

VIETNAM OIL AND GAS GROUP
(Incorporated in the Socialist Republic of Vietnam)

**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**

For the year ended 31 December 2013

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Vietnam Oil and Gas Group - Holding Company (the “Company”) presents this report together with the consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2013.

THE MEMBERS’ COUNCIL AND BOARD OF MANAGEMENT

The members of the Members’ Council and Board of Management of the Company who held office during the year and to the date of this report are as follows:

Members’ Council

Mr. Phung Dinh Thuc	Chairman (retired on 01 June 2014)
Mr. Do Van Hau	Member in charge (appointed on 01 June 2014)
Mr. Nguyen Xuan Thang	Member
Mr. Phan Dinh Duc	Member
Mr. Nguyen Thanh Liem	Member
Mr. Vu Khanh Truong	Member
Mr. Dinh Van Son	Member (appointed on 08 February 2013)

Board of Management

Mr. Do Van Hau	President & CEO
Mr. Nguyen Xuan Son	Vice President
Mr. Le Minh Hong	Vice President
Mr. Nguyen Sinh Khang	Vice President
Mr. Nguyen Quoc Khanh	Vice President
Mr. Nguyen Vu Truong Son	Vice President
Mr. Nguyen Quoc Thap	Vice President
Mr. Nguyen Hung Dung	Vice President (appointed on 12 April 2013)
Mr. Le Manh Hung	Vice President (appointed on 26 September 2013)
Mr. Ninh Van Quynh	Vice President (appointed on 28 February 2014)
Ms. Tran Thi Binh	Vice President (retired on 01 August 2013)
Ms. Pham Thi Thu Ha	Vice President (retired on 01 August 2013)
Mr. Nguyen Tien Dung	Vice President (retired on 01 January 2014)

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Company is responsible for the preparation of the Group's consolidated financial statements, which give a true and fair view of the financial position of the Group and of its results and cash flows for the year in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these consolidated financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- prepare the consolidated financial statements on the going concern basis; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

The Board of Management of the Company is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Group and that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Company has complied with the above requirements in preparing these consolidated financial statements.

The Group has issued the consolidated financial statements for the year ended 31 December 2013 on 10 April 2014.

Under Decision No. 4359/QĐ-DKVN dated 27 June 2014, the Members' Council of the Group has approved the audited financial statements of PetroVietnam Exploration Production Corporation Limited ("PVEP") for the year ended 31 December 2013 with some items which have been revised in comparison with those presented in PVEP's financial statements released on 13 March 2014.

Because the afore mentioned adjustments in PVEP's financial statements have a material effect on the Group's consolidated financial statements, the Members' Council and Board of Management of the Group have decided to adjust some items on the Group's consolidated financial statements in accordance with these changes and reissue the Group's consolidated financial statements. The Members' Council and Board of Management of the Group believe that the reissuance of the Group's consolidated financial statements represent a more appropriate presentation of the Group's financial position and results of operations for the year ended 31 December 2013.

For and on behalf of the Board of Management,



Do Van Hau
President & CEO

Hanoi, 30 June 2014

CONSOLIDATED BALANCE SHEET

As at 31 December 2013

ASSETS	Codes	Notes	31/12/2013	31/12/2012
			VND Million	VND Million
A. CURRENT ASSETS (100=110+120+130+140+150)	100		327,744,994	275,682,771
I. Cash and cash equivalents	110	5	133,142,982	105,373,008
1. Cash	111		34,359,066	37,338,566
2. Cash equivalents	112		98,783,916	68,034,442
II. Short-term financial investments	120	6	71,947,778	52,237,781
1. Short-term investments	121		74,422,775	54,623,873
2. Provision for impairment of short-term investments	129		(2,474,997)	(2,386,092)
III. Short-term receivables	130		79,780,476	75,006,320
1. Trade accounts receivable	131	7	47,961,568	53,007,280
2. Advances to suppliers	132		6,356,979	6,804,162
3. Receivables from construction contracts under percentage of completion method	134		575,610	492,235
4. Other receivables	135	8	28,876,638	16,289,497
5. Provision for short-term doubtful debts	139		(3,990,319)	(1,586,854)
IV. Inventories	140	9	37,330,726	35,014,165
1. Inventories	141		38,462,684	35,631,230
2. Provision for devaluation of inventories	149		(1,131,958)	(617,065)
V. Other short-term assets	150		5,543,032	8,051,497
1. Short-term prepayments	151		877,278	533,254
2. VAT deductibles	152		2,323,906	3,119,535
3. Taxes and other receivables from the State budget	154	21	372,473	2,062,929
4. Other short-term assets	158	10	1,969,375	2,335,779

The notes set out on pages 14 to 54 are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2013

