

Total E&P Kalaallit Nunaat A/S

CVR-No. 33355092

Annual Report 2018



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

Amerika Plads 29, 2100 Copenhagen Ø

Company information

Total E&P Kalaallit Nunaat A/S
Amerika Plads 29
2100 Copenhagen Ø
Denmark

CVR-No.: 33355092
Date of incorporation: 25 November 2010
Registered office: Copenhagen
Financial year: 1 January 2018 - 31 December 2018

Board of Directors

Michael Simon Borrell (Chairman)
Troels Albrechtsen (Vice Chairman)
Martin Rune Pedersen

Executive Board

Jean-Baptiste Pierre Faget

Management's Statement

The Board of Directors and Executive Board have today discussed and approved the annual report of Total E&P Kalaallit Nunaat A/S for 2018.

The annual report for 2018 of Total E&P Kalaallit Nunaat 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 financial year 2018.

In our opinion the Financial Statement 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:



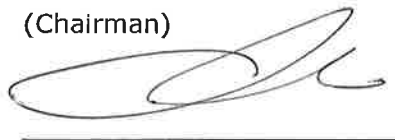
Jean-Baptiste Pierre Faget

Board of Directors:



Michael Simon Borrell

(Chairman)



Martin Rune Pedersen



Troels Albrechtsen

(Vice Chairman)

Accounting Policies

The Annual Report for 2018 of Total E&P Kalaallit Nunaat 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 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 a number of Danish companies in 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

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**.

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.

TOTAL E&P KALAALLIT NUNAAT A/S
INCOME STATEMENT
FOR 2018

Note	USD 1,000		
	2018	2017	
1.	Administrative expenses	0	(30)
	Exploration expenses	(6)	(69)
	Result before financial items and tax	(6)	(99)
2.	Financial income	14	371
3.	Financial expenses	(7)	(15)
	Result before tax	1	257
4.	Tax for the year	0	(15)
	RESULT FOR THE YEAR	1	242
	Proposed distribution of net result		
	Extraordinary dividend	0	6,380
	Retained earnings	1	(6,138)
		1	242
5.	Company activity		

TOTAL E&P KALAALLIT NUNAAT A/S
BALANCE SHEET AT 31.12.2018

Note	USD 1,000	
	2018	2017
ASSETS		
CURRENT ASSETS		
Receivables		
Receivables Group companies	943	927
Receivables joint venture partners	0	7
	943	934
TOTAL CURRENT ASSETS	943	934
TOTAL ASSETS	943	934

TOTAL E&P KALAALLIT NUNAAT A/S
BALANCE SHEET AT 31.12.2018

Note	USD 1,000	
	2018	2017
LIABILITIES AND EQUITY		
6. EQUITY		
Share capital	897	897
Retained earnings	17	16
	914	913
CURRENT LIABILITIES		
Trade payables	19	5
Payables to Group companies	10	16
	29	21
TOTAL LIABILITIES	29	21
TOTAL LIABILITIES AND EQUITY	943	934
7. Contingencies etc.		
8. Related parties		

TOTAL E&P KALAALLIT NUNAAT A/S

Notes as at 31.12.2018

USD 1,000

Note 1, Staff costs

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

	<u>2018</u>	<u>2017</u>
Note 2, Financial income		
Interest received from group companies	13	44
Exchange rate adjustments etc.	1	327
	<u>14</u>	<u>371</u>
Note 3, Financial expenses		
Exchange rate adjustments etc.	7	15
	<u>7</u>	<u>15</u>

Note 4, Corporate tax

There is no tax expense for the year (2017: USD 15 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 5, Company activity

The Company was established during 2010 in connection with Total E&P Danmark A/S (former Maersk Oil) being awarded a licence covering Block 9 in Baffin Bay, offshore West Greenland.

Following the data gathering programme in 2012, evaluation of prospectivity of the Block 9 area was finalized in Q2 2014. Maturation of the Navarana prospect based on new 3D seismic data showed the prospect to be economically marginal. A decision on commitment to drill the prospect was due by the end of 2014. Following evaluation regarding possible implications and opportunities, Total and partners (Tullow Greenland Exploration Limited and Nunaoil A/S) approached the authorities for an extension to the license. An agreement on the specific terms for such extension was reached in October 2014. The addendum to the license agreement was signed in November 2014, giving a two year extension (until

December 31, 2016) with no additional commitments (only a minimum license fee of USD 100,000 per year). The work program for the block was completed and a decision was made to withdraw from the license at the end of the extension. The Approval of Surrender documents for the license were signed on the 8th of February 2018, releasing all partners from any work obligation, claim or liability, and the Parent Company Guarantee was released. In April 2018 a final cash settlement to our partner Tullow Greenland Exploration Limited was made. Preparation of closing the company is ongoing.

Note 6, Equity

	2018	2017
Share capital		
Share capital at 01.01	897	897
Share capital at 31.12	897	897
Retained earnings		
Retained earnings at 01.01	16	6,154
Transferred result for the year	1	(6,138)
Retained earnings at 31.12	17	16
Proposed dividend for distribution		
Proposed dividend at 01.01	0	0
Extraordinary dividend	0	6,380
Extraordinary dividend paid	0	(6,380)
Proposed dividend at 31.12	0	0
Total equity	914	913

Share capital consists of the following shares:

Number	Nominal, DKK
5,250	1,000
Total nominal value in DKK	5,250,000

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

Note 7, 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 joint taxation still exists.

Note 8, Related parties

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

Payables and receivables to group entities are disclosed in the balance sheet, and financial income is disclosed in note 2.

Transactions during 2018 with related parties:

	2018
Expenses related to services received	<u> </u> (17)

Parties exercising control

The Company is 100% owned by Total E&P Danmark 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.