



**EQUATOR**  
EXPLORATION LIMITED

## MANAGEMENT REPORT Q1 - 2012

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**EQUATOR EXPLORATION LIMITED**  
**BALANCE SHEET AS AT 31 MARCH 2012**

US\$

**Non current assets**

INTANGIBLES

Goodwill	175,206
Exploration and evaluation assets	41,278,805
Multi-client library	0

PROPERTY PLANT AND EQUIPMENT	3,237
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INVESTMENTS	0
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<b>Total non current assets</b>	<b>41,457,248</b>
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**Current assets**

TRADE AND OTHER RECEIVABLES	720,467
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CASH AT BANK AND IN HAND	322,604
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<b>Total current assets</b>	<b>1,043,071</b>
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**Current Liabilities**

TRADE AND OTHER PAYABLES	(7,903,273)
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<b>Total Current Liabilities</b>	<b>(7,903,273)</b>
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<b>Net Current Assets (Liabilities)</b>	<b>(6,860,201)</b>
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**Long Term Liabilities**

AMOUNTS DUE TO PARENT COMPANY	(5,537,783)
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<b>Total Long Term Liabilities</b>	<b>(5,537,783)</b>
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<b>Total Assets less Total Liabilities</b>	<b>29,059,263</b>
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**Capital and Reserves**

SHARE CAPITAL	0
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CAPITAL RESERVES	458,721,616
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PROFIT AND LOSS ACCOUNT	(429,662,352)
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<b>Total Capital</b>	<b>29,059,263</b>
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**EQUATOR EXPLORATION LIMITED**  
**INCOME STATEMENT FOR THE 3 MONTHS ENDED 31 MARCH 2012**

	US\$
Revenue	351,092 (i)
Admin Expenses	(450,003)
Impairments	0
Exceptional costs	0
<b>Operating Loss</b>	<u>(98,911)</u>
Finance costs	0
Interest payable - Oando	(183,206)
Finance income	0
<b>Loss on ordinary activities before tax</b>	<u><u>(282,117)</u></u>

Notes

- (i) Revenue relates to Equator's share of PGS revenue

**EQUATOR EXPLORATION LIMITED**

**TRADE AND OTHER RECEIVABLES AS AT 31 MARCH 2012**

	\$
Trade receivables	-
Prepayments	18,029
Accrued income	702,185
Other debtors	254
Sinopec working capital account	-
	<u>720,467</u>

**TRADE AND OTHER PAYABLES AS AT 31 MARCH 2012**

	\$
Trade payables	2,574,599
Other payables	0
OPL 323 KNOC outstanding cash calls	1,504,000
OPL 323 KNOC working capital account	(207,899)
OPL 321 KNOC outstanding cash calls	1,500,000
OPL 321 KNOC working capital account	(138,735)
AEIL liability	0
Accruals	2,671,308
	<u>7,903,273</u>

**EQUATOR EXPLORATION LIMITED**  
**EXPLORATION AND EVALUATION ASSETS AS AT 31 MARCH 2012**

	<b>OML122</b>	<b>OPL323</b>	<b>OPL321</b>	<b>JDZ</b>	<b>EEZ</b>	<b>TOTAL</b>
31-Dec-11	13,748,000	13,020,711	12,027,613	-	2,450,500	<b>41,246,824</b>
Additions	-	-	-	-	31,981	<b>31,981</b>
Impairments	0	0	0	0	0	<b>0</b>
31-Mar-12	<u>13,748,000</u>	<u>13,020,711</u>	<u>12,027,613</u>	<u>-</u>	<u>2,482,481</u>	<u><b>41,278,805</b></u>

**EQUATOR EXPLORATION LIMITED**  
**EXPLORATION AND EVALUATION ASSETS AS AT 31 MARCH 2012**

**EEZ**

31-Dec-11	2,450,500	EEZ
Additions		
EEZ Capitalised Acquisition Expenditure	-	
EEZ Acquisition of additional interest	-	
EEZ Licence & Other Fees	-	
EEZ Legal fees	19,123	
EEZ Seismic	-	
EEZ G&G	8,670	
EEZ Studies	-	
EEZ Wells - Drilling Costs	-	
EEZ Wells - Exploratory Phase Drilling	-	
EEZ Wells - Other	-	
EEZ IT Equipment	-	
EEZ Furniture, Fixtures & Fittings	-	
EEZ Tech & Admin - Manpower	-	
EEZ Tech & Admin - Travel	4,187	
EEZ Tech & Admin - Office & Other Cost	-	
EEZ Others - Social Projects, Training	-	
EEZ Home Office / Indirect Charges	-	
EEZ Moveables - Fixed Assets	-	
EEZ Donations	-	
EEZ Impairment wells	-	
31-Mar-12	2,482,481	