

Annual Report 2019

Spirit Energy Danmark ApS

Philip Heymans Alle 7, 2900 Hellerup
Central Business Registration No 31627117

The Annual General Meeting adopted the annual report on 28.05.2020

Chairman of the General Meeting

DocuSigned by:

Sindre Aase

Sindre Aase

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Spirit Energy Danmark ApS for the financial year 01.01.2019 – 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statement Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 – 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Oslo, 28.05.2020

Board of Directors

DocuSigned by:

F52F89502EFF423
Dag Omre
Chairman of the Board

DocuSigned by:

42C3204A9EE648E
Kjersti Wilschow
Board Member

DocuSigned by:

9B74D2A2E71E41C
Nicola MacLeod
Board Member

Independent auditor's report

To the shareholders of Spirit Energy Danmark ApS

Opinion

We have audited the financial statements of Spirit Energy Danmark ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 28.05.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56



Lars Hillebrand
State-Authorised
Public Accountant
MNE no 26712

Spirit Energy Danmark ApS

Management Commentary

1. The Business

Spirit Energy Danmark ApS («The Company») is an oil and gas exploration and field development company registered in Denmark. The Company holds ownership in four licences and one unit on the Danish continental shelf; 15% in licence 5/98 (Hejre), 12% in licence 1/06 (Hejre Extension), and 27,66% in Solsort Unit. The ownership in Solsort Unit was the result of ownership in two of the Unit licences; 30% in licence 4/98 and 30% in licence 3/09. INEOS Oil and Gas Denmark is the operator of all these licences.

The Company is a 100% owned subsidiary of Bayerngas Norge AS.

2. Continued Operations

The financial statements have been presented based on the assumption of continued operations, and the Board of Directors confirms that the prerequisites for this assumption are present. Bayerngas Norge AS have signed a SPA with INEOS E&P A/S the 28 February 2020 to divest the company.

Total equity 31st December 2019 is negative by of 386 million Danish kroner. Spirit Energy Limited have the 27th of May 2020 provided letter of support to Spirit Energy Danmark ApS. The capital will be increased in 2020 at completion of the sale to INEOS E&P A/S.

Main Activities in 2019

In 2017 Dong Energy concluded a Sales and Purchase Agreement with INEOS divesting its Oil and Gas Business. After this transaction INEOS Oil and Gas Denmark (now INEOS Oil & Gas Scandinavia) became the operator of licence 5/98-Hejre.

Following the termination of the Hejre EPC contract in 2016, several re-development concepts have been studied for Hejre, both stand-alone concepts and combined Hejre and Solsort developments.

The extended feasibility phase for Hejre in 2018 has resulted in successful passing of the Feasibility Decision Gate end of Q1, 2019 with hosted solutions being the preferred development solution at this stage.

The Concept Select phase started in Q2 2019 with study work for two main concepts; tie-back to Harald and tie-back to Siri, and throughout the year technical studies and commercial discussions have been taking place. The Concept Select phase is planned to be concluded by Q2 2020 and currently there are ongoing activities to close-out technical studies and conclude commercial negotiations. During 2019 there has also been done work to plan for the next phase with Front End Engineering and Design (FEED) leading up to a potential Final Investment Decision (FID) in 2021.

As a result of the delayed Hejre development, the Hejre licence partners negotiated with Danish Oil Pipe (DOP) regarding an Amendment to the Hejre Transportation Agreement. The Amendment was concluded by the party's, approved by the Authorities and the first down payment was done in Q3 2019 according to the Amendment to the Hejre Transportation Agreement. An Amendment to the

Model Transportation Agreement, which will give 3rd party shippers in the Gas Separation Facility predictable tariffs, has also been negotiated with DOP and approved by relevant Authorities.

