

Maersk Drilling DS A/S

Esplanaden 50
1263 Copenhagen K
Company Reg. No. 34720827

Annual Report 2015

(Financial year No. 3)

As adopted by the Company at the Annual General Meeting
25 April 2016



Samir Abboud

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Statement of the Board of Directors and Management

The Board of Directors and the Management have today discussed and approved the annual report for 2015 of Maersk Drilling DS A/S.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements provide a true and fair view of the Company's assets, liabilities, and financial position 31 December 2015 and of the results of the Company's operations for the financial year 2015.

It is also our opinion that the Management review includes a true and fair view of the development in the Company's operations and financial conditions, the results for the year and financial position.

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


Copenhagen, 21 April 2016


Management:


Angela Durkin

Board of Directors:


Marianne Sørensen Henriksen
(Chairman)


Ana Lucia Pocas Zambelli


Samir Abboud

Independent Auditor's Report

To the shareholder of Maersk Drilling DS A/S

Report on the Financial Statements

We have audited the Financial Statements of Maersk Drilling DS A/S for the financial year 1 January 2015 – 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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 as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

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

The audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company's operations for the financial year 1 January 2015 - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report

Statement on Management's review

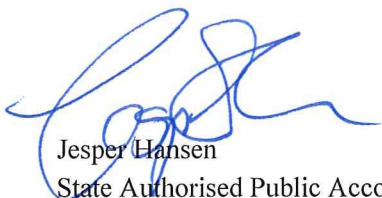
We have read Management's review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's review is consistent with the Financial Statements.

Copenhagen, 21 April 2016

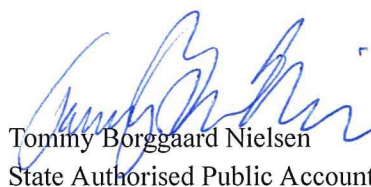
PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33771231



Jesper Hansen
State Authorised Public Accountant



Tommy Borggaard Nielsen
State Authorised Public Accountant

Management's Review

Company details

Maersk Drilling DS A/S
Esplanaden 50
1263 Copenhagen K

Company Reg. No.:	34720827
Date of incorporation:	12 October 2012
Registered office:	Copenhagen
Financial year:	1 January - 31 December

Board of Directors

Marianne Sørensen Henriksen (Chairman)
Ana Lucia Pocas Zambelli
Samir Abboud

Management

Angela Durkin

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Annual General Meeting

Annual General Meeting will be held 25 April 2016.

Management's Review

The Company's main activities

The Company's main activity is to provide loans and other related financial services.

Development in activities and finances

The result for the year amounts to USD 190k (2014: USD 113k) which is in line with management expectations. For 2016 management expects a result in line with 2015.

Events after the Balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Financial Statements 1 January - 31 December

Accounting policies

The Financial Statements of Maersk Drilling DS A/S for 2015 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies are unchanged from last year.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, write-downs and provisions and reversals as a result of changes in accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Financial Statements 1 January - 31 December

Accounting policies

Income statement

Other external cost

Other external costs comprise expenses incurred during the year for bare boat hire of the rigs, repair and maintenance, catering, hired crew and administrative costs.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on result for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the result for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. The Company is part of A.P. Møller Holding A/S' joint taxation. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with refund concerning tax losses).

Balance sheet

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Current tax receivables and liabilities

Current tax liabilities and current tax receivables are recognized in the balance sheet as calculated tax on the taxable income adjusted for tax on prior years' taxable income and paid on account taxes.

Financial debt

Other debts are recognised at amortised cost, which, essentially corresponds to the nominal value.

Financial Statements 1 January - 31 December

Accounting policies

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the date of the transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

USD is used as functional currency and as presentation currency because the majority of transactions are in U.S. dollars. At 31 December 2015 the exchange rate DKK/USD was 683.00 (2014: 612.14).

