



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 998 152 550
Organisasjonsform: Aksjeselskap
Foretaksnavn: LUKOIL OVERSEAS NORTH SHELF AS
Forretningsadresse: Karenslyst allé 4
0278 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2018 - 31.12.2018

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Leonid Surguchev
Dato for fastsettelse av årsregnskapet: 30.04.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 03.09.2020



Resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Operating income	4	3 437 000	0
Sum inntekter		3 437 000	0
Kostnader			
Exploration expense	5	21 958 000	80 686 000
Payroll and related costs	6	29 335 000	26 632 000
Depreciation and amortization	10	1 769 000	2 709 000
Other operating expense	7	13 305 000	16 604 000
Sum kostnader		66 367 000	126 631 000
Driftsresultat		-62 930 000	-126 631 000
Finansinntekter og finanskostnader			
Annen renteinntekt	8	458 000	283 000
Foreign exchange gain	8	713 000	3 452 000
Sum finansinntekter		1 171 000	3 735 000
Rentekostnad til foretak i samme konsern	8	3 346 000	2 240 000
Annen rentekostnad	8	4 000	2 000
Foreign exchange loss	8	4 676 000	1 276 000
Sum finanskostnader		8 026 000	3 518 000
Netto finans		-6 855 000	217 000
Ordinært resultat før skattekostnad		-69 785 000	-126 414 000
Ordinært resultat etter skattekostnad		-69 785 000	-126 414 000
Income tax credit	9	-49 997 000	-97 025 000
Årsresultat		-19 788 000	-29 389 000



Balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Capitalized exploration and license costs	11	5 416 000	2 344 000
Utsatt skattefordel	9	19 032 000	18 725 000
Intangible assets	12	1 661 000	1 422 000
Sum immaterielle eiendeler		26 109 000	22 491 000
Varige driftsmidler			
PPE	10	885 000	751 000
Sum varige driftsmidler		885 000	751 000
Sum anleggsmidler		26 994 000	23 242 000
Omløpsmidler			
Varer			
Fordringer			
Prepayments and other receivables	13	23 775 000	1 325 000
Sum fordringer		23 775 000	1 325 000
Investeringer			
Tax refund	9	49 690 000	99 209 000
Sum investeringer		49 690 000	99 209 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	14	2 934 000	1 748 000
Sum bankinnskudd, kontanter og lignende		2 934 000	1 748 000
Sum omløpsmidler		76 399 000	102 282 000
SUM EIENDELER		103 393 000	125 524 000

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2018	2017
Egenkapital			
Innskutt egenkapital			
Share capital	15	3 000 000	3 000 000
Annen innskutt egenkapital	15	304 632 000	195 000 000
Sum innskutt egenkapital		307 632 000	198 000 000
Opptjent egenkapital			
Udekket tap	15	215 336 000	195 548 000
Sum opptjent egenkapital		-215 336 000	-195 548 000
Sum egenkapital		92 296 000	2 452 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	16	0	111 182 000
Sum annen langsiktig gjeld		0	111 182 000
Sum langsiktig gjeld		0	111 182 000
Kortsiktig gjeld			
Leverandørgjeld	17	1 835 000	4 503 000
Other current liabilities	18	9 262 000	7 387 000
Sum kortsiktig gjeld		11 097 000	11 890 000
Sum gjeld		11 097 000	123 072 000
SUM EGENKAPITAL OG GJELD		103 393 000	125 524 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Journalnummer: 2019 393168

Enheten

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Brønnøysundregistrene, 11.06.2019

Brønnøysundregistrene

Postadresse: Postboks 900, 8910 Brønnøysund
Telefoner: Opplysningstelefonen 75 00 75 00 Administrasjonen 75 00 75 09 Telefaks 75 00 75 05
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673



Organisasjonnr: 998 152 550
LUKOIL OVERSEAS NORTH SHELF AS

RESULTATREGNSKAP

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Organisasjonensnr: 998 152 550
LUKOIL OVERSEAS NORTH SHELF AS

BALANSE

Beløp i: NOK

Note	2018	2017
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LUKOIL OVERSEAS NORTH SHELF AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
2

Regnskapsprinsipper
Årsregnskapet er satt opp etter regnskapsloven. Regnskapsreglene for små foretak er fulgt. Se vedlagt årsregnskap.

