

Deutsche Oel & Gas SA

Société Anonyme

Interim Financial Statements

as at 30 June 2017

R.C.S. Luxembourg : B179408

Registered Office

45, Boulevard Prince Henri

L-1724 LUXEMBOURG

Table of Contents

Report of the Directors	3
Balance Sheet	4
Profit and Loss Account	5
Notes to the Interim Financial Statements	6 - 11

Report of the Directors
for the interim financial statements 30 June 2017

To the Shareholders of the Company

In accordance with our mandate as Directors of your Company and with the legal and statutory requirements, we present the Balance Sheet at 30 June 2017 and the Profit and Loss Account.

The profit brought forward is EUR 476,281,202. The result for the 6-months period is a profit of EUR 557,673.

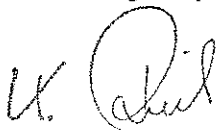
The authorized capital is EUR 1,500,000,000 and the subscribed capital is EUR 500,000,000 represented by 500,000,000 shares with a nominal value of EUR 1.00 each, divided into 121,435,692 A-shares, 219,564,308 B-shares, 10,000,000 C-shares, 125,000,000 D-shares and 24,000,000 E-shares of EUR 1.00 each and fully paid. 796,778 own B-shares have been sold during the financial year.

The Company did not acquire any additional own shares during the year under review.

The Company did not engage in any research and development activities during the year under review.

The Company did not have any branches during the year under review.

Luxembourg, 8 September 2017



Name

Director

**Abridges Balance Sheet
as at 30 June 2017**

	Note	30.06.2017 <u>EURO</u>	31.12.2016 <u>EURO</u>
ASSETS			
C. Fixed Assets		1,784,068,473	1,784,863,401
II. Tangible assets		62,617	60,767
III. Financial assets	3	1,784,005,856	1,784,802,634
D. Current Assets		18,386,519	738,913
II. Debtors		18,378,793	692,662
a) becoming due and payable within one year		0	0
b) becoming due and payable after more than one year		18,378,793	692,662
IV. Cash at bank and in hand		7,726	46,251
E. Prepayments		<u>31,704</u>	<u>33,554</u>
TOTAL ASSETS		<u>1,802,486,696</u>	<u>1,785,635,868</u>
LIABILITIES			
A. Capital and reserves		1,781,497,089	1,768,075,893
I. Subscribed Capital	4	500,000,000	500,000,000
II. Share premium account	5	543,718,613	530,058,312
III. Revaluation reserve	6	200,700,000	200,700,000
IV. Reserves	7	60,239,601	61,036,379
V. Profit brought forward	8	476,281,202	476,253,655
VI. Profit for the financial year	8	557,673	27,547
B. Provisions	9	2,080,000	580,000
C. Creditors	10	18,909,607	16,979,975
a) becoming due and payable within one year		6,564,520	5,023,476
b) becoming due and payable after more than one year		<u>12,345,087</u>	<u>11,956,499</u>
TOTAL CAPITAL, RESERVES AND LIABILITIES		<u>1,802,486,696</u>	<u>1,785,635,868</u>

The notes in the annex form an integral part of the annual accounts.

**Abridges Profit and Loss Account
as at 30 June 2017**

	Note	30.06.2017	31.12.2016
		<u>EURO</u>	<u>EURO</u>
ABRIDGED PROFIT AND LOSS ACCOUNT			
1 to 5 Gross profit or (loss)		8,010,000	944,046
6. Staff costs		(137,168)	(249,398)
a) Wages and salaries		(137,168)	(249,398)
8. Other operating expenses		(6,891,358)	(60,393)
14. Interest payable and similar expenses		(420,486)	(575,905)
b) other interest and similar expenses		(420,486)	(575,905)
15. Tax on profit or loss		<u>(3,315)</u>	<u>(30,803)</u>
16. Profit or (lose) after taxation		<u>557,673</u>	<u>27,547</u>
18. Profit for the financial year		<u>557,673</u>	<u>27,547</u>

The notes in the annex form an integral part of the annual accounts.

Notes to the abridges interim financial statements as at 30 June 2017

1. GENERAL

Deutsche Oel & Gas SA (hereafter the „Company“) was formed on 29 July 2013 as a Société Anonyme for an unlimited duration.

The registered office is established at 45, Boulevard Prince Henri, L-1724 LUXEMBOURG.

The Company's financial year begins on 1 January and ends on 31 December.

The object of the Company is the holding of participations, in any form whatsoever, in Luxembourg and foreign companies, or other business entities, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stock, bonds, debentures, notes and other securities of any kind, and the ownership, administration, development and management of its portfolio. The Company may also hold interests in partnerships and carry out its business through branches in Luxembourg or abroad. Further, it may invest in the acquisition and management of a portfolio of trademarks or other intellectual property rights of any nature or origin.

