

“ THE ONLY THING THAT
IS CONSTANT IS CHANGE. ”

Heraclitus



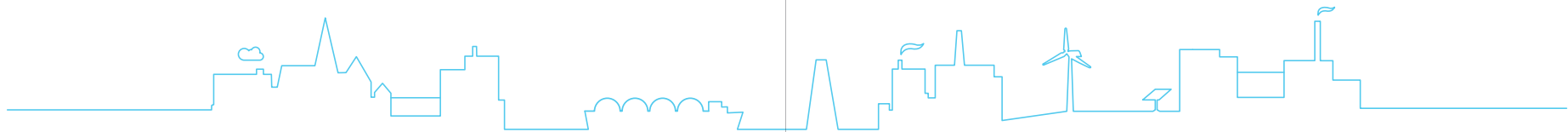
ANNUAL REPORT 2015



ENERGY DELTA INSTITUTE
ENERGY BUSINESS SCHOOL

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1. LOOKING BACK ON A YEAR OF ADJUSTING TO AN EVER-CHANGING ENVIRONMENT

By Anja Hulshof, Managing Director of Energy Delta Institute

“ ACCORDING TO DARWIN’S ORIGIN OF SPECIES, IT IS NOT THE MOST INTELLECTUAL OF THE SPECIES THAT SURVIVES; IT IS NOT THE STRONGEST THAT SURVIVES; BUT THE SPECIES THAT SURVIVES IS THE ONE THAT IS ABLE BEST TO ADAPT AND ADJUST TO THE CHANGING ENVIRONMENT IN WHICH IT FINDS ITSELF. ”

Meggison, 1963

Spending cuts

Adjusting to a continuously changing environment: that is what Energy Delta Institute (EDI) and probably every other company in the energy industry have in common. And 2015 was a year of major adjustments and challenges. Energy prices continued to drop, right across the board. The prices of the ‘classical’ resources oil and gas continued the free fall that had started in mid-2014. Upstream energy companies reacted with massive lay-offs and extensive cost savings that sent shivers through the entire industry. Planned investments were delayed or cancelled.

Countries that depend on the incomes from oil and gas often faced serious budgetary issues. Coal prices declined in a very similar way, and dropped by more than a quarter in 2015. The coal giants of the world are in trouble, despite the fact that coal today competes quite nicely with gas in the European power sector. These developments had already had an impact on EDI in 2014, when less money was being spent on items such as training and education and some partners withdrew due to spending cuts. As a consequence, we received less income from partnerships, events and courses.

THE FINANCIAL RESULT FOR 2015 IN COMPARISON TO 2014

| Amounts x 1,000 euro | BUDGET 2016 | 2015 | BUDGET 2015 | 2014 |
|----------------------|-------------|-------|-------------|-------|
| INCOME | 1,839 | 2,158 | 1,926 | 2,400 |
| COSTS | 1,951 | 1,802 | 2,079 | 2,590 |
| OPERATING RESULT | -112 | 356 | -153 | -190 |

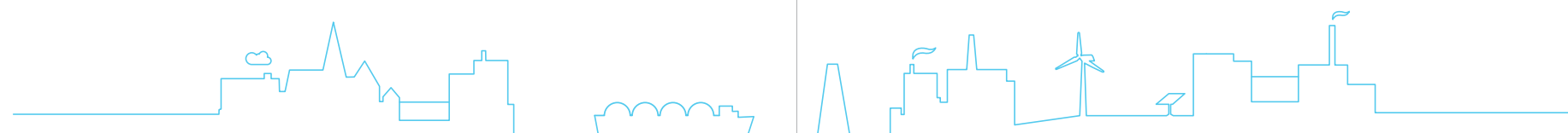
With a budgeted result of minus € 153,000 for 2015, we knew there was a lot of work to be done. We started the year by asking ourselves how we could limit the red figures as much as possible. And I am proud to be able to announce that we closed the year with a positive result of € 356,080. We managed to realise this result by scrutinising our costs and by working more efficiently and harder - as a team - on generating more income. Also, we received more subsidy than was to be expected from the EDIAAL project.

Changing of the guard

One of the biggest changes of the past year was the changing of the guard in the EDI management. Having been closely involved with EDI for thirteen and six years respectively, Eric Dam and Frank Fliek passed the baton to Marcel Kramer and myself. Employees who left EDI were not replaced, which meant that we saved on staffing costs. In addition, staff circulated within the team and took up new positions. All in all the staff changes led to new insights and energy, which enabled us to conclude 2015 in much better shape than had been expected.

