

Maersk Oil Angola Holdings A/S

CVR-No. 33391439

Annual Report 2014



Approved at the General Assembly: 27/05/2015

Chairman of the meeting: Majbritt Perotti Carlson

Company information

Maersk Oil Angola Holdings A/S
Esplanaden 50
1263 Copenhagen K

CVR-No.: 33391439
Date of incorporation: 17 January 2011
Registered office: Copenhagen
Financial year: 01 January 2014 - 31 December 2014

Board of Directors

Jakob Bo Thomasen (Chairman)
Graham Talbot
Gretchen Watkins

Executive Board

Ebbie Haan

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Amerika Plads 38
2100 Copenhagen Ø

Directors' Report

The company is a wholly owned subsidiary of Mærsk Olie og Gas A/S.

The company was established in 2011 as a holding company for the acquisition of a 15% interest in Block 16 via the purchase of Devon Angola.

The Chissonga field development plan was submitted to the authorities in Q3 2013. The adjacent Cubal discovery in 2013 was included in the development plan to be developed as part of the overall Chissonga project. Tender bids for the Chissonga project have been received. With the low oil price, the project is challenged and negotiations with authorities, partners and contractors are ongoing.

The result for 2014 is a loss of USD 15 million, compared to a loss of USD 106 million in 2013. The lower loss reflects lower exploration activity.

The loss for 2015 is expected to be significantly lower than in 2014.

Management's Statement

The Board of Directors and Executive Board have today discussed and approved the annual report of Maersk Oil Angola Holdings A/S for 2014.

The annual report for 2014 of Maersk Oil Angola 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 2014 and of the results of the Company's operations for the financial year 2014.

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.


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

Copenhagen, 27 May 2015

Executive Board:


Ebbie Haan

Board of Directors:


Jakob Bo Thomasen
(Chairman)


Gretchen Watkins


Graham Talbot
(Vice Chairman)

Independent auditors' report

To the shareholder of Maersk Oil Angola Holdings A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Maersk Oil Angola Holdings A/S for the financial year 1 January – 31 December 2014. 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 2014 and of the results of the company's operations for the financial year 1 January – 31 December 2014 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 2015

KPMG

Statsautoriseret Revisionspartnerselskab



Henrik O. Larsen
State Authorised
Public Accountant

Accounting Policies

The Annual Report for 2014 of Maersk Oil Angola 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 Angola Holdings A/S and its subsidiaries are included in the consolidated financial statements of the Mærsk Olie og Gas A/S Group and A.P. Møller-Mærsk Group.

Presentation, classification and designations in the income statement and balance sheet have been adjusted to the special nature of the company.

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 6.1214 at 31 December 2014 (2013: DKK 5.4127).

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 consultant fees and other general administrative expenses.

Result in subsidiaries is recognised net of tax.

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

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

Investments in subsidiaries with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

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 ANGOLA HOLDINGS A/S
INCOME STATEMENT
FOR 2014

Note	USD 1,000	
	2014	2013
1. Administrative expenses	105	78
Result before financial items and tax	(105)	(78)
4. Result after tax in subsidiaries	(14,566)	(105,699)
2. Financial income	41	1,334
3. Financial expenses	357	1,299
Result before tax	(14,987)	(105,742)
7. Tax for the year	(15)	-
RESULT FOR THE YEAR	(14,972)	(105,742)
Proposed distribution of net result		
Retained earnings	(14,972)	(105,742)
	<u>(14,972)</u>	<u>(105,742)</u>

MAERSK OIL ANGOLA HOLDINGS A/S
BALANCE SHEET AT 31.12.2014

Note	USD 1,000	
	2014	2013
ASSETS		
NON-CURRENT ASSETS		
	Financial assets	
4.	Investment in subsidiaries	255,104
		-
	TOTAL NON-CURRENT ASSETS	255,104
		-
CURRENT ASSETS		
	Receivables	
5.	Receivables Group companies	-
		186,298
	TOTAL CURRENT ASSETS	-
		186,298
	TOTAL ASSETS	255,104
		186,298

MAERSK OIL ANGOLA HOLDINGS A/S
BALANCE SHEET AT 31.12.2014

Note	USD 1,000	
	2014	2013
	LIABILITIES AND EQUITY	
6.	EQUITY	
	8,509	5,776
	244,567	180,284
	253,076	186,060
	SHORT-TERM LIABILITIES	
	63	238
	1,965	-
	2,028	238
	TOTAL LIABILITIES	238
	255,104	186,298
8.	Contingencies etc.	
9.	Related parties	

MAERSK OIL ANGOLA HOLDINGS A/S

Notes as at 31.12.2014

(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.

	<u>2014</u>	<u>2013</u>
Note 2, Financial income		
Interest received from group companies	-	20
Other interest received	5	-
Exchange rate adjustments etc.	36	1,314
	<u>41</u>	<u>1,334</u>
Note 3, Financial expenses		
Interest paid to group companies	7	-
Other interest paid	9	-
Exchange rate adjustments etc.	341	1,299
	<u>357</u>	<u>1,299</u>

Note 4, Financial assets

USD 1,000	2014 Shares in subsidiaries
Cost at 01.01	106,815
Additions during the year	<u>314,000</u>
Cost price 31.12	<u>420,185</u>
Value adjustments at 01.01	(150,515)
Share of subsidiary company result after tax	<u>(14,566)</u>
Value adjustments at 31.12	<u>(165,081)</u>
Carrying amount 31.12	<u>255,104</u>

Subsidiaries	Country of registration	Share of ownership
Maersk Oil Angola Holdings Sixteen Ltd.	British Virgin Islands	100%

Note 5, Receivables from group companies

Receivables falling due more than one year after the balance sheet date amount to USD nil (2013: 220 million).

Note 6, Equity

	2014	2013
Share capital		
Share capital at 01.01	5,776	3,508
Capital increase	2,733	2,268
Share capital at 31.12	<u>8,509</u>	<u>5,776</u>
Surplus premium		
Surplus premium at 01.01	332,571	253,601
Transfer to retained earnings	(332,571)	-
Capital increase, share premium	-	78,970
Surplus premium at 31.12	<u>-</u>	<u>332,571</u>
Retained earnings		
Retained earnings at 01.01	(152,287)	(46,545)
Transfer from surplus premium	332,571	-
Capital increase, share premium	79,255	-
Transferred from result for the year	(14,972)	(105,742)
Retained earnings at 31.12	<u>244,567</u>	<u>(152,287)</u>
Total equity	<u>253,076</u>	<u>186,060</u>

Share capital consists of the following shares:

Number	Nominal, DKK
47,000	1,000
Total nominal value in DKK	<u>47,000,000</u>

Share capital, changes:

Registration 25 November 2010	500,000
Increase of capital 14 March 2011	7,000,000
Increase of capital 17 October 2011	2,000,000
Increase of capital 20 April 2012	5,000,000
Increase of capital 30 October 2012	5,000,000
Increase of capital 25 June 2013	2,000,000
Increase of capital 2 October 2013	5,000,000
Increase of capital 10 December 2013	5,000,000
Increase of capital 19 March 2014	5,000,000
Increase of capital 29 July 2014	10,000,000
	<u>47,000,000</u>

The costs related to the capital increases in 2014 amount to USD 60.

Note 7, Corporate tax

Tax income for the year is USD 15 thousand (2013: USD nil).

This company is part of a joint taxation scheme with A.P. Møller Holding A/S. The tax is divided between the members of the joint taxation scheme by use of the full allocation method.

Note 8, 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 9, 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.