

Maersk Drilling A/S

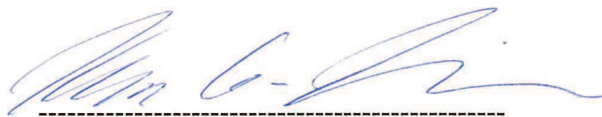
Esplanaden 50
DK-1263 Copenhagen K
Company Reg. No. 32673821

Annual Report 2015

(Financial year No. 6)

As adopted by the Company at the Annual General Meeting

18 May 2016

A handwritten signature in blue ink, appearing to read 'Klaus Greven Kristensen', is written over a horizontal dashed line.

Klaus Greven Kristensen

Content Page

Statement of the Board of Directors and Management	1
Independent Auditors' Report	2
Management Review	4
Accounting Policies	10
Income Statement	16
Balance Sheet	17
Statement of Changes in Equity	19
Notes	20

Statement of the Board of Directors and Management

The Board of Directors and the Management have today discussed and approved the annual report for 2015 of Maersk Drilling A/S.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

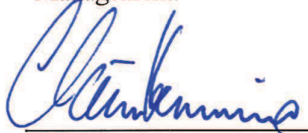
In our opinion, the Financial Statements provide a true and fair view of the Company's assets, liabilities, and financial position 31 December 2015 and of the results of the Company's operations for the financial year 2015.

It is also our opinion that the Management review includes a true and fair view of the development in the Company's operations and financial conditions, the results for the year and financial position.

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

Copenhagen, 18 May 2016

Management:



Claus V. Hemmingsen

Board of Directors:



Nils Smedegaard Andersen
(Chairman)



Trond Westlie



Claus V. Hemmingsen

Independent Auditor's Report

To the shareholder of Maersk Drilling A/S

Report on the Financial Statements

We have audited the Financial Statements of Maersk Drilling A/S for the financial year 1 January 2015 – 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company's operations for the financial year 1 January 2015 - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report

Statement on Management's review

We have read Management's review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's review is consistent with the Financial Statements.

Copenhagen, 18 May 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33771231



Gert Fisker Tomczyk

State Authorised Public Accountant



Mikkel Styr

State Authorised Public Accountant

Management's Review

Company details

Maersk Drilling A/S
Esplanaden 50
DK-1263 Copenhagen K

Company Reg. No.:	32673821
Date of incorporation:	1 December 2009
Registered office:	Copenhagen
Financial year:	1 January - 31 December

Board of Directors

Nils Smedegaard Andersen (Chairman)
Trond Westlie
Claus V. Hemmingsen

Management

Claus V. Hemmingsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Highlights and Key Figures

USD ('000)	2015	2014	2013*	2012	2011
Financial Highlights					
Revenue	454,811	386,617	305,481	0	0
Gross result	77,296	67,760	(19,243)	(3)	(2)
Result before financial items	163,379	309,798	301,914	(3)	(2)
Financial items, net	(49,705)	(7,225)	573	0	0
Result before tax	113,674	302,573	302,487	(3)	(2)
Result for the year	117,225	290,168	295,791	(2)	(1)
Key Figures					
Total assets	7,681,647	5,334,640	3,722,440	87	87
Investing activities	(2,368,576)	(1,657,458)	(304,949)	0	0
Total equity (incl. proposed dividend)	5,779,008	3,319,138	3,039,530	85	87
Return on invested capital	2.6%	7.4%	17.9%	(3.2)%	0.0%
Liquidity ratio	366.8%	128.7%	105.3%	4,365.0%	4,350.0%
Equity ratio	75.2%	62.2%	81.7%	97.5%	99.9%
Return on equity	2.6%	9.1%	19.5%	(2.4)%	(1.5)%

*As of 1 January 2013 drilling activities from A.P. Møller - Mærsk A/S, including related subsidiaries, was contributed to Maersk Drilling A/S. The periods after are therefore not comparable to prior financial years.

Management's Review

The Company's main activities

The Company and its subsidiaries (the Group) is a leading global operator of high-technology drilling rigs and provides offshore drilling services to oil and gas companies, with one of the world's youngest and most advanced fleets.

