Q3 2019
CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Income

For the three and nine months ended 30 September 2019 and 2018

(unaudited)

	Note	Three months ended 30 September		Nine months ended 30 September	
		2019	2018	**2019**	2018
		US$'000	US$'000	**US$'000**	US$'000
Revenue	*4*	**68,464**	108,142	**273,283**	254,745
Operating costs		**(29,656)**	(33,885)	**(95,405)**	(102,314)
Other		**(978)**	(1,242)	**(4,114)**	(3,050)
Movement in oil and gas inventory		**10,408**	(14,949)	**(8,048)**	899
Depletion, depreciation and amortisation	*11*	**(32,906)**	(44,727)	**(106,748)**	(118,942)
Cost of sales		**(53,132)**	(94,803)	**(214,315)**	(223,407)
Gross Profit		**15,332**	13,339	**58,968**	31,338
Exploration and evaluation expenses	*10*	**-**	(212)	**(195)**	(424)
(Loss) on disposal		**-**	-	**-**	(2,376)
Gain/(Loss) on financial instruments	*24*	**457**	(359)	**(844)**	(40,066)
Administrative expenses	*5*	**(1,099)**	(563)	**(3,617)**	(2,838)
Non-recurring acquisition fees	*5*	**(1,521)**	-	**(4,312)**	-
Foreign exchange		**296**	470	**622**	373
Finance costs	*6*	**(29,262)**	(14,917)	**(67,576)**	(47,615)
Interest income		**-**	458	**-**	1,379
Share of profit in associate	*14*	**-**	6,973	**-**	16,762
(Loss)/Profit Before Tax		**(15,797)**	5,189	**(16,954)**	(43,467)
Taxation	*22*	**10,117**	6,621	**28,860**	46,166
(Loss)/Profit After Tax		**(5,680)**	11,810	**11,906**	2,699

The accompanying notes on pages 7 to 19 are an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

For the three and nine months ended 30 September 2019 and 2018
(unaudited)

		Three months ended 30 September		Nine months ended 30 September	
		2019	2018	**2019**	2018
	Note	**US$'000**	US$'000	**US$'000**	US$'000
(Loss)/Profit for the period		**(5,680)**	11,810	**11,906**	2,699
Fair value gain/(loss) on cash flow hedges	*24*	**31,230**	(19,685)	**54,376**	(19,685)
Deferred tax on cash flow hedges	*22*	**(12,509)**	7,874	**(21,768)**	7,874
Other comprehensive income/(expense)		**18,721**	(11,811)	**32,608**	(11,811)
Total comprehensive income		**13,041**	(1)	**44,514**	(9,112)

The accompanying notes on pages 7 to 19 are an integral part of the financial statements.

Consolidated Statement of Financial Position
(unaudited)

	Note	**30 September 2019 US$'000**	*Restated** 31 December 2018 US$'000
ASSETS			
Current assets			
Cash and cash equivalents		**18,197**	17,478
Accounts receivable	*7,13*	**23,626**	117,920
Deposits, prepaid expenses and other	8	**75,321**	200
Inventory	*9*	**33,915**	40,738
Derivative financial instruments	*25*	**55,777**	19,492
		206,836	195,828
Non current assets			
Long-term inventory	*9*	**3,933**	4,139
Exploration and evaluation assets	*10*	**40,314**	38,746
Property, plant & equipment	*11*	**1,238,598**	1,205,815
Deferred tax assets	*21*	**587,427**	580,335
Derivative financial instruments	*25*	**44,869**	11,491
Goodwill	*12*	**123,510**	123,510
		2,038,651	1,964,036
Total assets		**2,245,487**	2,159,864
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	*16*	**(158,218)**	(200,671)
Derivative financial instruments	*25*	**(3,628)**	-
Contingent consideration	*20*	**(8,250)**	(18,250)
		(170,096)	(218,921)
Non current liabilities			
Borrowings	*15*	**(738,677)**	(696,149)
Decommissioning liabilities	*17*	**(261,622)**	(245,298)
Other long term liabilities	*18*	**(136,042)**	(132,735)
Derivative financial instruments	*25*	**(2,775)**	-
Contingent consideration	*20*	**(3,600)**	(3,600)
		(1,142,716)	(1,077,782)
Net Assets		**932,675**	863,161
Shareholders' equity			
Share capital	*21*	**635,079**	635,077
Share premium		**24,998**	-
Cash flow hedge reserve		**57,255**	24,647
Retained earnings		**215,343**	203,437
Total equity		**932,675**	863,161

* Refer to Note 2, Basis of Prepapration for further details on the nature of the restatement.

The financial statements were approved by the Board of Directors on 19 November 2019 and signed on its behalf by:

Director

The accompanying notes on pages 7 to 19 are an integral part of the financial statements.

Consolidated Statement of Changes in Equity
(unaudited)

	Share Capital	Share Premium	Cash flow hedge reserve	Retained Earnings	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance, 1 Jan 2018	635,077	-	-	85,218	720,295
Profit for the period	-	-	-	2,699	2,699
Other comprehensive expense	-	-	(11,811)	-	(11,811)
Balance, 30 September 2018	**635,077**	**-**	**(11,811)**	**87,917**	**711,183**
Balance, 1 Jan 2019	635,077	-	24,647	203,437	863,161
Equity raise (note 20)	2	24,998	-	-	25,000
Profit for the period	-	-	-	11,906	11,906
Other comprehensive income	-	-	32,608	-	32,608
Balance, 30 September 2019	**635,079**	**24,998**	**57,255**	**215,343**	**932,675**

The accompanying notes on pages 7 to 19 are an integral part of the financial statements.

