have also built on our capabilities across the entire fuel value chain on a global scale, ensuring that Puma Energy is uniquely positioned to deliver for our customers worldwide.

With our well-established and resilient business model, and the skills and experience of our people, we have the strength, flexibility and reach to meet the challenges we face in the global marketplace. Our unique combination of security, reliability and being easy to do business with is helping us maximise our opportunities across new and existing markets.

All this has contributed to another steady year for the Group in 2017, as we met our key financial targets and continued to develop our retail, aviation and lubricants business lines. Our overall sales volumes grew by 4%, mainly due to organic growth, with margins largely stable or even slightly increasing in some segments.

This led to an increase in gross profit in 2017 by 4% compared to last year, further reflecting the value we are extracting from our long-term investments.

As ever, our operations are underpinned by our total global storage capacity, which has now reached 8.3 million m³, with the integration of our facility in Northern Ireland and the opening of the Tema terminal in Ghana.

Our international network of retail sites grew rapidly towards the end of the year with our acquisition of a 51% stake in Admore from the Chishti Group in Pakistan, taking the number of our retail sites to 3,064 across the world, up from 2,519 in December 2016.

Pakistan is on a firm growth trajectory, making this venture alongside the Chishti Group an important one for Puma Energy. Further strategic investments will be needed to improve the local infrastructure and provide supply security, but Admore already has a strong strategic asset base and customer portfolio, as well as excellent management and employees.

Together with our new partner, we intend to play an important role in the future development of the industry in Pakistan. We will work with stakeholders from the government, business and the public to improve the reliability, standards, service and product offering currently available, and I am confident we will deliver a world-class retail proposition for our customers.

Even before this important deal in Pakistan, we had already enhanced the quality and scope of our global retail network during the year, across Central and South America, the Caribbean, Africa, Asia-Pacific and Europe. This included the opening of new retail sites in Guatemala and Peru, and the extraordinary success of Gingers Roadhouse on the outskirts of Perth, which has become our best-performing retail site in Australia.

Our Puma Card proves to be an important driver for our retail business in Australia, while we run various promotional programmes in many countries, adding further value for our people and customers. Our mobile payment app, Puma FastPay, continues to perform well in Puerto Rico and our smartcard-based pre-paid fuel wallet, MyFuel, now accounts for around 29% of our retail sales in Malawi.

22,794k m³
SALES VOLUMES

US$740m
EBITDA

US$15,181m
NET SALES

PIERRE ELADARI

CHIEF EXECUTIVE

As we successfully complete our phase of strategic expansion, Puma Energy is now ready to enter a more mature phase of its existence, with the emphasis firmly on extracting value and improving the return on our investments.

"I welcome the move to higher-quality fuels across the developing world and, as a significant player in the fuel import business, Puma Energy takes seriously its responsibility in contributing to these goals."

We build our operations across various sectors by striving to nurture relationships, internally or with partners and customers. As a united team, our people test each other's creativity and innovation and learn how to enhance the products and services we provide. So, alongside our growing retail businesses, we continue to develop our B2B customer base with some of the world's leading mining companies and major businesses in key sectors such as transport, power generation, industrial, manufacturing, agricultural and construction. With a new Customer Relationship Management (CRM) system now in place in 17 countries, we can further track data and enhance our working relationships with these customers.

Puma Aviation also made significant progress in 2017 – from the major works completed at the airports in Yangon, Myanmar, and Rostov, Russia, to the roll-out of our eAviation platform in the Americas and Africa. We now fuel aircraft at 71 airports every day, and Puma Aviation is recognised as one of the digital leaders in aviation fuel, enhancing our reputation as a Group that is easy to do business with.

At the start of 2017, we also began fuelling operations at Africa's busiest airport, the O.R. Tambo International Airport in Johannesburg. This is an important milestone for our aviation business in Africa, where we have already shown we can build a successful presence quickly; in Ghana, for example, we have reached a leading market share in just 18 months since entering the aviation sector. This success has been founded on a strong reputation for reliability and trust in our high-quality fuels.

Of course, our approach to quality extends to all our product lines, not least our diesel and petroleum, and we work with governments and fuel regulators worldwide to improve fuel quality. Fuel additives optimise desirable fuel properties and suppress their polluting characteristics, resulting in important benefits both for the environment and for consumers of fuel. We use additives in our high-quality fuels, such as Pumamax Diesel and Pumamax Premium Unleaded, to offer superior fuel economy, emit low levels of exhaust hydrocarbons and carbon monoxide, while fuelling performance.

We also sell clean, filtered ION Premium Diesels, designed for use in mining and commercial industries.

I welcome the move to higher-quality fuels across the developing world and, as a significant player in the fuel import business, Puma Energy takes seriously its responsibility to contribute to these goals. However, reducing the overall emissions and raising product standards to improve both performance and, hopefully, air quality is rarely straightforward in most markets and takes time. This transition took more than 25 years in Europe and the US, and involved significant investment in energy and distribution infrastructure, resulting in the closure of many small, outdated refineries.

For some countries today, the local infrastructure is unable to handle higher-grade petroleum and diesel products that can have a positive impact on air quality and the environment for local people. In these markets, we are always ready to be the first mover where fuel quality regulations change, and we can bring our expertise when needed to assist governments and regulators in making this happen.

For example, we have played a significant role in developing infrastructure to optimise the supply chain and logistical capabilities to support clean fuel delivery in Africa. This benefits us, because we are able to supply superior fuels at marginal premiums to Botswana, Democratic Republic of Congo, Namibia, South Africa, Zambia and Zimbabwe, but it also helps to address air pollution in these countries.

With major new launches in Australia and Peru, and a considerable ramping up of our technical capabilities in 2017, Puma Lubricants also continues to build a reputation for offering high-quality products that fuel performance. We have now achieved around 30% share in some markets, although there remains for more potential for us globally. This year, we have added a bespoke blending facility in Singapore to our portfolio to better serve our Asian operations and to expand our lubricants business further. Our new formulations have enabled us to obtain OEM approvals from major vehicle manufacturers, such as Volvo and Porsche, and our high-quality lubricants now perform better in tests than those from other suppliers.

At Puma Energy, our attitude to quality in all things is an important part of the high-performance culture we have developed together. We have decided upon a strategy, sought out the people we believe can execute it and created a sense of autonomy and individual freedom to encourage success. As a business that now commands a strong position in most of the markets in which it operates, our behaviours are critical, too, which is why we have revised and updated our Code of Conduct this year.

The Code has been reissued to all our people in 2017, clearly setting out our Company expectations and providing a unified approach for our global business. It is all about being a mature organisation, but our strategy remains clear, and we know we can rely on our robust, yet dynamic, business model. The pioneering spirit and passionate approach from our people won't change, as we focus on maintaining and growing our market shares in the countries where we operate and going deeper into those markets where we see the potential to expand our range of products, services and business lines.

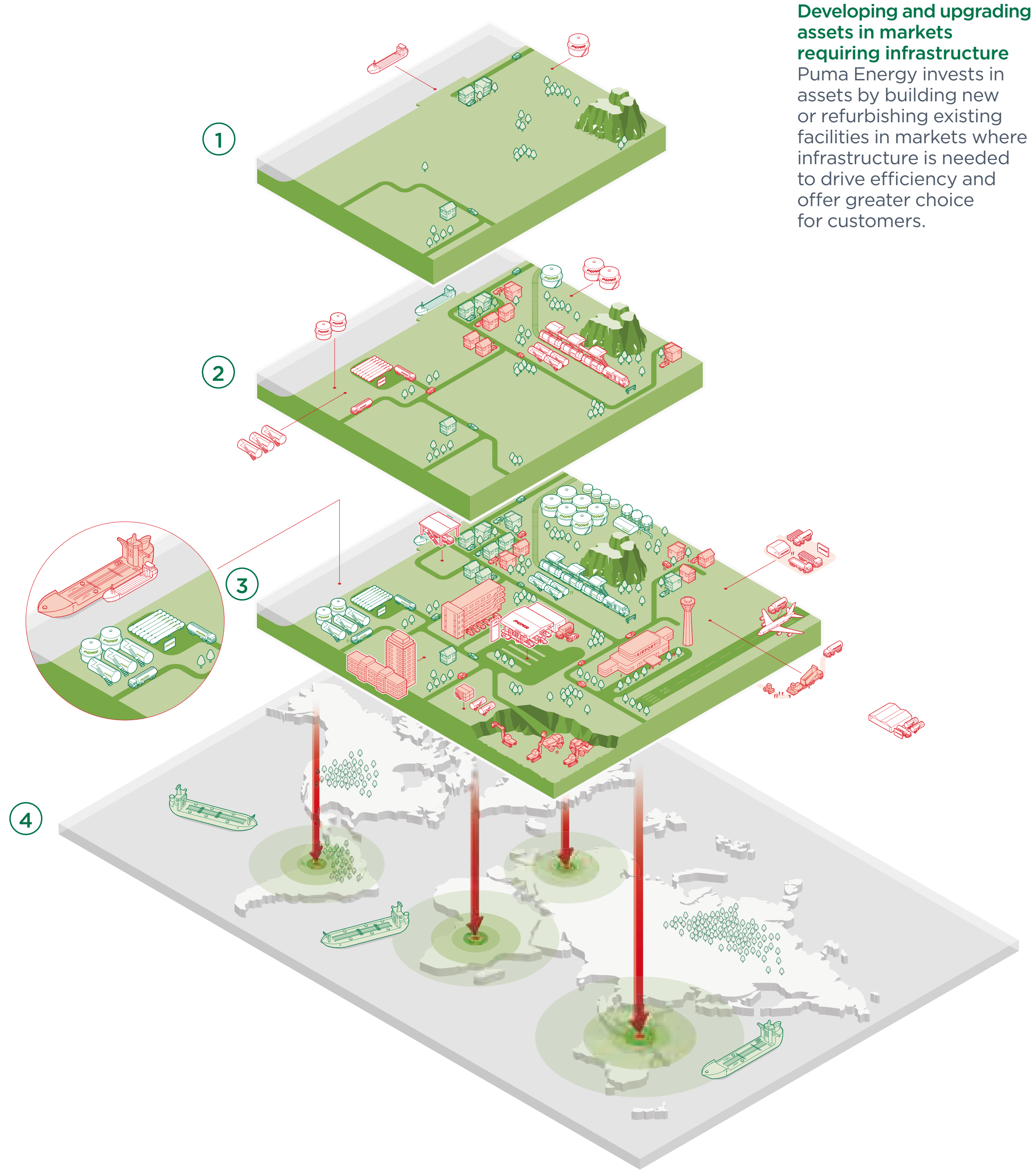
Thanks to our recent investment phase, we have the global assets, people and expertise in place that ensure we can be there for our customers every minute of every day when they need us. Fuelling journeys is just the start of it – if we can make clear the positive impacts we have on every community we work in, and extract full value from the infrastructure and networks we have built, we will be in an excellent position to improve our return on investment. We will do this by exceeding the expectations of our existing customers and capturing the new business that will help us deliver solid and dependable growth for our shareholders for many years to come. ■

Pierre Eladari
Chief Executive

> *We are focusing on extracting full value from investments made in the past years.*

OUR INVESTMENT APPROACH

By identifying key markets with the right demographic trends and opportunities for infrastructure investment, we are able to build robust and profitable operations.



1
Reinforcing our presence in markets
Puma Energy focuses on key growth metrics such as an increasing population, a growing middle class or rising consumer demand for technology and new cars, to identify markets where there is likely to be a significant rise in demand for fuel.

2
Integrating local market supply with international markets
Puma Energy invests in local infrastructure and integrates this with international markets, connecting countries without refining capacities to world-class refining hubs.

3
Developing and upgrading assets in markets requiring infrastructure
Puma Energy invests in assets by building new or refurbishing existing facilities in markets where infrastructure is needed to drive efficiency and offer greater choice for customers.

4
Leading local market shares
Puma Energy aims to build at least a 30% share in most markets in which it operates and seeks to be recognised as a leader in that market.

30%
AVERAGE TARGETED MARKET SHARE

OUR STRATEGIC PRIORITIES

Our focus on fuelling journeys is driven by our integrated business model, which is unique in our industry. We use our global skills and expertise to contribute to local economies and make a real difference for our customers and the communities we serve around the clock, around the world.

1

Expand our offer to our customers
Our business model provides a consistent and dynamic platform that allows our growing team of energy professionals to expand our offering and deliver the best performance for our customers.

2

Develop into new markets
We look for markets with rapid growth and/or strong potential, usually with a growing middle class or a flourishing natural resources sector, where we can identify new business opportunities.

3

Build the infrastructure to support our offer
Our infrastructure projects help integrate our logistics and provide local investment that fuels economic growth, benefiting both our customers and their communities.

4

Integrate supply, storage and distribution
Our global asset base includes 104 strategically located terminals and eight global storage hubs, ensuring the security of supply to our customers anywhere in the world.

5

Develop local stakeholder trust
We develop trust by operating responsibly and working hard to minimise any adverse effects from our operations, prioritising ongoing dialogue with the communities in which we work.

KEY

1 2 3 4 5

Embedding our approach
Look out for these icons throughout the review. They highlight how we are embedding this wider value approach across our projects and programmes.

1 3 4

Fulfilling our growth strategy in Africa
O.R. Tambo International Airport in Johannesburg is Africa's busiest airport and has non-stop flights to all continents. The airport is the hub of South African Airways and in 2017 it handled a total of 21 million passengers, with 220,934 aircraft movements, generating an estimated economic impact of US$3.2 billion.

Puma Energy started operations at this airport at the beginning of the year, having strengthened its network and enhanced its security of supply. Fuel is being transported by road and rail and the new Puma Energy terminals and supply routes have significantly improved the access to oil products and supply efficiencies.

21m
PASSENGERS TRAVELLED IN 2017 THROUGH O.R. TAMBO NOW SERVED BY PUMA ENERGY

Q1 JANUARY – MARCH

1

A business that is really taking off
The Puma Energy Angola Aviation business got off to a flying start with KLM, Air France and Royal Air Maroc becoming valued clients and supporting the growth of this exciting sector.

3 4

Puma Energy's 100th terminal in Belfast
We continue in our ambition to deliver a market-leading service offer for energy storage and bitumen supply across the UK and Ireland by taking over our 100th terminal in Belfast from BP. Our focus here is to invest in the terminal to bring it up to more modern standards and increase its flexibility; focusing on volume growth by providing a reliable supply of quality, competitively priced fuel to our customers. We view the Belfast facility as the best terminal in Ireland to develop and import goods onto the island.

100th
TERMINAL IN BELFAST

5

Enhanced our membership of the World Economic Forum
We upgraded our membership of the World Economic Forum to Strategic Partner Associate and took our place among the leading regional and global companies attending the World Economic Forum for Africa in Durban in April. Under the theme 'Achieving Inclusive Growth', the meeting convened leaders from business, government and civil society to explore solutions to create economic opportunities for all. Our expertise lies in improving infrastructure, security of supply and providing quality fuels to the countries we service.

Q2 APRIL – JUNE

5

Flying Puma Energy colours at new heights
We announced our sponsorship of the Flying Lions with a thrilling aerobatic display held for members of the media at Johannesburg's Rand Airport. The Flying Lions team celebrated the new sponsorship with a low fly-by and display piloting the team's Harvard AT6 aircraft, newly branded in the red, green and white colours of Puma Energy. The talented pilots will perform at all major air shows on the South African calendar over the coming year, flying Puma Energy colours at new heights across the country.

Puma Energy refinances successfully its one-year RCF and increases its three-year RCF
The market responded well with continued support for Puma Energy's business model for a total amount of US$730 million. The Group successfully closed the new one-year Revolving Credit Facility totalling US$400 million in addition to extending and increasing a three-year Revolving Credit Facility to US$330 million. We appreciate the support we continue to receive from our existing bank relationships as well as from our new banking partners from all regions. We look forward to building equally strong foundations with them. We were particularly pleased with the confidence in our medium-to-long-term strategy, as shown by the significant acceptance levels of our extension request for the three-year RCF.

1 3

Puma Energy opens Myanmar's largest and most modern petroleum products terminal
In a joint venture with Asia Sun Energy, we celebrated the opening of our petroleum products terminal at Thilawa port, south-east of Yangon. This US$101 million investment, with a fuel storage capacity of 91k m³, is the country's largest and most modern international petroleum products terminal and a first of its kind for the petroleum industry in Myanmar, which has just opened up to foreign direct investment.

US$101m
INVESTED IN THILAWA PORT

1 2 5

Acquired 470 retail sites in Pakistan

Puma Energy agreed with the Chishti Group to acquire a 51% interest in Admore Gas Pvt. Ltd. Admore is one of the leading independent oil marketing companies in Pakistan with a significant retail network of 470 sites nationwide. The acquisition forms part of our global strategy of disciplined investing in fast-growing markets with a high demand for oil products, offering the opportunity to improve local infrastructure, provide supply security and world-class retail propositions to local consumers.

470
RETAIL SITES ADDED IN PAKISTAN

Successful closure of oversubscribed US$350 million five-year facility

In September we successfully closed a US$350 million five-year unsecured amortising term loan facility, including an accordion feature of up to US$75 million, and a six-year unsecured bullet term loan facility of up to US$75 million. The facility further extends the Group's debt maturity profile.

US$350m
FIVE-YEAR FACILITY

The Puma Energy Awards

The Executive Committee recognised and celebrated the people who contributed to the success of the business, and who demonstrated real Puma Energy qualities and showed great commercial dedication.

This was the second year of the Puma Energy Awards and there was an overwhelming response from Puma Energy professionals all over the world. According to the judging panel, the process was incredibly tough, but everyone was delighted to witness so much passion for the business, camaraderie and team spirit.

After much deliberation, decisions were made and those candidates displaying the most exceptional behaviour and achievements were selected and informed of their success.

1 5

Puma Energy Ghana is making its mark

Puma Energy Ghana opened eight new retail sites in July, bringing the total to 84. The business currently has 199 professionals working hard and developing the brand within the country. 98% of those employees are locals using their knowledge of the local markets and their expertise to capitalise on opportunities and offer customers the very best service and Puma Energy experience.

84
RETAIL SITES IN GHANA

Q3 JULY — SEPTEMBER

5

The 5th Annual Be Road Safe Campaign launch

The launch was marked by a special Road Safety Relay, a round-the-world relay journey to promote road safety. During the relay, road safety activation kits were delivered to key sites and the team tracked the progress and mileage of the challenge and reported on the adventure throughout. The baton will become a branded and iconic symbol of commitment to road safety and, as it passed from driver to driver, location to location and country to country, the drivers were, literally, spreading the road safety message.

5th
YEAR OF 'BE ROAD SAFE' CAMPAIGN

Issuance of US$600 million of Senior Notes due in 2024

The offering was made in connection with a US$590 million intermediated tender offer for Puma Energy's existing Senior Notes due 2021. The proceeds from the issue of 2024 Senior Notes has been used to fund the cash portion of the intermediated tender offer, and US$590 million principal amount of existing Senior Notes has been cancelled.

US$600m
SENIOR NOTES DUE IN 2024

5

Joy and relief greet Puerto Rico fuel deliveries after hurricane

For several weeks after Hurricane Maria hit Puerto Rico, cutting power and causing fuel disruption, finding petrol and diesel became an ordeal for the island's 3.4 million residents, but Puma Energy, working with the regional government, speedily ensured that it was 'business as usual' by getting essential fuel supplies to the island.

RELIEF FOR PUERTO RICO
3.4m
RESIDENTS

Q4 OCTOBER — DECEMBER

WHAT MAKES ______ US UNIQUE?

LIVING THE PUMA SPIRIT

We boldly go where many others won't, and you'll find our people serving customers and working with partners every minute of every day, somewhere around the globe.

Our people are determined to make a difference – they are pioneering, passionate and performance-driven, with a determination to overcome any obstacle on the long road ahead.

www.instagram.com/fuelling_journeys/

MORE THAN A CUSTOMER,

YOU ARE PART OF THE FAMILY

When we fuel customers, we do our best to ensure that their families and friends can come along for the ride.

Quality, clean fuel and secure supply are all important to the businesses and consumers in the countries in which we work, but we also engage with local governments on a range of projects that benefit local communities.

www.instagram.com/fuelling_journeys/

MORE FOR YOU

For us, fuelling journeys goes much further than the petrol pump, with an exciting choice of convenience shopping and cafe, takeaway and restaurant options at our retail sites.

We are also a 'one-stop shop' for many of our business customers globally, as we supply them with a full range of products and services to meet their needs.

www.instagram.com/fuelling_journeys/

FUEL. QUALITY. LIFE.

FUEL.
QUALITY.
LIFE.
pumafuelqualitylife.com

We are trusted by our customers worldwide to provide high-quality fuel that meets or exceeds all national specifications wherever we sell it.

We do this by investing in state-of-the-art storage, maintaining the highest standards at all our sites, and applying stringent testing protocols at our specialist laboratories.

www.pumafuelqualitylife.com

WHAT YOU — WANT WHEN YOU NEED IT

We fuel customers in all kinds of communities, from the world's busiest metropolises to some of the remotest regions on earth.

Our unique global supply network provides a secure supply of everything, from the fuel in the pumps, bitumen used in road building, to the avgas that keeps the world's most famous airlines in the air.

www.instagram.com/fuelling_journeys/

TRAIL BLAZING FUTURES – IN 49 COUNTRIES

Moving deeper into the new and existing markets we serve, we are leading the way in connecting people to a wider world of business opportunities and economic enrichment.

Business owners, large and small, can rely on the fuel and services we provide – from the large-scale sugar mills of Colombia to the film-makers of Lollywood in Lahore, Pakistan.

www.instagram.com/fuelling_journeys/

WE GO TO THE ENDS OF THE EARTH FOR YOU

Our transportation network and state-of-the-art storage means that we can source the products our customers need from every corner of the globe.

We ensure that the fuel products arrive in perfect condition, even when our customers' homes and businesses are in some of the most inaccessible places on earth.

www.instagram.com/fuelling_journeys/

Puma Energy invests for the long term, creating jobs and improving infrastructure wherever we operate. Every investment we make, every job we create and every dollar we pay in taxes or give to community projects is another contribution towards the countries in which we work.

WE ARE – PUMA ENERGY

Our global integrated asset base is unique in our industry, helping us to connect customers to our global supply chain, every hour of every day.

OUR VISION

To be the global leader in fuelling our customers wherever their journeys take them, through our integrated storage asset base and distribution network.

THE WORLD WE LIVE IN

The global demand for energy is growing every year, and this growth continues to be dominated by hydrocarbons, with oil's share of the energy market stable at around one-third. We saw global oil prices beginning to move up in 2017.

Pages 44
For more information

WHAT WE DO

We supply, store and distribute oil products to our customers worldwide. Our integrated operations mean we can ensure the seamless delivery of high-quality fuels swiftly, reliably and at fair, competitive prices. We also operate a growing retail network that sells a wide range of fuel and non-fuel products.

Pages 34 and 56
For more information

WHERE WE OPERATE

We focus on markets where oil demand is growing; where it is already strong; and where we can make a real difference. We supply customers and businesses 24/7 across 49 of the world's most dynamic and fast-developing markets.

Pages 36 and 72
For more information

FIVE STRATEGIC PRIORITIES

1. Expand our offer to our customers
2. Develop into new markets
3. Build the infrastructure to support our offer
4. Integrate supply, storage and distribution
5. Develop local stakeholder trust

Page 12
For more information

OUR VALUES

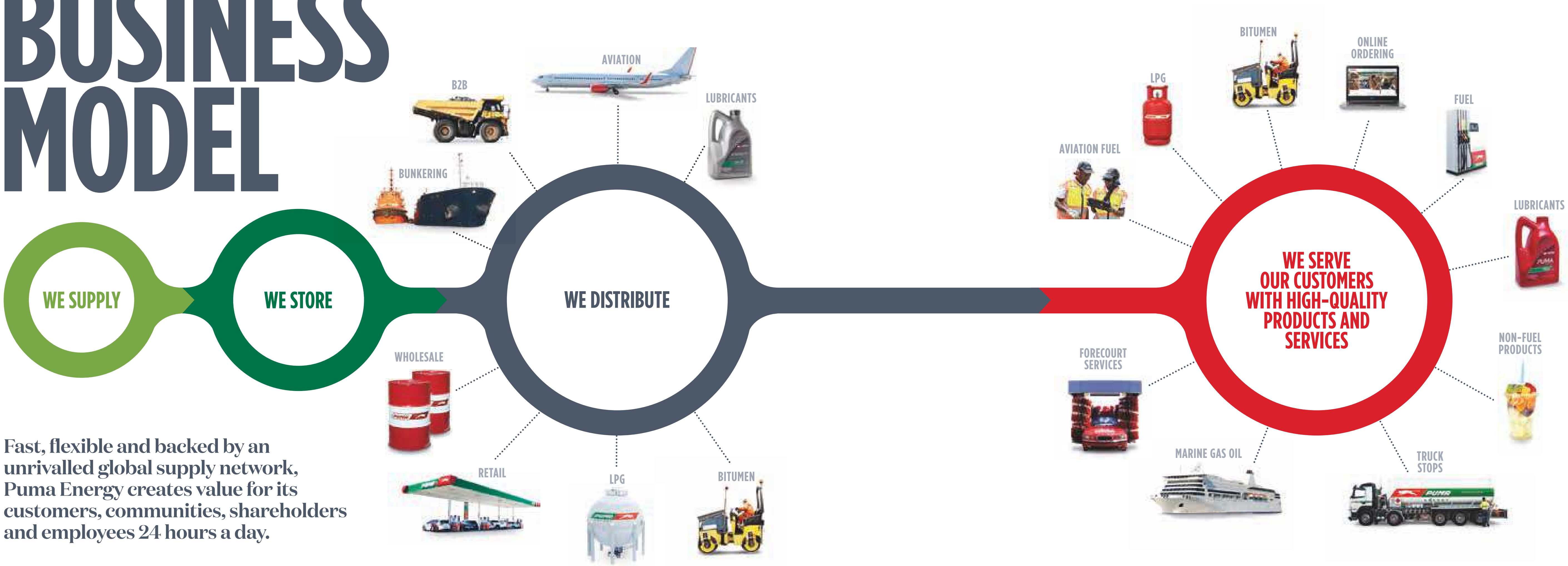
Pioneering
leading the way and making a difference

Passionate
dynamic and enthusiastic, caring about our customers

Performance driven
doing things the right way and adding value

Page 98
For more information

BUSINESS MODEL



Fast, flexible and backed by an unrivalled global supply network, Puma Energy creates value for its customers, communities, shareholders and employees 24 hours a day.

Puma Energy's experienced team optimises supply across products, geographies and sources to meet customer demand.

The 104 storage terminals in our unrivalled global network give us a total storage capacity of 8.3 million m³.

Our storage capacity is integrated with our distribution operations, allowing us to supply our customers reliably and efficiently at competitive prices.

We provide high-quality products and services to our millions of retail consumers and thousands of B2B customers in 49 countries.

Our quality testing at every stage follows strict Quality Assurance (QA) and Quality Control (QC) policies and procedures.

SUSTAINABLE VALUE CREATION

Customers
Our customers rely on us to deliver high-quality fuels and a wide choice of other products, swiftly, reliably and at a fair price. We add value through the customer service we provide, and by ensuring we are always there for them and are easy to do business with.

Shareholders
Financial stability and sustainable business practices are critical factors to our success. Puma Energy creates long-term value for our shareholders by managing our business growth carefully and maximising the returns on their investment.

Employees
Our people are well rewarded, and enjoy the opportunity to develop their skills and entrepreneurship to achieve their full potential. They each make their own individual contribution to the spirit of our diverse, collaborative and customer-focused organisation.

Communities
As a business operating in many markets, we contribute significantly to our communities, through local taxes and employment. We also add value as a long-term responsible partner, and by engaging in many social, environmental and educational programmes.

OUR UNIQUE STRENGTHS AND STRATEGIC GLOBAL NETWORKS

Strategic global network
Puma Energy is an integrated energy company that focuses on fast-growing markets, where the projected consumer demand for oil is high. We use our global network to ensure that we maximise our opportunities in these markets and provide our customers with around-the-clock service.

Efficiency
We continue to implement better systems across the business, such as our new eAviation digital platform. This is helping us build on our existing infrastructure, technologies and processes to improve efficiency and customer service.

Talented people
We support and train our people well, value them and trust them to excel. It is their entrepreneurial spirit and the diversity, nationalities, cultures and experience we have across our teams that are critical to the ongoing success of the business.

Unique asset base
Puma Energy's global integrated asset base ensures the seamless supply of a wide range of products to our customers around the world. We aim to be the global leader in fuelling our customers wherever their journeys take them, through our integrated Midstream and Downstream operations.

Responsive and flexible
Our structure ensures we are always in touch with our customers' needs, and our global network means that we are always where they need us to be. Where opportunities arise, we will make strategic investments that support our infrastructure, but with a focus on maintaining a healthy balance sheet.

SPECIALIST SERVICE SECURE SUPPLY

8,333
EMPLOYEES

Puma Energy's success depends on our talented and diverse workforce. We always seek to bring the very best people into the business, develop them and promote people from within into specialist roles.

8.3m m^3
GLOBAL STORAGE CAPACITY

With an investment in storage infrastructure of more than US$2.2 billion since 2010, we have built a global network of high-quality storage facilities that secures our supply routes into countries all over the world.

3,064
RETAIL SITES

We are expanding our retail offer to meet even more of our customers' needs – not only for high-quality fuel but also for the refreshments, convenience goods and complementary services that fuel their journeys.

71
AIRPORTS SERVED

From commercial airlines and heavy-lift cargo planes to corporate jets and recreational planes, our growing number of aviation customers trust us to fuel their flights every day.

In constant operation 24 hours a day, every day of the year, Puma Energy's secure supply network spans five continents and works seamlessly across 49 countries.

Our specialists in every part of the business ensure that our products meet the most stringent of quality standards and are always available to fuel our customers' journeys.

PUMA ENERGY'S GLOBAL FOOTPRINT

	Airports	Storage k m^3	Retail sites	Employees
Europe	1	2,796	–	793
Americas	9	1,525	1,329	1,262
Africa	39	1,553	817	3,584
Middle East and Asia-Pacific	22	2,457	918	2,694
Global total	**71**	**8,331**	**3,064**	**8,333**

MEASURING PERFORMANCE

FINANCIAL AND OPERATIONAL KPIs

OUR STRATEGIC PRIORITIES

1. EXPAND OUR OFFER TO OUR CUSTOMERS
2. DEVELOP INTO NEW MARKETS
3. BUILD THE INFRASTRUCTURE TO SUPPORT OUR OFFER
4. INTEGRATE SUPPLY, STORAGE AND DISTRIBUTION
5. DEVELOP LOCAL STAKEHOLDER TRUST

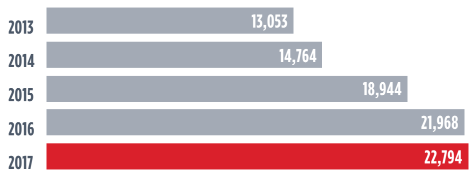
See page 12 for more information

KPI | YEAR | RATIONALE AND PERFORMANCE

1 2 3 4

SALES VOLUMES (k m³)

Volume of oil products sold to Puma Energy customers from the retail, wholesale, B2B, aviation, LPG, bitumen and lubricant sub-segments.



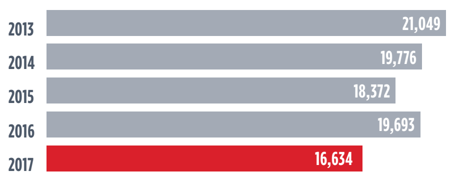
This figure is a strong indicator of the Group's Downstream market share. Management targets growth in sales volumes that exceeds growth in target markets.

Over the past five years, sales volumes have risen, driven by organic growth and our expansion in Australia, Papua New Guinea, South Africa and the UK. Our target is still to achieve continued growth in sales volumes in line with past results.

1 2 3 4

THROUGHPUT VOLUMES (k m³)

Volume of oil products handled on behalf of third-party customers. This figure includes neither storage volumes for our own Downstream business, nor volumes stored for third-party customers under capacity rental agreements.



This figure reflects the level of Midstream business done with third-party customers, through throughput agreements.

We have increased capacity and expanded many key storage facilities. However, a large part of storage revenues are generated by capacity rental agreements (not reflected in volumes).

At the same time, a large share of our terminals are used to support our Downstream activities, and therefore not reflected in this statistic.

1 2 3 4

GROSS PROFIT (US$m)

Revenue from sales, less the cost of purchase and delivery of products.

This figure provides a top-line view of our profitability, especially in Downstream markets. We optimise sales performance by increasing sales volume and/or adjusting pricing to increase unit margin. Gross profit shows the effectiveness of these two strategies in combination.

In 2017, gross profit increased due mainly to higher volumes combined with a slight increase in unit margins in some markets.

1 2 3 4

UNIT MARGIN (US$/m³)

Downstream gross profit divided by sales volumes. This is the main indicator of basic profitability after deducting the purchase price and variable costs from the sales price.

This measures pricing performance in free markets and is usually the key factor to determine profitability and the return on investments in regulated markets.

Downstream unit margins remained stable compared to 2016, and have once again been unaffected by recent movements in oil prices.

1 2 3 4

EBITDA (US$m)

Earnings before interest, tax, depreciation and amortisation.

EBITDA is a key measure of profitability. It demonstrates the ability to generate cash flow that can be reinvested to stimulate future growth and is used as a base for the valuation of a company.

EBITDA was impacted this year by increased fixed costs linked to the start up of new activities.

KPI | YEAR | RATIONALE AND PERFORMANCE

1 2 3 4 5

OPERATING PROFIT (US$m)

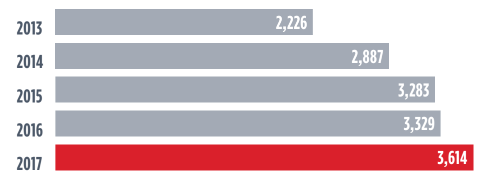
Profit after depreciation and amortisation but before interest and tax.

Operating profit was impacted by higher depreciation as many new projects were capitalised, and some impairment charges recorded during the year.

1 2 3 4

NET FIXED ASSETS (US$m)

Total value of property, plant and equipment less cumulative depreciation.



Indicative total value of our underlying asset base. Fixed assets are kept at historic costs less accumulated depreciation.

Fixed assets increased in 2017, as we completed our terminal construction projects in Angola and Ghana and revalued our assets in Angola, in line with IAS 29.

1 2 3 4

CONSOLIDATED NET WORTH (US$m)

Consolidated value of shareholders' equity. This reflects the net book value of Puma Energy's assets at the year end.

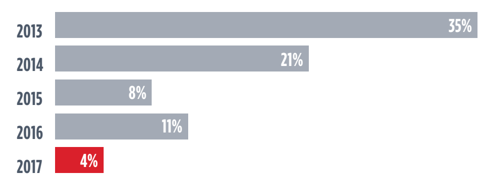
This gives an indicative value for the business. It is not a proxy for fair market value as no allowance is made for future growth, but it does give shareholders an indication of the minimum value of the business.

The increase in net worth reflects the increase of retained earnings and the revaluation of some of our assets.

1 2 3 4

COMPOUND ANNUAL GROWTH RATE (CAGR)

Annualised overall gain in EBITDA averaged across a three-year period.



This measure is used to monitor medium-term sustainable growth. Three-year averaging limits the distorting effect of a specific, major transaction in a single 12-month period.

High CAGR during the first years of operations is stabilising as the business becomes more mature.

OUR STRATEGIC PRIORITIES

1 EXPAND OUR OFFER TO OUR CUSTOMERS

2 DEVELOP INTO NEW MARKETS

3 BUILD THE INFRASTRUCTURE TO SUPPORT OUR OFFER

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5 DEVELOP LOCAL STAKEHOLDER TRUST

See page 12 for more information

MEASURING PERFORMANCE

NON-FINANCIAL KPIs

KPI | YEAR | RATIONALE AND PERFORMANCE

3 4 5

WORK-RELATED FATAL INJURIES

Total number of direct work-related fatalities among Puma Energy's employees.

We monitor Puma Energy's safety procedures both within our own operations and at our agencies.

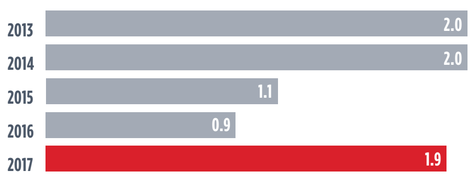
There were no direct work-related fatalities during 2017. For further details see our Sustainability review.

3 4 5

LOST-TIME INJURY FREQUENCY RATE

Number of lost-time incidents multiplied by 1,000,000 divided by total man-hours worked. Also known as LTIFR (lost-time injury frequency rate).

Note: the numbers presented in the 2016 Annual report were calculated as Number of lost-time incidents multiplied by 200,000 divided by total man-hours worked



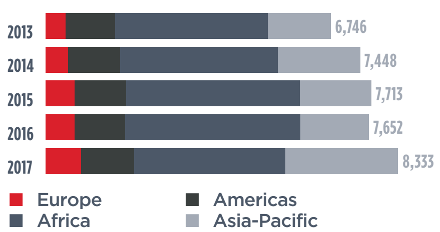
This is an absolute measure of safety levels in facilities. No allowance is made for the severity of the incidents concerned, as any incident falling into this category is symptomatic of an unacceptable safety failure, given the high risks associated with storing and transporting fuels. Management monitors LTIFR to obtain advance warning of safety issues.

The number of LTIs for 2015 onwards is based on new Group reporting guidelines.

1 2 3 4 5

WORKFORCE (BY CONTINENT)

Number of employees directly managed by Puma Energy, broken down by continent.



This indicates the total employees managed by Puma Energy, both permanent and temporary, on payroll and employed through agencies. Monitoring headcount is key to ensuring effective control and efficiency of the organisation.

In 2017, headcount increased, driven by a larger perimeter. Our workforce comprises 43% African, 15% Latin American, 10% European and 32% Asia-Pacific employees.

KPI | YEAR | RATIONALE AND PERFORMANCE

3 5

API650/NFPA30 COMPLIANCE (AS A PERCENTAGE OF TOTAL CAPACITY)

The proportion of total storage capacity conforming to approved international standards for construction and maintenance of storage tanks.

The American Petroleum Institute 650 standard relates to the design and construction of steel storage tanks. The National Fire Protection Association 30 code relates to the storage of combustible and flammable liquids.

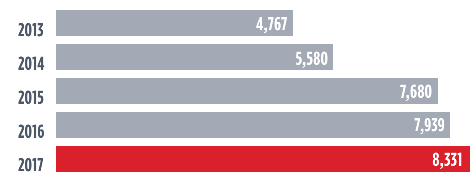
This measures the progress of Puma Energy's policy progressively to upgrade all acquired storage assets and construct any new storage assets to recognised international standards.

All our newly built terminals comply, and our capex programme has included work to address non-compliant terminals or mitigate where compliance is not practicable.

1 2 3 4

STORAGE CAPACITY (k m³)

Total storage capacity to support both our Downstream activities, as well as provide storage services to third and related parties.

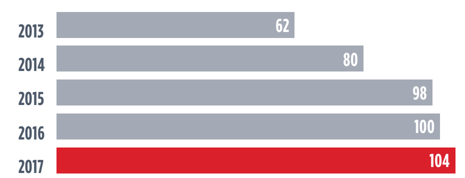


Over the past five years our storage capacity has grown both organically and through acquisitions. In 2017, we increased our storage capacity mainly through the completion of our terminal construction projects in Ghana and Angola.

1 2 3 4

NUMBER OF STORAGE TERMINALS

Number of storage terminals across the world, to support both our downstream activities, as well as provide storage services to third and related parties.

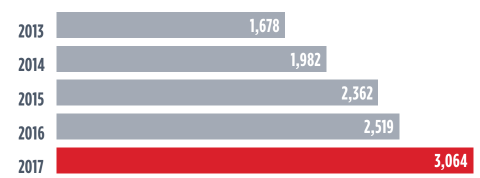


Our network of 104 storage terminals, including eight storage hubs in strategic locations, allows us to supply quality oil products safely, swiftly and reliably, while sourcing the products at the most competitive price.

1 2 4

NUMBER OF RETAIL SITES

Number of retail sites in our global retail network.



The number of retail sites is a good indicator to assess the growth of our retail network, together with retail sales volumes. As the network of Puma Energy-branded retail sites grows, the goodwill attached to our brand in the marketplace will increase.

In 2017, our number of retail sites mainly increased through the acquisition in Pakistan, adding 470 sites to our retail network.

READY FOR TAKE OFF

09:00

MYANMAR

Business or pleasure, private jet or regular plane – after an early morning touchdown, our refuelling truck is swiftly on the scene to get our customers back into the air.

www.instagram.com/fuelling_journeys/

2

PERFORMANCE OVERVIEW

As a major fuel supplier, Puma Energy is working towards better fuel quality specifications throughout its global network and will continue to support co-operation between governments and industry to achieve this goal.

MARKET REVIEW

Overview

Robust growth in OECD and non-OECD economies alike, together with proliferating and wide-ranging restrictive production agreements, boosted oil prices in 2017. By year-end, Brent was above US$65 per barrel; and for the year as a whole the real (inflation adjusted) average price was markedly above that in 2016.

The oil industry continues to evolve, responding not only to cyclical, but also to structural, factors. Upstream investment outside the tight-oil sector remains lacklustre. However, investment in Midstream and Downstream operations continues to expand, driven by further consolidation of refinery capacity globally, a growing focus on the environment and the provision of cleaner fuels, and the rising wealth and maturing consumption patterns of emerging economies' middle classes.

Local oil markets are increasingly being served by geographically distant 'super' refineries. These refineries offer not only huge economies of scale, but also the technical ability to deliver cleaner product at the most competitive prices. As a result, significantly more refined product is being distributed around the world.

Puma Energy supports this global move to cleaner fuels through strong investment in our expansive transportation and storage network. Our vast integrated storage and supply facilities are unique, and offer great flexibility, allowing us to adjust quickly to changes in market conditions and regulations, while keeping our prices competitive.

Puma Energy's retail network continues to expand apace, particularly in the rapidly growing emerging areas of the world. Our modern retail outlets are well suited to the needs of the dynamic consumer market, providing the cleaner and more efficient forms of fuel that are increasingly in demand globally.

Growing demand for hydrocarbons

Currently the non-OECD economies account for the larger part of global energy demand – nearly 60% of the total[1]. Moreover, the International Energy Agency (IEA) sees demand by the non-OECD economies increasingly outstrippingthat of the developed world. Global demand will thereby likely grow by more than 10% out to 2025, and by just under 30% out to 2040[2].

Hydrocarbons stand to supply nearly half of the global increase out to 2040. Moreover, notwithstanding rapid growth of renewable energy sources, which by 2040 will constitute around 20% of total demand, the share of fossil fuels (including petroleum, coal and natural gas) in primary world energy demand seems likely to fall only slightly, from 81% currently to 78% in 2025 and 75% by 2040 (Figure 1).

TRANSPORT, INDUSTRY AND PETROCHEMICALS ACCOUNT FOR NEARLY

75%

OF TOTAL OIL DEMAND

FUEL. QUALITY. LIFE.
pumafuelqualitylife.com

1 The non-OECD share is projected to rise further, to around 65% in 2030 and 68% in 2040. Source: IEA World Energy Outlook 2017 New Policies Scenario.
2 From 13,760 Mtoe in 2016 to 17,584 Mtoe in 2040. Source: IEA World Energy Outlook 2017, New Policies Scenario.

FUEL QUALITY TO SOUTH AFRICAN SPECIFICATIONS

Puma Energy continues to invest across our networks in support of fuel quality

See page 47.

