

Maersk Oil Middle East A/S

CVR-No. 33783949

Annual Report 2016



Approved at the General Assembly: 30 May 2017
Chairman of the meeting: Majbritt Perotti Carlson

Esplanaden 50, 1263 Copenhagen K



Company information

Maersk Oil Middle East A/S
Esplanaden 50
1263 Copenhagen K

CVR-No.: 33783949
Date of incorporation: 08 July 2011
Registered office: Copenhagen
Financial year: 01 January 2016 - 31 December 2016

Board of Directors

Gretchen H. Watkins (Chairman)
Carsten Sonne-Schmidt (Vice Chairman)
Samir Abboud

Executive Board

Richard Alistair Doidge

Branch

Level 4, Building B
Al Mamoura, 15th Street
Muroor District
P.O. Box 46400
Abu Dhabi
UAE

Directors' Report

Activities

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

The Company carries out business development activities in the Abu Dhabi area.

Financial review

Financial performance of the year

The result for 2016 is a loss of USD 394 thousand, compared to a loss of USD 2.2 million in 2015. This was in line with expectations.

Guidance for 2017

In 2017, the loss is expected to be in line with 2016.

Management's Statement

The Board of Directors and Executive Board have today discussed and approved the annual report of Maersk Oil Middle East A/S for 2016.

The annual report for 2016 of Maersk Oil Middle East 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 2016 and of the results of the Company's operations for the financial year 2016.

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.


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, 30 May 2017

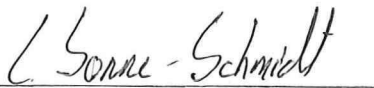
Executive Board: 

Richard Alistair Doidge

Board of Directors: 

Gretchen H. Watkins

(Chairman)



Carsten Sonne-Schmidt

(Vice Chairman)



Samir Abboud

Accounting Policies

The Annual Report for 2016 of Maersk Oil Middle East 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.

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 7.0550 at 31 December 2016 (2015: DKK 6.8300).

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 office rent, staff costs and other administrative expenses.

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

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.

Prepayments recognised under assets include pre-paid rent and staff related expenses.

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 MIDDLE EAST A/S
INCOME STATEMENT
FOR 2016

Note	USD 1,000	
	2016	2015
1. Administrative expenses	394	2,276
Result before financial items and tax	(394)	(2,276)
2. Financial income	7	43
3. Financial expenses	7	10
Result before tax	(394)	(2,243)
4. Tax for the year	0	(12)
RESULT FOR THE YEAR	(394)	(2,231)
Proposed distribution of net result		
Retained earnings	(394)	(2,231)
	(394)	(2,231)

MAERSK OIL MIDDLE EAST A/S
BALANCE SHEET AT 31.12.2016

Note	USD 1,000	
	2016	2015
ASSETS		
CURRENT ASSETS		
Receivables		
	1,449	1,847
	12	12
	21	55
4.	4	4
	0	54
	1,486	1,972
	1,486	1,972
	1,486	1,972

MAERSK OIL MIDDLE EAST A/S
BALANCE SHEET AT 31.12.2016

Note	USD 1,000	
	2016	2015
LIABILITIES AND EQUITY		
5. EQUITY		
Share capital	699	699
Retained earnings	785	1,179
	1,484	1,878
 CURRENT LIABILITIES		
Trade payables	0	16
Payables to Group companies	2	78
	2	94
TOTAL LIABILITIES	2	94
TOTAL LIABILITIES AND EQUITY	1,486	1,972
6. Contingencies etc.		
7. Related parties		

MAERSK OIL MIDDLE EAST A/S

Notes as at 31.12.2016

(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.

USD 1,000

Note 2, Financial income

Interest received from Group companies
Exchange rate adjustments etc.

	<u>2016</u>	<u>2015</u>
	7	1
	<u>0</u>	<u>42</u>
	<u>7</u>	<u>43</u>

Note 3, Financial expenses

Exchange rate adjustments etc.

	7	10
	<u>7</u>	<u>10</u>

Note 4, Corporate tax

Tax for the year is USD nil (2015: tax income of 12 thousand).

Deferred tax asset is USD 4 thousand (2015: 4 thousands).

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 5, Equity

USD 1,000

Share capital

	<u>2016</u>	<u>2015</u>
Share capital at 01.01	699	625
Additions during the year	0	74
Share capital at 31.12	<u>699</u>	<u>699</u>

Retained earnings

Retained earnings at 01.01	1,179	1,278
Capital increase, surplus premium	0	2,132
Transferred from result for the year	(394)	(2,231)

Retained earnings at 31.12	<u>785</u>	<u>1,179</u>
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Total equity

	<u>1,484</u>	<u>1,878</u>
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Share capital consists of the following shares:

<u>Number</u>	<u>Nominal, DKK</u>
4,000	<u>1,000</u>
Total nominal value in DKK	<u>4,000,000</u>

Share capital, changes:

Increase of capital 19 October 2012	500,000
Increase of capital 8 March 2013	500,000
Increase of capital 5 September 2013	500,000
Increase of capital 12 May 2014	500,000
Increase of capital 4 November 2014	500,000
Increase of capital 27 May 2015	500,000

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.

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. All transactions with related parties are carried out on arm's length.

Parties exercising control

The Company is 100% owned by Mærskolie 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.