Consolidated Statement of Cash Flow

For the three and nine months ended 30 September 2019 and 2018

(unaudited)		Three months ended 30 September		Nine months ended 30 September	
		2019	2018	**2019**	2018
		US$'000	US$'000	**US$'000**	US$'000
CASH PROVIDED BY (USED IN):					
Operating activities					
Profit/(Loss) Before Tax		**(15,797)**	5,189	**(16,954)**	(43,467)
Adjustments for:					
Depletion, depreciation and amortisatior	*11*	**32,906**	44,727	**106,748**	118,942
Exploration and evaluation expenses	*10*	**-**	212	**195**	424
Loan fee amortisation	*6*	**647**	774	**1,941**	2,326
Revaluation of financial instruments	*25*	**(2,226)**	(13,840)	**(9,255)**	2,491
Loss on disposal		**-**	-	**-**	2,376
Accretion	*6*	**3,816**	2,223	**11,388**	6,760
Bank interest & charges		**11,406**	11,919	**34,439**	38,528
Financial instrument put premiums		**13,393**	-	**19,808**	-
Share of associate profits		**-**	(6,973)	**-**	(16,762)
Cashflow from operations		**44,145**	44,231	**148,310**	111,618
Changes in inventory, receivables and payables relating to operating activities		**5,536**	(25,243)	**22,211**	(39,797)
Net cash from operating activities		**49,681**	18,988	**170,521**	71,821
Investing activities					
Capital expenditure		**(51,384)**	(8,115)	**(127,694)**	(41,824)
Contingent consideration		**(10,000)**	-	**(10,000)**	-
Proceeds on disposal		-	-	**-**	52,181
Deposit on Chevron transaction		-	-	**(50,000)**	-
Loan to associate		**-**	5,952	**-**	19,382
Decommissioning	*17*	**(2,412)**	(610)	**(4,654)**	(3,575)
Changes in receivables and payables relating to investing activities		**6,249**	(548)	**36,431**	11,543
Net cash used (in)/from investing activities		**(57,547)**	(3,321)	**(155,917)**	37,707
Financing activities					
Receipt from issue of equity to Delek		**25,000**	-	**25,000**	-
Loan drawdown/(repayment)		**38,000**	12,000	**40,500**	(61,520)
Bank interest & charges		**(19,098)**	(14,867)	**(48,249)**	(34,716)
Bond escrow interest		**(11,718)**	-	**(11,718)**	-
Financial instrument put premiums		**(13,393)**	-	**(19,808)**	-
Net cash from/ (used in) financing activities		**18,791**	(2,867)	**(14,275)**	(96,236)
Currency translation differences relating to cash		**11**	(94)	**390**	(659)
Increase in cash & cash equivalents		**10,936**	12,706	**719**	12,633
Cash and cash equivalents, beginning of period		**7,261**	30,469	**17,478**	30,542
Cash and cash equivalents, end of period		**18,197**	43,175	**18,197**	43,175

The accompanying notes on pages 7 to 19 are an integral part of the financial statements.

1. NATURE OF OPERATIONS

Ithaca Energy Inc. was incorporated in Alberta, Canada on 27 April 2004. It continued into Jersey on 31 July 2018 and changed its name to Ithaca Energy Limited (the "Company" or "Ithaca"). Ithaca Energy Limited, incorporated and domiciled in Jersey, Channel Islands, is a company involved in the development and production of oil and gas in the North Sea. The Company's registered office is 47 Esplanade, St Helier, Jersey JE1 0BD.

2. BASIS OF PREPARATION

The Company has prepared these non-statutory interim financial statements for management purposes in order to assist directors in reporting to the ultimate parent company. These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. These interim consolidated financial statements do not include all the necessary annual disclosures in accordance with IFRS.

The policies applied in these interim consolidated financial statements are based on IFRS issued and outstanding as of 19 November 2019, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending 31 December 2019 could result in restatement of these interim consolidated financial statements.

The interim consolidated financial statements are presented in US dollars and all values are rounded to the nearest thousand (US$'000), except when otherwise indicated.

The financial statements for the period ended 31 December 2018 have been restated to reflect true-ups to the provisional fair values attributed to the business combination accounting for the acquisition of the Greater Stella Area ("GSA") licences and associated infrastructure interests of Dyas UK Limited and Petrofac Limited. Restatements have been reflected through negative goodwill, accounts receivable and accounts payable within the twelve month window.

The interim consolidated financial statements should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2018.

3. SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATION UNCERTAINTY

Basis of measurement

The interim consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities (under IFRS) to fair value, including derivative instruments.

Basis of consolidation

The interim consolidated financial statements of the Company include the financial statements of Ithaca Energy Limited and all wholly-owned subsidiaries as listed per note 26. Ithaca has nineteen wholly-owned subsidiaries. All inter-company transactions and balances have been eliminated on consolidation.

Subsidiaries are all entities, including structured entities, over which the group has control. The group controls an entity when the group is exposed to or has rights to variable returns from its investments with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated on the date that control ceases.

Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of completion of the acquisition. Acquisition costs incurred are expensed and included in administrative expenses. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the Company's share of the net assets acquired, the difference is recognised directly in the statement of income as negative goodwill.

Goodwill

Capitalisation

Goodwill acquired through business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised as the fair value of the Company's share of the identifiable net assets acquired and liabilities assumed. If this consideration is lower than the fair value of the identifiable assets acquired, the difference is recognised in the statement of income.

Impairment

Goodwill is tested annually for impairment and also when circumstances indicate that the carrying value may be at risk of being impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit ("CGU") to which the goodwill relates. Where the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised in the statement of income. Impairment losses relating to goodwill cannot be reversed in future periods.

Interest in joint operations

Under IFRS 11, joint arrangements are those that convey joint control which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Associates are investments over which the Company has significant influence but not control or joint control, and generally holds between 20% and 50% of the voting rights.

Under the equity method, investments are carried at cost plus post-acquisition changes in the Company's share of net assets, less any impairment in value in individual investments. The consolidated income statement reflects the Company's share of the results and operations after tax and interest.

The Company's interest in joint operations (eg exploration and production arrangements) are accounted for by recognising its assets (including its share of assets held jointly), its liabilities (including its share of liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of revenue from the sale of output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Revenue

Revenue from oil sales represents the Company's share of sales, on a liftings basis, from its producing interests in the UK North Sea, at the point in time where ownership of the oil has been passed to the buyer. This occurs when title has passed in accordance with the sales contract as this is the point in time that the consideration due is unconditional, as only the passage of time is required before payment is due. Revenue from the sale of gas is recorded based on the volume of gas accepted each day by customers at the delivery point. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for products in the normal course of business, net of discounts, customs duties and sales taxes.

Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company and its subsidiaries operate (the 'functional currency'). The consolidated financial statements are presented in United States Dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

Cash and cash equivalents

For the purpose of the statement of cash flow, cash and cash equivalents include investments with an original maturity of three months or less.

Financial instruments

All financial instruments, other than those designated as effective hedging instruments, are initially recognised at fair value on the statement of financial position. The Company's financial instruments consist of cash, accounts receivable, deposits, derivatives, accounts payable, accrued liabilities, contingent consideration. Under IFRS 9, with the exception of derivatives and contingent consideration, all financial instruments will be recorded at amortised cost based on an analysis of the business model and terms of financial assets. There is no change to the classification of financial liabilities. All financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods is dependent on the classification of the respective financial instrument.

