

2014

Annual Report



DEA Deutsche Erdoel AG

formerly RWE Dea AG

Annual Report 2014

DEA GAS AND OIL ACTIVITIES

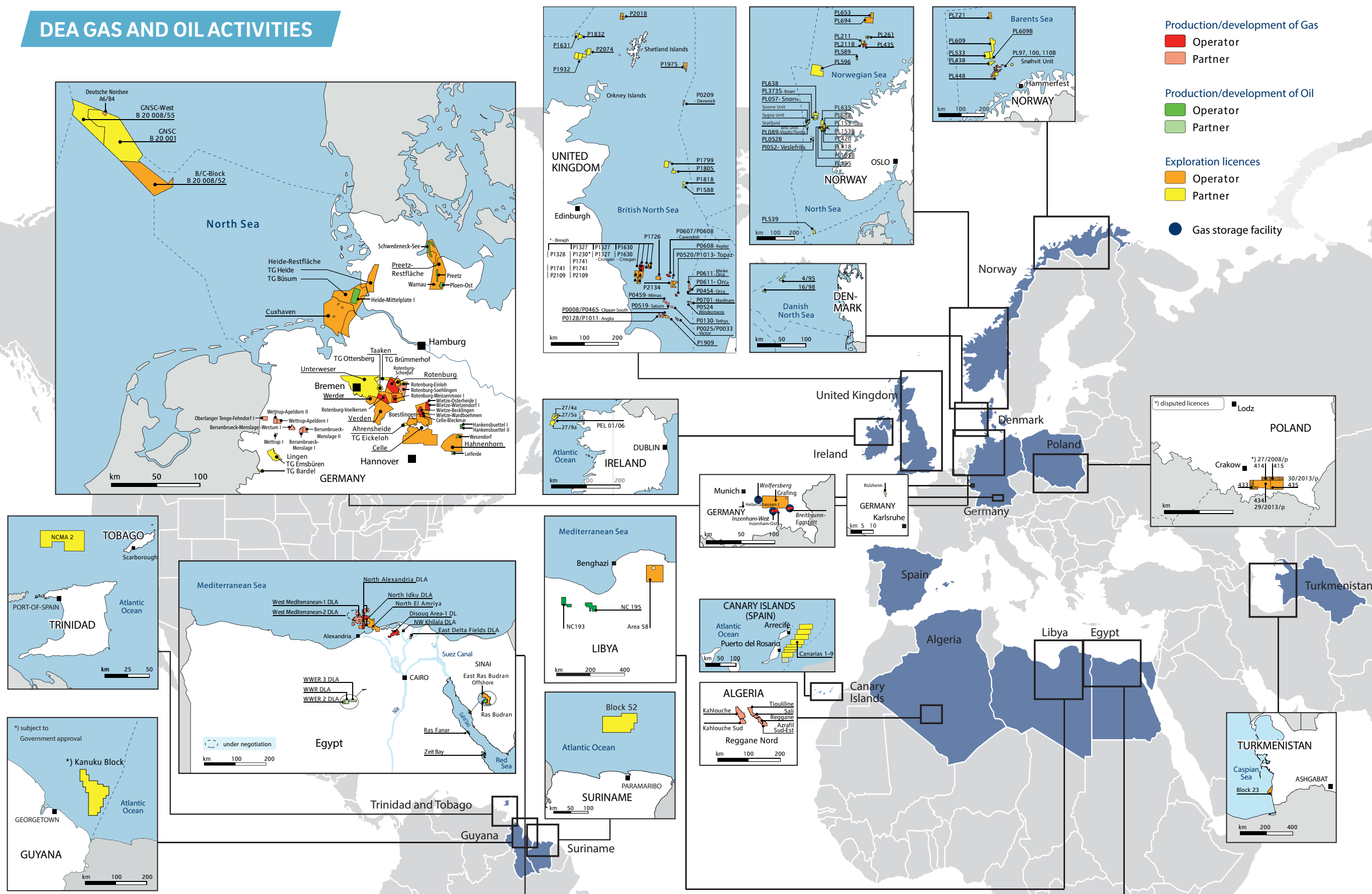


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AT A GLANCE

DEA Deutsche Erdoel AG

formerly RWE Dea AG

DEA Deutsche Erdoel AG is an international operator in the field of exploration and production of natural gas and crude oil. The Company concentrates on projects where it can deploy its expertise to the best possible effect – applying geoscientific know-how and state-of-the-art exploration, drilling and production technologies based on the company's 116 years of accumulated experience.

All of DEA's activities are strictly value-orientated and serve to boost the level of profitability based on improved operational efficiency. In this company, workplace health and safety enjoy top priority. DEA respects the environment and is aware of its responsibility to society.

Since March 2015, the company has been owned by LetterOne, a private investment fund, headquartered in Luxembourg. The company name was changed to DEA Deutsche Erdoel AG after the acquisition. As a result, the new company name is already being used in this 2014 annual report. LetterOne uses its financial resources, management and investment expertise to generate value in the energy and telecommunications sectors through its subsidiaries, LetterOne Energy and LetterOne Telecom.

Since its founding in 1899, DEA has ever since demonstrated its competitiveness, its technical competence, its ability to innovate and its focus on solutions.

With a staff force of 1,438 employees DEA has stakes in production facilities and concessions in

Germany, the UK, Norway, Denmark, Egypt and Algeria and currently holds exploration concessions in Ireland, Libya, Poland, Suriname, Trinidad & Tobago and Turkmenistan. In Germany DEA also operates large subsurface storage facilities for natural gas.

DEA is constantly developing its capabilities, so that it will continue to be perceived as a reliable partner along the entire oil and gas value added chain.



KEY DATA

OPERATING DATA DEA GROUP					
		2014	2013	+/- in %	Changed absolute
Natural gas production	(million m³ OE²)	3.4	2.6	30.8	0.8
Germany	(million m³ OE²)	1.4	1.5	- 6.7	- 0.1
Foreign operations	(million m³ OE²)	2.0	1.1	81.8	0.9
Crude oil production	(million m³ OE²)	2.6	2.3	13.0	0.3
Germany	(million m³ OE²)	0.8	0.8	0.0	0.0
Foreign operations	(million m³ OE²)	1.8	1.5	20.0	0.3
Total production	(million m³ OE²)	6.0	4.9	22.4	1.1
Germany	(million m³ OE²)	2.2	2.3	- 4.3	- 0.1
Foreign operations	(million m³ OE²)	3.8	2.6	46.2	1.2
Total reserves and proven resources ¹)	(million m³ OE²)	242.0	230.4	5.0	11.6
Total reserves	(million m³ OE²)	75.5	75.0	0.7	0.5
Natural gas reserves	(million m³ OE²)	55.7	54.7	1.8	1.0
Crude oil reserves	(million m³ OE²)	19.8	20.3	- 2.5	- 0.5
Total proven resources	(million m³ OE²)	166.5	155.4	7.1	11.1
Proven natural gas resources	(million m³ OE²)	112.3	105.3	6.8	7.2
Proven crude oil resources	(million m³ OE²)	54.0	50.1	7.8	3.9

KEY FIGURES DEA GROUP (IN € MILLION)				
	2014	2013	+/- in %	Changed absolute
Revenues	2,031	2,100	- 3.3	- 69.0
EBITDA	1,008	939	7.3	69.0
Operating result	285	524	- 45.6	- 239.0
Income before taxes	249	512	- 51.4	- 263.0
Income after taxes	67	295	- 77.3	- 228.0
Net income	64	293	- 78.2	- 229.0
Free cash flow ³)	137	136	0.7	1.0
Value added	-156	110	- 241.8	- 266.0
Cash flow from operating activities	798	744	7.3	54.0
Investments	670	634	5.7	36.0
Employees excluding apprentices and trainees (in EE⁴)¹)	1,438	1,428	0.0	0.0

1) As of 31.12.2014

2) Oil equivalents (OE)

3) Free cash flow

4) Employee Equivalents (EE)

Energy measurement unit
Cash flow from ongoing activities minus investments in property, plant and equipment plus divestments
One Employee Equivalent is equal to one full-time position

FOREWORD FROM THE BOARD OF MANAGEMENT

Dear Friends of the Company ,

The 2014 fiscal year was challenging, exciting and above all, successful. In all of our activities, safety and the protection of the environment were our main priorities. Another priority issue was the decrease of the crude oil price in the second half of the year, which was reflected in the gas price. This development led to a systematic review of all exploration and production projects in the company, and an associated substantial Expenditure Reduction Programme.

In the spring of 2014, RWE announced the sale of RWE Dea to the international investor group, LetterOne, headquartered in Luxembourg. RWE had announced its intention to sell the upstream company a year before.

The acquisition of DEA by the Luxembourg financial holding was subject to various approval procedures. After the EU Commission approved the sale in July 2014, the German Economics Ministry also agreed, because there were no concerns regarding competition, and the transfer of ownership to a foreign investor corresponded to the provisions of the Foreign Trade Act. Norway, Denmark and Egypt also gave their consent, whereas the UK government raised objections. The act of sale was completed in early March, 2015.