Certain parts of the drilling activity still remains with A.P. Møller – Mærsk A/S. For a full overview of the Maersk Drilling business unit, we refer to the presentation of Maersk Drilling included in the consolidated Financial Statements of A.P. Møller – Mærsk A/S.

Market and Strategy

The Group is a leading global operator of high-technology drilling rigs and provides offshore drilling services to oil and gas companies with one of the world's youngest and most advanced fleets. The Group is a specialist in ultra-harsh and ultra-deepwater environments and operates 22 drilling rigs. Currently, the Group has one rig under construction.

During 2015 the market for offshore rigs was negatively impacted by further cuts in the exploration and development budgets by the oil companies, and day rates for offshore rigs decreased across all segments.

The Group signed 12 new contracts or contract extensions in 2015 adding USD 2 billion to the Group's revenue backlog.

Development in activities and finances

The result for the year amounts to USD 117,225k (2014: USD 290,168k) driven by almost full coverage of all rigs and impacted positively by higher operational uptime and higher day rates as well as effective cost management for rigs in operation. The income from investment in subsidiaries was negatively impacted by impairments of USD 413m compared to only USD 27m in the Maersk Drilling business unit mostly due to a more narrow definitions of cash generating units in the financial statements, where the individual legal entities represents the cash generating units. Maersk Drilling business unit overall delivered a satisfactory result in a challenging year with a profit of USD 751m (USD 478m). The result was positively impacted by a USD 45m gain regarding the final settlement of the 2014 divestment of the drilling barge activities in Venezuela.

Particular risks

Market risks

The main risks to the Group's performance and strategy execution relate to future employment of rigs and operational performance. Despite Maersk Drilling's solid contract backlog with long-term contracts that reduce the near-term exposure, it is evident that oil companies are restricted by capital constraints due to the low oil price and increased costs. This has resulted in reduced exploration and production budgets and postponement of several drilling programmes, creating a downturn across the offshore market. Maersk Drilling remain positive on the long term, but expect on the short to medium term to face significant headwind with lower day rates and coverage.

Impairment indicators in Maersk Drilling are lower day rates on new contracts and a decline in fair values of rigs and drillships, which in many cases have dropped below carrying amount. The fair value estimates are highly uncertain due to the character of the assets and few transactions. The value in use calculations for the individual cash generating units are sensitive to the day rates expected to apply when contracts expire and to the risks of idle periods in the forecasts. In addition, the discount rate, growth rate and EBITDA margin in the terminal period are critical variables. The day rates in the short to medium term are expected significantly lower than the rates at which the Group has currently contracted. In line with analysts in the market, management expects a gradual move towards more economically sustainable rates in the long-term. Due to the uncertain prospects for off-contract rigs, and limited headroom in the deepwater segment, further impairment losses may be recognised in the coming years, if markets develop significantly adverse compared to current expectations.

Financial exposure

The Group's revenue is mainly denominated in USD, while costs are denominated in USD, DKK and other currencies. Maersk Drilling A/S enter into derivative contracts to hedge the currency exposure for DKK against USD. At 31 December 2015 Maersk Drilling A/S had hedged future cash flow of DKK 226m. The unrealised value of the contracts is recognised directly in equity and amounts to unrealised net loss of USD 1,691k before tax reduced by deferred tax adjustment of USD 448k. The unrealised net loss consists of an unrealised gain of USD 338k and a loss of USD 2,029k, which are recognised in the balance sheet included in the items "Other receivables" and "Other payables", respectively.

The Group only has a small concentration of customers and is considered to have a low credit risk.

Outlook

In 2016 we expect a significantly lower result than in 2015 adjusted for the negative impact from impairment losses. The change is primarily driven by more idle days due to the poor market.

In 2016 we continue our strong focus on servicing customers and partners, and building competitiveness in our businesses, in addition to delivering satisfactory financial results.

