

Maersk Energy Marketing A/S

CVR-No. 33057695

Annual Report 2015

Approved at the General Assembly: 27/05/2016
Chairman of the meeting: Majbritt Perotti Carlson

Esplanaden 50, 1263 Copenhagen K

A handwritten signature in blue ink, appearing to be 'Majbritt Perotti Carlson', is written over the address line.

Company information

Maersk Energy Marketing A/S
Esplanaden 50
1263 Copenhagen K

CVR-No.: 33057695
Date of incorporation: 05 July 2010
Registered office: Copenhagen
Financial year: 01 January 2015 - 31 December 2015

Board of Directors

Jakob Bo Thomasen (Chairman)
Matthew Edmund Wilks
Graham Stuart Talbot

Executive Board

Anne Heidi Jensen

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen Ø

Directors' Report

The company is a wholly owned subsidiary of Mærsk Olie og Gas A/S.

Maersk Energy Marketing A/S (MEMAS) buys, owns, markets and sells hydrocarbons, emission permits and derivatives. In 2015, MEMAS traded derivatives in connection with the physical trading. MEMAS purchases gas from A.P. Møller-Mærsk A/S on a producer's nomination contract and transports the gas to wholesale customers in Denmark, Germany and the Netherlands. Crude oil is marketed and sold to refineries in the region. Further, MEMAS purchases, markets and sells third party hydrocarbons.

The result for 2015 shows sales revenue of USD 1,069 million and an after tax net profit of USD 19.4 million, which is lower than last year (2014: USD 44 million); this was due to the expiry of a third party gas trading contract and in line with expectations.

Key figures for the Company are as follows:

USD million	2015	2014	2013	2012	5/ 2010 - 31/12 2011
Income statement:					
Revenue	1,069	1,033	491	573	352
Profit before financial items and tax	27	57	49	44	42
Financial items, net	(1)	-	-	3	(4)
Profit for the year after tax	19	44	35	37	28
Balance sheet:					
Total assets	233	318	143	121	75
Equity	164	144	100	66	28

Due to volatility in the oil price, the estimated result for 2016 is uncertain but expected to be lower than for 2015.

Social responsibility is important for MEMAS' business and continues its activities in line with the following the ultimate parent company A.P. Møller - Mærsk A/S' Sustainability Strategy. For more information, reference is made to the ultimate parent company A.P. Møller - Mærsk A/S' sustainability report on the website:

http://www.maersk.com/~media/the%20maersk%20group/sustainability/files/publications/2016/files/maersk_group_sustainability_report_2015_a3_final.pdf?la=en

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 in 2013 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, no later than May 2017.

In 2013, a group policy was adopted with the aim to increase the share of the under-represented gender on the company's other management levels. In accordance with this policy Maersk Energy Marketing A/S continues 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.

Risks and uncertainties

Maersk Energy Marketing A/S is subject to a variety of risks which derive from the nature of the oil and gas trading activities, and trading of oil derivatives related hereto.

Maersk Energy Marketing A/S' strategic, operational, compliance, financial and emerging risks are monitored through a structured governance frame work and a mandate structure, which is communicated and approved on MO and group level.

Management's Statement

The Board of Directors and Executive Board have today discussed and approved the annual report of Maersk Energy Marketing A/S for 2015.

The annual report for 2015 of Maersk Energy Marketing 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 2015 and of the results of the Company's operations for the financial year 2015.

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 as well as a description of the most significant risks and uncertainty factors that the Company faces.

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

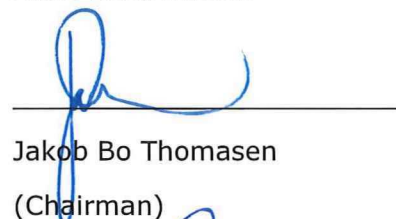
Copenhagen, 27 May 2016

Executive Board:



Anne Heidi Jensen

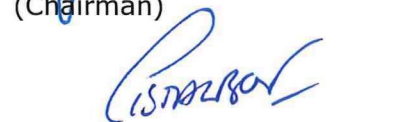
Board of Directors:



Jakob Bo Thomasen
(Chairman)



Matthew Edmund Wilks
(Vice Chairman)



Graham Stuart Talbot

Independent auditors' report

To the shareholder of Maersk Energy Marketing A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Maersk Energy Marketing A/S for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 opinion.

Our audit has not resulted in any qualification.

Opinion

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

Statement on the Directors' report

Pursuant to the Danish Financial Statements Act, we have read the Directors' report. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Directors' report is consistent with the financial statements.

Copenhagen, 27 May 2016

KPMG

Statsautoriseret Revisionspartnerselskab

CVR nr. 25 57 81 98



Henrik O. Larsen
State Authorised
Public Accountant

Accounting Policies

The Annual Report for 2015 of Maersk Energy Marketing A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to large (class C) companies.

The accounting policies for the financial statements are unchanged from last year.

Maersk Energy Marketing A/S has with reference to the Danish Financial Statements Act § 86 section 4 refrained from preparing cash flow statement. With reference to provision 96, 3 of the Danish Financial Statements Act, fees for auditor elected by the general assembly are not published.

The distribution of revenue on activities and geographical markets has been left out for competitive reasons pursuant to section 96 (1) of the Danish Financial Statements Act.

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 6.83 at 31 December 2015 (2014: DKK 6.1214).

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.

Derivatives

Derivatives are recognised on the trading date and measured at fair value and included in other receivables (positive fair value) or other debt (negative fair value).

Derivatives classified as held for trading are recognised at fair value. Any change in fair value for oil price derivatives is recognised in the income statement under other income/costs.