More income from courses

With the exception of two programmes, all the courses planned for 2015 took place. Instead of the 178 participants in open market programmes aimed for we had 145, but this number was amply compensated for by the results from in-house training programmes. Partly because of a large number of in-company programmes for ONGC-MDI India and a large in-company programme for Enagás, the overall results from training courses exceeded our expectations. In addition to receiving more income from courses, we also took a critical look at costs and saved on them, without compromising quality.



OUR BEST-PERFORMING COURSES

TOP 5 IN-HOUSE PROGRAMMES



TOP 5 OPEN MARKET PROGRAMMES



Adapting market developments to our portfolio

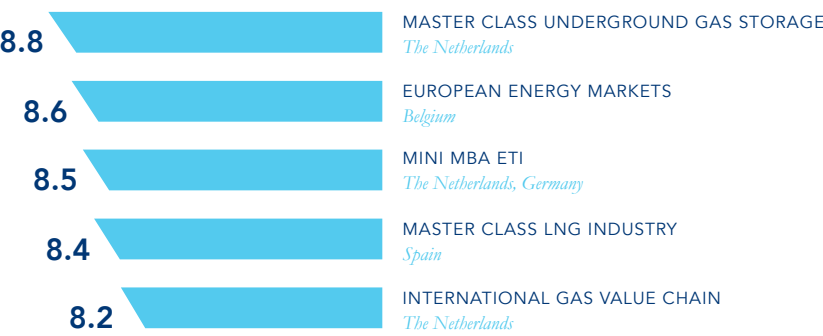
In a constantly-changing energy landscape, it is EDI's important task to respond to the changing knowledge requirements in the market. A good example of adapting our portfolio to market developments is the new mini MBA *New Energy Realities*, which is organised in association with Bloomberg and ESCP Europe. This mini MBA addresses three major challenges of today's energy industry: new business models, finance and leadership. The programme tackles the concept of new business models for the energy sector and provides financial solutions to the current energy transition processes, given its risks and uncertainties.

Also new this year was the location of the first module of the *Fellowship on Energy Programme* which took place in Istanbul and

was kicked off with a well attended reception at the Dutch Consulate General.

Energy transition is a major subject in many markets and was therefore also high on the EDI agenda in 2015. We paid attention to this subject in several programmes. The year 2020, for which targets have been agreed is of course getting closer, while it is becoming increasingly clear that we certainly can't do without fossil fuels for at least several decades to come. We can only move toward more sustainable energy provision by means of innovation and significant systems change, and that requires time, money and manpower. We have noticed there is a real need in the market for knowledge about the potential of energy transition. How do fossil fuels fit into this picture, and what dynamics are involved in this? EDI has a facilitating role in helping course participants to understand these issues and we will maintain our focus on this subject in the years to come.

TOP 5 BEST-VALUED PROGRAMMES



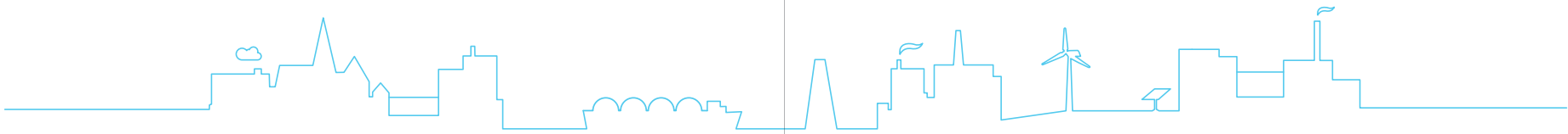
Special events

The year 2015 was again a year of special events. On 23rd and 24th April the International Supervisory & International Partner Meeting, hosted by Gazprom, was held in Sochi. When the EDI team and its Dutch partners landed, an overwhelming welcome awaited us. At 4.30 a.m. a Gazprom delegation in traditional dress was waiting for us. True to Russian tradition, we were welcomed with "bread and salt". There were fruitful meetings and Gazprom organised a very interesting social programme with great food, live music and performances.

