

Maersk Oil Colombia A/S

CVR-No. 28520727

Annual Report 2016



Approved at the General Assembly: 30 May 2017
Chairman of the meeting: Majbritt Perotti Carlson

Esplanaden 50, 1263 Copenhagen K



Company information

Maersk Oil Colombia A/S
Esplanaden 50
1263 Copenhagen K

CVR-No.: 28520727
Date of incorporation: 02 March 2003
Registered office: Copenhagen
Financial year: 01 January 2016 - 31 December 2016

Board of Directors

Gretchen H. Watkins (Chairman)
Carsten Sonne-Schmidt (Vice Chairman)
Samir Abboud

Executive Board

Alan Thomas McInally

Branch

Maersk Oil Colombia A/S Sucursal Colombiana
Av. Cra 45 N. 103-34/40 Piso 8
Bogota D.C
Colombia

Directors' Report

Activities

The company is a wholly owned subsidiary of Mærsk Olie og Gas A/S.

The company participated in exploration for oil and gas with a 40% stake in the Tierra Negra licence located onshore in Colombia. The drilling of one exploration well, Homero -1, was completed in 2007 with no hydrocarbon discovery and the licence expired in 2008.

Financial review

Financial performance of the year

The result for 2016 is a loss of USD 71 thousand, compared to an income of USD 35 thousand in 2015.

Guidance for 2017

The result for 2017 is expected to be in line with 2016, reflecting that there are no new activities in the company.

Management's Statement

The Board of Directors and Executive Board have today discussed and approved the annual report of Maersk Oil Colombia A/S for 2016.

The annual report for 2016 of Maersk Oil Colombia A/S has been prepared in accordance with Danish Financial Statements Act and in our opinion gives a true and fair view of the Company's assets, liabilities and the financial position at 31 December 2016 and of the results of the Company's operations for the financial year 2016.

In our opinion the Directors' report includes a fair review of the development in and the result of the Company's operations and financial conditions, the result for the year and financial position.

We recommend that the annual report be approved at the Annual General Meeting.

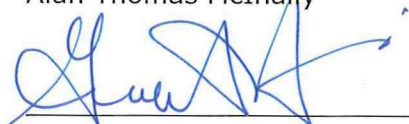
In 2010, a decision was taken to opt out of auditing the Financial Statements in accordance with provision 135 of the Danish Financial Statements Act. The conditions for this exemption are still applicable.

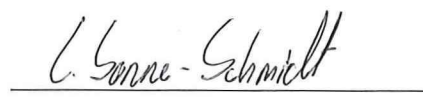
Copenhagen, 30 May 2017

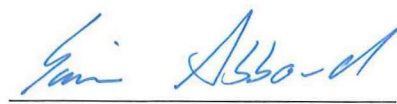
Executive Board:


Alan Thomas McInally

Board of Directors:


Gretchen H. Watkins
(Chairman)


Carsten Sonne-Schmidt
(Vice Chairman)


Samir Abboud

Accounting Policies

The Annual Report for 2016 of Maersk Oil Colombia A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to class B companies.

The accounting policies for the Financial Statements are unchanged from last year.

Foreign Currency

The functional currency is USD. The Annual Report is presented in USD, in accordance with provision 16 of the Danish Financial Statements Act. The exchange rate of USD to DKK was 7.0550 at 31 December 2016 (2015: DKK 6.8300).

Monetary assets and liabilities in currencies other than USD are translated at the exchange rate at the balance sheet date. Transactions in currencies other than USD are translated at the exchange rate prevailing at the date of the transaction.

Exchange rate gains and losses are included in the income statement as financial income and expenses.

The Income Statement

Administrative expenses comprise parent company overhead and other general administrative expenses.

Financial items comprise interest and currency exchange rate gains and losses from translation of cash, receivables and debt in foreign currencies other than USD.

The Company is jointly taxed with a number of Danish companies in the A.P. Møller - Mærsk Group. **Tax on profit** for the year includes the amount estimated to be paid for the year as well as adjustments regarding previous years and change in deferred tax.

Provision for deferred tax is made on temporary differences between the accounting and tax values of assets and liabilities. Deferred tax on temporary differences which at the time of the transaction does not affect the financial result or the taxable income is not recognised.