The Company may borrow in any form and proceed to the issue of bonds and debentures.

The Company may grant assistance (by way of loans, advances, guarantees or securities or otherwise) to companies or other enterprises in which the Company has an interest or which forms part of the group of companies to which the Company belongs, take any controlling and supervisory measures and carry out any operation which it may deem useful in the accomplishment and development of its purposes.

The Company can perform all commercial, technical and financial or other operations, connected directly or indirectly in all areas in order to facilitate the accomplishment of its purpose.

The Company is exempt from preparing consolidated financial statements based on criteria defined by Luxembourg law. Consequently, these financial statements are presented on an unconsolidated basis.

The Company is defined as a small company under the law of 19 December 2002 as amended. Consequently, these annual accounts consist of an abridged Balance Sheet and an Full Profit and Loss Account as permitted by that law.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 Basis of preparation

The annual accounts have been prepared in accordance with the Luxembourg legal and regulatory requirements following accounting principles generally accepted in Luxembourg. Accounting policies and valuation rules are, besides the ones laid down by the law of 19 December 2002 as amended, determined and applied by the Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in the process of applying the accounting policies.

Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements expectations of future events that are believed to be reasonable under the circumstances.

2 Significant accounting policies

The main valuation rules applied by the Company are as follows:

Financial fixed assets

Shares in affiliated undertakings/participating interests/loans to these undertakings/securities held as fixed assets/other loans are valued at purchase price/nominal value (loans and claims) including the expenses incidental thereto, except for Deutsche Oel & Gas AG, Stuttgart which is at fair value.

In case of durable depreciation in value according to the opinion of the Directors, value adjustments are made in respect of fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date, except for Deutsche Oel & Gas AG, Stuttgart which is at fair value.

These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Transiation of foreign currencies

The Company maintains its accounting records in EUR. All transactions expressed in currencies other than EUR are converted into EUR at the exchange rate ruling at the date of the transaction.

Formation costs as well as long-term assets expressed in currencies other than EUR are converted into EUR at rates of exchange ruling on the date of the transaction. At the date of the Balance Sheet, these remain at historic rates of exchange.

Cash and bank balances are converted at rates of exchange ruling at the date of the Balance Sheet. Profits or losses resulting from such conversion are shown on the Profit and Loss Account.

Other assets are individually converted and shown at the lower of cost or converted values. Liabilities are individually converted and shown at the higher of their nominal or converted values. Realised gains and all losses on exchange, whether realised or unrealised, are shown on the Profit and Loss Account.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised loss is recorded in the Profit and Loss Account.

Provisions

Provisions for liabilities and charges are intended to cover losses or debts the nature of which is clearly defined and which, at the date of the Balance Sheet are either likely or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Value adjustments

Value adjustments are deducted directly from the related asset.

Turnover

The net turnover comprises the amounts derived from the provision of services falling within the Company's ordinary activities, after deductions of sales rebates and of value added tax and other taxes directly linked to the turnover.

Creditors

Creditors are recorded at their reimbursement value.

3. FINANCIAL FIXED ASSETS

	30.06.2017	31.12.2016
	<u>EURO</u>	<u>EURO</u>
Global Oil & Gas Invest GmbHs, IX and XIII to XVIII	390,283,726	390,283,726
Furie Oil & Gas XII LLC	102,840,977	102,840,977
Deutsche Oel & Gas AG	1,255,587,284	1,255,587,284
Deutsche Oel & Gas I SA	7,750	7,750
Oel & Gas Invest GmbH SARL	12,500	12,500
Invenit Holding AG	100,000	100,000
Own shares or corporate units	<u>35,173,619</u>	<u>35,970,397</u>
	<u>1,784,005,856</u>	<u>1,784,802,634</u>

Enterprises in which the Company holds at least 20% of the capital, or in which it is a general partner, and the registered addresses	Capital held %	which the last annual accounts are made up	The Company's share of net equity at the date of the annual accounts, in EURO	The Company's share of results of the last financial year, in EURO
1. Deutsche Oel & Gas AG Gerokstrasse 33, D-70184 STUTTGART	100 %	31.12.2016	171,575,003	(7,691,264)
2. Deutsche Oel & Gas I SA, (formerly ELMAGO SA) 45, Boulevard Prince Henri L-1724 LUXEMBOURG	100 %	31.12.2015	27,695	(3,305)
3. Oel & Gas Invest GmbH SARL 45, Boulevard Prince Henri, L-1724 LUXEMBOURG	100 %	31.12.2016	8,190	(4,310)

The investment held in Global Oil & Gas Invest GmbHs IX and from XIII to XVIII as well as in Furie Oil & Gas XII LLC is in form of a silent partnership interest without voting rights.