Note
3

Antall aksjer og aksjeeiere

<u>Aksjeklasse</u>	<u>Ant. aksjer</u>	<u>Pålydende</u>	<u>Bokført verdi</u>
Ordinære aksjer	30004.00	100.00	3000400.00
<u>Aksjeeiere - fritekst</u>	<u>Antall</u>	<u>Eierandel</u>	<u>Aksjeklasse</u>
LUKOIL International	30004.00	100.00%	Ordinære
Upstream Holding B.V.			aksjer
<u>Sum</u>	<u>Sum antall</u>	<u>Sum eierandel</u>	
	30004.00	100.00%	

Holdingselskap. Ultimat mor er PJSC LUKOIL

Note
6

Lønn og ytelser

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	24622000.00	22387000.00
<u>Arbeidsgiveravgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	3653000.00	3289000.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	496000.00	436000.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	565000.00	519000.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	29336000.00	26631000.00

Note
6



Ytelser til ledende personer

Ytelser til daglig leder

<u>Ytelser</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
	3465000.00	39000.00	95000.00

Note

Ytelser til revisjon

<u>Revisjon</u>	<u>Årets</u>	<u>Fjorårets</u>
	151000.00	140000.00
<u>Andre tjenester</u>	<u>Årets</u>	<u>Fjorårets</u>
	30000.00	89000.00
<u>Sum godtgjørelse til revisor</u>	<u>Årets</u>	<u>Fjorårets</u>
	181000.00	229000.00

Note

6

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
17.00

Note

Lån og sikkerhetsstillelse til ledende personer og aksjeeiere

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Note

9

Skattekostnad

Resultatført skatt på ordinært resultat

<u>Betalbar skatt</u>	<u>Årets</u>	<u>Fjorårets</u>
	-49690000.00	-98299000.00
<u>Endringer i utsatt skattefordel</u>	<u>Årets</u>	<u>Fjorårets</u>
	-307000.00	-1274000.00

Skattepliktig inntekt

<u>Ordinært resultat før skatt</u>	<u>Årets</u>	<u>Fjorårets</u>
	-69785000.00	-126414000.00

0



<u>Permanente forskjeller</u>	<u>Årets</u>	<u>Fjorårets</u>
	-263000.00	-1221000.00

<u>Endring i midlertidige forskjeller</u>	<u>Årets</u>	<u>Fjorårets</u>
	-4172000.00	-357000.00

Betalbar skatt i balansen

<u>Betalbar skatt på årets resultat</u>	<u>Årets</u>	<u>Fjorårets</u>
	-49997000.00	-97025000.00

Note

13

Kundefordringer

Note

14

Bankinnskudd

<u>Bundne skattetrekkmidler</u>	<u>Beløp</u>
	1083000.00

<u>Skyldig skattetrekk</u>	<u>Beløp</u>
	1083000.00

Note

16

Gjeld

Avsetning for forpliktelser er forkortet til: "Avs.forpl"

Annen langsiktig gjeld er forkortet til: "A.L.gjeld"

Kortsiktig gjeld er forkortet til: "K. gjeld"

USD 70 million credit facility from LUKINTER Finance B.V.

Note

Varige driftsmidler/anleggsmidler

Driftsløssere, inventar o.l. er forkortet til: "Drift/inv"

Maskiner og anlegg er forkortet til: "Mask/anl"

Tomter, bygninger og annen fast eiendom er forkortet til: "T/B/AFE"

<u>Anskaff. kost 01.01.</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
	17061000.0			
	0			

<u>Tilgang i året</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
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692000.00

<u>Avgang i året</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
	-12742000.			
	00			

<u>Akk.av-/nedskr.01.01.</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
	14888000.0			
	0			

<u>Akk.av-/nedskr.31.12.</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
	4126000.00			