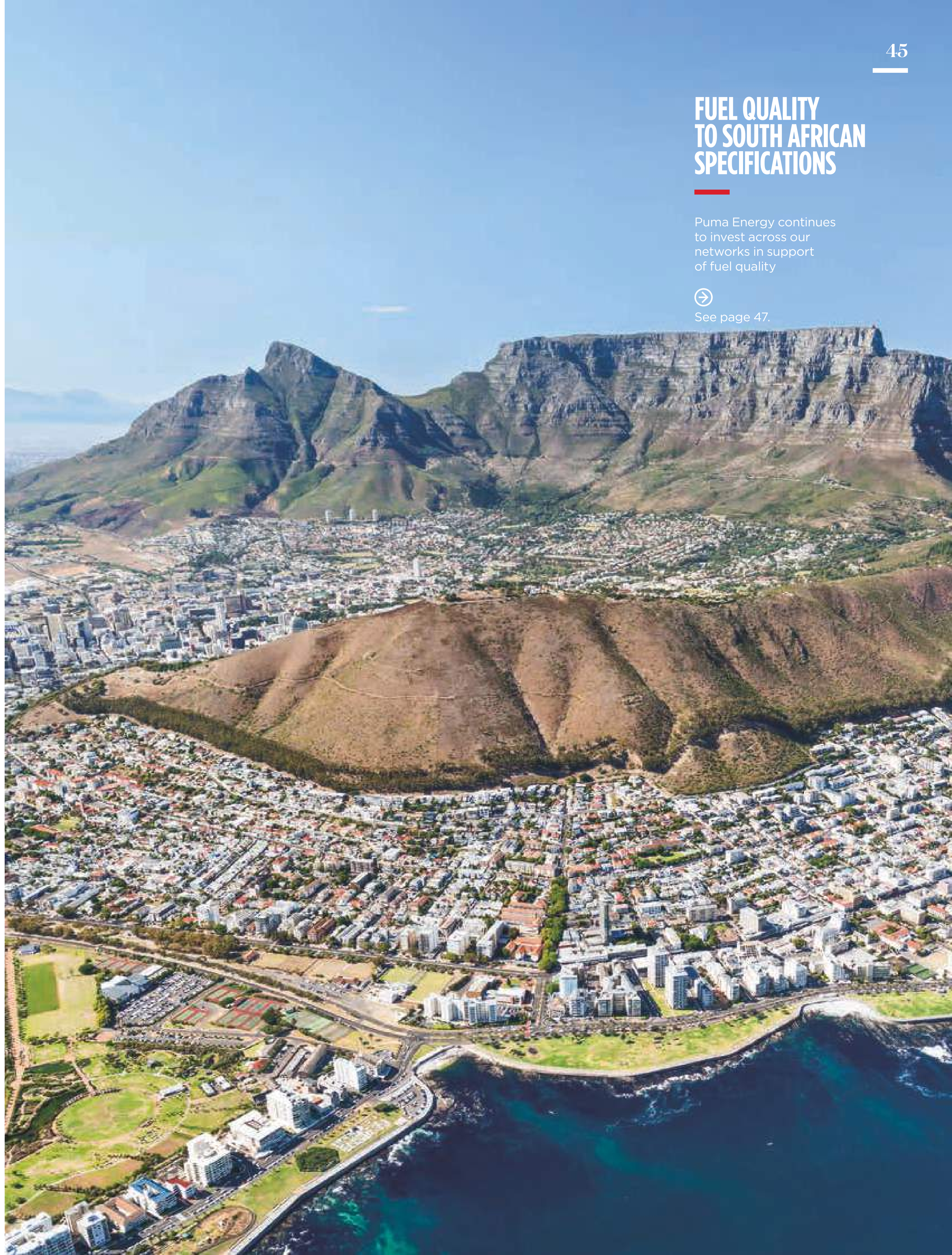
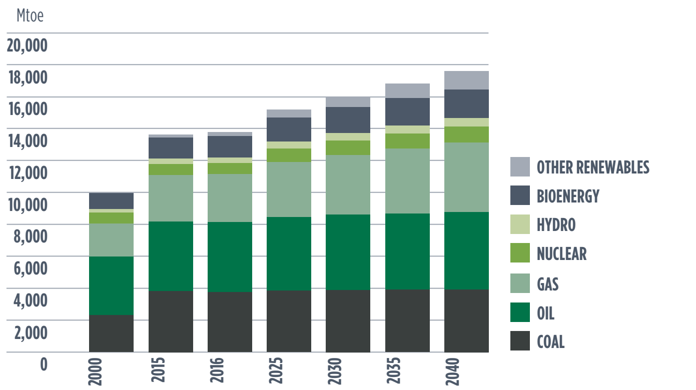
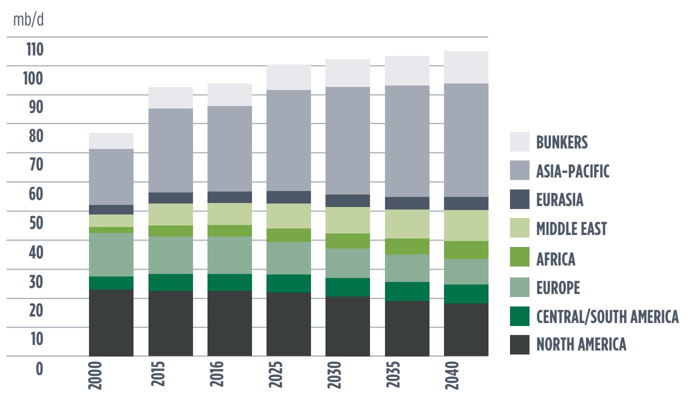


FIGURE 1: WORLD PRIMARY ENERGY DEMAND BY FUEL, 2000–2040



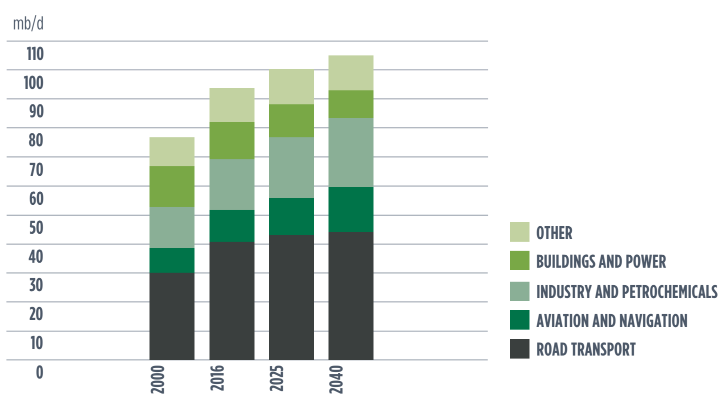
Source: IEA World Energy Outlook 2017, New Policies Scenario

FIGURE 2: WORLD OIL DEMAND BY REGION, 2000–2040



Source: IEA, World Energy Outlook 2017, New Policies Scenario

FIGURE 3: WORLD OIL DEMAND BY SECTOR, 2000–2040



Source: IEA World Energy Outlook 2017, New Policies Scenario

> *Urbanisation is playing a huge part in the rising demand for higher quality fuel.*

> *Global energy demand is set to grow by nearly 30% out to 2040... ...driven mostly by non-OECD countries and the emerging middle classes.*

Increasing demand for oil

Oil, the world's dominant fuel, with a global production of about 94 million barrels per day (mb/d) in 2016, meets around one-third of global energy demand. This share is likely to change little, at least to 2025 (31%), and to fall only marginally to 2040 (27%).

Total oil demand is likely to grow to around 100 mb/d by 2025, 102 mb/d by 2030, and around 105 mb/d by 2040, with much of this coming from fast-growing Asian economies (Figure 2).

By 2040, non-OECD countries are likely to account for around 60% of world oil demand. India is projected to be the leading source of oil-consumption growth, and China to take over from the US in the early 2030s as the world's largest oil consumer. The evolution of regulatory requirements, and the speed of convergence on developed-economy standards, in these two countries in particular, will influence significantly the types of fuel demanded and supplied. For the moment, however, domestic political considerations suggest that the process will be gradual.

Aggregate oil demand is dominated by just a few sectors – principally road transport, aviation and navigation, industry, and petrochemicals. Together these account for nearly 75% of the total. These sectors also seem likely to drive much of the growth in demand, increasing their combined share to nearly 80% over the coming 25 years.

In turn, much of the regulatory effort to encourage cleaner energy will be concentrated in these sectors.

Oil is crucial to transport; aviation in particular requires fuel with a high energy density, and there is no substitute for hydrocarbons. Transport demand overall (including road transport and aviation), which accounted for some 52 mb/d in 2016, is expected to grow by around 15% by 2040, increasing its total share of world oil demand to 57% (Figure 3).

Increasing urbanisation – according to the UN, by 2050 66%, of the world's population will live in cities – together with growing concern about air quality and the environment, are impelling the ever-growing demand for cleaner fuel. Puma Energy is determined to cut sulphur content and raise the quality of fuel, to reduce smog and pollution, enhance air purity and health, and improve the quality of life of our customers and the communities in which they live and work.

We work closely with governments of the countries in which we operate, actively encouraging, advising and investing to enable them to raise their fuel standards.

We make it a priority to meet, and often exceed, (differing) mandated fuel standards, providing the highest possible quality fuel. We apply stringent, independently verified, testing protocols, use innovative fuel additives to eliminate harmful metals from our products, and invest heavily in much-needed infrastructure.

Our employees in Botswana give a friendly welcome.

> *Puma Energy is a champion for fuel quality.*

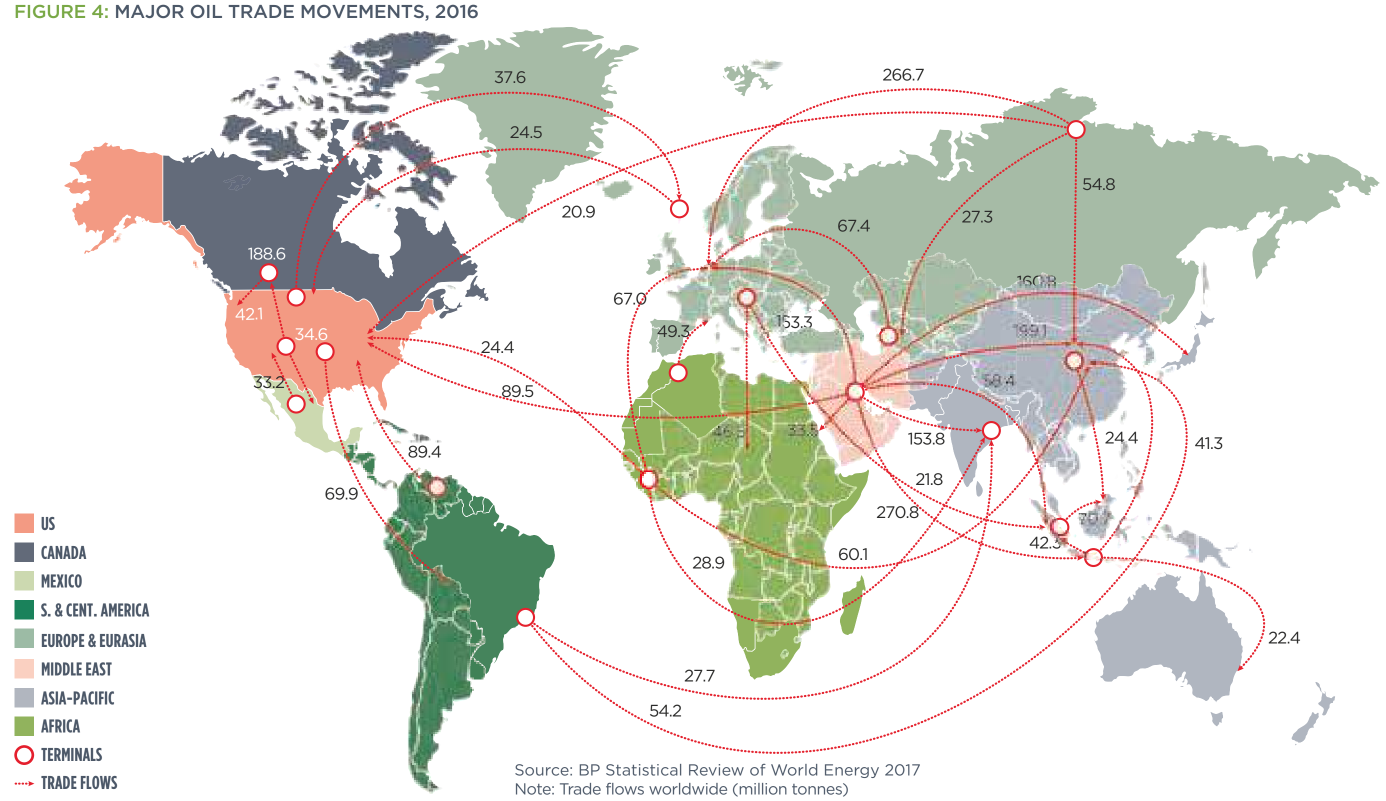
EXCEEDING GOVERNMENT STANDARDS IN SOUTH AFRICA

We are proud to supply South Africa with fuel that meets and sometimes exceeds government standards on sulphur limits. The country quality standards are set at 500ppm; in certain places, we are supplying 10ppm fuel through our two key delivery points at Matola in Mozambique and Richards Bay in South Africa.

500ppm
COUNTRY STANDARDS (SULPHUR)

10-50ppm
PUMA ENERGY STANDARDS (SULPHUR)

FIGURE 4: MAJOR OIL TRADE MOVEMENTS, 2016



Source: BP Statistical Review of World Energy 2017
Note: Trade flows worldwide (million tonnes)

A CHANGING PATTERN OF SUPPLY

Proven oil reserves have grown by around one-third over the past decade.

'TIGHT OIL' PRODUCTION IS EXPECTED TO ACCOUNT FOR MORE THAN

80%

OF THE SUPPLY INCREASE OUT TO 2025

1

INCREASING IMPORTANCE OF THE US AS AN OIL PRODUCER

Global oil production increased less rapidly than consumption in 2016, rising by just 0.4 mb/d, compared with the 1.6 mb/d rise in demand. OPEC production, spurred by rising output from Iran, Iraq and Saudi Arabia, increased to an average of 39 mb/d, around 43% of 2016 global oil production. Non-OPEC production fell by 0.8 mb/d, to 52.8 mb/d. Large falls were registered by the United States (-0.4 mb/d)[3]. Unconventional supply stagnated.

In 2017, however, US tight oil production expanded rapidly after prices began rising, and this will likely continue. Indeed, tight oil is projected to account for more than 80% of the increase in global supply out to 2025, with the US becoming a net exporter of oil in the late 2020s[4].

Proven global oil reserves[5],which have grown by around one-third since 2005, increased by 15 billion barrels in 2016. Some 70% of global oil reserves are controlled by OPEC; Canada accounts for 10%; Russia for just over 6%; and the US, whose proven reserves have grown by around 85% over the past decade, just under 3%.

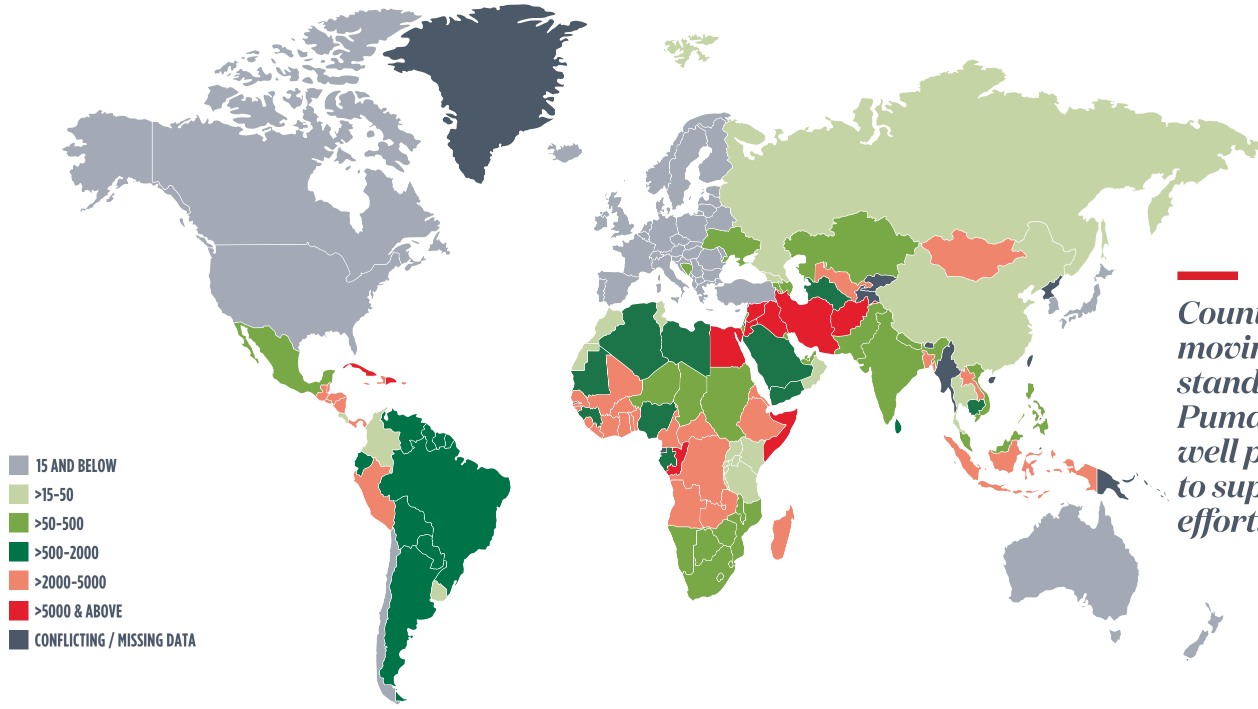
2

THE GEOGRAPHICAL PATTERN OF DEMAND

Global trade in crude oil and refined products increased by 130 million tonnes, or 2.6 mb/d (4%), in 2016 (Figure 4). The largest importer was Asia-Pacific, with 2,279 million tonnes (44.6 mb/d). Activity was particularly buoyant in China (+885k b/d) and India (+513k b/d). Growth in refined product exports was led by the US (+219k b/d) and, notwithstanding it being a mature market, Europe was again a large importer of both crude oil and refined products, accounting for 700 million tonnes (13.7 mb/d).

3 Source: BP Statistical Review of World Energy 2017
4 Source: IEA World Energy Outlook 2017 New Policies Scenario.
5 Source: www.iea.org
6 Source: Oil and Gas club www.oilandgasclub.com

FIGURE 5: GLOBAL DIESEL FUEL SULPHUR MAXIMUM LEVELS



Countries are moving to stricter standards and Puma Energy is well positioned to support this effort.

3

STRUCTURAL CHANGE IN THE INDUSTRY

The structure of the oil industry is changing in order to meet the ever-growing demand for a wider range of cleaner, more efficient, products at competitive prices.

Refinery operations are consolidating progressively into a small number of 'super' refineries and regional 'mega' hubs. 'Super' refineries have capacity of up to one million barrels per day, and can process up to 50 types of crude into higher-value, cleaner products. They are supplanting older, smaller, locally focused refineries that are able to process only about one-tenth of this amount, and just 10 types of crude.

This enhanced technical capability is important, given the way that the sources of crude oil are becoming more varied, at the same time as transport fuel regulations are becoming ever more stringent.

These 'super' refineries are geographically dispersed: Asia has five; the US and the Middle East four each; and Europe and Latin America one each[6].

Alongside this progressive consolidation to 'super' refineries, and the increased shipping of refined oil products, has come demand for more, and ever-larger, tankers.

Both the development of 'super' refineries and the use of massive tankers enable the industry to exploit huge economies of scale – thereby making a major contribution to meeting higher global standards for clean energy at competitive prices.

Structural change continues apace to meet the growing demand for a wider range of cleaner, more efficient, products, at reduced cost.

DELIVERING CLEANER FUEL TO GHANA

As champions for cleaner fuel, we were delighted when the Ghanaian government made the decision to set higher fuel quality standards, limiting acceptable sulphur levels to 50ppm. We were the first oil company to bring in a cargo meeting this new specification. This was made possible by our investments in cleaner fuel storage facilities in Tema and Takoradi.

50ppm
COUNTRY STANDARDS (SULPHUR)

10-50ppm
PUMA ENERGY STANDARDS (SULPHUR)

4

THE GROWING NEED FOR STORAGE ...

All of these developments – the rising volume of oil production and trade, consolidation of refineries, and geographic dispersion of supply and demand – give rise to strong and growing demand for storage and distribution facilities.

The global oil storage market[7] is positioned for further expansion, with capacity projected to grow from 1.4 billion m^3 in 2015 to 2.2 billion m^3 in 2025 (52%)[8]. Storage demand for crude oil alone is forecast to exceed 1 billion m^3 over the coming decade. Puma Energy's independent, efficient, cutting-edge storage facilities are very much part of this. In Africa, for example, between 2012 and 2017, Puma Energy spent more than US$1,600 million on storage capacity and related infrastructure.

> *Puma Energy continues to invest heavily to ensure delivery of high-quality, cleaner fuel, safely, quickly, reliably, and at a fair price.*

WE HAVE INVESTED

US$ 1,600m

IN STORAGE CAPACITY AND FUEL INFRASTRUCTURE IN AFRICA OVER THE PAST FIVE YEARS

5

... AND DISTRIBUTION

Puma Energy's distribution and retail business is extensive, covering business-to-business (B2B), wholesale, aviation, bunkering, lubricants, bitumen, and LPG.Building a sound retail network requires investment in up-to-date and efficient facilities, and a firm grasp of local conditions. The people we recruit provide a tight link to neighbouring communities: our 3,064 retail sites around the world, which are sometimes the only available source of fuel, are modern, safe, well stocked with the products locals need, and provide great service and value.

Puma Energy's business is well positioned

Our unique and agile business model enables our growing team of professionals to do the basics well. We invest heavily in order to deliver consistently high-quality products to the world's largest and most dynamic markets.

Thus we invest where oil demand is large and growing strongly; and develop infrastructure, where that is needed to deliver cleaner and more efficient fuel. We have excellent access to an expansive global supply network, and state-of-the-art storage facilities. And we have built a well-positioned and efficient distribution network that connects the international oil market to local markets.

Hence, we can deliver high-quality, cleaner fuel, safely, quickly, reliably, and at a fair price. We strongly support improvement in the quality of the supply chain, and we always contribute our full part to ensuring that the petroleum products meet, and on occasions exceed, the specifications set by national regulatory authorities.

Puma Energy is well positioned to thrive in the years ahead. ■

CASE STUDY

RAISING STANDARDS – AS A STRATEGIC PARTNER ASSOCIATE OF THE WORLD ECONOMIC FORUM

We raise the standards in every market we enter – from health and safety, to fuel quality and product innovation,to building capacity through education and career development.

We have supported the work of the World Economic Forum for several years. The Forum is an independent international organisation committed to improving the state of the world by engaging business, political, academic and other leaders of society to shape global, regional and industry agendas.

In April 2017, Puma Energy upgraded its membership of the organisation to become a Strategic Partner Associate. As part of this commitment, we took our place among the leading regional and global companies participating at the World Economic Forum on 'Achieving Inclusive Growth' for Africa in Durban, South Africa, as well as the World Economic Forum for ASEAN in Phnom Penh, Cambodia.

Puma Energy fills gaps in global fuel supply to join up people to the economic and social opportunities that a secure supply of high-quality fuel brings – enabling new businesses to thrive and existing ones to trade beyond their borders; elevating global profiles and attracting new investment; and enhancing efficiencies and productivity across key industries such as mining and agriculture.

We commit to championing the issues that matter most to our customers and communities – from helping to tackle the global need for cleaner, more efficient fuel and safer roads, to becoming the beating heart of our local communities through our state-of-the-art retail sites and support for community education and wellbeing.

At the World Economic Forum Annual Meeting in January 2018, in Davos, Switzerland, we came together with more than 2,500 leaders from business, government, international organisations, civil society, academia, media and the arts. The meeting, with the theme 'Creating a Shared Future in a Fractured World', aimed to drive stronger collaboration to address the greatest political, economic and societal challenges of our times.

With our expertise in improving infrastructure and security of supply, and providing quality fuels into the countries we service, we are confident we can play an important part in finding solutions to the economic, social and political challenges shaping and disrupting the world today.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

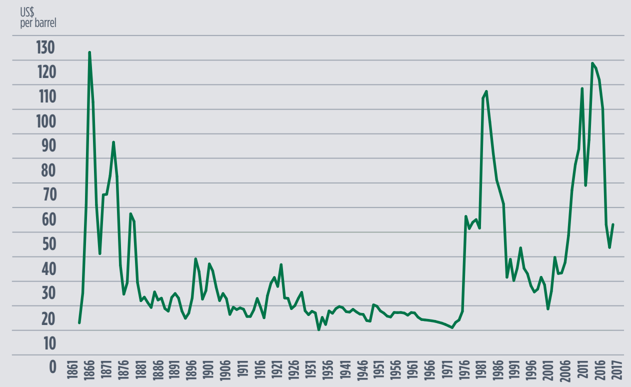
The future price of oil

One major uncertainty is the future price of oil. There are two, diametrically opposed, views on what will happen. One view is that prices will trend upwards in perpetuity: the other is that they will remain low, but for temporary 'spikes'. The 'ever-rising price' view derives from the fact that oil reserves are finite: the 'oil becomes a stranded asset' view derives from the combined effects of energy policies; new technologies; efficiency gains; substitution; and a secularly slowing China.

Historically, the price of internationally-traded oil has for the most part oscillated in a range of US$10 to US$50 per barrel (in 2016 prices) – indeed it has been within that range for 118 of the past 156 years (Figure 6). There have latterly been two periods, however, when the price has broken above this range; and the crucial question is whether that represents the 'new normal'.

What does seem clear is that the two recent breakouts were driven by major geopolitical change in the 1970s by the US becoming a net oil importer, and post-2000 by China experiencing a period of exceptionally rapid, energy-intensive growth.

FIGURE 6:
CRUDE OIL PRICE, INFLATION-ADJUSTED, 1861-2017



Source: BP Statistical Review of World Energy 2017, Macrobond, and Llewellyn Consulting

7 Which includes the storage capacity for gasoline, crude oil, aviation fuel, and middle distillates.
8 Source: Grand View Research, 2016.

REGIONAL FOCUS: KEY STATISTICS

Puma Energy specialises in the lower-risk, 'high-value' Midstream and Downstream: storing, selling and distributing refined products, and is investing where the demand for oil is growing, or is large, and where there is a need for transformative infrastructure.

AFRICA

The realisation of Africa's substantial economic potential was checked by the weakness in the price of many commodities in 2015 and 2016, but as commodity prices have rebounded, the outlook has improved. Medium-term growth prospects remain relatively optimistic.

EXPECTED GDP GROWTH
3.7%
UP TO 2022[9]

PROJECTED POPULATION GROWTH
13%
UP TO 2022[10]

OIL DEMAND INCREASE
10%
UP TO 2025[11]

LATIN AMERICA

A number of Latin American economies have emerged from a painful period of adjustment and recession. Growth has rebounded, along with commodity prices. The hope is now of renewed reform and a more stable future.

GDP GROWTH
2.5%
UP TO 2022[9]

PROJECTED POPULATION GROWTH
5%
UP TO 2022[10]

OIL DEMAND INCREASE
5%
UP TO 2025[11]

9 Between 2018 and 2022. Source: IMF 2017 World Economic Outlook.
10 Between 2017 and 2022. Source: UN 2017 World Population Prospects.
11 Source: IEA 2017 World Energy Outlook.

ASIA-PACIFIC

China's structural adjustment, from export- and investment-led growth to a greater reliance on consumption, is in motion, but the process is unlikely to be smooth. Falling potential growth and an excessive dependence on credit to drive GDP growth bring risks, which stand to spill over into Asia more broadly. Nevertheless, Asia remains the world's most vibrant economic region, and its underlying growth prospects remain buoyant.

GDP GROWTH
6.3%
UP TO 2022[9]

PROJECTED POPULATION GROWTH
4%
UP TO 2022[10]

OIL DEMAND INCREASE
18%
UP TO 2025[11]

EUROPE

Europe, although mature, is and will remain a large market. Accounting for around one-quarter of global GDP, the European economy picked up markedly in 2017 and seems well-set to continue expanding moderately in the years ahead.

GDP GROWTH
1.7%
UP TO 2022[9]

PROJECTED POPULATION GROWTH
0%
UP TO 2022[10]

OIL DEMAND DECREASE
-13%
UP TO 2025[11]

SPOTLIGHT PUMA ENERGY – AT THE FOREFRONT OF HIGH-QUALITY FUELS

1 3 5

FUEL. QUALITY. LIFE.
pumafuelqualitylife.com

By reducing sulphur and increasing the quality of fuel, we can help to reduce smog and pollution and enhance air quality and health, creating a better quality of life for our customers and their communities.

400m

MORE CARS ON THE WORLD'S ROADS BY 2025
SOURCE: WORLD ECONOMIC FORUM 2016

Why do fuel standards vary around the world?
While most countries in the developed world enforce strict fuel standards, it took around 25 years to arrive at their current low-sulphur standards, and this involved large-scale upgrades to infrastructure and the closure of numerous refineries. In many emerging markets, the infrastructure and technology needed for the cleanest (and most efficient) fuel still does not exist. Refineries that provide vital employment require huge investments to handle higher-quality fuel, so change will take time, and place considerable demands on governments, businesses and local stakeholders.

It is the strict policy of Puma Energy to supply fuel that meets national quality specifications in all the markets where we operate, but we do better where we can. The investments we have made in new storage terminals and local infrastructure in countries such as South Africa, Mozambique and Ghana have enabled us to react quickly to tighter regulations and drive quality standards higher. When Ghana changed the legal limit of sulphur in diesel to 50 parts per million (PPM), we were the first to bring cleaner fuel into the market. And, while local regulations are similar in Mozambique and South Africa, we are now capable of supplying fuel as low as 10 PPM where required. We also supply low-sulphur diesel to the mining industry in Botswana for much higher specifications than the law demands.

How does this affect Puma Energy?
Making a difference for our customers is central to the way Puma Energy does business. We invest in state-of-the-art storage terminals, maintain our retail sites to the highest standards, and apply stringent testing protocols to all our products on a consistent basis globally. Importantly, we are at the forefront of high-quality fuels. That means providing the highest-quality fuel possible, while ensuring affordable security of supply to our customers and working within local infrastructure limitations.

How can we help to raise fuel standards?
For customers, fuel efficiency is often the most important factor in their desire for higher quality, but there are positive impacts on a country's economy and environment, with air quality improving as sulphur content in diesel is replaced by additives that also enhance performance. In petroleum, the emissions of vapour and benzene have been linked to a risk of cancer.

We support efforts by national governments to reduce permitted sulphur levels and raise quality standards across a range of fuels over time. We do this both through our investment in infrastructure and by providing advice on policy. As a member of the African Refiners Association (ARA), Puma Energy also supports its work to improve fuel quality. This has contributed to significant progress in the region, including the almost total elimination of lead from petrol in Africa over the past 10 years.

How do we stay at the forefront of high-quality fuels?
Puma Energy has no legacy refinery contracts that tie us to sourcing from specific suppliers, so is not restricted to supplying low-quality fuel to any markets. We also use innovative fuel additives to remove harmful metals, enhance efficiency and reduce emissions. This, and our agile business model, means we can provide the highest-quality fuel to all markets quicker and more efficiently than our competitors.

Our internal testing laboratories are complemented by partnerships with independent testing companies such as Intertek, Geochem and AGS. They not only guarantee that we meet all local requirements wherever we sell fuel, but also ensure that when countries such as Zimbabwe raise their legal standard from 500 PPM to 50 PPM, as they did this year, our customers can rely on uninterrupted supply and the best-quality fuels available in the market.

Seamless delivery, security of supply, quality fuel management, competitive prices and great service. We have built our business on an unrivalled global infrastructure and an exceptional customer proposition.

BUSINESS REVIEW

The growth of Puma Energy in recent years has come largely from the assets and businesses we have built organically, but over the past few years we have also relied on acquisitions and major investments in strategic markets. This has helped us build our business rapidly and enhance our capabilities across the entire fuel value chain on a global scale – from our Midstream activities, to our Downstream businesses that include our strong retail presence, B2B services and into-plane fuelling operations, as well as our lubricants, bitumen and LPG businesses.

Uniquely positioned to deliver for our customers worldwide

During 2017, this period of sustained capital expenditure has continued but at a lower level than in previous years, with the formal opening of new terminals in Angola, Ghana, Myanmar and Northern Ireland; the completion of our new airport in Rostov, Russia; and an increase in our retail presence in many countries, including Guatemala, Peru and a significant entry into the Pakistan market in late 2017, adding 470 sites to our retail network.

We are now able to focus on the extraction of even greater value from the unique asset base we have built. We have moved beyond these massive investment projects, but their benefits will become increasingly evident in the decades ahead. We will continue to expand by going deeper into the markets where we are present, covering more business lines and making selective investments linked to our existing asset base, but our priority will be to improve our return on investment ratios.

Our Downstream performance in 2017

The number of Puma Energy retail sites grew to 3,064 in December 2017 (end 2016: 2,519), with overall sales volumes from our retail and operations segments up slightly year-on-year. Gross profit from our Downstream businesses increased broadly in line with sales volumes, while unit margins remained stable.

Aviation continued to perform strongly, with further expansion into new airports, and a significant roll-out of our eAviation programme to the majority of our markets. The B2B segment is still under pressure in commodity exporting countries, where we continue to see lower volumes and unit margins. At the same time, we have expanded our lubricants business in new markets.

Unrivalled infrastructure and storage network

Puma Energy has never been in a stronger position, having finalised so many significant capital expenditure projects in the past few years. Our state-of-the-art terminals and storage hubs work 24/7 in conjunction with our world-class distribution network to ensure that our customers always have the fuel products they need.

With that network now complete in almost all the markets we serve, our Midstream business can meet the needs of all our Downstream businesses, allowing us to maintain strong unit margins by exploiting our unique asset base to the full.

> *We have completed massive investment projects and their benefits will become increasingly evident in the decades ahead.*

ONE THIRD OF OUR STATE-OF-THE-ART TERMINALS AND STORAGE HUBS WORK

24/7

3,064

RETAIL SITES IN DECEMBER 2017

DIRECTHAUL TESTS LUBRICANTS

We tested our lubricants in temperatures from 0˚C to 40˚C.

See page 95.

MIDSTREAM

Puma Energy's infrastructure and storage facilities on five continents support international trade flows for both regional and national wholesale operators around the world. These Midstream operations enable our Downstream activities to fuel businesses, keep people connected and provide stability in 49 countries.

DOWNSTREAM

We fuel the global Downstream market, providing a wide range of oil products in 49 countries through our growing retail, wholesale and B2B operations. Our integrated Midstream infrastructure secures access to the products our customers need to fuel their activities and stay connected, wherever they are in the world.

OUR ROLE IN THE OIL— LIFE CYCLE

Our integrated Midstream and Downstream operations provide our customers around the world with secure access to a wide range of fuel and non-fuel products.

3 Marine systems
We have developed a high level of competence and expertise in marine infrastructure and operations, as receiving and delivering oil products through marine facilities is a key part of our business worldwide.
Page 69

2 Transport and safety
Our transportation networks encompass road, rail and sea, operating 24/7/365 to ensure prompt and efficient fuel deliveries globally.
Page 70

7 LPG
We also bottle and transport liquefied petroleum gas (LPG), delivering our high-quality LPG to an expanding global base of customers at a competitive price and on time.
Page 66

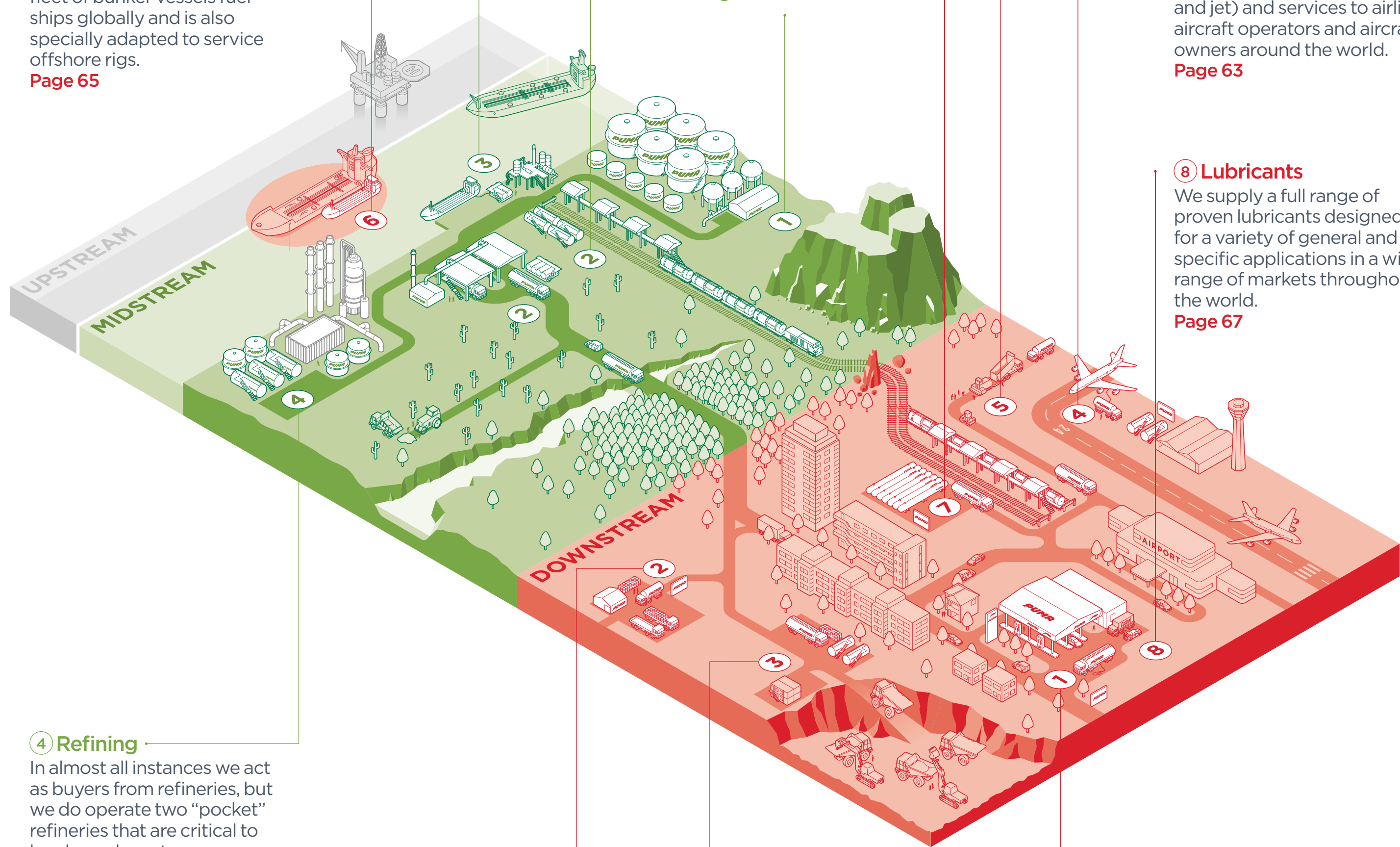
5 Bitumen
Our advanced fleet of bitumen ships forms a crucial part of our flexible and reliable distribution network, enabling us to load or unload bitumen at almost any major port in the world.
Page 64

6 Bunkering
The term 'bunker' for ship oil originated in the days of steam ships when coal was kept in bunkers. Our modern fleet of bunker vessels fuel ships globally and is also specially adapted to service offshore rigs.
Page 65

1 Onshore storage
Our purpose-built terminals give customers access to high-quality storage anywhere in the world.
Page 68

4 Aviation
We provide consistently high-quality aviation fuel (avgas and jet) and services to airlines, aircraft operators and aircraft owners around the world.
Page 63

8 Lubricants
We supply a full range of proven lubricants designed for a variety of general and specific applications in a wide range of markets throughout the world.
Page 67



4 Refining
In almost all instances we act as buyers from refineries, but we do operate two "pocket" refineries that are critical to local supply systems, one in Nicaragua and the other in Papua New Guinea.
Page 71

5 Global supply
Our strategically located storage terminals allow us to source products globally, reliably and at competitive prices.
Page 68

2 Wholesale
We supply our petroleum products to independent distributors throughout the world, who in turn sell them on to local retailers and customers.
Page 61

3 B2B
Our ability to match the needs of a highly geographically diverse range of customers, some of whom operate in remote, demanding and potentially dangerous environments, gives us a competitive edge.
Page 62

1 Retail
We are a leading global retailer, with 3,064 retail sites worldwide. We have national networks in many countries in Africa, Australia, Papau New Guinea and Central and South America.
Page 60

DOWNSTREAM

Puma Energy creates value day in, day out for our customers in 49 countries, supplying a wide range of products and services.

We have downstream operations in various sectors and product categories, including retail, wholesale, business-to-business (B2B), aviation, bitumen, lubricants, bunkering and LPG.

17k
CUPS OF COFFEE SERVED PER WEEK IN AUSTRALIA

143k
HOT DOGS SOLD PER MONTH IN CENTRAL AMERICA THROUGH OUR RETAIL SITES

4.9m
BOTTLED DRINKS SOLD IN PANAMA PER YEAR

3,064
RETAIL SITES AROUND THE WORLD

RETAIL

We provide high-quality, competitively-priced fuels, including premium fuel products in many countries, alongside convenience stores, cafes, restaurants and other food options – all at welcoming, secure sites that offer easy digital ways to pay.

We are passionate about serving customers and they enjoy Puma Energy's trademark warm welcome. Improving the retail experience is a top priority for us, which means adopting best-in-class practices and the latest technology, and training our employees in every aspect of their roles. We focus on every detail, including creating safe environments for our customers and staff, 24 hours a day.

In 2017, we have continued to invest in the quality and scope of our retail network, including upgrading and rebranding activities in Guatemala, Australia, Ghana and South Africa. We also acquired 470 new retail sites in Pakistan. Most of our 3,064 retail sites at the end of 2017 (end 2016: 2,519) are Puma Energy-branded and are spread across Central and South America, the Caribbean, Africa and Asia-Pacific.

And, while regulations vary widely in different parts of the world, quality is always central to the way we market our fuel. It is the key to Puma Energy increasing its profits and is essential to the growth of our retail business. We meet all national quality specifications in the markets in which we operate and support efforts by national governments to improve fuel quality, while promoting our range of premium fuel brands across our retail networks.

We further demonstrate our commitment to fuelling journeys through our retail outlets by understanding our customers' needs and by making a real difference in the communities we serve. Our retail sites are always well stocked with the products local people need and we recruit local people who know their markets well. They provide important insights into local preferences and a vital link to their communities.

Many of our retail sites offer convenience stores under the Super7 or Shop Express brands, but we are busy expanding our retail offer to meet even more of our customers' needs. New concepts, such as our 7th Street cafe/convenience stores in Australia, offer high-quality food and drink, and new convenience shopping options better to fuel our customers' journeys. This 7th Street format has proved successful in Australia, where we increased the number of 7th Street stores from 15 to 24 during 2017.

Our retail sites are always well lit, and we use state-of-the-art security cameras. We invest in the very best facilities at our retail sites, our forecourts are well-signposted, we ensure that the carwash is always in operation and that the washroom facilities are kept spotlessly clean.

As an energy business, we understand the value of limited natural resources, so we are always looking for ways to reduce our energy and water use, or cut carbon emissions and costs with technological innovation. To help with this, we have rolled out efficient LED lighting across our network of retail sites.

We work hard to delight our consumers with unique offers that continue to build an already respected global Puma Energy brand.

250m
DRIVERS THROUGH OUR RETAIL SITES

This goes beyond directly managing retail sites, as we develop dealer-operated networks, offering training and creating opportunities for local entrepreneurs.

Our integrated offer runs across both our forecourt and our convenience stores and is designed to help our partners maximise the growth potential of their retail sites by delivering on our consumer brand promise that is linked to the values of being young, different, independent, innovative and friendly.

We run market-leading promotional programmes in many countries, helping to drive both our fuel and non-fuel business, and adding further value for our people and customers. We also look for ways to make the most of digital innovations and technology to enhance the service and experience we give our customers. This has included our mobile payment app, Puma FastPay, in Puerto Rico and our smartcard-based pre-paid fuel wallet, MyFuel, that allows customers in Malawi to use pre-funded chip-cards.

WHOLESALE

Our relationships with wholesalers are based on safety and security of supply, as they rely on us to provide the products their customers need on time and on specification.

