

**TEPKRI Qala Dze A/S**

**CVR-No. 32297064**

**Annual Report 2018**

A handwritten signature in blue ink, appearing to read 'Majbritt Perotti Carlson', is positioned above the approval text.

Approved at the General Assembly: 24 May 2019  
Chairman of the meeting: Majbritt Perotti Carlson

Amerika Plads 29, 2100 Copenhagen Ø

### **Company information**

TEPKRI Qala Dze A/S  
Amerika Plads 29  
2100 Copenhagen Ø  
Denmark

CVR-No.: 32297064  
Date of incorporation: 4 September 2013  
Registered office: Copenhagen  
Financial year: 1 January 2018 - 31 December 2018

### **Board of Directors**

Olivier Zoltan Marius Heurtin (Chairman)  
Martin Rune Pedersen (Vice Chairman)  
Troels Albrechtsen

### **Executive Board**

Richard Alistair Doidge

### **Branch**

375 English Village  
Erbil  
Kurdistan  
Iraq

### **Management's Statement**

The Board of Directors and Executive Board have today discussed and approved the annual report of TEPKRI Qala Dze A/S for the reporting period 1 January 2018 to 31 December 2018.

The annual report for the reporting period 1 January 2018 to 31 December 2018 of TEPKRI Qala Dze 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 2018 and of the results of the Company's operations for the period 1 January 2018 to 31 December 2018.

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.

In 2016, 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.

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

Copenhagen, 24 May 2019

Executive Board:   
Richard Alistair Doidge

Board of Directors:   
Olivier Zoltan Marius Heurtin  
(Chairman)

  
Martin Rune Pedersen  
(Vice Chairman)

  
Troels Albrechtsen

## **Accounting Policies**

The Annual Report for 2018 of TEPKRI Qala Dze 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.

Presentation, classification and designations in the income statement and balance sheet have been adjusted to the special nature of the Company.

## **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 6.5213 at 31 December 2018 (2017: DKK 6.2067).

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, consultant's fees and other general administrative expenses.

**Exploration and evaluation expenses** are capitalised unless the costs do not qualify for capitalisation, and are then recognised in the income statement as incurred. Expenses for initial surveys incurred before acquisition of licence for hydrocarbon extraction are also included in the income statement as they are incurred.

**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 the Danish companies within the Total 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

**Intangible assets** are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets.

Acquired exploration rights are amortised from the date of acquisition for a period of up to 5 years.

Impairment losses are recognised when the carrying amount of an asset or a cash-generating unit exceeds the higher of the estimated value in use and fair value less costs to sell.

**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.

**Other receivables/Other payables** include balance with operator related to expenses incurred under the Production Sharing Contract.

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.

**TEPKRI QALA DZE A/S**  
**INCOME STATEMENT**  
**FOR 2018**

Note	USD 1,000	
	2018	2017
Exploration expenses	(6)	(455)
Amortisation and impairment loss	0	0
Result before financial items and tax	(6)	(455)
1. Financial income	2	14
2. Financial expenses	(6)	0
Result before tax	(10)	(441)
3. Tax on result for the year	0	(10)
<b>RESULT FOR THE YEAR</b>	<b>(10)</b>	<b>(451)</b>
Proposed distribution of net result		
Retained earnings	(10)	(451)
	(10)	(451)
4. Company activity		

**TEPKRI QALA DZE A/S**  
**BALANCE SHEET AT 31.12.2018**

Note	USD 1,000	
	2018	2017
<b>ASSETS</b>		
CURRENT ASSETS		
Receivables		
Receivables Group companies	288	306
	<u>288</u>	<u>306</u>
Cash	14	6
	<u>14</u>	<u>6</u>
TOTAL CURRENT ASSETS	<u>302</u>	<u>312</u>
<b>TOTAL ASSETS</b>	<b><u>302</u></b>	<b><u>312</u></b>

**TEPKRI QALA DZE A/S**  
**BALANCE SHEET AT 31.12.2018**

Note	USD 1,000	
	2018	2017
<b>LIABILITIES AND EQUITY</b>		
5. EQUITY		
Share capital	270	270
Retained earnings	26	36
	<u>296</u>	<u>306</u>
CURRENT LIABILITIES		
Other payables	6	6
	<u>6</u>	<u>6</u>
TOTAL LIABILITIES	<u>6</u>	<u>6</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>302</u></b>	<b><u>312</u></b>
6. Contingencies etc.		
7. Related parties		
8. Staff costs		



**TEPKRI QALA DZE A/S**  
**Notes as at 31.12.2018**  
**(USD 1,000)**

	<b>2018</b>	<b>2017</b>
<b>Note 1, Financial income</b>		
Interest received from group companies	1	2
Exchange rate adjustments etc.	1	12
	<u>2</u>	<u>14</u>
<b>Note 2, Financial expenses</b>		
Exchange rate adjustments etc.	6	0
	<u>6</u>	<u>0</u>

**Note 3, Corporate tax**

There is no tax on the result for the year (2017: expense of USD 10 thousand).

This Company is part of a joint taxation scheme with the Danish companies within the Total Group. The tax is divided between the members of the joint taxation scheme by use of the full allocation method.

**Note 4, Company activity**

The Company was formed on 4 September 2013, with the purpose of acquiring and holding a 40% equity interest in the Qala Dze Production Sharing Contract (PSC) in the Kurdistan Region of Iraq.

Following an unsuccessful exploration drilling campaign, the Qala Dze partnership decided in July 2015 to relinquish the PSC. The relinquishment was approved by the Kurdistan Regional Government with an effective date of 13 January 2016. Preparation of closing the company is ongoing.

**Note 5, Equity**

	<b>2018</b>	<b>2017</b>
<b>Share capital</b>		
Share capital at 01.01.	270	270
Share capital at 31.12	270	270
<b>Retained earnings</b>		
Retained earnings at 01.01	36	487
Result for the period	(10)	(451)
Retained earnings at 31.12	26	36
<b>Total equity</b>	<b>296</b>	<b>306</b>

Share capital consists of the following shares:

Number	Nominal, DKK
1,500	1,000
Total nominal value in DKK	1,500,000

Share capital, changes:

Increase of capital 5 August 2014	500,000
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**Note 6, Contingencies**

As of 31 December 2018, the Company is jointly taxed with the Danish companies within the Total 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.

Joint liability for previous periods still exists.

**Note 7, Related parties**

Companies in the Total Group and the Executive board and board members of the Company are related parties.

Receivables to group entities are disclosed in the balance sheet, and financial income is disclosed in note 1.

**Parties exercising control**

The Company is 100% owned by Total E&P NCE A/S.

As of 31 December 2018, the ultimate parent company is Total S.A., Tour Coupole, 2 place Jean Millier, 92078 Paris la Défense, France. The consolidated Financial Statements of the Total group are available at

<https://www.total.com/en/investors/publications-and-regulated-information/regulated-information/annual-financial-reports>

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

**Note 8, Staff costs**

The Company has no employees, as all those engaged are employed in other group companies.