IFRS 9 classifications:
Cash and cash equivalents are classified and measured at fair value through profit or loss. Accounts receivable are classified and carried at amortised cost as they have a business model of held to collect and the terms meet the solely payments of principle and interest criteria. Accounts payable, accrued liabilities, certain other long-term liabilities, and long-term debt are classified as other financial liabilities. Although the Company does not intend to trade its derivative financial instruments, they are required to be carried at fair value though profit or loss.

Transaction costs that are directly attributable to the acquisition or issue of a financial asset or liability and original issue discounts on long-term debt have been included in the carrying value of the related financial asset or liability and are amortised to consolidated net earnings over the life of the financial instrument using the effective interest method.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument.

The effective portion of changes in the fair value of derivatives that qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss. Amounts accumulated in other comprehensive income are transferred to the profit or loss in the period when the hedged item will affect the profit or loss. When the hedged item no longer meets the requirements for hedge accounting, expires or is sold, any accumulated gain or loss recognised in other comprehensive income is transferred to profit and loss when the forecast transaction which was the subject of the hedge occurs.

Where put options are used as hedging instruments, only the intrinsic value of the option is designated as the hedge, with the change in time value recorded in finance costs within the income statement.

Analyses of the fair values of financial instruments and further details as to how they are measured are provided in notes 23 to 25.

Inventory

Inventories of materials and product inventory supplies are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method. Current oil and gas inventories are stated at fair value less cost to sell. Non-current oil and gas inventories are stated at historic cost.

Trade receivables

Trade receivables are recognised and carried at the original invoiced amount, less any provision for estimated irrecoverable amounts.

Trade payables

Trade payables are measured at cost.

Property, plant and equipment

Oil and gas expenditure – exploration and evaluation assets

Capitalisation

Pre-acquisition costs on oil and gas assets are recognised in the consolidated statement of income when incurred. Costs incurred after rights to explore have been obtained, such as geological and geophysical surveys, drilling and commercial appraisal costs and other directly attributable costs of exploration and evaluation including technical, administrative and share based payment expenses are capitalised as intangible exploration and evaluation ("E&E") assets.

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

Oil and gas expenditure – development and production assets

Capitalisation

Costs of bringing a field into production, including the cost of facilities, wells and subsea equipment, direct costs including staff costs and share based payment expense together with E&E assets reclassified in accordance with the above policy, are capitalised as a D&P asset. Normally each individual field development will form an individual D&P asset but there may be cases, such as phased developments, or multiple fields around a single production facility when fields are grouped together to form a single D&P asset.

Depreciation

All costs relating to a development are accumulated and not depreciated until the commencement of production. Depreciation is calculated on a unit of production basis based on the proved and probable reserves of the asset. Any re-assessment of reserves affects the depreciation rate prospectively. Significant items of plant and equipment will normally be fully depreciated over the life of the field. However, these items are assessed to consider if their useful lives differ from the expected life of the D&P asset and should this occur a different depreciation rate would be charged.

Impairment

For impairment review purposes the Company's oil and gas assets are analysed into cash-generating units ("CGUs") as identified in accordance with IAS 36. A review is carried out each reporting date for any indicators that the carrying value of the Company's assets may be impaired. For assets where there are such indicators, an impairment test is carried out on the CGU. The impairment test involves comparing the carrying value with the recoverable value of an asset. The recoverable amount of an asset is determined as the higher of its fair value less costs to sell and value in use, where the value in use is determined from estimated future net cash flows. If the recoverable amount of an asset is estimated to be less that its carrying amount, the carrying amount of the asset is reduced to the recoverable amount. The resulting impairment losses are written off to the statement of income.

Non oil and natural gas operations

Computer and office equipment is recorded at cost and depreciated over its estimated useful life on a straight-line basis over three years. Furniture and fixtures are recorded at cost and depreciated over their estimated useful lives on a straight-line basis over five years.

Borrowings

All interest-bearing loans and other borrowings with banks are initially recognised at fair value net of directly attributable transaction costs. After initial recognition, interest-bearing loans and other borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, discount or premium.

Loan origination fees are capitalised and amortised over the term of the loan. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use of sale. All other borrowing costs are expensed as incurred.

Senior notes are measured at amortised cost.

Decommissioning liabilities

The Company records the present value of legal obligations associated with the retirement of long-term tangible assets, such as producing well sites and processing plants, in the period in which they are incurred with a corresponding increase in the carrying amount of the related long-term asset. The obligation generally arises when the asset is installed or the ground/environment is disturbed at the field location. In subsequent periods, the asset is adjusted for any changes in the estimated amount or timing of the settlement of the obligations. The carrying amounts of the associated assets are depleted using the unit of production method, in accordance with the depreciation policy for development and production assets. Actual costs to retire tangible assets are deducted from the liability as incurred.

Contingent consideration

Contingent consideration is accounted for as a financial liability and measured at fair value at the date of acquisition with any subsequent remeasurements recognised either in profit or loss or in other comprehensive income in accordance with IFRS 9.

Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount 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 by the reporting date.

Deferred income tax

Deferred tax is recognised for all deductible temporary differences and the carry-forward of unused tax losses. Deferred tax assets and liabilities are measured using enacted or substantively enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in rates is included in earnings in the period of the enactment date. Deferred tax assets are recorded in the consolidated financial statements if realisation is considered more likely than not.

Deferred tax assets and liabilities are offset only when a legally enforceable right of offset exists and the deferred tax assets and liabilities arose in the same tax jurisdiction.

Leases

Under IFRS 16, an asset (that is, the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. 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 finance costs in the income statement. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company 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.

Maintenance expenditure

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

Recent accounting pronouncements

New and amended standards and interpretations need to be adopted in the first interim financial statements issued after their effective date (or date of early adoption). There are no new IFRSs or IFRICs that are effective for the first time for this interim period that would be expected to have a material impact on the Company.

IFRS 16 Leases
The Company applied the standard from its mandatory adoption date of 1 January 2019. The Company applied the simplified transition approach and did not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases is measured on transition as if the new rules had always been applied. All other right-of-use assets is measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

The adoption of IFRS 16 did not have a material impact on the net debt, gross assets, profit from operations and finance costs of the Company in the current period. However, in the future should the Company contract equipment on longer term contracts to develop its existing licences there may be a material impact.