We fuel the success of our wholesale customers' businesses by maintaining reliable and safe supplies and building strong relationships, based on mutual trust. Puma Energy supplies petroleum products to many local distributors around the world, who then sell them on to third parties, such as independent retailers and commercial and industrial companies. We provide a full range of fuel products to these wholesale customers and help them meet their specific local demands.

We build strong relationships with wholesalers by delivering the right products to them, at the right time and price, backed up by our strong safety track record and reliability of supply. Trust on both sides is important, as our wholesale customers rely on us to deliver, but we entrust them with our products and, through their own business, to represent Puma Energy's best practices and high standards.

1.8m m^3
FUEL TRANSPORTED EVERY YEAR IN AUSTRALIA

1,600
TRUCKS DELIVERING FUEL EVERY DAY

"For our B2B customers, reliability is a top priority. If their fuel runs dry, they lose money."

17
COUNTRIES FROM THE AMERICAS PIONEERING CRM TECHNOLOGY

B2B

Puma Energy has demonstrated that it is the ideal choice for even the most demanding business-to-business (B2B) customers. We have the resources and expertise, the strategically located storage terminals and the modern distribution fleets that allow our customers to access global markets.

Our business customers range from world-famous multinationals to local businesses. They include many of the world's leading mining companies, and major businesses in key sectors such as transport, power generation, industrial, manufacturing, agricultural and construction. Between them, they keep the lights on, build the houses, grow the food, run the trains and make everything from cars to cardboard and televisions to textiles.

These companies all play a vital role in the economies in which they operate – creating wealth, providing employment, building infrastructure and supplying important products and services. For them, reliability is a top priority. If their fuel runs dry, they lose money. Earning that trust is crucial, even if it means putting in place robust logistics and transport systems to guarantee delivery to some of the most inhospitable industrial locations on earth.

We currently have around 20,000 B2B customers, and we usually work with them on three- to five-year contracts. We have strong relationships with multinational businesses such as Coca-Cola, De Beers, CAT and Cemex, offering them a fully managed service and 24/7 on-site expert support when required. Many of our customers want to deal with a single supplier across an entire region, a service we can now offer in large areas of the world, which helps them to streamline their processes and save money.

We also demonstrate our long-term commitment to our customers by working with them to develop products, technologies, support and delivery services they can trust absolutely. We provide them with a broad portfolio of fuels. High-quality diesel is in great demand with mining companies, while power-generating companies, such as the Power and Water Corporation in Australia and Duke Energy in Central America, want heavy fuel oil. Construction companies rely on our bitumen for road building and roof felting, while our lubricants business complements and enhances our fuels business. We continue to invest in technology to improve the services we offer to customers. Our new Customer Relationship Management (CRM) system has now been rolled out to 17 countries, and is helping us track data and enhance our working relationships with customers.

We continue to help customers reduce their fuel usage through our Total Fuel Management programme. This looks at every aspect of their fuel needs, from security of supply to waste management, identifying opportunities to reduce fuel usage and cost.

Customers from the mining industry.

1
AIRPORT IN EUROPE

9
AIRPORTS IN AMERICAS

22
AIRPORTS IN MIDDLE EAST AND ASIA-PACIFIC

39
AIRPORTS IN AFRICA

AVIATION

We are raising the standards of storage, product quality and refuelling times at airports worldwide. From touchdown to take-off, we refuel our customers on time, while keeping safety at the heart of everything we do.

www.pumaaviation.com

Puma Aviation understands the requirements of the world's leading airlines and airports, and our customers know they can rely on us 24/7 to meet their needs. With proactive account management and a dedicated Puma Energy core team, we take care of everything – from importation, handling, storage, bridging and transportation, to onto-plane operations at Puma Energy-owned airport fuelling depots using our own people. Our eAviation technology also makes it easy to do business with us and we offer a digital platform for pricing, delivery ticket and invoicing, as well as tailored customer solutions.

We have built an excellent reputation in aviation, based on our efficiency, strong safety track record and competitively priced products. We fuel aircraft from recreational planes all the way to corporate jets, heavy-lift cargo planes and large commercial aircraft. We work with a growing number of major international airlines, including American Airlines, British Airways, Delta Airways, KLM, Emirates, Singapore Airlines, Iberia and Taca Airlines, as well as many domestic airlines around the world.

We have the global technical capacity with the experience and expertise needed to provide technical services and operational support to these airports and airlines. We help to improve logistics, operations and systems by designing, building and commissioning new and upgraded ocean storage terminals, airport depots, jet fuel hydrant systems and into-plane equipment.

Our aviation operations fuel aircraft at 71 airports every day, making use of our modern tank farms, refuelling vehicles and hydrants. We have industry-leading airport fuelling standards, are a member the Joint Inspection Group (JIG) and carry out regular inspections. We have incorporated the JIG standard into our operating manual and we are a strategic partner of the IATA fuel group. We also ensure that international standards are maintained through fuel quality control audits throughout the supply chain, and by providing training to depot staff and into-plane fuelling personnel.

Puma Aviation now operates across Latin America, Africa and Asia, as well as at the new airport in Rostov in Russia. In Central and South America, we own and operate the fuel facilities at airports in El Salvador, Paraguay and Colombia and operate through joint operations in Belize, Nicaragua and Guatemala. In the Caribbean, we operate in Puerto Rico, St Thomas Island and St. Croix in the US Virgin Islands.

In Asia, we are present at 11 airports in Papua New Guinea and distribute jet fuel to all of Myanmar's 11 airports.

We now supply fuel to the O.R. Tambo International Airport in Johannesburg, South Africa. We also operate in Namibia, Botswana, Zambia, Malawi, Benin, Ghana, Zimbabwe, DRC, Senegal, Tanzania, Angola, Burundi, Nigeria and Swaziland, supplying fuel to airlines at 39 airports across Africa.

Partnering with us means getting reliable access to a unique bitumen sourcing and distribution system. No other bitumen supplier can do what we do.

Hanna Hauman,
Global Head of Bitumen

337k m³
BITUMEN STORAGE

50%
SHARE OF UK'S IMPORTS OF BITUMEN PRODUCTS

50%
REDUCTION IN REFUELLING TIMES

BITUMEN

We supply our customers with the bitumen they need – safely, efficiently and on time. They benefit from the integrated logistics services available at our terminals, and their seamless connections to our specialist bitumen vessels and containers.

www.pumaenergybitumen.com

We manufacture, store and supply bitumens and polymer-modified bitumens that are designed to exceed key quality parameters for penetration, viscosity and performance, as well as emulsions used in road pavement and maintenance, including prime coating, tack coating and surface dressing.

The products we supply are tested at loading ports by independent laboratories, while additional quality checks are performed in our own terminals. Our Terminal Management System (TMS) provides a high level of control over truck and driver access and monitors the flow of product in our terminals, ensuring the limitation of losses.

We own and operate the largest private bitumen terminal in Europe (Cadiz, Spain) and the largest bitumen terminal in South-East Asia (Langsat, Malaysia). We have recently completed the largest refined product import terminal in Myanmar at Thilawa and the opening of two new terminals in Nigeria.

During the year, we have assisted several countries, such as Vietnam, Nigeria, Mozambique and Congo, in major road building projects – sourcing and supplying the bitumen they need using our state-of-the-art fleet of bespoke insulated bitumen carriers and purpose-built terminals.

Puma Energy has also become an important contributor to road building in the UK, as we now supply around 50% of all the country's bitumen imports, having only entered the market in 2015.

Wherever we work, we make it easy for our bitumen customers to do business with us. They can even benefit from a 'one-stop shop' that simplifies their contractual arrangements and gives them access to the expertise, advice and support they need to help their business grow. With our Company-wide expertise and global network, we can combine an offer for fuels, lubricants and bitumen, which makes product sourcing, delivery to site and maintenance of on-site facilities so much easier for our customers to manage.

Top: Improving road surfaces with bitumen, Australia.
Above: Langsat bitumen storage terminal, Malaysia.

BUNKERING

We use the latest technology and specialist expertise to keep commercial operators on track to meet their deadlines through our bunkering operations – refuelling ocean-going vessels or fixed structures safely and efficiently in deep water.

We are very well equipped to supply a broad range of fuels and lubricants to shipping and rig operators. A growing number of customers, from major energy businesses and logistics companies to local fishing businesses, trust our service capability and our products to meet their offshore refuelling needs. Our bunkering facilities and vessels are among the most advanced in the world, and we comply with all international standards. We offer our clients – including Eni, Total and Bourbon – everything they require from a bunker supplier, including high-specification marine lubricants.

We service container ships, tankers and fishing vessels, often at short notice, and we use the latest technology to deliver better solutions for our customers. To minimise layovers and maximise sailing time, we maintain fully stocked barges close to shipping lanes, and their powerful pumps reduce refuelling times by up to 50%.

These highly-specialised and advanced bunker barges have also increased safety to new levels. Some of our barges have been specially adapted to service huge deep-water rigs and moored vessels offshore. Their high-pressure pumps deliver fuels at a faster speed, and make use of dynamic positioning (DP) systems to ensure a safe connection to our customers' facilities or vessels without any assistance by maintaining a steady distance of 50 metres from our vessel.

We also support oil and gas exploration off the coast of East Africa through our local bunkering operations. Our facilities in Tanzania facilitate in-port and offshore bunkering for customers operating south of Tanzania and north of Mozambique.

Bunkering to service offshore refuelling needs, Angola, Africa.

91k m³
SOLD IN 2015

94k m³
SOLD IN 2016

118k m³
SOLD IN 2017

LPG

Our LPG offers significant benefits to consumers, including convenience, value for money and a carbon footprint that is around 20% lower than conventional heating oil or kerosene and 50% lower than coal.

Liquefied Petroleum Gas, or LPG, is a cleaner, lower-carbon, efficient source of energy that offers benefits to consumers, industry and the environment. We specialise in the storage, bottling and distribution of LPG, with distribution operations in Latin America, the Caribbean and Africa. From storage, through bottling to distribution, our priorities are to offer value for money, quality of service and promote high safety standards. In some markets, Puma Energy is already the partner of choice of national oil companies as they transition away from kerosene.

LPG is highly versatile, with hundreds of different uses: most commonly in the home for heating and cooking or in the garden for barbecues. It can also be used commercially in forklift trucks, farming, industrial heating and catering. In Benin, we have LPG storage facilities with a capacity of around 4.8k m³, and we have significant storage and distribution capacity in Senegal, currently Africa's largest LPG consumer.

Around two million domestic customers living in the Havana area in Cuba use our LPG for cooking and heating.

In 2017, we continued to supply 20lb LPG cylinders across Puerto Rico, ensuring that access to this vital fuel source was maintained, despite the terrible effects of Hurricane Maria. LPG provided a critical lifeline for many people in the country during the recent crisis. The versatility of LPG makes it an ideal product to market in circumstances where other fuels may be in short supply, either temporarily or on an ongoing basis.

We continue to extend our reach into certain markets and look for new markets, such as in PNG and Myanmar, where LPG could play a role in creating a more secure, sustainable and competitive energy model that will benefit both business and domestic customers in the coming years.

Top: LPG plant in Estonia
Above: LPG plant in Puerto Rico

700
PRODUCTS OFFERED

30+
COUNTRIES SERVED

LUBRICANTS

Puma Lubricants has a strong presence in more than 30 countries, serving customers in the agricultural, construction, mining, industrial, transportation and automotive sectors of the market.

www.pumalubricants.com

Our customers trust Puma Lubricants. We deliver an integrated value proposition to our business-to-business customers that sets us apart from the competition. During 2017, we have agreed a deal with a strategically located blending plant in Singapore, expanding our portfolio to five blending plants and enhancing our capability to supply customers anywhere in the world. This will open up new markets in the Asia-Pacific region.

We sell our products through retail, wholesale and industrial market channels, and indirectly through selected distributors. In 2017, we launched our range of high-performance lubricants into Australia and Peru and in several markets in which we operate, we have built our market share from market entry to around 30% in just a few years.

Our lubricants range has undergone a complete brand overhaul in the past two years, creating an image that is attractive and fresh, reflecting both the products' quality and innovative properties. Our portfolio consists of 700 products, all backed by Puma Energy's reach and security of supply and exceeding automotive and industry specifications. They include on- and off-road automotive oils, heavy duty industrial oils, marine oils, hydraulic oils, coolants and greases.

We have invested in the latest state-of-the-art molecular technology and our products are approved by all major original equipment manufacturers (OEMs). We have a unique lubricants range that responds to the distinctive needs and objectives of key segments, providing improved protection and lower fuel consumption, thus offering greater benefits for drivers and enhanced productivity for businesses.

We also offer our business-to-business customers an integrated value proposition that sets us apart from the competition, supported by our world-class problem-solving expertise and a guaranteed on-time delivery promise. We make it our business to understand the specific needs of a very wide range of customers, whether their priority is heavy industrial, high performance or home use.

Beyond supplying products, we help our customers achieve better performance from their equipment at a reduced cost. Our lubricants experts work alongside our customers to analyse their equipment and understand their specific use and applications. From there, we produce lubricant survey charts for all machines and advise which of our products should be used. We also advise on the best maintenance schedule for the equipment to help reduce wear, improve utilisation and increase profitability.

Lubricants help to improve high-performance cars.

MIDSTREAM

Our globally integrated asset base, world-class transportation and multiple global sources ensure the security of local supply at competitive prices.

We meet our customers' needs by covering all activities from bulk supply, storage and distribution to the retail and wholesale of our products.

> *"We organise our supply activities through a central department, creating a seamless interface between the international oil markets and our distribution affiliates."*

GLOBAL SUPPLY

Our traders and supply professionals work around the clock to ensure that we acquire the oil products our customers need today and in the future, efficiently and at the best price.

We operate terminals at strategic locations across five continents, varying by capacity, capability and range of products stored, geared to local, regional or global demand. This allows us to organise our supply activities through a central department, creating a seamless interface between the international oil markets and our distribution affiliates. Our highly experienced traders and operators acquire oil products at the best prices, including access to arbitrage cargoes coming from outside the region.

We actively manage our portfolio of positions – both assets and partnerships – and this is crucial to us remaining the most effective player in our markets, with the most effective portfolio. Our price exposure is controlled using sophisticated risk management instruments; we hedge our positions and do not take outright price risk. Thanks to our supply function, we can manage procurement at a regional, rather than a country, level to achieve economies of scale for our customers.

ONSHORE STORAGE

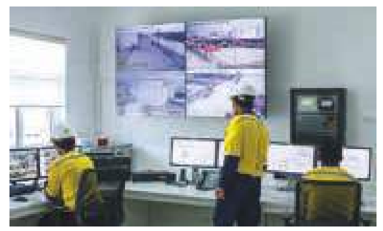
Our storage facilities are sited in strategic locations around the world. This allows us to maintain consistent supply to our customers, including key traders in fuel products and leading oil companies, while delivering the storage solutions they need.

Storage terminals are an essential part of any country's energy infrastructure and we contribute to this on a global scale. We have invested in high-quality storage facilities and services, both to support current requirements and anticipate our customers' future needs. Last year saw the official opening of our terminals in Thilawa in Myanmar, Belfast in Northern Ireland, Tema in Ghana and Luanda Bay in Angola. These projects are among several investments we have made that are transforming supply across the regions in which we operate.

Our global network of 104 storage terminals is also a vital resource to traders, wholesalers and major oil companies around the world. We handle many different products for these key customers at our facilities, including crude oil, fuel oil, clean refined products, bitumen, LPG and petrochemicals.

412k m^3	419k m^3	524k m^3	814k m^3	1,431k m^3
GRC TERMINAL, UAE	LUANDA BAY, ANGOLA	SILLAMÄE, ESTONIA	LANGSAT, MALAYSIA	MILFORD HAVEN, UK

The expertise and technology we have developed at our facilities allows us to provide a broad range of services, including: the high-volume bulk-building and bulk-breaking required by traders when they split or combine products for resale; sophisticated blending and 'butanisation' of oil products; as well as rail, truck, pipeline and discharging services.



Top: Control room in Thilawa, Myanmar.
Above: Storage facility in Townsville, Australia.

MARINE SYSTEMS

We receive and deliver oil products through our strategically located marine facilities. They all meet international safety and operational standards and are equipped with state-of-the-art discharge systems.

We have a wealth of experience in the construction, maintenance and operation of jetties, berths and offshore mooring systems, including offshore mooring systems in Ghana, Guatemala, El Salvador and Belize, along with port oil jetties in Puerto Rico, Ivory Coast and Dubai (UAE). We operate one of the world's largest Conventional Buoy Mooring Systems in Luanda Bay, Angola, and our marine systems play a critical role in securing the supply of energy for our customers in many parts of the world.

We also maintain a meticulous vessel vetting process and use a software system that complies with the standards of the Oil Companies International Marine Forum. This allows us to model each of our marine systems and consider the impacts of wind, waves and weather to assess the risks involved.

Offshore mooring system, Luanda Bay, Angola.

1,600
TRUCKS DELIVERING FUEL EVERY DAY

5th
GROUP-WIDE ROAD SAFETY CAMPAIGN

TRANSPORT AND SAFETY

The transportation of fuel and other hazardous liquids is a core part of our business, and a key part of the service we provide for our customers. We take the well-being of our drivers very seriously and take every precaution to ensure their safety and that of others.

Serving our customers can involve the long-distance transportation of fuel and other extremely hazardous liquids – sometimes across very dangerous terrain or through rural villages, using poor roads and infrastructure. Although our regional operations use contracted transportation, we follow and apply very strict standards and processes when contracting hauliers to ensure that we appoint reputable and reliable service providers that manage their own operations in a sound and sustainable manner.

Our vehicles can travel vast distances, particularly in Africa and Australia, where the delivery runs of long-haul road train drivers can last for days. As part of our commitment to ensuring that our products are transported safely, and to the health and well-being of the drivers making these long runs, they are provided with sleep bunks, GPS tracking and satellite phones.

We are proud of our long-term safety record and conduct regular audits and assessments, which enforce high standards that help to ensure the transporters we select manage their operations effectively and maintain their vehicles to our exacting requirements. This reduces the number of incidents, such as spillages and contamination that have a negative impact on the environment, and reduces accidents, especially fatalities.

However, we recognise that our trucks contribute to the increasing road traffic that represents one of the largest risks to people in the countries in which we operate. Supporting road safety campaigns is a key activity across our businesses and our aim is to reduce road traffic incidents.

We partner with everyone from local road safety groups and schools to international road safety NGOs such as Amend in Africa and France-based FIA (Fédération Internationale de l'Automobile). We also educate our own people and the customers who use our retail sites, promoting information related to road safety hazards.

Our 5th annual Road Safety Campaign programme launched in 2017 in Angola with a special Road Safety Relay – a round-the-world journey promoting safety and highlighting the regional risks and opportunities. It is an ambitious project, with Puma Energy people across all our operations involved, taking on board the key messages of the campaign and going on to deliver these to the people within their communities.

2
REFINERIES OPERATIONAL

528k m³
STORAGE CAPACITY AT OUR REFINERY TERMINALS

> *Supporting road safety campaigns is a key activity across our businesses.*

Top: 'Be Road Safe' campaign in action.
Above: Our road train fleet transports fuel throughout Australia.

REFINING

We own and operate local refining assets only where it makes sense to do so, given the logic of supply in that specific region.

Refining is not part of our core business model. In fact, smaller refineries across the developed world have been closing in recent years, often being converted into terminals and storage facilities for refined products. These refineries have been replaced by far fewer 'super' refineries that benefit from considerable economies of scale. Puma Energy does not operate any 'super' refineries and we choose to own and operate small refining assets selectively, currently in just two countries.

We operate two small refineries, one in Nicaragua and one in Papua New Guinea, which are both critical to the country's supply systems, and provide the local customers with quality fuel products.

Our refinery in Nicaragua.

In 2017, wecontinued to expand our retail and aviation businesses, and helped to weather a very real storm in the Americas.

1,329
RETAIL SITES IN THE AMERICAS

1.5m m³
STORAGE CAPACITY IN THE AMERICAS

AMERICAS

Overall performance in 2017

Following the exceptionally high volumes achieved last year, volumes were a little lower in the Americas in 2017, but we increased both gross profit and EBITDA. Our ability to source cheaper product on the Gulf Coast helped margins while we also maintained our pricing power.

We now have the infrastructure in place to deliver secure fuel supplies for our customers and improve local standards in the region with a total storage capacity of 1.5m m³ across the Americas. In Guatemala, for example, we have storage terminals on both the Pacific and Atlantic seaboards. This has enabled us to expand our retail footprint and roll out a refreshed Puma Energy brand image in the country, based on ideas from our Australian business.

Puerto Rico – resisting the hurricane

Nowhere has the strength of our infrastructure proved more important than in Puerto Rico, where our people and supply capabilities were tested to the full this year.

As our largest Americas market by sales and volumes, we already had important supply agreements with the government, Puerto Rico Energy, the Power Authority and Luis Munoz Marin International Airport in San Juan, which serves more than eight million passengers a year.

When Hurricane Maria hit Puerto Rico, these agreements became all the more critical, as the impact on people across the island was devastating. The storm damaged some of our retail sites and our central office was temporarily disabled, but we managed to get three storage terminals back in operation within two days, meaning that we could support the government, as well as local communities and businesses.

Puma Energy was the only fuel supply company able to do this, especially from the beginning, demonstrating the resilience of our people, our business and the infrastructure we rely on. See page 76 for more information on how we supported Puerto Rico in the aftermath of the hurricane.

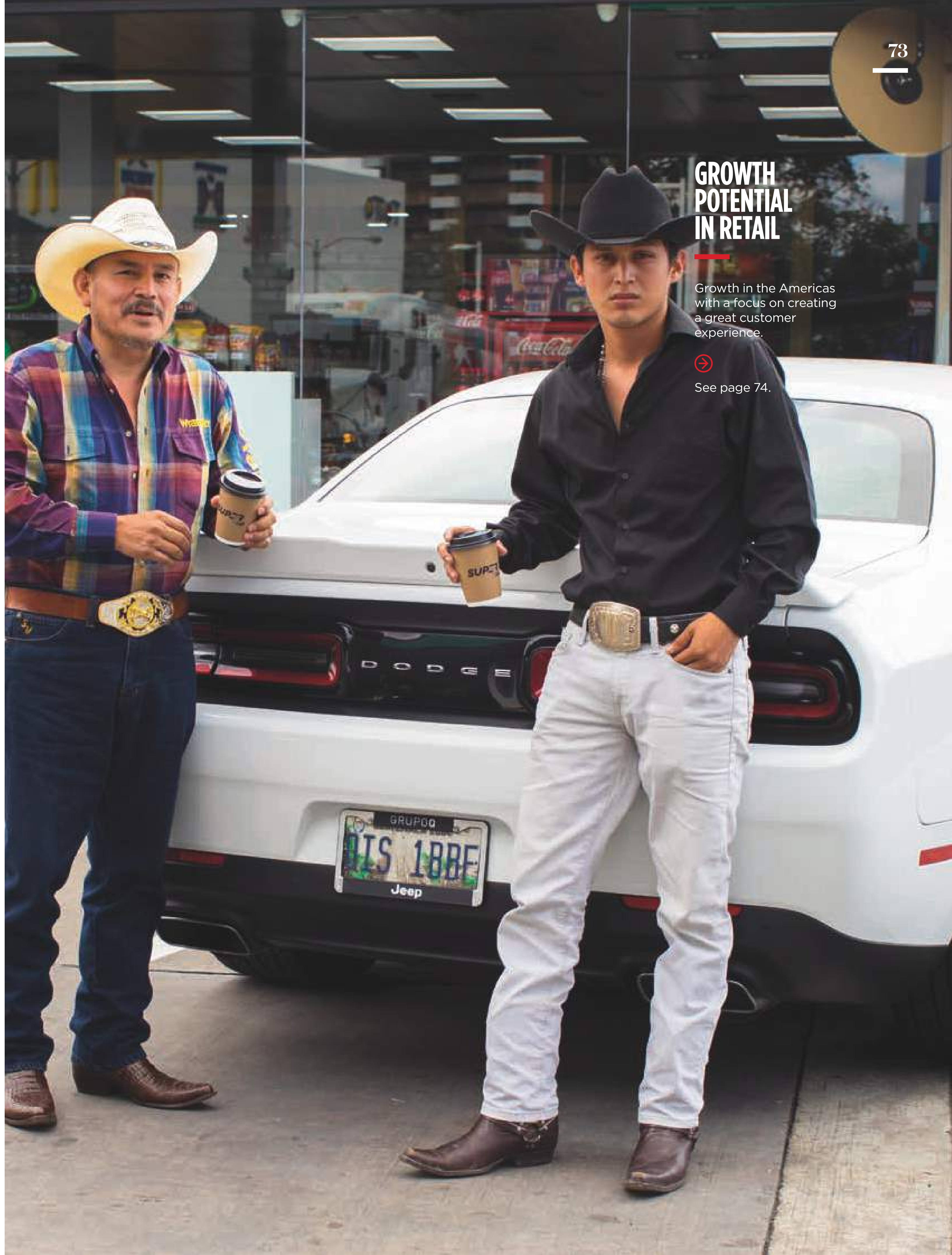
Our LPG business was already expanding in Puerto Rico, offering our retail customers greater access to this economical and comparatively environmentally friendly fuel source. However, LPG has become even more important since the hurricane, and is now used everywhere, from restaurants to retail sites, by industrial and domestic consumers. Traditionally power on the island is generated by coal, fuel oil, diesel and natural gas, but we now propose to use LPG, which we believe will lead to cheaper fuel, lower emissions and improved security of supply.

Focus on fuel quality

Fuel quality is a high priority across the region – our fuels always meet, and often exceed, local standards and legal requirements. We have also launched new fuels in Puerto Rico and Panama with Top Tier certification, which is the premier standard for petroleum performance, recognised by BMW, General Motors, Fiat Chrysler Automobiles, Ford, Honda, Toyota, Volkswagen, Mercedes-Benz and Audi. In Honduras, we are currently upgrading our petroleum to gain the same certification.

WHERE WE OPERATE

- Belize
- Chile
- Colombia
- Cuba
- El Salvador
- Guatemala
- Honduras
- Nicaragua
- Panama
- Paraguay
- Peru
- Puerto Rico and US Virgin Islands



GROWTH POTENTIAL IN RETAIL

Growth in the Americas with a focus on creating a great customer experience.

See page 74.

In Guatemala, we are already pioneers in the market, having introduced Ultra-Low Sulphur Diesel (with no more than 50 ppm) under our brand ION Puma Diesel. Across the Americas, we also manage differentiated fuels formulated with additives that enhance performance, under our Maxxima brand.

Technology driving aviation

We operate in nine airports across the Americas, with two in Puerto Rico, one in the US Virgin Islands, one in El Salvador, one in Paraguay and one in Colombia. We have joint operations in Belize, Nicaragua and Guatemala. At our airport in El Salvador, our hydrant system allows us to refuel planes at nearly twice the speed of our competitors.

Our new eAviation digital platform helps us tailor customer solutions that are focused on growth, while the system itself handles pricing, delivery ticket capture and invoicing. Using the platform reduces mistakes, makes things faster and more efficient, and allows access to transactions at one point. It also means that the airlines we supply and service – including American Airlines, Delta, United and Iberia, along with other local and international airlines, such as Sol del Paraguay – can be assured that the fuel that is loaded is exactly what goes onto our invoice.

Following a successful pilot of the eAviation digital platform in Puerto Rico, it was rolled out across all the airports we serve in the Americas, and is making a real difference to our customers and employees. See case study on page 75 for more detail.

Great potential in retail

Improving the customer experience and providing them with the right choices is vital to the success of our retail sites across the Americas business. We are one of the market leaders in many countries in the region but we still see great potential for growth.

Improving the perception of our fuels and our brand is critical to our future growth, as is the steady increase in our number of retail sites. During the year, we added eight sites in Peru, 10 more in Guatemala, and we continue to refurbish and rebrand new sites in Colombia and Panama.

Identifying the needs of our B2B customers

We supply refined oil products to more than 6,600 B2B customers across the Americas. Our industrial customers operate across a wide range of sectors, including transport, power generation, industrial and manufacturing, mining, agriculture and construction.

We work closely with all our customers to identify their needs, offering a portfolio of pricing alternatives, as well as supply logistics solutions for those in more remote locations, such as our mining customers. We also market our wide range of industrial and domestic lubricants products across the Americas including in Honduras, Nicaragua, Puerto Rico, Peru and Colombia.

Bitumen benefits business

In our bitumen business we focus on customers and projects where we can make a difference and build our expertise and relationships for the long term.

Through manufacturing asphalt emulsions developed specially to reduce dust and stabilise the dirt roads, we provide a valuable service to companies running large industrial sugar mills across Latin America. Using these emulsions reduces the frequency of maintenance required, the maintenance cost of trucks on the road, and not only improves the physical condition of the roads, but also the health and safety of workers and communities.

50 ppm
ULTRA-LOW SULPHUR DIESEL LAUNCHED IN GUATEMALA

"We grew the retail network in Peru from 18 to 26 retail sites, which is a good growth story."

Rodrigo Zavala, Chief Operating Officer, Americas

Developing our security structure

The security environment in the Americas and around the world is changing, and the type of threats Puma Energy faces are different. This has resulted in a decision to invest in a more rigorous, structured and controlled approach to security for the business, its people, assets and operations.

We are paying more attention to security threats by training our people to recognise these threats and understand how to stay safe in a changing environment. In September 2017, we appointed a new Group Head of Security who will oversee the development of Puma Energy's worldwide security structure, implementing procedures, policies, audits and reporting. This new role will focus on the potential risks we face in the Americas and elsewhere, and contribute to improve security of Puma Energy's people and assets around the world.

Keeping you safe in San Salvador

MORE THAN
6,600
B2B CUSTOMERS IN THE AMERICAS

Fuelling Pope Francis in Colombia

Puma Energy has well-established supply partnerships with commercial and general aviation customers, including the world's leading airlines, dignitaries and heads of state, who rely on our JetA1 and AVGAS100LL fuels and into-plane operations.

When Pope Francis arrived in Colombia in September 2017 for the country's first papal visit since 1986, he began a busy, five-day trip trying to bring a divided nation together in the cause of peace. Meanwhile, his Alitalia jet – known as 'Shepherd One' – was at a military base next to Bogota's El Dorado International Airport being refuelled by Puma Energy.

This is not the first time we have fuelled Pope Francis, as we did so when he travelled to Latin America in 2015, visiting Ecuador, Bolivia and Paraguay. We were there once again in November 2017, refuelling the Pope during his visit to Myanmar. ■

Link to wifi and have a coffee as you refuel at our retail site in Guatemala.

"During the year we added 10 more retail sites in Guatemala."

Rodrigo Zavala, Chief Operating Officer, Americas

CASE STUDY

NEW TECHNOLOGY IS HELPING OUR AVIATION BUSINESS TAKE OFF

3 4 5

Refer to page 12 for all the strategic priorities

With airlines moving towards digital solutions and IATA targeting zero paper by 2020, we are rolling out our eAviation technology in the Americas and Africa to make it easier for our customers to do business with us.

"The new eAviation digital platform enables our dedicated Puma Aviation core teams to focus on proactive account management and tailoring customer solutions that are focused on growth, while relying on the system to handle pricing, delivery ticket and invoicing."

Seamus Kilgallon, Global Head of Aviation

During the year, we have been rolling out a back-office technology solution provided by FuelPlus called supplier.ONE. This allows us to communicate with our aviation customers on contract management, pricing, billing, invoicing and tenders. The new solution interfaces with our customer relationship management and finance tools, and is fully aligned with the Group's ePuma programme, which includes a new B2B customer portal.

We are also working with eBits, a leader in airport fuel management solutions, on intrinsically-safe tablet-based AvR. Fuelling and AvR.eMobile solutions, which are being deployed to all Puma Aviation airports for delivery ticket capture, physical inventory management at airport depot level, fuelling schedule management and airport operations performance reporting.

Following successful deployments of the AvR solution and supplier.ONE last year, there was an initial roll-out of AvR to Puerto Rico and several countries in Africa in early 2017. We then rolled out our entire eAviation platform to the remaining countries in the Americas and Africa between May and November.

These new digital initiatives will eliminate some manual processes, optimise our operations, reduce delays and errors, align with our customers' systems and enable us to focus even more on our business.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

SPOTLIGHT KEEPING PUERTO RICO UP AND RUNNING

PUERTO RICO
AMERICAS

1 5

Refer to page 12 for all the strategic priorities

Amid the humanitarian crisis following Hurricane Maria, Puma Energy demonstrated its resilience by working around the clock to aid the people, government and businesses of Puerto Rico.

The effects of Hurricane Maria were devastating for the people and businesses of Puerto Rico. Many of our own employees suffered damage to their properties and some lost their homes altogether. The storm damaged our network of retail sites, our central office was temporarily disabled, communications in the country collapsed, roads were obstructed and the whole island was left without electricity.

Up and running within two days

Overall though, our infrastructure remained in good condition and there was no lack of stock. Within two days, and after making the necessary security assessments, we had three of our four terminals back in operation and our people worked hard to address the needs of the government, their communities and Puerto Rico's industries quickly and effectively. We also had people at our offices again, working 24 hours a day, seven days a week.

"The Puma Energy team in Puerto Rico has demonstrated unbelievable qualities of passion, determination and motivation. As entrepreneurial leaders we have been pioneers, demonstrating creativity and finding opportunities in the middle of the crisis. We have expanded our horizons and offered our services to our clients, the government, companies and individuals, and this has brought us closer to everyone."

Pierre Eladari,
Chief Executive

Our Guaynabo 2 terminal was immediately designated for the National Guard and FEMA contractors, to help supply hospitals, homes for the elderly and essential services. Meanwhile, we used our Guaynabo 1 terminal to support fuel resellers and some of our wholesale clients. We also made agreements with bodies such as MIDA (the food industry association) to help them supply supermarkets, and maintain a channel for food and essential goods to the people of the island.

Supporting Puerto Rico's businesses

This allowed us to dedicate our Bayamon terminal to our retail and B2B clients, which in turn enabled vital businesses to stay in operation during the critical first few weeks after the hurricane. As a result, we have built on existing or forged new relationships with clients, media and communities. We have supplied many new customers whose regular suppliers were unable to fulfil their needs, so we are looking to sign new contracts with those who recognised and appreciated the efforts our people made.

Through our resilience and the organised approach of our people and management, we managed to fulfil the requirements of our fleet card customers and other corporate fleets, the press, the Puerto Rico police, construction companies, government agencies and many more. Puma Energy was also the only fuel supply company that was ready from the very beginning to be present at the airport, to get planes back in the air.

Collaborating with government and industries

We worked closely with the government throughout the crisis, sharing our knowledge and leading important discussions. Our aviation people, maintenance teams, operations staff, terminal operating teams and many others did not hesitate to work long days to support key officials and business contacts to get the power back on and maintain critical services, such as the Electric Power Authority and the Senate of Puerto Rico.

Weeks after the storm, with many homes, businesses, schools and hospitals still suffering from severe power shortages, the Puma Energy team is still very much involved in the efforts to re-establish normal life across Puerto Rico.

We are collaborating with the government and industries to supply fuel to the island, since no other company in Puerto Rico has our capacity for distribution and logistics. For our people, the days are long, the challenges are innumerable and, although there is still a long way to go, their determination to meet the urgent needs of the island's people, communities and businesses is unwavering.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

With significant infrastructure now in place across Africa, we are continuing to grow our business operations organically in key markets, such as Angola, South Africa, Nigeria, Mozambique and Ghana.

419k m³
STORAGE CAPACITY AT THE NEW LUANDA BAY TERMINAL IN ANGOLA

1.5m m³
TOTAL STORAGE CAPACITY ACROSS AFRICA

AFRICA

Overall performance in 2017

Our businesses across the region performed well overall, although economic growth in Africa remains slow. With big investments in Angola and Mozambique now complete and already contributing to the service we offer customers throughout the region, our focus is now on investments with short payback as well as long-term gains.

The markets we operate in across Africa are highly regulated, and we work hard to ensure we always meet safety rules and that we can guarantee security of supply. This is one of Puma Energy's key strengths, due to our global network of terminals. Our logistical footprint throughout the region means that we are uniquely positioned to connect our customers to secure global supplies of fuel.

Our lubricants are marketed across Africa in Angola, the Republic of Congo, Mozambique, Ghana, Senegal, Benin, Ivory Coast, Lesotho, South Africa, Zimbabwe, the Democratic Republic of Congo, and following a launch during 2017, Swaziland.

Puma Lubricants now has the Original Equipment Manufacturer (OEM) stamp of approval from a range of automakers and suppliers of industrial machinery, which has given us credibility and traction in these markets.

Security of supply – the key to unlocking business

As part of Puma Energy's initial investments in Africa in 2010, we acquired terminals in Namibia, including the Walvis Bay depot. Even then, we knew that developing the right infrastructure would be critical to us providing the security of supply that would ensure our long-term success in the region. To facilitate this, we rebuilt the Namibian terminals to international standards and increased the storage capacity at Walvis Bay from 55k m³ to 123k m³.

Walvis Bay now handles a large proportion of the country's oil imports, while the other terminals in the country provide products for sale at dealer-operated retail sites across Namibia, indirectly and directly generating employment for local people.

The deepwater port at Walvis Bay is a primary hub for oil supplies coming into Namibia, with our depot handling the largest volumes entering the port.

As demand for fuel has grown, Namibia has begun to serve other countries in the region, such as Botswana and Mozambique. We now fill 50 trucks and 16 rail tankers each day at Walvis Bay and our work on this terminal was just the beginning of our infrastructure transformation in Africa.

Our more recent investment in the conventional buoy mooring system (CBM) and storage terminal in Luanda Bay, Angola, has been significant. The new facility has storage tanks with a total capacity of 419k m³, completely changing the fuel import infrastructure in the Angolan market and serving as a strategic mooring point for Africa in our global supply network. See our Spotlight on page 86 for more information about this unique facility.

WHERE WE OPERATE
- Angola
- Benin
- Botswana
- Burundi
- Democratic Republic of Congo
- Ghana
- Ivory Coast
- Lesotho
- Malawi
- Mozambique
- Namibia
- Nigeria
- Republic of Congo
- Senegal
- South Africa
- Swaziland
- Tanzania
- Togo
- Zambia
- Zimbabwe

EXPANDING OUR RETAIL FOOTPRINT

We are the fastest-growing independent fuel distribution company in Africa.

See page 82.

> *The opening of our new terminal at Tema in Ghana is all about achieving security of supply in the country. Quality is important, our customers expect nothing less. But security is the most important issue in the market – and Puma Energy prides itself in meeting demand without stock-outs.*

Myles Bouvier-Baird, Chief Operating Officer, Western Africa Region

Storage terminal, Tema, Ghana

Storage terminal, Walvis Bay, Namibia

Security of supply was always a key consideration when we entered the South African market at the beginning of 2015. At the time, we outlined an aggressive plan to fulfil our growth strategy. This expansion has included rebranding and refurbishing retail sites, and at the start of 2017, we began fuelling operations at the O.R. Tambo International Airport in Johannesburg.

We have worked with Bidvest Tank Terminals to build a new storage depot at Richards Bay to support our growing retail network and our aviation business. The new terminal at Richards Bay became fully operational in January 2017 and will help us unlock the potential of the Richards Bay Port, the neighbouring Industrial Development Zone, and the KwaZulu-Natal region.

While not owned by Puma Energy, the Richards Bay terminal is a facility that we use exclusively on a long-term lease, and it has been built to our exacting standards. The depot has a storage capacity of 46k m³ and stores diesel, mogas 95 and JetA1. Facilities at the terminal also enable Puma Energy to supply specifically non-blended product with no additives to the South African market.

> *We were pleased to enter the South African market this year, with the opening of the depot at Richards Bay, our customers will benefit from increased supply security, competitive pricing and high-quality PumaEnergy jet fuel.*

Seamus Kilgallon, Global Head of Aviation

This new depot adds to the 115k m³ Matola Storage Terminal in neighbouring Mozambique, opened by Puma Energy in 2015, contributing to a robust network that is strategically situated to supply countries of the Southern African Development Community. With facilities all around Africa, we can guarantee supply for governments, as well as a growing number of customers. And this is important, as countries such as Botswana and Swaziland have previously been forced to rely on South Africa for their fuel supplies. Puma Energy ensures that their supply is independent of any neighbouring country.

Opening up new business in Ghana
We also opened our new 121k m³ petroleum and gasoil fuels terminal at Tema in Ghana this year. Run from its modern control room, the new terminal went into full operation in July. It is already handling up to 96 trucks per day and the storage facility itself is connected to the Tema port with 2km pipelines.

The final stage of construction at Tema in 2017 included the installation of 8k m³ LPG storage bullets, a loading rack and a 1,200 bottles-per-hour bottling carousel, which is helping to open up this important market in the country.

The new Tema terminal complements our storage facility at Takoradi, which remains the only strategic fuel depot in the Western Region of Ghana with the capability to store and supply petroleum for both our customers and our competitors.

Our investments in storage across the country have helped us build our business in many sectors, but in particular it has enabled us to transform the aviation market in Ghana – offering unprecedented security of supply.

Focus on fuel quality
The specifications for fuels are set by governments and vary widely across Africa. Of course, we meet these as a minimum, but we often do much better – for example, while South African law demands 500 ppm diesel, we actually supply diesel with just 10 ppm through our infrastructure in the region. This fuel also goes into Botswana and other countries.

While critically important to improving vehicle performance, fuel quality is also a key factor in lowering emissions and addressing air quality, and as such is a major issue for government, business and industry alike. We recognise that raising the standards is a collaborative process, and that there is the potential for unintended consequences, as some local refineries cannot produce diesel at anything less than 3,000 ppm. To protect local jobs and communities, these refineries will need to be upgraded to produce fuel at lower sulphur levels before local regulations can change.

39
AIRPORTS SERVED

363k m³
STORAGE CAPACITY ADDED DURING 2017 IN AFRICA

78
RETAIL SITES ADDED DURING 2017 IN AFRICA

CASE STUDY

SPONSORING THE FORD PERFORMANCE TEAM IN SOUTH AFRICA

1 5

Refer to page 12 for all the strategic priorities

Not only are our high-quality lubricants an integral part of our B2B and retail offering in 29 countries, they also fuel high performance in some of the world's toughest race cars.

> *Cross-country racing is the cornerstone of our motorsport programme in South Africa with the Ford Performance brand. We are delighted to welcome Puma Lubricants to the team.*

Neale Hill, Director of Marketing, Sales and Service, Ford Motor Company of Southern Africa

Puma Lubricants became a co-sponsor for the Ford Performance and Neil Woolridge Motorsport (NWM) team's South African Cross-Country Series campaign in 2017. This valuable partnership enabled the team to field three Class T Ford Rangers in what is widely regarded as one of the world's most competitive domestic cross-country championships.

With five races in South Africa, as well as the three-day Desert Race in Jwaneng, Botswana, we supported the team every step of the way during the cross-country calendar.

Having previously sponsored African racing teams in Angola, Botswana, Zambia and Tanzania, Puma Energy is very much in tune with supplying the best-quality fuels and lubricants across the region. And, with both our retail and lubricants businesses expanding across Africa, our latest sponsorship ties in well with our aim to deliver greater benefits to all our customers.

Drivers can rely on our products to help run their vehicles at peak efficiency, while the increased productivity and reliability we can deliver for key industries, such as mining, agriculture, construction, light and heavy transport, make Puma Lubricants the number one choice in the B2B market.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

1st
AVIATION MARKETER IN GHANA

47k m³
BITUMEN STORAGE CAPACITY IN AFRICA

> *Competition is healthy. It creates efficiency, better standards and quality, and that leads to consolidation, which in turn results in better outcomes for consumers.*

Myles Bouvier-Baird, Chief Operating Officer, Western Africa Region

Expanding our retail footprint

We are already the fastest-growing independent fuel distribution company in Africa, and the infrastructure we now have in place is enabling us to expand our activities and serve customers every hour of every day at more locations across the region.

Our brand is strong in Zambia, Tanzania, Malawi and Namibia, where we enjoy good market shares. There is also good potential for non-fuel to grow in these markets, so we have added more convenience shops at our retail sites during the year.