<u>Årets av-/nedskrivn.</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
	885000.00			

Note

3

Egenkapital

Aksjekapital er forkortet til: "Aksjekap"

Annen innskutt egenkapital er forkortet til: "A.innsk.EK"

<u>Egenkap. 31.12. forrige år</u>	<u>Aksjekap</u>	<u>Overkurs</u>	<u>A.innsk.EK</u>
	3000000.00		195000000.00

<u>Kontant-/tingsinnkudd</u>	<u>Aksjekap</u>	<u>Overkurs</u>	<u>A.innsk.EK</u>
			109632000.00

Egenkapital

Opptjent egenkapital er forkortet til: "Opptj.EK"

<u>Egenkap. 31.12. forrige år</u>	<u>Opptj.EK</u>	<u>Udekket tap</u>	<u>Sum</u>
		-195548000.0	
		0	

<u>Årsresultat</u>	<u>Opptj.EK</u>	<u>Udekket tap</u>	<u>Sum</u>
		-19788000.00	



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Enterprise 935 174 627 MVA

To the General Meeting of Lukoil Overseas North Shelf AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lukoil Overseas North Shelf AS showing a loss of NOK 19 788 000. The financial statements comprise the balance sheet as at 31 December 2018, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statautoriserte revisorer - medlemmer av Den norske Revisorforsamling

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Ålesund	Finnøy	Molde	Strømsund
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandnessjøen	Tvedestrand
Bodø	Kjevik	Sandnessjøen	Tynset
Drammen	Kristiansund	Steinkjer	Ålesund



Lukoil Overseas North Shelf AS

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) is responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Lukoil Overseas North Shelf AS

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 26 April 2019
KPMG AS

Monica Hansen
State Authorised Public Accountant



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 06.12.2012	Vår dato 10.12.2012
Telefon 22078139	Deres referanse LONS-54-2012	Vår referanse 2012/930625

LUKOIL OVERSEAS NORTH SHELF AS
Postboks 543 Skøyen
0214 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Lukoil Overseas North Shelf AS, org. nr. 998 152 550

Det vises til deres brev av 6. desember 2012 samt telefonsamtale i sakens anledning. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Lukoil Overseas North Shelf AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Lukoil Overseas North Shelf AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Bakgrunn

Lukoil Overseas North Shelf AS er et nystartet olje- og gass selskap. Selskapet inngår i Lukoil konsernet der det russiske selskapet Lukoil Oil Company er konsernspiss. Samtlige styremedlemmer er russiske statsborgere og har ingen eller begrenset kunnskap om norsk språk. Selskapets hovedaktivitet er å delta i leting etter, samt utbygging og produksjon av olje og naturgass. Selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk. Arbeidsspråket er engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal

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gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *“informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet inngår i et russisk konsern. Eierkretsen er således begrenset. Alle styremedlemmene er russiske og behersker ikke norsk språk. Selskapets arbeidsspråk er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Torstein Kinden Helleland



Annual Report 2018

LUKOIL Overseas North Shelf AS

Org.no 998 152 550

Directors' Report
Income Statement
Balance Sheet
Notes to the Financial Statements
Auditors' Report



DIRECTORS' REPORT 2018 LUKOIL OVERSEAS NORTH SHELF AS

About LUKOIL Overseas North Shelf AS

LUKOIL Overseas North Shelf AS ("the Company") was incorporated February 27 2012. The Company's main business is to explore for, develop and produce oil and natural gas on the Norwegian Continental Shelf. The company has a 20 % share in the exploration license PL858 and a 30 % share in PL719.

The Company is located in Oslo, Norway, and is a 100 % held subsidiary of LUKOIL International Upstream Holding BV.

Going Concern

Pursuant to § 3-3 of the Norwegian Accounting Act the Board of Directors confirms that the conditions for continued operations as a going concern are present for the Company and that the annual financial statements for 2018 have been prepared under this presumption. On June 28 2018 the company received additional paid-in capital of TNOK 109,632 from its sole owner, LUKOIL International Upstream Holding BV.

