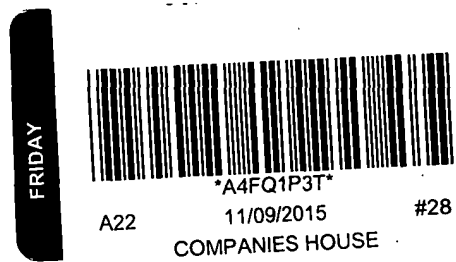


**Maersk Energy UK Ltd**

**Annual report and financial statements**

Registered number 05471104

31 December 2014



## Strategic report

The directors present their Strategic report for the year ended 31 December 2014.

### Principal activities

The company is a holding company with subsidiaries that are engaged in petroleum exploration, development and production activities in the United Kingdom sector of the continental shelf, holding interests in offshore and onshore blocks, both operated and non-operated.

### Business review

The company's financial performance for the year is summarised in the profit and loss account on page 6.

The company's financial performance and financial position is closely related to the financial performance of its principal subsidiary undertakings, Maersk Oil North Sea UK Limited and Maersk Oil UK Limited.

Details of the trading results, key financial performance indicators and future outlook of the company's principal subsidiary undertakings are disclosed in their individual financial statements for the year ended 31 December 2014 which can be obtained from the address in note 13 to these financial statements.

The company has not prepared consolidated financial statements as set out in note 1 to these financial statements.

A reduction of the company's share capital was completed in the year (note 11 to the financial statements).

After making enquiries, the directors have a reasonable expectation that the company and its group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

### Principal risks and uncertainties

The company's subsidiary investments are exposed to the following principal risks and uncertainties:

#### *Commodity price risk*

The company is exposed to oil and gas commodity price risk in respect of sale of its production entitlement. No hedging of commodity price risk is undertaken by the company.

A long term substantial drop in oil prices could make it difficult for Maersk Oil to generate the cash flow required to fund its investment programme. Also, the economic viability of major development projects could be challenged until the development costs have adapted to a lower oil price. The global Maersk Oil group, of which the company is a part, has a portfolio of mature fields with different oil price sensitivities and carefully considers such sensitivities for every new project.

## **Strategic report** *(continued)*

### *Health, Safety and the Environment*

The board of directors believe that the health and safety of all personnel involved in the company's onshore and offshore operations, together with a strong respect for the environment is of utmost importance. It is recognised that safe and environmentally sound operations are key to the company's success and therefore the culture within the company is to continually strive to improve the health, safety and environmental performance through constant care.

Exposure to oil spill is an inherent part of the company's operations. An increased focus on high pressure/high temperature (HP/HT) reservoirs combined with a high activity level in the industry has led to increased pressure on workforce and competencies. The group is constantly engaged in numerous initiatives supporting incident free operations to mitigate this risk.

By order of the Board



**Morten Kelstrup**  
*Director*

Maersk House  
Braham Street  
London  
E1 8EP  
19 August 2015

## Directors' report

The directors present their Annual report and audited financial statements for the year ended 31 December 2014.

### Directors

M. Kelstrup (Appointed 1 April 2015)  
M. R. Pedersen (Resigned 31 March 2015)  
K. Manser (Resigned 21 February 2014)  
G. Corr  
R. Peters (Resigned 5 June 2015)  
G. Watkins (Appointed 1 May 2014)  
G. Talbot (Appointed 1 May 2014)  
B. Welinder (Appointed 4 June 2015)

### Disclosure of information to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



**Morten Kelstrup**  
Director

Maersk House  
Braham Street  
London  
E1 8EP

19 August 2015

## **Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements**

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



37 Albyn Place  
Aberdeen  
AB10 1JB  
United Kingdom

## **Independent auditor's report to the members of Maersk Energy UK Ltd**

We have audited the financial statements of Maersk Energy UK Limited for the year ended 31 December 2014 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of the company's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

**David Derbyshire (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

20 August 2015

**Profit and loss account**  
*for the year ended 31 December 2014*

	<i>Note</i>	<b>2014</b> <b>\$000</b>	<b>2013</b> <b>\$000</b>
Interest receivable and similar income	2	<b>48</b>	145
Interest payable and similar charges	3	<b>(850)</b>	(7,740)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>	4-6	<b>(802)</b>	(7,595)
Tax on loss on ordinary activities	7	7	1,766
		<hr/>	<hr/>
<b>Loss for the financial year</b>	12	<b>(795)</b>	(5,829)
		<hr/> <hr/>	<hr/> <hr/>

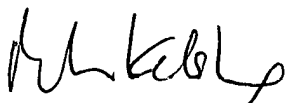
There are no recognised gains or losses other than the reported result for the year.

Turnover and operating results in the current and previous years arose wholly from continuing operations.