In addition to the intensive organisational preparations, operational issues remained at the forefront of our business activities, in order to expand the profitability and performance of the company. The 2013 revised growth strategy was implemented strongly in 2014. As a result of the change in ownership in March 2015, a comprehensive strategy review was launched.

The company's profitability was severely affected by the drop in oil prices in the second half of the year. Increased production was able to offset this in part, in terms of profit. In 2014, the growth projects started to take effect and contributed to a production increase of over 20%.

In particular, gas production in the United Kingdom at the Breagh field and in Egypt at the Disouq field contributed to increased production during their first full year in service. In the summer, the central gas processing plant at Disouq went into operation, which had a positive impact on production in

Egypt. The production rates in Norway and Denmark also fulfilled our ambitious expectations.

Oil and gas production in Germany, which remained at a good level due to systematic development of the fields, provided another valuable contribution. Mittelplate oil production exceeded targets in the past 12 months. Our storage operations in Bavaria delivered adequate results.

In Germany, an increasingly critical public raised questions about exploration and production activities. We have expanded our communication activities, locally, at our operating sites. The company became actively engaged in political plans to amend several mining regulations.

As well as exploring and producing, DEA continues to be actively involved in international future projects, such as in large field development projects. In Norway, there were intensive efforts to start production in the Knarr licence area, which took place in the spring of 2015.

The Norwegian exploration project, Zidane, where DEA is operator, performed a comprehensive performance audit together with the licence partners, which led to a postponement of the application of the business plan.

The continuation of the Egyptian field development project, West Nile Delta, was approved at the end of the year. Through the smart use of existing infrastructure such as, for example, the integration of third-party gas processing plants, the necessary investment costs were able to be reduced significantly.

In Algeria the preparations for the first development wells in the Reggane gas field development project were completed.

In Libya no seismic and operational activities could be performed during the reporting period due to the difficult security situation.

The preparations for the exploration well that was planned for Turkmenistan were delayed owing to the lack of permits.

Fortunately, good exploration results were recorded in 2014 relative to the previous year. The productive Alta well in the Barents Sea opens new perspectives in this region with up to 50 million m³ of oil and up to 17 billion m³ of gas.

Oil was also discovered at the Norwegian well, Titan 2, although we were not able to confirm our high expectations for the deposits. In the United Kingdom, the Marconi-Vorlich exploration well discovered hydrocarbons.

The new owner, LetterOne, plans to use the upstream company as a platform for further international growth in the E&P business. The current situation of the oil and gas industry offers many opportunities for entry into or the acquisition of assets or parts of them, as well as the acquisition of companies.

We aim to use these opportunities as an active player in the market for the future development of DEA.

Sincerely,



Dr. Johannes Karlisch
CFO

Thomas Rappuhn
CEO

Dirk Warzecha
COO

ECONOMIC DEVELOPMENT

In 2014, DEA returned a result that lay below expectations due to the sharp fall in the oil price. We were able to increase our production of oil and gas significantly, but the falling oil price in the second half of the year led to a significantly more difficult market environment. The company invested heavily in the expansion of production, which will return good results in future years.

Economic conditions

According to initial estimates, in 2014 global economic output increased by about 2.5% over the previous year. By contrast, in the previous year gross domestic product in the Euro zone increased by nearly one percent. Economic output in Germany increased year on year by just over one percent.

In 2014 a barrel of North Sea Brent cost an average of US\$98.95, equivalent to about €75. After the sharp price decline in the second half of the year, the average price of oil lay below the figure of the previous year at around US\$10 or €7. At the beginning of the year, prices declined slightly. Later, prices rose slightly due to growing anxiety about supply, caused by an escalation of tensions in Libya, the Ukraine and Iraq. In the third and fourth quarters, prices declined in anticipation of an oversupply of oil. While demand in Europe and China were expected to be lower, oil production from OPEC countries increased, particularly in Libya and Saudi Arabia.

At the end of the year, oil prices reached a five-and-a-half-year low, after OPEC failed to reduce its output against market expectations.

The price of Germany's gas imports (BAFA price) was around €24/MWh in 2014, according to initial estimates, and was therefore about 15% below the 2013 price. The main reasons for this decline were lower oil prices which reduced the value of oil-indexed contracts, contract revisions, and the increasingly dominant share of spot-price based imports and BAFA price contracts. Spot prices in the Dutch TTF market, the continental European 'lead market', came in at about 20% below the previous year with an average of about €21/MWh.

The 2014 gas price for DEA was crucially affected by developments in wholesale markets that are relevant to Germany in both the Netherlands and Germany, and by the British gas market, where prices were reduced by around 20% below the previous year. Gas prices achieved by DEA amounted to €21.5 ct per m³ and therefore declined by 19% relative to the previous year.

The US Dollar grew stronger against the Euro during the period under review. The annual average was quoted at 1.32 US\$/€, while in the previous year it was still 1.33 US\$/€. At the end of the year, it was quoted at 1.21 US\$/€.

Production exceeds previous year's level

DEA produced 3.54 billion m³ of gas and 2.6 million m³ of oil in the 2014 fiscal year. Converted to oil equivalents, a total of 6 million m³ in oil equivalents were produced. This means that production exceeded the previous year by 22%. In 2013, 4.9 million m³ in oil equivalents were produced.



Natural gas production increased by more than 30% over the previous year. The main reason is production from new fields: production at the Egyptian Disouq field and the British Breagh field began in the third and fourth quarters of 2013, and is included in the annual figures for the first time. In the Norwegian Snøwhit field the availability of the liquefied natural gas plant (LNG) also improved. On the other hand, the natural decline in production led to reduced production in Germany.

Crude oil production increased by 13% over the previous year. A significant role was played by the increase in production at the Norwegian Snorre field due to a reevaluation of reserves.

In Denmark, after a halt in 2013, oil production was resumed. Less oil was produced in Germany's Mittelplate oil field and in the Gulf of Suez than in the previous year.

Stable sales

The company's sales revenue came to €2.0 billion in 2014, which amounts to a 3% decline from the previous year. Despite the increase in production, sales were adversely affected by significantly lower commodity prices.

PRODUCTION		
Gas and oil production DEA Group	2014	2013
Natural gas in million m ³		
Egypt	535	164
Germany	1,497	1,528
United Kingdom	1,067	505
Norway	441	428
Total	3,540	2,625
Crude oil in thous. m ³		
Egypt	451	486
Denmark	103	83
Germany	761	821
United Kingdom	45	43
Norway	1,248	883
Total	2,608	2,316

Gas sales decreased in total by €7.9 million (-1%). The first year-round production from Breagh and Disouq resulted in significantly higher sales revenues in the United Kingdom and Egypt.

The situation in Norway was different: sales volumes for 2014 came in below production. The gas revenues in Germany also fell, due in part to lower prices, but also to slightly lower sales volumes.

The oil revenue declined by 4%. This is due to lower prices in Germany and Egypt along with declining volumes. In Denmark, the decline in sales was due entirely to the price. Increased sales in Norway largely compensated for this. There, the higher sales volumes, particularly from the Snorre field, had a positive effect and were able to absorb the negative price effect.

Results lower than previous year

DEA uses the operating results for the purpose of internal control. The calculation of this indicator is based on the profit from operating activities, adjusted for income and expenses from unusual or nonrecurring items as viewed from a management perspective. These special issues are reported in the neutral income. All income and

INCOME STATEMENT

Dea Group from 1st January to 31st December 2014 in million €	2014	2013
EBITDA	1,008	939
Depreciation/amortisation	- 723	- 415
Operating result	285	524
Non-operating income	- 15	5
Financial income	- 21	- 17
Income before taxes	249	512
Income taxes	- 182	- 217
Income after taxes	67	295
Share of Minority interests	3	2
Net income	64	293

expense items incurred in connection with operational investments are also considered in the operating result.

At €285 million, the operating results in the reporting year are 45% below those of the previous year. Next to the lower turnover, it was particularly the increased amortisation that had a depressing effect on the results.

While planned depreciation increased, in particular due to the fact that it was the first full year of production at the Breagh and Disouq fields, impairments on several producing fields were realised as a result of lower oil and gas prices in the past year.

Special effects also depressed earnings in the exploration sector.

On the other hand, reduced royalties and the adjustment of overlift/underlift in oil as well as higher foreign exchange gains had an impact on operating earnings.

The company's income before tax amounted to €249 million. Our non-operating revenue decreased by €20 million compared with the previous year. Income after tax came to €67 million. The tax rate totalled 73% compared with 42% in the previous year. The [company's] tax rate is thus affected by the significant contribution made by Norway to the overall results, and by the accompanying tax rates. In the previous year, the audit

performed for prior years in Germany resulted in the reversal of lump-sum taxes.