LUKOIL Overseas North Shelf AS had by December 31 2018 used TUSD 0,000 of the TUSD 70,000 credit limit stipulated in its loan agreement with LUKINTER Finance B.V.. The board considers the Company's liquidity to be solid due to the additional paid in capital and the loan facility with LUKINTER Finance B.V. The board of directors will monitor and make sure that the Company is financed for its operations going forward.

The financial statements

The Company is not exposed to particular risk factors other than those that are common for oil companies in the exploration phase.

The Company had in 2018 an operating loss of TNOK 62,930, and net financial loss of TNOK 6,855. Loss before income taxes was TNOK 69,785. After a tax credit of TNOK 49,997, the Company had an annual loss of TNOK 19,788.

The Company had a tax refund receivable of TNOK 49,690 at year-end 2018.

The annual loss of TNOK 19,788 has been allocated to loss carried forward.

The General Director has been reporting to the Board of Directors on a quarterly basis.

Health, safety and environment/equal opportunity

As at December 31 2018 the Company had twenty-one employees, of whom four are females and seventeen males. No actions have been implemented or are currently planned related to work environment or related to equal opportunity. At present there are no female members of the Board of Directors. 1204 hours of sick leave were taken in 2018 of 28 290 hours registered in total. The sick leave represents 4,26 % of the total hours in 2018.

No injuries or accidents were reported during 2018.



External environment

The operations of the Company are conducted in sensitive environmental areas. The Company, together with joint venture partners, work actively on measures allowing to avoid pollution and any negative impact on the environment.

Oleg Shurubor
Chairman of the Board

Oslo, April 2, 2019

Henrik Jørem
Board Member / Legal Counsel

Leonid Sarguchev
Board Member / General Director



INCOME STATEMENT

<i>(Amounts in NOK 000)</i>	Note	2018	2017
Operating income		3 437	0
Exploration expense	5	-21 958	-80 686
Payroll and related cost	6	-29 335	-26 632
Depreciation and amortisation	10	-1 769	-2 709
Other operating expense	7	-13 305	-16 604
Operating profit/-loss		-62 930	-126 631
Finance income	8	1 171	3 735
Finance costs	8	-8 026	-3 517
Net financial items		-6 855	217
Profit/-loss before income tax		-69 785	-126 414
Income tax credit	9	49 997	97 025
Profit/-loss for the year		-19 788	-29 389



BALANCE SHEET

(Amounts in NOK 000)	Note	31.12.2018	31.12.2017
ASSETS			
Non-current assets			
Deferred tax asset	9	19 032	18 725
Capitalized exploration and license costs	11	5 416	2 344
Other intangible assets	12	1 680	1 422
Total intangible assets		26 109	22 491
Property, plant and equipment	10	885	751
Total tangible assets		885	751
Total non-current assets		26 994	23 242
Current assets			
Prepayments and other receivables	13	23 775	1 325
Tax receivable refund tax value exploration expense	9	49 690	99 209
Cash and cash equivalents	14	2 934	1 748
Total current assets		76 399	102 282
Total assets		103 393	125 524
EQUITY AND LIABILITIES			
Equity			
Share capital	15	3 000	3 000
Other paid-in capital		304 632	195 000
Paid-in capital		307 632	198 000
Loss carried forward		-215 335	-195 548
Total equity	3	92 296	2 452
Liabilities			
Non-current liabilities			
Borrowings from group companies	16	0	111 182
Total non-current liabilities		0	111 182
Current liabilities			
Trade creditors	17	1 835	4 503
Other current liabilities	18	9 261	7 388
Total current liabilities		11 097	11 891
Total liabilities		11 097	123 072
Total equity and liabilities		103 393	125 524

Oslo, April 2, 2019



Oleg Shurubov
Chairman of the Board



Leonid Surguchev
Board Member / CEO



Henrik Jørent
Board Member



NOTES TO THE FINANCIAL STATEMENTS

Note 1. Corporate Information

LUKOIL Overseas North Shelf AS ("the Company") is a private limited company incorporated and domiciled in Norway, with its main office in Oslo. The company's was incorporated February 27 2012. The Company's main business is to explore for, develop and produce oil and natural gas on the Norwegian Continental Shelf.