Deutsche Oel & Gas SA has guaranteed the payment of future chartering costs by Furie Operating for the drilling vessel Randolph Jost amounting to EUR 20.4 million. Furthermore, Deutsche Oel & Gas SA has also guaranteed the payment of the financial obligations of Deutsche Oel & Gas AG, Stuttgart up to an amount of EUR 51.9 million.

Movements	30.06.2017	31.12.2016
	<u>EURO</u>	<u>EURO</u>
Own shares or corporate units	<u>35,173,619</u>	<u>35,970,397</u>

4. SHARE CAPITAL

The authorised capital is EUR 1,500,000,000 and the subscribed capital is EUR 500,000,000 represented by 500,000,000 shares with a nominal value of EUR 1.00 each, divided into 121,435,692 A-shares, 219,564,308 B-shares, 10,000,000 C-shares, 125,000,000 D-shares and 24,000,000 E-shares of EUR 1.00 each and fully paid. 796,778 own B-shares have been sold during the first 6 months of the financial year.

	30.06.2017	31.12.2016
	EURO	EURO
Number of shares in issue on 30 June/31 December	<u>500,000,000</u>	<u>500,000,000</u>
Nominal value of shares in issue on 30 June/31 December	<u>500,000,000</u>	<u>500,000,000</u>

5. SHARE PREMIUM AND SIMILAR PREMIUMS

	2017	2016
	EURO	EURO
Balance at 1 January	530,058,312	24,951,000
Movements during the year	<u>13,660,301</u>	<u>505,107,312</u>
Balance at 30 June/31 December	<u>543,718,613</u>	<u>530,058,312</u>

6. REVALUATION RESERVES

	2017	2016
	EURO	EURO
Revaluation Reserves on 1 January	200,700	705,807,312
Movements during the year	<u>0</u>	<u>(505,107,312)</u>
Revaluation Reserves on 30 June/31 December	<u>200,700,000</u>	<u>200,700,000</u>

7. RESERVES

Legal Reserve	2017	2016
	EURO	EURO
Legal Reserve at 1 January	25,065,982	24,970,439
Movements during the year	<u>0</u>	<u>95,543</u>
Legal Reserve at 30 June/31 December	<u>25,065,982</u>	<u>25,065,982</u>

Reserve for own shares or own corporate units	2017	2016
	EURO	EURO
Reserve for own shares or own corporate units at 1 January	35,970,397	38,759,339
Movements during the year	<u>(796,778)</u>	<u>(2,788,942)</u>
Reserve for own shares or own corporate units at 30 June/31 December	<u>35,173,619</u>	<u>35,970,397</u>
Total reserves	<u>60,239,601</u>	<u>61,036,379</u>

8. RETAINED PROFIT

	2017	2016
	<u>EURO</u>	<u>EURO</u>
Profit brought forward at 1 January	476,281,202	476,349,198
Transfer to statutory reserves	<u>0</u>	<u>(95,543)</u>
	476,281,202	476,253,655
Results for the 6-months period/year	<u>557,673</u>	<u>1,910,853</u>
Profit carried forward at 30 June/31 December	<u>476,838,875</u>	<u>476,281,202</u>

9. PROVISIONS

	30.06.2017	31.12.2016
	<u>EURO</u>	<u>EURO</u>
The Provisions for liabilities and Charges are as follows:		
Taxation	30,000	30,000
Other operating provisions mainly consist of Legal, Tax and Audit fees.	<u>2,050,000</u>	<u>550,000</u>
Total provisions	<u>2,080,000</u>	<u>580,000</u>

The provisions for taxation represent charges for tax, estimated by the Company, for which no assessments have been received. Any taxes paid in advance appear under "Other debtors".

10. CREDITORS

	30.06.2017	31.12.2016
	<u>EURO</u>	<u>EURO</u>
Amounts due and payable are as follows:		
Due within one year		
Trade creditors	1,474,499	93,425
Other creditors		
Grosspeter Bond	4,193,943	4,061,931
Tax Credit Bond	<u>893,078</u>	<u>868,120</u>
Total creditors due within one year	<u>6,564,520</u>	<u>5,023,476</u>
Due after five years		
Amounts owed to Deutsche Oel & Gas I SA, Luxembourg an undertaking linked by virtue of participating interests	<u>12,345,087</u>	<u>11,956,499</u>
Total creditors due after five years	<u>12,345,087</u>	<u>11,956,499</u>
Total creditors	<u>18,909,607</u>	<u>16,979,975</u>

