

**Maersk Oil Kurdistan Piramagrun Holdings A/S**

**CVR-No. 35471189**

**Annual Report 2015**

Approved at the General Assembly: 27/05/2016  
Chairman of the meeting: Majbritt Perotti Carlson

Esplanaden 50, 1263 Copenhagen K

A handwritten signature in blue ink, appearing to be 'Majbritt Perotti Carlson', written in a cursive style.

## **Company information**

Maersk Oil Kurdistan Piramagrun Holdings A/S  
Esplanaden 50  
1263 Copenhagen K

CVR-No.: 35471189  
Date of incorporation: 04 September 2013  
Registered office: Copenhagen  
Financial year: 1 January 2015 - 31 December 2015

### **Board of Directors**

Jakob Bo Thomasen (Chairman)  
Graham Stuart Talbot  
Engelbert Abraham Haan

### **Executive Board**

Richard Alistair Doidge

### **Auditors**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 Copenhagen Ø

## **Directors' Report**

The company is a wholly owned subsidiary of Mærsk Olie og Gas A/S, formed on 4 September 2013, with the purpose of holding a 40% share in the PiraMagrun Production Sharing Contract via a subsidiary, Maersk Oil Kurdistan PiraMagrun A/S.

The result for 2015 is a loss of USD 54 million, which is attributable to the result in the subsidiary. The result for 2016 is expected to decrease significantly due to lower activity in the subsidiary.

**Management's Statement**

The Board of Directors and Executive Board have today discussed and approved the annual report of Maersk Oil Kurdistan PIRAMAGRUN Holdings A/S for the reporting period 1 January 2015 to 31 December 2015.

The annual report for the reporting period 1 January 2015 to 31 December 2015 of Maersk Oil Kurdistan PIRAMAGRUN 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 2015 and of the results of the Company's operations for the period 1 January 2015 to 31 December 2015.

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.

It is proposed to the annual general meeting on 27 May 2016 that the financial statements for 2016 should not be audited. It is the Board of Directors and the Executive Board's opinion that the Company qualifies for an audit exemption.

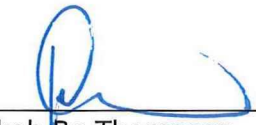
We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 27 May 2016


Executive Board:

\_\_\_\_\_  
Richard Alistair Doidge

Board of Directors:

  
\_\_\_\_\_  
Jakob Bo Thomasen  
(Chairman)

  
\_\_\_\_\_  
Engelbert Abraham Haan

  
\_\_\_\_\_  
Graham Stuart Talbot  
(Vice Chairman)

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

Copenhagen, 27 May 2016

Executive Board:

  
Richard Alistair Doidge

Board of Directors:

\_\_\_\_\_  
Jakob Bo Thomasen  
(Chairman)

\_\_\_\_\_  
Graham Stuart Talbot  
(Vice Chairman)

\_\_\_\_\_  
Engelbert Abraham Haan

## **Independent auditors' report**

### **To the shareholder of Maersk Oil Kurdistan Piramagrund Holdings A/S**

#### **Independent auditors' report on the financial statements**

We have audited the financial statements of Maersk Oil Kurdistan Piramagrund Holdings A/S for the period 1 January 2015 to 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors' 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 opinion.

Our audit has not resulted in any qualification.

#### **Opinion**

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

## **Statement on the Directors' report**

Pursuant to the Danish Financial Statements Act, we have read the Directors' report. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Directors' report is consistent with the financial statements.

Copenhagen, 27 May 2016

## **KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Henrik O. Larsen  
State Authorised  
Public Accountant

## **Accounting Policies**

The Annual Report for 2015 of Maersk Oil Kurdistan PIRAMAGRUN Holdings 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.

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 Kurdistan PIRAMAGRUN Holdings A/S and its subsidiary are included in the consolidated financial statements of the Mærsk Olie og Gas A/S Group and A.P. Møller-Mærsk Group.

### 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 6.83 at 31 December 2015 (2014: DKK 6.1214).

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 other general administrative costs.

Result in subsidiaries is recognised net of tax.

Financial items comprise interest and currency exchange rate gains and losses from translation of balances 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

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

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.

