

Annual Report for 2016

**Ramboll Oil & Gas Middle East A/S
Hannemanns Allé 53
2300 Copenhagen S**

CVR No 25799151

Godkendt på generalforsamlingen
Dirigent:

10 MAJ 2017

Erik Simonsen
Advokat

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Management's Statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Ramboll Oil & Gas Middle East A/S for the financial year 1 January – 31 December 2016.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations for 2016.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 10 May 2017

Executive Board



Tommy Amstrup Laursen

Supervisory Board



John Sørensen



Erik Simonsen



Richard John Beard



Independent Auditor's Report

To the Shareholders of Ramboll Oil & Gas Middle East A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Ramboll Oil & Gas Middle East A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 10 May 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Rasmus Friis Jørgensen

State Authorised Public Accountant



Kim Danstrup

State Authorised Public Accountant

Company Information

The Company:	Ramboll Oil & Gas Middle East A/S Hannemanns Allé 53 2300 Copenhagen S CVR-no: 25799151 Municipality:Copenhagen
Supervisory Board:	Erik Simonsen John Sørensen Richard John Beard
Executive Board:	Tommy Amstrup Laursen
Attorneys:	Bech Bruun
Auditors:	PricewaterhouseCoopers Strandvejen 44 2900 Hellerup
Banker:	Nordea
Ownership:	The Company is wholly owned by Rambøll Danmark A/S, CVR-nr. 35 12 84 17
Consolidated financial statements:	Parent Companies preparing consolidated financial statements Rambøll Gruppen A/S, The direct parent company Ramboll Danmark A/S does not prepare consolidated financial statements

Financial Highlights	2016	2015	2014	2013	2012
	QAR '000	QAR '000	QAR '000	QAR '000	QAR '001
Key figures					
Income statement					
<i>Revenue</i>	67310	126426	161336	116299	128351
<i>Operating profit</i>	-9540	-4076	7718	8499	19928
<i>Net financials</i>	323	125	-241	-262	-487
<i>Profit for the year</i>	-10866	-3823	6563	7274	17415
Balance sheet					
<i>Balance sheet total</i>	48916	58862	78967	70454	64134
<i>Investments in property, plant and equipment</i>	1336	1294	2518	943	767
<i>Equity</i>	28973	39840	48663	47099	49825
Ratios					
<i>Profit margin</i>	-14.2	-3.2	4.8	7.3	15.5
<i>Return on assets</i>	-19.5	-6.9	9.8	12.1	31.1
<i>Solvency ratio</i>	59.2%	67.7%	61.6%	66.9%	77.7%
<i>Return on equity</i>	-31.6%	-8.6%	13.7%	15.0%	39.9%

Management's review

Ramboll Oil & Gas Middle East A/S (ROG) was established as a wholly owned subsidiary of Rambøll Danmark A/S on January 1st, 2002. The subsidiary acts as an umbrella setup for the Ramboll organization in Qatar hereunder various projects within Oil & Gas (O&G), buildings and transport.

The company operates within the business segment: Consulting Engineering and Secondment in both Qatar and Abu Dhabi. The main focus areas are the countries surrounding the Arabian Gulf. The Company carries out activities mainly in Qatar and Abu Dhabi.

Main activities in 2016:

1. Maintaining position as one of the largest independent engineering consultants in Qatar within the onshore and offshore segment.
2. Consolidating the Abu Dhabi office and securing a continuous strong, organic growth.
3. Preparation of future project opportunities in Saudi Arabia, Iraq (Kurdistan) and Oman.
4. Develop the business opportunities with buildings and transport in Qatar.

Obtained results

The financial result for 2016 was below expectation for Ramboll Oil & Gas Middle East A/S with an operating profit (EBITA) of -10.8MQAR.

The profit margin for 2016 was -14.2% and return on equity was -31.6 %.

In 2016, 62% of the revenue was derived from Ramboll Oil & Gas business and the remaining 38% from the Energy, Infrastructure, Buildings and Transport unit. The Infrastructure and Building income mainly comprises of stadium and Qatar Rail Projects.

During the year new framework contracts were signed with different oil companies/facility owners, hereunder TOTAL, Dolphin and Qatar Gas which operate within the Upstream and Downstream sector.

The market is still characterized by extreme competition with many stakeholders from around the world which has resulted in fierce price competition throughout the year.

Throughout the year it has been necessary to continue to align/adjust the organization after the completion of the MOQ contract.

At the end of 2016 the company had 145 permanent employees, of which 39 are employed at the Abu Dhabi office.