Significant accounting judgements and estimation uncertainties

certain assets, liabilities, revenues and expenses. Such estimates must often be made based on unsettled transactions and other events and a precise determination of many assets and liabilities is dependent upon future events. Actual results may differ from estimated amounts.

The amounts recorded for depletion, depreciation of property and equipment, long-term liability, contingent consideration, decommissioning liabilities, derivatives, and deferred taxes are based on estimates. The depreciation charge, any impairment tests and fair value estimates for the purpose of purchase price allocation (business combinations) are based on estimates of proved and probable reserves, production rates, prices, future costs and other relevant assumptions. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be material. Further information on each of these estimates is included within the notes to the financial statements.

4. REVENUE

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	**2019**	2018
	US$'000	US$'000	**US$'000**	US$'000
Oil sales	**25,829**	66,507	**134,026**	160,767
Gas sales	**13,502**	33,717	**66,856**	76,010
NGL sales	**3,616**	7,576	**16,953**	17,098
Other income	**119**	342	**380**	870
Realised gains on oil derivative contracts	**10,285**	-	**13,212**	-
Realised gains on gas derivative contracts	**15,113**	-	**41,856**	-
	68,464	108,142	**273,283**	254,745

The Company operates a single class of business being oil and gas exploration, development and production and related activities in a single geographical area presently being the North Sea.

5. ADMINISTRATIVE EXPENSES

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	**2019**	2018
	US$'000	US$'000	**US$'000**	US$'000
General & administrative	**(1,099)**	(563)	**(3,617)**	(2,838)
Non-recurring acquisition costs (note 27)	**(1,521)**	-	**(4,312)**	-
	(2,620)	(563)	**(7,929)**	(2,838)

6. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	**2019**	2018
	US$'000	US$'000	**US$'000**	US$'000
Bank interest and charges	**(11,076)**	(4,470)	**(33,781)**	(15,905)
Senior notes interest	**-**	(6,094)	**-**	(18,281)
Loan fee amortisation	**(647)**	(774)	**(1,941)**	(2,326)
Accretion on decommissioning liabilities	**(2,463)**	(2,223)	**(7,379)**	(6,760)
Accretion on other long term liabilities	**(1,353)**	-	**(4,010)**	-
Financial instrument put premiums	**(13,393)**	-	**(19,808)**	-
Other	**(330)**	(1,356)	**(657)**	(4,343)
	(29,262)	(14,917)	**(67,576)**	(47,615)

7. ACCOUNTS RECEIVABLE

	30 Sep 2019	31 Dec 2018
	US$'000	US$'000
Trade debtors	**16,556**	87,779
Accrued income	**7,070**	30,141
	23,626	117,920

8. DEPOSITS

	30 Sep 2019	31 Dec 2018
	US$'000	US$'000
Chevron deal deposit	**50,000**	-
Prepayments	**25,124**	-
Rent deposit	**197**	200
	75,321	200

The above includes a $50 million deposit made in anticipation of Chevron deal completion as well as RBL & bond interest prepayments.

9. INVENTORY

	30 Sep 2019	31 Dec 2018
Current	**US$'000**	US$'000
Crude oil inventory - current	**33,732**	40,554
Materials inventory	**183**	184
	33,915	40,738

	30 Sep 2019	31 Dec 2018
Non-current	**US$'000**	US$'000
Crude oil inventory	**3,933**	4,139

The non-current portion of inventory relates primarily to long term stocks at the Sullom Voe Terminal. In 3Q19 Fionn barrels were released as part of the cessation of production process.

10. EXPLORATION AND EVALUATION ASSETS

	US$'000
At 1 January 2018	29,234
Acquisitions	27,676
Additions	8,156
Transfer from E&E to D&P (note 10)	(30,345)
Write offs/relinquishments	(749)
Negative impairment	4,774
At 31 December 2018 and 1 January 2019	38,746
Additions	1,763
Write offs/relinquishments	(195)
At 30 September 2019	**40,314**

Following completion of geotechnical evaluation activity, certain North Sea licences were declared unsuccessful and certain prospects were declared non-commercial. This resulted in the carrying value of these licences being fully written off to nil with $0.2 million being expensed in the period to 30 September 2019.

Subsequent to Vorlich field development plan approval in September 2018, the Vorlich asset was transferred from E&E to D&P assets at the end of 3Q 2018.

11. PROPERTY, PLANT AND EQUIPMENT

	Development & Production Oil and Gas assets US$'000	Other fixed assets US$'000	Total US$'000
Cost			
At 1 January 2018	2,715,461	3,454	2,718,915
Acquisitions*	244,904	-	244,904
Additions	61,419	251	61,670
Disposals***	(87,982)	-	(87,982)
Transfer from E&E to D&P (note 9)	30,345	-	30,345
At 31 December 2018 and 1 January 2019	2,964,147	3,705	2,967,852
Additions	**139,264**	**267**	**139,531**
At 30 September 2019	**3,103,411**	**3,972**	**3,107,383**
DD&A and Impairment			
At 1 January 2018	(1,624,811)	(3,019)	(1,627,830)
Disposal***	30,975	-	30,975
DD&A charge for the period	(147,135)	(100)	(147,235)
Impairment charge for the period**	(17,947)	-	(17,947)
At 31 December 2018 and 1 January 2019	(1,758,918)	(3,119)	(1,762,037)
DD&A charge for the period	**(106,606)**	**(142)**	**(106,748)**
At 30 September 2019	**(1,865,524)**	**(3,261)**	**(1,868,785)**
NBV at 1 January 2018	1,084,003	596	1,084,599
NBV at 1 January 2019	1,090,651	435	1,091,085
NBV at 30 September 2019	**1,237,887**	**711**	**1,238,598**

The net book amount of property, plant and equipment includes $25.1 million (31 December 2018: $25.6 million) in respect of the Pierce FPSO lease held under finance lease.

*In December 2018, the Company completed the acquisition of all of the Greater Stella Area ("GSA") licences and associated infrastructure interests of Dyas UK Limited and Petrofac Limited.

** During 2018, the Company recorded a $17.9 million pre-tax impairment charge. The impairment was driven predominantly by cessation of production from the Fionn field resulting in the carrying value being written to nil, release of the Dons NE licence combined with decommissioning liability revisions.