ASSETS	Codes	Notes	31/12/2013 VND Million	31/12/2012 VND Million
B. NON-CURRENT ASSETS (200 = 210+220+240+250+260+269)	200		381,786,696	355,408,129
I. Long-term receivables	210		239,957	50,985
1. Long-term trade receivables	211		198,546	2,435
2. Other long-term receivables	218		54,798	56,059
3. Provision for long-term doubtful debts	219		(13,387)	(7,509)
II. Fixed assets	220		182,566,621	183,484,665
1. Tangible fixed assets	221	11	128,785,322	121,190,418
- Cost	222		189,927,512	169,162,116
- Accumulated depreciation	223		(61,142,190)	(47,971,698)
2. Finance lease assets	224		197,211	300,796
- Cost	225		344,280	396,808
- Accumulated depreciation	226		(147,069)	(96,012)
3. Intangible assets	227	12	4,467,161	3,865,187
- Cost	228		5,252,930	4,432,865
- Accumulated amortisation	229		(785,769)	(567,678)
4. Construction in progress	230	13	49,116,927	58,128,264
III. Investment property	240		575,764	565,925
- Cost	241		636,907	606,477
- Accumulated depreciation	242		(61,143)	(40,552)
IV. Long-term financial investments	250		58,439,749	45,130,339
1. Investments in associates	252	15	9,351,215	4,922,449
2. Interests in joint ventures	253	15	23,783,691	18,600,602
3. Other long-term investments	258	16	25,974,599	21,964,895
4. Provision for impairment of long-term financial investments	259		(669,756)	(357,607)
V. Other long-term assets	260		138,242,661	125,248,606
1. Long-term prepayments	261	17	75,947,257	53,338,488
2. Deferred tax assets	262	32	292,719	400,450
3. Exploration expense		18	30,701,606	21,036,432
4. Development expense		19	31,027,693	50,225,576
5. Other long-term assets	268		273,386	247,660
VI. Goodwill	269		1,721,944	927,609
TOTAL ASSETS (270 = 100 + 200)	270		709,531,690	631,090,900

The notes set out on pages 14 to 54 are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2013

RESOURCES	Codes	Notes	31/12/2013	31/12/2012
			VND Million	VND Million
A. LIABILITIES (300=310+330)	300		323,203,342	284,420,092
I. Current liabilities	310		209,538,722	166,841,020
1. Short-term loans and liabilities	311	20	104,682,459	78,952,203
2. Trade accounts payable	312		34,776,506	33,365,600
3. Advances from customers	313		2,901,192	2,614,087
4. Taxes and amounts payable to the State budget	314	21	17,357,385	17,953,862
5. Payables to employees	315		2,207,902	1,714,947
6. Accrued expenses	316	22	20,945,433	12,651,210
7. Payables relating to construction contracts under percentage of completion method	318		20,511	-
8. Other current payables	319	23	22,883,037	16,866,007
9. Short-term provisions	320		2,984,282	1,990,815
10. Bonus and welfare funds	323		780,015	732,289
II. Long-term liabilities	330		113,664,620	117,579,072
1. Long-term trade payables	331		2,680	-
2. Other long-term payables	333		418,397	2,248,526
3. Long-term loans and liabilities	334	24	95,070,324	104,355,607
4. Deferred tax liabilities	335	32	12,891,259	7,872,718
5. Provision for severance allowance	336		-	12,374
6. Long-term provisions	337		969,748	183,855
7. Unearned revenue	338		3,063,968	1,019,548
8. Scientific and technological development fund	339		1,567,322	2,071,383
9. Petroleum price stabilization fund	340		(319,078)	(184,939)
B. EQUITY (400=410+430)	400		351,816,033	317,960,163
I. Owner's equity	410	25	351,227,457	317,612,210
1. Owner's contributed capital	411		177,628,384	177,628,384
2. Other owner's capital	413		13,885,882	13,832,968
3. Foreign exchange reserve	416		1,501,136	(147,780)
4. Investment and development fund	417		107,718,164	57,078,295
5. Financial reserve fund	418		3,639,975	22,622,940
6. Other reserves	419		15,663,049	13,372,971
7. Retained earnings	420		25,008,832	32,253,953
8. Construction investment fund	421		607,129	650,155
9. Enterprise reorganization support fund	422		5,574,906	320,324
II. Other resources and funds	430		588,576	347,953
1. Subsidised fund	432		119,629	4,106
2. Funds for fixed assets acquisition	433		468,947	343,847
C. MINORITY INTERESTS	439		34,512,315	28,710,645
1. Minority interests	439		34,512,315	28,710,645
TOTAL RESOURCES (440 = 300+ 400+439)	440		709,531,690	631,090,900

The notes set out on pages 14 to 54 are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2013

OFF BALANCE SHEET ITEMS	Unit	31/12/2013	31/12/2012
1. Materials, goods held under trust or for processing	VND Million	1,406,806	1,487,011
2. Bad debts written off	VND Million	31,126	14,067
3. Foreign currencies			
United States Dollar	USD	740,496,394	347,267,128
Algerian Dinar	DZD	64,744,136	63,593,207
Japanese Yen	JPY	6,225,959	-
Euro	EUR	2,784,640	556,163
Venezuela Bolivar Fuerte	VEF	211,783	-
Singapore Dollar	SGD	21,005	14,021
Great Britain Pound	GBP	10,698	492
Norwegian Krone	NOK	-	3,658