Building bridges between the existing generation and young energy professionals is one of our key objectives. In the context of the strong relationship between the Netherlands and Russia, and also because of our young professional policy, we took part in the International Youth Day, Dialogue of Generations, organised by Gazprom and St. Petersburg State University of Economics (UNECON) in October. The event was attended by nearly

150 energy students from Russia, Germany and the Netherlands. EDI sponsored the Dutch team of six talented graduates from the University of Groningen, Delft University and the University of Bergen. As part of the International Energy Contest Energy of Today and Tomorrow, the team had to prepare and present their solution and defend it before the members of the jury. The Youth Day was a huge success, and EDI has therefore decided to participate again next year.

Under the title The Power of Dutch Gas, EDI, along with several of its Dutch partners, participated in the World Gas Conference, which took place in Paris. It was a great opportunity to meet acquaintances and expand our network. Our presence there resulted in several new partnerships, including one with Petrobras, which facilitated a site visit during the fifth module of our *Executive Master of Finance and Control* in Rio de Janeiro, Brazil, and another with ESCP Europe about a new programme *New Energy Realities* in London.



HIGHLIGHTS OF EVENTS IN 2015

PARTICIPANTS



Changes to the partner policy

The partner policy was redeveloped in 2015. The partner formula has been adapted in order to make entry more accessible.

The first result: Enagás has announced that it will join EDI as an associated partner as of 2016. The partner policy will be fine-tuned further in the year ahead, whereby added value for our partners will always be the most important criterion.

THE PARTNER NETWORK

FOUNDING PARTNERS:

GasTerra, Gasunie, Gazprom, Shell, University of Groningen

ASSOCIATED PARTNERS:

DONG Energy, EBN, Enagás, TAQA

AFFILIATED PARTNERS:

A.Hak, Denys

JOINT EXCELLENCE & KNOWLEDGE PARTNERS:

Bloomberg New Energy Finance, Enagás, Energy Academy Europe, EnergyStock, ENGIE, EPPEN Institute, ESCP Europe, European School of Management & Technology, Gas Connect Austria, Hanze University of Applied Sciences, IMEMO, Nyenrode Business University, PwC Academy, Rosneft, Skolkovo School of Management, TPIC, University of Aachen.