The Coming Year

Overall, 2017 look to be another challenging year, but improved on 2016, as the O&G market is still fierce and competition is intense following the crisis in the global Oil & Gas economy since the beginning of 2015. In Qatar many of the investments are in buildings and transport installations with the FIFA2022 coming closer. In Abu Dhabi it is expected to be mainly large EPIC contracts which will be awarded. These contracts are in general outside our capabilities/focus area. Mergers in the NOC's in both Qatar and Abu Dhabi markets indicate an increased focus on cost and optimisation.

Following the OPEC meeting in November 2016, the Oil Price has been more or less stable at around USD 55/ barrel. The overall focus of ROGME in 2017 will be

- Cash-in on Frame Agreements in Abu Dhabi
- Develop the Qatar Business
- Excel in Offshoring work
- Digitalisation

Primary target areas for 2017 are:

- To maintain and develop the partnership relation with plant owners hereunder new frame agreement with NOC, TOTAL, ADNOC group of companies, OXY and Qatar Petroleum (QP).
- Increase the project portfolio in Abu Dhabi.
- Develop the business in the Middle East.
- Win more projects in the Buildings and Transport sector.
- Focus on education and development of our staff.

Special risks

The primary risk in the coming year is the degree to which investment in O&G industry in the ME will grow following stagnation in 2016. Also another risk is for OPEC to keep their Price/production policy.

Post-balance events

No critical events that are rated to be of significant impact to the evaluation of the annual report have taken place after the balance sheet day.

Accounting Policies

Basis of Preparation

The Annual Report of Ramboll Oil & Gas Middle East A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C.

The functional currency of the Company is Qatar Riyals (QAR). Exchange rate for QAR against DKK is 0.514 (2016) 0.53 (2015) and 0.6 (2014).

The accounting policies applied remain unchanged from last year.

Cash flow statement

The cash flow statement is not included in the annual report in accordance with the Danish Financial Statements Act § 86,4, as the cash flow statement is included in the consolidated financial statements for the parent company Rambøll Gruppen A/S.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in the financial income and expense in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Recognition and Measurement

Income Statement

Revenue

Fee income is recognised as revenue under the percentage-of-completion method, thus representing the value of the work performed calculated at approximate selling price. Fee income thus reflects the level of activity during the year.

Current and deferred tax

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured under current tax rules and at the tax rate expected to apply at the time of elimination of the temporary differences. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses or at a lower recoverable amount.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery 3 years

Cars 5 Years

Tools and equipment costing less than QAR 34,000 are expensed immediately.

Receivables

Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed based on an individual assessment of the stage of completion.

Payments received on account are offset against contract work in progress. Prepayments received in excess of the completed part of contracts are stated separately for each contract and recognised as prepayments received from customers in short-term debt.

Financial highlights

The ratios have been prepared in accordance with the guidelines issued by the Danish Society of Financial Analysts.

Notes	Income Statement	2016	2015
		QAR '000	QAR '000
1	Revenue	67310	126426
	<i>Project costs</i>	-17610	-52276
	Gross profit	49699	74150
	<i>External expenses</i>	-14227	-17754
2	<i>Staff expenses</i>	-43450	-59245
3	<i>Depreciation and impairment</i>	-1562	-1227
	Profit before financial income and expenses	-9540	-4076
	Other operating income	76	110
	Other costs	-1525	0
	Operating Profit	-10988	-3966
4	<i>Financial income</i>	1314	680
4	<i>Financial expenses</i>	-991	-555
	Profit before tax	-10666	-3840
5	<i>Adjustment of tax for previous years</i>	-200	17
5	<i>Tax on profit for the year</i>	-	0
	Net profit for the year	-10866	-3823

Notes	Balance Sheet	2016	2015
		QAR '000	QAR '000
	Assets		
	<i>Software, licenses, patents etc</i>	116	356
6	Property, plant and equipment	2485	2608
	<i>Deposits, rent</i>	738	630
	Fixed asset investments	738	630
	Fixed assets	3339	3594
	<i>Trade receivables</i>	11425	14426
	<i>Receivable from group companies</i>	7219	365
7	<i>Contract work in progress</i>	11593	13814
	<i>Disbursements and other receivables</i>	1922	4663
	<i>Receivable re balance in cashpool account belonging to Rambøll Gruppen A/S</i>	293	56
8	<i>Prepayments</i>	1180	1484
	Receivables	33631	34809
	<i>Cash at bank and in hand</i>	11945	20459
	Current assets	45577	55268
	Assets	48916	58862

