

TEPKRI Qala Dze A/S

CVR-No. 32297064

Annual Report 2019

Approved at the General Assembly: 20 May 2020
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 2019 - 31 December 2019

Board of Directors

Dunia Chalabi (Chairman)
Martin Rune Pedersen (Vice Chairman)
Christina Sjøberg Heineke Petersen

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 2019 to 31 December 2019.

The annual report for the reporting period 1 January 2019 to 31 December 2019 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 2019 and of the results of the Company's operations for the period 1 January 2019 to 31 December 2019.

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, 20 May 2020

Executive Board:

Richard Alistair Doidge

Board of Directors:

Dunia Chalabi
(Chairman)

Martin Rune Pedersen
(Vice Chairman)

Christina S. Heineke Petersen

Accounting Policies

The Annual Report for 2019 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 6.6759 at 31 December 2019 (2018: DKK 6.5213).

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.

Tax on profit for the year includes the amount estimated to be paid for the year as well as adjustments regarding previous years. The Company is jointly taxed with the Danish companies within the Total Group.

The Balance Sheet

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 2019

Note	USD 1,000	
	2019	2018
Exploration expenses	(7)	(6)
Result before financial items and tax	(7)	(6)
1. Financial income	0	2
2. Financial expenses	0	(6)
Result before tax	(7)	(10)
3. Tax on result for the year	0	0
RESULT FOR THE YEAR	(7)	(10)
Proposed distribution of net result		
Retained earnings	(7)	(10)
	(7)	(10)
4. Company activity		

TEPKRI QALA DZE A/S
BALANCE SHEET AT 31.12.2019

Note	USD 1,000	
	2019	2018
ASSETS		
CURRENT ASSETS		
Receivables		
Receivables Group companies	274	288
	<u>274</u>	<u>288</u>
Cash	22	14
	<u>22</u>	<u>14</u>
TOTAL CURRENT ASSETS	<u>296</u>	<u>302</u>
TOTAL ASSETS	<u>296</u>	<u>302</u>

TEPKRI QALA DZE A/S
BALANCE SHEET AT 31.12.2019

Note	USD 1,000	
	2019	2018
LIABILITIES AND EQUITY		
5. EQUITY		
Share capital	270	270
Retained earnings	19	26
	<u>289</u>	<u>296</u>
CURRENT LIABILITIES		
Other payables	7	6
	<u>7</u>	<u>6</u>
TOTAL LIABILITIES	<u>7</u>	<u>6</u>
TOTAL LIABILITIES AND EQUITY	<u>296</u>	<u>302</u>
6. Contingencies etc.		
7. Related parties		
8. Staff costs		

TEPKRI QALA DZE A/S
Notes as at 31.12.2019
(USD 1,000)

	2019	2018
Note 1, Financial income		
Interest received from group companies	0	1
Exchange rate adjustments etc.	0	1
	<u>0</u>	<u>2</u>
Note 2, Financial expenses		
Exchange rate adjustments etc.	0	6
	<u>0</u>	<u>6</u>

Note 3, Corporate tax

There is no tax on the result for the year (2018: no tax).

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

	2019	2018
Share capital		
Share capital at 01.01.	270	270
Share capital at 31.12	270	270
Retained earnings		
Retained earnings at 01.01	26	36
Result for the period	(7)	(10)
Retained earnings at 31.12	19	26
Total equity	289	296

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

Note 6, Contingencies

As of 31 December 2019, 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 tax 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.

Parties exercising control

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

As of 31 December 2019, 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.