

FINANCIAL RESULTS

The main results of the financial year 2012 showed a significant increase compared to 2011 primarily coming from the increase in the average selling price of crude oil and in the quantities sold.

The analysis of the evolution of different incomes and expenses is presented as follow:

OPERATING INCOMES

Income of ETAP in the financial year 2012 reached 2525 MTD against 1929 MTD in 2011, meaning an increase of 596 MTD. This variation mainly comes from commercialization of hydrocarbons; increase 278 MTD of crude oil and 314 MTD on natural gas.

The change in crude comes (1) from change in average selling price, which increased from \$111.07 in 2011 to \$112.77 in 2012 with a positive financial impact of 26 MTD, (2) the increase in quantities sold 1.370 million barrels generating a positive financial impact of 234 MTD, and finally, (3) the variation of the average exchange rate which increased from 1.5421 in 2011 to 1.5586 in 2012 generating a financial positive impact of 18 MTD.

Details of income in thousand dinars are as follows:

	2011	2012
Total sales	1 722 427.545	2 250 515.838
• Local	830 481.626	1 229 137.158
• Exports	891 945.919	1 021 378.679
Payments as royalties in kind	197 454.388	261 919.358
Commissions	4 882.767	6 388.169
• on sales of crude oil	3 717.592	5 002.138
• on sales of refined products	1 055.435	1 318.122
• others	109.739	67.909
Studies and services	3 757.551	5 982.071
• Laboratory services	46.665	89.596
• seismic works	155.962	574.531
• Assistance on concessions	2 712.298	4 471.261
• Studies	119.220	260.000
• Others	723.404	586.682
TOTAL	1 928 522.252	2 524 805.438

OPERATING EXPENSES

Total operating expenses rose to 308.57 MTD compared to the previous year due to the following changes:

- *A change in stock of crude (23.18) MTD*
- *An increase in supplies consumed purchases of 97 MTD (increased from 257 MTD in 2011 to 354 MTD in 2012).*
- *Personnel costs increased by 2.65 MTD*
- *An increase in depreciation and amortization charges and resorptions of 94 MTD (from 532.9 MTD in 2011 to 627.3 MTD in 2012)*
- *Allocations to provisions and reversals of provisions showed in a balance of 31/12/2012 20 MTD against 21 MTD in 2011, meaning a decrease of 1 MTD primarily reflecting lower provisions for risks and charges*
- *Taxes and duties amounted to 304 MTD at 31/12/2012 against 212 MTD in 2011, these taxes consist primarily on royalties proportional to production amounting, at 31/12/2012, to 261 MTD against 198 MTD in 2011, that means an increase of 63 MTD mainly due to increase in revenues.*
- *Other operating expenses amounted to 13.3 MTD at 31/12/2012 against 11.4 in 2011, meaning an increase by 1.9 MTD mainly from insurance premiums.*

OTHER INCOMES AND EXPENSES

Other incomes and expenses were variable which can be analyzed as follows:

- *In 2012, net financial expenses amounted to 38 MTD against 26 MTD in 2011, meaning an increase by 12 MTD, mainly from the increase in foreign exchange losses of 11 MTD.*
- *Investment products totaled 22 MTD in 2012 against 13 MTD in 2011 that means an increase by 9 MTD.*
- *Ordinary earnings increased from 0.1 MTD in 2011 to 5.2 MTD in 2012, increasing by 5 MTD.*
- *Profit taxes amounted to 31/12/2012, 736 MTD against 499 MTD in 2011, increasing by 237 MTD, which was mainly due to the net increase of petroleum taxes on some concessions.*

NET RESULT

Net result of financial year 2012 amounted to 542 MTD against 378 MTD in 2011 that means an increase by 164 MTD.

This result is mainly coming from these concessions:

<i>HASDRUBAL</i>	<i>118 MTD</i>
<i>ADAM</i>	<i>77 MTD</i>
<i>CHOUROUQ</i>	<i>63 MTD</i>
<i>OUED ZAR</i>	<i>54 MTD</i>
<i>CHERGUI</i>	<i>42 MTD</i>
<i>ASHTART</i>	<i>39 MTD</i>
<i>FRANIG</i>	<i>39 MTD</i>
<i>H.GUEBIBA</i>	<i>34 MTD</i>
<i>BIR BEN TARTAR</i>	<i>27 MTD</i>

BALANCE SHEET

(IN DINAR)

Year ended December 31

Assets

	NOTE	2012	2011
NON-CURRENT ASSETS			
Fixed Assets			
Intangible assets	004	831 206 279.446	757 702 405.218
Minus amortizations		-607 378 213.543	-516 065 508.474
		223 828 065.903	241 636 896.744
Tangible assets	005	3 307 883 256.673	3 075 193 662.423
Minus amortizations		-2 391 895 916.302	-1 863 802 473.663
		915 987 340.371	1 211 391 188.760
Financial assets	006	156 069 687.098	138 190 597.196
Minus provisions		0.000	-6 298.500
		156 069 687.098	138 184 298.696
Other non-current assets			
Other non-current assets & deferred charges	007	15 423 465.787	30 585 198.734
Minus provisions			
Total Non-Current Assets		1 311 308 559.159	1 621 797 582.934
CURRENT ASSETS			
Stocks	008	79 997 314.022	77 800 513.642
Minus provisions		-3 490 695.878	-3 713 562.836
		76 506 618.144	74 086 950.806
Customers & receivables	009	993 645 993.839	554 508 891.498
Minus provisions		-4 934 354.506	-2 854 884.602
		988 711 639.333	551 654 006.896
State	010	1 599 879 427.954	249 560 717.016
Current accounts of petroleum partnerships	011	270 180 767.563	229 527 136.025
Minus provision		-15 714 147.010	-15 714 147.010
		254 466 620.553	213 812 989.015
Other current assets & adjustment accounts	012	13 193 044.936	8 272 246.364
Minus provisions		-5 200 475.364	-5 201 739.564
		7 992 569.572	3 070 506.800
Investments and other financial assets	013	7 292 867.438	2 285 935.842
Cash and cash equivalents	014	977 413 736.334	1 665 989 978.642
Minus provisions		-2 486.508	-2 486.508
		977 411 249.826	1 665 987 492.134
Total Current Assets		3 912 260 992.820	2 760 458 598.509
Total Assets			
		5 223 569 551.979	4 382 256 181.443

