

Mærsk Guardian Norge A/S

(Company Reg. No. 29148724)

Annual Report 2014

(Financial year No. 9)

As adopted by the Company at the Annual General Meeting

13 May 2015



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 2014 of Mærsk Guardian Norge A/S.

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


In our opinion, the Financial Statements provide a fair view of the Company's assets, liabilities, and financial position 31 December 2014 and of the results of the Company operations for the financial year 2014.

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.

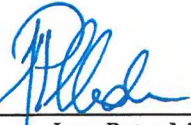
Copenhagen, 12 May 2015

Management:



Per Gøbel

Board of Directors:



Jørn Peter Madsen
(Chairman)



Martin Fruergaard



Marianne Sørensen Henriksen

Independent Auditor's Report

To the shareholder of Mærsk Guardian Norge A/S

Report on the Financial Statements

We have audited the Financial Statements of Mærsk Guardian Norge A/S for the financial year 1 January 2014 – 31 December 2014, 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 Acts, 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 2014 and of the results of the Company operations for the financial year 1 January 2014 - 31 December 2014 in accordance with the Danish Financial Statements Act.

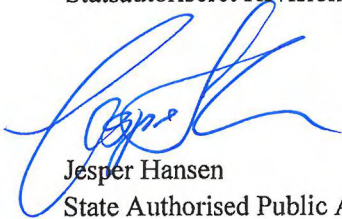
Independent Auditor's Report

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, 12 May 2015

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab



Jesper Hansen
State Authorised Public Accountant

Management's Review

Company details

Mærsk Guardian Norge A/S
Esplanaden 50
1263 Copenhagen K

Company Reg. No.:	29148724
Date of incorporation:	20 October 2005
Registered office:	Copenhagen
Financial year:	1 January - 31 December

Board of Directors

Jørn Peter Madsen (Chairman)
Martin Fruergaard
Marianne Sørensen Henriksen

Management

Per Gøbel

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Annual General Meeting

Annual General Meeting will be held 13 May 2015.

Management's Review

Financial Highlights and Key Figures

USD ('000)	2014	2013	2012	2011	2010
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Financial Highlights

Revenue	107,130	115,513	112,876	102,028	120,301
Result before financial items	7,601	1,511	4,283	2,604	9,377
Financial items, net	(597)	(762)	582	(652)	693
Result before tax	7,004	749	4,865	1,953	10,070
Result for the year	5,113	332	3,503	1,440	7,508

Total assets	30,234	25,409	27,703	25,579	32,809
Total equity (incl. proposed dividend)	11,246	6,133	13,801	11,798	18,358

Key Figures

Operating margin	7.1%	1.3%	3.8%	2.6%	7.8%
Return on invested capital	77.0%	14.3%	33.4%	15.0%	15.0%
Liquidity ratio	175.9%	141.1%	211.4%	100.0%	100.0%
Equity ratio	37.2%	24.1%	49.8%	46.1%	56.0%
Return on equity	58.8%	3.3%	50.8%	10.0%	10.0%

Management's Review

The Company's main activities

The Company's main activity is offshore drilling activity on the leased rig Mærsk Guardian. The Company is engaged in drilling activities in the Norwegian sector of the North Sea through a registered branch in Norway.

Development in activities and finances

The result for the year amounts to USD 5,113k (2013: USD 332k) which is in line with managements expectations. For 2015 management expects to reach a result in line with 2014.

Particular risks

Financial exposure

The Company's revenue is mainly denominated in USD and NOK, while costs are in USD, NOK and other currencies. The currency exposure is not considered to be significant.

The Company has a small concentration of customers, but is not considered to have any credit risks.

Corporate social responsibility

Please refer to the separate Sustainability Report 2014 of the ultimate parent company A. P. Møller - Mærsk A/S on the sustainability website:

http://www.maersk.com/en/the-maersk-group/sustainability/~/_media/The%20Maersk%20Group/Sustainability/Files/Publications/2014/maersk_sustainability_report_2014_online_version.pdf

Sustainability

With our growth comes a larger responsibility to the people who affect our business and to the people and the environment who are affected by it. Our major focus area is safety, but we also put much effort into the areas of e.g. local content as well as environment and climate. Please refer to our online Sustainability Report 2014 at www.maerskdrilling.com, in which we provide a complete overview of Maersk Drilling's work with sustainability and our sustainability performance.