***On 18 January 2018 the Company announced that it had entered into an agreement for the sale of its entire interest in Licences PL089, P534 and PEDL 328, which contained the onshore Wytch Farm field for a cash consideration of $53 million. This was completed on 28 March 2018 and resulted in the removal above of $87.9 million of costs and $31 million of DD&A.

12. GOODWILL

	30 Sep 2019 US$'000	31 Dec 2018 US$'000
Closing balance	**123,510**	123,510

$123.5 million goodwill represents $136.1 million recognised on the acquisition of Summit Petroleum Limited ("Summit") in July 2014 as a result of recognising a $136.9 million deferred tax liability as required under IFRS 3 fair value accounting for business combinations. Absent the deferred tax liability the price paid for the Summit assets equated to the fair value of the assets. $1.0 million represented goodwill recognised on the acquisition of gas assets from GDF in December 2010. As at 31 December 2015 a non-taxable impairment of $13.6 million was recorded relating to goodwill.

13. BUSINESS COMBINATION ACCOUNTING

The financial statements for the period ended 31 December 2018 have been restated to reflect true-ups to the provisional fair values attributed to the business combination accounting for the acquisition of the GSA licences and associated infrastructure interests of Dyas UK Limited and Petrofac Limited. Restatements have been reflected through negative goodwill, accounts receivable and accounts payable. This reduces the previously reported negative goodwill of $75.8m in 2018 to overall negative goodwill relating to the transaction of $72.8m with a corresponding reduction in working capital on the balance sheet.

14. INVESTMENT IN ASSOCIATES

Investment in associates comprised a 49.86% share in FPF-1 Limited, a Jersey incorporated company who owned and operated the FPF-1 production facility which services the Greater Stella Area. Following completion of the GSA transaction in December 2018, FPF-1 Limited is a fully consolidated subsidiary.

The investment in FPF-1 was measured using the equity method. Summarised financial information of the investment are set out below:

	30 Sep 2019 US$'000	30 Sep 2018 US$'000
Revenue	-	16,093
Costs	-	(2,107)
Gross profit	-	13,986
Group's share of profit for the period	-	6,973

15. BORROWINGS

	30 Sep 2019 US$'000	31 Dec 2018 US$'000
RBL facility	**(347,000)**	(306,500)
JP Morgan term loan	**(300,000)**	(300,000)
Long term bank fees	**3,715**	4,680
Long term Loan fees	**4,608**	5,671
Total debt (excluding equity type subordinated debt)	**(638,677)**	(596,149)
Delek (equity type subordinated debt)	**(100,000)**	(100,000)
Total debt	**(738,677)**	(696,149)

RBL Facility

The Company's existing RBL facility size is $400 million, maturing in December 2022. As at 30 September 2019, $347 million (31 December 2018: $306.5 million) was drawn down under the RBL. $3.7 million (31 December 2018: $4.7 million) of loan fees relating to the RBL have been capitalised and remain to be amortised.

JP Morgan term loan

The Company has a $300 million 4% term loan due 2023, with interest payable semi-annually. Loan fees of $4.6 million (31 December 2018: $5.7 million) have been capitalised and remain to be amortised. The Term Loan, which is a second lien facility and secured by a Delek Group guarantee, has been fully underwritten by JPMorgan Chase Bank, N.A., London Branch.

Delek Loan

The Company has in place a $100 million Subordinated Shareholder Loan (ranks with equity), which bears interest at 4.75%.

Covenants

The Company is subject to financial and operating covenants related to the facilities. Failure to meet the terms of one or more of these covenants may constitute an event of default as defined in the facility agreements, potentially resulting in accelerated repayment of the debt obligations.

The Company was in compliance with all its relevant financial and operating covenants during the period.

The key covenants in the RBL are:

- Total projected sources of funds must exceed the total projected uses of funds for the remaining term of the RBL
- The ratio of the net present value of cashflows secured under the RBL for the economic life of the fields to the amount drawn under the facility must not fall below 1.15:1
- The ratio of the net present value of cashflows secured under the RBL for the life of the debt facility to the amount drawn under the facility must not fall below 1.05:1

Key covenant in JP Morgan is:

- The ratio of Net Debt to EBITDAX as at 31 March and 30 September of each year, for the 12 months ending on 31 March or 30 September (as appropriate), shall not exceed 4.0:1

There are no historic or maintenance financial covenant tests associated with the parent company loans.

Security provided against the facilities

The RBL facility and JP Morgan term loan are secured by the assets of the guarantor members of the Ithaca Group, such security including share pledges, floating charges and/or debentures.

The term loan from Delek is unsecured.

Following completion of the CNSL transaction, the Company has refinanced the RBL and JP Morgan loan. See note 28.

16. TRADE AND OTHER PAYABLES

	30 Sep 2019 US$'000	31 Dec 2018 US$'000
Trade payables	**(82,524)**	(131,817)
Accruals and deferred income	**(75,694)**	(68,854)
	(158,219)	(200,671)

17. DECOMMISSIONING LIABILITIES

	30 Sep 2019 US$'000	31 Dec 2018 US$'000
Balance, beginning of period	**(245,298)**	(190,945)
Additions	**(13,599)**	-
Business combination additions	**-**	(54,383)
Wytch Farm disposal	**-**	10,665
Accretion	**(7,379)**	(7,349)
Revision to estimates	**-**	(7,637)
Decommissioning provision utilised	**4,654**	4,351
Balance, end of period	**(261,622)**	(245,298)

The total future decommissioning liability was calculated by management based on its net ownership interest in all wells and facilities, estimated costs to reclaim and abandon wells and facilities and the estimated timing of the costs to be incurred in future periods. The Company uses a discount rate of 4.0 percent (31 December 2018: 4.0 percent) and an inflation rate of 2.0 percent (31 December 2018: 2.0 percent) over the varying lives of the assets to calculate the present value of the decommissioning liabilities. These costs are expected to be incurred at various intervals over the next 14 years.

The economic life and the timing of the obligations are dependent on Government legislation, commodity price and the future production profiles of the respective production and development facilities.

18. OTHER LONG TERM LIABILITIES

	30 Sep 2019 US$'000	31 Dec 2018 US$'000
Lease acquired	**(26,438)**	(27,140)
Petrofac deferred consideration	**(109,605)**	(105,595)
Balance, end of period	**(136,043)**	(132,735)

The Petrofac deferred consideration relates to completion of the GSA transaction in December 2018. It is payable over a period from 2020 to 2023 and is discounted to reflect the time value of money. Interest is payable at 5% on $15 million of the consideration.