Note 2. Accounting Principles

Basis of Preparation

The financial statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles for small companies. § 1-2 of the Norwegian Accounting Act states that the Company is required to provide stand-alone financial statements, as it is a private limited company registered in Norway.

The financial statements have been prepared on the historical cost basis. The principal accounting policies are set out below.

The accounting and presentation currency of the Company is NOK.

Interest in Joint Ventures and Oil and Gas Licenses

The Company accounts for joint ventures, including jointly controlled operations (oil and gas licenses), by using the gross method in accordance with § 5-18 of the Norwegian Accounting Act, i.e. by recording its share of the joint ventures' individual income, expenses, assets, liabilities and cash flows, on a line-by-line basis with similar items in the Company's financial statements.

Foreign Currency Translation and Transactions

Transactions and Balances

The Company's foreign currency transactions are translated into NOK which is being used as the accounting currency. Foreign currency transactions are translated into the accounting currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into accounting currency at the balance sheet date exchange rates. Non-monetary items are translated at the historical exchange rate on the transaction date and non-monetary items that are measured at fair value are translated at the exchange rate on the date when the fair value was determined. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. The Norwegian Central Bank's daily rates have been used for foreign currency translation.

Property, Plant and Equipment, including Oil and Gas Properties

Property plant and equipment are measured at historic cost less accumulated depreciation and any impairment loss.

Expense in connection with periodic maintenance on property plant and equipment are recognised as assets and depreciated on a systematic basis until the next periodic maintenance, provided the criteria



for capitalising such items have been met. Expenses in connection with ordinary maintenance and repairs are recognised in the income statement as incurred.

Property, plant and equipment are depreciated on a straight-line basis over expected useful life. If individual parts of property, plant and equipment have different useful lives they are accounted for and depreciated separately.

Exploration and Development Costs for Oil and Gas Properties

Oil and gas properties are accounted for using the successful efforts method of accounting whereby property acquisitions, successful exploratory wells, all development costs (including development dry holes and the Company's share of operators' expenses during the development stage of production sharing and risk service contracts), and support equipment and facilities are capitalized. Unsuccessful exploratory wells are expensed when a well is determined to be non-productive. Other exploratory expenditures, including geological and geophysical costs are expensed as incurred.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired through a business combination is based on fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with indefinite useful lives are not amortised. Such intangible assets are subject to impairment testing annually, irrespective of whether there is any indication of impairment or more frequently if indication of impairment exists. Testing is made either individually or at the cash generating level. Intangible assets with an indefinite life are reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made prospectively.

Intangible assets with finite lives are amortised over the useful economic life. These intangible assets are subject to impairment testing when there is an indication that the intangible asset may be impaired.

Impairment of Assets

Property, plant and equipment and other non-current assets are subject to impairment testing when there is an indication that the assets may be impaired. At each reporting date the Company assess whether there is any indication that the assets may be impaired. If any indications exist, an impairment test is performed, i.e. the Company estimates the recoverable amount of the asset.

The recoverable amount is the higher of fair value less expected cost to sell and value in use (present value based on the future use of the asset). If the carrying amount of an asset is higher than the recoverable amount an impairment loss is recognised in the income statement. The impairment loss is the amount by which the carrying amount of the asset exceeds the recoverable amount.

The value in use is determined by reference to discounted future net cash flows expected to be generated by the asset. Cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are tested at the lowest levels for which there are separately identifiable cash inflows. An oil and gas field is considered one cash generating unit, all other assets are assessed



separately.

Financial assets and liabilities

Financial instruments include trade receivables and other receivables, cash and cash equivalents, loans, trade payables and other payables. These are initially recognised at fair value adjusted for directly attributable transaction costs. After initial recognition, the measurement and accounting treatment depend on the type of instrument and classification. Investments classified as loans and receivables are measured at amortised cost using the effective interest rate method. If the amortisation effect not material, the recognised amount equals the nominal, less any impairment. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Amortised Cost

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the years to maturity. For investments carried at amortised cost, gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process.

