Maersk Volve A/S

(Company Reg. No. 33153600)

Annual Report 2013

(Financial year No. 4)

As adopted by the Company at the Annual General Meeting
28 May 2014



Chairman of the Meeting

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Statement of the Board of Directors and Management

The Board of Directors and the Management have today discussed and approved the annual report for 2013 of Maersk Volve A/S.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements provide a fair view of the Company's assets, liabilities, and financial position at 31 December 2013 and of the results of the Company operations for the financial year 2013.

It is also our opinion that the Management review includes a true and fair view of the development in the Company's operations and financial conditions, the results for the year and financial position.

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

Copenhagen, 26 May 2014

Management:

Per Gøbel

Board of Directors:

Jørn Peter Madsen
(Chairman)

Martin Fruergaard

Marianne Sørensen

Independent Auditor's Report

To the shareholder of Maersk Volve A/S

Report on the Financial Statements

We have audited the Financial Statements of Maersk Volve A/S for the financial year 1 January 2013 – 31 December 2013, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Acts, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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 whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2013 and of the results of the Company operations for the financial year 1 January 2013 – 31 December 2013 in accordance with the Danish Financial Statements Act.

Auditors' Report

Statement on Management's review

We have read Management's review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's review is consistent with the Financial Statements.

Copenhagen, 28 May 2014

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Jesper Hansen
State Authorised Public Accountant

Louise C. Kring
State Authorised Public Accountant

Management's Review

Company details

Maersk Volve A/S
Esplanaden 50
1263 Copenhagen K

Company Reg. No.:	33153600
Date of incorporation:	31 August 2010
Registered office:	Copenhagen
Financial year:	1 January - 31 December

Board of Directors

Jørn Peter Madsen (Chairman)
Martin Fruergaard
Marianne Sørensen

Management

Per Gøbel

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Annual General Meeting

Annual General Meeting will be held on 28 May 2014.

Management's Review

Financial Highlights and Key Figures

USD ('000)	2013	2012	2011	2010*
Financial Highlights				
Gross result	16,590	(6,349)	22,333	70,622
Result before financial items	9,899	(28,051)	(12,390)	(11,111)
Financial items, net	(745)	1,266	(353)	74
Result before tax	9,154	(26,785)	(12,743)	36,499
Result for the year	**6,068**	**(20,113)**	**(9,560)**	**(8,277)**
Total assets	86,309	78,339	102,425	113,886
Investing activities	0	0	0	(115,930)
Total equity (incl. proposed dividend)	**84,172**	**78,104**	**98,217**	**107,777**
Key Figures				
Operating margin	58.1%	(261.9)%	(31.8)%	(7.6)%
Return on invested capital	13.4%	(34.9)%	(12.6)%	(10.6)%
Liquidity ratio	2,157.4%	13,376.1%	804.0%	172.2%
Equity ratio	97.5%	99.7%	95.9%	94.6%
Return on equity	7.5%	(22.8)%	(9.3)%	(7.7)%

*The Company's first financial year only covers the period 31 August 2010 - 31 December 2010, and is not comparable to 12 months.

Management's Review

The Company's main activities

The Company's main activity is handling the ownership of the production unit Volve. The production unit Volve produces oil and is mounted on the drilling rig Maersk Inspirer that operates on the Volve oil field in the Norwegian sector of the North Sea.

Development in activities and finances

The result for the year amounts to USD 6,068k (2012: USD (20,113)k) which is in line with management expectations. For 2014 management expects to reach a result on the same level as 2013.

Particular risks

Financial exposure

The Company's revenue is mainly denominated in USD and NOK, while costs are USD, NOK and other currencies. The currency exposure is not considered to be significant.

The Company has a small concentration of customers, but is not considered to have any credit risks.

Corporate social responsibility

Please refer to the separate Sustainability Report 2013 of the ultimate parent company A. P. Møller - Mærsk A/S on the sustainability website:
http://www.maersk.com/Sustainability/Documents/Maersk_Sustainability_Report_2013.pdf

Sustainability

With our growth comes a larger responsibility to the people who affect our business and to the people and the environment who are affected by it. Our major focus area is safety, but we also put much effort into the areas of e.g. local content as well as environment and climate. Please refer to our online Sustainability Report 2013 at www.maerskdrilling.com, in which we provide a complete overview of Maersk Drilling’s work with sustainability and our sustainability performance.

