

GEORGIAN INTERNATIONAL ENERGY CORPORATION GROUP

Consolidated Financial Statements and
Independent Auditor's Report
For the Year Ended 31 December 2017

GEORGIAN INTERNATIONAL ENERGY CORPORATION GROUP

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GEORGIAN INTERNATIONAL ENERGY CORPORATION GROUP

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Management is responsible for the preparation of the consolidated financial statements that present fairly the financial position of LLC Georgian International Energy Corporation and its subsidiaries (the "Group") as of 31 December 2017, and the consolidated results of its operations, changes in equity and cash flows for the year then ended, in compliance with International Financial Reporting Standards ("IFRS").

In preparing the consolidated financial statements, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and financial performance;
- Making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS;
- Maintaining statutory accounting records in compliance with local legislation and accounting standards;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Detecting and preventing fraud and other irregularities.

The consolidated financial statements of the Group for the year ended 31 December 2017 were approved by the Management on 4 May 2018.

On behalf of the Management:

Malkhaz Iaseshvili
Operational Director

4 May 2018
Tbilisi, Georgia

Lasha Gvazava
Chief Accountant

4 May 2018
Tbilisi, Georgia