Corporate social responsibility

Please refer to the separate Sustainability Report 2015 of the parent company A. P. Møller - Mærsk A/S on the sustainability website:
http://www.maersk.com/~media/the%20maersk%20group/sustainability/files/publications/2016/files/maersk_group_sustainability_report_2015_a4_160211.pdf?la=en

Sustainability

At Maersk Drilling, we firmly believe that by conducting our operations through sustainable practices, we ensure a sound and viable business for the future. We have a responsibility to the people who work for Maersk Drilling, but also to the people and the environment which are affected by our company. Our major focus area is safety, but we also put much effort into the areas of e.g. local content as well as environment and climate. Please refer to our online Sustainability Report 2016 at www.maerskdrilling.com, in which we provide a complete overview of Maersk Drilling's work with sustainability and our sustainability performance.

Safety

It is our belief that fundamentally, safety is an active decision and the result of a serious commitment from all employees in Maersk Drilling, and we have an ambition of reaching zero incidents by 2018. Our people and the environment will only be safe with the right systems, procedures, technology, and a strong safety culture.

Local content

Training and developing the talent of local employees, assigning our third party code of conduct to local suppliers and transferring knowledge to local communities all continue to be a priority for Maersk Drilling. We want to move beyond compliance with local content requirements and to increase shared value by proactively engaging with stakeholders.

Environment & climate

Discharges, air emissions, and how we manage chemicals and waste are our primary focus areas when it comes to minimising the environmental impact of our operations. We work with our customers, local communities and internationally recognised bodies to ensure that environmental factors are integrated into our business principles and into operational practices.

Diversity

The Board believes that its members should be elected on the basis of their combined qualifications and at the same time recognises the advantages of a board comprising a wide range of backgrounds such as global experience, style, culture and gender.

On the basis of this ambition, the Board has defined a target to increase the share of the under-represented gender on the Board to account for at least 25% of the shareholder-appointed Board members.

As of 31 December 2015 there are no women on the Board, however, it remains the ambition to reach the target of 25% female representation on the Board by 2018.

With regard to Maersk Drilling A/S' employees formally employed with Rederiet A.P. Møller A/S, it has been decided to adhere to the group policy which was adopted at the Board Meeting in A.P. Møller - Mærsk A/S on 21 February 2013 with the aim to increase the share of the under-represented gender on the company's other management levels (Link to policy: <http://mrsk.co/174tNiF>). In accordance with this policy, Maersk Drilling A/S has taken steps to look into how the company can attract qualified women to relevant management positions. In addition, this is a focus area when identifying candidates to key positions.

Events after the Balance sheet date

Maersk Drilling had the contract for the harsh environment jack-up Mærsk Gallant cancelled, but concurrently Maersk Drilling signed a new contract in direct continuation of the cancelled contract. The contract cancellation and new contract are financially neutral to Maersk Drilling. Furthermore, Maersk Drilling received a notice of early contract termination for the ultra-deepwater semi-submersible Mærsk Deliverer. The contract was due to end in December 2016. As per the contract, Maersk Drilling are entitled to receive compensation for the remaining part of the contract period, and the cancellation is expected to be neutral for the full year financials.

Foreign branches

The Company is engaged in drilling activities in Azerbaijan through the branch named Maersk Drilling A/S Branch Azerbaijan.

Financial Statements 1 January - 31 December

Accounting policies

The Financial Statements of Maersk Drilling A/S for 2015 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

In accordance with Section 112 of the Danish Financial Statements Act, the Company does not prepare a consolidated report as the Company and its subsidiaries are included in the consolidated report of A.P. Møller - Mærsk A/S.

In accordance with Sections 86(4) and 96(3) of the Danish Financial Statements Act, cash flow statement and note concerning fee to auditors appointed by the Company in the Annual General Meeting are omitted as this information is included in the consolidated Financial Statements for A.P. Møller - Mærsk A/S.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, write-downs and provisions and reversals as a result of changes in accounting estimates of amounts previously recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Financial Statements 1 January - 31 December

Accounting policies

Income statement

Revenue

Revenue from drilling activities, which are typically carried out under long-term agreements with fixed day rates, revenue is recognised for the operating time related to the financial year.

