

Maersk Oil Middle East A/S

CVR-No. 33783949

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

Company information

Maersk Oil Middle East A/S
Amerika Plads 29, st.
2100 Copenhagen Ø
Denmark

CVR-No.: 33783949
Date of incorporation: 08 July 2011
Registered office: Copenhagen
Financial year: 01 January 2017 - 31 December 2017

Board of Directors

Stéphane Gerard Francois Michel (Chairman)
Martin Rune Pedersen (Vice Chairman)
Troels Albrechtsen

Executive Board

Hatem Nuseibeh

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 1st 2018).

The Company was established to conduct upstream business development activities in Abu Dhabi. The Abu Dhabi office was closed in 2016.

Financial review

Financial performance of the year

The result for 2017 is a gain of USD 31 thousand, compared to a loss of USD 394 thousand in 2016. This was in line with expectations.

Guidance for 2018

In 2018, a minor loss is expected.

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 8th 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 Middle East A/S for 2017.

The annual report for 2017 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 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.

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, 11 May 2018

Executive Board: _____
Hatem Nuseibeh

Board of Directors: _____
Stéphane Gerard Francois
Michel
(Chairman)

Martin Rune Pedersen
(Vice Chairman)

Troels Albrechtsen

Accounting Policies

The Annual Report for 2017 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 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 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.

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 2017

Note	USD 1,000	
	2017	2016
1. Administrative expenses	(4)	394
Result before financial items and tax	4	(394)
2. Financial income	34	7
3. Financial expenses	0	7
Result before tax	38	(394)
4. Tax for the year	7	0
RESULT FOR THE YEAR	31	(394)
Proposed distribution of net result		
Extraordinary dividend	800	0
Retained earnings	(769)	(394)
	31	(394)

MAERSK OIL MIDDLE EAST A/S
BALANCE SHEET AT 31.12.2017

Note	USD 1,000	
	2017	2016
ASSETS		
CURRENT ASSETS		
Receivables		
	688	1,449
	12	12
	23	21
4.	0	4
	723	1,486
	723	1,486
	723	1,486

MAERSK OIL MIDDLE EAST A/S
BALANCE SHEET AT 31.12.2017

Note	USD 1,000	
	2017	2016
LIABILITIES AND EQUITY		
5. EQUITY		
Share capital	699	699
Retained earnings	16	785
	715	1,484
CURRENT LIABILITIES		
Payables to Group companies	8	2
	8	2
TOTAL LIABILITIES	8	2
TOTAL LIABILITIES AND EQUITY	723	1,486
6. Contingencies etc.		
7. Related parties		

MAERSK OIL MIDDLE EAST 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.

USD 1,000

Note 2, Financial income

Interest received from Group companies

Exchange rate adjustments etc.

	2017	2016
	13	7
	21	0
	<u>34</u>	<u>7</u>

Note 3, Financial expenses

Exchange rate adjustments etc.

	0	7
	<u>0</u>	<u>7</u>

Note 4, Corporate tax

Tax for the year is an expense of USD 7 thousand (2016: USD nil).

Deferred tax asset is USD nil (2016: 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

	2017	2016
Share capital		
Share capital at 01.01	699	699
Share capital at 31.12	<u>699</u>	<u>699</u>
Retained earnings		
Retained earnings at 01.01	785	1,179
Transferred from result for the year	(769)	(394)
Retained earnings at 31.12	<u>16</u>	<u>785</u>
Proposed dividend for distribution		
Proposed dividend at 01.01	0	0
Extraordinary dividend	800	0
Extraordinary dividend paid	(800)	0
Proposed dividend at 31.12	<u>0</u>	<u>0</u>
Total equity	<u><u>715</u></u>	<u><u>1,484</u></u>

Share capital consists of the following shares:

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

Share capital, changes:

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

As of 31 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 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 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.