



Grant Thornton

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Elko Energy A/S
Stockholmsgade 45, 2100 København

Company reg. no. 29 41 83 65

Annual report

1 January - 31 December 2015

The annual report have been submitted and approved by the general meeting on the 23 May 2016.

A handwritten signature in black ink, appearing to read 'JS', written over a horizontal line.

Joel Silberstein
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Auditor's report on compilation of the annual accounts	2
Company data	
Company data	3
Annual accounts 1 January - 31 December 2015	
Accounting policies used	4
Profit and loss account	6
Balance sheet	7
Notes	9

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Elko Energy 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.

The board of directors and the managing director considers the requirements of omission of audit of the annual accounts for 2015 as met.

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

København, 23 May 2016

Managing Director

Peter Lemon Moir

Board of directors

Jan Petrus Nelson
chairman

Peter Lemon Moir

Joel Messod Silberstein

Auditor's report on compilation of the annual accounts

To the management of Elko Energy A/S

We have compiled the annual accounts of Elko Energy A/S for the period 1 January to 31 December 2015 based on the bookkeeping of the company and on further information you have provided.

The annual accounts comprise the accounting policies used, profit and loss account, balance sheet and notes

We performed this engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the annual accounts in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.


The annual accounts and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the annual accounts. Accordingly, we do not express an audit opinion or a review conclusion on whether the annual accounts are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 23 May 2016

Grant Thornton

Company reg. no. 34 20 99 36



Michael Beuchert
State Authorised Public Accountant

Company data

The company

Elko Energy A/S
Stockholmsgade 45
2100 København

Company reg. no. 29 41 83 65
Financial year: 1 January - 31 December

Board of directors

Jan Petrus Nelson, chairman
Peter Lemon Moir
Joel Messod Silberstein

Managing Director

Peter Lemon Moir

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Accounting policies used

The annual report for Elko Energy 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).

The profit and loss account

Gross loss

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

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.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

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.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Accounting policies used

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

Liabilities concerning investment property are measured at fair value. Value adjustments are recognised in the profit and loss account in the item "Value adjustments concerning property".

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.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Gross loss	-278.648	-31.000
Operating profit	-278.648	-31.000
3 Other financial costs	<u>-1.300.774</u>	<u>-1.271.432</u>
Results before tax	-1.579.422	-1.302.432
Results for the year	<u>-1.579.422</u>	<u>-1.302.432</u>
Proposed distribution of the results:		
Allocated from results brought forward	<u>-1.579.422</u>	<u>-1.302.432</u>
Distribution in total	<u>-1.579.422</u>	<u>-1.302.432</u>

Balance sheet 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2015</u>	<u>2014</u>
Current assets		
Other receivables	5.450	6.250
Receivables in total	<u>5.450</u>	<u>6.250</u>
Current assets in total	<u>5.450</u>	<u>6.250</u>
Assets in total	<u>5.450</u>	<u>6.250</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2015</u>	<u>2014</u>
Equity			
6	Contributed capital	500.000	500.000
7	Results brought forward	-68.926.460	-67.347.038
	Equity in total	-68.426.460	-66.847.038
Liabilities			
	Debt to group enterprises	68.122.671	66.552.549
	Long-term liabilities in total	68.122.671	66.552.549
	Bank debts	231.930	231.930
	Trade payables	121.556	121.556
	Other debts	-44.247	-52.747
	Short-term liabilities in total	309.239	300.739
	Liabilities in total	68.431.910	66.853.288
	Equity and liabilities in total	5.450	6.250
8	Contingencies		
9	Related parties		

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The company has lost more than half of the subscribed capital. Management expects to re-establish the capital through continued operations. As a consequence of the negative equity, the Company's related parties have submitted a letter of support concerning current injection of required capital into the Company. The letter of support is valid for at least twelve months beyond the date of approval of the financial statements for 2015.

2. The significant activities of the enterprise

The Company's primary activities comprise oil and gas exploration in the Danish area of the North Sea.

	<u>2015</u>	<u>2014</u>
3. Other financial costs		
Interest, group enterprises	1.300.774	1.271.432
	<u>1.300.774</u>	<u>1.271.432</u>
4. Completed development projects, including concessions, patents, trade marks and similar rights arising from development projects		
Cost 1 January 2015	55.996.973	55.996.973
Cost 31 December 2015	<u>55.996.973</u>	<u>55.996.973</u>
Amortisation and writedown 1 January 2015	-55.996.973	-55.996.973
Amortisation and writedown 31 December 2015	<u>-55.996.973</u>	<u>-55.996.973</u>
5. Acquired licenses		
Cost 1 January 2015	33.000	33.000
Cost 31 December 2015	<u>33.000</u>	<u>33.000</u>
Amortisation and writedown 1 January 2015	-33.000	-33.000
Amortisation and writedown 31 December 2015	<u>-33.000</u>	<u>-33.000</u>

Notes

All amounts in DKK.

	<u>31/12 2015</u>	<u>31/12 2014</u>
6. Contributed capital		
Contributed capital 1 January 2015	500.000	500.000
	<u>500.000</u>	<u>500.000</u>

The share capital consists of 500 shares, each with a nominal value of DKK 1,000. No shares hold particular rights.

7. Results brought forward		
Results brought forward 1 January 2015	-67.347.038	-66.044.606
Profit or loss for the year brought forward	-1.579.422	-1.302.432
	<u>-68.926.460</u>	<u>-67.347.038</u>

8. Contingencies

None

9. Related parties**Ownership**

According to the company's list of shareholders, the following shareholders own a minimum of 5 % of the voting rights or a minimum of 5 % of the share capital:

RPK Finance and Holdings BV, Burgemeester de Manlaan 2, 4837 BN Breda, the Netherlands