A net income of €64 million remained after deduction of non-controlling contributions, which was close to three quarters less than the previous year's value of €293 million. To sum up, in 2014, DEA was in an environment of decreasing oil and gas prices, took a definite toll on results, despite increasing production volumes and a stronger US dollar.

Investments, financial and asset position

DEA's asset situation is characterised primarily by investments in tangible fixed assets. Asset investments predominantly on field developments in Egypt, UK and Norway as well as investments in existing production projects reached a high of €670 million.

The non-current assets amounted to 82% of the balance sheet total of €4,556 million and rose by €91 million over the previous year. Total current assets amount to €801 million; this represents an increase over the previous year of €125 million, due in part to higher market values of commodity derivatives and higher bank stocks.

The equity capital ratio of DEA at the balance sheet date remains unchanged at 49%. The equity capital amounted to €2,214 million. The increase was based on the fact that DEA stopped passing

profits on to the shareholders. On the other hand reserves of the performance-neutral income valuation from financial instruments increased.

The provisions for pensions, reconditioning of sites and plugging of wells, and for taxes and other liabilities form an essential part of non-current provisions and liabilities valued at €802 million.

The borrowing of RWE AG from intra-group financing grew from €338 million to €372 million. Other liabilities from financial derivatives were also higher. On the other hand, the income tax liabilities as a result of lower results in Norway decreased by €59 million from the previous year.

The cash flow from operating activities, at €798 million, was above the level of the previous year. As in the previous year, then, it completely covered the continuing high level of investment. Free

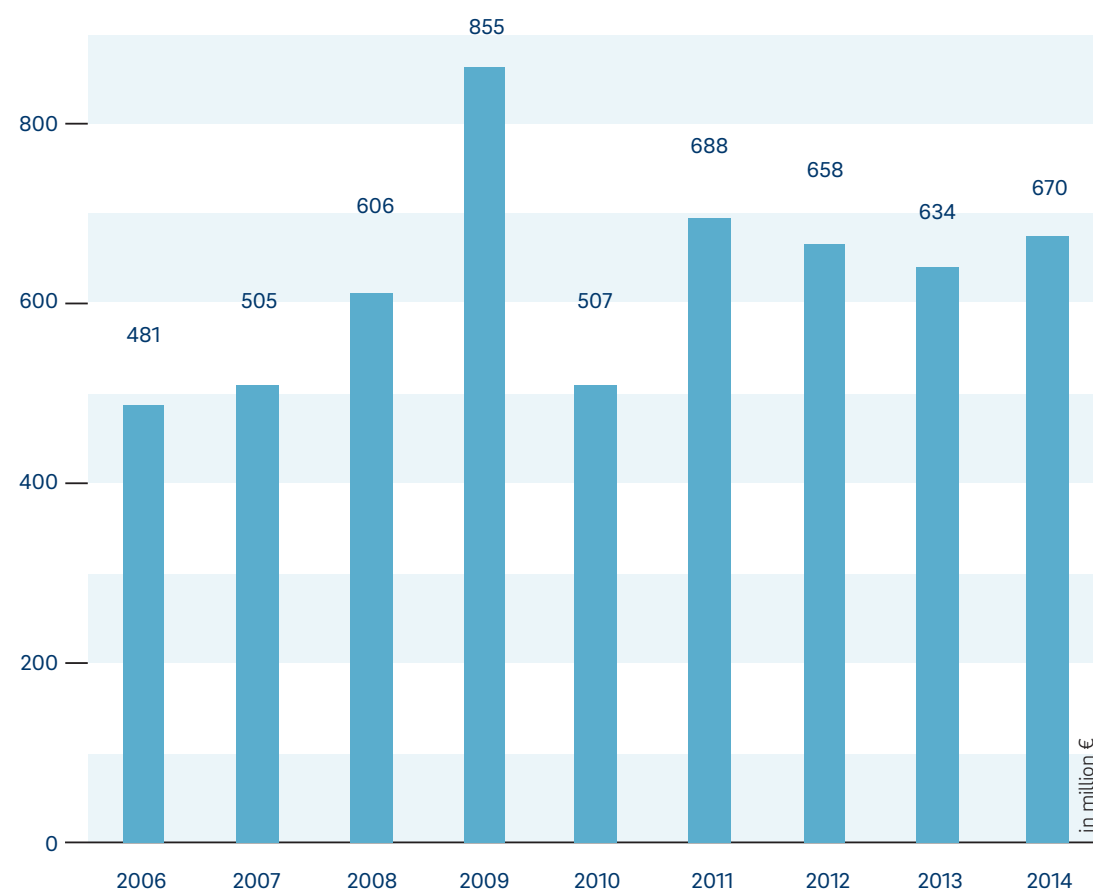
cash flow amounted to €137 million, compared with €136 million in the previous year.

DEA's financial was protected by its integration into the RWE Group's capital management, as well as the existing cash pooling contract. DEA's ability to pay was guaranteed at all times.

Risk management

The business activities of DEA in 2014 were designed to take advantage of opportunities and mitigate risks at the same time. Therefore all risks and opportunities were continuously monitored and controlled by group-internal, integrated risk management. Using continuous early warning, standardised detection, systematic review, precise control and accurate monitoring, the risk aspects were taken into account in the context of all decisions and business processes of DEA.

INVESTMENTS OF DEA




BALANCE SHEET

of DEA Group, 31. Dezember 2014
in thous. €

	31.12.2014	31.12.2013
Assets		
Non-current assets		
Intangible assets	588,130	690,122
Property, plant and equipment	2,956,918	2,814,664
Investment property	4,221	7,162
Other financial assets	516	224
Financial receivables	8,528	9,476
Other receivables and other assets	144,609	101,525
Deferred tax assets	51,490	40,430
	3,754,412	3,663,603
Current assets		
Inventories	77,920	84,248
Financial receivables	1	–
Trade accounts receivables	372,000	452,726
Other receivables and other assets	264,865	126,981
Income tax assets	438	319
Cash and cash equivalents	85,929	12,036
	801,153	676,310
	4,555,565	4,339,913

Equity and Liabilities	31.12.2014	31.12.2013
Equity		
Group interest	2,209,529	2,126,235
Share of earnings attributable to minority interests	4,501	4,873
	2,214,030	2,131,108
Non-current liabilities		
Provisions	802,068	605,586
Other liabilities	12,164	12,889
Deferred tax liabilities	384,714	464,997
	1,198,946	1,083,472
Current liabilities		
Provisions	199,403	144,862
Financial liabilities	372,064	338,325
Trade account payable	329,717	388,440
Income tax liabilities	88,005	146,612
Other liabilities	153,400	107,094
	1,142,589	1,125,333
	4,555,565	4,339,913



LNG tanker on its way through the North Sea
to the natural gas liquefaction plant

DEA pursued systematic quality assurance. The risk landscape of DEA did not change significantly during the reporting period relative to the previous year.

Comments on our financial statements

The Board of Management of DEA, Hamburg, is responsible for drafting, and ensuring the completeness and accuracy of the consolidated financial statements. It approved the financial statement of 31 December, 2014 on 29 January 2015.

The consolidated financial statements of 31 December, 2014, were compiled according to the International Financial Reporting Standards (IFRS), as they are applied in the EU, and the

established supplementary commercial regulations that apply pursuant to § 315a para. 3 of the German Commercial Code (HGB). The previous year's figures were determined based on the same principles.

The DEA consolidated financial statements include all domestic and foreign subsidiaries controlled directly or indirectly. At the balance sheet date, the group scope comprised 17 companies, five of them foreign. There are no reportable events after the balance sheet date.

During the reporting period, DEA was a wholly-owned subsidiary of BGE Beteiligungs-Gesellschaft für Energieunternehmen mbH, Essen, which in turn is a wholly-owned subsidiary of

RWE AG. DEA is included in the consolidated financial statements drawn up by RWE AG, Essen.

In 2013, a control and profit transfer agreement was concluded with RWE AG, which was annulled on 31 December, 2013, at 24:00 hrs.

The consolidated financial statement of DEA in accordance with IFRS has been included in the financial statement of RWE Aktiengesellschaft. The financial statement of RWE Dea AG is available at its head office at Überseering 40, 22297 Hamburg. The financial statement of RWE Aktiengesellschaft is available at its head office at Opernplatz 1, 45128 Essen. Both documents are filed electronically with the operator of the German Federal Gazette and then published in the Gazette.

PricewaterhouseCoopers Ltd accounting firm has audited the consolidated financial statements according to the decision of the general meeting of DEA and issued an unqualified audit opinion in an annex separate from the consolidated financial statements.

OPERATIONAL BUSINESS ACTIVITIES

Exploration

In 2014, DEA scored two discoveries from six wells – the Marconi-Vorlich gas discovery in the UK and the Alta oil find in Norway. Both gas and oil were identified in the Titan 2 appraisal well but it is sub-commercial. Three other exploration wells with DEA participation in the UK, Mauritania and Norway were dry.