Angola remains one of our most important markets in Africa and our Pumangol business offers 24-hour retail sites and convenience stores, operating under the Super7 Express brand. We sell around 1,600 different items across our network of 78 Angolan retail sites, providing the local products our customers want, from basic foodstuffs to little luxuries.

An important part of our expansion in the region has been in the South African market, where we added a further 15 retail sites in 2017, giving us 160 retail sites by the end of the year and further underlining our status as the largest independent fuel distributor in the country.

Our storage infrastructure in the region not only ensures that we always have sufficient supplies at our retail sites, but also enables us to supply specifically non-blended product with no additives to the South African market.

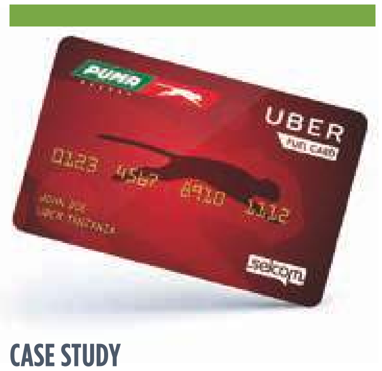
In Malawi, we continue to have success with our MyFuel Card, a smartcard-based pre-paid fuel wallet that enables customers to manage their fuel purchases using pre-funded chip-cards. This has helped to increase our sales and profits at our retail sites and 29% of our retail sales in Malawi are made through the MyFuel Card system.

Best Price Energy Company in Ghana

Our reputation for quality and value is helping us grow our market share in Ghana and win more customers across the country. We have also been recognised for our unique contribution to the market, as Puma Energy was named the 'Best Price Energy Company' in Ghana for 2017 by the Chamber of Petroleum Consumers (COPEC). Out of nearly 20 oil marketing companies nominated for the award, our record for maintaining comparatively low pump prices at our retail sites was considered the best.

During the year, we added 35 more retail sites to our network, further expanding our market share and helping us to beat much larger competitors to the 'Best Price' prize by bringing more competition into the petroleum market in the country. We now operate 84 retail sites in Ghana, up from 49 at the end of 2016.

As the Downstream sector of the fuel industry has been fully deregulated in Ghana, we believe this will further open up the market for greater participation and, as a consequence, this will keep prices at a more competitive level and promote greater efficiency among oil marketing companies.



CASE STUDY

FUELLING TANZANIA'S UBER TAXI DRIVERS

1 3 5

Puma Energy Tanzania is expanding its fuel card business and has established a partnership with Uber to supply fuel to its registered Uber partner-drivers.

Uber is a mobile application that has set the standard for connecting people to a world-class offering of affordable and reliable rides at the touch of a button. Its taxi service currently operates in 632 cities worldwide, including cities in eight African countries.

In 2017, the company launched its service in Dar es Salaam, Tanzania, aiming to complement existing transport options, reduce traffic congestion and limit the environmental impact of transport on the city.

Puma Energy has since established a partnership with Uber that expands our fuel card business in Tanzania. The new Uber-Puma Energy Fuel Card uses the Selcom Wireless platform and is a retail card accepted at all our retail sites within Dar Es Salaam. Selcom brings its experience in managing all the back-office activities, including card printing, a 24/7 call centre and joint marketing promotions.

Around 200 Uber partner-drivers registered with the new fuel card in the first few weeks, with a target of more than 700 more to be enrolled by the end of 2018.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

> *Following this agreement with Uber, our aim is to supply fuel to all registered Uber partner-drivers in the country – helping them to provide a service to their customers 24/7.*

Philippe Corsaletti, General Manager, Tanzania

CASE STUDY

PRECISION, PERFORMANCE, PASSION – FUELLING THE FLYING LIONS

5

Refer to page 12 for all the strategic priorities

In 2017, Puma Energy became the official sponsor of the iconic Flying Lions, a world-class aerobatic team that has thrilled millions with its breathtaking synchronised aerial displays.

> *We were attracted to join forces with the Flying Lions because they represent precision, high performance and passion – qualities that are perfectly aligned with Puma Energy's values.*

Zohra McDoolley-Aimone, Regional Head of Corporate Affairs, South Africa

After 17 years and more than 2,000 performances at air shows and other events, the Flying Lions in their Harvard aircraft are known right across South Africa, and Puma Energy was very proud to team up with them in 2017. As a global fuel business, we are committed to providing the same world-class service to the Flying Lions that we do to our many customers around the world.

The Flying Lions Formation Team regularly grabs headlines and this sponsorship made sense to us because it allows Puma Energy to use one of the most targeted, impactful and innovative methods of representing our brand in the public eye, globally and across Africa. It also has a particular resonance for our aviation customers – from small flying schools, through to large commercial airliners, demonstrating how we fuel journeys for both business and pleasure.

The team consists of highly regarded pilots Scully Levin, Arnie Meneghelli, Ellis Levin and Sean Thackwray, and they have become an essential act at every major air show across South Africa. The Harvard AT6 aircraft they use are renowned for their inimitable magical sound and are fitted with a smoke system to enhance the choreography of the display, adding to the spectator appeal and consistently drawing massive crowds wherever they perform.

While we are a strong global player and have a major influence across Africa as a whole, Puma Energy is still relatively new in the South African market. Our sponsorship of the Flying Lions, with its close-knit team and pilots who live and breathe flying, will help us reach the public and raise awareness of our brand across the country at the many venues countrywide where they perform.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

Growth in our aviation business

Our entry into the aviation market in South Africa at O.R. Tambo International Airport in Johannesburg, the largest airport in Africa, is a significant step forward for Puma Aviation in the region. The airport also benefits from dual supply routes from South Africa and Mozambique.

Ghana has also been a significant success story, achieving a leading market share of aviation business in the course of just 18 months, thanks to our investments in storage at the country's main airport and beyond. Tellingly, the airport at Accra previously held five days' fuel, so was at risk of stock-outs, but is now able to store 22 days' supply and our fuel is always available.

The eAviation paperless system is being rolled out across the region to handle pricing, delivery ticket capture and invoicing, and will make it easier for us to deal with our customers.

In Tanzania, we operate a hydrant jet fuel pipeline to the expansion of Dar es Salaam International Airport. Our own construction team designed, installed and commissioned all essential works on the project, and the pipeline enables us to fuel customers faster and more efficiently at the airport.

EasyFuelPlus is driving growth in B2B

Technology is also helping us improve the services we provide to our B2B customers. We are working with WEX, a leading global provider of corporate payment solutions, and OTI PetroSmart, the company behind EasyFuelPlus, to support our on-road B2B fueling offer. By integrating automated vehicle identification with an advanced fuel management system, the EasyFuelPlus system ensures that the right amount of the right type of fuel is dispensed into the right vehicle.

WEX's payment processing system integrates with OTI PetroSmart's automated vehicle identification solution, EasyFuelPlus, to identify, authorise and complete fuelling transactions.

The WEX payment processing service is designed to meet the needs of fleets and oil companies and help us manage and bill sales of petroleum products to commercial fleet customers. We are currently implementing WEX in selected key markets, with an initial focus on Southern Africa, where the solution is being introduced alongside the deployment of the EasyFuelPlus technology.

Using EasyFuelPlus to minimise fuel fraud and effectively manage fuel consumption, combined with its effective payment processing system, is a big step forward in our B2B fuelling. It will enable us to differentiate offerings to commercial fleets across our markets, and make us easier to do business with.

At the forefront of technology

Retail site launch, Ghana

Building our bitumen business in Nigeria and Benin

Having acquired 60% of the bitumen assets of Wabeco in Nigeria last year, we have now completed the refurbishment of its Calabar and Lagos bitumen and fuel terminals, with a combined capacity of 17k m³. The terminals can store up to 7k m³ of bitumen, allowing us to launch the product into Nigeria. We are now using our ships and trucks with bitu-containers to carry bitumen that will support major road building projects in both Nigeria and Benin.

> *Puma Energy has embarked on a strategy to standardise its retail site architecture to facilitate innovation. We are excited about leveraging the WEX payment processing service and EasyFuelPlus to help our customers and drive the growth of our premium B2B offer in Africa.*
>
> *Alessio Torelli, Global Head of Retail*

PILOTS ON CALL

24/7/365

CASE STUDY

SPONSORING RHINO CONSERVATION FROM THE AIR

5

Refer to page 12 for all the strategic priorities

Puma Aviation has stepped in to help 'Flying for Freedom South Africa' and 'Rhino 911' in their efforts to combat the serious threat of extinction to the African Rhino.

Flying for Freedom and Rhino 911 are emergency rhino rescue units, run by two pilots, Tokkie Botes and Nico Jacobs, who fly their helicopters across the North-West Province of South Africa and the greater Kruger National Park's Safari areas, helping to protect the African Rhino.

They respond to emergencies and poaching incidents, and the vets they carry act as rhino 'para-medics', working hard to save injured animals across a multitude of game parks and game farms. When this is not possible, they can sometimes save distressed rhino calves and take them to a rhino orphanage where they are cared for until they are old enough and strong enough to be released back into the bush.

The pilots are on call 24/7/365 – and they NEVER say no to a call – so the support of Puma Aviation in sponsoring their fuel and supplying it securely and on time is vital to keeping them in the air, whenever and wherever they are needed.

Tokie's and Nico's helicopters also fly teams of dedicated vets who conduct the routine clipping of rhinos' ears and inserting microchips between their shoulders and into their horns for identification. They also fit electronic collars so that rhinos can be tracked remotely day and night, under the surveillance and protection of armed guards and game rangers.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

> *This is an emergency. We must do everything we can to ensure that the rhino forever roams the African savannah free from danger. The rhino's extinction would not just rob Africa of one of the world's largest and oldest creatures, it would rob the entire world and all humanity of the privilege of living in a world alongside this incredible creature that has survived since the prehistoric era.*
>
> ***Zohra Mc Doolley-Aimone**, Regional Head of Corporate Affairs, South Africa*

SPOTLIGHT DEVELOPING OUR INFRASTRUCTURE AT LUANDA BAY

ANGOLA
AFRICA

3 4 5

Refer to page 12 for all the strategic priorities

Our strategic infrastructure investments are helping us provide safe, reliable and cost-effective supply, storage and distribution solutions around the clock for our customers. The biggest of these investments – our CBM System in Luanda Bay, Angola – is the largest of its kind in the world. Puma Energy's commitment to the area is making a real difference to the country's economic life, as well as bringing important social benefits to the whole community locally.

A strategic mooring point for Africa

The construction of the CBM system was part of a project that has delivered storage tanks with a total capacity of 419k m³, a loading gantry with 24 loading racks, pump stations, a fire-fighting protection system, a truck parking area, an administrative building, and two quay walls that accommodate 50,000 Dead Weight Tonnes (DWT) and 15,000 DWT ships, allowing us to import and export petroleum, diesel, Jet fuel and bitumen, serving the needs of a wide range of businesses and consumers in Angola.

We have drawn on our extensive infrastructure experience and know-how in the construction of terminals, as well as a complex network of onshore and offshore pipelines. The Luanda Bay Terminal was officially opened in late 2017, although it has been in partial operation since 2015 and has already completely changed the fuel import infrastructure in the Angolan market and serves as a strategic mooring point for Africa in our global supply network.

Supporting the community at Luanda Bay

With all this additional activity in the Luanda Bay area, we have worked hard to reach out to local people and do what we can to support their health, safety and well-being. We have organised both a vaccination campaign for the community at Luanda Bay and road safety awareness sessions for local children. We have spread the message about road safety to around 440 children using our Chirpy the Chicken mascot and by distributing Puma Energy-branded colouring books and school bags with reflectors.

Working with local stakeholders, our Angolan business Pumangol has also transformed an area at Luanda Bay into a new community space that is open to everyone. Prior to our work, this land was filled by an open sewer and filthy rubbish, and yet was a place where many local children played. The area has been thoroughly cleaned up, renovated and landscaped to become the only community space in this deprived area, and is very much appreciated by local children and adults alike.

Handling some of the world's largest bulk carrier ships

The CBM System we built in Luanda Bay meets Oil Companies International Marine Forum (OCIMF) standards and can accommodate vessels up to 225,000 DWT, which includes most bulk carrier ships classified under the Capesize vessel category. The mooring buoys it uses are fitted with navigational aids to assist with effective, safer and environmentally-friendly tanker loading and berthing.

We also brought our first Anchor Handling Tug Supply vessel, Gajaja, into service at the port last year. The tug's Caterpillar main engines develop a total output of 3,132kW (4,256bhp), which is more power than from eight new Aston Martin DB11s combined. Gajaja is a Saint Vincent and the Grenadines'-registered tugboat with the call sign J8B5333. 40 metres long, with a beam of 11.8 metres and a depth of 4.6 metres, she plays a crucial role in helping us connect very large fuel vessels to our CBM System.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

> *The new facilities strengthen supply to and from Angola, as well as the whole of Africa, and make the Luanda Bay Terminal an increasingly important site in meeting the demand for energy products.*
>
> *Pierre Eladari, Chief Executive*

We continue to expand our operations, most recently in Myanmar and Pakistan, across a range of activities, as the region offers us excellent organic growth prospects.

11
AIRPORTS SERVICED IN MYANMAR

470
RETAIL SITES ADDED IN PAKISTAN

MIDDLE EAST & ASIA-PACIFIC

Overall performance in 2017

Sales volumes increased in Asia Pacific, mainly driven by organic growth in Australia, and strong performance from our aviation business in Myanmar. Gross profit and EBITDA were also up in the region, as unit margins were good. Late in the year, we added a sizeable retail network of 470 sites through the acquisition of a 51% interest in Admore from the Chishti Group in Pakistan. The acquisition offers us the opportunity to improve local infrastructure in Pakistan, provide supply security and deliver a world-class retail proposition to local consumers.

Market conditions were generally good throughout the year in Australia and, with our supply infrastructure now complete, we added further to our retail footprint. We also launched Puma Lubricants in Australia and Papua New Guinea in August 2017. We expect lubricants to be an important engine of growth over the next five years and plan to launch in Pakistan and other countries, possibly including Myanmar, in the first half of 2018.

Expanding our activities in Myanmar

NEPAS, our aviation business in Myanmar is proving successful, as the local market is opening up and offering good growth. The company now imports and distributes jet fuel at the country's 11 airports, including Yangon International. We have just completed work on two new jet fuel tanks at Yangon with a total capacity of 21k m^3, as well as new unloading and loading gantry facilities, based on the latest international aviation regulations.

Our new import terminal and loading jetty at Thilawa underpins our overall business and in particular the aviation business. With a storage capacity of 91k m^3 for a variety of products, including petroleum and jet fuel, the facility is the largest refined product import terminal in Myanmar, with the capability to receive product from MR-sized (50,000 DWT) vessels. The facility also has truck loading bays, a 550m^2 office building, a fully equipped laboratory for product testing, a substation building, fire-fighting facilities, a truck parking area, an 800m^2 warehouse and a filling station for trucks.

Upgrading Myanmar's airport infrastructure

We are working with the Myanmar government-owned enterprise, Myanma Petroleum Products Enterprise (MPPE), to upgrade the country's airport facilities and storage solutions.

Through NEPAS, our aviation business, operated jointly with the Myanmar government-owned downstream enterprise MPPE, we are already responsible for importing and distributing all aviation fuel in Myanmar. We also manage the into-plane fuelling and marketing of aviation-related petroleum products at all airports across the country, as well as supplying avgas and aviation lubricants.

Where we operate

- Australia
- Indonesia
- Malaysia
- Myanmar
- New Zealand
- Pakistan
- Papua New Guinea
- Singapore
- United Arab Emirates
- Vietnam

YANGON AIRPORT

The new International terminal has doubled the airport's capacity to six million passengers a year

See page 92

During 2017, we have worked on the refurbishment and modernisation of five airports – Yangon, Mandalay, Heho, Tachilek and Myek. This is part of an improvement plan that saw a new international terminal completed at Yangon airport last year, as the airport increased its capacity to six million passengers a year, and will ultimately result in upgrades at aviation facilities right across the country. The work will continue in 2018 at airports in Sittwe, Kawthaung and Kyauk Phyu, as well as further at Yangon.

Developing our retail network

Across the Middle East and Asia Pacific region we fuel customers 24/7 at 918 retail sites. In addition to our growth in mature markets, such as Australia, where we have continued to develop our retail network, our commitment to markets such as Myanmar and Vietnam is providing us with the platform to capitalise on rising consumption and economic growth.

Fuelling Pakistan – our acquisition of a 51% stake in Admore

Our new acquisition will bring Puma Energy's branded retail sites, convenience stores and quality product range to the Pakistan market. The acquisition of a 51% interest in Admore from the Chishti Group in Pakistan, in late 2017, is a great fit with Puma Energy's global strategy of disciplined investments in fast-growing markets with a high demand for oil products.

Admore is already one of the leading oil marketing companies in Pakistan, with a retail network of 470 sites nationwide. It has a strong strategic asset base and customer portfolio, as well as excellent management and employees. The new venture offers us the opportunity to improve local infrastructure, provide supply security and deliver a world-class retail proposition to local consumers.

We will contribute our expertise in retail, logistics and our proven ability to ensure the reliable and secure supply of high-quality fuels. To do this, Puma Energy will undertake a significant investment programme to develop best-in-class supply chain infrastructure in the country.

Our joint venture with the Myanma Petroleum Products Enterprise now serves 22 international airlines, 10 domestic airlines, four charter service groups and six fuel agents in Myanmar.

David Holden, Managing Director, NEPAS

Fuel testing and truck loading bays at Yangon airport.

We believe partnering with Puma Energy will benefit our retail network, connecting Pakistan to the global market and ensuring security of supply for Pakistan's future growth.

***Amir Waliuddin Chishti**, Chairman, Chishti Group*

Bitumen business in Vietnam

Puma Energy Vietnam has successfully built a strong brand and a reputation for providing high-quality bitumen and services, and the market looks set to expand within the country and beyond. With work already under way, Vietnam aims to complete around 2,500km of highway within the next five years.

We completed our Dinh Vu bitumen terminal in the north of Vietnam in 2017, with a storage capacity of 21k m^3, truck loading bays and an office building. It is connected via a 1.2km-long pipeline to a jetty capable of handling vessels of up to 30,000 DWT and is the biggest terminal at Vietnam's Dinh Vu Industrial Zone.

Focus on fuel quality

Consumer concerns over fuel quality in the region include products being tampered with, pumps not being accurate or fuel not being high quality as advertised. In Myanmar, we plan to launch into the retail market in early 2018, so building brand awareness and reputation will be a priority at our new retail sites when they open.

With this backdrop, credibility and trust are the key to winning new customers, so we are putting a 'Product Quality Control' van on the road to take samples and test them. Their message is that Puma Energy will always ensure the right quality and the right quantity for our customers.

Secure supply through our hubs in Malaysia and Dubai

Our supply hubs in the region are crucial to our ability to maintain the highest standards of fuel quality. We continue to operate blending and storage facilities both in Malaysia, at our Langsat terminal, and Dubai. These facilities also give us access to the major trading and industrial centres in the region.

The GRC terminal in Dubai is one of Puma Energy's largest and has a storage capacity of 412k m^3. Our supply and storage infrastructure in the Middle East and Asia-Pacific has helped us consolidate our position in the region, and guarantee secure supply for our customers.

CASE STUDY

PUMA ENERGY RETAIL MYANMAR – QUALITY CONTROL VAN

1 2 5

Refer to page 12 for all the strategic priorities

Computer generated image of proposed mobile fuel quality testing van and retail site.

Myanmar motorists currently have a high degree of mistrust when it comes to fuel quality and quantity. This is compounded by poor service and site presentation standards at locally owned and operated retail sites in the country.

FUEL. QUALITY. LIFE.
pumafuelqualitylife.com

Market Research conducted in Yangon confirms that the overall perception of local brands is very low, and that consumers believe that not only is the quality of the fuel poor, but that the majority of staff are cheating them at the pump.

Puma Energy Myanmar is looking to introduce a Retail Customer Value Proposition that is founded on QQSS – Quality, Quantity, Service, Sites. This directly addresses the issues Myanmar motorists face today and is designed to establish Puma Energy as the leading and most trusted fuels brand in the country.

To reinforce our quality fuels positioning, we will be introducing a 'Product Quality Control Van'. The van will be operated by Geo-Chem (an independent fuels testing company) and it will conduct regular fuel quality and quantity tests at all Puma Energy branded retail sites in Yangon.

Motorists will see the van on the roads around Yangon, as well as testing fuel samples at Puma Energy retail sites. The aim is for this to create a positive impression and help to establish Puma Energy as a trusted brand. The test results and product samples will be on display at Puma Energy retail sites for all customers to view.

This product testing van will also help to identify any quality issues should they arise and safeguard Puma Energy against fraudulent claims. It will also ensure that any sites that are supplied and branded as Puma Energy, but not operated by us, are purchasing and retailing only our products, again reinforcing customers' belief and trust in Puma Energy.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

Our new Thilawa Terminal in Myanmar

The opening of our new state-of-the-art terminal at Thilawa in May 2017 also unlocked further opportunities, supporting expansion within Myanmar. This may include unlocking our supply chain through the country and providing lubricants and LPG, which is used for cooking and heating in Myanmar. Thilawa is Myanmar's 'flagship zone for foreign industrial investment' and the area benefits from international investment, including Japanese private and public money.

Building the Thilawa terminal has been a US$101 million project involving the construction of 11 tanks with ample capacity to store a wide variety of products from petroleum and jet fuel to bitumen. Alongside these are brand new truck loading bays, an office building, a fully equipped laboratory for product testing, a substation building, dedicated fire-fighting facilities, a truck parking area, a warehouse, a filling station for trucks, and a jetty capable of accommodating 50,000 deadweight tonne (DWT) vessels.

The facility has a fuel storage capacity of 91k m^3 that is used for a range of products from jet fuel to petrol and gas oil, which is widely used in agricultural machinery. We also have 24k m^3 of bitumen storage, so Thilawa has the potential to become a regional supply hub for neighbouring countries, which could help Puma Energy to expand into new frontier markets in time.

Investing in Papua New Guinea

Since acquiring the assets of InterOil in Papua New Guinea more than three years ago, Puma Energy has made a series of strategic investments to transform the existing operations into a major petroleum hub for the Asia-Pacific region. We have refurbished the Napa Napa refinery in Port Moresby, and expanded our retail sites and fuel storage capacity across the country.

Puma Energy has added more than 111k m^3 of storage capacity through the expansion of its terminals and our Papua New Guinea operation is having a positive impact on the Group's overall sales. We have also made significant investments into the local communities to support job creation, skills development and Papua New Guinea's economic growth.

Retail success in Australia

After a major refit two years ago, Gingers Roadhouse has become our best-performing retail site. On the outskirts of Perth, the 24/7 roadhouse now delivers more than 18 million litres in fuel a year to an average of 1,660 Western Australian motorists who visit it every day. An average of more than 1,600 barista coffees and 650 sandwiches are served to customers every week, while the site also delivers added extras for motorists such as free 'driver reviver' coffee (aligning with state and national road safety campaigns), as well as showers and ample truck parking.

Our partnership with the Royal Automotive Club (RAC) in Western Australia has also driven total fuel volumes, as we solidified ties with the motoring organisation to tap into its 950,000 members and provide them a fuel offer at more than 65 of our sites. The partnership has been a great success with up to 75% of members taking advantage of the offer since its launch. Puma Energy has gained valuable customer insights around our shop programmes, and are further extending the partnership so that RAC members can now access the value fuel offer at more than 225 Puma Energy sites across Australia.

1.8m m^3
OF FUEL TRANSPORTED EVERY YEAR IN AUSTRALIA

Lawes Road new retail site in Papua New Guinea.

"We believe strongly in Papua New Guinea and its future growth prospects, and see many opportunities for continued investment to build upon the success of our business."

Pierre Eladari, Chief Executive

Building on our Puma Card

Our Puma Card is proving to be an important driver in our retail business, with volume growth of around 9% during the year. We have achieved an 18% growth in Puma Card customers to more than 10,000, and there were more than 425,000 Puma Card transactions across the Puma Energy retail network in 2017.

This success has been due to: the development of Puma Energy diesel facilities within key transport and industrial hubs, especially in Sydney and Victoria; the establishment of a sales and lead generation outbound call team; and a focused direct sales team engaging with medium-to-large transport companies. By improving the number of our strategic sites and continuing the focus on medium-to-large transport companies, we expect to see further growth in Puma Card volumes in 2018.

Transport in Australia – DirectHaul

We transport close to 1.8 million m^3 of fuel every year to customers throughout Australia. We do this through DirectHaul, our industry-leading transport and logistics division, providing cartage to key industries in the country, including transportation, mining, pastoral, retail and aviation. DirectHaul's modern fleet is supported by a vast network of depots and workshops and we operate in accordance with industry-leading safety standards, including a well-developed system of audits, training and fatigue management programmes. This ensures that we meet the stringent carrier audit requirements for the largest oil companies in Australia.

Our DirectHaul drivers travel long distances and our retail sites, such as Gingers Roadhouse, offer them a chance to shower, rest, eat and refuel. ■

100
DESSERTS PER WEEK SERVED AT GINGERS ROADHOUSE RETAIL SITE IN AUSTRALIA

40%
OF AUSTRALIAN SITES OPEN 24/7

"Gingers Roadhouse, our best-performing retail site on the outskirts of Perth, WA is open 24 hours, fuelling customers with hot and cold food and services to fulfil all their needs."

Right: Gingers Roadhouse retail site on the Great Northern Highway, Australia.

An average of 1,660 customers visit Gingers Roadhouse every day.

Our new Puma Lubricants incorporate molecular technology, offering a new level of protection from engine wear, oil oxidation, filter-plugging, sludge and soot-thickening, while also meeting or exceeding the new generation of diesel engines with diesel particulate filters. Our range of products has proven performance around the world, from South African mines and Central American transport fleets to Australia's DirectHaul road trains.

Govert Spit, Global Head of Lubricants

SPOTLIGHT
TESTING OUR LUBRICANTS IN AUSTRALIA'S HARSHEST WORKING CONDITIONS

1

Refer to page 12 for all the strategic priorities

We launched our own brand of lubricants in Australia in 2017 – and then put our diesel engine oil to the test in one of the harshest environments in the world.

DirectHaul is a Puma Energy-owned business in Australia operating a fleet in excess of 50 road train-rated prime movers, with more than 200 trailers and dollies. Our full-time drivers are continuously trained to ensure they maintain the necessary accreditations, licences, and mindset to provide a professional service. They rely on the smooth and efficient running of our fleet to ensure an extensive, timely transport service throughout Australia.

In 2017, we launched a new range of Puma Energy-branded products in Australia, including heavy duty industrial oils, transmission fluids, industrial gear oils, hydraulic oils, coolants and brake fluids, detergents and degreasers, as well as passenger car motor oils.

To demonstrate their quality, we conducted a trial with our Puma Energy HD Ultra 15W-40 CK-4 lubricant replacing other engine oils used on our hardest-working DirectHaul road trains on the most remote and challenging roads in the country between Darwin and Alice Springs. We also swapped out the differential oil used with Puma Energy Gear Oil EP 80w-90.

The trial started during the Northern Territory's harshest summer season, with temperatures ranging between 0°C and 40°C and humidity between 25% and 75%. Covering 3,000-kilometre return trips from Darwin to Alice Springs, the road train operated on average 14 hours per day, with 12 days on and two days off.

The benefits observed during the trial were considerable, with oil viscosity staying in grade, even when tested at 100°C. Oxidation remained well below the accepted limits at each oil change, while wear was reduced by 22% and there were no signs of soot thickening. Overall, the performance improvement showed the quality and value offered by Puma Lubricants products over competing products.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

Puma Energy's round-the-clock service, high standards and customer-centric approach are just as relevant to our success in the mature markets across Europe.

EUROPE

The twenty-two member FIFA Executive Committee convened in Zurich on 2 December 2010 to vote to select the host. Russia won the right to be the football World Cup 2018 host, with Rostov being one of the key locations.

Overall performance in 2017

Our UK inland fuels distribution business continues to show solid growth, with higher sales volumes in 2017. We are currently selling 185 million litres per month. Puma Energy's strong customer focus, reliability and flexibility has been the key to driving this growth. We have built excellent relationships with road builders, such as Tarmac, and our UK bitumen business holds a significant market share, with sales of more than 235k metric tonnes per year.

Integrating our terminal in Northern Ireland

Following the acquisition of a former BP fuel terminal in Belfast in early 2017, the facility was fully integrated into our global network this year. This is our first venture into Northern Ireland and the facility is well located to support our activities in the European market.

The terminal provides storage for petroleum, distillates and aviation fuels, with road gantry loading facilities and a jetty berth capable of handling MR-sized vessels (25,000-45,000 DWT).

The site has 20 bulk fuel storage tanks and a working capacity of around 155k m^3, and is located between George Best Belfast City Airport and Belfast Harbour.

Backed by our established infrastructure

Puma Energy's European operations in Estonia, Russia, Norway, Spain, Sweden and the UK (including Northern Ireland) use Milford Haven and Estonia as strategic storage hubs. We operate two storage and blending terminals in Estonia, located in the ports of Paldiski and Sillamäe, primarily serving Russian exports. They handle light oils, petrochemicals, LPG, petroleum and aviation fuel and have a combined storage capacity of 895k m^3. We also have the facility to manufacture aviation fuels at Paldiski.

Our Alibesa bitumen terminal in the port of Cadiz, Spain, has unloading facilities based on the latest bitumen design criteria. The terminal has the capacity to store and drum any grade of bitumen, making it ideally equipped to serve as an international hub for this purpose.

State-of-the-art terminal in Rostov, Russia

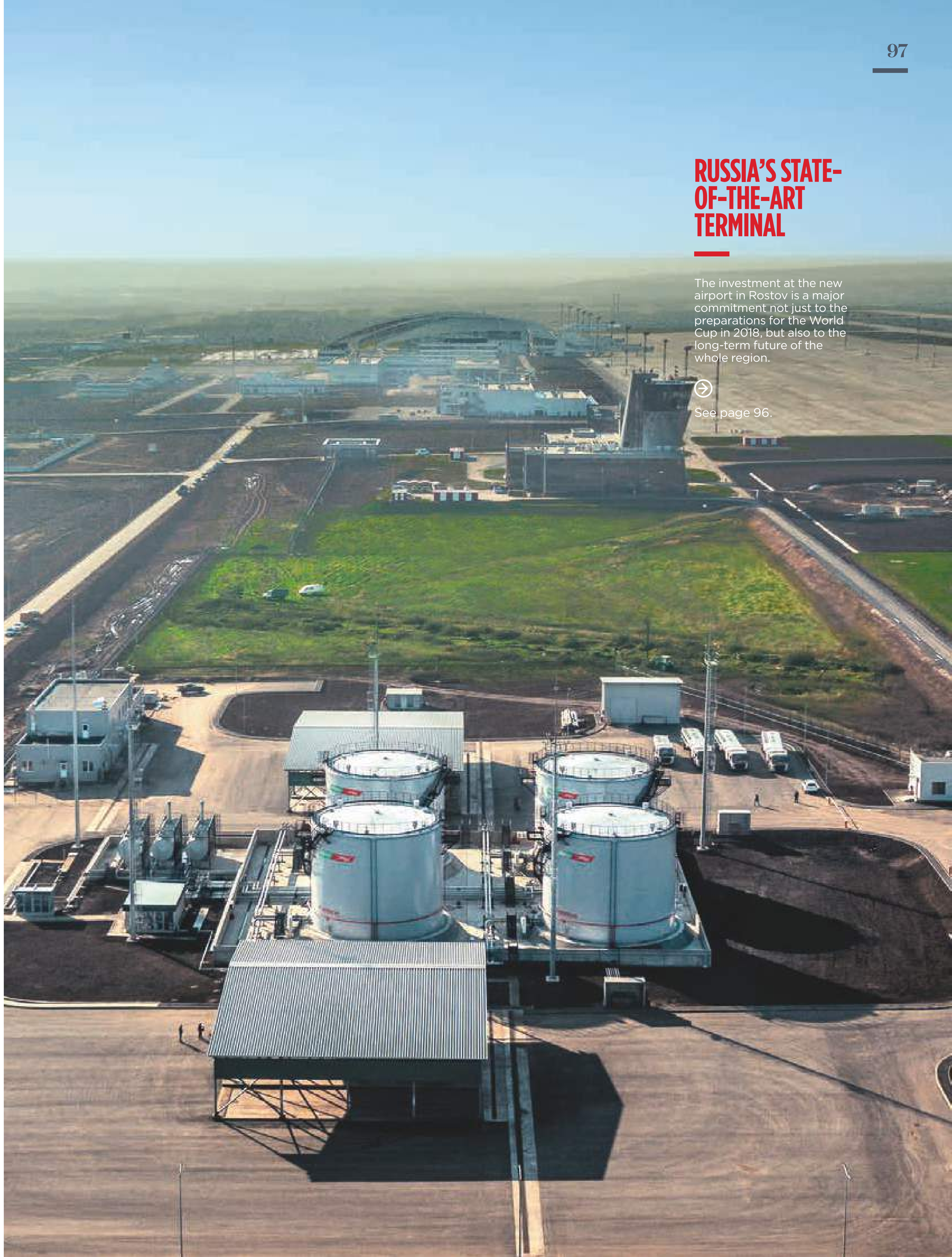
The Yuzhny International Airport project in Rostov is part of a major infrastructure and development programme initiated by the Russian government for the 21st FIFA World Cup later this year. We have built a 8.9k m^3 fuel storage capacity and all the facilities required to refuel planes at the airport.

The new passenger terminal will handle both domestic and international passengers, and the airport has a runway of ICAO category II, a traffic control tower, a taxiway network, nine boarding bridges, an apron with 45 stands, 2,500 car parking slots, de-icing pads, a hotel, office buildings, and a high-speed railway station.

The airport will initially accommodate up to five million passengers and will cope with customers expected to travel to the World Cup, but it has been designed to be flexible to allow for further expansion, as Rostov becomes the main aviation gateway to southern Russia. ■

WHERE WE OPERATE

- Estonia
- Norway
- Russia
- Spain
- Sweden
- Switzerland
- United Kingdom



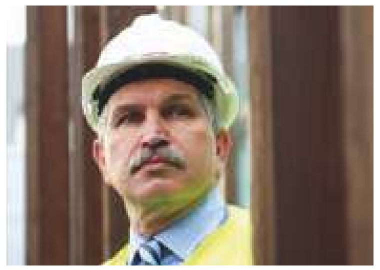
RUSSIA'S STATE-OF-THE-ART TERMINAL

The investment at the new airport in Rostov is a major commitment not just to the preparations for the World Cup in 2018, but also to the long-term future of the whole region.

See page 96.

Our approach to sustainability has always been commercially-driven – any investment must result in a triple win: for business, for society and for the environment. This is becoming a key differentiator in how we supply, store and distribute fuels reliably and cost effectively.

SUSTAINABILITY REVIEW



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In 2017 we made great strides consolidating and embedding a shared sustainability ethos across all of our diverse businesses and geographies. Our new Code of Ethics and our corporate social investment policy –reinforced by fresh leadership – were at the heart of our progress.

"

Antonio Mawad, Global Head of Midstream Operations and Health, Safety and Environment

Sustainability is a strategic priority
At Puma Energy, sustainability is about working together with communities to understand and tackle global challenges. It is about delivering an uninterrupted supply of quality fuel and essentials; and storing fuel safely for future need, all the while standing up for what matters most to people and their environments. Our success lies in how we combine a unique understanding of local needs, with exceptional global standards and strong governance.

Raising the bar year-on-year
Years of investment in the safety and health of our people, as well as environmental protection, are paying off and helping position Puma Energy as a key player in the global energy landscape. 2017 was no different as we made great strides consolidating and embedding a shared sustainability ethos across all of our diverse businesses and geographies.

Launching a new corporate social investment policy and strategy demonstrates this approach and means we can now make more strategic investments in priority issues such as road safety awareness, environment and conservation, education, licence-to-trade initiatives and emergency first response.

Focusing on what matters
Knowing what our stakeholders care about, and truly understanding what matters most to them drives our approach to sustainability. Continuous dialogue enables us to prioritise key issues and to take a stand on them. These are summarised below.

- Site and retail safety and security
- Cleaner, safer, more efficient fuel
- Security of supply
- Ethical approach
- Road safety
- Customer satisfaction
- Spills and contamination
- Talent, learning and development
- Infrastructure investment
- Raising standards

2017 Highlights

Zero
EMPLOYEE FATALITIES AT PUMA ENERGY FACILITIES

Opened
THE LARGEST AND MOST MODERN REFINED PRODUCTS INTERNATIONAL IMPORT TERMINAL IN MYANMAR

Doubled
SUPPLY SECURITY AT JOHANNESBURG AIRPORT

US$3m
INVESTED DIRECTLY IN COMMUNITIES

CONTINUED INNOVATION

We continually drive high standards and stand up for what matters most.

See page 100.

250m
RETAIL CUSTOMERS WORLDWIDE

> *In 2017, we launched our Fuel.Quality.Life campaign to champion the highest-quality fuel possible to mitigate air pollution.*
>
> *Pierre Eladari, Chief Executive*

Above: *Retail site, Australia.*
Top right: *Townsville terminal, Australia.*
Bottom right: *Fuel quality testing.*

Health, Safety and Environment

World-class health, safety and environmental (HSE) standards are an essential part of our business, without them we cannot operate and we cannot grow. Every employee is bound by our HSE policies and we expect our business partners, suppliers and contractors to implement them along the value chain. Our safety record in 2017 remained generally consistent with the previous year, with the severity of injuries incurred going down. However, we did see an increase in the lost-time injury frequency rate (LTIFR), from 0.9 to 1.9. We attribute this to the growth of our business, including bringing on board more retail sites and converting them from dealer to operating them ourselves. While road safety remains our key focus issue, we also continued to invest in service station lighting, security cameras and third-party security personnel in high crime neighbourhoods.

Operating in some of the world's most remote and environmentally sensitive regions, we understand the value of limited natural resources, so are always looking for ways to do more with less through technological innovation. In 2017, we continued to innovate and work with partners on innovations such as using seawater in our cooling and fire drill processes, as well as capturing volatile hydrocarbons that escape from ships, trucks and trains through Vapour Recovery Units. Our carbon emissions rose slightly in 2017 as the business continued to grow. To reduce our carbon footprint, we deploy a number of strategies such as locating storage tanks close to where fuel is needed and moving bitumen by barge instead of truck. For retail customers, fuels such as our Pumamax Diesel and Pumamax Premium Unleaded, offer superior economy, emit low levels of exhaust hydrocarbons and carbon monoxide and help maintain excellent operational performance.

As well as supplying higher grade petroleum products around the world, we are also growing our alternative fuel offer, including biofuel, biodiesel blends and liquefied petroleum gas (LPG). In Papua New Guinea, female entrepreneurs have become Puma LPG resellers, adding another income stream to their businesses.

Economic development

We are the gateway to some of the world's fastest-growing markets, unlocking potential wherever we go. Building and maintaining strategic terminals and storage infrastructure is one of our five business priorities. We have built our reputation on high standards of customer service, delivering high-quality fuels swiftly, reliably and at a fair price. Our fuel supply, storage and distribution helps to grow businesses and provides direct jobs for local people and enterprise opportunities for many more.

Our global network of storage terminals brought opportunities to traders, wholesalers and major oil companies in 2017. Furthermore, by assisting governments and highway agencies in sourcing and supplying the bitumen they need for major construction works, we are helping to deliver safer, smoother journeys for customers. Widening access to high-quality, reliable, efficient fuel has meant adding a further 545 new retail sites and serving eight more airports during the year. These long-term investments have the potential to transform enterprise, trade and public services.

Our people

We not only get the best talent, we get the best local talent. This is what makes us agile, efficient and connected. We employ 8,333 people from 87 nationalities, supporting them with rigorous standards for fair, decent work, welfare and professional development. Our people are fully supported by our consistent and fair employment process, delivered across all markets in which we operate. For example, Puma Energy Tanzania successfully reached a collective bargaining agreement with the trade union movement in Tanzania (Tuico), exceeding the current labour law statutory requirements.

Since our sector is facing an acute skills shortage, our US$3.5 million investment in training and development, supported by community social mobility efforts, is a strategic one.

Member
OF THE JOINT INSPECTION GROUP

Associate
MEMBER OF THE ENERGY INSTITUTE

CASE STUDY

STANDING UP FOR CLEANER FUEL

5

Refer to page 12 for all the strategic priorities

Millions of people around the world rely on access to fuel to lead prosperous lives. Fuel boosts growth, but poor-quality fuel has a negative impact on air quality. So how can we maintain the economic benefits, without harming our health? Cleaner fuel is a crucial part of the solution.

FUEL. QUALITY. LIFE.
pumafuelqualitylife.com

We provide the highest-quality fuel possible, exceeding the minimum requirements set by governments wherever possible. Cleaner fuel is not only better for air quality, it is better for drivers, too – keeping engines running more efficiently, for longer. But in some countries, issues with infrastructure mean we can't deliver as high a quality fuel as we'd like. That is why we actively encourage, advise and invest in these countries to help them raise their fuel standards.

We are proud of the consistently exceptional quality of fuel we provide to our customers, from Certificates of Quality in our storage and accredited vehicles fleets; to industry-leading aircraft fuelling standards; and regular inspections. We adhere to the American Society for Testing Materials (ASTM) standards and regularly test all of our products. Fuels such as our Pumamax Diesel and Pumamax Premium Unleaded offer superior economy, emit low levels of exhaust hydrocarbons and carbon monoxide and help maintain excellent operational performance. We have also developed ION Premium Diesel – a clean, filtered fuel.

We can now import clean fuels into the African continent thanks to dedicated storage (instead of mixed storage). For example, our new state-of-the-art clean storage facility in Mozambique can store 115k m^3 of superior-quality fuel. In Central America, We have introduced liquefied petroleum gas (LPG) into power generation in Puerto Rico. It is now available as a cleaner, safer fuel in homes and industries.

In 2017, we launched our Fuel.Quality.Life. campaign to champion the highest-quality fuel possible to mitigate air pollution.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

CASE STUDY

STANDING UP FOR SUPPLY SECURITY

5

Refer to page 12 for all the strategic priorities

Puma Energy keeps the pipes flowing regardless of political unrest, attacks on supply infrastructure, accidents, natural disasters and terrorism. In Australia this year, our people worked tirelessly to deliver urgently needed fuel following the devastation wrought by Cyclone Debbie, which flooded an area "almost the size of Texas".

The North Queensland area was hit very hard by category 4 Cyclone Debbie in March 2017. Flying debris unleashed by violent winds wrecked homes, businesses and communities and, at its worst, gusts were recorded at 263km/h (163 mph).

Fortunately, the slow-moving storm had given authorities time to trigger emergency plans and issue repeated warnings. In the lead up to the event, we were able to execute our Cyclone Management plan, which involved cleaning up depots, ensuring tankers were full of fuel and staff members were safe.

After the cyclone had passed, our team based in Townsville worked around the clock, under immense pressure, with the local authorities to ensure our products were delivered urgently to customers in their time of need. This included securing fuel supplies to Hamilton Island, a popular tourist destination and already a key customer for Puma Energy.

Throughout a dynamic and fast-paced operation, we were in regular contact with the Australian government's disaster management departments to secure the approvals needed to send road tankers along roads and over bridges that had been cut off by flooding. We were even able to coordinate deliveries to our competitors' biggest customers where other companies were failing to keep up with their contractual obligations in the aftermath of the disaster.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

CATEGORY
4
CYCLONE

263km/h
(163MPH) GUSTS RECORDED

Communities

Operating in very different communities, often in extreme locations, we depend on deep local understanding and close partnerships. Over the years, we have proven that we invest for the long term. As well as investing in public infrastructure and access to quality fuels, we identify ways in which we can leave a positive legacy for many years to come.