Revenue from sale of goods is recognised upon the transfer of risk to the buyer.

Other external cost

Other external costs comprise expenses incurred during the year for bare boat hire of the rigs, repair and maintenance, catering, hired crew and administrative costs.

Income from investments in subsidiaries

“Income from investments in subsidiaries” include share of the profit for the year including goodwill amortisation for subsidiaries accounted for under the equity method and gain on sale of subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on result for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the result for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. The Company is part of A.P. Møller Holding A/S' joint taxation. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with refund concerning tax losses).

Financial Statements 1 January - 31 December

Accounting policies

Balance sheet

Intangible assets

Capitalised development costs are amortised from the date of completion on a straight-line basis over the period during which development work is expected to generate economic benefits.

IT software is amortised over a useful life of 3-5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The depreciation base is the cost prices less estimated residual value at the end of useful life, which for rigs (newbuildings) typically constitute 25 years and other equipment, fixtures, etc. typically constitute 5-10 years.

Estimates of useful lives and residual values are reassessed periodically. Impairment losses are recognised when carrying amount of an asset exceeds the highest of the capital value (value in use) and net selling price.

Cost of yard stays for rigs are recognised when incurred in the value of rigs, etc. and depreciated over the period until the next yard stay.

Investments in subsidiaries

Investments in subsidiaries are recognised in the balance sheet at equity value in accordance with the Parent's accounting policies plus value of goodwill calculated according to the purchase method.

The total net revaluation of investments in subsidiaries is transferred to "Reserve for net revaluation according to equity method" under equity. Reserve is reduced by dividend payments to the parent company and with certain other changes in equity in subsidiaries.

Subsidiaries with a negative equity value are recognised at USD 0. Any legal or constructive obligation of the parent Company to cover the negative balance of the company is recognised in provisions.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Inventory

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

Financial Statements 1 January - 31 December

Accounting policies

Balance sheet

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity or within joint taxation.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and current tax receivables are recognized in the balance sheet as calculated tax on the taxable income adjusted for tax on prior years' taxable income and paid on account taxes.

Provisions

Provisions are recognised when the company has a current legal or constructive obligation, and if the amount can be measured reliably. Provisions are recognised on the basis of best estimates.

Financial debt

Other debts are recognised at amortised cost, which, essentially corresponds to the nominal value.

Financial Statements 1 January - 31 December

Accounting policies

Balance sheet

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as a cash flow hedge.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the date of the transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

USD is used as functional currency and as presentation currency because the majority of transactions are in U.S. dollars. At 31 December 2015 the exchange rate DKK/USD was 683.00 (2014: 612.14).

Segment information

Segmental disclosures are provided on the geographical markets. Segment information is based on the Company's internal financial management.

Financial Statements 1 January - 31 December

Accounting policies

Financial highlights

The financial highlights have been defined as follows:

Return on invested capital	$\frac{\text{Profit/loss before financial items} \times 100}{\text{Average invested capital}^1}$
Liquidity ratio	$\frac{\text{Total current assets} \times 100}{\text{Short-term liabilities}}$
Equity ratio	$\frac{\text{End year equity} \times 100}{\text{End year total assets}}$
Return on equity	$\frac{\text{Ordinary profit/loss after tax} \times 100}{\text{Average equity}}$

¹ Average invested capital is calculated excluding cash and cash equivalents, shares and non-interest bearing debt.

