

**Elko Energy A/S**  
Stockholmsgade 45, 2100 København

Company reg. no. 29 41 83 65

**Annual report**

**1 January - 31 December 2016**

The annual report have been submitted and approved by the general meeting on the 24 May 2017



Joel Messod Silberstein  
Chairman of the meeting

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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**

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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 2016.

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 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

The board of directors and the managing director considers the requirements of omission of audit of the annual accounts for 2016 as met.

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

København, 24 May 2017

### **Managing Director**

Peter Lemon Moir

### **Board of directors**

Joel Messod Silberstein  
chairman

Peter Lemon Moir

Colin Bird

## Auditor's report on compilation of the annual accounts

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### 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 2016 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, 24 May 2017

**Grant Thornton**  
State Authorised Public Accountants  
Company reg. no. 34 20 99 36

  
Michael Beuchert  
State Authorised Public Accountant

## Company data

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**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**

Joel Messod Silberstein, chairman  
Peter Lemon Moir  
Colin Bird

**Managing Director**

Peter Lemon Moir

**Auditors**

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København O

## **Accounting policies used**

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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 administration.

#### **Net financials**

Net financials comprise interest expenses. 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.

Bank debt is measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan.

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>2016</u>	<u>2015</u>
<b>Gross loss</b>	<b>-229.529</b>	<b>-278.648</b>
<b>Operating profit</b>	<b>-229.529</b>	<b>-278.648</b>
3 Other financial costs	-1.323.985	-1.300.774
<b>Results for the year</b>	<b>-1.553.514</b>	<b>-1.579.422</b>
<b>Proposed distribution of the results:</b>		
Allocated from results brought forward	-1.553.514	-1.579.422
<b>Distribution in total</b>	<b>-1.553.514</b>	<b>-1.579.422</b>

**Balance sheet 31 December**

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All amounts in DKK

	2016	2015
<b>Assets</b>		
Note		
<b>Current assets</b>		
Other debtors	63.198	49.697
Debtors in total	<u>63.198</u>	<u>49.697</u>
<b>Current assets in total</b>	<b><u>63.198</u></b>	<b><u>49.697</u></b>
<b>Assets in total</b>	<b><u>63.198</u></b>	<b><u>49.697</u></b>



**Balance sheet 31 December**

All amounts in DKK.

<b>Equity and liabilities</b>		2016	2015
Note			
<b>Equity</b>			
4	Contributed capital	500.000	500.000
5	Results brought forward	-70.479.974	-68.926.460
	<b>Equity in total</b>	<b>-69.979.974</b>	<b>-68.426.460</b>
<b>Liabilities</b>			
	Debt to group enterprises	69.689.686	68.122.671
	Long-term liabilities in total	69.689.686	68.122.671
	Bank debts	231.930	231.930
	Trade creditors	121.556	121.556
	Short-term liabilities in total	353.486	353.486
	<b>Liabilities in total</b>	<b>70.043.172</b>	<b>68.476.157</b>
	<b>Equity and liabilities in total</b>	<b>63.198</b>	<b>49.697</b>

- 1 The significant activities of the enterprise
- 2 Uncertainties concerning the enterprise's ability to continue as a going concern
- 6 Contingencies
- 7 Related parties

**Notes**

All amounts in DKK.

	<u>2016</u>	<u>2015</u>
<b>1. The significant activities of the enterprise</b>		
The Company's primary activities comprise oil and gas exploration in the Danish area of the North Sea		
<b>2. Uncertainties concerning the enterprise's ability to continue as a going concern</b>		
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 2016.		
<b>3. Other financial costs</b>		
Financial costs, group enterprises	<u>1.323.985</u>	<u>1.300.774</u>
	<b><u>1.323.985</u></b>	<b><u>1.300.774</u></b>
<b>4. Contributed capital</b>		
Contributed capital 1 January	<u>500.000</u>	<u>500.000</u>
	<b><u>500.000</u></b>	<b><u>500.000</u></b>
The share capital consists of 500 shares, each with a nominal value of DKK 1,000. No shares hold particular rights.		
<b>5. Results brought forward</b>		
Results brought forward 1 January	-68.926.460	-67.347.038
Profit or loss for the year brought forward	<u>-1.553.514</u>	<u>-1.579.422</u>
	<b><u>-70.479.974</u></b>	<b><u>-68.926.460</u></b>
<b>6. Contingencies</b>		
None.		

## Notes

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All amounts in DKK.

### 7. Related parties

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