Our communities represent our future pipeline of talent. Therefore, any investment is a strategic one. This is why we focus our funding on education and training, as well as road safety. We also support environmental protection programmes, emergency response and causes that support our licence to trade. To help us prioritise the long-term investments we make in local communities around the world, in 2017 we began work to create a unified community investment vision, coordinated spend and to identify projects with the greatest reach and deepest impact. Our global Corporate Social Investment Policy will guide how we contribute to society and community, beyond regular business activities – whether such investment is monetary or in the form of other corporate resources or time. It is based on five pillars:

1. Road safety awareness
2. Environment and conservation
3. Education
4. Licence-to-trade initiatives
5. Emergency first response

Projects that do not fit the global pillars can still be considered, for example, local businesses may identify some different local priorities. Where a local business priority is not a good fit with the pillars these will be subject to a greater level of scrutiny.

The Puma Energy Foundation

Independent of the business, the Puma Energy Foundation's new strategy addresses two key themes that underpin Puma Energy's core business – trading and logistics – and translate them into philanthropic action, with trade-related programmes that support social enterprises and boost sustainable employment and projects mitigating the social and environmental issues caused by transportation or infrastructure.

The Foundation supports staff engagement by offering a grant to a programme elected by a local office (the Charity of the Year) and by doubling the amount of funds raised by employees for a specific cause or organisation (matching funds scheme).

LOCAL SPOTLIGHT PUMA ENERGY FOUNDATION STORY

5

Puma Energy Foundation's new strategy focuses on two key themes: social entrepreneurship, with a specific focus on programmes boosting sustainable employment, and clean and safe logistics, aiming at enhancing livelihood of populations impacted by logistic activities and mitigating environmental and social issues caused by transportation or infrastructure.

Social entrepreneurship, Myanmar

The opening of Myanmar has prompted social change, but almost 40% of 25 to 64-year-olds are without regular paid work. The Puma Energy Foundation supports the Swiss Academy for Development (SAD) in Yangon, which gives a boost to youth-owned small businesses. This is a joint initiative with Empowering Youth 4 Business and the Centre for Vocational Training.

US$6.6m
DONATED SINCE 2013 THROUGH THE PUMA ENERGY FOUNDATION

20
COUNTRIES

CASE STUDY

STANDING UP FOR SAFER ROADS

5

Our tankers transport vast quantities of fuel across 49 countries in five continents; the majority of our 8,333 people come to work by car or bus – road safety is therefore a strategic concern for our business.

Thanks to the Puma Energy Foundation's support, Amend was able to deliver our life-saving primary school-based road safety programme to high-risk urban children across sub-Saharan Africa.

Jeffrey Witte,
Executive Director, Amend

5th
GROUP-WIDE ROAD SAFETY CAMPAIGN

Road safety awareness is the first pillar of our global CSR strategy, and supporting road safety campaigns is a key activity across our businesses. We know this issue has a profound effect on our employees and contract drivers, as well as the lives of our customers and the communities in which they live. We took the opportunity to raise wider awareness around the issue at the 2017 World Economic Forum as part of our 'improving the state of the world' agenda.

Our goals are simple: no accidents, no harm to people, and no damage to the environment. As well as working with our charity partners, we also educate our own people and the customers who use our retail sites, promoting information related to road safety hazards. This includes sharing the 'golden rules' for road safety, including not using a mobile phone when driving, never smoking near a vehicle, never using drink or drugs on the road, keeping within the speed limit, wearing a seat belt and taking regular rest.

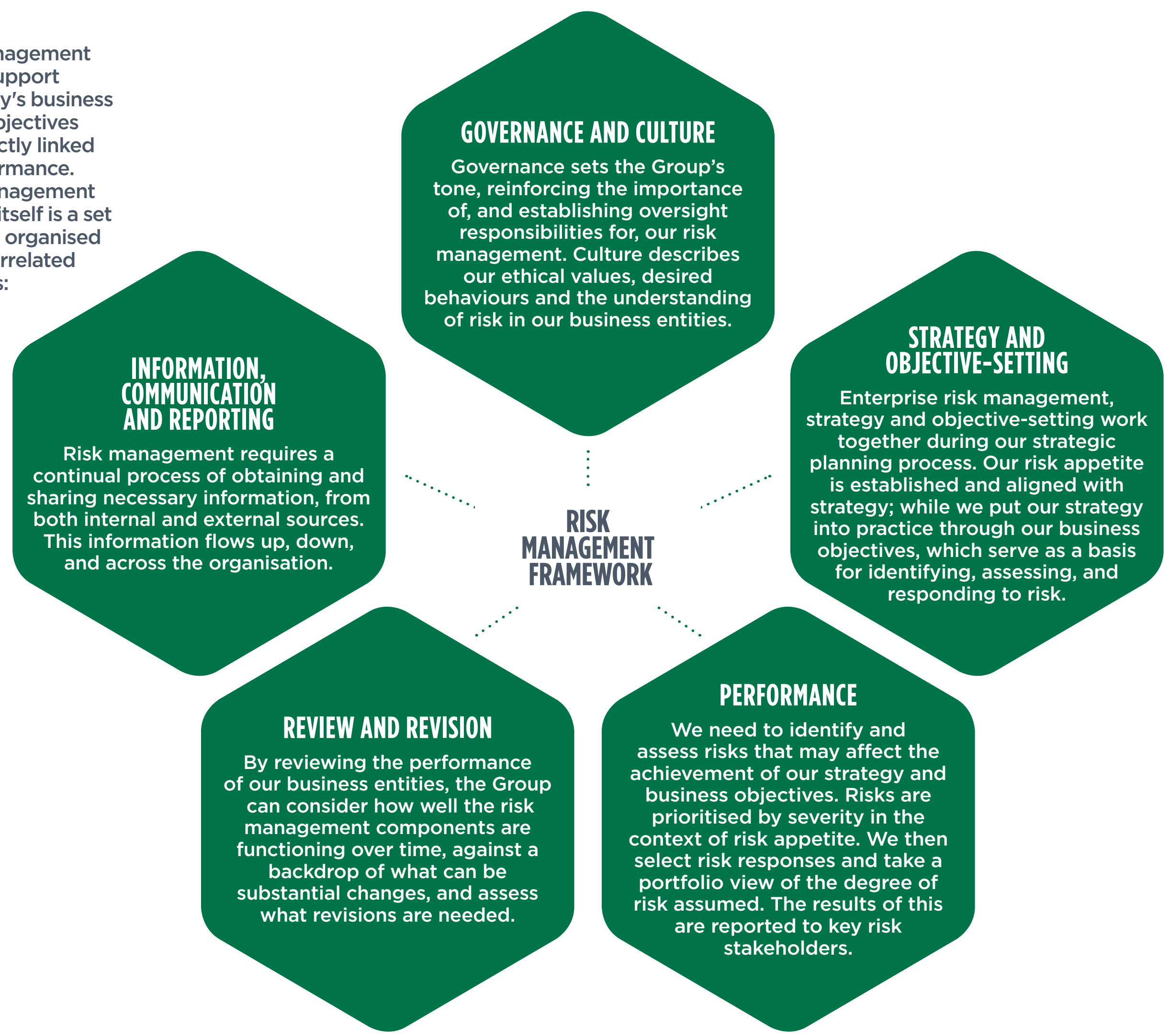
As part of our new CSR Policy and Strategy, we are looking to support projects or partnerships in parallel to our annual road safety awareness campaign. This will include launching a children's road safety awareness programme and will prioritise investment in road safety infrastructure around schools.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

RISK MANAGEMENT

We have updated our risk governance structure in 2017, to provide even clearer business ownership of the diverse range of political, economic, social and environmental risks we face across the Group. This is helping us to mitigate these risks, and manage them consistently wherever we do business.

Our risk management processes support Puma Energy's business goals and objectives and are directly linked to our performance. The Risk Management Framework itself is a set of principles organised into five interrelated components:



> *As part of the ongoing development of our Risk Management Framework, we will implement a Global Risk Committee, including regional and country risk committees, in early 2018.*
>
> *Stina Holmgren, Deputy Audit Manager*

Operating in many global markets, selling oil products and a wide range of other products and services, our approach to risk management and risk governance is vital to our ongoing success. And that approach continues to evolve to meet not only Puma Energy's business goals and objectives, but also those of our customers, investors and other key stakeholders.

Risk governance

Our risk governance structure has been further updated this year to ensure we continue to provide clear business ownership and oversight for the Group, helping us make the right decisions at the right time. This has included the creation of Risk Champions at regional and country levels to provide support to leaders in embedding the risk management programme in their organisations. The Champions also act as a point of contact for risk questions and advice, and coordinate, facilitate and periodically review the risk management process.

Understanding our risks

During 2017 we also reviewed our principal risks, realigning them to help us prioritise our risks and opportunities in line with both our strategic priorities and the issues that matter to our stakeholders. This has resulted in updated definitions, further evaluation of their potential impacts and a move from 26 core risks to 27. These core risks are the minimum we expect all our companies to address as part of their standard risk assessment.

We continue to gather risk information through our risk management system, which is a comprehensive risk management tool providing accurate insight into the Group's risk management activities. Detailed risk profiles are available within the system for all countries in which the Group operates.

We reduce risk directly wherever we can (fire prevention, personal protective equipment, etc.), while for risks that cannot be fully prevented, we have mitigation plans (currency hedging, business insurance, disaster recovery planning, etc.) in place. Our Risk Management Framework enables us to deploy our mitigation strategy, which supports the delivery of financial targets, enhancement of our reputation and safeguarding of our employees and assets, while protecting future financial security.

How we operate

Puma Energy strives to operate in line with international best practice, even where that exceeds local expectations. We apply the same strict health, safety and environmental standards across our operations around the world – from manufacturing right through to distribution and delivery.

We always conduct full due diligence via our subsidiaries to assess community risk when we enter new markets. From day one, we start building relationships and creating ongoing, constructive dialogue by providing job opportunities and investing in local infrastructure.

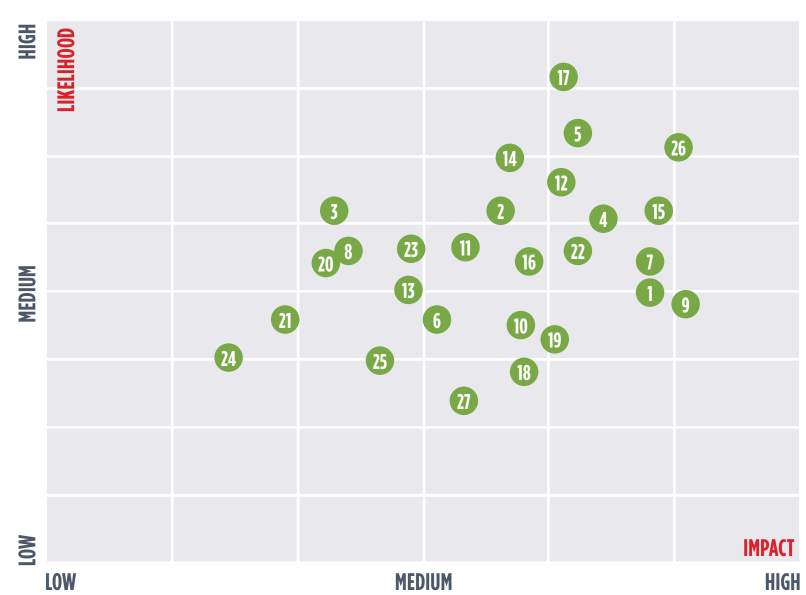
Our model of local autonomy and local recruitment makes it easier for our people to engage in constructive dialogue and to manage risks in the communities in which we operate. Having local people with knowledge of their market is invaluable, and this helps us build ties with local communities. Where the local market does not provide the skills and experience we need, we hire people from outside, but this only represents 2% of our total employees. Also, some of our non-local employees are on 'international assignments' for their personal development.

Employee policies and our Code of Business Conduct

We implement employee policies that ensure all individuals receive fair treatment while protecting their safety. These policies protect existing employees and contribute to the smooth integration of new people joining us following merger and acquisition deals or large investment programmes.

We launched a new Code of Conduct in 2017, to better support staff through our ethical decision-making model and strengthen our 'Speak Up' culture. The Code sets clear principles and values for our staff to follow and is also available in Spanish, Burmese, French, Portuguese, Estonian and Russian. Face-to-face events launching the Code were held at every single one of our businesses, so that all employees know the high standards the company expects.

PUMA ENERGY GROUP RISK CHART



Human resources risks
1. Employees and talent management

Pricing risks
2. Commodity prices
3. Currency exposure
4. Sales pricing

Operational risks
5. Environment protection and remedies
6. Natural conditions and disasters
7. Health and safety
8. Physical oil storage and handling
9. Physical security

Political/country/reputational risks
10. Communities
11. Geopolitical and authorities
12. Standards, legal/regulation and taxation

Information technology risks
13. Business as usual software, hardware and data
14. New systems projects

Counterparty risks
15. Customer credit management
16. Non-oil procurement
17. Ethics and compliance
18. Customer service, sales administration and logistics

Economic/financial risks
19. Liquidity/funding requirements
20. Insurance coverage
21. Supply of oil and fuels
22. Inventory levels management
23. Financial reliability and reporting

Strategic risks
24. Joint ventures, mergers and acquisitions/integration
25. Construction projects management
26. Loss of major customers
27. Brand and communication

See page 12 for more information

CASE STUDY 5

NICARAGUA – PUERTO SANDINO RESPONSE AND CLEAN-UP

Responding to a serious incident in Nicaragua, our teams worked around the clock with authorities and called in a US-based specialist independent fire-fighting team, oil spill specialists and a group of environmental experts.

We work with volatile materials in dangerous environments and many years without a serious incident is no guarantee against the business risks we face. The fire at Puerto Sandino proved that we have the right measures in place to deal with problems when they do arise.

Antonio Mawad,
Global Head of Midstream Operations

On 17 August 2016, two fuel tanks caught fire at our oil terminal in Puerto Sandino, Nicaragua. Despite no loss of life or serious injury, the incident is a reminder that, even with the best systems and processes in place, the risk of fire and potential loss of life is never eliminated.

Our local and regional teams were quick to establish a dedicated incident first team to manage the fire and then focus on the oil spill and environmental containment. Puma Energy had more than 150 people dedicated to remediation management and performing immediate cleaning exercises of the area. They worked in close cooperation with local authorities to implement an effective remediation plan in and around the terminal, replanting approximately 1,100 trees and 700 mangroves in the surrounding wetlands.

Not only were there no serious injuries resulting from this incident, but our people also ensured there were no product shortages for our customers. However, we have learned from what happened and taken the opportunity to assess and update our HSE systems and risk mitigation processes as needed.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

HUMAN RESOURCES RISKS

1 | 1 2 3 4 5

EMPLOYEES AND TALENT MANAGEMENT

Our ability to recruit, train, develop and retain talented people is crucial to the continuing growth of the business.

POTENTIAL IMPACT

Increased costs caused by staff inefficiency and remedial contracting. Interruptions to operations and delay in new projects.

Tougher competition if they attract better talent or recruit Puma Energy's best staff. Discontent can result, leading to industrial disputes, strikes and sub-standard performance.

MITIGATING FACTORS

- Remuneration, reward and benefit levels at Puma Energy are regarded as competitive within the market.
- As a growing business, we can offer attractive career opportunities.
- We offer local operational autonomy and empower our employees at a local level.
- We invest in employee training and career development. Employee on-boarding workshops help employees joining from acquired businesses.
- We maintain constructive dialogue with unions and worker representatives.
- We invest in programmes that support educational achievement among young people by sponsoring them through university.
- We have detailed succession plans and talent management programmes.

PRICING RISKS

2 | 1 2 3 4

COMMODITY PRICES

Inability to push oil price volatility to the end-customer through pricing – where retail prices are not elastic, commodity price fluctuations pose a threat to short- and medium-term profitability.

POTENTIAL IMPACT

Crude oil price volatility immediately affects the costs of refined petroleum products. Flat price and FX risks are unhedged.

MITIGATING FACTORS

- We systematically hedge all physical products so that we are not exposed in free markets or supply-free markets.
- In regulated markets, distribution margins are fixed by the government and usually linked to return on investment formulae. Therefore, even when prices are volatile, our unit margins are protected and disconnected from oil price fluctuations.
- We actively manage and report our stock balances daily, thereby constantly limiting our potential exposure in volatile markets.

3 | 1 2 3 4

CURRENCY EXPOSURE

Inability to recognise exposures in currencies other than the US dollar and subsequent lack of hedging.

(The Company operates in multiple currencies not pegged to the US dollar and some of our business entities operate in countries with no freely convertible currency.)

POTENTIAL IMPACT

Currency volatility may result in financial losses for the Company. Currency fluctuations on international markets may affect us at both Group and subsidiary levels.

Large fund holdings are held in countries with non-convertible currencies, remaining out of reach for Group financing purposes but exposed to local inflation and/or devaluation.

MITIGATING FACTORS

- Puma Energy has limited exposure to foreign trading activities and these are fully hedged. We do not hedge the equity translation risk from subsidiary earnings.
- We have a policy of tapping local funding sources in each operational region. When exposed to local currency risk, the Company hedges accordingly.

4 | 1 2 4

SALES PRICING

Inability to position pricing by segment to achieve the best market share/profit balance. Where pricing is government-regulated, inability to maintain a competitive edge through our marketing.

POTENTIAL IMPACT

Highly competitive markets may result in lower margins and fluctuating customer loyalty, resulting in us losing market share and contracts.

The same could happen in markets where pricing is government-regulated, if other competitive advantages are not achievable.

MITIGATING FACTORS

- Tight management on the supply side, together with cost-control policies and procedures on local overheads, lower the break-even point.
- Diversification into new addressable markets opens up economic opportunities in less-competitive sectors (such as air fuels and lubricants).
- We are winning customer loyalty by providing high standards of service, building the Puma Energy brand and introducing customer loyalty initiatives.
- We actively monitor our competitors and the market and have strategies in place to react to pricing fluctuations.

See page 12 for more information

CASE STUDY 6

PUERTO RICO AND US VIRGIN ISLANDS – BUSINESS CONTINUITY IN ACTION

When catastrophe struck this year in the form of Hurricanes Irma and Maria, the most critical thing for Puma Energy was to identify that all our employees were doing well.

Wherever we operate, Puma Energy has Business Continuity Plans (BCPs) that prepare us for the worst and provide the guidance and tools we need to face situations where our operations may be interrupted. However, the magnitude of the effects of Hurricanes Irma and Maria was something we could never fully prepare for, and tested our local BCPs like never before.

Before Maria hit Puerto Rico, Hurricane Irma had devastating effects on St. Thomas in the US Virgin Islands, and this experience prepared us a little for what Puerto Rico would soon face. Our Puerto Rican management group had meetings before and after each event to outline and implement pre- and post-hurricane plans.

These plans covered the operation of the terminals and office, as well as our operations at the retail level, our industrial and commercial customers, and support for the federal government, among others. The storm had damaged our retail sites, the central office was disabled, communications across Puerto Rico collapsed, roads were blocked, and the whole island was without electricity.

However, on the Friday after the hurricane, the management team gathered again in one of our terminals, in line with the continuity plan, and we began to perform recovery tasks, reassigning work to restart our operations. After making the necessary security assessments, we reopened our terminals and operated the offices 24 hours a day, seven days a week.

There were difficult days ahead, but it was important to start supplying again and to assure people that we had enough fuel to meet their immediate needs, with the help received from our regional group.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

> *"There is no manual that tells us step-by-step how to work with the unexpected. This situation forced us to do things in different and creative ways, to be even more efficient, to redouble our efforts, and to find solutions to any obstacle that arose along the way."*
>
> *Victor Dominguez,*
> *General Manager, Puerto Rico*

OPERATIONAL RISKS

	POTENTIAL IMPACT	MITIGATING FACTORS
5 ① ② ③ ④ ⑤ **ENVIRONMENT PROTECTION AND REMEDIES** Inability to receive, store, transform, consume, dispatch and dispose of oil products in a way that preserves and protects people and the environment. (Puma Energy stores, blends, refines, and transports and sells hazardous, flammable and toxic materials.)	Spills or seepage of polluting substances from site operations and/or in transit may harm employees, contractors and local communities. It may also damage air quality, water purity and land and marine life. Improper handling could lead authorities to force closure of operations temporarily or permanently, or to reject permit applications.	• We invest in modern equipment and continually monitor and maintain this equipment. • We conduct natural and industrial risk assessments on each new activity we undertake. • We use a bespoke safety management system, SAPS (Systems, Application and Products), at all Puma Energy terminals to monitor the frequency and severity of accidents and lost-time incidents. This helps us to assess safety levels and identify potential risk factors. • We are an active member of Oil Spill Response Ltd (OSRL), which is part of the Global Response Network, an organisation that shares effective responses to oil spills worldwide.
6 ① ② ③ ④ ⑤ **NATURAL CONDITIONS AND DISASTERS** Inability to make operations resilient to extreme natural conditions (whether regular or exceptional), or promptly to establish alternatives. (Our offices and industrial installations can be affected by extreme weather conditions, earthquakes, disease epidemics and other natural disasters.)	Harm to persons, destruction and/or loss of facilities and equipment. Loss of business in the short term, but also in the medium term if alternatives do not take timely effect.	• The Company has corporate insurance for natural disasters. • We have Emergency Response plans and Crisis Management plans at all our locations. • Most Puma Energy entities located in countries with a high natural risk are in 'regional clusters', so emergency responses can also be organised from neighbouring depots and subsidiaries. • We monitor public health concerns in the countries where we operate and carry out public awareness-raising exercises where necessary.
7 ① ② ③ ④ ⑤ **HEALTH AND SAFETY** Insufficient prevention and solutions to conditions and events affecting the health and physical integrity of employees, business partners and of any person expected to access Company sites, facilities and operations.	In addition to injuries and health issues, impacts may include fines and penalties, liability to employees or third parties and harm to Puma Energy's reputation. Authorities could force the closure of our operations temporarily or permanently, or reject permit applications.	• We monitor and actively manage our Health, Safety, Environment and Community risk. One of our major risks is fire in our terminals, which we seek to mitigate by implementing regular operational controls, and by installing effective fire-fighting systems. We also contract top industry experts to help on the ground should a major incident occur. • We work with transporters to improve their own HSEC performance and encourage them to train their drivers properly, control driving hours and educate drivers on fatigue management. • We train our employees in line with the highest international standards and actively promote a highly safety awareness culture. • We run campaigns across our markets promoting greater safety awareness both at our operations and among the wider community. • We provide and mandate the use of personal protective equipment (PPE).
8 ① ③ ④ ⑤ **PHYSICAL OIL STORAGE AND HANDLING** Inability to establish and maintain adequate storage and throughput facilities.	Non-compliant storage and transfer equipment could lead to product downgrading, spills or losses. Breakdowns could complicate receipts and/or deliveries, with increased costs and lost business.	• Puma Energy always looks for solutions to avoid bottlenecks – for instance, by identifying multiple logistics routes and supply schemes to any major location. • In Australia, where we deliver to customers across vast distances up to 4,500km, we manage our own transport via our DirectHaul business. • In other geographies, we manage relationships with third-party transport companies. • Sufficient supply infrastructure/storage capacity is in place and strategically located to service our customers. • Our quality testing of fuel adheres to standards laid down by the American Society for Testing Materials (ASTM).
9 ① ③ ④ ⑤ **PHYSICAL SECURITY** Insufficient prevention and solutions to malicious actions that affect the integrity of people and assets in Company custody or within our perimeter.	Inadequate security measures may result in harm to our employees, destruction and/or loss of material and/or financial assets. It could also reduce our ability to recruit and retain staff or result in civil liabilities.	• We have access controls and alarms at our depots, facilities and offices. • We have clear processes and procedures for visitors to follow at all our locations. • We have CCTV at depots and retail sites to deter potential intruders and actively monitor and safeguard our employees and assets. • We minimise cash balances at our retail sites and have formal cash procedures to minimise risk. • We monitor and control in-transit product losses.

OUR STRATEGIC PRIORITIES

1 EXPAND OUR OFFER TO OUR CUSTOMERS
2 DEVELOP INTO NEW MARKETS
3 BUILD THE INFRASTRUCTURE TO SUPPORT OUR OFFER
4 INTEGRATE SUPPLY, STORAGE AND DISTRIBUTION
5 DEVELOP LOCAL STAKEHOLDER TRUST

See page 12 for more information

CASE STUDY 10

NEW CORPORATE SOCIAL RESPONSIBILITY POLICY

Corporate Social Responsibility (CSR) is an integral element of our business model and critical to our commitment to managing risk in all areas of the Company.

Our new progressive Global CSR Strategy has been approved and will be implemented across the business during the 2018 financial year. The aim of this new strategy is to create a unified vision for the Company, a coordinated spend and a series of targeted projects with greater reach and impact.

As a result, a new CSR policy will be distributed globally, serving as a guide for all Puma Energy employees on how to make the best judgements when identifying projects that fall within our CSR areas of focus, and to achieve stronger compliance with the laws and regulations that govern the business.

Through the promotion of honest and ethical conduct and good practice, we can continue to improve every aspect of our business, including managing the risks we face globally.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

> *By cross-pollinating ideas and sharing best practices as one powerful and effective global team, we are determined to increase the benefits of our projects.*

Charlotte Dauphin,
Corporate Social Responsibility Project Manager

POLITICAL/COUNTRY/ REPUTATIONAL RISKS

Risk	POTENTIAL IMPACT	MITIGATING FACTORS
10 5 **COMMUNITIES** Failure to manage relationships with local communities, interest groups and NGOs leading to business disruptions.	Disruptions to day-to-day operations; hostility to the company and its employees and business partners; adverse media coverage and damage to our public image; inability to expand existing sites or open new ones.	• We work proactively with communities, empowering and encouraging managers at a local level to engage in continuous dialogues with our communities. • The Puma Energy Foundation supports local community projects and shows our dedication and commitment to Corporate Social Responsibility. • We promote initiatives to hire people from surrounding local communities.
11 1 2 3 4 5 **GEOPOLITICAL AND AUTHORITIES** Our business may be affected by political developments in any of the countries and jurisdictions in which Puma Energy operates. Governmental instability could adversely affect economies in corresponding markets and hence the Company's business, financial conditions and results.	Political instability may lead to the suspension of operations, enforced divestment, expropriation of property, cancellation of contract rights, additional taxes, import and export restrictions, foreign exchange constraints and sudden changes in industrial regulations or laws.	• Puma Energy seeks to maintain a politically neutral stance in all our operating jurisdictions. • We actively monitor regulatory and political developments, both at an international level and through our local businesses. • Puma Energy's geographic diversification limits the overall risk to the business. • In some jurisdictions, we operate through subsidiaries and joint ventures that are part-owned by state-backed or government-owned organisations. This can be both a constraint in terms of operating autonomy and an opportunity in terms of political risk management. • Puma Energy has political risk insurance for Confiscation, Expropriation, Nationalisation and Deprivation (CEND).
12 1 2 3 4 5 **STANDARDS, LEGAL/REGULATION AND TAXATION** Inability to conform to (or take advantage of) the legal norms, regulations, regulatory framework, agreements and fiscal conditions (whether local, national or international) that govern our business. This includes product standards, handling standards, and direct or indirect taxation.	Fines, penalties, damages, loss of profit and business and the inability to bid for, access or maintain business in certain markets and/or with partners. Authorities force closure of operations temporarily or permanently, or reject permit applications. Less competitive against better-prepared competitors.	• Puma Energy adheres to applicable local and international standards in all the countries in which we operate. • By positioning ourselves as a market leader (or at least a top contender) in all countries in which we do business, we maintain appropriate intelligence. • We engage in dialogue with relevant expert third parties and local authorities continually to promote high standards across our global operations. • In the interests of industrial safety, we also continuously promote Puma Energy's Safety Management System. • Every country operation either has, or is in the process of obtaining, ISO accreditation: 60% of our terminals hold ISO 9001 certification and 63% hold ISO 14001 certification.

INFORMATION TECHNOLOGY RISKS

Risk	POTENTIAL IMPACT	MITIGATING FACTORS
13 1 2 3 4 **BUSINESS-AS-USUAL SOFTWARE, HARDWARE AND DATA** IT systems do not generate, store and provide up-to-date information/data; or control processes and practices expose Company data to manipulation, hacking or cyber threats.	IT system control failures lead to the loss of records or to data manipulation. Unavailable IT tools hamper or block our commercial operations. Inadequate ERP does not allow for a prompt and sufficient response to damaged IT infrastructure.	• Across the business, we employ common daily reporting practices. • There are strict access controls to our data, we employ high levels of virus protection and have robust back-up procedures. Puma Energy's networks are constantly monitored.
14 1 2 3 4 **NEW SYSTEMS PROJECTS** New IT tools are not developed in a timely fashion or are insufficient to respond to our business strategy expectations, or to meet new regulatory constraints.	Failure to be at the technological forefront could result in management not having adequate tools and information required to conduct day-to-day operations or to make decisions on strategies and objectives.	• We ensure that there is a clear understanding of the project objectives and of the detailed project plan. The required acceptance testing process and requirements need to be in place; full acceptance testing is to be completed for every project area before they go live. • A detailed risk analysis takes place before undertaking any project; it can then be used to determine how the key risks associated with the project can be mitigated, both contractually and by appropriate project management. • We ensure that delays in implementing a system are reduced to every extent possible. Some delays will be unavoidable; others can be avoided with appropriate planning. Comprehensive project plans and processes for addressing delays that do arise can assist in keeping a project on track, particularly where there are inter-dependencies.

CASE STUDY 13

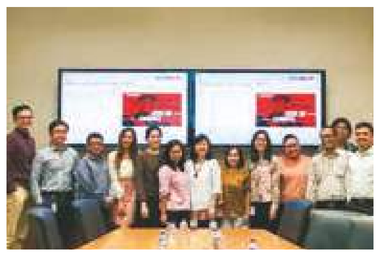
DATA PROTECTION AND RISK

"We will need to take a risk-based approach to GDPR compliance and demonstrate that we are protecting the fundamental rights and freedoms of individuals."

Kerstin Knapp,
Global Head of Human Resources

The General Data Protection Regulation (GDPR) comes into force on 25 May 2018, and will require organisations such as Puma Energy fully to consider the risks that their data processing poses to the fundamental rights and freedoms of individuals. Companies will be particularly asked to consider how they engage in processing 'sensitive' data (ethnicity, political or religious beliefs and health, genetic or biometric data), data involving vulnerable individuals or children, processing personal data on a large scale and the automated profiling of individuals.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies



CASE STUDY 17

EMBEDDING OUR NEW CODE OF CONDUCT

"Our Code of Conduct aims to help employees conduct business honestly and with integrity. It sets out clearly our company expectations and provides a unified approach for a global business."

Pierre Eladari,
Chief Executive

As a company, we are committed to the highest standards of business conduct as set out in our Code of Conduct, which has been revised and updated this year.

As a business that has grown rapidly in recent years, and now commands a strong position in most of the markets in which it operates, Puma Energy recognises that its Code of Conduct must be central to all our activities to ensure our future success.

This Code has been updated and reissued to all our people in 2017 and is now being embedded across the Group. This is something we take very seriously, and all Puma Energy people need to work hard to understand fully the Code and put it into action for it to be effective. This is a learning process for the whole organisation – requiring regular repetition, training, close monitoring and measuring.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

OUR STRATEGIC PRIORITIES

1 EXPAND OUR OFFER TO OUR CUSTOMERS
2 DEVELOP INTO NEW MARKETS
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4 INTEGRATE SUPPLY, STORAGE AND DISTRIBUTION
5 DEVELOP LOCAL STAKEHOLDER TRUST

See page 12 for more information

COUNTERPARTY RISKS

15 1 2 4 5

CUSTOMER CREDIT MANAGEMENT

We have substantial distribution businesses, making us vulnerable to risks relating to the creditworthiness of our customers. We may be unable to collect receivables from customers due to inadequate market intelligence, guarantees and decision-making on customer credit.

POTENTIAL IMPACT

Significant effects to cash flow that could ultimately result in bad debts, write-offs and lost revenue.

MITIGATING FACTORS

- We undertake a full risk analysis for all prospective customers (other than retail customers) and have training and internal procedures in place to limit our credit risk.
- We offer limited credit or delayed payment terms to many of our industrial, aviation and bunkering customers, and most of our retail and wholesale customers pay in cash.
- For industrial companies and international airlines, we establish credit limits, engage in 'know your customer' (KYC) processes, invest in advanced management systems and maximise geographic and customer diversification to minimise credit losses.
- We actively monitor credit risk, and minimise our exposure by targeting and achieving an average of 10 to 15 days of sales outstanding.
- We take credit insurance or use factoring systems whenever this makes sense in terms of costs/benefits.

16 3 4 5

NON-OIL PROCUREMENT

Improper identification of business needs, poor supplier selection and unauthorised commitments prevent the business from securing the facilities, equipment and services needed to conduct its activities.

POTENTIAL IMPACT

Disruption of operations and/or increased costs. Inability to win or maintain customers if they cannot be served properly.

Sub-standard supplies could lead to compliance defects and quality issues.

MITIGATING FACTORS

- We always adopt a careful and considered approach in the selection and vetting of our business partners. We use our KYC process, an approach that helps us ascertain the legitimacy and compliance of all major prospective customers, suppliers and service providers. KYC also helps us ensure that new providers will be reliable and diligent over time.
- We work closely with our external contractors, ensuring that we provide excellent service and deliver to plan.
- We diversify our supplier base, and do not place reliance on a single source.

17 1 2 3 4 5

ETHICS AND COMPLIANCE

Failure to prevent activities contrary to our Code of Conduct, such as illicit acts of fraud, bribery, corruption or anti-competitive behaviour, which has financial and reputational impacts.

POTENTIAL IMPACT

Potential impacts include fines and penalties, such as the loss of business licences and trading rights; prosecution and imprisonment; reputational damage; and the inability to solicit investors seeking ethical investment opportunities.

MITIGATING FACTORS

- Puma Energy has clear principles governing the way it conducts its business and expects all employees to act in accordance with its Code of Business Conduct.
- This requires a zero-tolerance approach to corruption and encourages employees, suppliers and other stakeholders to notify us if they believe the Code is at risk of being contravened.
- We have policies and awareness programmes in place to ensure consistent understanding of the Company's expectations.
- The Group's internal control environment is regularly reviewed by an internal audit team to provide assurance that controls are designed and operating effectively.
- Continuous Auditing allows us to manage our operations proactively by providing management with real-time insights and alerts, highlighting any anomalies.
- We have proper segregation of duties throughout our business processes and a clear Delegation of Authority.

18 1 2 5

CUSTOMER SERVICE, SALES ADMINISTRATION AND LOGISTICS

Inadequate tools and processes mean customer expectations are not fulfilled, or insufficient logistics planning causes supply delays and stock-outs at customers' sites.

POTENTIAL IMPACT

Lost business, lower margins, inefficiencies caused by corrections and replacements, product returns and commercial disputes.

MITIGATING FACTORS

- We ensure optimised inventory management through monitoring of sales forecasts to execute effectively product purchases and transfers between terminals.
- Effective product sourcing management through monitoring of market trends, implementation of purchase strategies and controlling of the risk exposure.
- In depth analysis to purchase at the right time and at the lowest possible cost.
- Continuous monitoring of market trends to define purchase strategies.
- Close interaction with Sales & Pricing to align with their strategies.
- Cost verification with data provided by Finance to ensure compliance and enable pricing team to perform margin analysis.

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See page 12 for more information

CASE STUDY 21
SOUTH AFRICA – SECURE SUPPLY

South Africa is sub-Saharan Africa's largest oil product market, with strong annual consumption growth, largely due to increased power generation demand.

"With the growing demand for cleaner fuels that can't always be produced at local refineries, Puma Energy is well placed to supply the South African market."

Christophe Zyde,
Group Chief Operating Officer

With a continuing push towards cleaner fuels, South Africa's refining sector faces considerable uncertainty, as higher standards would require substantial investment in upgrades and could potentially force the closure of less competitive plants. And having become a net importer of fuel over the past decade, the country faces a likely deficit, particularly for gas oil, as strong demand from the transportation and electricity sectors outstrips local supply. There is also the logistical challenge of moving products from refineries and import terminals to customers.

Puma Energy entered the South African market in 2010 and now, through our investments in strategic infrastructure, such as the terminals in Matola, Mozambique, and new and rebranded retail sites in South Africa, we have already become South Africa's largest independent fuels supplier, ready to fulfil our role in providing secure supplies across the country.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

ECONOMIC/FINANCIAL RISKS

	POTENTIAL IMPACT	MITIGATING FACTORS
19 1 2 3 4 **LIQUIDITY/FUNDING REQUIREMENTS** Unavailability of sufficient cash, in the right place and at the right time, to meet our financial commitments.	Cash flow problems can bring our business to a halt (short term – local inability to pay debt) and curtail future investment plans (medium/long term – failure to comply with liquidity commitments made to investors).	• We actively manage cash flows through accurate forecasting. • We work with local banks to provide funding to cover working capital requirements and our investment plans and opportunities. • We generate stable cash flows through our ongoing daily operations. We have the flexibility to decide whether to make any capital investments, as in the short term our ability to generate cash flows is not bound by significant capital expenditure requirement or high mandatory maintenance costs. • We monitor the maturity dates of existing debt and aim at maintaining a balance between continuity of funding and flexibility through the use of overdrafts and bank loans. • Our liquidity risk is further mitigated as part of our borrowing activities are related to the financing of refined oil products – products which by their nature are readily convertible into cash.
20 1 2 3 4 **INSURANCE COVERAGE** Inadequate Insurance cover due to: Incomplete coverage (some eventualities are not insured); or Inappropriate coverage (over/under insurance relative to replacement value of insured assets).	Either assets, people, debtors are not insured at all, resulting in financial, people and reputation loss; or assets are not declared on the insurance policy or replacement values are not correctly declared, so we do not receive the correct replacement value.	• We have extensive insurance in place, covering areas such as: – general liability; – property; and – business interruption. • We manage insurance at a global level, unless restricted by in-country regulations, in which case we take out local insurance policies.
21 1 2 3 4 **SUPPLY OF OIL AND FUELS** Inability to have the right supply of product at the right quantity, price, time and place to meet Retail, B2B and Wholesale customer demands.	Failure to have stock/supply of the product required to satisfy subsidiary's business requirements. Improper management of subsidiary's pricing exposure.	• We have sufficient supply infrastructure and storage capacity in place to meet changing global needs. • We also source products from a large range of suppliers, minimising the risk of supply chain failures. • We operate small refineries in Papua New Guinea and Nicaragua that provide crucial sources of fuel to service our needs and those of local customers in these markets.
22 1 4 5 **INVENTORY LEVELS MANAGEMENT** Inadequate planning and stock-keeping practices lead to excess stock, shortages or scheduling issues.	Lost business owing to shortages, excess and obsolete inventories. Reduced margins in case of price movements, excess third-party storage costs and demurrage.	• We have clear procedures relating to physical stock takes, stock reconciliations and daily controls, covering all inventories. • We have formal tendering and ordering processes, and distribution contracts where required.
23 1 2 3 4 **FINANCIAL RELIABILITY AND REPORTING** Inability to produce compliant and reliable results, at local entity level as well as at Group level.	Loss of credibility with the financial community (including investors and the banking sector). Costly audit procedures lead to restatements with potential tax implications. Fines and penalties for failing to file timely and compliant Company accounts.	• Puma Energy has a formal process in place to review and control our financial reporting. • The internal control system for financial reporting operates to provide reasonable assurance against material misstatement. • External and internal audits provide verification in the financial reporting and risk monitoring process.

CASE STUDY 24

PAKISTAN – INTEGRATION CHALLENGES

As with all acquisitions and mergers, our new joint venture with the Chishti Group in Pakistan opens up the Group to new risks, including those of integrating the new business into our way of working.

We acquired a 51% interest in Admore from the Chishti Group in Pakistan in late 2017. This has brought new risks to the Group, but also the opportunity to improve local infrastructure, provide supply security and deliver a world-class retail proposition to local consumers.

We have already assessed the risks associated with the successful integration of the business and we will bring our expertise in retail, logistics and security matters to help overcome them. Most importantly, our global capability to deliver reliable and secure supply of high-quality fuels will make a real difference. We intend to make the necessary investments to develop the supply chain infrastructure in the country and minimise any potential risks to our customers, employees and partners.

Find case studies online here:
www.pumaenergy.com/en/about-us/case-studies

We intend to play an important role in the future development of the industry in Pakistan, working closely with our new stakeholders in government, business and local communities.

*Pierre Eladari,
Chief Executive*

OUR STRATEGIC PRIORITIES

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5. DEVELOP LOCAL STAKEHOLDER TRUST

See page 12 for more information

STRATEGIC RISKS

24 1 2 4 5

JOINT VENTURES, MERGERS AND ACQUISITIONS/INTEGRATION

We grow dynamically through acquisitions and partnerships. The Group takes on risks associated with these transactions, including:

1. The transfer of liabilities related to environmental contaminations, tax, staff benefits and litigations.
2. Execution risk, delays and additional costs in the closing of the deal.
3. Risks associated with integrating new businesses, as they may not effectively and efficiently adopt Puma Energy's tools and processes.

POTENTIAL IMPACT

1. Transferred liabilities lead to regulatory penalties, remediation costs, lost time/site closures, reputational damage, tax penalties, litigation cost and damages, employee litigations and excessive staff turnover.
2. Delayed execution results in additional costs and lost time as well as budget failures.
3. Failed integrations lead to missed business opportunities, compliance issues and inaccurate accounting records. They may also lead to commercial disputes, lawsuits with business partners, unexpected tax claims and property conflicts.

MITIGATING FACTORS

- We always ensure the timely integration of acquired businesses into the Puma Energy network, operating systems and organisation.
- Detailed integration plans are drawn up and specific integration responsibility is given to dedicated people in our existing organisation.
- We offer mentoring and coaching at all levels within the acquired businesses, as well as detailed on-boarding plans for all people involved in our acquisitions.

25 1 2 3 4

CONSTRUCTION PROJECTS MANAGEMENT

Our ability to do business may be hampered by the late or partial opening of new sites and facilities (including new retail sites, tank farms and terminals).

POTENTIAL IMPACT

Loss of business opportunities and potential income due to delays and additional construction costs if projects are not effectively managed.

MITIGATING FACTORS

- We actively manage all construction projects, with a focus on costs and the timeliness of delivery.
- Our experienced local, regional and global engineering teams actively manage our relationships with all the contractors and developers involved in these projects.
- We ensure that we have contracts in place with our major contractors allowing us to claim compensation for any cost and time overruns.

26 1 2 4

LOSS OF MAJOR CUSTOMERS

Business becomes so concentrated locally that the loss of a key customer or contract causes the associated business model (revenue forecast, return on investment) to fail.

POTENTIAL IMPACT

Missed targets in terms of sales and margins lead to direct financial losses.

MITIGATING FACTORS

- We have a large and diversified customer base, with contracts in place with our major customers.
- We actively manage our relationships with our key customers to ensure their long-term business.

27 1 2 3 4 5

BRAND AND COMMUNICATION

Adverse perception of the Puma Energy brand leads consumers to choose products and services from competitors. This could result in an escalating crisis around perceived operational mismanagement.

POTENTIAL IMPACT

Consumers boycotting our products or services, political or community opposition to the brand doing business within a geographical region, and issues caused by licences being revoked or withdraw and legal action impacting our ability to trade.

MITIGATING FACTORS

- All our retail sites are distinctly branded, as we aim to rebrand sites acquired through acquisitions within the first year.
- We have built our reputation by being a reliable supplier of quality products at a competitive price.
- Our investments in infrastructure ensure we can maintain consistent performance across all the countries in which we operate.

2017 marks the completion of our acquisition and investment phase. As some of our most significant construction projects of recent years come to an end, we are well positioned for the long term.

FINANCIAL REVIEW

In 2017, we have delivered again a solid operating and financial performance, across most of our business lines and geographies. During the year, we have completed major investment projects, including our Tema terminal in Ghana, and the expansion of our Luanda Bay terminal in Angola, marking the completion of a significant investment phase.

Going forward we will focus on consolidating and extracting value from our existing asset base.

Operating performance

Our sales volumes further increased by 826k m³, thanks mainly to higher volumes in the United Kingdom, and Asia-Pacific. Gross profit increased by 4% year-on-year from US$1,601 million to US$1,672 million. Our operating performance did not suffer any negative impact from the hurricanes Irma and Maria – on the contrary our Puerto Rico business contributed high volumes and margins during this period.

