

Total E&P Angola Block 16 Holdings A/S

CVR-No. 33391439

Annual Report 2018



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

Amerika Plads 29, 2100 Copenhagen Ø, Denmark.

Company information

Total E&P Angola Block 16 Holdings A/S
Amerika Plads 29
2100 Copenhagen Ø

CVR-No.: 33391439
Date of incorporation: 17 January 2011
Registered office: Copenhagen
Financial year: 1 January 2018 - 31 December 2018

Board of Directors

Sophie Paule Roland Barthe (Chairman)
Martin Rune Pedersen
Troels Albrechtsen

Executive Board

Olivier Jacques Maurice Jouny

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen Ø

Management's Statement

The Board of Directors and Executive Board have today discussed and approved the annual report of Total E&P Angola Block 16 Holdings A/S for 2018.

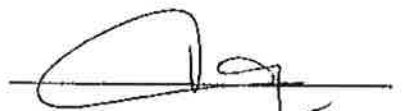
The annual report for 2018 of Total E&P Angola Block 16 Holdings A/S has been prepared in accordance with Danish Financial Statements Act and in our opinion gives a true and fair view of the Company's assets, liabilities and the financial position at 31 December 2018 and of the results of the Company's operations for the financial year 2018.

In our opinion the 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.

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


Copenhagen, 24 May 2019

Executive Board:

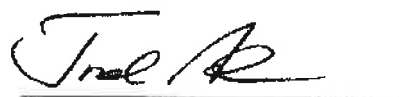

Olivier Jacques Maffice Jouny

Board of Directors:

Sophie Paule Roland Barthe
(Chairman)



Martin Rune Pedersen



Troels Albrechtsen

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Copenhagen, 24 May 2019

Executive Board:

Olivier Jacques Maurice Jouny

Board of Directors:



Sophie Paule Roland Barthe
(Chairman)



Martin Rune Pedersen



Troels Albrechtsen

Independent auditors' report

To the shareholder of Total E&P Angola Block 16 Holdings A/S

Opinion

We have audited the financial statements of Total E&P Angola Block 16 Holdings A/S for the financial year 1 January – 31 December 2018, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

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

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.

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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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
- 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 24 May 2019

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Henrik O. Larsen
State Authorised
Public Accountant
MNE no. 15839



Morten Høgh-Petersen
State Authorised
Public Accountant
MNE no. 34283

Accounting Policies

The Annual Report for 2018 of Total E&P Angola Block 16 Holdings A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to class B companies with options from higher reporting classes.

The accounting policies for the Financial Statements are unchanged from last year.

Pursuant to Section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated Financial Statements. The Financial Statements of Total E&P Angola Block 16 Holdings A/S and its subsidiaries are included in the consolidated Financial Statements of the Total Group.

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 consultant fees and other general administrative expenses.

Result in subsidiaries is recognised net of tax.

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

Investments in subsidiaries are recognised and valued as the Company's share of the subsidiaries' equity valued according to the Company's accounting policies.

Investments in subsidiaries with negative net asset values are measured at USD 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under liabilities (Payable to group companies).

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 ANGOLA BLOCK 16 HOLDINGS A/S
INCOME STATEMENT
FOR 2018

Note	USD 1,000	
	2018	2017
1. Administrative expenses	(28)	0
Result before financial items and tax	(28)	0
2. Result after tax in subsidiaries	(1,656)	(2,595)
3. Financial income	1	19
4. Financial expenses	(3)	0
Result before tax	(1,686)	(2,576)
5. Tax for the year	0	10
RESULT FOR THE YEAR	(1,686)	(2,586)
Proposed distribution of net result		
Retained earnings	(1,686)	(2,586)
	(1,686)	(2,586)
6. Company activity		

TOTAL E&P ANGOLA BLOCK 16 HOLDINGS A/S
BALANCE SHEET AT 31.12.2018

Note	USD 1,000	
	2018	2017
ASSETS		
NON-CURRENT ASSETS		
Financial assets		
2.	Investment in subsidiaries	0 1,007
		0 1,007
TOTAL NON-CURRENT ASSETS		
CURRENT ASSETS		
Receivables		
	Receivables Group companies	555 77
	Other receivables	1 0
		556 77
TOTAL CURRENT ASSETS		
		556 1,084

TOTAL E&P ANGOLA BLOCK 16 HOLDINGS A/S
BALANCE SHEET AT 31.12.2018

Note	USD 1,000		
	2018	2017	
LIABILITIES AND EQUITY			
7.	EQUITY		
	Share capital	8,639	8,639
	Retained earnings	(9,241)	(7,555)
		<u>(602)</u>	<u>1,084</u>
	CURRENT LIABILITIES		
	Trade payables	4	0
2.	Payables to group companies	1,154	0
		<u>1,158</u>	<u>0</u>
	TOTAL LIABILITIES	<u>1,158</u>	<u>0</u>
	TOTAL LIABILITIES AND EQUITY	<u>556</u>	<u>1,084</u>

8. Contingencies etc.
9. Related parties

TOTAL E&P ANGOLA BLOCK 16 HOLDINGS 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.

Note 2, Financial assets

	2018 Shares in subsidiaries
Cost at 01.01	430,990
Additions during the year	0
Cost price 31.12	430,990
Value adjustments at 01.01	(429,983)
Share of subsidiary company result after tax	(1,656)
Value adjustments at 31.12	(431,639)
Carrying amount 31.12	(649)

Subsidiary	Country of registration	Share of ownership
Total E&P Chissonga Holdings Ltd.	British Virgin Islands	100%

Negative equity of subsidiaries are included in Payables to group companies.

	2018	2017
Note 3, Financial income		
Interest received from group companies	0	7
Exchange rate adjustments etc.	1	12
	1	19
Note 4, Financial expenses		
Other financial expenses	3	0
	3	0

Note 5, Corporate tax

There is no tax expense this year (2017: USD 10 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 6, Company activity

The company was established in 2011 as a holding company for the acquisition of a 15% interest in Block 16 offshore Angola.

Total E&P Angola Block 16 Holdings A/S indirectly holds a 15% participating interest in Block 16 offshore Angola in partnership with Odebrecht (15%), Sonangol (20%) and Total E&P Angola Block 16 A/S (50%). Sonangol's share of the costs are carried by the other partners, which results in a cost share for Total E&P Angola Block 16 Holdings A/S of 18.75%.

Note 7, Equity

	<u>2018</u>	<u>2017</u>
Share capital		
Share capital at 01.01	8,639	8,596
Capital increase	0	44
Share capital at 31.12	<u>8,639</u>	<u>8,639</u>
Retained earnings		
Retained earnings at 01.01	(7,555)	(9,275)
Capital increase, share premium	0	4,306
Transferred from result for the year	(1,686)	(2,586)
Retained earnings at 31.12	<u>(9,241)</u>	<u>(7,555)</u>
Total equity	<u>(602)</u>	<u>1,084</u>

Share capital consists of the following shares:

<u>Number</u>	<u>Nominal, DKK</u>
47,878	<u>1,000</u>
Total nominal value in DKK	<u>47,878,000</u>

Share capital changes in the last five years shares:	DKK
Increase of capital 19 March 2014	5,000,000
Increase of capital 29 July 2014	10,000,000
Increase of capital 5 February 2015	330,000
Increase of capital 16 December 2016	252,000
Increase of capital 19 May 2017	296,000

The costs related to the capital increases in 2017 amount to USD 730.

Note 8, Contingencies

As of 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 9, 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.

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. 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.