**Balance sheet**  
*at 31 December 2014*

	<i>Note</i>	<b>2014</b> <b>\$000</b>	<b>2013</b> <b>\$000</b>
<b>Fixed assets</b>			
Investments	8	1,683,846	1,683,846
<b>Current assets</b>			
Debtors amounts falling due within one year	9	86	87
Debtors amounts falling due after more than one year	9	7,273	7,216
<b>Net current assets</b>		7,359	7,303
<b>Total assets less current liabilities</b>		1,691,205	1,691,149
<b>Creditors: amounts falling due after more than one year</b>	10	(128,446)	(127,595)
<b>Net assets</b>		1,562,759	1,563,554
<b>Total shareholder's funds</b>			
Called up share capital	11	2,829	2,308,063
Profit and loss account	12	1,559,930	(744,509)
		1,562,759	1,563,554

These financial statements were approved by the board of directors on 19 August 2015 and were signed on its behalf by:



**Morten Kelstrup**  
*Director*



## Notes

(forming part of the financial statements)

### 1 Accounting policies

A summary of the principal accounting policies, which have been applied consistently throughout the year and the preceding year, is set out below.

The financial statements are prepared under the historical cost convention and are in accordance with applicable accounting and reporting standards.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

As a wholly owned subsidiary undertaking of A.P. Moller-Maersk A/S, the company has taken advantage of the exemption in FRS 8, "Related party disclosures," from disclosing transactions with other members of the group headed by A.P. Moller-Maersk A/S.

After making enquiries, the directors have a reasonable expectation that the company and its group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

#### *Investments*

Asset investments are stated less provision for impairment.

#### *Foreign currency*

The company's functional and reporting currency is the U.S. Dollar. Transactions denominated in other currencies are converted to dollars and recorded using the rate of exchange at the end of the previous month. Amounts due from or to other parties denominated in other currencies are translated at the rates of exchange in effect at the balance sheet date. Translation gains and losses are reflected in the profit and loss account.

#### *Tax*

Current UK corporation tax is provided at amounts expected to be paid using the enacted or substantively enacted tax rates.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### *Cash flow statement*

Under the provisions of FRS 1 (revised), the company has not prepared a cash flow statement because it is wholly owned by a parent undertaking whose consolidated accounts, which include the accounts of the company, are publicly available (see note 13).

### 2 Interest receivable and similar income

	2014 \$000	2013 \$000
Intercompany interest receivable	48	145

**Notes** *(continued)*

**3 Interest payable and similar charges**

	2014 \$000	2013 \$000
Intercompany interest payable	850	7,740

**4 Auditor's remuneration**

Auditor's remuneration, which is borne by Maersk Oil North Sea UK Limited, is analysed as follows:

	2014 \$000	2013 \$000
Audit of the financial statements	20	22

**5 Staff costs**

The company had no employees in the current or preceding year. Staff costs are borne by Maersk Oil North Sea UK Limited and can be viewed in those financial statements.

**6 Directors' remuneration**

During the current and preceding year, the only directors that received remuneration for their services are those that are also directors of Maersk Oil North Sea UK Limited. The emoluments of these directors are disclosed in the financial statements of Maersk Oil North Sea UK Limited.

**7 Taxation**

Analysis of credit in year:

	2014 \$000	2013 \$000
<i>Current corporation tax</i>		
UK corporation tax	(7)	(1,766)
Total tax on loss on ordinary activities	(7)	(1,766)

## Notes (continued)

### 7 Taxation (continued)

#### *Factors affecting the tax credit for the current year*

The current tax credit for the year is lower than (2013: *same as*) the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%). The differences are explained below:

	2014 \$000	2013 \$000
Loss on ordinary activities before tax	(802)	(7,595)
Loss on ordinary activities multiplied by effective tax rate in the UK of 21.49% (2013: 23.25%)	(172)	(1,766)
<i>Effects of</i>		
Excess non-trade debits	165	-
Other permanent differences	-	-
Total current tax	(7)	(1,766)

#### *Factors affecting future taxation*

The March 2013 Budget announced that the main rate of Corporation Tax of 23% will be reduced and unified with the small profits rate of 20% from 1 April 2015. The July 2015 Budget announced that the main rate of Corporation Tax will further reduce from 20% to 19% in 2017, and then to 18% in 2020.

### 8 Fixed asset investments

	2014 \$000
<i>Cost</i>	
At beginning and end of year	2,345,946
<i>Provisions</i>	
At beginning and end of year	(662,100)
<i>Net book value</i>	
At 31 December 2014	1,683,846
At 31 December 2013	1,683,846

## Notes (continued)

### 8 Fixed asset investments (continued)

#### Group investments

The company, a holding company, has investments (directly or indirectly) in the following subsidiary undertakings as at 31 December 2014 and 31 December 2013.