Downstream performance

Downstream gross profit increased by US$72 million, reflecting both higher volumes and stable unit margins, at US$66 per m³. The aviation segment has performed strongly again this year, with new marketing developments and further expansion into new airports, such as the O.R. Tambo International Airport in Johannesburg. We have further strengthened our retail business with the acquisition of 470 retail sites in Pakistan in late 2017. We are currently focusing on integrating these sites.

O.R. Tambo International Airport, Johannesburg

Regional performance

Sales volumes increased in the UK and Asia-Pacific, while decreasing in the Americas. The increase in Asia-Pacific is mainly driven by organic growth in Australia, and strong performance by our aviation business in Myanmar. This has translated into higher gross profit and EBITDA in the region. Lower volumes in the Americas reflect the exceptionally high volumes achieved in 2016. At the same time, gross profit and EBITDA increased in the Americas, thanks to improved Downstream unit margins and higher revenues from refining activities. Capex has decreased since last year, as we have now completed our major construction projects. Some small construction projects and retail developments are still ongoing, but no new significant projects are being launched. This decrease in investment spend reflects our capacity to manage capex according to business trends.

826k m³
INCREASE IN SALES VOLUMES COMPARED TO 2016

US$740m
EBITDA

US$66/m³
DOWNSTREAM UNIT MARGIN

EXTRACTING LONG-TERM VALUE

There is more value to be extracted from our asset base as we expand and go deeper into the markets in which we operate.

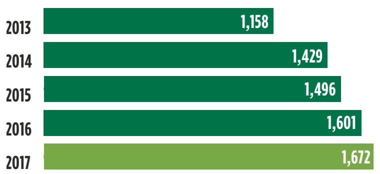
See page 120.

US$15,181m
NET SALES

ORGANIC CAPEX, NET
US$298m

12.8
DAYS OF SALES OUTSTANDING

GROSS PROFIT (US$ MILLION)



Assets

Acquisitions in Pakistan and Panama, and the completion of terminal construction or upgrading projects in Angola, Ghana and Northern Ireland, have further strengthened our asset base. We also invested in the construction of Rostov airport in Russia, ahead of the upcoming football World Cup, and started operations at O.R. Tambo airport in Johannesburg. Overall, we added another 545 sites to our retail network, in Africa, the Americas and Asia-Pacific, thanks to both organic developments and the acquisition of a retail distributor in Panama and a retail network of 470 sites in Pakistan. We have also revalued our assets in Angola in line with the requirements of IAS 29.

Total non-current assets as at 31 December 2017 were US$5,449 million compared to US$5,040 million as at 31 December 2016. Total current assets have increased to US$2,664 million, reflecting higher cash, receivables and inventory levels. DSO (Days of Sales Outstanding) on third-party receivables was 13 days in 2017 (2016: 12), reflecting our strict credit discipline. Despite growth in our business, we have not experienced any significant default from customers. Our DIO (Days of Inventory Outstanding) increased to 29 days at year-end, driven by higher inventory levels in some of our locations. The value of inventories has also increased due to the general increase in oil prices.

Rostov terminal, Russia.

Capital structure and net debt

Moody's have again maintained the rating of our Notes at Ba2, with a stable ratings outlook, and our corporate family rating (CFR) at Ba2. Our BB ratings with Fitch have also been maintained.

Puma Energy's total equity (shareholders' equity and minority interests) as at 31 December 2017 amounted to US$2,263 million (2016: US$1,900 million). This movement was the net impact of (i) a stabilisation of foreign currencies against the US$, (ii) the operating performance of Puma Energy over the past 12 months, and (iii) the revaluation of some of our fixed assets to account for hyperinflation in Angola, in line with the requirements of IAS 29.

Compared to 2016, net debt decreased slightly this year, while our leverage multiple of Net Debt/EBITDA amounted to 2.7x (2016: 2.8x).

At 31 December 2017, unsecured HoldCo debt represents 87% of the Group's debt, while secured OpCo debt accounts for only 4%. This reflects our successful Group strategy to increasingly shift our financing towards unsecured HoldCo debt ranking pari passu with the Senior Notes. Our aim is for Puma Energy only to have some working capital financing at OpCo level, largely in the form of short-term bilateral lines or overdrafts.

With 47% of our debt maturing in 2021 and beyond, we are confident that we will have sufficient liquidity to support our operations in the years to come.

New financings raised

2017 marked another important step for our financing structure. In May 2017, we refinanced and extended the maturity of our revolving credit facility. In September, we successfully closed a new five-year term loan facility, for a total amount of US$350 million. This further underlines the confidence of the debt and capital markets in Puma Energy's business model.

In October 2017, we refinanced US$600 million of our Senior Notes maturing in 2021, and in January 2018, we refinanced the remaining amounts and issued new Notes for US$750 million. The new Notes mature in 2024 and 2026, and are bearing interest of respectively 5.125% and 5%. This has the effect of further shifting the maturity profile of the Group's debt, while reducing its financing costs.

Cash flow and liquidity

Puma Energy engages in activities that generate stable cash flows from our existing, strong asset base. This gives the Company a solid base for self-financing. Cash flow generation is further underpinned by the low level of mandatory replacement capital expenditure. Cash flow from operations amounted to US$477 million in 2017 (2016: US$838 million), while capital expenditure has been contained and fully financed through operating cash flows.

Extracting long-term value

Thanks to Puma Energy's significant investments around the globe, we have built a strong asset base and a business of truly global scale. As our expansion phase has now reached completion, we aim to further consolidate our asset base, while extracting more value from these strategic assets. We focus on maintaining a disciplined financing policy and on cash flow generation – improving our ratios, capital structure and productivity across the Group – and making selective investments around the asset base we already have. ■

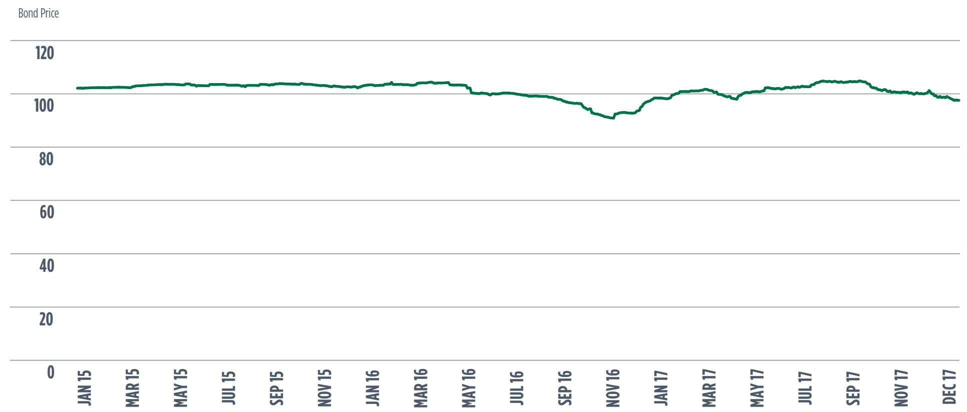
47%
OF DEBT MATURING IN 2021 AND BEYOND

2.7
LEVERAGE RATIO (NET DEBT/EBITDA)

Puma Energy's significant investments around the globe have helped us build security, resilience and long-term relationships with shareholders.

Denis Chazarain, Chief Financial Officer

FIGURE 6:
PUMA ENERGY BOND PRICE FY15-FY17



Fuelling journeys in the Alps.

EVERY MINUTE OF EVERY HOUR

12:00

PAKISTAN

You want the best and why should your fuel be any different? Quality fuel and quality service. We never stop when you are on the go.

www.instagram.com/fuelling_journeys/

3

GOVERNANCE

OUR BOARD OF DIRECTORS

Our Board of Directors brings together energy industry professionals from around the world, who are committed to practising and promoting good governance throughout the Group.

01

Graham Sharp (i), (iii)

NON-EXECUTIVE CHAIRMAN, PUMA ENERGY

Years of experience
(Puma Energy/Industry): 5/34

Skills and experience:
Graham joined the Puma Energy Board on 27 May 2012 as its independent Non-Executive Chairman. He spent his early career advising multinational clients such as Shell. Following a period trading clean petroleum products worldwide, Graham was a co-founding Board member of Trafigura. Upon his retirement in 2007, Graham continued to advise Oliver Wyman Associates and Galena Asset Management, among others. He holds a first-class honours degree in engineering, economics and management from Oxford University.

02

Pierre Eladari (ii), (iii)

CHIEF EXECUTIVE OFFICER, PUMA ENERGY

Years of experience
(Puma Energy/Industry): 13/24

Skills and experience:
Pierre joined Trafigura in 2004 and led the carve-out process of Puma Energy. Previously, he spent three years at the Boston Consulting Group on a range of international assignments. Before that Pierre was employed by Elf (now Total) in a variety of international roles in its Downstream and trading divisions. He holds an engineering degree from École Polytechnique in Paris and an engineering degree from École des Mines de Paris.

03

Josina Baião Magalhães

PRESIDENT OF THE BOARD, SONANGOL HOLDINGS LTD

Years of experience
(Puma Energy/Industry): 3.5/19

Skills and experience:
Josina has been CEO of Sonangol Holdings since 2012. Prior to this, she occupied positions at the Concessions Economics Division in Sonangol E. P.

She also currently presides over the Boards of Directors of Sonangalp, Sonamet, Sonadiets, Sonatide and Technip Angola and has also been the president or member of the Boards of several other Sonangol joint venture companies.

Josina holds an Economics and Master of Business Administration Degree from Indiana University.

04

Robert Gillon

CO-HEAD OF GROUP MARKET RISK, TRAFIGURA

Years of experience
(Puma Energy/Industry): 2/14

Skills and experience:
Robert joined Trafigura in 2006 as a middle distillate risk manager. Since then he has traded the global paper book for distillates, before becoming Co-Head of the Distillates Desk. In 2013 Robert became a member of the Trafigura Foundation board and in 2016 was appointed to the Trafigura Trading committee.

Prior to joining Trafigura, Robert worked at Arrow and Tullett Prebon. Robert has a geography degree from Nottingham University.

05

Pierre Lorinet (iii)

DIRECTOR, TRAFIGURA

Years of experience
(Puma Energy/Industry): 13/24

Skills and experience:
Pierre joined Trafigura in 2002 and was appointed CFO in January 2007. Before joining Trafigura he was employed by Merrill Lynch London and Banque Indosuez in the Middle East in various debt and capital market roles. Pierre left Trafigura in October 2015 but remains a director on several boards.

06

Leopoldino Fragoso do Nascimento

CHAIRMAN, COCHAN

Years of experience
(Puma Energy/Industry): 8/21

Skills and experience:
Leopoldino is one of Africa's foremost entrepreneurs. Since 2009, he has been a partner of Trafigura through its investment in the DT Group, which is a joint venture with Cochan. He is a founding partner of Unitel Telecom, Kinaxixe Real Estate, Zahara Logistics, Kero Supermarkets and Biocom – Bio Fuels. Leopoldino holds a degree in telecommunication engineering.

07

José Larocca

HEAD OF OIL TRADING, TRAFIGURA

Years of experience
(Puma Energy/Industry): 10/25

Skills and experience:
José Larocca was appointed to the Trafigura Management Board and Head of the Oil and Petroleum Products trading division in March 2007. He was one of the Company's earliest employees, joining Trafigura in London in 1994 on the Oil Deals Desk before taking a series of commercial roles, including as a trader of naphtha and petroleum. Prior to joining Trafigura, José worked for two years at Interpetrol, a small oil trading company in Buenos Aires.

(i) Audit Committee
(ii) Ethics and Compliance Committee
(iii) Finance Committee
(iv) Health, Safety, Environment and Community Committee


01.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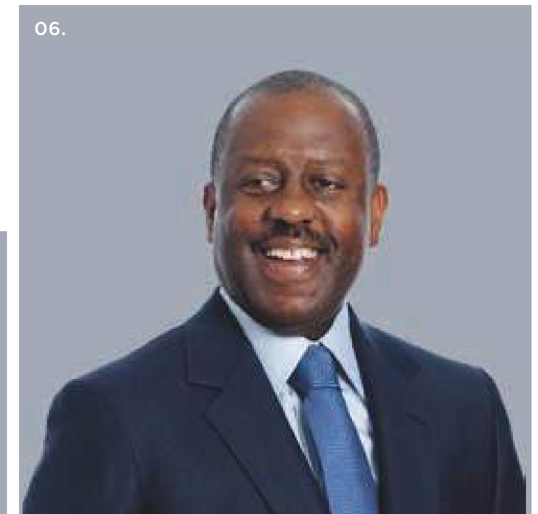

06.


07.

OUR EXECUTIVE COMMITTEE

01

Pierre Eladari [(ii), (iii)]

CHIEF EXECUTIVE OFFICER

13 years at Puma Energy,
24 years in the industry

Pierre joined Trafigura in 2004 and led the carve-out process of Puma Energy, having spent three years at the Boston Consulting Group on a range of international assignments. Before that, Pierre worked for Elf (now Total) in a variety of international roles in its Downstream and trading divisions. He holds an engineering degree from École Polytechnique in Paris and an engineering degree from École des Mines de Paris.

02

Denis Chazarain [(ii), (iii)]

CHIEF FINANCIAL OFFICER

9 years at Puma Energy,
28 years in the industry

Denis joined Puma Energy in September 2008 as CFO. Previously, he has held various finance roles at Total (Downstream), Addax & Oryx (CFO and GM of Downstream) and Vallourec (CFO of Oil and Gas division). Denis holds an MPhil in international relations from Panthéon-Sorbonne Université and a Masters from the Institut d'Études Politiques de Paris.

03

Christophe Zyde [(ii)]

GROUP CHIEF OPERATING OFFICER

6 years at Puma Energy,
29 years in the industry

Christophe was appointed Group Chief Operating Officer of Puma Energy in 2016, having joined Trafigura in 2010 and becoming Puma Energy's Chief Operating Officer for Africa in 2011. He previously worked for Umicore in a variety of operational and general management roles. Christophe holds an engineering degree from École Polytechnique in Brussels.

04

Rodrigo Zavala

CHIEF OPERATING OFFICER, AMERICAS

6 years at Puma Energy,
25 years in the industry

Rodrigo joined Puma Energy in 2011 to lead the merger of Exxon's Centam storage facilities into the business, and then became our General Manager in Paraguay and was appointed COO for the Americas in 2014. He started in a finance role at Shell before spending 11 years at Petrobras in M&A, refinery logistics planning and marketing in Argentina, Brazil and Chile. Rodrigo holds an economics degree from Universidad de Belgrano and an MBA from Universidad del CEMA in Argentina.

05

Jonathan Pegler [(ii)]

GLOBAL HEAD OF SUPPLY AND TRADING

3 years at Puma Energy,
25 years in the industry

Before joining Puma Energy in 2015, Jonathan was global co-head of crude trading and head of oil Asia for Trafigura, based in Singapore. Prior to Trafigura, he worked for four years at Amerada Hess and nine years at BP, managing trading portfolios for products and risk management of its European Downstream system. Jonathan graduated from City University in London with a BSc in aeronautical engineering.

06

Antonio Mawad [(ii), (iv)]

GLOBAL HEAD OF MIDSTREAM OPERATIONS

4 years at Puma Energy,
34 years in the industry

Antonio started his career in 1983 with PDVSA-Venezuela and has worked in a variety of roles across engineering, refinery operations, logistical optimisation, and supply networks – joining Petroplus in Switzerland in 2007 and Puma Energy in 2013. He holds a degree in chemical engineering from Simón Bolívar University in Caracas and an engineering degree in oil refining from the French Petroleum Institute in Paris.

07

Raymond Taylor

SOUTH-EAST ASIA CLUSTER MANAGER AND REGIONAL COMMERCIAL MANAGER

4 years at Puma Energy,
34 years in the industry

Raymond joined the Trafigura Group in 2011 before being appointed to the role of Puma Energy Australia General Manager in 2013. He was appointed to the Group Executive Committee in 2016 and was most recently appointed in 2018 to the role of South East Asia Cluster manager and Regional Commercial Manager. He previously worked for BP as CEO Asia LPG and the C&I Business in the UK. Raymond holds a chemistry degree from Curtin University, Perth.

08

Robert Jones

CHIEF OPERATING OFFICER, ASIA-PACIFIC AND MIDDLE EAST

13 years at Puma Energy,
19 years in the industry

Robert joined Trafigura in 2002 as Project and Investment Manager in the oil asset division. He previously worked for Arthur Andersen and Deloitte & Touche in a variety of roles within finance and M&A. Robert holds a first-class honours degree from the University of Cambridge and is a qualified chartered accountant (ICAEW).

09

Pierre Costa

CHIEF INFORMATION OFFICER

1 year at Puma Energy,
20 years in the industry

Pierre joined Puma Energy in 2017 as Chief Information Officer. He joined from IBM where he held various positions, leading large and complex project deliveries and sales in an international and multicultural environment. He holds engineering degrees from École Polytechnique in Paris and École Nationale des Ponts et Chaussées in France.

(i) Audit Committee
(ii) Ethics and Compliance Committee
(iii) Finance Committee
(iv) Health, Safety, Environment and Community Committee

CORPORATE GOVERNANCE REPORT

As a fast-moving and complex business that serves a wide variety of customers every hour of every day, Puma Energy has an unswerving commitment to achieving high standards of corporate governance.

Operating globally, in both mature and emerging markets, makes promoting a consistent culture of good governance across the Group even more important. Our Corporate Governance Framework allows us to implement and uphold the structures, systems and processes we need to do this effectively; and applying our corporate governance standards throughout the organisation ensures we promote best practice, support our long-term objectives and helps us meet internationally recognised standards.

Compliance and audit

During the year, our Global Head of Compliance has led a project to drive compliance, promote transparency and instil even more rigorous corporate governance standards across our global operations. He has built on our already robust and credible processes and practices, focusing on risk management, fraud, bribery prevention, tax compliance and accounting. Our continuous auditing process gives managers real-time insights and alerts, helping them to manage their businesses more effectively and enabling us to manage risk and refine processes accordingly. Our Internal Audit and Compliance teams can conduct systematic country risk reviews and produce ongoing, real-time alerts on transactional and counterparty risk.

Some of our businesses operate in markets where the regulatory systems are not mature. In these cases, our Ethics and Compliance and Audit Committees are responsible for good governance and transparency, and our internal and external auditing makes sure that we protect our reputation and keep our licence to operate as a good corporate citizen.

OUR PRINCIPLES

EFFECTIVENESS
Having the appropriate balance of skills, experience, independence and knowledge of the Company and industry to discharge duties and responsibilities effectively.

ACCOUNTABILITY
Clarifying the conduct and accountability of management, its roles and responsibilities and ensuring the alignment of management's and shareholders' interests.

TRANSPARENCY
Transparent arrangements for considering how to apply corporate reporting, risk management and internal control principles and maintaining an appropriate relationship with the Company's auditors.

PRINCIPLES TO DELIVER LONG-TERM SUCCESS

INDEPENDENCE
Conducting corporate governance in a professional way without conflict of interest and free from any internal and external influence or pressure.

FAIRNESS
Ensuring the protection and equal treatment of shareholders' rights, including minority and foreign shareholders' rights.

RESPONSIBILITY
Determining the nature and extent of risks to take in achieving the Group's strategic objectives while maintaining sound risk management and internal control systems.

We believe our corporate governance principles will help us to deliver long-term success by facilitating effective, entrepreneurial and prudent management.

FIGURE 1
BOARD STRUCTURE

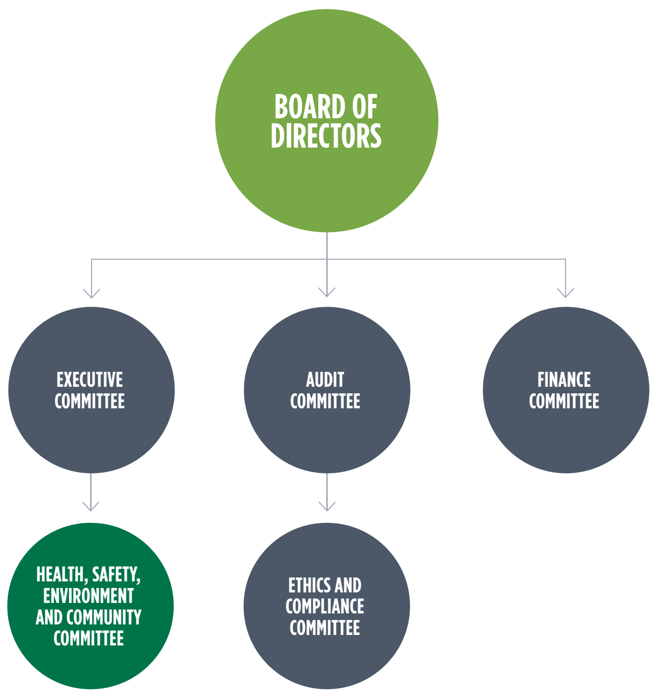


FIGURE 2
LONG-TERM STRATEGIC SHAREHOLDERS

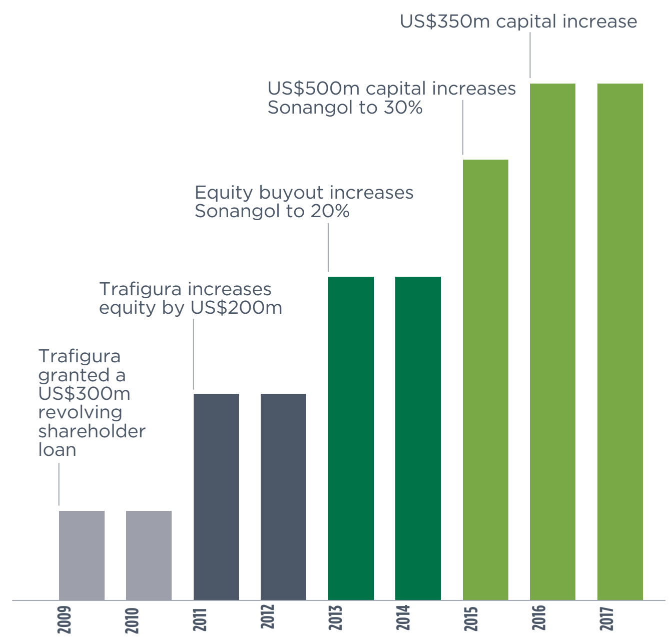


FIGURE 3
BOARD MEMBERS' LENGTH OF TENURE

The graphic below provides a visual outline of our Board in terms of length of tenure.

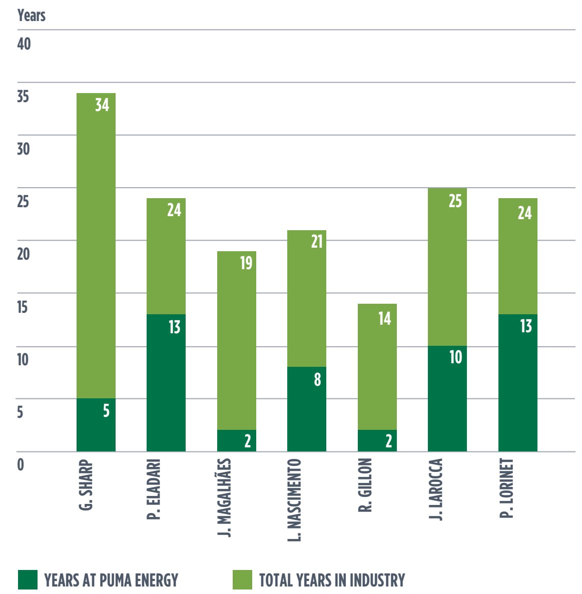
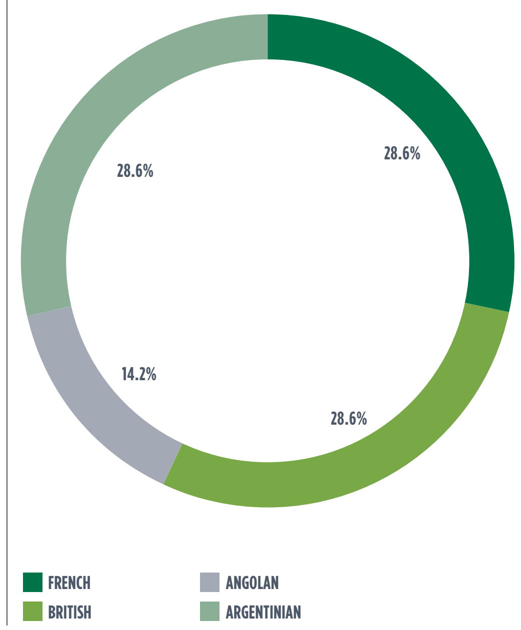


FIGURE 4
BOARD MEMBERS BY NATIONALITY

Breakdown of Board members by nationality.



Ownership and shareholders

We operate independently of our main shareholders and strategic partners, Trafigura, Sonangol and Cochan; however, we can draw on their management expertise and market knowledge.

Trafigura

Trafigura is one of the world's leading international commodity traders, specialising in the oil, minerals and metals markets, with 3,935 employees in 35 countries in Europe, Africa, Asia, Australia and North, Central and South America.

Founded in 1993, Trafigura is owned by its management and employees. It has achieved substantial growth in recent years, growing turnover from US$18 billion in 2004 to US$136 billion in 2017.

Trafigura's primary trading businesses are involved in the supply and transport of crude oil, petroleum products, renewable energies, coal, refined metals, ferrous and non-ferrous ores and concentrates. It is the world's second-largest independent non-ferrous trading company and the third-largest independent oil trader.

We are one of Trafigura's largest suppliers of Midstream services, such as storage and bunkering, which in turn provides Puma Energy with stable cash flows. Trafigura is a preferred supplier of petroleum products to Puma Energy and accounts for roughly two thirds of our supply.

This special relationship provides Puma Energy with preferential access to the international markets.

For more information about Trafigura, visit: www.trafigura.com

Sonangol

Established in 1976, Sonangol is ultimately a state-owned company whose mission is the management of hydrocarbon resource exploration and production in Angola. Sonangol Holdings Lda, the direct shareholder of the Puma Energy Group is governed as a private company and has strict standards to ensure efficiency and productivity.

In this context, Sonangol works to become a reference in the international market. The company's activities include exploration, development, marketing, production, transportation and refining of hydrocarbons and their derivatives. Sonangol gives us crucial expertise and knowledge of sub-Saharan African markets.

Cochan

Puma Energy has worked with Cochan since 2005 to develop retail sites in Angola, and the Angolan bitumen and B2B markets. Cochan is a leader in capital investments in high-potential markets. Its partnerships are long term and lasting to build continuous success. Other than in Puma Energy, Cochan's key investments include Biocom, DT Group, Kero and Unitel:

- Biocom produces, distributes, markets, imports and exports sugar cane, along with its derivatives and by-products.
- DT Group's business includes infrastructure, asset management, logistics, retail and trading, as well as offshore shipping.
- Kero is a state-of-the-art benchmark for supermarkets in Angola.
- Unitel is a market-leading mobile telecommunications company in Angola.

8,333
EMPLOYEES AROUND THE WORLD

Our approach to corporate governance

Puma Energy is managed on a global basis through a network of local and regional offices.

We employ 8,333 people in 49 countries, and have implemented a structure of regional offices. Puma Energy empowers local employees to improve its effectiveness in key markets. Local decision-makers understand the conditions on the ground, which makes them best placed to respond appropriately to the challenges they face on a day-to-day basis.

Our decentralised corporate structure promotes operational flexibility by giving regional managers the ability to respond directly to customers and stakeholders and we balance this with rigorous oversight through effective information systems, comprehensive reporting and careful internal auditing. While we make most commercial and operational decisions regionally or locally, we set strategic direction centrally.

Our governance objectives

Puma Energy's attitude to governance is driven by three overriding objectives. It seeks:

1. To support a performance-driven global business focused on growth.
2. To maximise our commercial flexibility by light-touch central management that empowers individual employees at a local level.
3. To balance the previous two principles by promoting a strong culture of governance and using effective information systems to ensure transparency and accountability.

Our Board structure and the Board

We balance our objectives with rigorous oversight. This involves effective information systems, comprehensive reporting and a fully networked Internal Audit department that keeps track of performance and product flows at individual business units.

Most strategic decisions are taken centrally. Commercial and operational decisions are made regionally and locally.

The organisation favours short reporting lines, which encourage a dynamic culture where swift decision-making is the norm. This in turn improves reporting clarity and every employee understands the extent of their role and responsibilities.

Clarity promotes transparency, as our clear reporting lines reduce the scope for unsafe commercial practices to develop or take root. Roles, relationships, reporting lines and responsibilities are specified in a Delegation of Authorities document, which is distributed internally and updated on a regular basis and approved by our Board.

We balance our objectives with rigorous oversight, involving effective information systems, comprehensive reporting and a fully networked Internal Audit department.

Graham Sharp, Chairman

The Board of Directors

The Board comprises a Non-Executive Chairman, the Chief Executive Officer and five other Board members who represent our major shareholders. Our Board meets at least four times a year to, among other matters, set our strategy and oversee how it is implemented. The Board's main duties and responsibilities include:

- Approving the nominations of Executive Committee members and such other specialised committees as deemed necessary
- Defining Puma Energy's strategic orientation
- Approving Puma Energy's annual budget and five-year business plan, including its investment programme
- Approving investments, divestments, loans or financing equivalent to more than 3% (but less than or equal to 25%) of the total net assets of the Puma Energy Group, whether or not the projected amount is part of an announced strategy
- Reviewing information on significant events related to the Company's affairs.

Key issues our Board discussed during 2017 included:

- Acquiring and integrating the recently acquired businesses
- Approving our main projects
- Approving financing strategy and main financing arrangements
- Approving our budget and business plan for 2018-2022.

Roles and responsibilities of our Chairman and CEO

Puma Energy has had separate Chairman and Chief Executive functions since 2012.

Our Chairman, Graham Sharp, is responsible for:

- Leading our Board and ensuring it makes effective decisions
- Maintaining good relations between our Board and shareholders
- Representing us in high-level discussions with governments and other important partners
- Chairing the Board's activities and our Finance and Audit Committees.

Our Chief Executive, Pierre Eladari, chairs our Executive Committee. He is ultimately responsible for managing our Company, as well as being responsible for reporting our results and outlook to shareholders and the financial community. Pierre also oversees the strategic direction of the Company.

Executive team

Our highly experienced executive team takes decisions to grow our business effectively and profitably. Puma Energy has a lean and agile management structure that enables us to make quick, robust decisions in a transparent way. The main duties and responsibilities of the executive team include:

- Implementing the strategic vision defined by the Board of Directors
- Providing organisational direction on behalf of the Board
- Advising the Board on decisions and business matters, ranging from strategy planning and policy to investment and risk
- Setting financial plans, monitoring and evaluating the implementation of these plans and ensuring that any necessary adjustments are made if required
- Ensuring that systems and structures are in place to provide effective management and support for employees
- See our executive team section on page 126 for details of our leadership team.

Our committees

We have appointed the following committees to ensure the smooth and effective running of our business:

- Audit Committee
- Ethics and Compliance Committee
- Finance Committee
- Health, Safety, Environment and Community Committee.

Audit Committee (i)

Chair: Graham Sharp (Chairman), Members: Christophe Salmon (CFO, Trafigura) and Mark Irwin (Director, Trafigura).

The committee meets at least twice a year and its primary role includes:

- Overseeing the financial reporting and disclosure process of the Group
- Monitoring the effectiveness of the Group's Internal Audit function and reviewing any material findings
- Overseeing the relationship with the external auditors, including agreeing their fee and assessing their independence and effectiveness
- Establishing procedures for receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters
- Engaging independent advisers as it deems necessary to carry out its duties
- Providing Board oversight of the Ethics and Compliance Committee activities.

Principal activities during the year included:

- Approving the yearly Internal Audit programme
- Proposing the appointment of Group external auditor to the Board
- Validating audit budgets for the year.

Ethics and Compliance Committee (ii)

Chair: Pierre Eladari (Chief Executive Officer), Members: Andrew McClarron (Global Head of Compliance), Denis Chazarain (Chief Financial Officer), Christophe Zyde (Group Chief Operating Officer), Jonathan Pegler (Global Head of Supply and Trading), Kerstin Knapp (Global Head of Human Resources), Antonio Mawad (Global Head of Midstream Operations).

The committee meets at least twice a year and its primary role includes:

- Reviewing, approving and overseeing the Company's programme for ethics and compliance
- Reviewing significant ethics and compliance risks and confirm that appropriate risk management activities and plans are in place
- Monitoring the overall ethics and compliance performance in the Company
- Reviewing the systems in place to enable staff to speak up about potential breaches of the Code of Conduct
- Setting out and providing guidance on the culture and values of the Company in support of an effective compliance management framework
- Reviewing significant investigations and outcomes to identify lessons learned and opportunities for systemic remediation
- Reviewing and resolving significant ethics and compliance matters that have the potential to adversely and materially impact the Company's reputation.

Principal activities during the year included:

- Restructuring the membership and terms of reference for the Ethics and Compliance Committee
- Approving the appointment of Regional Compliance Officers and Code Ambassadors
- Approving the Anti-Bribery and Corruption policy and Trade Sanctions Policy
- Approving the new Code of Conduct
- Approving the launch of an independent Code of Conduct helpline, PumaEnergySpeakUp.com, and the Concerns and Investigations Policy.

Finance Committee (iii)

Chair: Graham Sharp (Chairman), Members: Christophe Salmon (CFO, Trafigura), Pierre Lorinet (Director, Trafigura) Pierre Eladari (Chief Executive Officer) and Denis Chazarain (Chief Financial Officer).

The committee meets at least twice a year and its principal activities include:

- Reviewing and making recommendations to the Company in relation to matters affecting the Group's capital structure and financing, tax and treasury aspects of the Group
- Validating our external financing principles
- Reviewing KPIs and monitoring rating policies
- Overseeing the governance and activities of the Company's treasury functions.

Health, Safety, Environment and Community Committee (iv)

Chair: Antonio Mawad (Global Head of Project Development and Sustainability), Members: Patrick Meyer (Global Head of Corporate Affairs and Marketing), Kerstin Knapp (Global Head of Human Resources), Moosa Karodia (Operations Manager, Africa), Carlos Garcia (Operations and HSE Manager, Americas), Ciro Izarra (Operations Manager, Asia-Pacific), Mario Sierra (Retail Manager, Americas), Alessio Torelli (Retail Manager, Australia), Peter John (Aviation Operations Manager), Priit End (Operations Controller), Philippe Roux (Global Head of Transport).

The committee meets at least four times a year and focuses on four areas:

- Economic development
- Health and safety
- The environment
- Our people and the communities in which we work.

The committee's primary role includes:

- Advising the business on all sustainability matters
- Supervising other working groups responsible for specific strategic, technical, operational and community projects
- Reviewing historical performance indicators.

Principal activities during the year include:

- Defining Puma Energy HSEC yearly goals
- Reviewing and approving any new guidelines associated to Puma Energy HSEC policies
- Following up with each region on Puma Energy HSEC policies implementation
- Reviewing Group and Regional HSEC statistics, performance KPIs and results
- Reviewing major incidents investigation reports, define improvements, action plans based on lessons learned from these incidents

Global and local management

Our finance, liquidity management, risk management, controlling and consolidation teams are all based in our office in Geneva to maintain strict control over our finances and our exposure to risk. Other support teams, including strategy, human resources, Internal Audit, communications and sustainability (health, safety, environment and communities), are also based centrally.

Our regional offices manage our commercial activities in:

- Africa: Johannesburg, South Africa
- Latin America: San Juan, Puerto Rico
- Middle East and Asia-Pacific: Singapore
- Europe: Tallinn, Estonia.

Local general managers are responsible for day-to-day operations. Each country has a local management team and local staff and enters into and manages the main contacts with our customers. Our relationships with suppliers, customers and local authorities are better because we are permanently present in local markets.

Subsidiaries and joint ventures

In most countries we operate through a local subsidiary.

We have more than 250 companies in more than 60 jurisdictions around the world. Most subsidiaries are either wholly owned or majority owned. In some countries, we have joint ventures with local or state-owned business. A General Manager oversees each local business, supported by regional and central functions, and they are accountable to their regional Chief Operating Officer.

Unless contrary to local requirements, each subsidiary's Board includes at least one member of the executive team. The General Manager is not normally on the Board, unless there is a local requirement. For our investments in associates, the executive team chooses a Puma Energy representative on a case-by-case basis.

FIGURE 5
EXECUTIVE COMMITTEE NATIONALITY

Breakdown of Executive Committee by nationality.

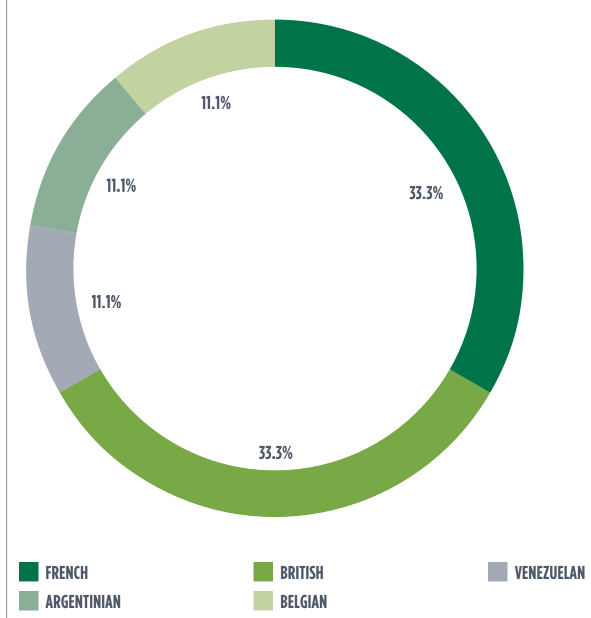
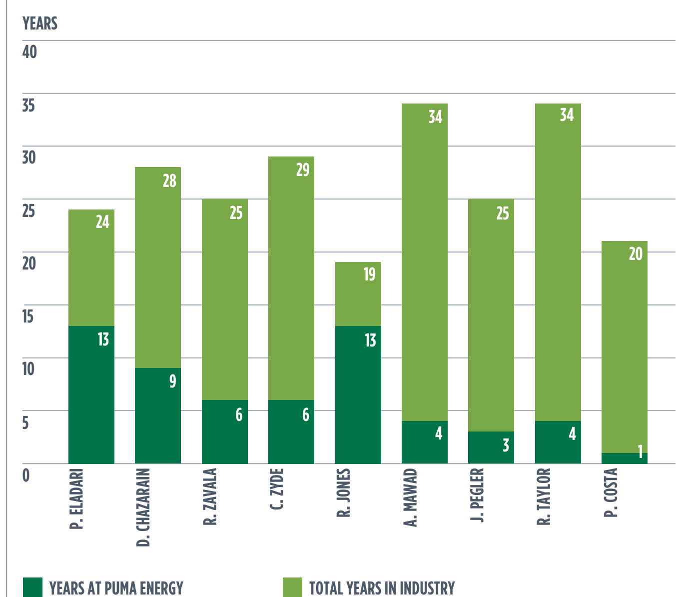


FIGURE 6
EXECUTIVE COMMITTEE LENGTH OF TENURE

A visual outline of length of tenure for our Executive Committee members.



WORK, REST OR PLAY

19:00

NAMIBIA

Down tools, downtime, down hill. We fuel your adventure so you can make the most of every moment. You will remember this drive for ever.

www.instagram.com/fuelling_journeys/

4

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF INCOME

For the years ended 31 December

in US$'000	Notes	2017	2016
Continuing operations			
Net sales	9.1	15,181,302	12,669,511
Cost of sales		(13,509,495)	(11,068,913)
Gross profit		**1,671,807**	**1,600,598**
Selling and operating costs	9.2	(1,155,351)	(1,022,643)
General and administrative expenses	9.3	(199,472)	(169,332)
Other operating income	9.4	19,683	1,295
Other operating expenses	9.4	(20,307)	(37,350)
Share of net profits and losses of associates	8.2	5,625	10,581
Operating profit		**321,985**	**383,149**
Finance income	9.5	57,336	8,651
Finance costs	9.6	(227,148)	(228,263)
Net foreign exchange losses		(1,875)	(14,890)
Profit before tax		**150,298**	**148,647**
Income tax expense	10.1	(41,876)	(32,282)
Profit for the year		**108,422**	**116,365**
Attributable to:			
Owners of the parent		96,674	114,594
Non-controlling interests		11,748	1,771

FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended 31 December

in US$'000	2017	2016
Profit for the year	**108,422**	**116,365**
Other comprehensive income/(loss)		
Exchange differences on translation of foreign operations, net of tax	44,186	(121,106)
Loss on assets at fair value through other comprehensive income	(204)	–
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	**43,982**	**(121,106)**
Remeasurement gains on defined benefit plans, net of tax	708	130
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**708**	**130**
Total comprehensive income/(loss) for the year, net of tax	**153,112**	**(4,611)**
Attributable to:		
Owners of the parent	141,206	(4,926)
Non-controlling interests	11,906	315

FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the years ended 31 December

in US$'000	Notes	2017	2016
Assets			
Non-current assets			
Property and equipment	11	3,614,424	3,328,833
Intangible assets and goodwill	12	1,453,860	1,342,091
Investments in associates	8.2	49,204	94,473
Other financial assets	15	95,769	31,257
Deferred tax assets	10.5	113,723	100,543
Other assets	16	121,868	143,264
Total non-current assets		**5,448,848**	**5,040,461**
Current assets			
Inventories	14	1,087,977	745,258
Other assets	16	347,375	229,614
Income tax receivable	10.4	19,002	17,569
Trade receivables	17	654,255	528,107
Other financial assets	15	36,031	22,462
Cash and cash equivalents	18	519,203	335,656
Total current assets		**2,663,843**	**1,878,666**
Total assets		**8,112,691**	**6,919,127**
Equity and liabilities			
Equity			
Share capital	20	2,054,166	2,054,166
Retained earnings		709,196	629,986
Foreign currency translation reserve		(817,711)	(861,306)
Other components of equity		185,853	(1,840)
Equity attributable to owners of the parent		**2,131,504**	**1,821,006**
Non-controlling interests		131,100	79,389
Total equity		**2,262,604**	**1,900,395**
Non-current liabilities			
Interest-bearing loans and borrowings	21	2,781,690	2,714,904
Retirement benefit obligations		5,566	6,002
Other financial liabilities	23	37,910	41,177
Deferred tax liabilities	10.5	62,232	59,548
Provisions	22	52,886	51,047
Total non-current liabilities		**2,940,284**	**2,872,678**
Current liabilities			
Trade and other payables	24	2,038,308	1,631,727
Interest-bearing loans and borrowings	21	754,261	421,081
Other financial liabilities	23	63,655	39,267
Income tax payable	10.4	37,491	39,235
Provisions	22	16,088	14,744
Total current liabilities		**2,909,803**	**2,146,054**
Total liabilities		**5,850,087**	**5,018,732**
Total equity and liabilities		**8,112,691**	**6,919,127**

FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the years ended 31 December

		Attributable to owners of the parent						
In US$'000	Notes	Share capital	Retained earnings	Foreign currency translation reserve	Other components of equity	Total	Non-controlling interest	**Total equity**
At 1 January 2017		**2,054,166**	**629,986**	**(861,306)**	**(1,840)**	**1,821,006**	**79,389**	**1,900,395**
Profit for the year		–	96,674	–	–	96,674	11,748	108,422
Other comprehensive income		–	(204)	43,595	1,141	44,532	158	44,690
Total comprehensive income		**–**	**96,470**	**43,595**	**1,141**	**141,206**	**11,906**	**153,112**
Dividends		–	(23,638)	–	–	(23,638)	(6,517)	(30,155)
Acquisitions/disposals of non-controlling interests	6.5	–	2,093	–	–	2,093	–	2,093
Share-based payments		–	4,285	–	–	4,285	–	4,285
Acquisition of subsidiary	6.2	–	–	–	–	–	6,780	6,780
Change in consolidation method	6.5	–	–	–	–	–	39,012	39,012
Other(i)		–	–	–	186,552	186,552	530	187,082
At 31 December 2017		**2,054,166**	**709,196**	**(817,711)**	**185,853**	**2,131,504**	**131,100**	**2,262,604**

(i) Includes the impact from hyperinflation. Since 2017, the Group applies accounting for hyperinflationary economies to the Angolan subsidiaries

		Attributable to owners of the parent						
In US$'000	Notes	Share capital	Retained earnings	Foreign currency translation reserve	Other components of equity	Total	Non-controlling interest	**Total equity**
At 1 January 2016		**2,204,166**	**535,233**	**(741,616)**	**(123)**	**1,997,660**	**73,995**	**2,071,655**
Profit for the year		–	114,594	–	–	114,594	1,771	116,365
Other comprehensive loss		–	–	(119,690)	170	(119,520)	(1,456)	(120,976)
Total comprehensive loss		**–**	**114,594**	**(119,690)**	**170**	**(4,926)**	**315**	**(4,611)**
Cancellation of shares		(150,000)	–	–	–	(150,000)	(1,475)	(151,475)
Dividends		–	–	–	–	–	(4,691)	(4,691)
Deemed distribution to shareholder		–	(25,465)	–	–	(25,465)	–	(25,465)
Share-based payments		–	7,998	–	–	7,998	–	7,998
Acquisitions/disposals of non-controlling interests	6.5	–	(4,261)	–	–	(4,261)	3,761	(500)
Reclassification of other comprehensive income to retained earnings		–	1,887	–	(1,887)	–	–	–
Acquisitions of subsidiaries	6.2	–	–	–	–	–	7,883	7,883
Other		–	–	–	–	–	(399)	(399)
At 31 December 2016		**2,054,166**	**629,986**	**(861,306)**	**(1,840)**	**1,821,006**	**79,389**	**1,900,395**

FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended 31 December

in US$'000	Notes	2017	2016
Operating activities			
Profit before tax		**150,298**	**148,647**
Non-cash adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property and equipment	9.2, 11	382,057	306,567
Amortisation and impairment of intangible assets	9.2, 12	52,022	40,453
Tangible and intangible fixed assets written off	11, 12	–	21,194
Gain on disposal of assets and investments	9.4	(3,379)	(1,295)
Net interest expense	9.5, 9.6	195,863	206,575
Dividend income	9.5	(889)	(2,514)
Share of net profit of associate	8.2	(5,625)	(10,581)
Provisions		797	(49)
Changes in value of derivative financial instruments		3,662	94,224
Exchange gain on bond	9.5	(29,739)	–
Effect from hyperinflation adjustment	9.5	(17,466)	–
Working capital adjustments:			
(Increase)/decrease in trade, other receivables and prepayments		(211,668)	134,192
(Increase) in inventories		(317,417)	(153,777)
Increase in trade, other payables and accrued expenses		314,302	108,991
Interest received	9.5	9,242	6,137
Dividends received from associates	9.5	4,097	1,422
Income tax paid		(49,445)	(61,949)
Net cash flows from operating activities		**476,712**	**838,237**
Investing activities			
Net proceeds from sale of assets and investments		29,376	51,255
Purchase of intangible assets	12	(21,860)	(37,817)
Purchase of property and equipment	11	(358,725)	(612,552)
Cash inflows from change in consolidation method	6.5	31,262	–
Acquisitions of subsidiaries, net of cash acquired	6.3	(38,015)	(132,234)
Investments in associates and financial investments	8, 15	(1,623)	(3,933)
Dividends received	9.5	889	2,514
Net cash flows used in investing activities		**(358,696)**	**(732,767)**
Financing activities			
Loans (granted)/reimbursed	21	(25,581)	(9,739)
Proceeds from/(repayment of) borrowings	21	351,854	137,226
Proceeds from bond issuance	21	10,000	100,000
Proceeds from equity increase/(reduction)	20	–	(1,475)
Interest paid		(228,992)	(209,053)
Divestment/(acquisition) of non-controlling interests	6.5	2,093	(500)
Dividends paid		(19,928)	(4,691)
Deemed distribution to shareholder		–	(25,465)
Net cash flows from/(used in) financing activities		**89,446**	**(13,697)**
Net increase in cash and cash equivalents		207,462	91,773
Effects of exchange rate differences		(23,915)	(37,326)
Cash and cash equivalents at 1 January	18	335,656	281,209
Cash and cash equivalents at 31 December	18	**519,203**	**335,656**

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Puma Energy Holdings Pte Ltd (the 'Company') was incorporated in Singapore as a private company limited by shares on 2 May 2013. The registered office of the Company is 1 Marina Boulevard #28–00, One Marina Boulevard, Singapore 018989.

