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**Duke Energy International (Europe)
Holdings ApS
Central Business Registration No
25566688
Holbergsgade 14, 2.tv.
DK-1057 Copenhagen K**

Annual report 2015

The Annual General Meeting adopted the annual report on 31.05.2016

Chairman of the General Meeting

Name: Muna Yahaya

Member of Deloitte Touche Tohmatsu Limited

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Entity details

Entity

Duke Energy International (Europe) Holdings ApS
Holbergsgade 14, 2.tv.
DK-1057 Copenhagen K

Central Business Registration No: 25566688

Registered in: Copenhagen

Financial year: 01.01.2015 - 31.12.2015

Executive Board

Armando de Azevedo Henriques

Elizabeth DeLaRosa

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P.O. Box 1600

0900 Copenhagen C

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Duke Energy International (Europe) Holdings ApS for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.


In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.


We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Houston, 31.05.2016

Executive Board


Armando de Azevedo Henriques


Elizabeth DeLaRosa

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Independent auditor's reports

To the owner of Duke Energy International (Europe) Holdings ApS

Report on the financial statements

We have audited the financial statements of Duke Energy International (Europe) Holdings ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity 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 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 about 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 auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity'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 Entity'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 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.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Emphasis of matter affecting the financial statements

The Company's equity is negative. The Parent has stated that it will supply the Company with sufficient funds; see note 1 to the financial statements. Consequently, the financial statements are presented on a going concern basis.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. 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 management commentary is consistent with the financial statements.

Copenhagen, 31.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab



Jan Larsen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The Company's activities are financing, or in other ways having an interest in, and management of other companies and businesses.

Development in activities and finances

Loss for the year after tax amounts to EUR 706 thousand and total assets are EUR 2,506 thousand at the end of the financial year.

At the end of the financial year, equity is negative by EUR 6,349 thousand.

Management considers the performance for the financial year satisfactory.

Cash position/going concern

As outlined in note 1, the financial statements have been presented on a going concern basis, following the undertaking of Duke Energy Group LLC to ensure that all liabilities of the Group are met as and when they fall due in such a manner that the preparation of the statutory financial statements on a going concern basis continues to be appropriate.

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.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year.

The financial statements have been presented in EUR.

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Accounting policies

The development of the exchange rate in relation to EUR is as follows:

USD 100 at 01.01.2015	82.65
USD 100 at 31.12.2015	91.52
DKK 100 at 01.01.2015	13.43
DKK 100 at 31.12.2015	13.40

Income statement

Other external expenses

Other external expenses include expenses relating to the Entity's administration.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc received from the individual group enterprises in the financial year and any impairment of investments in group enterprises and reversal of previous write-downs.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

Dividends are recognised in the income statement as "Income from investments in group enterprises".

Accounting policies

To the extent that extraordinary large payments of dividend – that resemble repayment of the invested capital – are made from the subsidiaries, impairment is made of the recognised value at an amount corresponding to this extraordinary payment of dividend.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less write-downs for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income statement for 2015

	<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
Other external expenses		(43.799)	(36.446)
Operating profit/loss		(43.799)	(36.446)
Income from investments in group enterprises		231.371	234.550
Other financial income	2	5.842	198.307
Other financial expenses	3	(899.872)	(980.019)
Profit/loss from ordinary activities before tax		(706.458)	(583.608)
Tax on profit/loss from ordinary activities		0	0
Profit/loss for the year		<u>(706.458)</u>	<u>(583.608)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(706.458)</u>	<u>(583.608)</u>
		<u>(706.458)</u>	<u>(583.608)</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
Investments in group enterprises		977.426	2.328.153
Fixed asset investments	4	<u>977.426</u>	<u>2.328.153</u>
Fixed assets		<u>977.426</u>	<u>2.328.153</u>
Receivables from group enterprises		132.803	1.050.863
Income tax receivable		90.102	110.828
Prepayments		3.643	3.643
Receivables		<u>226.548</u>	<u>1.165.334</u>
Cash		<u>1.301.577</u>	<u>1.106.555</u>
Current assets		<u>1.528.125</u>	<u>2.271.889</u>
Assets		<u><u>2.505.551</u></u>	<u><u>4.600.042</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
Contributed capital	5	53.799	53.799
Retained earnings		<u>(6.402.859)</u>	<u>(5.696.401)</u>
Equity		<u>(6.349.060)</u>	<u>(5.642.602)</u>
Payables to group enterprises		<u>0</u>	<u>1.217.401</u>
Non-current liabilities other than provisions		<u>0</u>	<u>1.217.401</u>
Debt to group enterprises		8.830.684	9.001.692
Other payables		<u>23.927</u>	<u>23.551</u>
Current liabilities other than provisions		<u>8.854.611</u>	<u>9.025.243</u>
Liabilities other than provisions		<u>8.854.611</u>	<u>10.242.644</u>
Equity and liabilities		<u><u>2.505.551</u></u>	<u><u>4.600.042</u></u>
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Statement of changes in equity for 2015

	Contributed capital EUR	Retained ear- nings EUR	Total EUR
Equity beginning of year	53.799	(5.696.401)	(5.642.602)
Profit/loss for the year	0	(706.458)	(706.458)
Equity end of year	53.799	(6.402.859)	(6.349.060)

Notes

1. Going concern

As outlined in the management commentary, the financial statements have been presented on a going concern basis, following the undertaking of Duke Energy Group LLC to ensure that all liabilities of the Group are met as and when they fall due in such a manner that the preparation of the statutory financial statements on a going concern basis continues to be appropriate.

	2015	2014
	EUR	EUR
2. Other financial income		
Other financial income	5.842	198.307
	5.842	198.307
	2015	2014
	EUR	EUR
3. Other financial expenses		
Exchange rate adjustments	887.137	936.848
Other financial expenses	12.735	43.171
	899.872	980.019
		Investments in group en- terprises EUR
4. Fixed asset investments		
Cost beginning of year		86.933.982
Cost end of year		86.933.982
Impairment losses beginning of year		(84.605.829)
Dividend		(1.582.098)
Reversal of impairment losses		231.371
Impairment losses end of year		(85.956.556)
Carrying amount end of year		977.426

Notes

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity interest %</u>	<u>Equity EUR</u>	<u>Profit/loss EUR</u>
Subsidiaries:					
Duke Energy Internatio- nal (Europe) Ltd.	UK	Ltd. (2003)	68,00	(2.794.000)	(14.891.000)
Duke Energy Internatio- nal Trading and Marke- ting (UK) Ltd. (indirect ownership)	UK	Ltd. (2003)	68,00	(4.601.000)	(7.658.000)
Duke Energy Internatio- nal Netherlands Financi- al Services B.V.	The Nether- lands	B.V. (2015)	100,00	1.067.942	(34.879)

	<u>Number</u>	<u>Par value EUR</u>	<u>Nominal value EUR</u>
5. Contributed capital			
A shares	98.000	0,13	13.181
B shares	302.000	0,13	40.618
	400.000		53.799

6. Assets charged and collateral

At 31 December 2015, the Company has no assets charged and no contingent liabilities are incumbent on the Company.

7. Related parties with control

Related parties with a controlling interest in Duke Energy International (Europe) Holdings ApS:

- Duke Energy Group LLC, Delaware, USA
- Duke Energy International LLC, Delaware, USA
- Duke Energy Corporation, North Carolina, USA

Notes

8. Ownership

The Company has registered the following shareholder to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Duke Energy Group LLC, Delaware, USA

9. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Duke Energy International (Europe) Holdings ApS and its subsidiaries are included in the consolidated financial statements of Duke Energy Corporation, North Carolina, USA