19. LEASE LIABILITIES

	30 Sep 2019 US$'000	31 Dec 2018 US$'000
Total minimum lease payments		
Less than 1 year	**(2,328)**	(2,322)
Between 1 and 5 years	**(11,614)**	(11,620)
5 years and later	**(14,521)**	(16,842)
Interest		
Less than 1 year	**(798)**	(849)
Between 1 and 5 years	**(3,162)**	(3,445)
5 years and later	**(1,715)**	(2,230)
Present value of minimum lease payments		
Less than 1 year	**(1,530)**	(1,473)
Between 1 and 5 years	**(8,452)**	(8,175)
5 years and later	**(12,806)**	(14,612)

The lease relates to the Pierce FPSO acquired as part of the Summit acquisition.

20. CONTINGENT CONSIDERATION

Current	**30 Sep 2019 US$'000**	31 Dec 2018 US$'000
Balance outstanding	**(8,250)**	(18,250)

As part of the GSA transaction, Petrofac had the opportunity to earn up to an additional $25 million dependent on the future performance of the Stella and Harrier fields. At 30 September 2019, $8.25m is recognised to reflect risk adjusted contingent consideration, after taking account of a payment of $10 million paid during Q3 in accordance with the Petrofac SPA.

Non-current	**30 Sep 2019 US$'000**	31 Dec 2018 US$'000
Balance outstanding	**(3,600)**	(3,600)

21. SHARE CAPITAL

Authorised share capital	**Number of common shares**	**Amount US$'000**
At 30 September 2019 and 31 December 2018	Unlimited	-

(a) Issued

The issued share capital is as follows:

Issued	**Number of common shares**	**Amount US$'000**
At 31 December 2018	63,507,658,167	635,077
Delek additional equity	250,000	2
At 31 September 2019	63,507,908,167	635,079

250,000 shares at a par value of $0.01 were issued to Delek in return for $25 million, resulting in a share premium of $25m.

(b) Share premium

	Amount US$'000
At 31 December 2018	-
Delek additional equity	24,998
At 31 September 2019	24,998

22. TAXATION

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	**2019**	2018
	US$000	US$000	**US$000**	US$000
Taxation - income statement	**10,117**	6,621	**28,860**	46,166
Taxation - statement of comprehensive income	**(12,509)**	7,874	**(21,768)**	7,874
Tax credit	**(2,392)**	14,495	**7,092**	54,040

Deferred income tax relates to the following:	**30 September**	31 December
	2019	2018
	US$000	US$000
Deferred tax liability	**(419,492)**	(372,766)
Deferred tax asset	**1,006,919**	953,101
Net deferred tax asset	**587,427**	580,335

The gross movement on the deferred income tax account is as follows:	**30 September 2019**	31 December 2018
	US$000	US$000
At 1 January	**580,335**	462,921
Taxation - income statement	**28,860**	67,787
Taxation - statement of comprehensive income	**(21,768)**	-
Business combination	**-**	49,627
At 30 September 2019 / 31 December 2018	**587,427**	580,335

Deferred tax liability	**Other US$000**	**Accelerated tax depr'n US$000**	**Total US$000**
At 1 January 2019	(14,924)	(357,842)	(372,766)
Prior year adjustment	-	(6,555)	(6,555)
Origination and reversal of temporary differences	(25,452)	(14,719)	(40,171)
At 30 September 2019	**(40,376)**	**(379,116)**	**(419,492)**

Deferred tax assets	**Tax Losses US$000**	**Abandonment provision US$000**	**Total US$000**
At 1 January 2019	866,637	86,464	953,101
Origination and reversal of temporary differences	51,613	2,205	53,818
At 30 September 2019	**918,250**	**88,669**	**1,006,919**

Deferred income tax assets are recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available in the future against which the unused tax losses/credits can be utilised.

The UK related tax losses of $2,329 million do not expire under UK tax legislation and may be carried forward indefinitely. In addition to these losses, the Company will also benefit from the carry forward of capital allowances of $101 million, giving a total pool of losses and allowances of $2,430 million. Of this total, $123 million has not been recognised in the above deferred tax asset on the balance sheet due to lack of certainty of recovery at the balance sheet date.

Included within the deferred tax liability of $419.5 million is an asset of $63.8 million relating to Investment Allowance (previously Small Field Allowance). Of this $63.8 million, $16.6 million relates to unactivated Investment Allowance which will be activated and utilised upon completion of future field developments and income generation.

Based on current production and price assumptions and a continuing business model whereby the Company reinvests capital, incurs general, administrative and interest costs, together with the non-capital losses available to the Company, Ithaca does not expect to pay Company or supplementary tax in the medium term (3-5 years).

The carrying value of the deferred tax asset of $1,006.9 million is supported by estimates of the Company's future taxable income, based on the same price and cost assumptions as used for impairment testing and reflecting available tax planning opportunities. The recoverability of this value is highly sensitive to the assumptions used and any change in those assumptions could impact the recoverability of the asset in the absence of future acquisitions. For example a 10% reduction in assumed future Brent oil prices could result in an approximately $45 million reduction in recoverability of the deferred tax asset.

23. COMMITMENTS

	30 Sep 2019	31 Dec 2018
	US$'000	US$'000
Capital commitments		
Capital commitments incurred jointly with other venturers (Ithaca's share)	**22,527**	55,009

24. FINANCIAL INSTRUMENTS

To estimate fair value of financial instruments, the Corporation uses quoted market prices when available, or industry accepted third-party models and valuation methodologies that utilise observable market data. In addition to market information, the Corporation incorporates transaction specific details that market participants would utilise in a fair value measurement, including the impact of non-performance risk. The Corporation characterises inputs used in determining fair value using a hierarchy that prioritises inputs depending on the degree to which they are observable. However, these fair value estimates may not necessarily be indicative of the amounts that could be realised or settled in a current market transaction. The three levels of the fair value hierarchy are as follows:

• Level 1 – inputs represent quoted prices in active markets for identical assets or liabilities (for example, exchange-traded commodity derivatives). Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

• Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, market interest rates, and volatility factors, which can be observed or corroborated in the marketplace. The Corporation obtains information from sources such as the New York Mercantile Exchange and independent price publications.

• Level 3 – inputs that are less observable, unavailable or where the observable data does not support the majority of the instrument's fair value.