Notes	Balance Sheet	2016	2015
		QAR '000	QAR '000
	Liabilities and equity		
9	<i>Share capital</i>	3993	3993
	<i>Retained earnings</i>	24980	35847
	<i>Proposed dividend for the year</i>	-	0
10	Equity	28973	39840
	<i>Trade payables</i>	1589	2174
	<i>Payment from Customers</i>	2984	1734
	<i>Debt to Rambøll Danmark A/S</i>	11349	9228
5	<i>Corporation tax</i>	-	0
11	<i>Other payables</i>	4020	5887
	Short-term debt	19943	19023
	Debt	19943	19023
	Liabilities and equity	48916	58862

	Notes	2016	2015
1	Revenue <i>The Company is engaged in consultancy within oil & gas, building & transport, primarily in Qatar-Middle East</i>	QAR '000 67310	QAR '000 126426
		67310	126426
2	Staff expenses <i>Employees:</i> <i>Wages and salaries</i> <i>Pension expenses</i> <i>Social security expenses</i> Total staff expenses <i>Average number of employees</i> <i>Number of permanent employees at year end</i> <i>Payment to executive board:</i> <i>Management participates in a share programme offered by the Parent Company Rambøll Gruppen A/S.</i>	42061 1388 - 43450 172 145 1077	57506 1739 - 59245 208 218 1741
3	Depreciation and impairment <i>Plant, tools and equipment</i> Total depreciation	-1562 -1562	-1227 -1227
4	Financial income <i>Interest received from Rambøll Gruppen A/S</i> <i>Other financial income</i> Total Financial expenses <i>Exchange losses</i> <i>Other financial expenses</i> Total	- 1314 1314 903 88 991	- 680 680 475 80 555
5	Corporation tax <i>Current tax on profit for the year</i> <i>Adjustment of tax for previous years</i>	- 200	0 -17

	Notes	2016 QAR '000	2016 QAR '000	2016 QAR '000
6	Property, plant and equipment			
		Software License	Motor vehicles	Plant, Machinery & Equipment
	<i>Costs, beginning of year</i>	917	1957.192	3200
	<i>Additions</i>	74	-	1262
	<i>Disposals</i>	-	-593	(126)
	<i>Costs, end of year</i>	991	1364.192	4335
	<i>Depreciation, beginning of year</i>	561	1391	1159
	<i>Depreciation for the year</i>	314	184	1065
	<i>Depreciation, disposals</i>	-	-580	(4)
	<i>Depreciation, end of year</i>	875	995	2220
	<i>Carrying amount, end of year</i>	116	369	2115
	<i>Depreciated over</i>	3 years	5 years	3 years

			14
	Notes	2016	2015
		QAR '000	QAR '000
7	Contract work in progress <i>Selling price of work completed</i> <i>Progress billing</i> <i>Pre payment from customers</i> <i>Work in progress, net</i>	214427 -205818 2984 11593	117043 -103229 13814
8	Prepayments <i>Prepaid rent</i> <i>Prepaid schooling fee and others</i> <i>Total</i>	420 760 1180	420 1064 1484
9	Share capital <i>The share capital of QAR 3,993k consists of 6000 shares of a nominal value of DKK 1,000 or multiples thereof. No shares carry any special rights. There have been no changes in the share capital in the past 5 years.</i>		

Notes		QAR '000			
10	Equity				
		<i>Share capital</i>	<i>Retained earnings</i>	<i>Proposed dividend</i>	<i>Total</i>
	<i>Equity at 1 January 2015</i>	3993	39670	5000	48663
	<i>Dividend paid</i>	-	-	-5000	-5000
	<i>Profit for 2015</i>	-	-3823	0	-3823
	<i>Equity at 31 December 2015</i>	3993	35847	0	39840
	<i>Dividend paid</i>	-	-	0	0
	<i>Profit for 2016</i>	-	-10866	-	-10866
	<i>Equity at 31 December 2016</i>	3993	24980	0	28973

	Notes	2016 QAR '000	2015 QAR '000
11	Other payables		
	<i>Accrued salaries, time off in lieu</i>	139	597
	<i>Accrued bonuses</i>	0	274
	<i>Accrued salaries</i>	3,865	5006
	<i>WHT</i>	0	11
	<i>Total other payables</i>	4004	5887
12	Contingent liabilities:		
	<i>Warranties</i>	12285	12375
		12285	12375
	<u>Rental obligations:</u>		
	<i>Falling due within 1 year</i>	2310	2520
	<i>Falling due 2-5 years</i>		2100
		2310	4620
13	Related parties		
	<i>controlling interest</i>		<i>Basis</i>
	Rambøll Danmark A/S, Hannemanns Allé 53, 2300 København S		<i>Controlling shareholder</i>
	Rambøll Fonden, Hannemanns Allé 53, 2300 København S		<i>Ultimate parent company</i>
	Trasactions <i>During the year all transactions with related parties are done on arm length basis.</i>		