3. Outlook

The concept select phase for Hejre will be concluded in Q2 2020. Key activities are within the facilities, subsurface and commercial arena to mature the concepts and to be able to select a concept for a continued Hejre development. The Authorities did set a deadline for a revised Hejre Declaration of Commerciality (DoC) and a draft DoC was sent by end of April 2020 within the deadline. The Hejre licence plans to a concept select decision gate in May, and follow-up with a revised Hejre PDO by end of Q2 2020. The Covid-19 situation has created some additional constraints on progressing the Hejre development project as Denmark has been locked down for a period, with a potential delay.

A positive Concept Select Decision and submittal of revised DoC and PDO, will be the start for next phase with FEED. The current planning is to start FEED in Q3 2020 and be able to conclude a potential FID in 2021 thereafter an execution phase for Hejre Project can start. The concept select phase for Solsort is currently planned to be completed at the latest within Q1 2021, which is the most recent deadline for PDO submittal approved by the Authorities. Key activities are as within Hejre development with an even stronger focus on third party access regulation as the Solsort Unit only considers one concept with a tie-back to South Arne facilities as host.

4. Report of Financial Statement

Net loss for the year is MDKK 786, compared to a loss of MDKK 31 in 2018.

It is the Board of Directors' opinion that the financial statements, which include income statement, balance sheet and notes, give a true and fair view of the state of the affairs of the Company.

5. The Company's Financial Position

The Company does not yet have any sales revenue and is currently financed by a loan from Spirit Energy Treasury Ltd.

The company has of 31st December 2019 a negative equity of 386 million Danish kroner. Spirit Energy Limited have the 27th of May 2020 provided letter of support to Spirit Energy Danmark ApS. Bayerngas Norge AS have signed a SPA with INEOS E&P A/S the 28 February 2020 to divest the company. Bayerngas Norge AS will increase the capital in the company in 2020 at completion of the sale to INEOS E&P A/S.

6. Uncertainties

Business risks

Development of gas and oil fields implies risks, such as finding and applying feasible solutions, both economically and technically. There are also uncertainties related to production capacity, reserves, geological conditions, future oil and gas prices and currency exchange rates.

Reserve estimates

Expected reserves are used as one of the criteria for impairment testing in the Group. Expected reserves are the estimated remaining commercially recoverable quantities from projects based on judgement of future economic conditions. Recoverable oil and gas quantities are always uncertain, and the expected value is the weighted average of possible outcomes.

Development projects

The Hejre project continues to be a challenging development project. The reduced reserves compared with the previous PDO assumptions for the legacy project terminated in 2016 together with lower assumed oil prices, makes it challenging to improve the project economics and secure a continued project. However ongoing concept select work have further matured and improved the understanding of the development project. The current plan is still to deliver a revised Declaration of Commerciality (DoC) and revised Plan for Development and Operations (PDO) in Q2 2020, following a successful review and approval process of the Hejre project Concept Select Decision Gate.

The Solsort field continues to be a challenging development project. The reduced reserves together with cost levels imposed to the development challenge the economy of the project. Solsort concept select phase consist only of one concept and is therefore vulnerable by not having competitive concepts. The Operator mitigate this by enabling the licence partners to perform verifications of the project economy and risks on a regular basis based on most recent information and thereby attempt to correct direction and undesired development of costs on the one concept.

7. Allocation of Financial Result

It is the Board of Director's opinion that the financial statements, which include income statement, balance sheet and notes, give a true and fair view of the state of the affairs of the Company.

The Board of Directors recommends that the Company allocate the 2019 net loss for the year as presented in the income statement.

8. Events After the Balance Sheet Date

The Hejre Gas Swap agreement between Ørsted Salg og Service A/S and Spirit Energy Danmark APS was terminated and settled 20 February 2020.