Cost of Equity Transactions

Transaction costs directly attributable to an equity transaction are recognised directly in equity, net of taxes.

Income Taxes

The income tax expense/credit consists of current income tax (taxes payable/receivable) and changes in deferred income tax.

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Oil-exploration companies operating on the Norwegian Continental Shelf under the offshore tax regime can claim a 78% cash refund of their exploration costs, limited to taxable losses for the year. The refund is paid out in December in the following year. This tax receivable is classified as current asset.



Deferred Income Tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Companies operating on the Norwegian Continental Shelf under the offshore tax regime can claim the tax value of any unused tax losses or other tax credits related to its offshore activities to be paid in cash (including interest) from the tax authorities when operations cease. Deferred tax assets that are based on offshore tax losses carry forward are therefore normally recognised in full. The carrying amount of deferred income tax assets related to onshore activities are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority/tax regime. Timing differences are considered.

Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Pensions

According to Norwegian law employees are mandatory members of the Norwegian Pension Scheme ("obligatorisk tjenestepensjon"). The scheme is based on a defined benefit plan. The pension plan is not recognised in the balance sheet, according to Norwegian generally accepted accounting principles for small companies. The premiums paid are charged to the income statement.

Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.



Note 3. Equity

<i>Amounts in NOK</i>	Share capital	Other paid in capital	Paid in capital	Loss carried forward	Total equity
Equity at 01.01.2018	3 000 300	194 999 600	197 999 900	-195 547 847	2 452 053
Additional paid in capital	100	109 631 900	109 632 000		109 632 000
Loss for the year				-19 787 553	-19 787 553
Equity at 31.12.2018	3 000 400	304 631 500	307 631 900	-215 335 401	92 296 499

Note 4. Operating income

<i>(Amounts in NOK 000)</i>	2018	2017
Revenues from other sales and services	3 437	-
Total operating income	3 437	-

Revenues from other sales and services were derived from rendering technical and administrative services to LUKOIL E&P projects in Ghana and other projects outside of Norway. The income is subject to corporate tax and possible to offset against deferred tax assets. For 2018 the corporate tax rate was 23 %.

Note 5. Exploration Expense

<i>(Amounts in NOK 000)</i>	2018	2017
Direct seismic costs and field evaluation	1 291	51 609
Exploration drilling related expenses	3	281
Other operating exploration expenses	20 663	28 797
Total exploration expenses	21 958	80 686



Note 6. Payroll and related cost

<i>(Amounts in NOK 000)</i>	2018	2017
Salaries	24 622	22 387
Payroll tax	3 653	3 289
Pension costs	496	436
Other benefits	565	519
Total	29 335	26 632
Average number of employees	17	15

Pensions

The Company has a defined contribution pension plan for its employees which satisfies the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

Compensation to Chief Executive Officer (CEO):

<i>(Amounts in NOK 000)</i>	2018	2017
Salary	2 473	2 480
Bonus	992	1 184
Pension	39	38
Other benefits	96	46
Total compensation to CEO	3 599	3 748

The CEO has been employed since 02.04.2012

Compensation to Board of Directors:

The Board of Directors have not received any remuneration in 2018. The General Director is entitled to 3 months pay in case of liquidation of the company and 6 months pay in case of being fired without cause. The chairman of the board does not receive any form of remuneration from LUKOIL Overseas North Shelf AS.

The General Director's bonus plan is linked to a set of target goals based on the performance of the company.

No loans have been granted and no guarantees have been issued to the General Director or any member of the Board of Directors.