Financial Statements 1 January - 31 December

Income statement

Note	2015 USD ('000)	2014 USD ('000)
1	454,811	386,617
	(377,515)	(318,857)
	77,296	67,760
7	(33,060)	(24,930)
2	119,143	266,968
	163,379	309,798
3	124	2,106
4	(49,829)	(9,331)
	113,674	302,573
5	3,551	(12,405)
	117,225	290,168

Appropriation

Retained earnings	342,266	171,176
Reserve for net revaluation according to equity method	(225,041)	118,992
	117,225	290,168

Financial Statements 1 January - 31 December

Balance sheet

Note	ASSETS	2015 USD ('000)	2014 USD ('000)
	Non-current assets		
	Intangible assets		
6	IT-software	29,585	31,269
	Development projects under construction	7,137	3,875
		36,722	35,144
	Property, plant and equipment		
7	Rigs	179,113	200,582
	Equipment	60,924	73,331
	Assets under construction	24,419	12,685
		264,456	286,598
8	Financial non-current assets		
	Investments in subsidiaries	6,815,616	4,674,898
		6,815,616	4,674,898
	Total non-current assets	7,116,794	4,996,640
	Current assets		
	Inventories	36,926	30,322
		36,926	30,322
	Receivables		
	Trade receivables	47,830	26,330
	Current tax receivables	14,263	11,151
	Receivables from subsidiaries and group enterprises	453,525	253,498
	Other receivables	7,331	8,469
9	Prepayments, etc.	4,095	6,477
	Total receivables	527,044	305,925
	Cash and bank balances	883	1,753
	Total current assets	564,853	338,000
	TOTAL ASSETS	7,681,647	5,334,640

Financial Statements 1 January - 31 December

Balance sheet

Note	EQUITY AND LIABILITIES	2015 USD ('000)	2014 USD ('000)
	Equity		
	Share capital	88,354	88,354
	Reserve for net revaluation according to equity method	145,351	370,392
	Retained earnings	5,545,303	2,860,392
	Total equity	5,779,008	3,319,138
	Provisions		
10	Deferred tax liability	13,736	8,663
11	Other provisions	41,037	50,364
	Total provisions	54,773	59,027
	Non-current liabilities		
12	Payables to group enterprises	1,693,888	1,693,889
	Total non-current liabilities	1,693,888	1,693,889
	Short-term liabilities		
12	Current share of borrowings from group enterprises	24,220	9,233
	Trade payables	43,983	29,243
	Payables to subsidiaries and group enterprises	71,606	182,548
	Other payables	7,693	7,479
13	Deferred income	6,476	34,083
	Total short-term liabilities	153,978	262,586
	Total liabilities	1,902,639	2,015,502
	TOTAL EQUITY AND LIABILITIES	7,681,647	5,334,640
14	Commitments and contingent liabilities, etc.		
15	Employee remuneration, etc.		
16	Related parties		
17	Shareholders		
18	Consolidation		

Financial Statements 1 January - 31 December

Equity statement

USD ('000)	Share- capital	Reserve for net revaluation according to equity method	Retained earnings	Total
Equity 1 January 2014	88,354	251,400	2,699,776	3,039,530
Reserve for value adjustments related to cash flow hedges	0	0	(7,866)	(7,866)
Other equity movements	0	0	(2,694)	(2,694)
Result for the year	0	118,992	171,176	290,168
Equity 1 January 2015	88,354	370,392	2,860,392	3,319,138
Capital contribution	0	0	2,340,000	2,340,000
Reserve for value adjustments related to cash flow hedges	0	0	3,751	3,751
Other equity movements	0	0	(1,106)	(1,106)
Result for the year	0	(225,041)	342,266	117,225
Equity 31 December 2015	88,354	145,351	5,545,303	5,779,008

The share capital comprises 500,000 shares of DKK 1,000. No shares hold special rights.

At 1 December 2009 the share capital was established with paid in capital of USD 88k, and 1 January 2013 it was changed with a capital increase, contribution in kind, value at assets of USD 88,266k.