Bayerngas Norge AS have signed a SPA with INEOS E&P A/S the 28th of February 2020, in line with Spirit Energy's strategy of managing the portfolio concluding that the Danish assets are no longer core to Spirit Energy. INEOS is the operator of Hejre and Solsort. The sales agreement is subject to approval from the Danish Energy Agency (DEA) and other relevant authorities with an expectation to be able to complete the transaction in 2020. The Hejre revised DoC and revised PDO are planned to be sent to DEA in Q2 2020 with a revised commitment to develop Hejre, since the previous project was terminated in 2016. However, there is an alignment between INEOS, Spirit Energy and DEA, that the Hejre DoC and Hejre PDO will only be sent in draft version prior to the sales agreement between Spirit Energy and INEOS is approved by DEA and finalised. This to avoid that Spirit Energy is taking on further liability on Hejre development project now. The Solsort Unit do not have any similar commitments currently planned before an expected approval by DEA of Bayerngas Norge AS sale to INEOS E&P A/S.

Subsequent to the year end, global oil prices have fallen by approximately 50%. This is partly due to the global outbreak of the COVID-19 virus and partly due to Saudi Arabia's decision to increase production. Although it is not possible to reliably estimate the length or severity of the developments, and hence their financial impact, should oil prices remain, at or below, the current prevailing levels for an extended period of time. The COVID-19 situation has created some additional constraints on progressing the Hejre development project as Denmark has been locked down for a period, with a potential delay in deadlines and other planned dates.

Spirit Energy Danmark ApS

Income Statement (DKK 1.000)

	Notes	2019	2018
OPERATING EXPENSES			
Other operating income		0	406
Exploration expenses		1 418	3 322
Production expenses	13	8 691	1 303
Other operating expenses	2	17 196	13 461
GROSS INCOME/LOSS (-)		(27 304)	(17 680)
Payroll and related expenses	2	76	2 923
Impairment of intangible and tangible assets	5	773 751	0
OPERATING INCOME/LOSS (-)		(801 132)	(20 603)
FINANCIAL ITEMS			
Financial income	3	2 117	562
Financial expenses	4	10 414	10 494
NET INCOME/(LOSS) BEFORE TAX		(809 429)	(30 535)
Income tax	9	23 650	0
NET INCOME/(LOSS) FOR THE YEAR		(785 779)	(30 535)
APPROPRIATIONS			
Transfer to/from (-) other equity	8	(785 779)	(30 535)
Total		(785 779)	(30 535)

Spirit Energy Danmark ApS

Balance Sheet (DKK 1.000)

Assets	Notes	31.12.2019	31.12.2018
NON-CURRENT ASSETS			
Intangible assets			
Exploration and licence acquisition cost	5	0	58 715
Total intangible assets		0	58 715
Tangible assets			
Oil and gas properties	5	62 398	775 645
Total tangible assets		62 398	775 645
Total fixed assets		62 398	834 360
Current receivables from group companies	6	12 237	887
Other receivables		8 337	14 015
Tax refund	9	15 713	0
Total receivables		36 287	14 901
Bank deposits	10	2 583	2 233
Total current assets		38 869	17 135
TOTAL ASSETS		101 267	851 495

Spirit Energy Danmark ApS

Balance Sheet (DKK 1.000)

Equity and liabilities	Notes	31.12.2019	31.12.2018
EQUITY			
Paid-in capital			
Share capital	8	3 075	3 074
Premium reserve	8	3 335 568	3 203 569
Uncovered loss	8	(3 725 032)	(2 939 254)
Total equity		(386 389)	267 390
Other non-current liabilities	7	150 956	484 923
Total non-current liabilities		150 956	484 923
Current liabilities			
Current liabilities to group companies	6	1 242	41 638
Trade and other payables	7	335 458	57 545
Total current liabilities		336 700	99 183
Total liabilities		487 656	584 106
TOTAL EQUITY AND LIABILITIES		101 267	851 495

Accounting Policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable because of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On Initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement Item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

The Company's functional currency is DKK. Foreign currency transactions are recorded using average exchange rates in the month of the transaction. Monetary items denominated in foreign currencies are converted to DKK using exchange rates at the balance sheet date. The resulting realized, and unrealized currency gains and losses are included in the income statement.

Income statement

Other operating Income

Other operating Income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in Inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant Inventories.

Other external expenses

Other external expenses Include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognized in current assets

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depredation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year.

Calculated based on the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of Intangible assets as well as property, plant and equipment.