Đỗ Văn Hậu
President & CEO

30 June 2014

Le Dinh Mau
Chief Accountant
General Manager - Finance, Accounting
& Auditing Division

Tran Thi Mai Trang
Preparer

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2013

ITEMS	Codes	Notes	2013	2012
			VND Million	VND Million
1. Gross sales	01	26	406,106,036	372,180,765
2. Deductions	02	26	16,445,705	9,301,682
3. Net sales (10=01-02)	10	26	389,660,331	362,879,083
4. Cost of sales	11	26	301,442,183	291,596,548
5. Gross profit from sales (20=10-11)	20	26	88,218,148	71,282,535
6. Financial income	21	27	12,050,222	12,492,288
7. Financial expenses	22	28	13,901,412	10,364,549
8. Selling expenses	24		5,596,771	5,278,341
9. General and administration expenses	25		14,555,083	10,514,478
10. Operating profit 30=20+(21-22)-(24+25))	30		66,215,104	57,617,455
11. Other income	31	29	2,460,644	6,286,857
12. Other expenses	32	30	1,439,032	5,458,725
13. Profit from other activities (40=31-32)	40		1,021,612	828,132
14. Share of net profits of associates and joint ventures	41		3,391,410	3,136,059
15. Accounting profit before tax (50=30+40+41)	50		70,628,126	61,581,646
16. Current corporate income tax expense	51	31	19,297,746	17,848,052
17. Deferred corporate income tax expense	52	32	5,126,272	1,297,323
18. Net profit after corporate income tax (60=50-51-52)	60		46,204,108	42,436,271
<i>Attributable to:</i>				
Equity holders of the Group	61		43,504,222	39,814,708
Minority interests	62		2,699,886	2,621,563



Đo Van Hưu
President & CEO

30 June 2014

Le Dinh Mau
Chief Accountant
General Manager - Finance, Accounting
& Auditing Division

Tran Thi Mai Trang
Preparer

The notes set out on pages 14 to 54 are an integral part of these consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2013

ITEMS	Codes	2013	2012
		VND Million	VND Million
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	01	70,628,126	61,581,646
Adjustments for:			
- Depreciation and amortisation	02	13,999,221	13,228,892
- Allocations of exploration and development expenses		7,400,318	9,033,569
- Provisions	03	3,325,290	1,426,112
- (Gain) from fixed assets disposal		(113,936)	(223,406)
- Unrealized foreign exchange loss	04	2,897,126	1,704,753
- (Gain) from investing activities	05	(13,583,960)	(13,436,048)
- Interest expense	06	5,484,725	4,754,534
- Decrease in exploration expense as per approved finalization		3,728,017	6,329,431
Operating profit before movements in working capital	08	93,764,927	84,399,483
- Changes in receivables	09	918,974	5,124,698
- Changes in inventories	10	(2,831,454)	5,330,169
- Changes in accounts payable	11	22,102,553	(14,003,440)
- Changes in prepaid expenses	12	6,514,245	2,191,156
- Interest paid	13	(5,249,216)	(4,547,188)
- Corporate income tax paid	14	(17,762,428)	(22,941,216)
Net cash from operating activities	20	97,457,601	55,553,662
CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(13,133,392)	(29,021,551)
2. Proceeds from sales and disposal of fixed assets	22	476,150	165,948
3. Changes in investments		(37,029,051)	(10,852,230)
4. Loan interest earned, dividends and profits received	27	14,609,743	10,268,317
5. Investment in petroleum exploration and development		(30,862,241)	(43,356,115)
Net cash (used in) investing activities	30	(65,938,791)	(72,795,631)
CASH FLOWS FROM FINANCING ACTIVITIES			
1. Capital proceeds by the State budget	31	3,815,000	12,811,000
2. Profit paid to the State budget	32	(13,738,176)	-
3. Proceeds from borrowings	33	164,596,303	131,975,650
4. Repayment of borrowings	34	(158,421,963)	(118,185,652)
Net cash (used in)/from financing activities	40	(3,748,836)	26,600,998

The notes set out on pages 14 to 54 are an integral part of these consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2013

ITEMS	Codes	2013	2012
		VND Million	VND Million
Net increase in cash (50=20+30+40)	50	27,769,974	9,359,029
Cash and cash equivalents at the beginning of the year	60	105,373,008	96,013,979
Cash and cash equivalents at the end of the year (70=50+60)	70	133,142,982	105,373,008



Do Van Hau
 President & CEO

30 June 2014

Le Dinh Mau
 Chief Accountant
 General Manager - Finance, Accounting
 & Auditing Division

Tran Thi Mai Trang
 Preparer