PARTICIPANTS IN OUR COURSES AND EVENTS



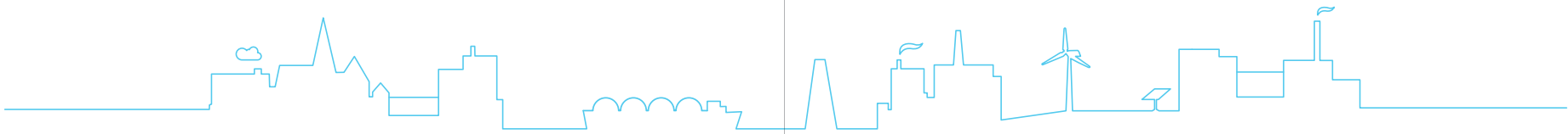
PARTICIPANTS IN OUR COURSES AND EVENTS, BY PARTNER



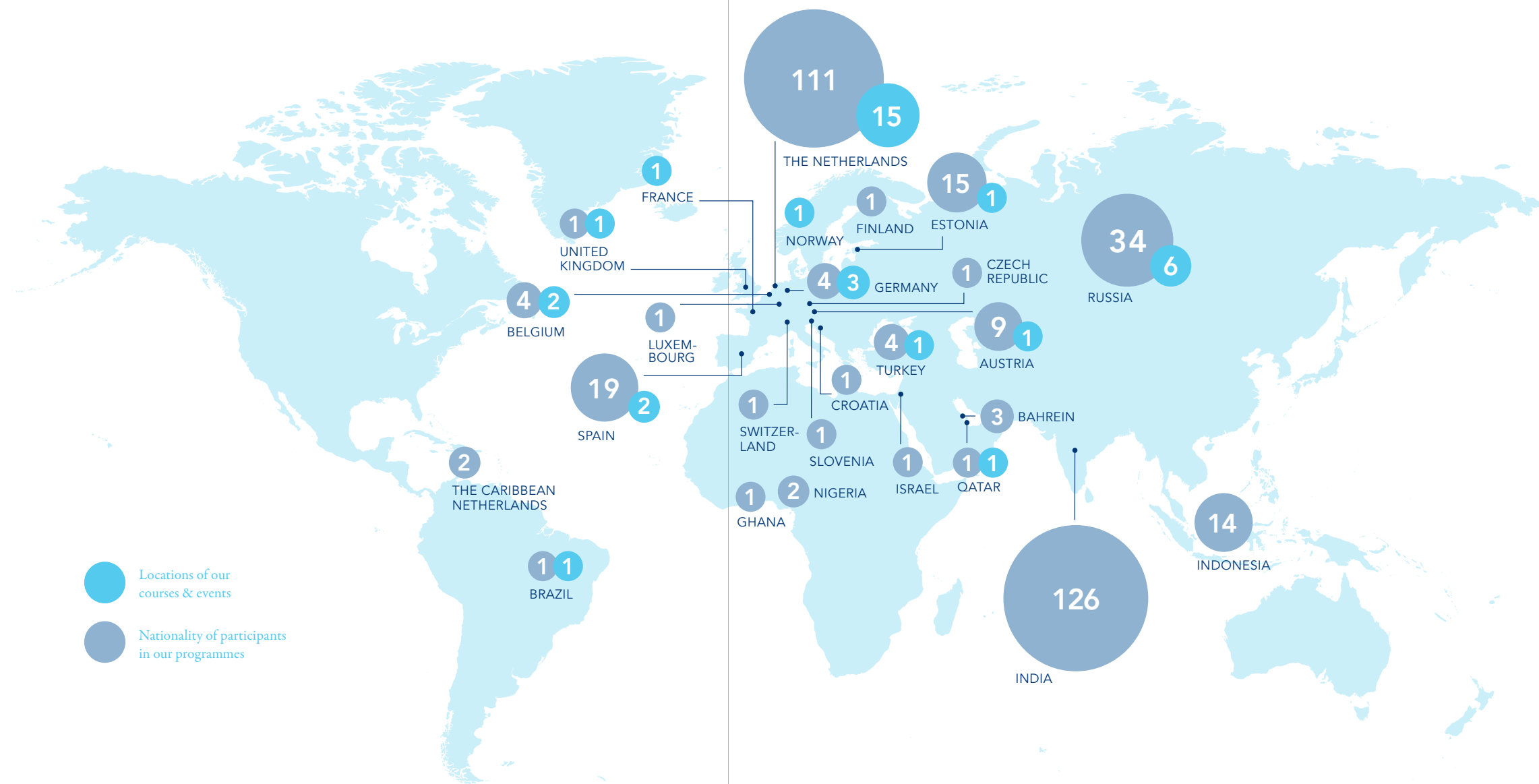
A year of global instability

The year 2015 will enter the history books as a year of global unrest: the war in Syria, large flows of refugees and terrorist attacks dominated the news. The safety and

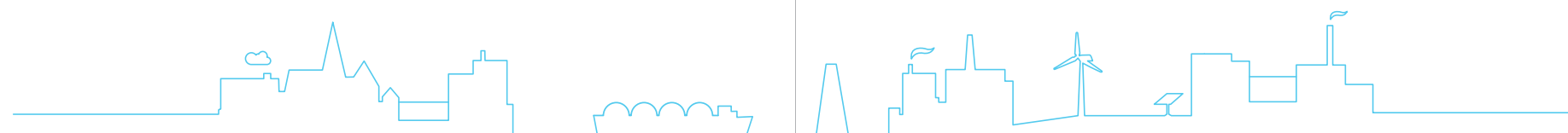
well-being of those participating in our courses and events is our top priority. We accept our responsibility to reduce risk whenever we can, and we monitor the situation and act in accordance with the advice of the Ministry of Foreign Affairs.



OUR GLOBAL REACH



I AM VERY PROUD OF THE WAY IN WHICH OUR TEAM HANDLED EDI'S CHANGES AND CHALLENGES IN 2015 AND AM CONFIDENT THAT 2016 WILL ALSO BE A GREAT YEAR FOR EDI!



2. THE DOT ON THE HORIZON

By Marcel Kramer, President of Energy Delta Institute

“ THE MEASURE OF INTELLIGENCE
IS THE ABILITY TO CHANGE. ”

Albert Einstein

Sharing the energy of knowledge

In the year ahead we will mostly continue in the direction we have taken over the past year. As the changes in the energy landscape are decisive for our portfolio, we will no longer formulate detailed long-term goals. Our mission statement of “sharing the energy of knowledge”, combined with a focus on facilitating energy professionals in developing skills that will prepare them for the continuously changing world, will decide the course of our organisation. We will remain flexible and able to easily adapt to the changing (knowledge) requirements of the market and our partners, on the basis of our key premise: to add value and to continue to do so.