Safety

Safety in offshore drilling is about constant risk management. Our people and the environment will only be safe with the right systems, procedures, technology, and a strong safety culture. It is our belief that fundamentally, safety is an active decision and the result of a serious commitment from all employees in Maersk Drilling.

Local content

Training and developing the talent of local employees, assigning our third party code of conduct to local suppliers and transferring knowledge to local communities all continue to be a priority for Maersk Drilling. We want to move beyond compliance with local content requirements and to increase shared value by proactively engaging with stakeholders.

Environment & climate

Discharges, air emissions, and how we manage chemicals and waste are our primary focus areas when it comes to minimising the environmental impact of our operations. We work with our customers, local communities and internationally recognised bodies to ensure that environmental factors are integrated into our business principles and into operational practices.

Events after the Balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Financial Statements 1 January - 31 December

Accounting policies

Financial Statements of Maersk Volve A/S for 2013 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to mid-size enterprises of reporting class C.

In accordance with Sections 86(4) and 96(3) of the Danish Financial Statements Act, cash flow statement and note concerning fee to auditors appointed by the Company in the Annual General Meeting are omitted as these information are included in the consolidated Financial Statements for A.P. Møller - Mærsk A/S.

The accounting policies are unchanged from last year.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, write-downs and provisions and reversals as a result of changes in accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Financial Statements 1 January - 31 December

Accounting policies

Income statement

Gross result

In accordance with Section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from sale of goods is recognised upon the transfer of risk to the buyer. For drilling activities, which are typically carried out under long-term agreements with fixed day rates, revenue is recognised for the production time related to the financial year.

Other external cost

Other external costs comprise expenses incurred during the year for bare boat hire of the rigs, repair and maintenance, catering, hired crew and administrative assistance from parent and associates etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on result for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the result for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. The Company is part of A.P. Møller Holding A/S' joint taxation. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with refund concerning tax losses).

Financial Statements 1 January - 31 December

Accounting policies

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The depreciation base is the cost prices less estimated residual value at the end of useful life.

The cost price is the acquisition price and costs directly related to the purchase until the asset is ready for use.

The cost of an asset is divided into separate components which are depreciated separately if the useful lives of the individual components differ.

Depreciation is charged to the income statement on basis of the intensity of the production and is estimated to be an 8-year period until 2016 with a residual value of 10%.

Gains and losses on sale of property, plant and equipment are calculated as the difference between the sales price less cost of sale and the carrying amount of the asset at the time of sale. Gains and losses are recognised in the income statement.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Financial Statements 1 January - 31 December

Accounting policies

Balance sheet

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the

legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

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

Financial debt

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

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

USD is used as functional currency and as presentation currency because the majority of its transactions are in U.S. dollars. At 31 December 2013 the exchange rate DKK/USD was 541.27 (2012: 565.91).

Financial Statements 1 January - 31 December

Accounting Policies

Financial highlights

The financial highlights have been defined as follows:

Operating margin	$\frac{\text{Profit/loss before financial items x 100}}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Profit/loss before financial items x 100}}{\text{Average invested capital}}$
Liquidity ratio	$\frac{\text{Total current assets x 100}}{\text{Short-term liabilities}}$
Equity ratio	$\frac{\text{End year equity x 100}}{\text{End year total assets}}$
Return on equity	$\frac{\text{Ordinary profit/loss after tax x 100}}{\text{Average equity}}$

Financial Statements 1 January - 31 December

Income statement

Note		2013 USD ('000)	2012 USD ('000)
	Gross result	**16,590**	**(6,349)**
4	Depreciation, amortisation and impairment losses	(6,691)	(21,702)
	Result before financial items	**9,899**	**(28,051)**
1	Financial income	310	1,284
2	Financial expenses	(1,055)	(18)
	Result before tax	**9,154**	**(26,785)**
3	Tax on result for the year	(3,086)	6,672
	Result for the year	**6,068**	**(20,113)**

Appropriation

	Retained earnings	6,068	(20,113)
		6,068	**(20,113)**

Financial Statements 1 January - 31 December

Balance sheet

Note	ASSETS	2013 USD ('000)	2012 USD ('000)
	Non-current assets		
4	**Property, plant and equipment**		
	Production facilities and equipment	40,199	46,890
	Total non-current assets	**40,199**	**46,890**
	Current assets		
	Receivables		
	Receivables from associated companies	38,881	24,625
5	Deferred tax assets	5,834	6,824
		44,715	**31,449**
	Cash and bank balances	**1,395**	**0**
	Total current assets	**46,110**	**31,449**
	TOTAL ASSETS	**86,309**	**78,339**