Note 7. Other operating expense

Other operating expenses include:

<i>(Amounts in NOK 000)</i>	2018	2017
Offices rental and other lease expenses	2 368	2 432
Travelling expenses	905	1 047
Consultant's and other fees	881	876
Service agreement with group companies	2 506	6 365
Other administrative expenses	6 644	5 884
Total	13 305	16 604

Remuneration to auditor is allocated as specified below:

<i>(Amounts in NOK 000)</i>	2018	2017
Audit	151	140
Other assistance	30	89
Total, excl. VAT	181	229

Note 8. Finance income and costs

Finance income:

<i>(Amounts in NOK 000)</i>	2018	2017
Interest income	458	283
Foreign exchange gain	713	3 452
Other finance income	0	0
Total finance income	1 171	3 735

Finance costs:

<i>(Amounts in NOK 000)</i>	2018	2017
Interest expense on loan from group companies	3 346	2 240
Interest expenses other loans	4	2
Foreign exchange loss	4 690	1 233
Other finance costs	-13	43
Total finance costs	8 026	3 517



Note 9. Tax

Specification of income tax:

<i>(Amounts in NOK 000)</i>	2018	2017
Calculated refund tax value of exploration costs this year	49 690	99 209
Correction previous years (Tax refund)	0	-911
Correction previous years (Deferred tax)	0	149
Change deferred tax	307	-1 422
Total income tax credit	49 997	97 025

Oil-exploration companies operating on the Norwegian Continental Shelf may claim a 78 % refund of their exploration costs limited to taxable losses of the year. The refund is paid out in November the following year.

Reconciliation of effective tax rate:

<i>(Amounts in NOK 000)</i>	2018	2017
Profit/loss before tax	-69 785	-126 414
Expected income tax credit 78%	54 432	98 603
Adjusted for tax effects (24% - 78%) of the following items:		
Permanent differences	-263	-1 221
Finance items	-3 671	116
Change in valuation allowance for deferred tax assets and other items	-501	-472
Total income tax credit	49 997	97 025

Specification of tax effects of temporary differences, tax losses carried forward and deferred tax:

<i>(Amounts in NOK 000)</i>	2018	2017
Property, plant and equipment	-2 654	-138
Non-current liabilities	0	0
Tax losses carried forward, onshore 22 % basis	8	0
Tax losses carried forward, offshore 22% basis	16 864	15 419
Tax losses carried forward, offshore 56% basis	4 815	3 444
Deferred tax liability (-) / tax asset (+)	19 032	18 725
Not capitalized deferred tax asset (valuation allowance)	0	0
Deferred tax liability (-) / tax asset (+) in balance sheet	19 032	18 725

Deferred tax is calculated based on tax rates applicable on the balance sheet date. Ordinary income tax is 22%, to which is added a special tax for oil and gas companies at the rate of 56%, giving a total tax rate of 78%. The deferred tax is calculated based on the new tax legislations that was put into effect from 1.1.2019.

Companies operating on the Norwegian Continental Shelf under the offshore tax regime can claim the tax value of any unused tax losses or other tax credits related to its offshore activities to be paid in cash (including interest) from the tax authorities when operations cease. Deferred tax assets that are based on offshore tax losses carried forward are therefore normally recognized in full.



Note 10. Property, plant and equipment

(Amounts in NOK 000)

	Furniture, fixtures and data equipment etc.
Carrying amount 1.1.2018	2 172
Cost:	
At 01.01.2018	17 061
Presentation adjustment to intangible assets	-12 742
Additions	692
Disposals	0
Cost at 31.12.2018	5 011
Depreciation and Impairment:	
At 01.01.2018	-14 888
Presentation adjustment to intangible assets	11 320
Depreciation this year	-558
Impairment this year	0
Disposals	0
Accumulated depreciation and impairment at 31.12.2018	-4 126
Carrying amount at 31.12.2018	885
Economic life	3-10 years
Depreciation method	linear

1,422 TNOK presentation adjustment from PPE to Intangible Assets in reclassification of IB
1.1.2018



Note 11. Capitalized exploration and license costs

(Amounts in NOK 000)

	Capitalized exploration and license costs
Carrying amount 1.1.2018	0
Cost:	
At 01.01.2018	2 344
Additions, capitalized exploration and license costs*	3 072
Disposals, impairment	0
Disposals, sale	0
Cost at 31.12.2018	5 416
Depreciation and impairment:	
At 01.01.2018	0
Amortization this year	0
Impairment this year	0
Disposals	0
Accumulated depreciation and impairment at 31.12.2018	0
Carrying amount at 31.12.2018	5 416

*Related to PL858. Drilling expected to be completed in 2020.



