

# **Maersk XLE5 Norge A/S**

**(Company Reg. No. 35394036)**

## **Annual Report 2013**

Comprising the period from 25 June to 31 December 2013

(Financial year No. 1)

As adopted by the Company at the Annual General Meeting

28 May 2014

A handwritten signature in blue ink, consisting of stylized cursive letters, positioned above a horizontal dashed line.

Chairman of the Meeting

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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 25 June 2013 – 31 December 2013 of Maersk XLE5 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 at 31 December 2013 and of the results of the Company operations for the financial year 25 June 2013 – 31 December 2013.

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, 26 May 2014


Management:



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Per Gøbel

Board of Directors:



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Jørn Peter Madsen  
(Chairman)



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Martin Fruergaard



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Marianne Sørensen

## **Independent Auditors' Report**

To the shareholder of Maersk XLE5 Norge A/S

### **Report on the Financial Statements**

We have audited the Financial Statements of Maersk XLE5 Norge A/S for the financial year 25 June 2013 – 31 December 2013, 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.

### ***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 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 2013 and of the results of the Company operations for the financial year 25 June 2013 – 31 December 2013 in accordance with the Danish Financial Statements Act.


## Auditors' 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, 28 May 2014

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab



Jesper Hansen  
State Authorised Public Accountant



Louise C. Kring  
State Authorised Public Accountant

## **Management's Review**

### **Company Details**

Maersk XLE5 Norge A/S  
Esplanaden 50  
1263 Copenhagen K

Company Reg. No.: 35394036  
Date of incorporation: 25 June 2013  
Registered office: Copenhagen  
Financial year: 1 January - 31 December

### **Board of Directors**

Jørn Peter Madsen (Chairman)  
Martin Fruergaard  
Marianne Sørensen

### **Management**

Per Gøbel

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### **Annual General Meeting**

Annual General Meeting will be held on 28 May 2014

## **Management's Review**

### **The Company's main activities**

The Company's main activity is offshore drilling activity on the leased rig with project name XLE5. The Company will be engaged in drilling activities in the Norwegian sector of the North Sea through a registered branch in Norway.

### **Development in activities and finances**

The company has no revenue before a rig is delivered from the shipyard and starts its activity in the North Sea.

The result for the year amounts to USD 2k which is in line with management expectations. For 2014 management expects to reach a result lower than 2013.

A loan agreement has been arranged with associated companies to ensure that future cash flows are in place to finance the high costs associated with training and start-up of the operation of the rig.

### **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 25 June - 31 December**

### **Accounting policies**

Financial Statements of Maersk XLE5 Norge A/S for 2013 has 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 25 June - 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 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.

#### **Current tax receivables and liabilities**

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

#### **Financial debt**

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

## **Financial Statements 25 June - 31 December**

### **Accounting policies**

#### **Balance sheet**

#### **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 2013 the exchange rate DKK/USD was 541.27.

## Financial Statements 25 June - 31 December

### Income statement

| <b>Note</b>                          | <b>2013</b><br>USD ('000) |
|--------------------------------------|---------------------------|
| Other external costs                 | (2)                       |
| <b>Result before financial items</b> | <b>(2)</b>                |
| 1 Financial income                   | 5                         |
| <b>Result before tax</b>             | <b>3</b>                  |
| 2 Tax on result for the year         | (1)                       |
| <b>Result for the year</b>           | <b>2</b>                  |
| <br><b>Appropriation</b>             |                           |
| Retained earnings                    | 2                         |
|                                      | <b>2</b>                  |

## Financial Statements 25 June - 31 December

### Balance sheet

| <b>Note</b> | <b>ASSETS</b>                         | <b>2013</b><br>USD ('000) |
|-------------|---------------------------------------|---------------------------|
|             | <b>Current assets</b>                 |                           |
|             | <b>Receivables</b>                    |                           |
|             | Receivables from associated companies | 91                        |
|             | <b>Total current assets</b>           | <b>91</b>                 |
|             | <b>TOTAL ASSETS</b>                   | <b>91</b>                 |

## Financial Statements 25 June - 31 December

### Balance sheet

| Note | EQUITY AND LIABILITIES                              | 2013<br>USD ('000) |
|------|---|--------------------|
|      | <b>Equity</b>                                       |                    |
|      | Share capital                                       | 89                 |
|      | Retained earnings                                   | 2                  |
|      | <b>Total equity</b>                                 | <b>91</b>          |
|      | <b>TOTAL EQUITY AND LIABILITIES</b>                 | <b>91</b>          |
| 3    | <b>Commitments and contingent liabilities, etc.</b> |                    |
| 4    | <b>Employee remuneration, etc.</b>                  |                    |
| 5    | <b>Related parties</b>                              |                    |
| 6    | <b>Shareholders</b>                                 |                    |
| 7    | <b>Consolidation</b>                                |                    |

## Financial Statements 25 June - 31 December

### Equity statement

| USD ('000)                          | Share-<br>capital | Retained<br>earnings | Total     |
|-------------------------------------|-------------------|----------------------|-----------|
| <b>Paid in capital 25 June 2013</b> | <b>89</b>         | <b>0</b>             | <b>89</b> |
| Result for the year                 | 0                 | 2                    | 2         |
| <b>Equity 31 December 2013</b>      | <b>89</b>         | <b>2</b>             | <b>91</b> |

The share capital comprises 500 shares of DKK 1,000. No shares hold special rights.

## Financial Statements 25 June - 31 December

### Notes

|  | <b>2013</b>       |
|--|-------------------|
|  | <u>USD ('000)</u> |
| <b>1 Financial income</b>  |                   |
| Other financial income   | <u>5</u>          |
|  | <u>5</u>          |
| <b>2 Tax on the result of the year</b>   |                   |
| Tax for the year   | <u>(1)</u>        |
|  | <u>(1)</u>        |
| <b>3 Commitments and contingent liabilities, etc.</b>  |                   |
| <b>Contingent liabilities</b>  |                   |
| The Company is jointly taxed with all other Danish companies in the A.P. Møller - Mærsk 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 25 June - 31 December

### Notes

#### 4 Employee remuneration

Maersk XLE5 Norge A/S has not had employees in 2013. Personnel are hired from affiliates in the A.P. Møller - Mærsk Group. The Board of Directors has not been remunerated.

#### 5 Related parties

The following related parties have a controlling interest in Maersk XLE5 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.

#### 6 Shareholders

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

Maersk Drilling A/S  
Esplanaden 50  
1098 Copenhagen K

#### 7 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](http://www.maersk.dk)