Name of company	Principal activity	Holding	% held
<i>Subsidiary undertakings:</i>			
Maersk Oil GB Limited	Holding company	Ordinary shares	100%
		Redeemable ordinary shares	100%
<i>Held by Maersk Oil GB Limited:</i>			
Maersk Oil UK Limited	Exploration and production	Ordinary shares	100%
		Redeemable ordinary shares	100%
Maersk Oil North Sea UK Limited	Exploration and production	Ordinary shares	100%
Maersk Oil Exploration UK Limited	Non-trading	Ordinary shares	100%
<i>Held by Maersk Oil North Sea UK Limited:</i>			
Maersk Oil Resources UK Limited	Non-trading	Ordinary shares	100%
Maersk Oil Gryphon Limited	Non-trading	Ordinary shares	100%
		Preference shares	100%
CNS (E&P) Limited	Non-trading	Ordinary Shares	100%

On 13 January 2015, Maersk Oil Gryphon Limited was dissolved.

### 9 Debtors

	2014 \$000	2013 \$000
Amounts owed by group undertakings	7,359	7,303

Included within debtors is an amount owed by group undertakings of \$7,273,000 (2013: \$7,216,000) falling due after one year. The amount relates to a revolving credit agreement which is due for repayment by 31 December 2018.

### 10 Creditors: amounts falling due after more than one year

	2014 \$000	2013 \$000
Loans from other group undertakings	128,446	127,595
Amounts repayable:		
In the second to fifth years	128,446	127,595

Of the loans, \$128,446,000 (2013: \$127,595,000) relates to a \$975,000,000 intercompany loan facility, with interest charged at LIBOR plus a margin repayable on 31 December 2018 (or such other date as may be agreed) with the margin to be adjusted in accordance with the issuer's third party credit agreements.

## Notes (continued)

### 11 Share capital

	2014 \$000	2013 \$000
<i>Allotted, called up and fully paid</i>		
299,901 Ordinary shares of £1 each	521	521
1,377,000,000 (2013: 1,377,000,000) Redeemable preference shares of £0.001 (2013: £1.00 each)	2,308	2,307,542
	<hr/>	<hr/>
Allotted, called up and fully paid	2,829	2,308,063
	<hr/>	<hr/>

In November 2014, the company reduced its issued redeemable preference share capital from £1,377,000,000 (divided into 1,377,000,000 fully paid redeemable preference shares of £1 each) to £1,377,000 by cancelling the paid up share capital of the company to the extent of £0.999 on each of the redeemable preference shares reducing the nominal amount of each redeemable preference share from £1.00 to £0.001 and reclassifying the 1,377,000,000 redeemable preference shares in issue into 1,377,000,000 fully paid redeemable preference shares of £0.001 each.

In December 2006, the Articles of Association ("Articles") of the company were amended to insert a new clause such that the preference shares are now redeemable at a sum equal to the US dollar equivalent of the pounds sterling par value, calculated at the exchange rate ruling on the date of issue of the relevant shares.

The Articles were also amended such that the preference shares, which were issued at par, are now redeemable at par by the company on giving at any time to the holder not less than one month's notice in writing to require redemption of all or part of the preference shares held by such holder and specified in the notice. Previously, the holders of the shares could redeem the shares at par by giving the company not less than one month's notice in writing.

Under the terms of the revised Articles, preference shares shall confer upon the holders thereof as a class the right in priority to any payment by way of dividend to the holders of any other shares in the capital of the company to receive dividends in an amount per preference share equal to the dividends declared and payable on other shares.

On a winding up of the company, the preference shareholders have a right to receive, in preference to any payments to all other class shareholders, an amount equal to the aggregate of capital paid up, or credited as paid up, on each preference share together with the amount of any premiums paid or credited as paid on the issue or subscription of such shares.

### 12 Reconciliation of movements in shareholder's funds

	Share capital \$000	Profit and loss account \$000	Total shareholder's funds \$000
At 1 January 2014	2,308,063	(744,509)	1,563,554
Capital reduction (note 11)	(2,305,234)	2,305,234	-
Loss for the year	-	(795)	(795)
	<hr/>	<hr/>	<hr/>
At 31 December 2014	2,829	1,559,930	1,562,759
	<hr/>	<hr/>	<hr/>

**Notes** *(continued)*

**13 Parent undertaking and controlling party**

The company is a wholly owned subsidiary undertaking of Maersk Olie og Gas A/S, a company incorporated in Denmark.

The smallest group in which the results of the company are consolidated is that of Maersk Olie og Gas A/S.

The largest group in which the results of the company are consolidated is that headed by A.P. Moller-Maersk A/S, a company listed in Denmark.

The consolidated accounts of Maersk Olie og Gas A/S and A.P. Moller-Maersk A/S are available to the public and may be obtained from Corporate Communications, Esplanaden 50, 1098 Copenhagen K, Denmark.