

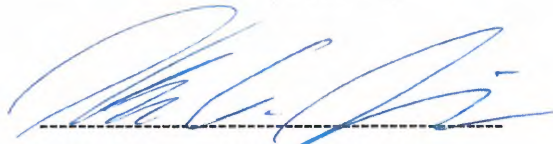
Maersk Volve A/S

Lyngby Hovedgade 85
2800 Kgs. Lyngby
Company Reg. No. 33153600

Annual Report 2017

(Financial year No. 8)

As adopted by the Company at the Annual General Meeting
30 May 2018



Klaus Greven Kristensen

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Statement of the Board of Directors and Management

The Board of Directors and Management have today discussed and approved the annual report for 2017 of Maersk Volve 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 2017 and of the results of the Company's operations for the financial year 2017.

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.

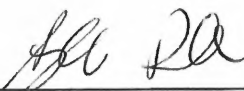
Lyngby, 30 May 2018

Management:



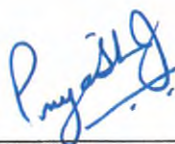
Per Gobel

Board of Directors:



Angela Durkin

(Chairman)



Priya Saldanha Leth -
Jørgensen



Klaus Greven Kristensen

Independent Auditor's Report

To the shareholder of Maersk Volve A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017, and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Maersk Volve A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

Independent Auditor's Report

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 judgment and maintain professional skepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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.

Copenhagen, 30 May 2018

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33771231



Thomas Wraae Holm
State Authorised Public Accountant
mne30141



Kim Danstrup
State Authorised Public Accountant
mne32201

Management's Review

Company details

Maersk Volve A/S
Lyngby Hovedgade 85
2800 Kgs. Lyngby

Company Reg. No.: 33153600
Date of incorporation: 31 August 2010
Registered office: Lyngby
Financial year: 1 January 2017 - 31 December 2017

Board of Directors

Angela Durkin (Chairman)
Priya Saldanha Leth - Jørgensen
Klaus Greven Kristensen

Management

Per Gøbel

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Annual General Meeting

Annual General Meeting will be held 30 May 2018.

Management's Review

Financial Highlights and Key Figures

USD ('000)	2017	2016	2015	2014	2013
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Financial Highlights

Gross result	(604)	15,025	14,366	12,797	16,590
Result before financial items	(604)	(5,066)	950	6,106	9,899
Financial items, net	532	17	(1,130)	(3,579)	(745)
Result before tax	(72)	(5,049)	(180)	2,527	9,154
Result for the year	(654)	(3,888)	(210)	1,934	6,068

Total assets	26,374	30,182	42,121	88,413	86,309
Investing activities	0	0	0	0	0
Total equity (incl. proposed dividend)	16,354	27,008	40,896	86,106	84,172

Key Figures

Operating margin	0%	(32)%	6%	46%	58%
Return on invested capital	(12)%	(15)%	2%	8%	13%
Liquidity ratio	263%	951%	1,798%	2,380%	2,157%
Equity ratio	100%	90%	97%	97%	98%
Return on equity	(8)%	(12)%	0%	2%	8%

Management's Review

The Company's main activities

The Company's main activity is handling the ownership of the production unit Volve. The production unit Volve produces oil and is mounted on the drilling rig Mærsk Inspirer that operates on the Volve oil field in the Norwegian sector of the North Sea.

Development in activities and finances

In Q4 2016 the company ended its activities on the leased rig Mærsk Inspirer and following that the company is now dormant.

The result for the year amounts to USD (654)k [2016: USD (3,888)k] which is in line with management's expectations.

Particular risks

Financial exposure

The Company's revenue is mainly denominated in USD, while costs are in USD and other currencies. The currency exposure is not considered to be significant.

The Company has a small concentration of customers, but is not considered to have any credit risks.

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 2017 at <http://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.

Subsequent events

A merger plan has been prepared by the boards of directors of Maersk Volve A/S and Maersk Drilling North Sea A/S for the purpose of undertaking a merger by absorption between the companies whereby Maersk Drilling North Sea A/S will be the continuing company and Maersk Volve A/S will be the discontinuing company.

The merger shall be implemented by transfer of the discontinuing company's assets and liabilities as a whole to the continuing company. The discontinuing company will be dissolved without liquidation in connection with the merger.

Maersk Drilling A/S holds all the shares in the two merging companies.

Following completion of formal requirements including publication of Declaration of on the Creditor's Position it is expected that the shareholders of the two merging companies will approve the merger with effect retroactively 1 January 2018.

Financial Statements 1 January - 31 December

Accounting policies

The Financial Statements of Maersk Volve A/S for 2017 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to mid-size enterprises of reporting class mid-size C.

In accordance with Sections 86(4) of the Danish Financial Statements Act, cash flow statement is omitted as this information is included in the consolidated Financial Statements for A.P. Møller - Mærsk A/S.

Additional note disclosures required by reporting class C has been included in the financial statements.

The accounting policies are unchanged from last year.

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

Gross result

In accordance with Section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

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.

Leasing

Lease income from operating leases is recognised over the lease term.

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.

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

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.

The cost price is the acquisition price and costs directly related to the purchase until the asset is ready for use.

The cost of an asset is divided into separate components which are depreciated separately if the useful lives of the individual components differ.

Gains and losses on sale of property, plant and equipment are calculated as the difference between the sales price less cost of sale and the carrying amount of the asset at the time of sale. Gains and losses are recognised in the income statement.

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.

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.

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Financial Statements 1 January - 31 December

Accounting policies

Balance sheet

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.