Financial Statements 1 January - 31 December

Notes

	2015	2014
	USD ('000)	USD ('000)
1 Revenue		
Revenue, Azerbaijan	137,810	116,809
Revenue, Denmark	317,001	269,808
	<u>454,811</u>	<u>386,617</u>
2 Income from investments in subsidiaries		
Share of earnings in subsidiaries	74,381	225,110
Gain on sale of investments in subsidiaries	44,762	41,858
	<u>119,143</u>	<u>266,968</u>
3 Financial income		
Interest income from group enterprises	124	435
Exchange gain from group enterprises	0	1,671
	<u>124</u>	<u>2,106</u>
4 Financial expenses		
Interest expenses to group enterprises	(43,113)	(9,288)
Exchange loss to group enterprises	(6,716)	(43)
	<u>(49,829)</u>	<u>(9,331)</u>
5 Tax on the result of the year		
Tax for the year	5,327	12
Change in deferred tax	(5,735)	(14,061)
Change in deferred tax due to change in tax rate	90	1,644
Adjustments to prior years tax for the year	2,142	0
Adjustments to prior years change in deferred tax	1,727	0
	<u>3,551</u>	<u>(12,405)</u>

Financial Statements 1 January - 31 December

Notes

6 Intangible assets

USD ('000)	IT-software	Development projects under construction	Total
Cost price 1 January 2015	32,927	3,875	36,802
Additions	0	9,570	9,570
Transfer	6,308	(6,308)	0
Cost price 31 December 2015	39,235	7,137	46,372
Depreciation and impairment losses 1 January 2015	(1,658)	0	(1,658)
Depreciation	(7,992)	0	(7,992)
Depreciation and impairment losses 31 December 2015	(9,650)	0	(9,650)
Carrying amount 31 December 2015	29,585	7,137	36,722

7 Property, plant and equipment

USD ('000)	Rigs	Equipment	Assets under construction and prepayment	Total
Cost price 1 January 2015	367,299	92,115	12,685	472,099
Additions	0	7,312	11,694	19,006
Disposals	(61)	(16,372)	0	(16,433)
Transfer	(40)	0	40	0
Cost price 31 December 2015	367,198	83,055	24,419	474,672
Depreciation and impairment losses 1 January 2015	(166,717)	(18,784)	0	(185,501)
Depreciations related to disposals	0	378	0	378
Depreciation	(21,368)	(3,725)	0	(25,093)
Depreciation and impairment losses 31 December 2015	(188,085)	(22,131)	0	(210,216)
Carrying amount 31 December 2015	179,113	60,924	24,419	264,456

Financial Statements 1 January - 31 December

Notes

8 Financial non-current assets

USD ('000)	Investments in subsidiaries
Cost price 1 January 2015	4,333,817
Addition	2,340,000
Disposal	(7,078)
Cost price 31 December 2015	<u>6,666,739</u>
Net revaluation 1 January 2015	320,018
Net share of result for the year	74,381
Other adjustments	6,619
Dividend	(255,667)
Net revaluation 31 December 2015	<u>145,351</u>
Negative equity in subsidiaries transferred to be set off against receivables from subsidiaries	<u>3,526</u>
Carrying amount 31 December 2015	<u>6,815,616</u>

Company and domicile	Owned share
Maersk Drilling Americas A/S, Denmark	100%
Maersk Drilling Australia Pty Ltd., Australia	100%
Maersk Drilling Deepwater A/S, Denmark	100%
Maersk Drilling DS A/S, Denmark	100%
Maersk Drilling (Malaysia) DSN. BHD., Malaysia	100%
Maersk Drilling Holdings Singapore Pte Ltd., Singapore	100%
Maersk Drillship III Singapore Pte Ltd.	100%
Maersk Drillship IV Singapore Pte Ltd.	100%
Maersk Drilling International A/S, Denmark	100%
Maersk Drilling Services A/S, Denmark	100%
Maersk Drilling Services LLC, Azerbaijan	100%
Maersk Intrepid Norge A/S, Denmark	100%
Maersk Norge AS, Norway	100%
Maersk Offshore Crew Management (Guernsey) Ltd., Guernsey	100%
Maersk Reacher Norge A/S, Denmark	100%
Maersk Volve A/S, Denmark	100%

Financial Statements 1 January - 31 December

Notes

Financial non-current assets - continued

Company and domicile (Directly owned)	Owned share
Maersk Interceptor Norge A/S, Denmark	100%
Maersk Integrator Norge A/S, Denmark	100%
Maersk XLE4 Norge A/S, Denmark	100%
Mærsk Gallant Norge A/S, Denmark	100%
Mærsk Giant Norge A/S, Denmark	100%
Mærsk Guardian Norge A/S, Denmark	100%
Mærsk Innovator Norge A/S, Denmark	100%
Mærsk Inspirer Norge A/S, Denmark	100%
The Maersk Company Limited, UK	100%

Only significant subsidiaries has been listed. A more comprehensive list of companies is available on: <http://investor.maersk.com/financials.cfm>

9 Prepayments, etc.

Current assets, prepayments USD 4,095k (2014: USD 6,477k) include advance payments for next year for insurance, training and rent etc.