The principal business activities of the Company and its subsidiaries (the 'Group') are the ownership and operation of storage facilities for, and the sale and distribution of, petroleum products.

The Group is owned by Trafigura PE Holding Ltd (49.49%), Sonangol Holdings Lda (27.92%), Cochan Holdings LLC (15.45%) and other investors (7.14%).

2. Accounting methods

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value and those inventories that qualify for fair value accounting using the IAS 2 *Inventories* exemption.

The Group had current assets of US$2,664 million and current liabilities of US$2,910 million at 31 December 2017 (2016: current assets of US$1,879 million and current liabilities of US$2,146 million). Despite the fact the Group's current liabilities exceeded the Group's current assets, the Group has access to various undrawn loan facilities as described in Note 27.2 and therefore the Group's consolidated financial statements have been prepared on a going concern basis.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at 31 December 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group accounting policies. All intra-Group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interests.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Subsidiaries whose functional currencies have experienced a cumulative inflation rate of close to 100% over the past three years apply the rules of IAS 29 *Financial Reporting in Hyperinflationary Economies*. Gains or losses incurred upon adjusting the carrying amounts of non-monetary assets and liabilities for inflation are recognised in the income statement. The subsidiaries in Angola restate non-monetary items in the balance sheet in line with the requirements of IAS 29.

The only hyperinflationary economy applicable to the Group is Angola. The financial statements of the major subsidiaries in this country are first adjusted for the effect of inflation with any gain or loss on the net monetary position recorded in the related functional lines in the consolidated income statement and then translated into US Dollars.

2.3 Summary of significant accounting policies

a) Business combinations

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

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

2. Accounting methods continued

2.3 Summary of significant accounting policies continued

At the acquisition date, the identifiable assets acquired, and the liabilities assumed, are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively.
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (e.g. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

b) Foreign currency translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in effect at the closing date of each reporting period. These items are recorded, according to their nature, either as components of finance income or finance costs in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Group companies

The presentation currency of the Group is the US Dollar. Consolidated statement of financial position items are translated into US Dollars at the exchange rate applicable on the date of closure of the reporting period, and consolidated statement of income items are translated using the average exchange rate over the reporting period. Foreign exchange differences arising on translation for consolidation are recognised in other comprehensive income and included in consolidated shareholders' equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

c) Non-current assets held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

d) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Interest in joint operations are recorded according to IFRS 11 *Joint Arrangements*:

- Assets, including its share of any assets held jointly.
- Liabilities, including its share of any liabilities incurred jointly.
- Revenue from the sale of its share of the output arising from the joint operation.
- Share of the revenue from the sale of the output by the joint operation.
- Expenses, including its share of any expenses incurred jointly.

The results of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The requirements of IAS 39 *Financial Instruments: Recognition and Measurement* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 *Impairment of Assets* to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a Group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

e) Goodwill

Goodwill is measured as being the excess of the aggregate of the consideration transferred, the amount recognised for any non-controlling interest and the acquisition-date fair values of any previously held interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date.

At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units (CGUs) or group of CGUs expected to benefit from the combination's synergies.

Following initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the CGU or group of CGUs to which the goodwill relates. Where the recoverable amount of the CGU or group of CGUs is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period. For the impairment test, see note 13.

Goodwill may also arise upon investments in associates, being the surplus of the cost of investments in associates. Goodwill is included in the carrying amount of the investment in an associate and is neither amortised nor individually tested for impairment.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised according to the straight-line method for the periods corresponding to their expected useful lives. Intangible assets are mainly comprised of software licences (useful lives ranging from three to five years) and certain long-term concession rights related to land usage (useful lives ranging from 33 to 99 years).

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

2. Accounting methods continued

2.3 Summary of significant accounting policies continued

g) Property and equipment

Property and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a finance lease is also included within property and equipment. Land and buildings are accounted for under the cost model. Hence no revaluation is carried out, in line with IAS 16 *Property, Plant and Equipment*.

Depreciation is provided on a straight-line basis over estimated useful lives of the respective assets, taking into account the residual value. The estimated useful lives are:

Buildings	33 years
Machinery and equipment	3 to 20 years
Other fixed assets	1 to 5 years

The expected useful lives of property and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

When significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

h) Impairment of non-financial assets

The Group assesses its non-financial assets at each reporting date for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable and, as a result, charges for impairment are recognised in the Group results from time to time.

Such indicators include changes in the Group business plans, changes in commodity prices leading to sustained unprofitable performance, an increase in the discount rate, low asset utilisation, evidence of physical damage and, for petroleum-related properties, significant downward or upward revisions of estimated volumes.

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

Goodwill and intangible assets with an indefinite useful life are subject to an annual impairment test or, more frequently, if there are indications of a loss in value.

For assets, excluding goodwill and intangible assets with an indefinite life, an assessment is made at each reporting date of whether there is an impairment and if such an indication exists, an impairment test is carried out. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Impairment losses relating to goodwill cannot be reversed in future periods.

i) Financial assets

Financial assets are recognised initially at fair value, plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss. The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Usually, the difference between amortised cost and the nominal amount of receivables is not material. Gains and losses are recognised in profit or loss in finance costs when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions. After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised when the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, at which time the cumulative loss is reclassified to profit or loss in finance costs. Interest earned while holding available-for-sale financial investments is reported as interest income using the effective interest rate method.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39 *Financial Instruments: Recognition and Measurement*.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in finance income or finance costs (as appropriate) in profit or loss. Financial assets designated upon initial recognition at fair value through profit or loss are designated at the initial recognition date and only if the criteria set out in IAS 39 *Financial Instruments: Recognition and Measurement* are satisfied. The Group has not designated any financial assets upon initial recognition at fair value through profit or loss.

Derecognition

A financial asset as defined under IAS 32 *Financial Instruments: Presentation* is totally derecognised (removed from the consolidated statement of financial position) when, for instance, the Group expects no further cash flow to be generated by it and transfers substantially all risks and rewards attached to it.

In the case of trade receivables, a transfer without recourse in case of payment default by the debtor is regarded as a transfer of substantially all risks and rewards of ownership, thus making such receivables eligible for derecognition under IAS 39 *Financial Instruments: Recognition and Measurement*, on the basis that risk of late payment is considered marginal.

Amortised cost

Amortised cost is calculated using the effective interest rate method less any reductions (direct, or in the form of a provision) for impairment or uncollectibility. The calculation takes into account any premium and discount at the time of acquisition, as well as transaction costs and fees forming an integral part of the effective interest rate.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of impairment losses on financial assets carried at amortised cost is calculated as the difference between the carrying amount of the asset and the best possible estimate of the future cash flows, discounted at the effective rate of interest of the financial instrument determined on the initial recognition of the instrument. If the decrease in impairment relates to an objective event occurring after the impairment was recognised, a previously recognised impairment loss is reversed to a maximum of the amount required to carry the asset at amortised cost at the time of the reversal if no impairment had taken place. The impairment loss reversal is taken to profit or loss.

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss – is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity investments are not reversed through profit or loss. Increases in their fair value after impairments are recognised directly in other comprehensive income.

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

2. Accounting methods continued
2.3 Summary of significant accounting policies continued

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss. The amount of impairment losses on investments in equity instruments carried at cost is calculated as the difference between the carrying amount of the financial asset and the best possible estimate of the future cash flows, discounted at the current cost of capital for a similar asset. A previously recognised impairment loss is reversed if the removal of the indication of impairment is shown objectively.

j) Financial liabilities

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39 *Financial Instruments: Recognition and Measurement*. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss should be designated at the initial recognition date and only if the criteria set out in IAS 39 *Financial Instruments: Recognition and Measurement* are satisfied.

Other financial liabilities

Following initial measurement, other financial liabilities are carried at amortised cost using the effective interest rate method. This category includes loans with original maturities greater than one year. Gains or losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

Derecognition

A financial liability is derecognised when the associated obligation is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

k) Derivative financial instruments

The Group utilises derivative financial instruments (shown separately in the consolidated statement of financial position under other financial assets and other financial liabilities) to economically hedge its primary market risk exposures, primarily risks related to commodity price movements, and to a lesser extent, related to exposure to foreign currency exchange and interest rate movements. For some of these derivative transactions, the Group will enter into positions through Trafigura Pte Ltd and Trafigura Derivatives Ltd. The Group has an agreement in place with Trafigura Pte Ltd and Trafigura Derivatives Ltd whereby those derivative transactions entered into on behalf of the Group by Trafigura Pte Ltd and Trafigura Derivatives Ltd are contractually binding to the Group and therefore any gains or losses arising from such transactions are strictly for the account of the Group.

Derivatives, including separated embedded derivatives, are classified as held for trading at fair values and related gains and losses are recorded in profit or loss unless they are designated as effective hedging instruments as defined by IAS 39 *Financial Instruments: Recognition and Measurement*. The Group does not generally apply hedge accounting as defined by IAS 39 *Financial Instruments: Recognition and Measurement*.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include: using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis; or other valuation models.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (e.g. the underlying contracted cash flows).

- Where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.

l) Inventory

Inventories, other than inventories held for trading purposes, are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and comprises direct purchase costs, cost of production, transportation and manufacturing expenses. Borrowing costs are not included in the cost of inventory.

Net realisable value of petroleum products is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition.

Any write-off is recognised when the probable realisable value is lower than the net book value.

With respect to inventories held for trading purposes, the Group accounts for them at fair value less costs to sell and any changes in value are recognised in profit or loss. Trading activities include optimisation of the Group's supply cycle and the supply of petroleum products to business-to-business and wholesale clients. Further details are provided in Note 14.

m) Leases

The Group as lessee

Finance leases, which transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term.

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

n) Cash and short-term deposits

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

o) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

p) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue is reduced for estimated customer returns, discounts and other similar allowances. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold.
- Revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

2. Accounting methods continued
2.3 Summary of significant accounting policies continued
q) Taxes
Current income tax
Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised in other comprehensive income is also recognised in other comprehensive income and not in profit or loss.

Deferred tax
Deferred tax assets and liabilities are recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date and for operating loss and tax credit carry forwards. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect on deferred tax assets and liabilities of changes in tax rates is recognised in profit or loss in the period of the enactment of the change in tax rates.

Tax exposure
In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities and such changes to tax liabilities will impact tax expense in the period that such a determination is made.

r) Share-based payments
Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in employee benefits expense, together with a corresponding increase in equity (retained earnings), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

3. Significant accounting judgements, estimates and assumptions
The preparation of the Group consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Changes in these assumptions may materially affect the consolidated financial position or performance reported in future periods. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the consolidated financial statements.

Impairment of assets
In accordance with IAS 36 *Impairment of Assets*, the Group performs an assessment at each reporting date to determine whether there are any indications of impairment at each reporting date. If indications of impairment exist, an impairment test is performed to assess the recoverable amount of the assets.

Goodwill impairment
Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the CGU, and a suitable discount rate, in order to calculate present value.

Details of the Group goodwill impairment assessment at 31 December 2017 and 2016 are described in Note 13.

Useful lives of intangible assets and property and equipment
Intangible assets and property and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. The useful lives are estimated by management at the time the assets are acquired and are reassessed annually, with the estimated useful lives being based on historical experience with similar assets, market conditions and future anticipated events.

In 2017, the Group realigned the useful lives of some of its property and equipment in Angola to Group policies. The main impact related to buildings and concrete structures, which were reassessed to 33 years. This reduced depreciation expense in 2017 by US$14.9 million.

The actual useful lives might be different from the estimated useful lives. The related carrying amounts at 31 December 2017 and 2016 are disclosed in Note 11 and Note 12.

Environmental costs
Costs associated with environmental remediation obligations are provided for when the Group has a present obligation and the provision can be reasonably estimated. Such provisions are adjusted as further information develops or circumstances change. The related carrying amounts at 31 December 2017 and 2016 are disclosed in Note 22.

Recovery of deferred tax assets
Judgement is required in determining whether deferred tax assets should be recognised in the consolidated statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred income tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, oil and natural gas prices, reserves, operating costs, decommissioning costs, capital expenditure, dividends and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction.

To the extent that future cash flows impacting the taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted. In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

Pension benefits obligation
The accounting policy applied by the Group for defined benefit pension schemes requires management to make judgements as to the nature of such benefits provided by each scheme, which thereby determines the classification of each scheme. The cost of defined benefit pension plans and the present value of the pension obligation are required to be determined annually using actuarial valuations. An actuarial valuation involves making various estimates and assumptions. These include the determination of the future returns on each different type of scheme asset, the discount rate, future salary increases, employee attrition rates, mortality rates, expected remaining periods of service of employees and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Contingencies
By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Determination of fair values in business combinations
The Group has applied estimates and judgements in order to determine the fair value of assets acquired and liabilities and contingent liabilities assumed by way of a business combination.

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

4. Significant events
Acquisition of BP storage operations in Northern Ireland
In February 2017, the Group completed the acquisition of a BP's storage operations in Belfast, Northern Ireland, including one bulk storage terminal with a capacity of 143k m^3. In April 2017, the Group resold a 50% stake in the Belfast operations to Nicholls (Fuel Oils) Ltd.

Senior Credit Facility refinancing
In May 2017, the Group refinanced and extended some tranches of its Senior Credit Facility. Total liquidity available under this facility amounts to US$1.5 billion.

Acquisition of Tropifuels in Panama
In July 2017, the Group signed an agreement to acquire 100% of the share capital in Tropifuels Energies Corp, a Panamanian fuel distributor. This acquisition adds 18 retail sites to the Group's network.

APN Retail Property Fund
In July 2017, the APN Retail Property Fund, in which Puma Energy held a 29% stake was stapled together with two other funds and listed on the Australian Stock Exchange. Puma Energy now holds an 8% stake in the new listed vehicle.

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

4. Significant events continued

Acquisition of a 51% stake in Admore
In August 2017, the Group announced that it had entered into an agreement with the Chishti Group to acquire a 51% interest in Admore Gas Pvt Ltd in Pakistan. This acquisition, adding another 470 retail sites to the Group's network, was completed in November 2017.

Acquisition of Rutile Investments
In December 2017, the Group acquired a 100% stake in Rutile Investments, an African fuel supply company.

New 5-year facility
In September 2017, the Group has successfully closed a US$350 million term loan facility. The proceeds of the facility have been used to repay existing debt. This further extends the current maturity profile of the Group.

Refinancing of Senior Notes
In October 2017, the Group issued US$600 million of Senior Notes maturing in 2024, at a fixed coupon of 5.125% per annum. The proceeds were used to repurchase US$590 million of Puma Energy's Senior Notes, due in 2021. The transaction was accounted for as an exchange of debt, in line with the requirements of IAS39.

5. Changes in accounting standards

New and amended standards and interpretations
In 2017, the Group adopted the following new or amended standards and interpretations for the first time:
- Annual Improvements 2014–2016 Cycle (effective for annual periods beginning on or after 1 January 2017).
- Amendments to IAS 7 *Disclosure* (effective for annual periods beginning on or after 1 January 2017).
- Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses* (effective for annual periods beginning on or after 1 January 2017).

The adoption of these new or amended standards and interpretations did not have a material impact on the consolidated financial position or performance of the Group.

Standards issued but not yet effective
The standards and interpretations that have been issued or amended but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt the following standards, interpretations and amendments when they become effective, to the extent they are relevant to the Group.
- IFRS 9 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018).
- IFRS 15 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2018).
- Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions* (effective for annual periods beginning on or after 1 January 2018).
- IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration* (effective for annual periods beginning on or after 1 January 2018).
- Amendments to IAS 40 *Transfers of Investment Property* (effective for annual periods beginning on or after 1 January 2018).
- IFRS 16 *Leases* (effective for annual periods beginning on or after 1 January 2019).
- IFRIC Interpretation 23 *Uncertainty over Income Tax Treatments* (effective 1 January 2019)
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between and Investor and its Associate or Joint Venture* (effective date to be determined by the IASB).
- Amendments to IFRS 9 *Prepayments Features with Negative Compensation* (effective for annual periods on or after 1 January 2019)

With the exception of IFRS 16 *Leases*, for which the impact is still being assessed, the adoption of these issued or amended standards and interpretations is not expected to have a material impact on the consolidated financial position or performance of the Group.

6. Business combinations and acquisition of non-controlling interests

6.1a Subsidiaries acquired in 2017

The following table summarises those subsidiaries acquired in 2017:

Subsidiaries acquired	Principal activity	Date of acquisition	Proportion of voting equity interests acquired %
BP Northern Ireland, storage business	Fuel storage	1 February 2017	100%
Tropifuels SA	Fuel marketing and distribution	31 July 2017	100%
Admore Gas (Private) Ltd	Fuel marketing and distribution	1 November 2017	51%
Rutile Investments Ltd	Fuel supply	19 December 2017	100%

6.1b Subsidiaries acquired in 2016

The following table summarises those subsidiaries acquired in 2016:

Subsidiaries acquired	Principal activity	Date of acquisition	Proportion of voting equity interests acquired %
Wabeco Nigeria	Bitumen storage and supply	19 January 2016	60%
Grace Petroleum	Fuel marketing and distribution	4 April 2016	100%
Kili Oil Tanzania	Fuel marketing and distribution	1 January 2016	100%

6.2a Assets and liabilities recognised at date of acquisition in 2017

The provisional fair value of the identifiable assets and liabilities of the entities acquired at the date of acquisition was:

in US$'000	Midstream segment(i)	Downstream segment(ii)	Total
Assets			
Cash and cash equivalents	–	27,888	27,888
Other current assets	–	2,864	2,864
Property and equipment (Note 11)	22,006	24,974	46,980
Intangibles (Note 12)	3,921	1,243	5,164
Other long-term assets	–	626	626
Liabilities			
Trade and other payables	–	(26,146)	(26,146)
Other current liabilities	–	(11,367)	(11,367)
Other non-current liabilities	–	(7,444)	(7,444)
Total identifiable net assets acquired at fair value	**25,927**	**12,638**	**38,565**
Non-controlling interest measured at the proportionate share of the acquiree's net assets	–	(6,780)	(6,780)
Net assets acquired	**25,927**	**5,858**	**31,785**
Goodwill arising on acquisition	–	37,349	37,349
Purchase consideration	**25,927**	**43,207**	**69,134**

(i) Includes the acquisition of BP in Northern Ireland.
(ii) Includes the acquisition of Tropifuels in Panama, Rutile Investments in Africa and Admore in Pakistan.

The goodwill recognised on these acquisitions reflects the expected revenue growth, synergies, and optimised supply. None of the goodwill recognised is expected to be deductible for tax purposes.

Transaction costs of US$1.3 million have been expensed (included in selling and operating costs) and are part of the operating cash flows in the consolidated statement of cash flows.

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

6. Business combinations and acquisition of non-controlling interests continued

6.2b Assets and liabilities recognised at date of acquisition in 2016

The fair value of the identifiable assets and liabilities of the entities acquired at the date of acquisition was:

in US$'000	Downstream segment(iii)	Total
Assets		
Property and equipment	24,122	24,122
Intangible assets	10,873	10,873
Other receivable	54	54
Total identifiable net assets acquired at fair value(i)	**35,049**	**35,049**
Non-controlling interest measured at the proportionate share of the acquiree's net assets	(7,883)	(7,883)
Net assets acquired	**27,166**	**27,166**
Goodwill arising on acquisition	24,234	24,234
Purchase consideration	**51,400**	**51,400**

(iii) Includes the acquisition of Wabeco bitumen assets in Nigeria, Grace Petroleum in Ghana and Kili Oil in Tanzania.

The goodwill recognised on these acquisitions reflects the expected revenue growth, synergies, and optimised supply. None of the goodwill recognised is expected to be deductible for tax purposes. Transaction costs of US$0.1 million have been expensed (included in selling and operating costs) and are part of the operating cash flows in the consolidated statement of cash flows.

6.3 Cash flow on acquisitions

6.3a Cash flow on acquisitions in 2017

The cash flow on acquisitions made in 2017 is summarised below:

in US$'000	Midstream segment(i)	Downstream segment(ii)	Total
Purchase consideration	(25,927)	(43,207)	(69,134)
Cash and cash equivalent acquired	–	27,888	27,888
Deferred purchase consideration	–	682	682
Prepayment made in 2016	2,549	–	2,549
Net cash outflow	**(23,378)**	**(14,637)**	**(38,015)**

(i) Includes the acquisition of BP in Northern Ireland.
(ii) Includes the acquisition of Tropifuels in Panama, Rutile Investments in Africa and Admore in Pakistan.

6.3b Cash flow on acquisitions in 2016

The cash flow on acquisitions made in 2016 is summarised below:

in US$'000	Downstream segment(iii)	Total
Purchase consideration	(51,400)	(51,400)
Deferred payment/prepayment made	10,902	10,902
Reduction in purchase price	419	419
Repayment of vendor loan	(92,155)	(92,155)
Net cash outflow	**(132,234)**	**(132,234)**

(iii) Includes the acquisition of Wabeco bitumen assets in Nigeria, Grace Petroleum in Ghana and Kili Oil in Tanzania, and the repayment of the vendor loan for a business acquired in 2014.

6.4 Pro forma impact of acquisitions on the results of the Group

6.4a Pro forma impact of 2017 acquisitions on the results of the Group

None of the businesses acquired during 2017 had a material impact on sales and operating profit of the Group.

6.4b Pro forma impact of 2016 acquisitions on the results of the Group

None of the businesses acquired during 2016 had a material impact on sales and operating profit of the Group.

6.5 Non-controlling interests acquired

During 2017, the Group assessed that it effectively held control over National Energy Puma Aviation Services Co Ltd in Myanmar, and started to consolidate this subsidiary. The fair value of the identifiable assets and liabilities at the date of consolidation were:

in US$'000	2017
Assets	
Cash and cash equivalents	31,262
Other current assets	8,582
Property and equipment (Note 11)	50,471
Liabilities	
Trade and other payables	(13,821)
Total identifiable net assets at fair value	**76,494**
Changes in non-controlling interests	(39,012)
Restatement of investment in associates (Note 8)	**(37,482)**

From the date of consolidation, the contribution of this business, was US$138.0 million to sales and US$18.3 million to operating profit.

The Group also received a refund of US$2.1 million related to the repurchase of a non-controlling interest made in 2016.

in US$'000	2017
Non-controlling interests purchased	
Change in retained earnings from non-controlling interest purchase	2,093
Purchase consideration	**(2,093)**

The following non-controlling interests in subsidiaries were purchased in 2016:

in US$'000	2016
Non-controlling interests purchased	**(3,761)**
Change in retained earnings from non-controlling interest purchase	(4,261)
Purchase consideration	**500**

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

7. Segment and geographic information
7.1 Segment information

For management purposes, the Group is organised into business units based on products and services and has two reportable segments as follows:

- Midstream business activities that include refining and storage of oil and gas products internationally.
- Downstream business activities that include distribution, wholesale and retail sales of refined products.

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

The Group Executive Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. Transfer prices between operating segments are based on terms determined by the Group's management.

Year ended 31 December 2017

in US$'000	Downstream	Midstream	Consolidated
Net sales	14,638,148	543,154	15,181,302
Gross profit	**1,445,298**	**226,509**	**1,671,807**
Selling and operating costs[i]	(1,008,610)	(146,741)	(1,155,351)
General and administrative expenses	(187,209)	(12,263)	(199,472)
Other operating income/(expenses), net	(3,759)	3,135	(624)
Share of net profits of associates	3,008	2,617	5,625
Operating profit	**248,728**	**73,257**	**321,985**
Finance income			57,336
Finance costs			(227,148)
Net foreign exchange losses			(1,875)
Profit before tax			**150,298**
Total non-current assets (excluding other financial, deferred tax and other assets)	4,398,543	718,945	5,117,488
Total current assets	2,447,784	216,059	2,663,843
Total current liabilities	2,736,368	173,435	2,909,803

(i) Selling and operating costs include an impairment charge of US$39.8 million, of which US$31.8 million is attributable to the Downstream segment.

Year ended 31 December 2016

in US$'000	Downstream	Midstream	Consolidated
Net sales	12,134,652	534,859	12,669,511
Gross profit	**1,373,200**	**227,398**	**1,600,598**
Selling and operating costs[ii]	(875,158)	(147,485)	(1,022,643)
General and administrative expenses	(156,147)	(13,185)	(169,332)
Other operating income/(expenses), net	(24,922)	(11,133)	(36,055)
Share of net profits of associates	8,263	2,318	10,581
Operating profit	**325,236**	**57,913**	**383,149**
Finance income			8,651
Finance costs			(228,263)
Net foreign exchange losses			(14,890)
Profit before tax			**148,647**
Total non-current assets (excluding other financial, deferred tax and other assets)	4,015,347	750,050	4,765,397
Total current assets	1,676,969	201,697	1,878,666
Total current liabilities	1,999,681	146,373	2,146,054

(ii) Selling and operating costs include an impairment charge of US$2.2 million, of which US$1.4 million is attributable to the Midstream segment.

Selling and operating costs and general and administrative expenses that are not specifically linked to a segment operating entity are allocated on a pro-rata basis according to the relative weighting of gross profit for each segment.

Finance income/(costs), net foreign exchange losses and income tax expenses are not allocated as they do not relate to a specific segment and are managed on a Group basis. These accounts do not form part of the review of the operating segment performance monitored by management.

7.2 Geographic information

The Group is organised in four main regions:

- Americas (mainly composed of Latin America and Caribbean)
- Asia-Pacific (including Middle East and Australia)
- Africa
- Europe (including Russia)

	2017		2016	
in K m^3 (unaudited)	**Downstream**	**Midstream**	Downstream	Midstream
Throughput volumes (Midstream)				
Americas	–	523	–	458
Asia-Pacific	–	5,499	–	5,160
Africa	–	3,909	–	8,643
Europe	–	6,703	–	5,432
Total	**–**	**16,634**	**–**	**19,693**
Sales volumes (Downstream and Midstream)				
Americas	8,839	–	8,922	–
Asia-Pacific	4,260	857	3,468	1,127
Africa	6,552	13	6,499	–
Europe	2,273	–	1,952	–
Total	**21,924**	**870**	**20,841**	**1,127**

Year ended 31 December 2017

in US$'000	Americas	Asia-Pacific	Africa	Europe	Consolidated
Net sales	4,734,741	3,571,425	4,875,745	1,999,391	15,181,302
Gross profit	**538,416**	**446,101**	**603,067**	**84,223**	**1,671,807**
Selling and operating costs	(319,837)	(367,237)	(394,727)	(73,550)	(1,155,351)
General and administrative expenses	(44,697)	(51,598)	(94,385)	(8,792)	(199,472)
Other operating income/(expenses), net	12,034	(878)	(13,800)	2,020	(624)
Share of net profits of associates	1,445	4,340	1,121	(1,281)	5,625
Operating profit	**187,361**	**30,728**	**101,276**	**2,620**	**321,985**
Total non-current assets (excluding other financial, deferred tax and other assets)	**1,025,389**	**1,827,986**	**1,962,849**	**301,264**	**5,117,488**

Year ended 31 December 2016

in US$'000	Americas	Asia-Pacific	Africa	Europe	Consolidated
Net sales	4,030,893	2,711,260	4,229,680	1,697,678	12,669,511
Gross profit	**475,510**	**375,985**	**658,063**	**91,040**	**1,600,598**
Selling and operating costs	(273,712)	(322,931)	(342,500)	(83,500)	(1,022,643)
General and administrative expenses	(41,964)	(39,066)	(79,077)	(9,225)	(169,332)
Other operating income/(expenses), net	(223)	3,873	(39,709)	4	(36,055)
Share of net profits of associates	986	10,349	(754)	–	10,581
Operating profit	**160,597**	**28,210**	**196,023**	**(1,681)**	**383,149**
Total non-current assets (excluding other financial, deferred tax and other assets)	1,050,567	1,725,844	1,707,810	281,176	4,765,397

Selling and operating costs and general and administrative expenses that are not specifically linked to an operating region are allocated on a pro-rata basis according to the relative weighting of gross profit for each region.

The Group has no material commercial operations and no material non-current assets in its country of incorporation, Singapore.

Non-current assets for this purpose consist of investments in associates, property and equipment, intangible assets and goodwill (Notes 8, 11 and 12).

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

8. Investments in associates
The following table summarises the Group's investments in associates for the years ended 31 December 2017 and 2016. None of the entities included below is listed on any public exchange.

8.1 List of investments

Associate name	Activity	Location	Proportion of voting interests held at 31 December 2017 %	2016 %
Empresa Cubana de Gas	Fuel marketing	Caribbean	50%	50%
Puma Energy Belfast Ltd	Storage	United Kingdom	50%	–
Emoil Petroleum Storage FZCO	Storage	United Arab Emirates	20%	20%
Langsat Terminal (One) Sdn Bhd	Storage	Malaysia	20%	20%
Langsat Terminal (Two) Sdn Bhd	Storage	Malaysia	20%	20%
Oil Malal SA	Storage	Chile	33%	33%
Sakunda Petroleum (Pvt) Ltd	Fuel marketing	Zimbabwe	49%	49%
Fuel Distributors of Western Australia Pty Ltd	Fuel supply and cartage	Australia	50%	50%
Phoenix Petroleum Pty Ltd	Fuel supply and cartage	Australia	50%	50%
Phoenix Petroleum Unit Trust	Fuel supply and cartage	Australia	50%	50%
RAM Petroleum (Pvt) Ltd	Fuel supply	Zimbabwe	48%	–
National Energy Puma Aviation Services Co Ltd	Aviation	Myanmar	–	49%
APN Retail Property Fund	Retail property fund	Australia	8%	29%

8.2 Associates summarised financial information
The following table illustrates summarised financial information of the Group's investments in associates, which apply the same reporting dates and periods as the Group:

in US$'000	2017	2016
Associates' assets and liabilities		
Current assets	112,653	159,645
Non-current assets	200,488	274,345
Current liabilities	(69,601)	(70,378)
Non-current liabilities	(104,066)	(119,126)
Equity	**139,474**	**244,486**
Carrying amount of the investments	**49,204**	**94,473**
Associates' revenues and net profits (all from continuing operations):		
Revenues	310,591	342,613
Profits net of tax	20,960	31,908
Group's share of net profits of associates	**5,625**	**10,581**

9. Consolidated statement of income
9.1 Net sales

in US$'000	2017	2016
Net sales of goods	14,696,437	12,156,552
Rendering of services	484,865	512,959
Total net sales	**15,181,302**	**12,669,511**

Sales of goods are net of any sales taxes, value-added taxes, petroleum taxes and discounts.

9.2 Selling and operating costs

in US$'000	2017	2016
Employee benefit expenses	(191,898)	(173,220)
Operating expenses	(529,374)	(502,403)
Depreciation (Note 11)	(356,816)	(304,557)
Amortisation (Note 12)	(37,425)	(40,238)
Impairment (Notes 11/12)(i)	(39,838)	(2,225)
Total selling and operating costs	**(1,155,351)**	**(1,022,643)**

(i) The line impairment includes the write-down of various tangible and intangible assets, as well as the reversal of US$10 miliion of impairment on our fixed assets in Norway, recorded in 2015 (following the conclusion of new contracts).

9.3 General and administrative expenses

in US$'000	2017	2016
Employee benefit expenses	(126,305)	(108,614)
Operating expenses	(73,167)	(60,718)
Total general and administrative expenses	**(199,472)**	**(169,332)**

9.4 Other operating income/(expenses)

in US$'000	2017	2016
Gains on disposal of assets and investments	3,379	1,295
Other non-operating income(i)	16,304	–
Total other operating income	**19,683**	**1,295**

(i) The line other non-operating income includes US$16.3 million of insurance revenues in Puerto Rico, to cover the costs incurred from hurricanes Irma and Maria. The corresponding impairment of fixed assets has been recorded under selling and operating costs

in US$'000	2017	2016
Provision for doubtful accounts	(3,511)	(4,266)
Movements in other provisions	(9,990)	(3,852)
Foreign exchange losses on operations	(5,300)	(5,464)
Other expenses	(1,506)	(23,768)
Total other operating expenses	**(20,307)**	**(37,350)**

9.5 Finance income

in US$'000	2017	2016
Interest income on other loans and finance lease receivables	9,242	6,137
Dividend income	889	2,514
Gain on hyperinflation	17,466	–
Gain on bond exchange	29,739	–
Total finance income	**57,336**	**8,651**

9.6 Finance costs

in US$'000	2017	2016
Interest on loans and borrowings from third parties	(203,991)	(196,864)
Interest on loans and borrowings from related parties	(1,114)	(15,848)
Unwinding of discount	(1,935)	(2,126)
Hedging costs	(10,995)	(10,131)
Net loss on financial instruments carried at fair value through profit or loss	(9,113)	(3,294)
Total finance costs	**(227,148)**	**(228,263)**

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

10. Income tax
10.1 Current income tax expense
The major components of income tax expense for the years ended 31 December 2017 and 2016 were:

in US$'000	2017	2016
Current income tax		
Current income tax charge	48,186	52,102
Adjustments in respect of current income tax of previous year	(1,583)	(625)
	46,603	**51,477**
Deferred tax		
Relating to origination and reversal of temporary differences	(11,276)	(33,546)
	(11,276)	**(33,546)**
Withholding tax		
Applicable withholding tax in the current year	6,549	14,351
	6,549	**14,351**
Income tax expense reported in the consolidated statement of income	**41,876**	**32,282**

10.2 Income tax recognised directly in other comprehensive income
Income tax totalling US$(0.4) million (2016: US$(0.1) million) was recognised directly in other comprehensive income. The entire amount recognised related to the actuarial losses recognised during the year from the Group's various defined benefit plans.

10.3 Reconciliation of accounting profit to income tax expense
The Group's effective income tax rate differs from the Company's statutory income tax rate in Singapore, which was 17% in 2017 (2016: 17%) due to the Group operating in several jurisdictions. A reconciliation between tax expense and the product of accounting profit multiplied by the Group's statutory blended income tax rate of jurisdictions the Group operates in for the years ended 31 December 2017 and 2016 was as follows:

in US$'000	2017	2016
Accounting profit before tax	**150,298**	**148,647**
Share of net profits in associates	(5,625)	(10,581)
Accounting profit before tax net of share of net profits in associates	**144,673**	**138,066**
Income tax expense at statutory blended tax rate of 25.30% (2016: 31.02%)	(36,601)	(42,824)
Non-deductible expenses	(45,289)	(62,128)
Other non-taxable income	5,520	5,138
Capital gains or losses	8	315
Income exempt or subject to specific tax holidays(i)	45,007	75,305
Other permanent differences	13,959	3,564
Adjustment for countries not based on net taxable income	(8,724)	(3,264)
Adjustments recognised in the current year in relation to current income tax of previous years	1,583	625
Adjustments recognised in the current year in relation to deferred income tax of previous years	2,083	(6,514)
Impact of rate differences on deferred tax items	720	213
Effect of unrecognised and unused tax losses not recognised as deferred tax assets	(10,032)	15,476
Withholding tax	(6,549)	(14,351)
Minimum tax and surtax	(4,257)	(1,887)
Rate difference impacts	(72)	96
Others	768	(2,046)
At the effective income tax rate of 27.86% (2016: 21.72%)	**(41,876)**	**(32,282)**

(i) Income exempt or subject to specific tax holidays is mainly the result from tax-specific incentives granted by certain national authorities to the Group given certain investments made by the Group that resulted in the development of local infrastructure.

The Group operates in a multitude of jurisdictions and adheres to applicable local and international tax law in the countries in which it operates, including legislation on transfer pricing. The Group's tax policy is to pay appropriate tax according to work carried out in each jurisdiction, as determined by a functional analysis of operations using standard measures wherever possible, underpinned by reports prepared to fulfil local transfer pricing requirements. The Group's effective tax rate – the average rate at which consolidated pre-tax profits are taxed – varies from year to year according to circumstances, but in 2017 it was 27.86% (2016: 21.72%). The increase of the group tax charge from 2016 to 2017 is primarily due to the one-off benefit of US$11 million for the recognition of deferred tax assets on losses in Papua New Guinea in 2016.

10.4 Current tax assets and liabilities
Current income taxes are computed on the profit before tax presented in the consolidated statement of income adjusted to taxable profit in accordance with local tax legislation.

Current tax assets relate to overpaid income tax. Current tax liabilities relate to income tax payable.

10.5 Deferred tax assets and liabilities
Deferred tax assets and liabilities relate to the following:

	Consolidated statement of financial position		Consolidated statement of income	
in US$'000	2017	2016	2017	2016
Accelerated depreciation for tax purposes	(30,500)	(20,924)	1,418	7,361
Revaluations	(41,160)	(43,846)	(4,232)	616
Losses	146,893	134,464	(9,690)	(34,690)
Other temporary differences	(23,742)	(28,699)	1,228	(6,833)
Deferred tax expense/(income)			**(11,276)**	**(33,546)**
Deferred tax assets/(liabilities), net	**51,491**	**40,995**		
Reflected in the consolidated statement of financial position as follows:				
Deferred tax assets	113,723	100,543		
Deferred tax liabilities	(62,232)	(59,548)		
Deferred tax assets/(liabilities), net	**51,491**	**40,995**		

Reconciliation of net deferred tax assets/(liabilities)

in US$'000	2017	2016
Opening balance at 1 January	40,995	10,427
Tax income recognised in profit or loss during the year	12,889	33,348
Change in tax rate recognised in profit or loss during the year	(1,613)	198
Transfers	(379)	(2,979)
Other movements during the year	(401)	1
Closing balance at 31 December	**51,491**	**40,995**

At 31 December 2017, the Group had unrecognised tax loss carry forwards amounting to US$166.0 million (2016: US$140.0 million). These losses relate to subsidiaries that have had historical losses, which have an expiry date of more than four years. These losses may not be used to offset taxable income elsewhere in the Group and where the subsidiaries have no taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets.

At 31 December 2017, the Group had unrecognised other temporary differences amounting to US$1.0 million (2016: US$1.0 million). These temporary differences have no expiry date. If the Group was able to recognise all unrecognised deferred tax assets, profit would increase by US$45.5 million (2016: US$34.7 million).

10.6 Tax uncertainties
The Group operates in numerous jurisdictions worldwide resulting in cross-border intercompany transactions whereby the transfer pricing rules applied in one country have an impact on the results in another country. Due to complexity of tax rules, interpretation by local taxing authorities can differ from the Group's interpretation based on opinions provided by local tax counsel.

In countries where the Group starts new operations or alters business models, the issue of having a permanent establishment and profit allocation thereto may arise. The risk is that tax authorities in multiple jurisdictions claim taxation rights over the same profit.