Safety

Safety in offshore drilling is about constant risk management. Our people and the environment will only be safe with the right systems, procedures, technology, and a strong safety culture. It is our belief that fundamentally, safety is an active decision and the result of a serious commitment from all employees in Maersk Drilling.

Local content

Training and developing the talent of local employees, assigning our third party code of conduct to local suppliers and transferring knowledge to local communities all continue to be a priority for Maersk Drilling. We want to move beyond compliance with local content requirements and to increase shared value by proactively engaging with stakeholders.

Environment & climate

Discharges, air emissions, and how we manage chemicals and waste are our primary focus areas when it comes to minimising the environmental impact of our operations. We work with our customers, local communities and internationally recognised bodies to ensure that environmental factors are integrated into our business principles and into operational practices.

Diversity

The Board believes that its members should be elected on the basis of their combined qualifications and at the same time recognises the advantages of a board comprising a wide range of backgrounds such as global experience, style, culture and gender.

On the basis of this ambition the Board has defined a target to increase the share of the under-represented gender on the Board to account for at least 33% of the shareholder-appointed Board members.

As of 31 December 2014, one of the shareholder-appointed Board members is a woman. Consequently, the target for gender diversity has been met.

With regards Mærsk Guardian Norge A/S's employees formally employed with Rederiet A.P. Møller A/S, it has been decided to adhere to the group policy which was adopted at the Board Meeting in A.P. Møller - Mærsk A/S on 21 February 2013, with the aim to increase the share of the under-represented gender on the company's other management levels (Link to policy: <http://mrsk.co/174tNiF>). In accordance with this policy Mærsk Guardian Norge A/S has taken steps to look into how the company can attract qualified women to relevant management positions. In addition, this is a focus area when identifying candidates to key positions.

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

Financial Statements of Mærsk Guardian Norge A/S for 2014 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

In accordance with Sections 86(4) and 96(3) of the Danish Financial Statements Act, cash flow statement and note concerning fee to auditors appointed by the Company in the Annual General Meeting are omitted as this information is included in the consolidated Financial Statements for A.P. Møller - Mærsk A/S.

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

Revenue

Revenue from sale of goods is recognised upon the transfer of risk to the buyer. For drilling activities, which are typically carried out under long-term agreements with fixed day rates, revenue is recognised for the production time related to the financial year.

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 assistance from parent and associates etc.

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.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Financial Statements 1 January - 31 December

Accounting policies

Balance sheet

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet included in the items "Payables to group enterprises" or "Receivables from group enterprises".

Provisions

Provisions are recognised when the company has a current legal or constructive obligation, and if the amount can be measured reliably. Provisions are recognised on the basis of best estimates.

Financial debt

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

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 its transactions are in U.S. dollars. At 31 December 2014 the exchange rate DKK/USD was 612.14 (2013: 541.27).

Financial Statements 1 January - 31 December

Accounting policies

Segment information

Segmental disclosures are provided on the geographical markets. Segment information is based on the Company's internal financial management.

Financial highlights

The financial highlights have been defined as follows:

Operating margin	$\frac{\text{Profit/loss before financial items} \times 100}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Profit/loss before financial items} \times 100}{\text{Average invested capital}}$
Liquidity ratio	$\frac{\text{Total current assets} \times 100}{\text{Short-term liabilities}}$
Equity ratio	$\frac{\text{End year equity} \times 100}{\text{End year total assets}}$
Return on equity	$\frac{\text{Ordinary profit/loss after tax} \times 100}{\text{Average equity}}$

Financial Statements 1 January - 31 December

Income statement

Note	2014 USD ('000)	2013 USD ('000)	
1	Revenue	107,130	115,513
	Other external costs	(99,529)	(114,002)
	Result before financial items	7,601	1,511
2	Financial income	38	54
3	Financial expenses	(635)	(816)
	Result before tax	7,004	749
4	Tax on result for the year	(1,891)	(417)
	Result for the year	5,113	332