10 Deferred tax

Deferred tax assets relates to deferred tax on the carrying amount of the rigs, provisions and fair value adjustments of derivatives.

11 Other provisions

Provisions relate to operational costs and claims etc. for occurred events, but where the costs are subject to uncertainty. Provisions are recognised at Management's best estimate, and distributed as follows:

	2015 USD ('000)	2014 USD ('000)
Opening balance	50,364	118,300
New provisions	7,665	18,903
Used provisions	(2,871)	(8,369)
Reversal of provisions	(14,121)	(78,470)
Closing balance	41,037	50,364
Maturities for provisions are expected to be:		
Within 1 year	2,037	12,364
Between 1 and 5 years	39,000	38,000
	41,037	50,364

Financial Statements 1 January - 31 December

Notes

12 Borrowings

USD ('000)	Total balance 31/12/15	Install- ment next year	Balance due after 5 years
Loan from group enterprises	1,693,888	24,220	0
	1,693,888	24,220	0

13 Deferred income

Deferred income USD 6,476k (2014: USD 34,083k) comprises payments received from customers for revenue relating to future financial years.

14 Commitments and contingent liabilities, etc.

Operating lease commitments

The Company has entered into operating lease contracts with an average annual lease of USD 105m (2014: USD 75m). The lease contracts expire after 60 months and include total nominal remaining lease payments of USD 148m (2014: USD 118m).

Rental commitments (office building)

The Company has entered into rental contracts with a total rental commitment of USD 24,271k;

	2015 USD ('000)	2014 USD ('000)
Maturities for rental commitments are expected to be:		
Within 1 year	2,372	3,441
Between 1 and 5 years	10,013	18,661
After 5 years	11,886	18,546
	24,271	40,648

Contingent liabilities

The Company is jointly taxed with all other Danish companies in the A.P. Møller Holding Group. As a fully owned subsidiary, the Company has unlimited and joint liability together with the other companies under joint taxation for Danish company tax, withholding taxes on dividends, interest and royalties within the jointly taxed companies.

The Company is involved in a number of legal disputes. The Company is also involved in tax disputes in certain countries. Some of these involve significant amounts and are subject to considerable uncertainty.

Financial Statements 1 January - 31 December

Notes

15 Employee remuneration

Maersk Drilling A/S has not had employees in 2015 and 2014. Personnel are hired from affiliates in the Maersk Group. The Board of Directors has not been remunerated.

16 Related parties

The following related parties have a controlling interest in Maersk Drilling A/S;

The A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene formaal, Copenhagen, Denmark and A.P. Møller Holding A/S has control over the Maersk Group.

Other related parties with dominant influence include;

- A.P. Møller - Mærsk A/S, Esplanaden 50, 1098 Copenhagen K.
- Maersk Drilling Holding A/S, Esplanaden 50, 1098 Copenhagen K. The parent company

Other related parties

Subsidiaries and affiliates to A.P. Møller - Mærsk A/S.

Related parties also include the Board of Directors and leading employees and their family members. Related parties also include companies in which the above persons have significant interests.

17 Shareholders

The Company has registered the following shareholder holding minimum 5% of the voting share capital or minimum 5% of the nominal share capital:

Maersk Drilling Holding A/S
Esplanaden 50
1098 Copenhagen K

18 Consolidation

The consolidated financial statements of A.P. Møller - Mærsk A/S, Esplanaden 50, 1098 Copenhagen can be obtained by contacting this company or at its website

www.maersk.dk