In Germany, DEA's oil exploration focused on further exploration in the Wadden Sea. The application documents were filed and submitted to the national park and mining authorities at the end of December, 2014. Supplements were issued particularly with regard to the required compensation measures.

Drilling with an Iron
Roughneck at Mittelplate



In Norway, the Alta exploration well was drilled in the Barents Sea. Alta was the most significant discovery on the Norwegian continental shelf in the past year. The Alta find may lead to the development of new oil and gas infrastructure in the northern part of the North Sea. The well was successful and promises good reservoir quality. Delineation drilling is planned for 2015. DEA Norge holds a 30% stake in the Alta operation.

Within the framework of the 2014 APA round, DEA was awarded a 10% stake in the PL373S licence in the North Sea in early 2015.

In Denmark, DEA participated in the 7th Danish bidding round. Two bids for areas in the Danish basin were made together with the Dutch company, Dyas. A decision from the Danish Energy Agency is expected in the second half of 2015.

An exploration well was drilled successfully in the United Kingdom. The Marconi-Vorlich well discovered an oil reservoir, which was successfully appraised with an additional sidetrack. However, the Handcross well, west of the Shetland Islands, was dry. As part of the 28th bid round, an offer was submitted for three blocks, located directly west of the Breagh gas field operated by DEA.

In Poland, a proposed extension to two exploration licences was not approved. However, DEA initiated legal proceedings against the ruling. A decision is expected in the first half of 2015.

In Turkmenistan, the project was delayed due to missing permits for the mandatory well.



Therefore, the fulfillment of the work programme within the validity period of licence block 23 is not possible.

DEA continued to remain active in exploration in Egypt. In 2014, the company applied for more exploration licenses in the Gulf of Suez. In early 2015, the concession agreements for the North-west El Amal (50 %) and East Ras Fanar offshore (100%) were signed.

In Libya, all seismic activities were interrupted due to the security situation and the preparation for exploration drilling in the license 58 area was stopped.

In Mauritania, the first exploration well was completed in 2014, which proved to be dry. The Ta10 concession was relinquished due to this unsuccessful well.

Production

Oil production from the German Mittelplate field in the North Sea was stable in 2014. Technical improvements were performed in some wells and the A25 well was put into service. Currently, the next production A26 well is being drilled as a dual lateral well in order to reach several targets in the Dogger-beta sandstone. Various concepts for development of the southern part of the reservoir were designed, evaluated and selected.

German natural gas production in 2014 almost reached the previous year's level. To optimise production in the Völkersen natural gas field, technical improvements have been made that

allow increased production. The Weißenmoor Z2 well has encountered gas layers of sandstone and was put into service using existing infrastructure. The A6-A6 development well, operated by a third party in the German North Sea, has been producing since August, 2014.

DEA is the owner of the natural gas storage facilities of Inzenham, Wolfersberg and Breitbrunn in Bavaria. The Inzenham storage facility is marketed by the subsidiary, DEA Speicher GmbH. The working gas volume available to market has increased by ten million cubic metres as of April 2014.

A deviated well, Inzenham C5a, is currently being prepared. In September 2014, a reduction in fees was agreed for the customers of the Breitbrunn gas storage facility to cover the years 2015-2017.

Both oil and gas production was increased in Norway. A total of 7.85 million barrels of oil equivalents (OE) were produced in the reporting period (up 15.9% over the previous year). The increase was caused by significant improvements in production efficiency in the Snorre and Gjøa gas fields.

The increased availability of the LNG plant at the Snøwhit field has had a positive impact on gas production. At the Gjøa field, it was occasionally possible to share the capacities of the Vega

consortium on the Gjøa platform.

At Knarr, an oil and gas development in the Northern part of the North Sea, the floating production, storage and offloading (FPSO) ship



Drilling at Disouq for further development



FPSO Knarr can process 63.000 barrel a day

"Petrojarl Knarr" was put into service. In November and December 2014, the FPSO ship was anchored on-site and connected with four risers and the infrastructure installed. The first oil from the Knarr field was produced in early March 2015. The field has estimated reserves of 13 million cubic metres of oil equivalents. DEA Norge holds a 10% stake in the Knarr license.

For the development of the Zidane field, negotiations could not be concluded last year with the Heidrun Consortium regarding the connection of Zidane via the neighbouring Heidrun platform. The project is currently in the optimisation phase to identify opportunities for value enhancement. A decision about development will be made with the consortium partners in 2015.

In the UK, DEA was able to significantly expand its natural gas and accompanying condensate production mainly via the start of the production

in Breagh. Meanwhile, eight wells were drilled and put into service and two more are planned for 2015.

In Clipper South, four wells produced gas. Downstream infrastructure bottlenecks temporarily hampered production. Negotiations with the operator on the increase in capacity of the connecting infrastructure were undertaken and, at the same time, alternative export routes were reviewed.

Production from the smaller Orca field, which went online at the end of 2013, has been well below expectations due to the poor performance of the reservoir.

In Denmark, oil production increased over the previous year. Last summer, six steel cables were successfully installed between the legs of the platform to stabilise the Siri platform. Regular production in the tank below the platform was resumed in late September, 2014.

In Egypt in 2014 it was possible to largely offset the natural drop in production of three oil fields in the Gulf of Suez. This was achieved through improvements supporting production as well as additional production wells in Ras Fanar and Zeit Bay.

DEA was able to increase the gas production significantly in 2014. In addition to a temporary facility, the central treatment plant in the Disouq concession in the Nile Delta went into service. Additional wells were drilled and connected. Negotiations for increased gas prices were successfully completed and approved by the Egyptian Cabinet.

An alternative development concept was drawn up for the West Nile Delta development pro-

ject under the operational leadership of BP. The new concept includes the use and integration of existing infrastructure of the neighboring BG Group. The necessary contractual adjustments of the concessions and gas supply contracts were pursued simultaneously.

Negotiations over adjustments to the concession agreement were concluded in November for the North Alexandria and West Med Deep Water concessions. The contracts with the BG led consortium on the integration into their plant infrastructure are in the final stages. The final signing of the contract occurred in early 2015.

Major progress has been made in the development of the Reggane discoveries in Algeria. In the meantime, all major tenders for the technical equipment, infrastructure, camps, as well as drilling rigs and drilling services have been completed. The drilling site for the first well has been built. Drilling commenced in early 2015.

Due to the security situation in Libya, development of the oil discoveries in the NC 193 and NC 195 concessions could not be pursued as planned.



The Clipper South natural gas offshore platform



Drilling in the Nile Delta:
In Egypt, production of
natural gas was expanded
in 2014.

New Ventures

In 2014, DEA continued its New Ventures strategy and evaluated various opportunities to expand its portfolio in areas including and beyond its existing core regions.

In Trinidad and Tobago, an exploration well is planned for 2016. In the meantime, talks are ongoing regarding a work program reduction and licence extension. Since June 2014, DEA has established a country representative.

Extensive subsurface work based on newly acquired seismic 3D data was carried out in Block 52, Suriname during the second half of 2014. A drillable prospect was subsequently identified by the Joint Venture and presented to the authorities. Drilling is envisaged for 2016 following an extension granted by Surinamese authorities.

As early as 2013, the DEA farmed in to the Kanuku Block with good results. The consent of the au-

thorities was delayed since a former Joint Venture partner filed an injunction preventing the operator, Repsol, from completing the transaction. The injunction was finally withdrawn in December 2014 and final approval by the Guyanese authorities is expected soon.

A DEA subsidiary company was established in Brazil in October 2014 in order to facilitate potential bid round participation and access to deal activity.

