

**Maersk Oil Angola Holdings A/S**

**CVR-No. 33391439**

**Annual Report 2017**

Approved at the General Assembly: 11 May 2018  
Chairman of the meeting: Majbritt Perotti Carlson

Amerika Plads 29 st., 2100 Copenhagen Ø, Denmark.

## **Company information**

Maersk Oil Angola Holdings A/S  
Amerika Plads 29, st.  
2100 Copenhagen Ø

CVR-No.: 33391439  
Date of incorporation: 17 January 2011  
Registered office: Copenhagen  
Financial year: 01 January 2017 - 31 December 2017

## **Board of Directors**

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

## **Executive Board**

Laurent Michel Raoul Maurel

## **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

## **Directors' Report**

### **Activities**

The Company is a wholly owned subsidiary of Mærsk Olie og Gas A/S (name changed to Total E&P Danmark A/S, as per May 1<sup>st</sup> 2018).

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

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

A Chissonga field development plan was submitted to the authorities in Q3 2013. Tender bids for the Chissonga project were received. With the low oil price, the project is challenged. Due to project timing, the activities outgoing from the Houston office were terminated in November 2016 with a significantly reduced Chissonga project team moving to Copenhagen. The Luanda team was also reduced significantly.

Currently an economically viable solution is being sought and may be based on a Field Development Plan with a significant revised scope and including cross block development of resources from neighboring blocks. Recent progress has been made by reducing the cost base of the project.

### **Financial review**

#### Financial performance for the year

The result for 2017 is a loss of USD 3 million, compared to a loss of USD 10 million in 2016. The result reflects significant cost savings.

#### Guidance for 2018

The loss for 2018 is expected to be lower than in 2017, due to the decreased activity level in the subsidiary.

## **Change of parent company owner**

The share capital in Mærsk Olie og Gas A/S was acquired by Total S.A. from A.P. Møller – Mærsk A/S with effective date 8<sup>th</sup> March 2018. This does not affect the going concern of the company.

As of the effective date the company is no longer part of the A.P. Møller – Maersk Group joint taxation and is instead jointly taxed with the previous Maersk Oil Group companies and Danish registered Total Group companies. Joint liability for previous periods still exists.

## **Management's Statement**

The Board of Directors and Executive Board have today discussed and approved the annual report of Maersk Oil Angola Holdings A/S for 2017.

The annual report for 2017 of Maersk Oil Angola 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 2017 and of the results of the Company's operations for the financial year 2017.

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, 11 May 2018

Executive Board: \_\_\_\_\_  
Laurent Michel Raoul Maurel

Board of Directors: \_\_\_\_\_  
Sophie Paule Roland Barthe  
(Chairman)

\_\_\_\_\_

Martin Rune Pedersen  
(Vice Chairman)

\_\_\_\_\_

Troels Albrechtsen

## **Independent auditors' report**

To the shareholder of Maersk Oil Angola Holdings 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 Oil Angola Holdings A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, accounting policies and notes ("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 Directors' Report**

Management is responsible for Directors' Report.

Our opinion on the Financial Statements does not cover Directors' Report, 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 Directors' Report and, in doing so, consider whether Directors' Report 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 Directors' Report provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Directors' Report 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 Directors' 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.
- 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.

Hellerup, 11 May 2018

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Mads Melgaard

State Authorised Public Accountant  
mne34354



## **Accounting Policies**

The Annual Report for 2017 of Maersk Oil Angola 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 Maersk Oil Angola Holdings A/S and its subsidiaries are included in the consolidated Financial Statements of the Mærsk Olie og Gas A/S Group and A.P. Møller - Mærsk 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 6.2067 at 31 December 2017 (2016: DKK 7.0550).

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 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.