The Income Statement

Revenue comprises resale of gas, oil and emission permits.

Other operating income comprises gain on derivatives held for trading.

Other operating costs comprise loss on derivatives held for trading.

Operating expenses comprise purchase of gas, oil and utilisation of emission permits.

Distribution costs comprise transportation costs regarding gas.

Administrative expenses comprise parent company overhead and other general administrative costs.

Financial items comprise interest and currency exchange rate gains and losses from translation of balances in foreign currencies other than USD.

The company is jointly taxed with a number of Danish companies in the A.P. Møller - Mærsk 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. Changes in deferred tax due to changes in the tax rate are recognised in income for the year.

The Balance Sheet

Long term deposit relates to a cash deposit at a trading house in connection with the Company's oil derivatives trading. The deposit is measured at the lower of cost or recoverable amount.

Inventories, which comprise emission permits, are measured at cost. Where the net realisable value is lower than cost, inventories are written down to this lower value.

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.

Dividend for distribution regarding the financial year is included as part of the equity.

MAERSK ENERGY MARKETING A/S
INCOME STATEMENT
FOR 2015

Note	USD 1,000	
	2015	2014
Revenue	1,068,782	1,032,532
Other operating income	83,965	98,604
Other operating costs	92,463	146,404
	1,060,284	984,732
Operating expenses	1,022,715	914,553
Distribution expenses	6,328	9,118
	31,241	61,061
1. Administrative expenses	4,073	3,739
	27,168	57,322
2. Financial income	5,116	1,401
3. Financial expenses	6,332	1,304
	25,952	57,419
5. Tax on profit for the year	6,592	13,190
	19,360	44,229
PROFIT FOR THE YEAR		
Proposed distribution of net profit		
Retained earnings	19,360	44,229
	19,360	44,229

MAERSK ENERGY MARKETING A/S
BALANCE SHEET AT 31.12.2015

Note	USD 1,000	
	2015	2014
ASSETS		
NON-CURRENT ASSETS		
Financial assets		
Long term deposit	9,982	43,446
TOTAL NON-CURRENT ASSETS	9,982	43,446
CURRENT ASSETS		
Inventories		
	7,121	7,011
Receivables		
Receivables from sale of oil and gas	47,434	79,001
Receivables Group companies	159,191	170,529
Other receivables	8,178	17,123
	214,803	266,653
Cash	1,584	609
TOTAL CURRENT ASSETS	223,508	274,273
TOTAL ASSETS	233,490	317,719

MAERSK ENERGY MARKETING A/S
BALANCE SHEET AT 31.12.2015

Note	USD 1,000	
	2015	2014
LIABILITIES AND EQUITY		
4. EQUITY		
Share capital	86	86
Retained earnings	163,670	144,310
	163,756	144,396
 SHORT-TERM LIABILITIES		
Trade payables	4,563	31,574
Payables to group companies	48,781	92,023
Tax payables	5,887	11,660
Other payables	10,503	38,066
	69,734	173,323
TOTAL LIABILITIES	69,734	173,323
TOTAL LIABILITIES AND EQUITY	233,490	317,719
6. Contingencies etc.		
7. Related parties		

MAERSK ENERGY MARKETING A/S

Notes as at 31.12.2015

(USD 1,000)

Note 1, Staff costs

The company has no employees, as all those engaged are employed in Rederiet A.P. Møller A/S.

No Board of Directors' fee and Management remuneration has been charged to profit and loss account.

	<u>2015</u>	<u>2014</u>
Note 2, Financial income		
Interest received from Group companies	136	78
Exchange rate adjustments etc.	4,980	1,323
	<u>5,116</u>	<u>1,401</u>
Note 3, Financial expenses		
Interest paid to Group companies	128	133
Exchange rate adjustments etc.	6,204	1,171
	<u>6,332</u>	<u>1,304</u>

Note 4, Equity

	<u>2015</u>	<u>2014</u>
Share capital		
Share capital at 01.01	86	86
Share capital at 31.12	<u>86</u>	<u>86</u>
Retained earnings		
Retained earnings at 01.01	144,310	100,081
Transferred from profit for the year	<u>19,360</u>	<u>44,229</u>
Retained earnings at 31.12	<u>163,670</u>	<u>144,310</u>
Total equity	<u>163,756</u>	<u>144,396</u>

Share capital consists of the following shares:

<u>Number</u>	<u>Nominal, DKK</u>
500	1,000
Total nominal value in DKK	<u>500,000</u>

There have been no changes to the share capital during the past five years.

Note 5, Corporate tax

Tax expense on profit for the year, USD 6.6 million (2014: tax expense of USD 13.2 million) includes an adjustment of USD 879 thousands in respect of 2014.

This company is part of a joint taxation scheme with the A.P. Møller-Mærsk Group. The tax is divided between the members of the joint taxation scheme by use of the full allocation method.

Note 6, Contingencies

The company is jointly taxed with Danish companies within the A.P. Møller-Mærsk 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.

The Company is part of ongoing disputes. The potential outcome is not estimated to have any significant impact on the financial position as at 31 December 2015.

Note 7, Related parties

Companies in the A.P. Møller Mærsk Group and the Executive board and board members of the company are related parties.

Parties exercising control

The company is 100% owned by Mærsk Olie og Gas A/S. The consolidated Maersk Oil financial statements are available at the Company's address, Esplanaden 50, 1263 Copenhagen K, Denmark.

The ultimate parent company is A.P. Møller Holding A/S. The consolidated financial statements of A.P. Møller Holding A/S are available at the company's address, Esplanaden 50, 1098 Copenhagen K, Denmark.

The company is included in both consolidated financial statements as a subsidiary.