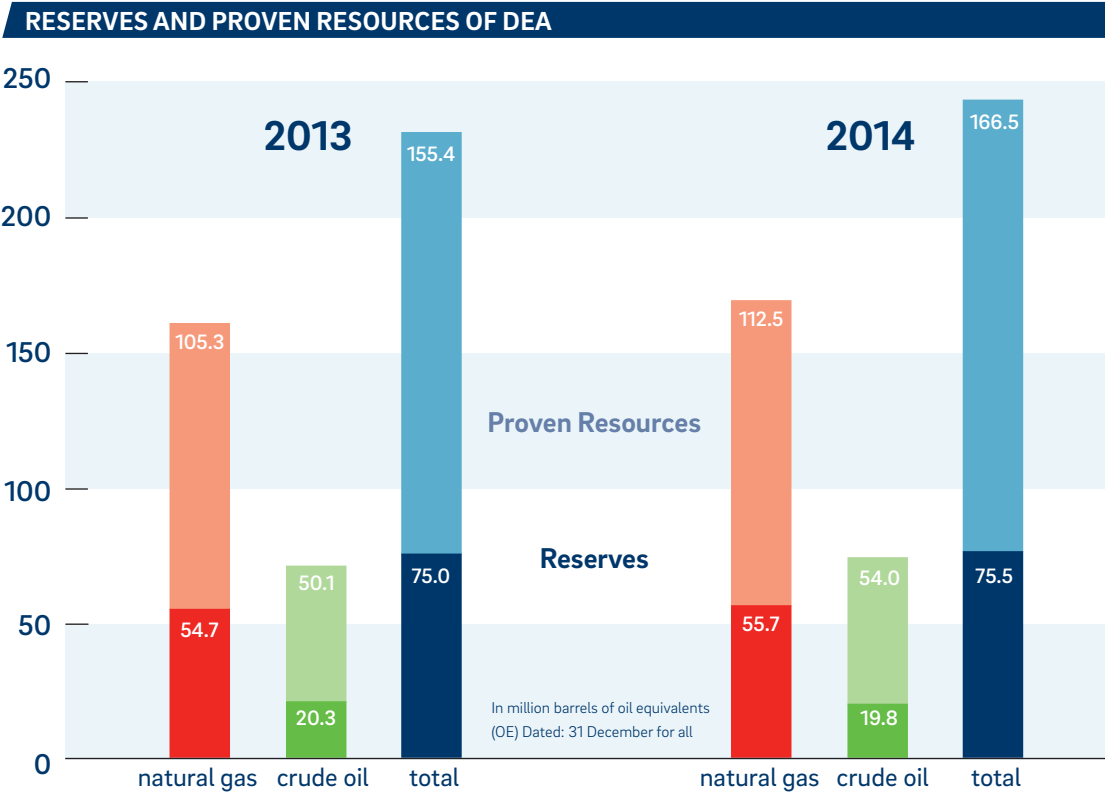
In Azerbaijan and Kazakhstan opportunities for cooperation or farm-in ventures were evaluated.



The semi-submersible Gjøa platform

Reserves and Resources

At the end of 2014, DEA had reserves and proven resources totalling about 242 million m³ of oil equivalents, which represents an increase of 5% compared with the previous year. Withdrawals of reserves through production were offset by new exploration successes. A plus of 5.5 million m³ of oil equivalents resulted from revisions in the German Völkersen gas field, in the Norwegian fields of Snorre and Titan, and in the Egyptian licence for Zeit Bay.



ENVIRONMENTAL PROTECTION AND SAFETY

Health, safety and environmental protection are the cornerstones of the corporate philosophy of DEA. DEA aims to guarantee an environmentally-conscious and safe exploration and production as well as to protect its employees against accidents and health hazards. A very small number of accidents were documented. In 2014, DEA continued its efforts to successfully prevent accidents and to protect the health of its employees.

Integrated management systems

Systematic occupational health and safety, environmental protection, plant safety, energy efficiency and quality have a long tradition at DEA and are a firm part of the integrated corporate management system. This has been certified to ISO 9001 (quality management), ISO 14001 (environmental management) and OHSAS 18001 (occupational health and safety management) standards since 2004. This was confirmed in turn in an audit by DNVGL-Zertifizierung und Umweltgutachter GmbH for UK and Germany. The continued implementation in Germany of the ISO 5001 energy management system has proven to be equally successful. The corresponding certificate currently covers the vast majority of German facilities. The integrated management system that has existed in Norway for a long time was revised owing to extended operating activities in the reporting year, and the integrated management system used in the DEA Egypt Branch was also further expanded.



"Systematic Safety" quality seal

In September 2014, the German trade association for raw materials and the chemical industry (BG RCI) granted DEA's safety management the distinction of the "Sicher mit System" or "Systematic Safety" seal of quality. The seal applies to all of DEA's German production and storage facilities and documents the process of its continual improvement. With its seal of quality the trade association confirms the systematic integration of occupational health and safety standards into our corporate structures. The certificate is valid until July 2017.

Environmental protection on the Mittelplate Drilling and Production Island

The Mittelplate Drilling and Production Island is located at the southern boundary of the "Schleswig-Holstein Wadden Sea" national park, which has had the status of a UNESCO World Heritage Site since 2009. For more than 27 years DEA, as operator in a consortium with Wintershall Holding GmbH, has been producing oil here without incident. Based on the example of the drilling and production island it can be seen how an environmentally-conscious crude oil production can be realised by taking the sensitive environment into consideration and by minimising the potential effects of the activities. DEA applies the principle of zero discharge on the Mittelplate Drilling and Production Island, to prevent the discharge of fluids into the sea in case of incident. The basic principle of the



Maintenance of a natural gas production platform in the North Sea

Mittelplate Drilling
and Production Island



Mittelplate island is from outside in, to protect the island and from inside out to protect the environment.

This is why the 70 x 95 metre drilling and production island was erected in a liquid-proof steel and concrete tub on the sand flats of the Mittelplate. In keeping with the sealing-off principle, the Mittelplate Drilling and Production Island has a completely closed drainage system. From the cuttings produced during drilling to the potato peel from the kitchen everything is taken to shore in containers and disposed of in an appropriate manner. The drilling cuttings (clay, sandstone) are used for road construction material and special concrete. Industrial and kitchen waste water is processed onshore in municipal wastewater treatment plants. Even rain and spray water are collected on the island and disposed of on land.

Along with the oil, the associated gas is produced at a rate of 1:12. This is not – contrary to international practise – burned off. Instead,

99.7% of it is used in an environmentally-conscious manner for the generation of heat and electricity.

The consistently applied zero-discharge principle ensures a safe and environmentally-conscious operation. The effects of crude oil production are kept as low as possible. The area requirements are thus minimised, and the work duration is kept as short as possible and carried out during periods when the animal world will be disturbed as little as possible.

In 2014, the Mittelplate island and also the production operation in Holstein were together certified to DIN EN ISO 50001 after the introduction of an energy management system (EnMS). The EnMS promotes the economical handling of the available resources, in particular by increasing energy efficiency. This has as one of its effects the improvement of the CO₂ balance of the company. For example the distribution of compressed air on the Mittelplate Drilling and Production Island was optimised and old com-

pressors replaced with far more efficient ones. This enabled an increase in efficiency of around 19 per cent.

Environmental monitoring in the Wadden Sea

DEA has installed comprehensive monitoring measures for the protection of the existing shelducks and regularly carries out measurements regarding a possible temperature influence of the crude oil pipeline which leads to the mainland on the surface of the tidal flats. All employees of the Mittelplate Drilling and Production Island are regularly sensitised to the sensitivity of the ecological system of the Wadden Sea through attendance at a seminar on the subject. Any activities in the tidelands outside of the drilling and production island are prepared through an early and continuous integration of all stakeholders such as authorities, politicians, users of the natural environment and non governmental organisations. In the run-up to these activities, information is made available to all relevant stakeholders. Moreover, constructive

suggestions are taken into consideration in the planning, filing of applications and implementation stages.

Applications for exploration wells completed

After the evaluation of seismic data and geological information, DEA geologists suspect the presence of further oil resources under the tidelands. They have identified potential additional oil deposits near the Mittelplate oil field as well as under the tidelands of Lower Saxony, from which a further 20 million tons of oil could be produced. In order to explore these deposits DEA completed previous applications and submitted these to the mining authorities for approval at the end of the year.

New compressor technology in use in Lower Saxony

For the production of natural gas in Lower Saxony, in 2014 a mobile compressor skid with upstream mercury adsorbent was acquired for

the scheduled plant shut-downs of gas drying facilities (GTA). The mobile compressor skid ensures that the natural gas existing in the plants can be fed into the pipeline network rather than being discharged into the atmosphere.

Complex firefighting practised

In August 2014, in the context of a carefully executed and realistic crisis exercise, DEA practised measures for preventive fire protection. The worst case – the so-called blow-out of a gas well site – was simulated. As the safety precautions are very high, the occurrence of such an incident is very remote. Nevertheless, the aim of the exercise was to make the exercise scenario as realistic as possible for the fire services and to simulate unknown conditions at the firefighting location. During the exercise, which lasted several days, the so-called Red-Adair equipment was used, which had been developed based on experiences in the second Gulf war in Kuwait.

The Red-Adair equipment is available in Germany and is kept in readiness by a consortium of oil and gas producing companies. The exercise scenario

Red Adair fire fighting exercise



simulated an uncontrolled burning well. The high temperatures are first of all reduced by applying water, after which concentrated water is used to extinguish the fire. The well was then secured again. The exercise was performed successfully.

Offshore environmental protection and safety reinforced

For the planning of an exploration project (PL721) in the northern part of the Barents Sea, the focus was placed on environmental questions. Surveying work was carried out and further environmental data was collected in order to gain a better understanding of the impacts at the marginal ice zone. DEA Norge participated in a Joint Industry Project in order to develop methods for the assessment of the environmental risk at the ice edge in connection with crude oil and natural gas production. A final environmental habitat examination was then carried out and foundations were laid for the installation of an underwater pipeline.