Research and development (R&D)

R&D cost is expensed as incurred.

Other financial Income

Other financial Income comprises dividends etc. received on other investments, interest Income, including interest income on receivables from group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including Interest expenses on payables to group enterprises.

Balance sheet

Exploration and License acquisition costs

Exploration and evaluation expenditure associated with an exploration well, including acquisition costs related to exploration and evaluation activities are capitalized Initially as Intangible assets. Other exploration costs, such as geological and geophysical exploration costs are expensed.

Exploration expenses for the development of wells where there is evidence of hydrocarbon reservoir are recognized at cost as Intangible asset. When a decision on field development is made, exploration cost is transferred to development projects in progress under intangible fixed assets.

Licenses and exploration cost are amortized based on production method from the time the field is put into operation, not exceeding 20 years.

For exploration licenses acquisition cost is impairment-tested based on a potential value assessment, whereby estimated recoverable resources are assigned a value per barrel.

Property, plant and equipment

Maintenance and repairs are expensed as Incurred. Significant costs incurred to Increase production capacity or extend the useful economic life of production facilities are capitalized.

The Company follows the "Successful Efforts" method in accounting for exploration and development costs. All exploration costs, except for drilling costs of exploration wells, are charged to expense as incurred. Exploration wells are capitalized until we see that they have no commercial potential. Wells without commercial potential are expensed.

Fields in production is depleted based on the Units of Production (Up) method. Goodwill is amortized over five years on a straight-line basis. Equipment and furniture are depreciated on a straight-line basis over the expected useful life per asset. Useful life is typically three to five years.

Fixtures and fittings are measured at cost less accumulated depreciation.

Depreciation of fixtures and fittings straight-line basis over the estimated useful life of 3-5years.

Depreciation and impairment losses are recognized under production costs, exploration costs and administrative expenses. Gains and losses on disposal of fixed assets included in the income statement.

Tangible fixed assets are written down to the recoverable amount If this is lower than the carrying amount. An Impairment test of each Individual asset or group of assets Is carried out If there is evidence of Impairment.

Receivables

Receivables are measured at amortised cost, usually equaling nominal value less write-downs for bad and doubtful debts.

Other provisions

Other provisions comprise of abandonment obligations.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date is measured at their discounted value.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis In the Income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortized cost, which usually corresponds to nominal values.

Spirit Energy Danmark ApS

Notes to the Financial Statements

Note 1 Going concern

The financial statements have been presented based on the assumption of continued operations in accordance with the sales agreement with INEOS E&P A/S from the signing date until closing.

The company has of 31th December 2019 a negative equity of 386 million Danish kroner.
Spirit Energy Limited have the 27th of May 2020 provided a letter of support to Spirit Energy Danmark ApS.

Bayerngas Norge AS have signed a SPA with INEOS E&P A/S the 28th February 2020 to divest the company to INEOS. The capital will be increased in 2020 at completion of the sale to INEOS E&P A/S. The financial statements have been presented based on the assumption of continued operations, and the Board of Directors confirms that the prerequisites for this assumption are present.

Spirit Energy Danmark ApS

Notes to the Financial Statements

Note 2 Specification of other operating expenses

Other operating expenses mainly relate to cost for administrative and management services charged by related party Spirit Energy Norway AS.

Employees

There were no employee in Spirit Energy Danmark ApS in 2019.

Remuneration to Managing Director and Board of Directors

The Managing Director of Spirit Energy Danmark ApS was employed in the group company Spirit Energy Norway AS and received salary from this company. Managing Director left Spirit Energy Norwas AS and Spirit Energy Danmark ApS in October 2019.

Loans and guarantees

No loans are granted or guarantees pledged to employees, shareholders or Directors of the Board in 2019.