Financial Statements 1 January - 31 December

Balance sheet

Note	EQUITY AND LIABILITIES	2013 USD ('000)	2012 USD ('000)
	Equity		
	Share capital	171	171
	Retained earnings	84,001	77,933
	Total equity	**84,172**	**78,104**
	Short-term liabilities		
	Trade payables	4	4
	Payables to associated companies	2,133	231
	Total liabilities	**2,137**	**235**
	TOTAL EQUITY AND LIABILITIES	**86,309**	**78,339**
6	**Commitments and contingent liabilities, etc.**		
7	**Employee remuneration, etc.**		
8	**Related parties**		
9	**Shareholders**		
10	**Consolidation**		

Financial Statements 1 January - 31 December

Equity statement

USD ('000)	Share-capital	Retained earnings	Total
Equity 1 January 2012	171	98,046	98,217
Result for the year	0	(20,113)	(20,113)
Equity 1 January 2013	**171**	**77,933**	**78,104**
Result for the year	0	6,068	6,068
Equity 31 December 2013	**171**	**84,001**	**84,172**

The share capital comprises 10,000 shares of DKK 100. No shares hold special rights. There has been no changes to the share capital besides paid in capital 31 August 2010 of USD 171k.

Financial Statements 1 January - 31 December

Notes

		2013 USD ('000)	2012 USD ('000)
1	**Financial income**		
	Interest income from associated companies	308	241
	Other financial income	2	1,043
		310	**1,284**
2	**Financial expenses**		
	Other financial expenses	(1,055)	(18)
		(1,055)	**(18)**
3	**Tax on the result of the year**		
	Tax for the year	(2,096)	5,622
	Change in deferred tax	(182)	0
	Change in deferred tax due to change in tax rate	(808)	(2,100)
	Adjustments to prior years tax for the year	0	3,150
		(3,086)	**6,672**

Financial Statements 1 January - 31 December

Notes

4 Property, plant and equipment

USD ('000)	Production facilities and equipment
Cost price 1 January 2013	204,679
Addition	0
Disposal	0
Cost price 31 December 2013	204,679
Depreciation and impairment losses 1 January 2013	(157,789)
Depreciation	(6,691)
Depreciation and impairment losses 31 December 2013	(164,481)
Carrying amount 31 December 2013	**40,199**

5 Deferred tax

Deferred tax mainly relates to deferred tax on the carrying amount of the production facilities and equipment.

6 Commitments and contingent liabilities, etc.

Contingent liabilities

The Company is jointly taxed with all other Danish companies in the A.P. Møller - Mærsk Group. As a fully owned subsidiary, the Company has unlimited and joint liability together with the other companies under joint taxation for Danish withholding taxes on dividends, interest and royalties within the jointly taxed companies.

Financial Statements 1 January - 31 December

Notes

7 Employee remuneration

Maersk Volve A/S has not had employees in 2013 and 2012. Personnel are hired from affiliates in the A.P. Møller - Mærsk Group. The Board of Directors has not been remunerated.

8 Related parties

The following related parties have a controlling interest in Maersk Volve A/S;

Dominant influence

The A.P.Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene formaal, Copenhagen, Denmark and A.P. Møller Holding A/S has control over the A.P.Møller - Mærsk Group.

Other related parties with dominant influence include;

- A.P. Møller - Mærsk A/S, Esplanaden 50, 1098 Copenhagen K.
- Maersk Drilling A/S, Esplanaden 50, 1098 Copenhagen K. The parent company

Other related parties

Subsidiaries and affiliates to A.P. Møller - Mærsk A/S.

Related parties also include the Board of Directors and leading employees and their family members. Related parties also include companies in which the above persons have significant interests.

9 Shareholders

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

Maersk Drilling A/S
Esplanden 50
1098 Copenhagen K

10 Consolidation

The consolidated financial statements of A.P. Møller - Mærsk A/S, Esplanaden 50, 1098 Copenhagen can be obtained by contacting this company or at its website www.maersk.dk