As the licence regions are located in a sensitive maritime habitat that includes cold water corals and deep sea sponges, DEA Norge started two research & development projects in order to examine the implications of production activities and minimise risks when laying anchor lines or pipelines.

In addition, DEA supported two studies in 2014 on sea bird population behaviour. In one research project a model was designed for sea bird population dynamics to gain knowledge for the restoration of a bird colony after an oil pollution scenario. In the second four-year project with the name SEATRACK sea birds were ringed in order to obtain more detailed knowledge of their moulting behaviour and hibernation regions.

Activities for the sustainable disposal of reservoir water

In the reporting period DEA continued to work on concepts for a sustainable disposal of reservoir water. Some time ago, the German State Mining Authority (LBEG) for Lower Saxony had asked



DEA to develop alternatives to the current practice of disposing of reservoir water in calcarenite. A study made by independent experts recommended that, after treating the highly saline water with a technical process above ground, it be returned underground by injecting it, into a depleted natural gas deposit at a depth of around 5,000 metres.

Several alternative methods for disposing of the water were examined, but the study concluded that re-injection into the original formation is the most feasible and sustainable solution.

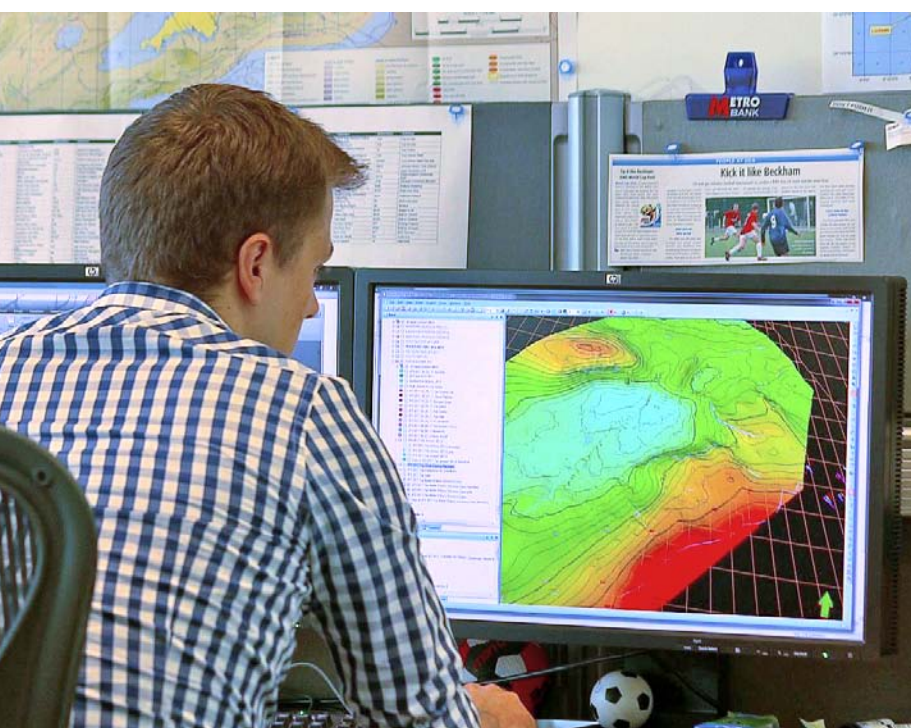
As the re-injection of reservoir water is carried out through secured and monitored steel pipes, damage to ground water and drinking water horizons can be excluded. By taking all eco-balance aspects into consideration DEA has identified the circulation principle for reservoir water as the most ecologically efficient one. Since it is also the safest alternative, DEA is recommending this option. An application for the sustainable re-injection of reservoir water was filed with the

LBEG in December. The former production well, Völkersen North Z3, in the Rotenburg-Völkersen approval field, was selected as an ideal location. After detailed geological analyses, as well as comprehensive safety- and environment-related tests, the study concluded that there would be no damage done to groundwater or drinking water horizons and the integrity of the well can be guaranteed for the long-term.

RESEARCH AND DEVELOPMENT

In 2014 the research and development of hydrocarbon deposits was concentrated on new projects, and on taking completed projects to the implementation phase. DEA's research activities are designed for the medium- and long-term. The company participates in a multitude of national and international scientific-technical projects and relies on good networking in the world of science. Collaborative work with leading national and international research institutions and consortiums were further expanded in the reporting year. DEA sees itself as a recognised, solid and trustworthy partner in joint research projects.

Systematic field development based on a geophysical model



A primary focal point was the development of new efficient drilling technologies. Research and development activities with German and Norwegian institutes and companies were continued. Successful first field tests were carried out with newly developed drill pipes. Further tests are planned for 2015. DEA participated in application-related development projects with the German Society for Petroleum and Coal Science and Technology (DGMK). The projects were intended to improve production processes and to design these to be more efficient, and also to minimise exploration risks. Through the research fund of the industrial oil and gas association (Wirtschaftsverband Erdöl- und Erdgasgewinnung) DEA supports projects for fundamental research. On an international level, DEA participates in joint projects, the so-called Joint Industry Programmes, and collaborates with national and international partners of the E&P industry. The R&D activities in Norway were further expanded. The first R&D conference in Oslo, with numerous lectures and seminars, was warmly received.

DEA participates in research projects for the digitisation of geological knowledge at the Imperial College of London and the University of Aberdeen. The objective is to digitise geological objects such as drilling cores at high resolution. This digital modelling trend will be developed further.

Together with Montan University in Leoben, Austria, in a research project called Cuttings Re-use, a method is being developed to process drilling



cuttings as raw material or filling material for the plastics industry, on a test scale, and to make them available for use. Tests on a larger scale are being prepared. Development expenses totalled EUR 3.2 million, eleven per cent less than in the previous year.

Research and development projects are coordinated by the company-own Geo-Support-Center with the technical production and geo-science laboratory in Wietze. A newly set-up laboratory segment was put into operation in Wietze that will evaluate the drilling cements of the future. It concerns primarily the chemical properties and the material quality of the cement recipes which are used in actual drillings. The cements serve to seal and anchor the steel pipes in drilling wells. Now, the possibility exists for DEA to generate

additional safety in the well by carrying out the appropriate test procedures and verifying the results of the service companies. In future, cement recipes will be tested in advance before they are used for drilling. In addition to the duration of hardening times, the pressure resistance, the filtrate disposal and the pumpability are tested. The expertise of highly specialised service companies was taken into consideration when setting up the laboratory.

DEA's Wietze laboratory provides in-depth knowledge



Overview of several research projects

- DEA joined the GEUS project, „Cenozoic Petroleum Potential in the Danish North Sea“
- DGMK Project 776 on „Reservoir Management and Seismicity“
- 2nd phase of DGMK Project 708, „Stability of coated proppants“
- Annual DELPHI Consortium Meeting in June
- JIP „New Developments in Well Testing“
- Final Report on the „MUDD (Mud Diapir Development) Project“
- DGMK project 721, „Prediction of Tectonic Stresses and Fracture Networks with Geomechanical Reservoir Models“, completed
- DGMK Project 773, „Recent Earthquakes in NW Germany: Result of Gas Production and/or Natural Postglacial Compensation Movements?“
- EOR History-Match of Polymer Flooding Processes in Hankensbüttel-Süd

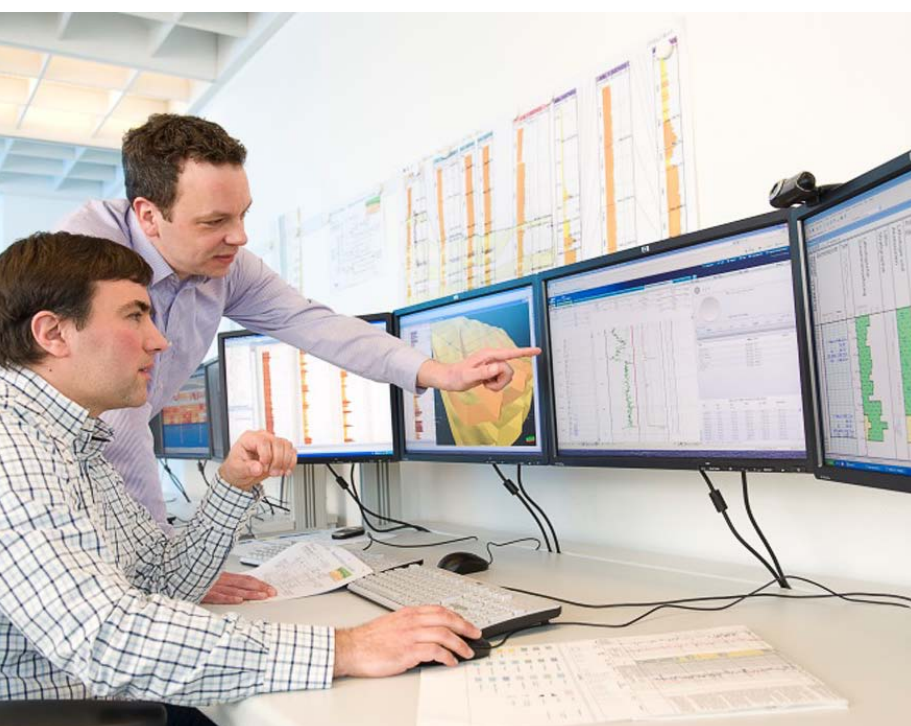
PEOPLE AT DEA

DEA is an attractive international employer. Among other things it offers challenging work to highly qualified academics. Through targeted recruiting and consistent personnel development, DEA encourages long-term commitment to the company.