Audit fees and other expenses to auditor (DKK 1 000 excl. VAT)	2019	2018
Statutory audit	44	90
Total payments to auditor	44	90

Note 3 Financial income

(DKK 1 000)	2019	2018
Currency adjustments	2 041	270
Other financial income	76	292
Total financial income	2 117	562

Note 4 Financial expenses

(DKK 1 000)	2019	2018
Guarantee expenses from group companies	2 597	4 216
Unwind of discount on decommissioning provisions	5 821	6 278
Other financial expense ⁽¹⁾	1 996	0
Total financial expenses	10 414	10 494

⁽¹⁾ Financial expense from billing on Hejre offset in currency adjustment in note 3.

Note 5 Intangible and tangible fixed assets

(DKK 1 000)	Exploration expenditure	Fields under development	Total
Cost 01.01.	198 715	2 794 748	2 993 463
Additions	10 772	6 040	16 813
Change in estimate Fredericia ⁽¹⁾	0	(3 126)	(3 126)
Change in estimate for decommissioning assets	0	(11 898)	(11 898)
Cost 31.12.2019	209 488	2 785 765	2 995 252
Accumulated impairment 01.01.	140 000	2 019 103	2 159 103
Impairment ⁽²⁾	69 488	704 264	773 751
Accumulated impairment 31.12.2019	209 488	2 723 367	2 932 854
Net book value 31.12.2019	0	62 398	62 398

⁽¹⁾ The change in estimate under Fields under development are dominated by recognising the asset value related to Fredericia gas separation facility on the balance sheet, related to the commitment of the Hejre partners to reimburse Danish Oil Pipe A/S for its investment of the Fredericia gas separation facility. Danish Oil Pipe A/S, operator of Fredericia terminal, has been responsible for the construction of the facility and the Hejre licence is obliged to pay the cost over the production period of the field.

According to the transportation agreement, the future prepayment profile will be a fixed payment schedule over 10 years starting in 2019. Spirit Energy Danmark ApS have planned to settle the obligation in 2020. The corresponding liability is recognised as trade payables (current).

⁽²⁾ An impairment of MDKK 773 751 has been recorded for the Hejre field, Solsort field and Fredericia in 2019.

Note 6 Related party transactions

Net receivables and liabilities to group companies (DKK 1 000)	2019	2018
Current receivables from group companies	12 237	887
Current liabilities to group companies	1 242	41 638
Net liabilities to group companies	10 995	(40 751)

The change in net liabilities to group companies is due to a capital increase performed by Bayerngas Norge AS in December 2019.

Note 7 Current and non-current liabilities

Other current liabilities (DKK 1 000)	2019	2018
Capital payables related to Fredericia Terminal ⁽¹⁾	326 029	52 999
Accruals for incurred expenses and other items	3 496	4 546
Other provision	5 933	0
Total other current liabilities	335 458	57 545

Other non-current liabilities (DKK 1 000)	2019	2018
Decommissioning costs ⁽²⁾	150 956	160 923
Capital payables related to Fredericia Terminal ⁽¹⁾	0	324 000
Total other non-current liabilities	150 956	484 923

⁽¹⁾ Related to obligation to repay development cost of Fredericia terminal in Denmark to Danish Oil Pipe A/S. Fredericia was built as part of the 5/98 Hejre Development, with Danish Oil Pipe A/S as the operator of the terminal. Spirit Energy Danmark ApS have planned to settle the obligation in 2020, the capital payment is therefore classified as current liability. Find more information in note 5.

⁽²⁾ The company has booked a provision for future cost of shutdown and removal of oil and gas facilities related to the Hejre field. The provision is based in the latest available estimate from the operator.

Note 8 Equity

(DKK 1 000)	Share capital ⁽¹⁾	Premium reserve	Other equity	Total equity
Equity 01.01.2019	3 074	3 203 569	(2 939 254)	267 390
Registered capital increase ⁽²⁾	1	131 999	0	132 000
Loss for the year	0	0	(785 779)	(785 779)
Equity 31.12.2019 ⁽³⁾	3 075	3 335 568	(3 725 032)	(386 389)

⁽¹⁾ The share capital as of 31st December 2019 consists of 3 075 shares with a par value of DKK 1 000 per share. All shares are owned by Bayerngas Norge AS.