Note 12. Other intangible assets

(Amounts in NOK 000)

	Software, licenses etc.
Carrying amount 1.1.2018	0
Cost:	
At 01.01.2018	0
Presentation adjustment to intangible assets from PPE	12 742
Additions	1 450
Disposals	0
Cost at 31.12.2018	14 191
Amortization and impairment:	
At 01.01.2018	0
Presentation adjustment to intangible assets from PPE	-11 320
Depreciation this year	-1 211
Impairment this year	0
Disposals	0
Accumulated amortization and impairment at 31.12.2018	-12 531
Carrying amount at 31.12.2018	1 660
Economic life	3-10 years
Depreciation method	linear

1,422 TNOK presentation adjustment from PPE to Intangible Assets in reclassification of IB
1.1.2018

Note 13. Prepayments and other receivables

Prepayments and other receivables include:

(Amounts in NOK 000)	2018	2017
Prepaid expenses	3 522	678
Deposit	0	0
VAT receivables	297	421
Receivables from group companies	3 178	0
Short-term loan to group companies	12 610	0
Billing related items	3 662	225
Other short term receivables	506	0
Total	23 775	1 325



Note 14. Cash and cash equivalents

<i>(Amounts in NOK 000)</i>	2 018	2 017
Bank deposits	2 934	1 748
Total cash and cash equivalents	2 934	1 748
Of this:		
Restricted cash for withheld taxes from employees' salaries	1 603	951
Restricted cash for deposits house rent	0	0

Note 15. Share capital and shareholder information

The share capital is denominated in NOK, and the nominal value per share as of December 31 2018 was NOK 100. All issued shares are of equal rights. No potential shares, such as share options, were issued as of December 31 2018.

<i>Shareholders as of 31 December 2018</i>	Shares	Ownership
LUKOIL International Upstream Holding B.V.	30 004	100 %
Total number of shares	30 004	100 %

Note 16. Borrowings from group companies

The Company has obtained a credit facility of USD 70 million from the group company LUKINTER Finance B.V.. The facility expires on 27 December 2027.

Carrying amount in currency	Currency	Interest rate	Maturity
-	USD 000	3 month LIBOR USD + 160 points	31.12.2027

Note 17. Trade payables

<i>(Amounts in NOK 000)</i>	2018	2017
Trade creditors	1 022	1 445
Trade creditors group companies	814	3 058
Total	1 835	4 503



Note 18. Other current liabilities

<i>(Amounts in NOK 000)</i>	2018	2017
Current borrowings from group companies	0	-
Public duties payable	2 220	1 778
Salary and vacation payable	6 485	5 818
Billing related liabilities	549	-287
Other accruals for incurred costs	7	79
Total	9 261	7 388

Note 19. Events after the balance sheet date

There have not been any material events after the balance sheet day.



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To the General Meeting of Lukoil Overseas North Shelf AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lukoil Overseas North Shelf AS showing a loss of NOK 19 788 000. The financial statements comprise the balance sheet as at 31 December 2018, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Offices in

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Chicago	Paris	Sao Paulo	Trondheim
Copenhagen	Prague	Sydney	Trondheim
Dublin	Riyadh	Taipei	Trondheim
Frankfurt	Singapore	Washington	Trondheim
Geneva	Tokyo	Wellington	Trondheim
Hong Kong	Wuhan		
London			
Madrid			
Mumbai			
New York			
Oslo			
Osaka			
Paris			
Prague			
Riyadh			
Sao Paulo			
Singapore			
Sydney			
Taipei			
Trondheim			
Washington			
Wellington			
Wuhan			



Lukoil Overseas North Shelf AS

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) is responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Lukoil Overseas North Shelf AS

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 26 April 2019
KPMG AS

Monica Hansen
State Authorised Public Accountant