In forming estimates, the Corporation utilises the most observable inputs available for valuation purposes. If a fair value measurement reflects inputs of different levels within the hierarchy, the measurement is categorised based upon the lowest level of input that is significant to the fair value measurement. The valuation of over-the-counter financial swaps and collars is based on similar transactions observable in active markets or industry standard models that primarily rely on market observable inputs. Substantially all of the assumptions for industry standard models are observable in active markets throughout the full term of the instrument. These are categorised as Level 2.

The following table presents the Corporation's material financial instruments measured at fair value for each hierarchy level as of 30 September 2019:

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total Fair Value US$'000
Contingent consideration	-		(11,850)	(11,850)
Derivative financial instrument asset	-	94,244	-	94,244

The Corporation started accounting for commodity hedges and interest rate hedges as cash flow hedges from 3Q 2018. This has resulted in the below split between the statement of income and the statement of comprehensive income. Note that foreign exchange instruments are not hedge accounted.

The table below presents the total gain /(loss) on financial instruments that has been disclosed through the statement of income:

	Three months ended 30 September		Nine months ended 30 September	
	2019 US$'000	2018 US$'000	2019 US$'000	2018 US$'000
Revaluation of forex forward contracts	86	386	(375)	(751)
Revaluation of commodity hedges	1,210	-	538	(15,195)
	1,296	386	163	(15,946)
Realised (loss) on forex contracts	(841)	(719)	(1,010)	(1,075)
Realised (loss) on commodity hedges	-	-	-	(23,019)
	(841)	(719)	(1,010)	(24,094)
Ineffectiveness on cash flow hedges	2	(26)	3	(26)
Total gain/(loss)	457	(359)	(844)	(40,066)

Cash flow hedge

The table below presents the total loss on financial instruments that has been disclosed through the statement of comprehensive income:

	Three months ended 30 September		Nine months ended 30 September	
Cash flow hedges	2019 US$'000	2018 US$'000	2019 US$'000	2018 US$'000
Revaluation of derivative contracts	32,158	(6,204)	63,465	(6,204)
Realised gain on derivative contracts	11,077	(13,481)	26,171	(13,481)
Amounts recycled to revenue	(25,398)	2,018	(55,068)	2,018
Put premiums recognised in finance costs	13,393	(6,204)	19,808	(6,204)
Total gain	31,230	(23,871)	54,376	(23,871)

i) Commodity Risk

Commodity price risk related to crude oil prices is the Company's most significant market risk exposure. Crude oil prices and quality differentials are influenced by worldwide factors such as OPEC actions, political events and supply and demand fundamentals. The Company is also exposed to natural gas price movements on uncontracted gas sales. Natural gas prices, in addition to the worldwide factors noted above, can also be influenced by local market conditions. The Company's expenditures are subject to the effects of inflation, and prices received for the product sold are not readily adjustable to cover any increase in expenses from inflation. The Company may periodically use different types of derivative instruments to manage its exposure to price volatility, thus mitigating fluctuations in commodity-related cash flows.

The below represents commodity hedges in place at the quarter end:

Derivative	Term	Volume	Average price
Oil swaps	Oct 19 - Dec 22	3,562,379 bbls	$64/bbl
Oil puts	Oct 19 - Dec 21	11,715,592 bbls	$66/bbl
Gas swaps	Oct 19 - Dec 21	207,794,026 therms	52p/therm
Gas puts	Oct 19 - Dec 21	332,572,601 therms	54p/therm

ii) Interest Risk

Calculation of interest payments for the RBL Facility agreement incorporates LIBOR. The Company is therefore exposed to interest rate risk to the extent that LIBOR may fluctuate.

The below represents interest rate financial instruments in place:

Derivative	Term	Value	Rate
Interest rate swap	Oct 19 - Apr 21	$300 million	2.86%

iii) Foreign Exchange Rate Risk

The Company is exposed to foreign exchange risks to the extent it transacts in various currencies, while measuring and reporting its results in US Dollars. Since time passes between the recording of a receivable or payable transaction and its collection or payment, the Company is exposed to gains or losses on non USD amounts and on balance sheet translation of monetary accounts denominated in non USD amounts upon spot rate fluctuations from quarter to quarter.

The Company enters into forward contracts as a means of hedging its exposure to foreign exchange rate risks. As at 30 September 2019 the company had £1.5 million per quarter hedged at a forward rate of $1.24 : £1 for the period January to September 2020.

iv) Credit Risk

The Company's accounts receivable with customers in the oil and gas industry are subject to normal industry credit risks and are unsecured. Oil production from Stella, Cook, Broom, Dons and Pierce is sold to Shell Trading International Ltd. Cook gas is sold to Shell UK Ltd and Esso Exploration & Production UK Ltd. Stella gas is sold to BP Gas Marketing and Gazprom Marketing and Trading. Stella NGL's are sold to Teeside Gas & Liquids Processing Ltd.

The Company applies IFRS 9 simplified model for measuring the expected credit loss which uses a lifetime expected loss allowance and is measured on the days past due criterion. Having reviewed past payments combined with the credit profile of its existing trade debtors in order to assess the potential for impairment, the Company has concluded that this is insignificant as there has been no history of default or disputes arising on invoiced amounts since inception and as such the credit loss percentage is assumed to be almost zero. No provision for doubtful accounts against these sales has been recorded as at 30 September 2019 and 31 December 2018.

The Company may be exposed to certain losses in the event that counterparties to derivative financial instruments are unable to meet the terms of the contracts. The Company's exposure is limited to those counterparties holding derivative contracts with positive fair values at the reporting date. The Company also has credit risk arising from cash and cash equivalents held with banks and financial institutions. Management consider those banks and financial institutions to have low credit risk due to their reputation and strong credit ratings. The maximum credit exposure associated with financial assets is the carrying values.

As at 30 September 2019, the Company's exposure is $100.6 million (31 December 2018: $31.0 million).

v) Liquidity Risk

Liquidity risk includes the risk that as a result of its operational liquidity requirements the Company will not have sufficient funds to settle a transaction on the due date. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities, and by considering medium and future requirements by continuously monitoring forecast and actual cash flows. The Company considers the maturity profiles of its financial assets and liabilities. As at 30 September 2019, substantially all accounts payable are current.