Number of employees constant

The average number of employees in the DEA Group increased from 1,428 (Ø 2013) by 10 to 1,438 (Ø 2014) full-time employee equivalents (FTE). The German companies contributed to this with an increase from 1,060 to 1,076 FTE.

Geosteering optimizes drilling in narrow reservoirs



The companies in Norway and the UK each increased their workforce by two FTE. In Egypt the average number of employees fell from 163 to 152 FTE. In Libya and Poland the number of employees remained constant. On 31 December 2014 DEA employed 22 apprentices, three more than the year before. As a supplement, DEA sponsored 14 apprenticeships in small and medium-sized companies.

Employees from more than 50 nations work at DEA.

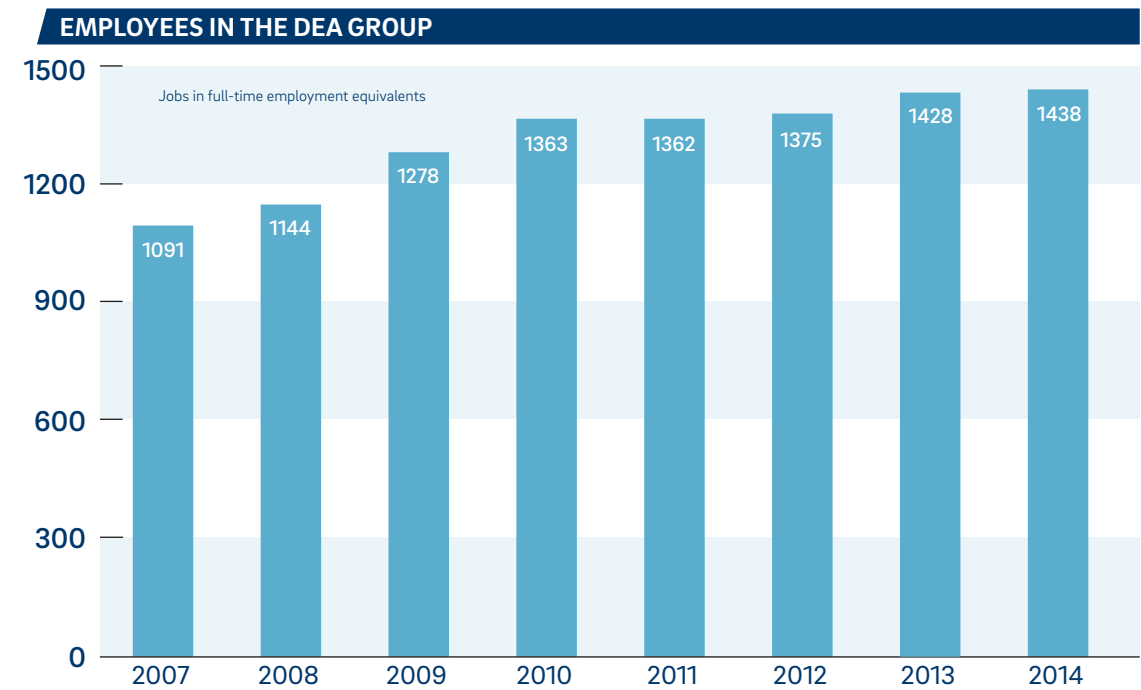
A key factor for the international success of DEA is its local and international employees.

DEA not only assigns specialists from Germany overseas, but also assigns employees from the overseas companies to Hamburg and at other locations. More than 30% of all DEA employees work overseas, as local employees or as expatriates. Of the 456 employees employed overseas 69 currently work as expatriates.

The largest Operating Company (OpCo) is Egypt with 172 employees, thereof 26 expatriates. 105 employees work in Norway, thereof 13 expatriates. 72 employees are employed in UK, thereof 12 expatriates. 64 employees are currently employed in Libya, thereof seven expatriates. Five expatriates and 36 Turkmen are working in Turkmenistan in 2014.

DEA employs 181 employees who are not citizens of the countries in which they work. This corresponds to a share of more than 12%. DEA





Geologist on the Leiv
Eriksson offshore platform

employees have developed a great understanding of foreign cultures and special local features at various locations.

Social commitment of the employees

Social commitment has a tradition at DEA. Especially at Christmas donations are collected both in Germany and in the operating companies and distributed to social institutions. A particularly stellar example was set by the employees of the Geo Support Center, Field Development and Exploration units, who collected a high four-digit amount in euros for a good cause.

Certified family friendliness

In 2014 DEA once again received the Profession and Family certificate for a further three years. The certificate documents the high level of desirability of a given employer. Through regulations for, among other things, the use of a home office, part-time work and extended parental leave, parent-child offices and the financing of child care places in child day care centres, DEA's family friendliness is continually being expanded.

The workplace-specific aspects of health care and health promotion were also under constant development, to cater to the needs of employees.



Corporate Social Responsibility projects

Social commitment includes the company's care of the workforce as well as reasonable social engagement in the countries and regions where DEA is active. Within the framework of the "RWE Companius" programme, employee volunteer work was subsidised with a total of €16,500. In addition, at Christmas €36,000 were donated to non-profit organisations functioning near production sites. The voluntary fire brigade in Pfaffenhofen received a donation in the amount of €60,000 for a new fire service vehicle. As part of a vocational training sponsorship, 14 young people were trained as apprentices in professions that included motor vehicle mechatronics engineer, drywaller, joiner, prawn fisherman, geriatric nurse and florist.

DEA and its employees also actively show their commitment at DEA's foreign locations. In Norway scholarships are granted annually to particularly talented music students for music training in Germany. In the United Kingdom the Lionsraw Project for a football club for children and young people was supported. In 2014 the new club house of the Cleveland Juniors was inaugurated. In Egypt in 2014 projects were continued for sustainable ecological farming, health care and vocational training in the rural areas. In Suriname DEA supported the acquisition of an ambulance.

TIMELINE 2014

January 2014

- Norway: Skarfjell appraisal well successfully drilled.

March 2014

- RWE and LetterOne sign a purchase contract.
- Egypt: Successful field development drilling the North West Khilala-1-4 well in the Disouq natural gas project.
- DEA wins ZI award for workplace safety.

April 2014

- Egypt: Disouq natural gas project achieves its production target.
- Norway: Minister for Crude Oil and Energy, Tord Lien, takes part in the granting of the music scholarships.

May 2014

- Azerbaijan: Joint-Study Agreement between the State Oil Company of the Azerbaijan Republic (SOCAR) and DEA to examine the hydrocarbon potential in the flat water area of the Caspian Sea.
- Algeria: Start of construction of the gas processing plant and the associated infrastructure for the Reggane Nord natural gas project.
- UK: Documentary "The Breagh Story" wins platinum at the International Film Festival "WorldFest" in Houston in the documentary category.

June 2014

- Egypt: 30-year anniversary of crude oil production in the Gulf of Suez. More than 640 million barrels of oil produced since 1984.
- Norway: The Ministry of Crude Oil and Energy allows the transfer of ownership of the production licences.

July 2014

- Belgium: EU Commission approves the sale of DEA to LetterOne.
- Egypt: Three appraisal wells completed in the Sidi-Salem-fields.

August 2014

- Germany: Federal Ministry of Economic Affairs approves the sale of DEA.
- Egypt: Central gas processing plant of the Disouq natural gas project put into operation. Daily production is around 4.2 million standard cubic metres of gas. The project partner is the Egyptian Natural Gas Holding Company (EGAS). Production is carried out by the joint venture Suez Oil Company (SUCO).

September 2014

- Egypt: Egyptian General Petroleum Corporation (EGPC) grants two new offshore concessions to DEA as the operator. Dea will hold a participation of 100% in the East Ras Fanar Offshore concession. The company will hold a participation of 50% in the Northwest El Amal concession. The partner in the licence with the other 50% of the shares will be Edison International SpA.

October 2014

- Norway: Exploration drilling 7220/11-1 finds deposits in the Alta concession area. Provisional estimate 14 to 50 million cubic metres of oil and 5 to 17 billion cubic metres of gas.
- UK: Exploration drilling finds a reservoir in Marconi-Vorlich.
- Germany: The Wietze laboratory tests cement in a new state-of-the-art laboratory.