You are usually faster on your own, but you often get further with others

The Joint Excellence line that was initiated in the past few years will be continued in the years to come. This means that we will aim to continually expand our network and increasingly look for additional alliances with other (knowledge) partners for programmes and events. You may be faster on your own, but in the complex energy landscape you get much further with others. We will collaborate with, for example, the University of St Petersburg (FINEC) and Bloomberg, and with our new associate partner Enagás. A good example in this context is our collaboration with Energy Academy Europe. We will soon have the opportunity to move

to new premises, in a new fully-sustainable and energy-neutral building which we will share with the Energy Academy, Energy Valley, the Hanze University of Applied Sciences and the University of Groningen. The aim of ‘being under one roof’ is for all of us to become stronger in the sphere of energy as regards education (EDI’s focus), research and innovation. Joint projects, more intensive information exchange and mutual support in the realisation of each participant’s programmes are among the potentially interesting benefits of this alliance.

Our portfolio for 2016

We are pleased to announce a number of new programmes, including two lecture series about the energy consumer of the future, in collaboration with Nyenrode Business University. Also new is the programme *Safety, culture & leadership*. In this programme we focus on leadership through which safety at the company becomes part of the culture. The *Executive Master of Finance & Control for the Energy Industry* finished in 2015 and was evaluated with an average grade of 8. Most of the participants graduate in June of this year, and we are considering a follow-up for this programme in co-operation with PWC. The other programmes will also be adapted to the developments in the market when this is needed.

Events: building bridges between participants and generations

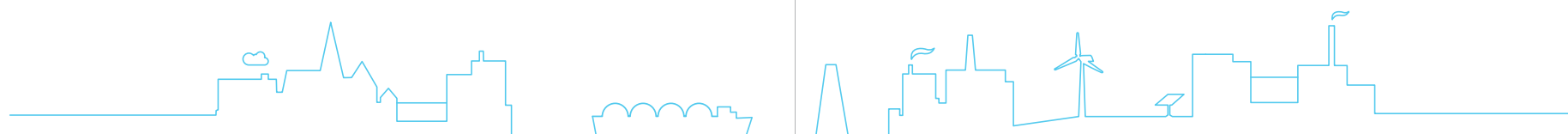
In terms of events, we will start a new partnership with the Flame Conference,

which is a major gas industry event held annually in Amsterdam. Together, we have created the first-ever *Flame Future Leaders Master Class*. With this event, we want to give younger executives an opportunity to be closely associated through a special lecture programme with the Flame conference which is attended mainly by the more senior energy executives and experts. The *Future Leaders Master Class* is a cost-competitive three-day programme. The networking moments and programme breaks of the *Future Leaders Master Class* and the conference itself have been coordinated, so that senior and young energy professionals can exchange knowledge and experiences. We hope many companies will see the value of this excellent programme!

Building bridges between the senior generation and young energy professionals therefore remains one of our key objectives in 2016. With this in mind EDI will again participate in the *International Youth Day*, and will continue to contribute to the *Young Energy Professionals* network, in which we also fulfil a managerial role.

At EDI, we are aware of the fact that the only constant is change and that is exactly what makes working in the energy industry so very exciting. It is within this arena of change that EDI wants to operate. In all humility, but no less ambitious, we do our best to contribute. ‘To prepare the energy professionals for the challenges that lie ahead.’

WE ARE LOOKING FORWARD
TO A SUCCESSFUL 2016!



3. FINANCIAL STATEMENTS

“ TO IMPROVE IS TO CHANGE;
TO BE PERFECT IS TO CHANGE OFTEN. ”

Winston Churchill

Our Financial Position

amounts x 1,000 euro

| | Budget 2016 | Budget 2015 | 2015 | 2014 |
|---|----------------|----------------|------------|-------|
| INCOME | | | | |
| Education and events* | 983 | 1,035 | 923 | 1,143 |
| Partner fees | 856 | 891 | 879 | 1,106 |
| Grants | | | 271 | 151 |
| Other | | | 85 | - |
| | 1,839 | 1,926 | 2,158 | 2,400 |
| COSTS | | | | |
| Costs of outsourced work and other external charges* | 1,050 | 1,121 | 1,008 | 1,624 |
| Employee expenses | 525 | 610 | 519 | 627 |
| Other costs | 376 | 348 | 275 | 339 |
| | 1,951 | 2,079 | 1,802 | 2,590 |
| Operating result | -112 | -153 | 356 | -190 |
| WORKING CAPITAL | | | | |
| | 12/31/2015 | | 12/31/2014 | |
| Debtors and other receivables | 739 | | 746 | |
| Cash and equivalents | 955 | | 764 | |
| | 1,694 | | 1,510 | |
| Short term Liabilites | -517 | | -700 | |
| Working capital | 1,177 | | 810 | |
| CASH FLOW | | | | |
| | 12/31/2015 | | 12/31/2014 | |
| Net result | 356 | | -190 | |
| Depreciation | 12 | | 10 | |
| | 368 | | -180 | |
| Investment fixed assets | -1 | | -2 | |
| MOVEMENTS IN WORKING CAPITAL | 367 | | -182 | |