⁽²⁾ 19th December 2019 the company registered a share capital increase by DKK 1 000, the premium reserves was also increased by DKK 131 999 000.

⁽³⁾ Total equity 31th Decemeber 2019 is negative by of 386 million Danish kroner.

Spirit Energy Limited have the 27th of May 2020 provided a letter of support to Spirit Energy Danmark ApS.

The capital will be increased in 2020 at completion of the sale to INEOS E&P A/S.

Note 9 Tax refund

Spirit Energy Danmark ApS was in 2018 and 2019 in a joint taxation in Denmark with Spirit Energy Petroleum Danmark AS, Centrica Energy Trading A/S, NEAS Invest A/S and NEAS Fondsmeglerselskab A/S in 2019.

Spirit Energy Petroleum Danmark AS was the administration company in 2018, changed to Spirit Energy Danmark ApS for 2019.

Tax in Profit and Loss (DKK 1000)	2019	2018
Tax refund 2019	14 848	0
Tax refund 2018 ⁽¹⁾	8 803	0
Total refund	23 650	0

⁽¹⁾ The company received for the 2018 joint taxation a refund for 2018 of DKK 7 937 732 in December 2019, the residual of DKK 864 970 relates to legal fees from prior year refunded in Q1 2020.

Tax receivable (DKK 1 000)	2019	2018
Tax refund ⁽²⁾	15 713	0
Total tax refund	15 713	0

⁽²⁾ The tax receivable as of December 2019 relates to the estimated 2019 refund from joint taxation of DKK 14 847 530 and legal cost refund from prior year of DKK 864 970.

Note 10 Restricted cash

The company have restricted cash of 65 244 DKK, related to the office rental in Copenhagen. The agreement was terminated and the depositum was refunded in 2020.

Note 11 Financial risk management

The main marked risks for Spirit Energy Danmark ApS are currency fluctuation between pound (GBP), Norwegian Kroner (NOK) and Danish kroner (DKK). The company has not entered into any contract to reduce such risk.

The company is financed by Spirit Energy Group, which have a good liquidity and no external loans as of 31th December 2019.

The credit and liquidity risk is low as the company is financed by the Spirit Energy Group that at year-end is self-financed without any external loans.

Note 12 Related parties with controlling interest

Bayerngas Norge AS, based in Stavanger, Norway, owns as of 31th December 2019 all the shares of the Company, and therefore has a controlling interest in the Company.

Note 13 Events after the balance sheet date

Hejre Gas Swap agreement between Ørsted Salg og Service A/S and Spirit Energy Danmark ApS was terminated and settled 20th February 2020. The agreement has been expensed as Production Cost in 2019.

Bayerngas Norge AS have signed a SPA with INEOS E&P A/S the 28th of February 2020, in line with Spirit Energy's strategy of managing the portfolio concluding that the Danish assets are no longer core to Spirit Energy. INEOS are the operator of Hejre. The sales agreement is subject to approval from the Danish Energy Agency (DEA) and other relevant authorities with an expectation to be able to complete the transaction in 2020. The Hejre revised DoC and revised PDO are planned to be sent to DEA in Q2 2020 with a revised commitment to develop Hejre, since the previous project was terminated in 2016. However, there is an alignment between INEOS, Spirit Energy and DEA, that the Hejre DoC and Hejre PDO will only be sent in draft version prior to the sales agreement between Spirit Energy and INEOS is approved by DEA and finalised. This to avoid that Spirit Energy are taking on further liability on Hejre development project now.

Subsequent to the year end, global oil prices have fallen by approximately 50%. This is partly due to the global outbreak of the COVID-19 virus and partly due to Saudi Arabia's decision to increase production. Although it is not possible to reliably estimate the length or severity of the developments, and hence their financial impact, should oil prices remain, at or below, the current prevailing levels for an extended period of time. The COVID-19 situation has created some additional constraints on progressing the Hejre development project as Denmark has been locked down for a period, with a potential delay in deadlines and other planned dates.