Deep Water Slender Wells A/S

Sølvgade 24, 1, 1307 København K

Company reg. no. 25 83 38 05

Annual report

1 January - 31 December 2015

The annual report have been submitted and approved by the general meeting on the 25 June 2016.

Christopher Peter Wood
Chairman of the meeting

Contents

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Deep Water Slender Wells A/S for the financial year 1 January to 31 December 2015.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2015 and of the company's results of its activities in the financial year 1 January to 31 December 2015.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen K, 25 June 2016

Managing Director

Torben Mejnertsen

Board of directors

Raymont Anthony Harkins	Christopher Peter Wood	Torben Mejnertsen

The independent auditor's reports

To the shareholder of Deep Water Slender Wells A/S

Report on the annual accounts

We have audited the annual accounts of Deep Water Slender Wells A/S for the financial year 1 January to 31 December 2015, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control considered necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

The independent auditor's reports

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January to 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the performed audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Copenhagen, 25 June 2016

Redmark
State Authorised Public Accountants
Company reg. no. 29 44 27 89

Henrik J. Thomsen
State Authorised Public Accountant

Company data

The company	Deep Water Slender Wells A/S Sølvgade 24, 1 1307 København K	
	Company reg. no.	25 83 38 05
	Established:	1 January 2001
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December
Board of directors	Raymont Anthony Harkins Christopher Peter Wood Torben Mejnertsen	
Managing Director	Torben Mejnertsen	
Auditors	Redmark, Statsautoriseret Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg	
Bankers	Danske Bank	

Management's review

The principal activities of the company

The purpose for the Company it to deliver engineer services and other similar business.

Development in activities and financial matters

The gross profit for the year is DKK 8.374.904 against DKK 7.998.129 last year. The results from ordinary activities after tax are DKK 12.863 against DKK 71.502 last year.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for Deep Water Slender Wells A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Accounting policies used

Contract work in progress is recognised concurrently with the progress of the production. Thus the net turnover corresponds to the sales value of the completed productions of the year (the production method). The net turnover is recognised when the total income and costs of the order and the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the financial benefits will be received by the company.

Other external costs comprise costs for sales, administration, premises, loss on debtors etc.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Work in progress for the account of others

Work in progress for the account of others is measured at the market value of the work performed. The market value is measured on basis of the scope of completion on the balance sheet date and the total expected income from the individual work in progress.

Available funds

Available funds comprise cash at bank.

Accounting policies used

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account 1 January - 31 December

All amounts in DKK.

Note		2015	2014
	Gross profit	**8.374.904**	**7.998.129**
1	Staff costs	-8.366.625	-7.839.091
	Depreciation and writedown relating to tangible fixed assets	0	-22.735
	Results before net financials	**8.279**	**136.303**
	Other financial income	8.473	5.099
	Other financial costs	-72	-43.888
	Results before tax	**16.680**	**97.514**
2	Tax on ordinary results	-3.817	-26.012
	Results for the year	**12.863**	**71.502**
	Proposed distribution of the results:		
	Allocated to results brought forward	12.863	71.502
	Distribution in total	**12.863**	**71.502**

Balance sheet 31 December

All amounts in DKK.

Note	Assets	2015	2014
	Fixed assets		
	Deposits	0	68.640
	Financial fixed assets in total	0	68.640
	Fixed assets in total	**0**	**68.640**
	Current assets		
	Trade debtors	719.868	867.624
	Work in progress for the account of others	812.808	501.480
	Amounts owed by group enterprises	1.025.259	0
	Deferred tax assets	4.965	6.620
	Receivable corporate tax	13.838	0
	Other debtors	17.612	1.335
	Debtors in total	2.594.350	1.377.059
	Available funds	975.248	1.881.037
	Current assets in total	**3.569.598**	**3.258.096**
	Assets in total	**3.569.598**	**3.326.736**

Balance sheet 31 December

All amounts in DKK.

Note	Equity and liabilities	2015	2014
	Equity		
3	Contributed capital	500.000	500.000
4	Results brought forward	401.726	388.863
	Equity in total	**901.726**	**888.863**
	Liabilities		
	Trade creditors	42.545	133.361
	Debt to group enterprises	0	60.874
	Debt to shareholders and management	1.011.481	846.029
	Corporate tax	0	22.583
	Other debts	1.613.846	1.375.026
	Short-term liabilities in total	2.667.872	2.437.873
	Liabilities in total	**2.667.872**	**2.437.873**
	Equity and liabilities in total	**3.569.598**	**3.326.736**

5 Mortgage and securities

Notes

All amounts in DKK.

		2015	2014
1.	**Staff costs**		
	Salaries and wages	8.252.783	7.761.865
	Other costs for social security	51.365	44.444
	Other staff costs	62.477	32.782
		8.366.625	**7.839.091**

		2015	2014
2.	**Tax on ordinary results**		
	Tax of the results for the year, parent company	2.162	32.632
	Adjustment for the year of deferred tax	1.655	-6.620
		3.817	**26.012**

Notes

All amounts in DKK.

	31/12 2015	31/12 2014
3. Contributed capital		
Contributed capital 1 January 2015	500.000	500.000
	500.000	**500.000**

The share capital consists of 500 shares, each with a nominal value of DKK 1,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

4. Results brought forward		
Results brought forward 1 January 2015	388.863	192.361
Profit or loss for the year brought forward	12.863	71.502
Transfer from share premium account	0	125.000
	401.726	**388.863**

5. Mortgage and securities

The Company has not pledged or provided securities as of 31 December 2015.