** including movements in work in progress*

Notes on the financial position

Despite the budgeted negative result we ended 2015 in the black. This is mainly because funding agencies have allocated € 270,766 more subsidy for EDIAAL over the period 2010 to 2014 than we expected last year. In fact, last year at the completion of the annual audit, the subsidy provider still had to decide on a number of uncertainties in the subsidy justification. By way of precaution the financial statements proceeded on the subsidy provider's decision that these costs over which the debate had arisen, were not eligible.

Executive Master of Finance and Control Programme

In 2014, the third edition of the *Executive Master of Finance and Control* started. The programme consisted of six modules: three in 2014 and three in 2015. For a break-even position eight participants had to start. Six actually did start. For strategic reasons the Board decided to commence with the course. The total loss of this course was taken in 2014. In 2015, as compared to the estimated costs, the course's actual costs turned out to be lower than expected, adding approximately € 73,500 to the 2015 result. Since the Foundation was charged with that debt last year, this year the benefit flowed back from EDI B.V. to the Foundation.

Education and events

Both income and cost of our courses are lower than budgeted. The result of the courses in 2015 is higher than budgeted. The course budget for 2016 is in line with 2015.

Staff

The decrease in personnel expenses is due to a decrease in the number of FTE's (2015: 12, 2014: 15). The costs of hiring third parties decreased compared with 2014, partly because the EDIAAL Project expired on December 31 2014, and partly by a change in management. We expect no change in FTEs in the next few years.

Earmarked reserve

Because of a windfall in subsidy income, lower personnel costs for EDI and cost savings for the programme "*Executive Master of Finance and Control*" and for hired staff members the special-purpose reserve is increased with the operating result of € 356,080. On December 31 2015 the special purpose reserve amounts € 1,201,111. In 2016 EDI will continue to invest in the development of new programmes, in which we will further explore the topic energy transition. This will reflect on our current programmes. Furthermore, we will examine the market potential for the development of an energy master in collaboration with other research institutes and companies.

We will also invest in online education, so that we can offer knowledge through online learning channels. The estimated total value of this investment is € 250,000. This investment will be funded with available cash. In addition, the reserves will be used to offset the projected shortfall in 2016. The management does not expect a change in the financing structure.

Consolidated balance sheet as at December 31, 2015

After proposal result appropriation

| Assets | | 12/31/2015 | | 12/31/2014 | |
|--|-----|------------|------------------|------------|------------------|
| | | € | € | € | € |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | (1) | | 24,075 | | 35,193 |
| CURRENT ASSETS | | | | | |
| <i>Receivables</i> | | | | | |
| Trade debtors | (2) | 385,394 | | 402,742 | |
| Other receivables and accrued assets | (3) | 353,832 | | 343,038 | |
| | | | 739,226 | | 745,780 |
| Cash and banks | (4) | | 955,375 | | 764,299 |
| Total assets | | | 1,718,676 | | 1,545,272 |
| Equity and Liabilities | | | | | |
| | | | 12/31/2015 | | 12/31/2014 |
| | | € | € | € | € |
| GROUP EQUITY | | | 1,201,111 | | 845,018 |
| SHORT TERM LIABILITIES | | | | | |
| Trade creditors | (5) | 184,879 | | 331,509 | |
| Taxes and social security premiums | (6) | 16,884 | | 16,746 | |
| Projects in progress | (7) | 32,438 | | 104,536 | |
| Other liabilities and accrued expenses | (8) | 283,364 | | 247,463 | |
| | | | 517,565 | | 700,254 |
| Total equity and liabilities | | | 1,718,676 | | 1,545,272 |