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

11. Property and equipment

in US$'000	Land and buildings	Machinery and equipment	Motor vehicles	Office and IT equipment	Fixed assets in progress	**Total**
Cost						
At 1 January 2016	1,135,092	2,448,752	192,707	79,503	443,516	4,299,570
Additions(i)	28,460	123,362	18,182	14,695	375,894	560,593
Disposals	(5,317)	(87,913)	(56,223)	(11,682)	(584)	(161,719)
Acquisitions of subsidiaries (Note 6.2)	11,513	1,050	619	–	10,940	24,122
Write-offs	(453)	(3,070)	(539)	(192)	(13,297)	(17,551)
Reclassifications	81,721	245,553	5,977	5,542	(363,330)	(24,537)
Exchange adjustment	(63,546)	(103,406)	(3,789)	(2,051)	(21,227)	(194,019)
Other movements	(1,164)	–	–	–	–	(1,164)
At 31 December 2016	**1,186,306**	**2,624,328**	**156,934**	**85,815**	**431,912**	**4,485,295**
Additions	51,532	213,553	14,538	7,658	71,444	358,725
Sale of interest in subsidiary	(391)	(16,533)	1	(2,024)	(6)	(18,953)
Disposals	(7,783)	(10,389)	(9,132)	(1,634)	(91)	(29,029)
Acquisitions of subsidiaries (Note 6.2)	9,061	33,527	695	2,587	1,110	46,980
Write-offs	(121)	(2,283)	(147)	(2,181)	–	(4,732)
Reclassifications	45,407	298,471	4,471	3,059	(363,076)	(11,668)
Exchange adjustment, other(ii)	182,743	255,413	9,957	5,944	3,834	457,891
Change in consolidation method (Note 6.5)	5,477	39,184	5,563	162	12,950	63,336
At 31 December 2017	**1,472,231**	**3,435,271**	**182,880**	**99,386**	**158,077**	**5,347,845**
Depreciation and impairment						
At 1 January 2016	(227,755)	(708,511)	(42,751)	(37,846)	–	(1,016,863)
Depreciation (Note 9.2)	(60,215)	(205,345)	(23,080)	(15,917)	–	(304,557)
Disposals	5,198	86,720	9,868	10,835	–	112,621
Impairment (Note 9.2)	(8)	(2,002)	–	–	–	(2,010)
Write-offs	312	625	256	166	–	1,359
Exchange adjustment	20,156	29,887	1,340	828	–	52,211
Other movements	(3,332)	2,693	349	1,067	–	777
At 31 December 2016	**(265,644)**	**(795,933)**	**(54,018)**	**(40,867)**	**–**	**(1,156,462)**
Depreciation (Note 9.2)	(74,662)	(241,990)	(23,674)	(16,490)	–	(356,816)
Sale of interest in subsidiary	(11)	154	(1)	231	–	373
Disposals	674	6,576	6,397	1,443	–	15,090
Impairment (Note 9.2)	(5,039)	(20,129)	(11)	(62)	–	(25,241)
Write-offs	121	2,283	147	2,181	–	4,732
Exchange adjustment, other(ii)	(92,414)	(99,732)	(3,974)	(2,444)	–	(198,564)
Change in consolidation method (Note 6.5)	(388)	(12,100)	(439)	62	–	(12,865)
Other movements	(1,222)	(453)	(1,384)	(609)	–	(3,668)
At 31 December 2017	**(438,585)**	**(1,161,324)**	**(76,957)**	**(56,555)**	**–**	**(1,733,421)**
Net book value						
At 31 December 2017	1,033,646	2,273,947	105,923	42,831	158,077	3,614,424
At 31 December 2016	920,662	1,828,395	102,916	44,948	431,912	3,328,833

(i) 2016 additions of fixed assets as per the cash flow statement include US$52.0 million of deferred payments made for assets acquired in 2014.
(ii) Includes the impact from hyperinflation adjustment in Angola, for a net amount of US$158.2 million.

Certain items included in property and equipment are pledged as collateral for the third-party loans granted to certain of the Group's affiliates amounting to US$57 million (2016: US$78 million). The Group does not hold any property for investment purposes.

Exchange rate adjustments reflect the translation effects from movements in foreign currencies against the US Dollar. All property, plant and equipment is valued at historic cost, and no revaluations are made, in line with Group policy.

12. Intangible assets and goodwill

in US$'000	Goodwill	Licences	Other intangibles	**Total**
Cost or valuation				
At 1 January 2016	956,009	61,387	386,579	1,403,975
Acquisitions/disposals of subsidiaries (Note 6.2)	24,234	–	10,873	35,107
Additions	–	22,442	15,375	37,817
Disposals	(389)	(4,636)	(1,505)	(6,530)
Exchange adjustment	5,449	(827)	(19,273)	(14,651)
Reclassifications	(3)	(3,999)	28,539	24,537
Write-offs	–	–	(5,002)	(5,002)
Other movements	861	–	(1,306)	(445)
At 31 December 2016	**986,161**	**74,367**	**414,280**	**1,474,808**
Acquisitions of subsidiaries (Note 6.2)	37,349	22	5,142	42,513
Additions	–	13,670	8,190	21,860
Sale of interest in subsidiary	–	–	(3,999)	(3,999)
Disposals	–	(1,274)	(229)	(1,503)
Exchange adjustment, other(i)	52,903	3,081	40,592	96,576
Reclassifications	–	1,161	10,507	11,668
Write-offs	–	–	(1,140)	(1,140)
Other movements	–	134	1,818	1,952
At 31 December 2017	**1,076,413**	**91,161**	**475,161**	**1,642,735**
Amortisation				
At 1 January 2016	(15,954)	(32,370)	(50,691)	(99,015)
Amortisation charge for the year (Note 9.2)	–	(13,018)	(27,220)	(40,238)
Impairment (Note 9.2)	–	(215)	–	(215)
Disposals	–	4,625	1,212	5,837
Exchange adjustment	–	303	513	816
Write-offs	–	5	93	98
At 31 December 2016	**(15,954)**	**(40,670)**	**(76,093)**	**(132,717)**
Amortisation charge for the year (Note 9.2)	–	(10,471)	(26,954)	(37,425)
Impairment (Note 9.2)	(10,034)	–	(4,563)	(14,597)
Disposals	–	1,253	95	1,348
Exchange adjustment, other(i)	–	(978)	(6,756)	(7,734)
Write-offs	–	–	1,140	1,140
Other movements	–	(568)	1,678	1,110
At 31 December 2017	**(25,988)**	**(51,434)**	**(111,453)**	**(188,875)**
Net book value:				
At 31 December 2017	1,050,425	39,727	363,708	1,453,860
At 31 December 2016	970,207	33,697	338,187	1,342,091

(i) Includes the impact from hyperinflation adjustment in Angola, for a net amount of US$27.0 million.

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

13. Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill acquired through business combinations and intangible assets with indefinite lives have been allocated to two cash-generating units (CGUs), which are also operating and reportable segments, for impairment testing as follows:

- Midstream CGU.
- Downstream CGU.

The carrying amount of goodwill (other than goodwill relating to discontinued operations) was allocated to CGUs as follows:

in US$'000	2017	2016
Midstream unit	41,360	41,438
Downstream unit	1,009,065	928,769
Total carrying amount of goodwill	**1,050,425**	**970,207**

Midstream CGU:

The Midstream CGU relates to entities with refining and storage facilities. The recoverable amounts of the net assets tested under this cash-generating unit have been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period, and an average pre-tax discount rate of 7.44% per annum (2016: 7.83%).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a continuous 1.0% per annum growth rate (2016: 1.0%).

Downstream CGU:

The Downstream CGU pertains to entities that include distribution of refined oil and gas products. The recoverable amount of the net assets tested under this CGU have been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period, and an average pre-tax discount rate of 7.35% per annum (2016: 7.27%).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 2.0% per annum growth rate (2016: 2.0%).

13.1 Key assumptions used in value in use calculations

Gross profits – Gross profits are based on average values achieved in the three years preceding the start of the budget period, adjusted for any new investments or change in market dynamics. These are volume-driven and are increased over the budget period according to the expected gross domestic product growth and applicable local petroleum regulations of each country where the units operates.

Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital. The weighted average cost of capital takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on its interest-bearing loans and borrowings that the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on management's knowledge of the particular markets in which it operates.

Petroleum product prices – Forecasted commodity prices are publicly available.

Market share assumptions – These assumptions are important because, as well as using industry data for growth rates (as noted below), management assesses how the unit's position, relative to its competitors, might change over the budget period. Management expects the Group's share of the petroleum product market to be stable over the budget period.

Growth rate estimates – Rates are based on management's estimates.

13.2 Sensitivity to changes in assumptions

With regard to the assessment of value in use of the Midstream and Downstream units, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

A 1% increase in the discount rate or a 1% fall in the growth rate would not result in a recoverable amount below net book value.

14. Inventories

in US$'000	2017	2016
Petroleum inventories at fair value(i)	279,534	219,479
Petroleum product inventories at lower of cost and net realisable value, net	790,883	511,916
Merchandise inventories, net	17,561	13,863
Total inventories, net	**1,087,977**	**745,258**

(i) As indicated in Note 2.3.I, inventories held for trading purposes are stated at fair value less costs to sell and any changes in net fair value are recognised in profit or loss. Certain of the Group's subsidiaries engage in commodity trading activities for which the exemption stipulated in IAS 2 *Inventories for commodity broker-traders* applies. Trading activities undertaken include optimisation of the Group's supply cycle and the supply of petroleum products to business-to-business and wholesale clients.

The cost of inventories recognised in cost of sales in 2017 amounted to US$13,176 million (2016: US$10,784 million).

15. Other financial assets

in US$'000	2017	2016
Financial assets carried at fair value through profit or loss(i)	27,000	5,974
Finance lease receivable(ii)	4,031	4,569
Loans to other entities(iii)	54,066	33,225
Investments(iv)	46,703	9,951
Total other financial assets	**131,800**	**53,719**
Of which due from related parties (Note 25)	8,968	9,322
Current	36,031	22,462
Non-current	95,769	31,257
	131,800	**53,719**

(i) All held for trading derivatives are swaps and commodity futures.
(ii) The Group has a finance lease arrangement for petroleum storage equipment.
(iii) The Group makes a limited number of loans to third and related parties. Management believes that none of these loans should be impaired.
(iv) Includes financial investments in APN Retail Property Fund, a storage company, and debt securities. The investment in APN Retail Property Fund is recorded at fair value with changes through other comprehensive income.

16. Other assets

in US$'000	2017	2016
Prepayments, deposits and guarantees(i)	180,953	159,168
Other tax receivables(ii)	195,007	170,245
Other receivables	93,283	43,465
Total other assets	**469,243**	**372,878**
Of which due from related parties (Note 25)	13,517	5,063
Current	347,375	229,614
Non-current	121,868	143,264
	469,243	**372,878**

(i) Prepayments, deposits and guarantees mainly include payments made for the purchase of equipment and construction materials, capital expenditure prepayments, a deposit made for deferred payments on the Neumann Australia acquisition, as well as other guarantees and deposits.
(ii) Other tax receivables include non-income tax related items such as VAT and petroleum tax receivables.

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

17. Trade receivables
Trade and other accounts receivable include the short-term portion of trade accounts receivable and related accounts.

in US$'000	2017	2016
Trade receivables	**654,255**	**528,107**
Of which due from related parties (Note 25)	157,369	131,365

Trade receivables are non-interest-bearing and are generally on cash to 30 day terms. At year-end Group days of sales outstanding amounted to 12.8 days (2016: 12.4 days).

The most significant allowance for doubtful debts on an individual trade receivable was fully recorded in 2016 and amounted to US$3.2 million and is unchanged. The impairment recognised represents the difference between the carrying amount of the trade receivables and the present value of the expected proceeds. The Group does not hold any collateral over these balances. As illustrated below, there were no significant movements in the allowance for impairment of receivables (see credit risk disclosure in Note 27.3 for further guidance).

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

in US$'000	2017	2016
Balance at beginning of the year	(14,805)	(16,414)
Impairment losses recognised on receivables	(5,293)	(7,351)
Amounts written off during the year as uncollectible	4,411	6,016
Amounts recovered during the year	1,762	3,085
Foreign exchange translation gains and losses	(496)	(141)
Integration of existing allowances from acquired entities	(791)	–
Balance at end of the year	**(15,212)**	**(14,805)**

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

		Neither past due nor	Past due but not impaired		
in US$'000	Total	impaired	< 30 days	30-90 days	> 90 days
2017	**496,886**	**420,105**	**51,064**	**13,010**	**12,707**
2016	396,742	342,516	43,052	4,852	6,322

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

17.1 Receivables sold without recourse
At 31 December 2017, trade receivables of US$220.8 million (2016: US$130.6 million), related to the operations in the United Kingdom, Australia and Senegal had been sold without recourse.

18. Cash and cash equivalents

in US$'000	2017	2016
Cash at banks and on hand	304,119	285,406
Restricted cash	28,106	42,256
Short-term deposits	186,978	7,994
Cash and short-term deposits	**519,203**	**335,656**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Restricted cash is mainly comprised of a US$15 million guarantee deposit made for a construction project in Angola, which has now been completed (2016: US$30 million).

19. Assets classified as held for sale
The Group did not hold any assets classified as held for sale at 31 December 2017 and 2016.

20. Capital and reserves

Shares	2017	2016
Registered share capital[(i)]		
100,000,000 ordinary shares of US$0.01 par value each	1,000	1,000
7,446,805 ordinary shares of US$47 par value each	350,000	350,000
1 share for Trafigura PE Holding Limited of US$830,967 thousand	830,967	830,967
1 share for Sonangol Holdings Lda of US$510,950 thousand	510,950	510,950
1 share for Cochan Holdings LLC of US$255,475 thousand	255,475	255,475
1 share for PE Investments Limited of US$105,774 thousand	105,774	105,774
Total share capital	**2,054,166**	**2,054,166**

(i) At 31 December 2017, the Group had 107,446,809 shares issued.

21. Interest-bearing loans and borrowings

in US$'000	2017	2016
Unsecured – at amortised cost		
Senior notes[(i)]	1,284,883	1,304,448
Bank overdrafts	160,559	176,637
Obligations under finance leases	525	339
Accrued interest	28,973	36,868
Unsecured bank loans[(ii)]	1,937,583	1,559,468
Related parties	1,563	1,563
	3,414,086	**3,079,323**
Secured – at amortised cost		
Secured bank loans[(ii)(iii)]	121,865	56,662
	121,865	**56,662**
Total interest-bearing loans and borrowings	**3,535,951**	**3,135,985**
Of which due to related parties (Note 25)	1,563	1,563
Current	754,261	421,081
Non-current	2,781,690	2,714,904
	3,535,951	**3,135,985**

(i) Includes 6.75% senior notes for an amount of US$410 million maturing in 2021, a 4.5% private placement of EUR 200 million maturing in 2022, a 5.87% private placement of US$100 million, maturing in 2023 and 5.125% Senior Notes for US$600 million, maturing in 2024.

(ii) Secured and unsecured bank loans consist of fixed and floating rate loans, for which the weighted average effective interest rate (including arrangement fees) was 5.21% for the year ended 31 December 2017 and 5.96% for the year ended 31 December 2016. The Group economically hedges a portion of the loans for interest rate risk via an interest rate swap, exchanging variable rate interest for fixed rate interest. The fair value of interest-bearing loans and borrowings for disclosure purposes is based on quoted prices in an active market for similar liabilities. These financial instruments are fair valued, based on Level 2 measurement.

(iii) Bank loans are secured by mortgages over certain of the Group's assets (mainly inventories, qualifying receivables, shares of certain subsidiaries and other long-term assets). The total value of the pledged assets at 31 December 2017 was US$325 million (2016: US$287 million).

Loan maturity schedule

in US$'000	2017	2016
Not later than one year	754,261	421,081
Later than one year and not later than five years	2,094,359	2,409,669
Later than five years	687,331	305,235
Total interest-bearing loans and borrowings	**3,535,951**	**3,135,985**

In addition to the aforementioned debt facilities, the Group entered into a US$1.5 billion loan with Trafigura Pte Ltd. This loan was not drawn at 31 December 2017 and 2016, and consists of a US$500 million committed revolving credit facility and a US$1.0 billion uncommitted revolving credit facility. This loan is not secured, and bears interest of 8.10% per annum (2016: 8.10% per annum). The maturity of the loan is five years, expiring in September 2018.

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

22. Provisions

in US$'000	Employee-related provisions(i)	Provisions for contingencies and expenses(ii)	Provision for remediation(iii)	Total
At 1 January 2017	10,197	26,455	29,139	65,791
Acquisitions of subsidiaries	–	1,093	–	1,093
Arising during the year	1,274	5,645	847	7,766
Utilised	–	(2,855)	–	(2,855)
Unused amounts reversed	(1,468)	(2,429)	(2,102)	(5,999)
Foreign exchange translation gains and losses	416	284	2,478	3,178
At 31 December 2017	**10,419**	**28,193**	**30,362**	**68,974**
Current	7,790	7,576	722	16,088
Non-current	2,629	20,617	29,640	52,886
	10,419	**28,193**	**30,362**	**68,974**
At 31 December 2016				
Current	7,432	5,699	1,613	14,744
Non-current	2,765	20,756	27,526	51,047
	10,197	**26,455**	**29,139**	**65,791**

(i) Employee-related provisions mainly reflect holiday accruals, provision for employee benefits as well as provisions for long service leave in Australia and Papua New Guinea.
(ii) Provisions for contingencies and expenses mainly relate to operations in Australia, El Salvador and Papua New Guinea.
(iii) Remediation provisions mainly relate to the UK business acquired in 2015.

23. Other financial liabilities

in US$'000	2017	2016
Financial liabilities carried at fair value through profit or loss(i)	63,603	38,933
Vendor loan – third parties(ii)	30,655	34,638
Other liabilities	7,307	6,873
Total other financial liabilities	**101,565**	**80,444**
Of which due to related parties (Note 25)	–	–
Current	63,655	39,267
Non-current	37,910	41,177
	101,565	**80,444**

(i) Derivative positions include commodity futures, commodity swaps and interest rate swaps used to economically hedge certain of the Group's financial risks. A substantial portion of the derivatives are transacted with Trafigura Pte Ltd and Trafigura Derivatives Ltd.
(ii) Includes a vendor loan granted for capex payables related to the Matola terminal in Mozambique.

24. Trade and other payables

in US$'000	2017	2016
Trade payables	1,665,746	1,329,950
Other payables and accrued liabilities	173,925	140,225
Other liabilities(i)	198,637	161,552
Total trade and other payables	**2,038,308**	**1,631,727**
Of which due to related parties (Note 25)	1,296,972	1,013,622

(i) Other current liabilities include mainly tax, social security and VAT payables.

Terms and conditions of the above liabilities:

- Trade payables are generally non-interest-bearing.
- Interest payable is normally settled on a monthly basis throughout the financial year.

25. Related parties disclosures

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Related parties not part of the Group include the following:

Entity name	Country of incorporation	% equity interest in the Group 2017	2016
Trafigura PE Holding Limited	Malta	49.49%	49.49%
Sonangol Holdings Lda	Angola	27.92%	27.92%
Cochan Holdings LLC	Marshall Islands	15.45%	15.45%
PE Investments Limited	Malta	5.85%	5.85%
Global PE Investors PLC	Malta	0.22%	0.22%
PE SPV Limited	Malta	0.56%	0.56%
PE ESP LLC	Marshall Islands	0.51%	0.51%

25.1 Related party transactions

Group entities entered into the following transactions with related parties that are not members of the Group:

in US$'000	Sales to related parties 2017	2016	Purchases from related parties 2017	2016
Trafigura Group	807,704	694,177	(6,953,597)	(5,871,812)
Sonangol Group	14,152	37,223	(908,687)	(775,566)
Others	69,976	12,521	(15,587)	(92)
Total	**891,832**	**743,921**	**(7,877,871)**	**(6,647,470)**

in US$'000	Amounts owed by related parties(i) 2017	2016	Amounts owed to related parties(ii) 2017	2016
Trafigura Group	98,450	77,567	(1,167,478)	(896,759)
Sonangol Group	48,350	34,002	(126,728)	(114,925)
Others	33,054	34,181	(4,329)	(3,501)
Total	**179,854**	**145,750**	**(1,298,535)**	**(1,015,185)**

(i) Includes trade and other receivables, loans to related parties and other assets.
(ii) Includes trade and other payables and loans from related parties.

In addition to the above transactions and balances, a substantial portion of the Group's derivatives are transacted with Trafigura Pte Ltd and Trafigura Derivatives Ltd. The fair value of derivatives contracted with Trafigura Pte Ltd and Trafigura Derivatives Ltd amounted to US$(37.6) million at 31 December 2017 (2016: US$(30.3) million).

25.2 Related party loans

The Group has acquired, by virtue of its various acquisitions, certain legacy loans made to employees of acquired entities. These loans are, individually and in aggregate, immaterial to the Group. Furthermore, the Group entered into a US$1.5 billion loan with Trafigura Pte Ltd, which was not drawn at 31 December 2017 and 2016. This loan is not secured, and bears interest of 8.1% per annum (2016: 8.1% per annum) and is meant to support the Group in its investment activities.

25.3 Key management personnel compensation

Key management personnel compensation amounted to US$10.2 million in 2017 (2016: US$9.1 million).

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

26. Commitments and contingencies

Off balance sheet commitments:

in US$'000	2017	2016
Storage and land rental	826,143	661,181
Assets under construction	15,262	130,223
Supply contracts	–	510
Other commitments(i)	33,567	96,316
Total	**874,972**	**888,230**

in US$'000	2017	2016
Within one year	146,936	269,318
After one year but not more than five years	328,351	280,425
More than five years	399,685	338,487
Total	**874,972**	**888,230**

Contingent liabilities:

in US$'000	2017	2016
Letters of credit(i)	148,461	246,813
Guarantees(ii)	72,111	90,042
Legal and other claims(iii)	46,875	48,556
Total	**267,447**	**385,411**

(i) The Group utilises standby letters of credit and documentary credits, where appropriate, where certain of the Group suppliers or underwriting banks require such facilities to be put in place.
(ii) Guarantees issued by the Group are mostly related to performance bonds for performance on specific contracts. No liability is expected to arise from these guarantees.
(iii) Legal and other claims includes existing legal cases for which the Group believes no further charge will arise in the future as the Group believes it has the legal grounds to eventually conclude the cases favourably.

Excluded from the contingent liabilities listed above are those mortgages and assets pledged as collateral on certain financing transactions. These items are disclosed in Note 11.

27. Financial risk management objectives and policies

The Group Executive Committee oversees the management of financial risks and reviews and agrees policies for managing these risks, which are defined in the Group Risk Management Framework. The Group Risk Management Framework is a comprehensive management tool utilised by the Group Executive Committee to assess potential risks facing the Group.

With the support of the Group internal audit team, the Group Risk Management Framework provides a context through which the Group is able to continuously monitor external risks. The Group Risk Management Framework is reviewed on a quarterly basis by the Group Executive Committee.

The Group is primarily a Midstream and Downstream business with a strong risk management philosophy. The Group manages its exposure to key financial risks in accordance with the Group Risk Management Framework. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The main risks that could adversely affect the Group's financial assets, liabilities or future cash flows are: market risks, comprising commodity price risk, cash flow interest rate risk and foreign currency risk; liquidity risk; and credit risk. As a rule, commodity price risk relating to the physical supply activities is systematically economically hedged, with the support of Trafigura Pte Ltd and Trafigura Derivatives Ltd. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision.

It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken as all derivative transactions are entered into for the purpose of managing the Group's physical inventory exposure. At this stage, the Group does not currently apply any form of hedge accounting.

Furthermore, the Group, through the Group Risk Management Framework, has established conservative consolidated risk limits and closely monitors the Group's risk positions to ensure that the Group's risk exposure remains well within these limits.

27.1 Market risk

The Group operates in various national markets where petroleum prices are predominantly regulated and, therefore, in many of its markets it has limited market risk in terms of price exposure. Furthermore, where the Group operates in unregulated markets, the Group is typically able to price its products so as to reflect increases or decreases in market prices on a timely basis and thereby substantially mitigate its price exposure. Despite the Group selling into markets where price exposure is largely mitigated, the Group does economically hedge its physical supply. The primary purpose of the economic hedging activities is to protect the Group against the risk of physical supply transactions being adversely affected by changes in commodity prices. The Group systematically enters into economic hedging contracts to cover price exposures in its physical supply activities. In particular, substantially all supply stock is at all times either pre-sold or the commodity index price risk is economically hedged. By virtue of the nature of the markets in which the Group operates and given the economic hedging conducted in the Group's supply activities as per the Group Risk Management Framework, the Group faces limited market risk.

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

	Fair value of derivatives	
in US$'000	2017	2016
Commodity futures and swaps	(23,602)	(30,305)
Currency swaps	(13,161)	(2,654)
Total	**(36,763)**	**(32,959)**

Currency risk

The Group has exposures to foreign currency risk on its activities. However, a substantial part of this foreign exchange exposure is economically hedged out. The Group does not use financial instruments to hedge the translation risk related to equity and earnings of foreign subsidiaries and non-consolidated companies.

Interest rate risk

Interest rate risk of the Group is mainly applicable on the long-term funding of the Group. Please refer to the comments below for further details on the Group's funding. The Group has entered into certain interest rate swap transactions in order to limit its exposure to floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax through the impact on floating rate interest-bearing loans and borrowings and cash and cash equivalents. The impact on equity is the same as the impact on profit before tax.

	Effect on profit before tax for the year ended	
in US$'000	2017	2016
+ 1.0%	(15,923)	(13,563)
- 1.0%	15,923	13,563

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

	Carrying amount		Fair value	
in US$'000	2017	2016	2017	2016
Interest-bearing loans and borrowings(i)	3,535,951	3,135,985	3,235,169	2,804,576
Total	**3,535,951**	**3,135,985**	**3,235,169**	**2,804,576**

(i) For the purpose of the above disclosure, fixed rate interest-bearing loans and borrowing have been discounted using the actual cost of debt of the Group. The fair value of interest-bearing loans and borrowings for disclosure purposes is based on quoted prices in an active market for identical liabilities. These financial instruments are based on a Level 2 fair value measurement (refer to Note 27.7).

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

27. Financial risk management objectives and policies continued

27.2 Liquidity risk

The Group, by virtue of the nature of its operations, has demonstrated a consistent ability to generate cash through its ongoing daily operations. The flow of cash received and generated by the Group throughout its global locations is such that the Group views itself as being in a favourable position from a liquidity perspective. The Group generates stable cash flows as the Group's assets are utilised to deliver an essential product to customers in specific, national markets and the Group is therefore not entirely exposed to international commodity market movements. At the same time, the Group has the flexibility to decide whether to invest or not in capital expenditures as its ability to generate cash flows is not bound, in the short term, by significant capital commitments or significant mandatory capital asset maintenance.

Furthermore, the Group monitors its risk to a shortage of funds by monitoring the maturity dates of existing debt. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. At 31 December 2017, the Group had US$393 million (2016: US$896 million) of undrawn committed borrowing facilities. In addition, the Group had US$500 million of undrawn committed shareholder loans.

21% of the Group's debt will mature in less than one year at 31 December 2017 (2016: 13%) based on the balances reflected in the consolidated financial statements. The maturity profile of the Group's debt is summarised in Note 21 and below. The Group liquidity risk is further mitigated as a large part of the borrowing activities of the Group are related to the financing of petroleum stocks and by their nature, these stocks are easily convertible into cash.

The table below summarises the maturity profile of the Group's financial liabilities based on non-discounted contractual payments:

in US$'000	Less than 1 year	1-5 years	5+ years	Total
At 31 December 2017:				
Interest-bearing loans and borrowings	902,386	2,442,435	751,766	4,096,587
Trade and other payables	2,038,308	–	–	2,038,308
Financial derivatives	63,603	–	–	63,603
Other financial liabilities	50	37,910	–	37,960
Total	**3,004,347**	**2,480,345**	**751,766**	**6,236,458**
At 31 December 2016:				
Interest-bearing loans and borrowings	554,389	2,745,119	313,048	3,612,556
Trade and other payables	1,631,727	–	–	1,631,727
Financial derivatives	38,933	–	–	38,933
Other financial liabilities	334	41,177	–	41,511
Total	**2,225,383**	**2,786,296**	**313,048**	**5,324,727**

27.3 Credit risk

The Group has a formalised credit process, with credit officers in the key locations around the world. Strict credit limits are established for each counterparty on the basis of detailed financial and business analyses. These limits are constantly monitored and revised in light of counterparty or market developments and the amount of exposure relative to the size of the Group's consolidated statement of financial position. The Group conducts transactions with the following major types of counterparties:

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

The Group is present in different geographic regions. Wherever appropriate, guarantees, insurance and letters of credit are used to reduce payment or performance risk. The Group's maximum exposure to credit risk is equivalent to the amounts of financial assets presented in the consolidated statement of financial position. The Group has no significant concentrations of credit risk and no single customer accounts for more than 3% of the Group's sales volumes. In addition, a significant part of the activity of the Group's Downstream business (mainly retail sites) is on a cash or prepayment basis.

Refer to Note 17 for an ageing analysis of trade receivables.

27.4 Operational risk

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

The Group, when chartering vessels, applies a strict vessel vetting procedure that complements insurance requirements and focuses on the vessel age, classification, protection, indemnity and pollution insurance cover. Similar vetting procedures are also applied for both rail, car and truck movements. The Group also has a storage procedure which involves full due diligence being undertaken of every proposed storage location – including a site visit to the storage location, the tank or warehouse. Regular stock analysis is undertaken to avoid losses such as theft and contamination, and each approved location is checked annually to evaluate the ongoing situation.

By virtue of the Group's relationship with its significant shareholder, Trafigura PE Holding Limited, the Group does have a risk of supplier concentration as the Trafigura group of companies accounts for around 70% (2016: 70%) of all purchases made by the Group.

27.5 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions in order to ensure a sound capital structure.

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

27. Financial risk management objectives and policies continued
27.6 Changes in liabilities arising from financing activities

in US$'000	Financial debt(i)	Finance leases	Vendor loans	Dividends	**Total**
At 1 January 2017	3,135,646	339	34,638	–	3,170,623
Cash flows	142,957	–	(10,095)	(19,928)	112,934
Non-cash movement	(30,319)	–	–	–	(30,319)
Acquisitions	39,301	–	683	–	39,984
Disposals	(26,609)	–	–	–	(26,609)
Interest expense	205,105	–	–	–	205,105
Dividends declared during the year	–	–	–	30,155	30,155
New leases	–	160	–	–	160
FX movements	69,345	26	5,429	24	74,824
At 31 December 2017	**3,535,426**	**525**	**30,655**	**10,251**	**3,576,857**

(i) For the purpose of the above disclosure, current and non-current interest-bearing loans and borrowings have been grouped together

27.7 Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments, which are measured at fair value by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

All financial assets and liabilities measured at fair value, at 31 December 2017 and 2016, fall under the Level 2 category described above, and include financial derivatives for a net amount of US$(36.8) million (2016: US$33.0 million) and inventories for US$279.5 million (2016: $219.5 million). There have been no transfers between fair value levels during any of the reporting periods.

28. Events after the reporting period
Issuance of US$750 million Senior Notes
In January 2018, the Group issued US$750.0 million of Senior Notes, at a fixed coupon of 5.0% per annum. The new notes will mature in 2026, and their proceeds have been used to redeem US$410.0 million outstanding under Puma Energy's 6.75% Senior Notes due 2021.

Acquisition of Total operations in Lesotho
On 28 February 2018, the group acquired the storage and distribution business of Total in Lesotho.

29. Significant consolidated subsidiaries and participating interests
The consolidated financial statements for the year ended 31 December 2017 include the Company's financial statements and those of the following operating entities listed in the table below:

		Proportion of ownership interest held by the Group at 31 December for the year ended		
Name of subsidiary	Place of incorporation	**2017**	2016	Legal relationship
Puma Energy Holdings Pte Ltd	Singapore	100%	100%	Parent company
Puma Energy Pakistan (Private) Ltd (Admore)	Pakistan	51%	–	Subsidiary
Alexela Slovag AS	Norway	95%	95%	Subsidiary
Angobetumes Lda	Angola	100%	100%	Subsidiary
AS Alexela Logistics	Estonia	95%	95%	Subsidiary
AS Alexela Sillamäe	Estonia	95%	95%	Subsidiary
AS Alexela Terminal	Estonia	95%	95%	Subsidiary
Central Combined Group Pty Ltd	Australia	100%	100%	Subsidiary
Comercial el Hogar SA	Honduras	100%	100%	Subsidiary
Directhaul Pty Ltd	Australia	100%	100%	Subsidiary
DP Drakensberg Properties Pty Ltd	South Africa	100%	100%	Subsidiary
Drakensberg Oil Pty Ltd	South Africa	100%	100%	Subsidiary
Emoil Petroleum Storage FZCO	United Arab Emirates	20%	20%	Equity investment
Empresa Cubana de Gas	Cuba	50%	50%	Equity investment
Fuel Distributors of Western Australia Pty Ltd	Australia	50%	50%	Equity investment
Gulf Refining Company NV	Curaçao	64%	64%	Subsidiary
Hull Ocean Going Barges UK Ltd	United Kingdom	100%	100%	Subsidiary
Kpone Marine Services Ltd	Ghana	100%	100%	Subsidiary
Langsat Terminal (One) Sdn Bhd	Malaysia	20%	20%	Equity investment
Langsat Terminal (Two) Sdn Bhd	Malaysia	20%	20%	Equity investment
National Energy Puma Aviation Services Co Ltd(i)	Myanmar	49%	49%	Subsidiary
Neumann Petroleum Pty Ltd	Australia	100%	100%	Subsidiary
Oil Malal SA	Chile	33%	33%	Equity investment
PC Puerto Rico LLC	Puerto Rico	100%	100%	Subsidiary
PE Bitumen Resources Nigeria Ltd	Nigeria	60%	60%	Subsidiary
PE Swaziland (Pty) Ltd	Swaziland	100%	100%	Subsidiary
PE Tanzania Services Assets Ltd	Tanzania	100%	100%	Subsidiary
Pervyi Murmanskiy Terminal(i)	Russia	47%	47%	Subsidiary
Petrobeira Lda(ii)	Mozambique	49%	49%	Subsidiary
Phoenix Petroleum Pty Ltd	Australia	50%	50%	Equity investment
Phoenix Petroleum Unit Trust	Australia	50%	50%	Equity investment
PT Puma Energy Indonesia	Indonesia	100%	100%	Subsidiary
Puma El Salvador SA de CV	El Salvador	100%	100%	Subsidiary
Puma Energia España SLU	Spain	100%	100%	Subsidiary
Puma Energy (Australia) Bitumen Pty Ltd	Australia	100%	100%	Subsidiary
Puma Energy (Australia) Fuels Pty Ltd	Australia	100%	100%	Subsidiary
Puma Energy (Aviation) SA	Switzerland	100%	100%	Subsidiary
Puma Energy (Malaysia) Sdn Bhd	Malaysia	100%	100%	Subsidiary
Puma Energy (Moçambique) Lda	Mozambique	100%	100%	Subsidiary
Puma Energy (Namibia) (Pty) Ltd	Namibia	100%	100%	Subsidiary
Puma Energy (Singapore) Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy (UK) Ltd	United Kingdom	100%	100%	Subsidiary
Puma Energy Asia Sun Co Limited	Myanmar	80%	80%	Subsidiary
Puma Energy Asia Supply Company SA	Panama	100%	100%	Subsidiary
Puma Energy Bahamas SA	Bahamas	100%	100%	Subsidiary
Puma Energy Belfast Ltd	United Kingdom	50%	–	Equity investment
Puma Energy Benin SA	Benin	100%	100%	Subsidiary
Puma Energy Bitumen (Vietnam) Ltd	Vietnam	80%	80%	Subsidiary
Puma Energy Bitumen Supply SA	Panama	100%	100%	Subsidiary

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

29. Significant consolidated subsidiaries and participating interests continued

Name of subsidiary	Place of incorporation	Proportion of ownership interest held by the Group at 31 December for the year ended 2017	2016	Legal relationship
Puma Energy Botswana (Pty) Ltd	Botswana	80%	80%	Subsidiary
Puma Energy Caribe LLC	Puerto Rico	100%	100%	Subsidiary
Puma Energy Colombia Combustibles SAS	Colombia	100%	100%	Subsidiary
Puma Energy Colombia Holdings AG	Switzerland	100%	100%	Subsidiary
Puma Energy Cote d'Ivoire SA	Ivory Coast	100%	100%	Subsidiary
Puma Energy Distribution Benin SA	Benin	100%	100%	Subsidiary
Puma Energy Guatemala SA	Guatemala	100%	100%	Subsidiary
Puma Energy Honduras SA de CV	Honduras	100%	100%	Subsidiary
Puma Energy International BV, Geneva Branch	Netherlands	100%	100%	Branch
Puma Energy International SA	Switzerland	100%	100%	Subsidiary
Puma Energy Irrawaddy Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy Johannesburg Supply SA	Panama	100%	100%	Subsidiary
Puma Energy LS (Pty) Ltd	Lesotho	100%	100%	Subsidiary
Puma Energy Ltd (FZE)	Nigeria	100%	100%	Subsidiary
Puma Energy Luxembourg Sàrl	Luxembourg	100%	100%	Subsidiary
Puma Energy Malawi Ltd(ii)	Malawi	50%	50%	Subsidiary
Puma Energy New Zealand Limited	New Zealand	100%	100%	Subsidiary
Puma Energy Panama Supply SA	Panama	100%	100%	Subsidiary
Puma Energy Paraguay SA	Paraguay	100%	100%	Subsidiary
Puma Energy Peru SAC	Peru	100%	100%	Subsidiary
Puma Energy PNG Ltd	Papua New Guinea	100%	100%	Subsidiary
Puma Energy PNG Refining Ltd	Papua New Guinea	100%	100%	Subsidiary
Puma Energy PNG Supply Ltd	Cayman Islands	100%	100%	Subsidiary
Puma Energy Procurement BV	Netherlands	100%	100%	Subsidiary
Puma Energy Senegal SA	Senegal	80%	80%	Subsidiary
Puma Energy Services (Singapore) Pte Ltd	Singapore	100%	100%	Subsidiary
Puma Energy Services South Africa (Pty) Ltd	South Africa	100%	100%	Subsidiary
Puma Energy South Africa (Pty) Ltd	South Africa	75%	75%	Subsidiary
Puma Energy Supply & Trading Pte Ltd	Singapore	100%	–	Subsidiary
Puma Energy Tanzania Ltd(ii)	Tanzania	50%	50%	Subsidiary
Puma Energy Zambia PLC	Zambia	76%	76%	Subsidiary
Puma International Congo SA	Congo	100%	100%	Subsidiary
Puma International Financing SA	Luxembourg	100%	100%	Subsidiary
Puma Overseas Projects Pte Ltd	Singapore	100%	100%	Subsidiary
Pumangol Industrial Lda	Angola	100%	100%	Subsidiary
Pumangol Lda	Angola	100%	100%	Subsidiary
RAM Petroleum (Pvt) Ltd	Zimbabwe	48%	–	Equity investment
Redan Petroleum (Pvt) Ltd	Zimbabwe	60%	60%	Subsidiary
Refineria Petrolera de Acajutla SA de CV	El Salvador	100%	100%	Subsidiary
Rutile Investments Ltd	Mauritius	100%	–	Subsidiary
Sakunda Petroleum (Pvt) Ltd	Zimbabwe	49%	49%	Equity investment
Tema Offshore Mooring Ltd	Ghana	100%	100%	Subsidiary
Tropifuels SA	Panama	100%	–	Subsidiary
UBI Group Ltd(ii)	Ghana	49%	49%	Subsidiary
Ultrapar SA	Paraguay	100%	100%	Subsidiary

Presented below are explanations for those entities that are consolidated despite the Group having less than 50% interest in those entities:

(i) The Group retains effective control over these entities, despite the fact that it does not hold clear majority of the shares, by virtue of the fact the Group is exposed to, or has rights to, variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

(ii) Management believes that the Group retains effective control over this entity as a result of there being both a shareholder and an investment agreement stipulating that the Group has 100% economic control over the entity.

The Group does not have any non-controlling interests exceeding 5% of the Group's long-term assets or 20% of the Group's operating profit.

FINANCIAL STATEMENTS
INDEPENDENT AUDITOR'S REPORT

Report of the independent auditor with consolidated financial statements at 31 December 2017 of Puma Energy Holdings Pte Ltd

Singapore, 28 February 2017

Opinion

We have audited the consolidated financial statements of Puma Energy Holdings Pte Ltd and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position at 31 December 2017 and the consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group at 31 December 2017, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRS').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISA'). Our responsibilities under those provisions and standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code') and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Valuation of property and equipment, intangible assets and goodwill

Risk

At 31 December 2017, the Group's balance sheet includes property and equipment amounting to US$3,614 million, intangible assets amounting to US$403 million, and goodwill amounting to US$1,050 million. The assessment of the recoverable value of these assets for property and equipment and intangible assets, or of the relevant cash-generating unit for goodwill, incorporates significant judgement in respect of factors such as gross profits, discount rates, petroleum product prices, market shares and growth rates which are affected by expected future market or economic conditions in many different countries.

The Group's disclosures about property and equipment, intangible assets and goodwill, are included in Notes 11, 12 and 13 of the consolidated financial statements.

Our audit response

We performed the following procedures:

- We reviewed the Group's calculation of value in use or fair value less costs of disposal.
- We involved our valuation specialists to evaluate methodologies and key assumptions, such as cash flow forecasts included in the impairment assessment for each cash-generating unit or asset tested on a stand-alone basis, and discount rate assumptions.
- We assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation.

Recoverability of deferred tax assets

Risk

At 31 December 2017, the Group had deferred tax assets on deductible temporary differences of US$146.9 million, which were recognized and relate to tax losses carried forward. In addition, there was an amount of US$45.5 million which had not been recognised. The analysis of the recognition and recoverability of the deferred tax assets was significant to our audit because the amounts are material, the assessment process is complex and judgemental and is based on assumptions that are affected by expected future market or economic conditions.

The Group's disclosures about deferred tax assets are included in Note 10 of the consolidated financial statements.

FINANCIAL STATEMENTS
INDEPENDENT AUDITOR'S REPORT *CONTINUED*

Our audit response
We performed the following procedures:

- We evaluated the Group's process for the identification and evaluation of uncertain tax positions and other tax risks as well as for the assessment of the recoverability of deferred tax assets.
- We also considered the Group's process for the recording and continuous re-assessment of the related (contingent) liabilities and provisions as well as deferred taxes.
- We reviewed tax exposures estimated by management and the risk analysis associated with these exposures along with claims or assessments made by tax authorities to date.
- We analysed the tax risk provision and the related business tax risks.
- We reviewed documentation of tax audits and evaluated whether exposures raised by the tax authorities have been considered.
- We analysed these with the involvement of our internal tax experts and assessed the tax risk provision.
- We tested the calculation of deferred tax assets and liabilities and considered the management estimates relating to the recoverability of deferred tax assets.
- We analysed the offsetting and presentation of deferred tax positions.

Determination of fair values in business combinations
Risk
In 2017, the Group acquired four subsidiaries for total consideration of US$69 million. For these acquisitions, the Group made purchase price allocations in which the consideration was allocated to the various assets and liabilities of the acquired companies. The audit of the purchase price allocations is a key audit matter, given the magnitude of the amount and since significant management judgement is required to determine the purchase price allocations to the various assets and liabilities of the acquired companies. The Group's disclosures about business combinations are included in Note 6 of the consolidated financial statements.

Our audit response
We performed the following procedures:

- We assessed, with involvement of our valuation specialists, the valuation methodology adopted in determining fair values, the underlying assumptions and the mathematical accuracy of the valuation models.
- We analysed the purchase price allocations and assessed the allocation of goodwill to CGUs.
- We involved our tax specialists to assess the recognition and valuation of deferred tax assets and liabilities.
- We analysed the disclosures relating to the business combinations.
- We assessed whether transactions were correctly classified as business combinations or acquisitions of a group of assets.

Hyperinflation accounting for Angola subsidiaries
Risk
Angola was identified as a hyperinflationary economy from 1 January 2017. The Group has significant subsidiaries in the country. Applying IAS 29 – *Financial Reporting in Hyperinflation Reporting* had a net impact on the 2017 profit of US$4.7 million and on the 2017 comprehensive income of US$186.4 million. The most impacted balances of the consolidated statement of financial position were Property and equipment and intangible assets, revalued respectively by US$ 158.2 million and US$27.0 million.

This application of hyperinflation accounting was significant to our audit because the amounts materially impact equity and because it is a non-routine accounting matter.

Our audit response
We performed the following procedures:

- We reviewed the approach to revalue the financial statement positions under the IAS 29 principles.
- We verified the underlying inputs and the mathematical accuracy of the hyperinflation re-evaluation model.
- We assessed the classification of the hyperinflationary economies.
- We analysed the disclosures relating to hyperinflation.

Other information in the annual report
Management is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements and our auditor's reports thereon. Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of management for the consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Management is responsible for overseeing the Group's financial reporting process

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young Ltd

Scott Duncan	Didier Lequin
Licensed audit expert (Auditor in charge)	Licensed audit expert

AS NIGHT FALLS

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17

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