Deferred tax assets are only recognised to the extent that it is probable that they can be utilised against future taxable income.

The Balance Sheet

Receivables are measured at nominal value which in all material respects corresponds to amortised cost. Write-down is made for anticipated losses on an individual basis.

Dividend for distribution regarding the financial year is included as part of the **equity**.

Debt to group, suppliers etc. is measured at amortised cost price or lower net realisable value, which in most situations corresponds to the nominal value.

MAERSK OIL COLOMBIA A/S
INCOME STATEMENT
FOR 2016

Note	USD 1,000	
	2016	2015
1. Administrative expenses	48	(27)
Result before financial items and tax	(48)	27
2. Financial income	1	5
3. Financial expenses	20	2
Profit before tax	(67)	30
4. Tax for the year	4	(5)
RESULT FOR THE YEAR	(71)	35
Proposed distribution of net result		
Retained earnings	(71)	35
	(71)	35

MAERSK OIL COLOMBIA A/S
BALANCE SHEET AT 31.12.2016

Note	USD 1,000	
	2016	2015
ASSETS		
CURRENT ASSETS		
Receivables		
Receivables Group companies	249	264
	249	264
Cash	299	390
TOTAL CURRENT ASSETS	548	654
TOTAL ASSETS	548	654

MAERSK OIL COLOMBIA A/S
BALANCE SHEET AT 31.12.2016

Note	USD 1,000	
	2016	2015
LIABILITIES AND EQUITY		
5. EQUITY		
Share capital	1,618	1,618
Retained earnings	(1,538)	(1,467)
	<u>80</u>	<u>151</u>
CURRENT LIABILITIES		
Trade payables	463	498
Payables to Group companies	5	5
	<u>468</u>	<u>503</u>
TOTAL LIABILITIES	<u>468</u>	<u>503</u>
TOTAL LIABILITIES AND EQUITY	<u>548</u>	<u>654</u>
6. Contingencies etc.		
7. Related parties		

MAERSK OIL COLOMBIA A/S

Notes as at 31.12.2016

(USD 1,000)

Note 1, Staff costs

The Company has no employees, as all those engaged are employed in Rederiet A.P. Møller A/S.

USD 1,000

Note 2, Financial income

Exchange rate adjustments etc.

2016	2015
1	5
1	5

Note 3, Financial expenses

Other interest expense

Exchange rate adjustments etc.

19	0
1	2
20	2

Note 4, Corporate tax

Tax expense on profit for the year is USD 4 thousand (2015: income of USD 5 thousands).

This Company is part of a joint taxation scheme with the A.P. Møller-Mærsk Group. The tax is divided between the members of the joint taxation scheme by use of the full allocation method.

Note 5, Equity

USD 1,000

Share capital

Share capital at 01.01

Share capital at 31.12

2016**2015**

1,618

1,618

1,618

1,618

Retained earnings

Retained earnings at 01.01

(1,467)

(1,502)

Transferred from result for the year

(71)

35

Retained earnings at 31.12

(1,538)

(1,467)

Total equity

80

151

Share capital consists of the following shares:

Number

Nominal, DKK

1,000

1,000

1

100,000

1

250,000

1

500,000

1

800,000

1

1,000,000

1

2,000,000

1

3,350,000

Total nominal

value in DKK

9,000,000

Share capital, changes:

Increase of capital 3 October 2013

1,000,000

Note 6, Contingencies

The Company is jointly taxed with Danish companies within the A.P. Møller-Mærsk Group. This entails unlimited joint liability for Danish corporation taxes and withholding taxes on dividends, interests and royalties within the jointly taxed companies. A similar obligation exists for joint registration of VAT.

Note 7, Related parties

Companies in the A.P. Møller-Mærsk Group and the Executive board and board members of the Company are related parties. All transactions with related parties are carried out on arm's length.

Parties exercising control

The Company is 100% owned by Mærsk Olie og Gas A/S. The consolidated Maersk Oil Financial Statements are available at the Company's address, Esplanaden 50, 1263 Copenhagen K, Denmark.

The ultimate parent company is A.P. Møller Holding A/S. The consolidated Financial Statements of A.P. Møller Holding A/S are available at the Company's address, Esplanaden 50, 1098 Copenhagen K, Denmark.

The Company is included in both consolidated Financial Statements as a subsidiary.