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

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 2017 the exchange rate DKK/USD was 620.77 (2016: 705.50).

Financial highlights

The financial highlights have been defined as follows:

Operating margin	$\frac{\text{Profit/loss before financial items} \times 100}{\text{Revenue}}$
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	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

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	2017 USD ('000)	2016 USD ('000)
	(604)	15,025
4	Depreciation, amortisation and impairment losses 0	(20,091)
	(604)	(5,066)
1	Financial income 532	65
2	Financial expenses 0	(48)
	(72)	(5,049)
3	Tax on result for the year (582)	1,161
	(654)	(3,888)

Financial Statements 1 January - 31 December

Balance sheet

Note	ASSETS	2017 USD ('000)	2016 USD ('000)
	Non-current assets		
4	Property, plant and equipment		
	Production facilities and equipment	0	0
	Total non-current assets	0	0
	Current assets		
	Receivables		
	Receivables from group enterprises	19,794	22,441
5	Deferred tax assets	6,580	7,741
	Total current assets	26,374	30,182
	TOTAL ASSETS	26,374	30,182

Financial Statements 1 January - 31 December

Balance sheet

Note	EQUITY AND LIABILITIES	2017 USD ('000)	2016 USD ('000)
	Equity		
	Share capital	171	171
	Retained earnings	16,183	16,837
	Proposed dividend	0	10,000
	Total equity	16,354	27,008
	Short-term liabilities		
	Trade payables	6	6
	Payables to group enterprises	10,014	1,225
	Current tax payables	0	1,943
	Total liabilities	10,020	3,174
	TOTAL EQUITY AND LIABILITIES	26,374	30,182
6	Appropriation		
7	Commitments and contingent liabilities, etc.		
8	Employee remuneration		
9	Related parties		
10	Consolidation		
11	Events after the balance sheet date		

Financial Statements 1 January - 31 December

Equity statement

USD ('000)	Share- capital	Retained earnings	Proposed dividend	Total
Equity 1 January 2016	171	30,725	10,000	40,896
Dividend to shareholder	0	0	(10,000)	(10,000)
Result for the year	0	(13,888)	10,000	(3,888)
Equity 1 January 2017	171	16,837	10,000	27,008
Dividend to shareholder	0	0	(10,000)	(10,000)
Result for the year	0	(654)	0	(654)
Equity 31 December 2017	171	16,183	0	16,354

The share capital comprises 10,000 shares of DKK 100. No shares hold special rights. There has been no changes to the share capital during the past five financial years.

Financial Statements 1 January - 31 December

Notes

	2017	2016
	<u>USD ('000)</u>	<u>USD ('000)</u>
1 Financial income		
Interest income from group enterprises	190	65
Exchange gain from group enterprises	342	0
	<u>532</u>	<u>65</u>
2 Financial expenses		
Exchange loss to group enterprises	0	(48)
	<u>0</u>	<u>(48)</u>
3 Tax on the result of the year		
Tax for the year	589	(1,943)
Change in deferred tax	(1,161)	3,054
Change in deferred tax due to change in tax rate	0	0
Adjustments to prior years tax for the year	(10)	50
Adjustments to prior years change in deferred tax	0	0
	<u>(582)</u>	<u>1,161</u>

Financial Statements 1 January - 31 December

Notes

4 Property, plant and equipment

USD ('000)	Total
Cost price 1 January 2017	204,679
Addition	0
Disposal	0
Cost price 31 December 2017	204,679
Depreciation and impairment losses 1 January 2017	(204,679)
Depreciation	0
Depreciation and impairment losses 31 December 2017	(204,679)
Carrying amount 31 December 2017	0

5 Deferred tax

Deferred tax mainly relates to deferred tax on the carrying amount of the production facilities and equipment.

The deferred tax asset is expected to be utilized by future taxable income in the Danish joint taxation. Management considers no significant risk related to the valuation of the asset.

USD ('000)	Assets	Liabilities
Deferred tax 1 January 2017	7,741	0
Change in deferred tax	(1,161)	0
Deferred tax 31 December 2017	6,580	0

6 Appropriation

	2017	2016
	USD ('000)	USD ('000)
Proposed dividend	0	10,000
Retained earnings	(654)	(13,888)
	(654)	(3,888)

Financial Statements 1 January - 31 December

Notes

7 Commitments and contingent liabilities, etc.

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.

In Q4 2016 the company ended its drilling activities on the leased rig Mærsk Inspirer and following that the company is now dormant.

8 Employee remuneration

Maersk Volve A/S has not had employees in 2017 and 2016. Personnel are hired from affiliates in the A.P. Møller - Mærsk Group. The Board of Directors has not been remunerated.

9 Related parties

The following related parties have a controlling interest in Maersk Volve 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 A/S, Lyngby Hovedgade 85, 2800 Kgs. Lyngby. The parent company.

Other related parties

Subsidiaries and affiliates to A.P. Møller Holding 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.

10 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 <http://www.maersk.dk>. The consolidated financial statements of A.P. Møller - Holding A/S can be obtained by contacting this company.

Financial Statements 1 January - 31 December

Notes

11 Events after the balance sheet date

A merger plan has been prepared by the boards of directors of Maersk Volve A/S and Maersk Drilling North Sea A/S. Maersk Drilling A/S holds all the shares in the two merging companies.

Maersk Drilling North Sea A/S will be the continuing company and Maersk Volve A/S will be the discontinuing company.

It is expected that the shareholders of the two merging companies will approve the merger with effect retroactively 1 January 2018.

No further events other than above mentioned have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.