November 2014

- Ukraine: The Anti-Monopoly Commission approves the purchase of DEA by LetterOne.
- Norway: First R&D day with four different lecture rounds and 12 presentations on selected R&D projects.
- Germany: The Audit "berufundfamilie" confirms DEA's status as a family-friendly employer.

December 2014

- Egypt: Further increase in the crude oil and natural gas production planned.
- Norway: FPSO Petrojarl Knarr is equipped for the assignment in the Knarr licence region. The Floating Production Storage and Offloading Unit (FPSO) has a capacity of 63,000 barrels per day. DEA participates with 10%.
- Germany: Application filed for the sustainable disposal of reservoir water.

REPORT OF THE SUPERVISORY BOARD OF RWE DEA AG

The Supervisory Board regularly monitored the management of the company in the reporting year. It was informed on a regular basis by the Board of Management, both orally and in writing, about the situation of the Company and about corporate policy essentials. Based on these reports the Supervisory Board made a detailed review of the course of business, the development of production, costs, revenues and the earnings situation overall, as well as corpo-

taking the interests of the new owner into consideration, the Supervisory Board issued new rules of procedure for the Board of Management of the company in its extraordinary meeting on 28 March 2014. In particular, catalogue of business which requires approval was included. In order to implement the approval requirements the Supervisory Board formed a committee to deal with issues relating to rules of procedure that are handled by the Board of Management. The committee was given the authority to resolutions concerning the business transactions and measures which require approval according to the Board of Management's rules of procedure. The committee therefore met at least once a month. In addition various circulation procedures were carried out in order to pass resolutions outside of meetings. The committee was particularly concerned with the West Nile Delta project in Egypt, but it took care of other matters as well, including applications submitted for licensing rounds in the United Kingdom, Denmark and Egypt.

Finally, the Supervisory Board meetings included further discussion of business expansion. The Supervisory Board was informed in detail about the company's growth strategy and the measures taken to optimise the portfolio.

rate planning, personnel-related issues and all important business transactions. In addition the Supervisory Board was regularly and comprehensively informed about measures taken to hedge business risk. The Supervisory Board was also informed of the planned sale of RWE Dea AG by the RWE Group.

To be able to guarantee the management of the company even during the sales process and

The Supervisory Board was informed of, among other things, the foundation of a subsidiary in Brazil preparation for possible market entry in that country. As part of its regular reporting on the position of the company, the Board of Management presented the company's major activities in the various countries. The body was informed about the status and the results of exploration and field development projects.

In particular the new development concept in the West Nile Delta project in Egypt was discussed.

The Board of Management's reports included measures for maintaining and increasing production at existing locations. The Supervisory Board was also kept up to date on the political situation in the North African countries where RWE Dea is active. This included a report on measures for the protection of the employees assigned to these countries.

The chairman of the Supervisory Board also treated important business policy matters in individual talks with the Board of Management and made sure that he was kept up to date about the position and development of the company.

Four Supervisory Board meetings took place in the 2014 fiscal year. The personnel committee met once; the mediation committee, according to § 27 Par.3 MitbestG [German Co-determination Act], did not have to be convened in the reporting year.

The Financial Statements for the 2014 fiscal year, the Consolidated Financial Statements and the summarised Management Report drawn up by the Board of Management, including the accounting records, were audited and given an unqualified audit certificate by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Essen Office, elected auditors at the General Meeting of 25 February 2014 and commissioned by the Supervisory Board to perform the audit.

The RWE Dea annual financial statements and the consolidated financial statements for RWE Dea AG, the summarised management report of the RWE Dea Group and RWE Dea AG as well as the reports of the auditor of the financial statements concerning the annual financial statements and the consolidated financial statements were handed over to all Supervisory Board members in good time before the balance sheet meeting on 13 February 2015. The auditor of the financial statements took part in the deliberations of the annual and consolidated financial statements. He reported about the essential results of

his audit and was available to answer questions. The Supervisory Board approved the audit results with regard to the annual financial statements and the consolidated financial statements.

The Supervisory Board examined the annual financial statements prepared by the Board of Management, the consolidated financial statements and the summarised management report of the RWE Dea Group and RWE Dea AG. According to the final results of its examination no objections are to be filed. The Supervisory Board approved the annual and consolidated financial statements as of 31 December 2014. The former have thus been adopted.

Over the course of the reporting year Dr. Frank-Detlef Drake, Dr. Michael Herrmann and Mr Stefan Judisch left the Supervisory Board on 28 March 2014. Dr. Claudia Mayfeld along with Dr. Martin Muhr and Mr Andreas Zetzsche were elected to succeed them as members of the Supervisory Board on 28 March 2014. In addition, Mr Manfred Weber resigned the Supervisory Board, effective 30 June 2014. He had belonged to the Supervisory Board since October 2006. We take this opportunity to thank him for his trustworthy collaboration and his commitment to the company. We welcomed Mr Andreas Schöpf as a new member of the board, effective 5 July 2014.

Hamburg, 13 February 2015



The Supervisory Board
Peter Terium



Peter Terium,
Chairman of the
Supervisory Board

EXECUTIVE BODIES OF THE COMPANY

Supervisory Board

Peter Terium, Essen (Chairman)
Chairman of the Board of Management
RWE Aktiengesellschaft

Werner Bischoff, Monheim (Deputy chairman)
Former member of the Managing Executive
Council, Union of the Mining, Chemical and
Energy Industry Employees

Hans Hermann Andreae, Hamburg
Head of Geo Support Centre, RWE Dea AG

Thomas Birr, Essen
Head of Corporate Development & Group
Strategy RWE Aktiengesellschaft

Dr. Markus Coenen, Essen
Head of Group Finance RWE Aktiengesellschaft

Dr. Frank-Detlef Drake, Essen
(until 25 March 2014)
Head of Research and Development at
RWE Aktiengesellschaft

Ralf Erkens, Neumünster
District Chairman Rhine-Main, Union of Mining,
Chemical and Energy Industry Employees

Dr. Michael Herrmann, Essen
(until 25 March 2014)
Head of Commodity Management at
RWE Aktiengesellschaft

Board of Management

Thomas Rappuhn (Chairman)
CEO

Dr. Johannes Karlisch
CFO

Stefan Judisch, Essen (until 25 March 2014)
Chairman of Management at RWE Supply &
Trading GmbH

Dr. Claudia Mayfeld, Essen (since 25 March 2014)
Head of Legal & Compliance RWE Aktiengesell-
schaft

Dr. Martin Muhr, Essen (since 25 March 2014)
Chief Financial Officer Essent N.V.

Holger Pittelkow, Hamburg
Functional Department Head Indirect Taxes and
Tax Audits RWE Dea AG

Günther Prien, Hamburg
Chairman of the Joint Works Council of
RWE Dea AG

Andreas Schöpf, Lachendorf (since 1 July 2014)
Chairman of the Works Council Betriebe Wietze
RWE Dea AG

Manfred Weber, Eicklingen (until 1 July 2014)
Chairman of the Joint Works Council of
RWE Dea AG

Andreas G. Zetzsche, Essen (since 25 March 2014)
Head of Merger & Acquisitions RWE Aktiengesell-
schaft

Dirk Warzecha
COO

GLOSSARY

Barrel: International trading unit for crude oil. A
barrel corresponds to around 159 litres.

Brent crude oil: Lightl crude oil with low sulphur
content. It stems from the British North Sea and
is a reference product in the oil trade.

Cash flow: Key figure used in the balance sheet,
company and share analysis for assessing the
financial and capitalised earnings power of a
company.

EBITDA: Abbreviation for earnings before inter-
est, taxes, depreciation and amortisation. It
serves to indicate what cash inflow is generated
by the operative business of a company.

Exploration: Search and investigation for crude
oil and natural gas deposits.

Full-time employee equivalent (FTE): An FTE
corresponds to one full-time position. The value
takes full-time, part-time employees and em-
ployees with limited employment contracts
into consideration minus the part-time reduc-
tion. Not taken into consideration are: Board of
Management, managing directors, apprentices,
suspended employment relationships, working
students, interns, or employees in the release
phase of partial retirement.

Offshore: Located off the mainland coast and in
larger inshore waters.

Onshore: located on land.

Reserves: Clearly identifiable stocks which can be
mined from a technical and financial point of view
under today's conditions or conditions which are
expected in the near future.

Resources: Stocks beyond reserves. They have
been proven or are probable, however cannot
be produced at present from a technical and/or
financial point of view.

Shale gas : unconventional gas that, unlike con-
ventional gas, is not located in deposits in sand or
limestone, but in mudstone.

Upstream: Describes the activities that bring hy-
drocarbons from deposits to the earth's surface:
exploration, field development, the sinking of
bore holes and production.

Value contribution: The yields on the invested
assets are calculated from the operating re-
sults divided by the average corporate assets.
From this yield minus the capital cost rate, the
minimum interest yield demanded by the RWE
Group of the available capital is calculated from
the percentage of value added. This percentage
applied to the average corporate assets produces
the absolute value added.

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