BALANCE SHEET

(IN DINAR)

Year ended December 31

		2012	2011
Equity and Liabilities	NOTE		
EQUITY			
Endowment funds	15-1	138 555 058.000	138 555 058.000
Reserves	15-2	30 950 000.000	30 950 000.000
Other equity	15-3	1 265 525 342.269	1 065 817 545.109
Results Postponed	15-4	85 117 087.624	85 117 087.624
Profit for the year	15-5	542 375 607.354	377 956 933.055
Total Equity		2 062 523 095.247	1 698 396 623.788
OTHER LIABILITIES			
Non-current liabilities			
Total non-current liabilities		394 079 110.611	611 500 610.608
ETAP loans	16-1	240 487 467.655	476 001 726.250
STATE loans	16-3	58 967 832.000	58 967 832.000
Provisions for risks and charges	017	92 258 333.690	74 132 996.617
Liability conversion differential	16-2	2 365 477.266	2 398 055.741
Current liabilities			
Total current liabilities		2 766 967 346.121	2 072 358 947.047
Suppliers & receivables	018	337 783 820.493	230 138 343.483
State	019	1 371 141 501.699	930 489 537.100
Current accounts of petroleum partnerships	020	761 508 279.329	620 679 474.996
Other current liabilities	021	41 774 206.646	22 027 839.369
Loans	022	254 759 537.954	269 023 752.099
Total other liabilities		3 161 046 456.732	2 683 859 557.655
Total Equity & Liabilities		5 223 569 551.979	4 382 256 181.443

INCOME STATEMENT

(IN DINAR)

Year ended December 31

	NOTE	2012	2011
OPERATING INCOMES			
Revenues	024	2 524 805 438.232	1 928 522 252.682
Other operating incomes	025	114 570 918.387	5 322 272.852
TOTAL OPERATING INCOMES		2 639 376 356.619	1 933 844 525.534
OPERATING EXPENSES			
Crude oil stock variation	026	-4 165 908.990	19 012 317.950
Purchasing supply		-360 537 184.562	-259 913 559.009
Supply stock variation		6 362 709.370	1 934 553.367
Supplies consumed Purchases	027	-354 174 475.192	-257 979 005.642
Staff costs	028	-23 566 229.147	-20 920 161.689
Depreciation, amortization charges & resorptions	029	-627 285 015.665	-532 934 356.238
Provisions allowances & reversal of provisions	030	-20 618 946.307	-21 751 626.058
Taxes and duties	031	-304 073 713.753	-212 603 037.967
Other operating expenses	032	-13 335 999.436	-11 473 055.974
TOTAL OPERATING EXPENSES		-1 347 220 288.490	-1 038 648 925.618
OPERATING RESULTS		1 292 156 068.129	895 195 599.916
Net financial expenses	033	-38 471 679.512	-26 334 974.000
Investment incomes	034	22 250 772.250	13 211 919.048
Other ordinary earnings	035	5 210 801.530	132 229.265
Other ordinary losses	036	-1 806 446.833	-4 318 102.599
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION		1 279 339 515.564	877 886 671.630
Profit taxes	037	-736 963 908.210	-499 929 738.575
PROFIT FROM ORDINARY ACTIVITIES AFTER TAXATION		542 375 607.354	377 956 933.055
Extraordinary items			
Profit for the year		542 375 607.354	377 956 933.055
Effects of accounting modifications (net of tax)		0.000	
PROFIT AFTER ACCOUNTING MODIFICATIONS		542 375 607.354	377 956 933.055



Raja Ismail

A. M. C. A.

Audit, Management & Tax Advising

MEMBRE DE L'ORDRE
DES EXPERTS COMPTABLES
DE TUNISIE

EXPERT AUPRÈS DES
TRIBUNAUDX DE TUNIS

AUDITOR'S REPORT

To the attention of the Board of Directors,

We have audited the accompanying balance sheet of the E.T.A.P Company as of December 31st, 2012, and the related statements of income, and cash flows or the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements notably present the following elements:

- Balance sheet net total : 5.223.569.551 TND
- Current year net profit : 542.375.606 TND

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Opinion paragraph

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of December 31st, 2012, and of the results of its operations and its cash flows for the year then ended in accordance with the Tunisian GAAP.

Specific diligences

- We have conducted, in accordance with the professional Standards, the specific diligences required by the regulatory laws. Based on our investigations, nothing has come to our attention that causes us to believe that the Management's Report do not give a true and fair view or is inconsistent with the financial statement.
- We have conducted, in accordance with the professional Standards, a review of Internal Controls related to Information processing and financial statements preparation. Based on our investigations, nothing has come to our attention that causes us to believe that there are material Internal Control weaknesses that would lead us to modify our opinion on the financial statements.

Tunis, on the 25 JUNE, 2013.

P/A.M.T.A Raja ISMAIL

Khaled Khalia

AMTA - Raja Ismail
Khaled Khalia
L'Administrateur Provisionnel
Expert Comptable - Commissaire aux Comptes
Membre du Collège des Experts Comptables