Financial Statements 1 January - 31 December

Income statement

Note		2015 USD ('000)	2014 USD ('000)
	Other external costs	(6)	(2)
	Result before financial items	(6)	(2)
1	Financial income	253	201
2	Financial expenses	(8)	(12)
	Result before tax	239	187
3	Tax on result for the year	(49)	(74)
	Result for the year	190	113

Appropriation

Retained earnings	190	113
	190	113

Financial Statements 1 January - 31 December

Balance sheet

Note	ASSETS	2015	2014
		USD ('000)	USD ('000)
	Current assets		
	Receivables		
	Receivables from group enterprises	261,593	261,356
	Total current assets	261,593	261,356
	TOTAL ASSETS	261,593	261,356

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Financial Statements 1 January - 31 December

Balance sheet

Note	EQUITY AND LIABILITIES	2015	2014
		USD ('000)	USD ('000)
	Equity		
	Share capital	260,834	260,834
	Retained earnings	661	471
	Total equity	261,495	261,305
	Short-term liabilities		
	Trade payables	4	4
	Payables to group enterprises	37	1
	Current tax payables	57	46
	Total liabilities	98	51
	TOTAL EQUITY AND LIABILITIES	261,593	261,356
4	Commitments and contingent liabilities, etc.		
5	Employee remuneration, etc.		
6	Related parties		
7	Shareholders		
8	Consolidation		

Financial Statements 1 January - 31 December

Equity statement

USD ('000)	Share- capital	Retained earnings	Total
Equity 1 January 2014	260,834	358	261,192
Result for the year	0	113	113
Equity 1 January 2015	260,834	471	261,305
Result for the year	0	190	190
Equity 31 December 2015	260,834	661	261,495

The share capital comprises 1,500,500 shares of DKK 1,000. No shares hold special rights. 12 October 2012 the share capital was established with paid in capital of USD 87k and 16 October 2012 it was changed with a capital increase of USD 260,747k. There has been no other changes to the share capital.

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Financial Statements 1 January - 31 December

Notes

	2015	2014
	USD ('000)	USD ('000)
1 Financial income		
Interest income from group enterprises	253	190
Exchange gain from group enterprises	0	11
	<u>253</u>	<u>201</u>
2 Financial expenses		
Interest expenses to group enterprises	0	(1)
Exchange loss to group enterprises	(8)	(11)
	<u>(8)</u>	<u>(12)</u>
3 Tax on the result of the year		
Tax for the year	(57)	(46)
Adjustments to prior years tax for the year	9	(29)
	<u>(49)</u>	<u>(74)</u>
4 Commitments and contingent liabilities, etc.		
Contingent liabilities		
The Company is jointly taxed with all other Danish companies in the A.P. Møller Holding Group. As a fully owned subsidiary, the Company has unlimited and joint liability together with the other companies under joint taxation for Danish company tax, withholding taxes on dividends, interest and royalties within the jointly taxed companies.		
5 Employee remuneration		
Maersk Drilling DS A/S has not had employees in 2015 and 2014. Personnel are hired from affiliates in the A.P. Møller - Mærsk Group. The Board of Directors has not been remunerated.		

Financial Statements 1 January - 31 December

Notes

6 Related parties

The following related parties have a controlling interest in Maersk Drilling DS A/S;

The A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene formaal, Copenhagen, Denmark and A.P. Møller Holding A/S has control over the A.P. Møller - Mærsk Group.

Other related parties with dominant influence include;

- A.P. Møller - Mærsk A/S, Esplanaden 50, 1098 Copenhagen K.
- Maersk Drilling A/S, Esplanaden 50, 1098 Copenhagen K. The parent company

Other related parties

Subsidiaries and affiliates to A.P. Møller - Mærsk A/S.

Related parties also include the Board of Directors and leading employees and their family members. Related parties also include companies in which the above persons have significant interests.

7 Shareholders

The Company has registered the following shareholder holding minimum 5% of the voting share capital or minimum 5% of the nominal share capital:

Maersk Drilling A/S
Esplanaden 50
1098 Copenhagen K

8 Consolidation

The consolidated financial statements of A.P. Møller - Mærsk A/S, Esplanaden 50, 1098 Copenhagen can be obtained by contacting this company or at its website www.maersk.dk