The following table shows the timing of cash outflows relating to trade and other payables:

	Within 1 year US$'000	1 to 5 years US$'000
Accounts payable and accrued liabilities	(158,219)	-
Other long term liabilities	-	(136,042)
Borrowings	-	(638,677)
	(158,218)	(774,719)

25. DERIVATIVE FINANCIAL INSTRUMENTS

	30 September 2019 US$'000	31 December 2018 US$'000
Oil swaps - cash flow hedge	**22,318**	10,003
Oil puts - cash flow hedge	**51,657**	17,104
Gas swaps - cash flow hedge	**8,907**	(1,000)
Gas puts - cash flow hedge	**16,772**	5,359
Interest rate swaps	**(5,347)**	(794)
FX forwards	**(64)**	311
	94,243	30,983

26. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Financial instruments of the Corporation consist mainly of cash and cash equivalents, receivables, payables, loans and financial derivative contracts, all of which are included in these financial statements. At 30 September 2019, the classification of financial instruments and the carrying amounts reported on the balance sheet and their estimated fair values are as follows:

	30 September 2019 US$'000		31 December 2018 US$'000	
Classification	**Carrying**	**Fair Value**	Carrying Amount	Fair Value
Cash and cash equivalents (FVTPL)	**18,197**	**18,197**	17,478	17,478
Derivative financial instruments (FVTPL)	**100,646**	**100,646**	30,983	30,983
Accounts receivable (Amortised Cost)	**23,626**	**23,626**	117,920	117,920
Deposits (Amortised Cost)	**75,321**	**75,321**	200	200
Bank debt (Amortised Cost)	**(638,677)**	**(638,677)**	(596,149)	(596,149)
Derivative financial instruments (FVTPL)	**(6,403)**	**(6,403)**	-	-
Contingent consideration (FVTPL)	**(11,850)**	**(11,850)**	(21,850)	(21,850)
Other long term liabilities (Amortised cost)	**(136,042)**	**(136,042)**	(132,735)	(132,735)
Accounts payable (Amortised cost)	**(158,219)**	**(158,218)**	(200,671)	(200,671)

27. RELATED PARTY TRANSACTIONS

The Company's immediate parent undertaking is DKL Investments Limited, and the ultimate parent company is Delek Group Ltd. (incorporated in Israel). The Company's ultimate controlling party is Mr. Yitzhak (Sharon) Tshuva.

The consolidated financial statements include the financial statements of Ithaca Energy Limited and the subsidiaries listed in the following table:

	Country of incorporation	**% equity interest at 30 September**	
		2019	2018
Ithaca Energy (UK) Limited	Scotland	**100%**	100%
Ithaca Minerals (North Sea) Limited	Scotland	**100%**	100%
Ithaca Energy (Holdings) Limited	Bermuda	**100%**	100%
Ithaca Energy Holdings (UK) Limited	Scotland	**100%**	100%
Ithaca Energy Holdings (North Sea) Plc	Scotland	**100%**	nil
Ithaca Petroleum Ltd	England and Wales	**100%**	100%
Ithaca Causeway Limited	England and Wales	**100%**	100%
Ithaca Gamma Limited	England and Wales	**100%**	100%
Ithaca Alpha (NI) Limited	Northern Ireland	**100%**	100%
Ithaca Epsilon Limited	England and Wales	**100%**	100%
Ithaca Exploration Limited	England and Wales	**100%**	100%
Ithaca Petroleum Holdings AS	Norway	**nil**	100%
Ithaca Technology AS	Norway	**nil**	100%
Ithaca AS	Norway	**nil**	100%
Ithaca Petroleum EHF	Iceland	**100%**	100%
Ithaca SPL Limited	England and Wales	**100%**	100%
Ithaca Dorset Limited	England and Wales	**100%**	100%
Ithaca SP UK Limited	England and Wales	**100%**	100%
Ithaca Pipeline Limited	England and Wales	**nil**	100%
Ithaca GSA Holdings Limited*	Jersey	**100%**	nil
Ithaca GSA Limited**	Jersey	**100%**	nil
Ithaca Energy Developments UK Limited***	England and Wales	**100%**	nil
FPF-1 Limited	Jersey	**100%**	49.86%

Transactions between subsidiaries are eliminated on consolidation.

* Previously named Petrofac GSA Holdings Limited
** Previously named Petrofac GSA Limited
*** Previously named Energy Developments UK Limited

The following table provides the loan balances with related parties as of 30 September 2019 and 31 December 2018:

	2019	2018
Loans from related parties	**US$'000**	US$'000
Delek Group Limited	**(100,000)**	(100,000)

28. SUBSEQUENT EVENTS

Acquisition of CNSL

On 8 November the Company completed the $2 billion acquisition of Chevron North Sea Limited ("CNSL"). The transaction provides a material and important step up in the scale and breadth of the Company's asset base, adding ten additional producing field interests to the existing portfolio, along with a wider portfolio of investment opportunities from which to grow the future cashflows of the business and

Taking into account the interim period cashflows generated by CNSL since the transaction effective date of 1 January 2019, the $200 million deposit paid at signing of the transaction and conventional working capital adjustments, the price payable at completion of the acquisition was $1.5 billion.

28. SUBSEQUENT EVENTS (continued)

Refinancing

As part of the acquisition of CNSL the company underwent a substantial refinancing of the business which became fully effective upon completion of the CNSL acquisition. The funding position following deal completion on 8 November 2019 can be summarised as follows:

Equity and Subordinated Debt

Issued and fully paid share capital in the business was increased in November 2019 by $590m (in addition to the $25m increase in Q3 2019). In addition, the Subordinated Shareholder Loan also increased by $150m from $100m to $250m.

RBL Facility

The existing $400m RBL and $300m JP Morgan Term Loan have been fully repaid and replaced with a new $1.65billion RBL maturing May 2024. The new RBL was drawn $1.1 billion on 8 November 2019.

Bond Issue

On 19 July the company announced that $500m 9.375% senior unsecured notes due 2024 were to be issued with interest payable semi-annually. The offer completed on 1 August 2019 and the funds were held in escrow until release at completion of the CNSL acquisition on 8 November 2019.

New Immediate Parent Company

As of 17 October Delek North Sea Limited is the new immediate parent company.

Delek North Sea Limited entered into a share transfer agreement with DKL Energy Limited, the previous immediate parent company, to acquire the entire issued share capital of the Company.

29. CONTINGENT LIABILITIES

We become involved from time to time in various claims and lawsuits arising in the ordinary course of our business. We are not, nor have we been during the past twelve months, involved in any governmental, legal or arbitration proceedings which, either individually or in the aggregate, have had, or are expected to have, a material adverse effect on our financial position or profitability, nor are any such proceedings pending or threatened.