Consolidated statement of income and expenses for the year 2015

| | | 12/31/2015 | | 12/31/2014 | |
|---|--|------------------|---|------------------|---|
| | | € | € | € | € |
| Net turnover (9) | | 2,380,248 | | 1,994,236 | |
| Movements in projects in progress | | -222,633 | | 150,534 | |
| Total income | | 2,157,615 | | 2,144,770 | |
| Expenses work contracted out and other external expenses (10) | | 1,007,534 | | 1,368,429 | |
| Personnel expenses (11) | | 518,829 | | 627,225 | |
| Depreciation (12) | | 12,352 | | 10,258 | |
| Other operating expenses (13) | | 266,546 | | 328,369 | |
| Total operating expenses | | 1,805,261 | | 2,334,281 | |
| Operating Result | | 352,354 | | -189,511 | |
| Financial income and expenses (14) | | 3726 | | 58 | |
| Results from operational activities before taxation | | 356,080 | | -189,453 | |
| Taxes income (15) | | - | | - | |
| Net result after taxation | | 356,080 | | -189,453 | |

Notes to the financial statements of the consolidated annual report

General

The financial statements have been prepared in accordance with the Dutch Civil Code, Book 2, Chapter 9.

Activities

Energy Delta Institute is founded on January 31, 2002. by:

- N.V. Nederlandse Gasunie
- University of Groningen

The foundation has its registered office in Groningen, the Netherlands. The objective of the foundation is to come to a coherent whole of initial and post initial university training and research, in such a manner that the present knowledge in the field of energy, and of gas in particular, is passed on to institutions in the international energy and gas markets, as well as to individuals who are employed in this sector.

The foundation attempts to achieve its objective by:

- a. Setting up the required knowledge infrastructure;
- b. Developing training for the gas market;
- c. Supplying grants for participants who qualify;
- d. Propagating Groningen and the Northern region as a focal point of gas related knowledge;
- e. Fund-raising;
- f. All other legitimate resources.

Consolidation principles

The consolidated financial statements of foundation EDI include the financial information of its group entities and the other corporate bodies which are under the control of leadership of the foundation. The activities of Energy Delta Institute B.V. take place for the account and risk of Stichting Energy Delta Institute from January 1, 2012. The company financial figures of Energy Delta Institute B.V. are therefore consolidated.

Abbreviated profit and loss account

These consolidated financial statements have been prepared by management in accordance with article 2:402 of the Netherlands Civil Code and its generally accepted accounting principles. The Company financial statements present an abbreviated profit and loss account as permitted by the Civil Code.

Estimates

When preparing the financial statements, the director, according to the general principles, make several estimates and assumptions that help determine the amounts in the financial statements. The actual results may deviate from the estimates made.

Accounting policies in respect of the valuation of assets and liabilities

Tangible fixed assets

Tangible fixed assets are presented at cost minus accumulated depreciation and, if applicable, minus impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Projects in progress

The projects in progress on third party contracts is valued at the incurred contract costs increased by the attributed profit and net of recognized losses and invoiced instalments. If the result from a contract cannot be reliably estimated no profit is attributed or recognized as part of work in progress. The contract costs include the costs directly relate to the contract. The percentage of completion is determined on the basis of the contract costs incurred up to the balance sheet date in proportion to the estimated aggregate contract costs. Income and expenses are recognized in the profit and loss account based on the progress of the project. Expenditure incurred in a year concerning project activities are not included in the calculation.

The amounts of projects in progress are recognized under the receivables if the amount of the (collective) net income is greater than the sum of the invoiced instalments. If the (collective) amount of the income is less than the invoices, the amount is recognized under the liabilities.

Accounts receivable

Receivables are recorded at fair value and then valued at amortised cost, net of allowances for doubtful accounts, determined individually. On initial recognition the fair value and the amortised cost equal the face value.

Cash at bank

Unless otherwise noted, the liquid assets are available for disposal by the company or group.

Provisions

A provision is recognized when the company has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are valued at nominal value.

If the foundation has given a guarantee for losses on educational programmes, a provision is made for these expected losses.

Current liabilities

Short-term liabilities are liabilities due within one year or less.

Accounting policies in respect of result determination

General

The result for the year is the difference between net turnover and all related costs. The costs are determined according to the stated accounting policies.

Profits are realized in the year when the corresponding turnover is realized. Losses are recognized for the year in which it will be reasonable to estimate their existence.

The other gains and losses are allocated based on the relating financial year.

