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Elko Energy A/S
Stockholmsgade 45, 2100 København Ø

Company reg. no. 29 41 83 65

Annual report

1 January - 31 December 2017

The annual report have been submitted and approved by the general meeting on the 25 May 2018.


Joel Messod Silberstein
Chairman of the meeting

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Notes to users of the English version of this document:

- 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 2017.

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 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

The board of directors and the managing director considers the requirements of omission of audit of the annual accounts for 2017 as met.

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

Copenhagen, 25 May 2018

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

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 2017 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, 25 May 2018

Grant Thornton

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



Michael Beuchert
State Authorised Public Accountant
MNE-nr. 32794

Company data

The company	Elko Energy A/S Stockholmsgade 45 2100 København Ø
	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 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

The gross loss comprises external costs.

Other external costs comprise costs for administration e.t.c.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

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.

Available funds

Available funds comprise cash at bank.

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

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

<u>Note</u>	<u>2017</u>	<u>2016</u>
Gross loss	-195.969	-230
Other financial income	28.588	0
2 Other financial costs	<u>-1.356.964</u>	<u>-1.324</u>
Results before tax	-1.524.345	-1.554
Results for the year	<u>-1.524.345</u>	<u>-1.554</u>
Proposed distribution of the results:		
Allocated from results brought forward	<u>-1.524.345</u>	<u>-1.554</u>
Distribution in total	<u>-1.524.345</u>	<u>-1.554</u>

Balance sheet 31 December

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

<u>Note</u>	<u>2017</u>	<u>2016</u>
Assets		
Current assets		
Other debtors	57.746	63
Debtors in total	57.746	63
Available funds	75.155	0
Current assets in total	132.901	63
Assets in total	132.901	63

Balance sheet 31 December

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

Equity and liabilities			
<u>Note</u>	<u>2017</u>	<u>2016</u>	
Equity			
3	Contributed capital	500.000	500
4	Results brought forward	-72.004.319	-70.480
	Equity in total	-71.504.319	-69.980
Liabilities			
	Debt to group enterprises	71.283.734	69.689
	Long-term liabilities in total	71.283.734	69.689
	Bank debts	231.930	232
	Trade creditors	121.556	122
	Short-term liabilities in total	353.486	354
	Liabilities in total	71.637.220	70.043
	Equity and liabilities in total	132.901	63

1 The significant activities of the enterprise

5 Contingencies

6 Related parties

Notes

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

1. The significant activities of the enterprise

The Company's primary activities comprise oil and gas exploitation in the Danish area of the North Sea, however no exploration is currently ongoing.

	<u>2017</u>	<u>2016</u>
2. Other financial costs		
Interests, group enterprises	1.356.964	1.324
	<u>1.356.964</u>	<u>1.324</u>
3. Contributed capital		
Contributed capital 1 January	500.000	500
	<u>500.000</u>	<u>500</u>
<p>The share capital consists of 500 shares, each with a nominal value of DKK 1,000. No shares hold particular rights.</p>		
4. Results brought forward		
Results brought forward 1 January	-70.479.974	-68.926
Profit or loss for the year brought forward	-1.524.345	-1.554
	<u>-72.004.319</u>	<u>-70.480</u>

5. Contingencies

None.

Notes

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

6. 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