**MAERSK OIL KURDISTAN PIRAMAGRUN HOLDINGS A/S**  
**INCOME STATEMENT**  
**FOR 2015**

Note	USD 1,000	
	<b>2015</b>	<b>2014</b>
1. Administrative expenses	12	-
Result before financial items and tax	(12)	-
4. Result after tax in subsidiaries	(54,141)	(61,953)
2. Financial income	37	-
3. Financial expenses	122	-
Result before tax	(54,238)	(61,953)
6. Tax on result for the year	-	-
<b>RESULT FOR THE YEAR</b>	<b>(54,238)</b>	<b>(61,953)</b>
Proposed distribution of net result		
Retained earnings	(54,238)	(61,953)
	(54,238)	(61,953)

**MAERSK OIL KURDISTAN PIRAMAGRUN HOLDINGS A/S**  
**BALANCE SHEET AT 31.12.2015**

Note	USD 1,000	
	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
NON-CURRENT ASSETS		
4. Financial assets		
Investment in subsidiaries	19,945	74,086
	19,945	74,086
TOTAL NON-CURRENT ASSETS	19,945	74,086
CURRENT ASSETS		
Receivables		
Receivables Group companies	1	3,045
Other receivables	2	-
	3	3,045
TOTAL CURRENT ASSETS	3	3,045
<b>TOTAL ASSETS</b>	<b>19,948</b>	<b>77,131</b>

**MAERSK OIL KURDISTAN PIRAMAGRUN HOLDINGS A/S**  
**BALANCE SHEET AT 31.12.2015**

Note	USD 1,000	
	<b>2015</b>	<b>2014</b>
<b>LIABILITIES AND EQUITY</b>		
5. EQUITY		
Share capital	362	362
Retained earnings	19,486	73,724
	19,848	74,086
SHORT-TERM LIABILITIES		
Payables to Group companies	100	3,045
	100	3,045
TOTAL LIABILITIES	100	3,045
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>19,948</b>	<b>77,131</b>
7. Contingencies etc.		
8. Related parties		

**MAERSK OIL KURDISTAN PIRAMAGRUN HOLDINGS A/S**

**Notes as at 31.12.2015**

**(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.

No Board of Directors' fee and Management remuneration has been charged to profit and loss account.

USD 1,000

**Note 2, Financial income**

Exchange rate adjustments etc.

	<b>2015</b>	<b>2014</b>
	37	-
	<u>37</u>	<u>-</u>

**Note 3, Financial expenses**

Exchange rate adjustments etc.

	122	-
	<u>122</u>	<u>-</u>

**Note 4, Financial assets**

**USD 1,000**

	<b>2015</b>
	Investment in subsidiaries
Cost at 01.01	136,039
Cost price 31.12	<u>136,039</u>
Value adjustments at 01.01	(61,953)
Share of subsidiary company result after tax	<u>(54,141)</u>
Value adjustments 31.12	<u>(116,094)</u>
Carrying amount 31.12	<u>19,945</u>

**Affiliated company**

Maersk Oil Kurdistan Piramagrun A/S

**Country of registration**

Denmark

**Share of ownership**

100%

**Note 5, Equity**

USD 1,000

	<u>2015</u>	<u>2014</u>
<b>Share capital</b>		
Share capital at 01.01	362	-
Start up capital	-	90
Capital increases	-	272
Share capital at 31.12	<u>362</u>	<u>362</u>
<b>Retained earnings</b>		
Retained earnings at 01.01	73,724	-
Capital increases, surplus premium	-	135,677
Transferred from result for the period	(54,238)	(61,953)
Retained earnings at 31.12	<u>19,486</u>	<u>73,724</u>
<b>Total equity</b>	<u>19,848</u>	<u>74,086</u>

Share capital consists of the following shares:

<u>Number</u>	<u>Nominal, DKK</u>
2,000	<u>1,000</u>
Total nominal value in DKK	<u>2,000,000</u>

Share capital, changes:

Registration 4 September 2013	500,000
Increase of capital 18 December 2013	500,000
Increase of capital 24 April 2014	500,000
Increase of capital 5 August 2014	500,000
	<u>2,000,000</u>

**Note 6, Corporate tax**

Tax on result for the period is nil (2014: nil).

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 7, 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 8, Related parties**

Companies in the A.P. Møller Mærsk Group and the Executive board and board members of the company are related parties.

**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, 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.