### 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 DKK 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.

**MAERSK OIL ANGOLA HOLDINGS A/S**  
**INCOME STATEMENT**  
**FOR 2017**

Note	USD 1,000	
	<b>2017</b>	<b>2016</b>
1. Administrative expenses	0	42
Result before financial items and tax	0	(42)
2. Result after tax in subsidiaries	(2,595)	(9,865)
3. Financial income	19	70
4. Financial expenses	0	60
Result before tax	(2,576)	(9,897)
5. Tax for the year	10	(46)
<b>RESULT FOR THE YEAR</b>	<b>(2,586)</b>	<b>(9,851)</b>
Proposed distribution of net result		
Retained earnings	(2,586)	(9,851)
	(2,586)	(9,851)

**MAERSK OIL ANGOLA HOLDINGS A/S**  
**BALANCE SHEET AT 31.12.2017**

Note	USD 1,000	
	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
NON-CURRENT ASSETS		
Financial assets		
2.	Investment in subsidiaries	0
	1,007	0
	TOTAL NON-CURRENT ASSETS	0
CURRENT ASSETS		
Receivables		
	Receivables Group companies	6,551
	77	6,551
	TOTAL CURRENT ASSETS	6,551
	<b>1,084</b>	<b>6,551</b>

**MAERSK OIL ANGOLA HOLDINGS A/S**  
**BALANCE SHEET AT 31.12.2017**

Note	USD 1,000	
	<b>2017</b>	<b>2016</b>
<b>LIABILITIES AND EQUITY</b>		
6. EQUITY		
Share capital	8,639	8,560
Retained earnings	(7,555)	(9,275)
	1,084	(679)
CURRENT LIABILITIES		
Trade payables	0	22
Payable to group companies	0	7,208
	0	7,230
TOTAL LIABILITIES	0	7,230
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,084</b>	<b>6,551</b>
7. Contingencies etc.		
8. Related parties		

**MAERSK OIL ANGOLA HOLDINGS A/S**

**Notes as at 31.12.2017**

**(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**

USD 1,000	<b>2017</b> Shares in subsidiaries
Cost at 01.01	420,185
Additions during the year	10,805
Cost price 31.12	430,990
Value adjustments at 01.01	(427,388)
Share of subsidiary company result after tax	(2,595)
Value adjustments at 31.12	(429,983)
Carrying amount 31.12	1,007

<b>Subsidiary</b>	<b>Country of registration</b>	<b>Share of ownership</b>
Maersk Oil Angola Sixteen Holdings Ltd.	British Virgin Islands	100%

USD 1,000	<b>2017</b>	<b>2016</b>
<b>Note 3, Financial income</b>		
Interest received from group companies	7	12
Exchange rate adjustments etc.	12	58
	19	70
<b>Note 4, Financial expenses</b>		
Exchange rate adjustments etc.	0	60
	0	60

## Note 5, Corporate tax

Tax expense of the year is USD 10 thousand (2016: Tax income USD 46 thousand).

This Company is part of a joint taxation scheme with 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, Equity

USD 1,000

	<u>2017</u>	<u>2016</u>
<b>Share capital</b>		
Share capital at 01.01	8,596	8,560
Capital increase	44	36
Share capital at 31.12	<u>8,639</u>	<u>8,596</u>
<b>Retained earnings</b>		
Retained earnings at 01.01	(9,275)	(2,978)
Capital increase, share premium	4,306	3,554
Transferred from result for the year	(2,586)	(9,851)
Retained earnings at 31.12	<u>(7,555)</u>	<u>(9,275)</u>
<b>Total equity</b>	<u>1,084</u>	<u>(679)</u>

Share capital consists of the following shares:

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

Share capital changes in the last five years shares:

	<u>DKK</u>
Increase of capital 25 June 2013	2,500,000
Increase of capital 2 October 2013	5,000,000
Increase of capital 10 December 2013	5,000,000
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 (2016: USD 700).

### **Note 7, Contingencies**

As of December 2017, 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.

### **Note 8, Related parties**

Companies in the A.P. Møller - Mærsk Group and the Executive board and board members of the Company are related parties. All transactions with related parties are carried out at arm's length.

### **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, Amerika Plads 29, st., 2100 Copenhagen Ø, Denmark.

As of 31 December 2017, 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.