Appropriation

Retained earnings	5,113	332
	5,113	332

Financial Statements 1 January - 31 December

Balance sheet

Note	ASSETS	2014 USD ('000)	2013 USD ('000)
	Current assets		
	Receivables		
	Trade receivables	18,257	19,401
	Receivables from group enterprises	11,141	5,250
	Other receivables	3	21
5	Prepayments, etc.	513	356
	Total receivables	29,914	25,028
	Cash and bank balances	320	381
	Total current assets	30,234	25,409
	TOTAL ASSETS	30,234	25,409

Financial Statements 1 January - 31 December

Balance sheet

Note	EQUITY AND LIABILITIES	2014 USD ('000)	2013 USD ('000)
	Equity		
	Share capital	79	79
	Retained earnings	11,167	6,054
	Total equity	11,246	6,133
	Non-current liabilities		
	Provisions		
6	Other provisions	1,803	1,262
	Total provisions	1,803	1,262
	Short-term liabilities		
	Trade payables	4,195	2,908
	Payables to group enterprises	12,990	15,106
	Total short-term liabilities	17,185	18,014
	Total liabilities	18,988	19,276
	TOTAL EQUITY AND LIABILITIES	30,234	25,409
7	Commitments and contingent liabilities, etc.		
8	Employee remuneration, etc.		
9	Related parties		
10	Shareholders		
11	Consolidation		

Financial Statements 1 January - 31 December

Equity statement

USD ('000)	Share- capital	Retained earnings	Proposed dividend	Total
Equity 1 January 2013	79	5,722	8,000	13,801
Dividend to shareholder	0	0	(8,000)	(8,000)
Result for the year	0	332	0	332
Equity 1 January 2014	79	6,054	0	6,133
Result for the year	0	5,113	0	5,113
Equity 31 December 2014	79	11,167	0	11,246

The share capital comprises 500 shares of DKK 1,000. No shares hold special rights. There has been no changes to the share capital during the past five financial years.

Financial Statements 1 January - 31 December

Notes

	2014	2013
	<u>USD ('000)</u>	<u>USD ('000)</u>
1 Revenue		
Revenue, Norway	<u>107,130</u>	<u>115,513</u>
	<u>107,130</u>	<u>115,513</u>
2 Financial income		
Interest income from group enterprises	<u>38</u>	<u>54</u>
	<u>38</u>	<u>54</u>
3 Financial expenses		
Interest expenses to group enterprises	(2)	(3)
Other financial expenses	<u>(633)</u>	<u>(813)</u>
	<u>(635)</u>	<u>(816)</u>
4 Tax on the result of the year		
Tax for the year	(1,891)	(210)
Adjustments to prior years tax for the year	<u>0</u>	<u>(207)</u>
	<u>(1,891)</u>	<u>(417)</u>

Financial Statements 1 January - 31 December

Notes

5 Prepayments, etc.

Current assets, prepayments USD 513k (2013: USD 356k) include advance payments for next year for insurance.

6 Other provisions

Provisions relate to operational costs and claims etc. for occurred events, but where the costs are subject to uncertainty. Provisions are recognised at Management's best estimate.

7 Commitments and contingent liabilities, etc.

Operating lease commitments

The Company has entered into operating lease contracts with an average annual lease of USD 70m (2013: USD 65m). The lease contracts expire after 9 months and include total nominal rest lease payments of USD 52m (2013: USD 56m).

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 withholding taxes on dividends, interest and royalties within the jointly taxed companies.

Financial Statements 1 January - 31 December

Notes

8 Employee remuneration

Mærsk Guardian Norge A/S has not had employees in 2014 and 2013. Personnel are hired from affiliates in the A.P. Møller - Mærsk Group. The Board of Directors has not been remunerated.

9 Related parties

The following related parties have a controlling interest in Mærsk Guardian Norge A/S;

Dominant influence

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.

10 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

11 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