Turnover

Net turnover represents amounts invoiced for goods and services supplied during the financial year, net of discounts and value added taxes. Partner donations are taken into account in the book year for which they are granted. In case the funds are not yet spent according to the agreements with them, the remaining amount is added to an earmarked reserve. Under the subsidy revenues, the part of a donation or of a subsidy that is used in a financial year for the activities focused on realizing the targets that are set in the donation or subsidy conditions are justified. In case more subsidies are received than can be attributed to these activities, an earmarked reserve will be created.

Cost of sales

The cost of goods sold comprise of amounts incurred for direct and indirect cost of goods and services purchased for sale.

Depreciation and amortization

Depreciation relates to the purchase price of the tangible fixed assets. Gains and losses on disposal of tangible fixed assets are recorded under amortisation/depreciation, gains only to the extent that the gain is not capitalised deducted from replacement investments.

Net financial result

Financial gains and losses are the received (receivable) and paid (payable) interest from/to third parties and group companies.

Taxation

Corporation tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profits calculated according to the financial statements and profits calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

Notes to the consolidated balance sheet as at December 31, 2015

| Assets | € | | 12/31/2015 | 12/31/2014 |
|---|----------------|--|----------------|----------------|
| | | | € | € |
| 1. TANGIBLE FIXED ASSETS | | 2. TRADE DEBTORS | | |
| <i>Other fixed assets</i> | | Trade debtors | 235,696 | 176,930 |
| Balance as at January 1, 2015 | | To be invoiced | 150,000 | 235,417 |
| Cost | 96,314 | | 385,696 | 412,347 |
| Accumulated depreciation | -61,121 | Provision for doubtful debts | -302 | -9,605 |
| Book value as at January 1, 2015 | 35,193 | | 385,394 | 402,742 |
| <i>Movements</i> | | 3. OTHER RECEIVABLES AND ACCRUED INCOME | | |
| Additions | 1,234 | Taxes and social security premiums | | 73,465 |
| Depreciation | -12,352 | Other receivables | 353,832 | 269,573 |
| Balance Movements | -11,118 | | 353,832 | 343,038 |
| Balance as at December 31, 2015 | | 4. CASH AND BANKS | | |
| Cost | 97,548 | ABN AMRO Bank N.V. | 606,182 | 299,901 |
| Accumulated depreciation | -73,473 | ABN AMRO N.V. saving account | 349,193 | 464,398 |
| Book value as at December 31, 2015 | 24,075 | | 955,375 | 764,299 |

| Liabilities | 12/31/2015 € | 12/31/2014 € |
|--|-----------------|-----------------|
| 5. TRADE CREDITORS | | |
| Trade creditors | 184,879 | 331,509 |
| 6. TAXES AND SOCIAL SECURITY PREMIUMS | | |
| VAT | 3,051 | |
| Wage tax | 15,568 | 13,667 |
| Social security premiums | 147 | 1,114 |
| Pension premiums | -1,882 | 1,965 |
| | 16,884 | 16,746 |
| 7. PROJECT IN PROGRESS | | |
| <i>Project in progress</i> | | |
| Advanced revenues | 32,438 | 256,354 |
| Capitalized expenditures | | -151,818 |
| | 32,438 | 104,536 |
| 8. OTHER LIABILITIES AND ACCRUED EXPENSES | | |
| Holiday pay accruals | 30,314 | 7,452 |
| Other liabilities | 241,100 | 206,716 |
| Accrued liabilities | 11,950 | 33,295 |
| | 283,364 | 247,463 |

Off-balance-sheet Commitments

Lease obligations

The company has contractual rent of €91,000 (2014: €100,000). There are no obligations with a term exceeding five years.

Notes to the consolidated statement of income and expenses for 2015

| | 2015 € | 2014 € |
|--|------------------|------------------|
| 9. NET TURNOVER | | |
| Founding partners | 750,000 | 750,000 |
| Associated partners | 101,900 | 300,000 |
| Subsidy revenues | 270,796 | 150,653 |
| Green decommissioning | 85,000 | |
| Other services | 27,083 | 56,250 |
| Educational programmes | 1,145,469 | 737,333 |
| | 2,380,248 | 1,994,236 |
| 10. EXPENSES WORK CONTRACTED OUT AND OTHER EXTERNAL CHANGES | | |
| Cost of work contracted out | 366,934 | 463,930 |
| Other external expenses | 640,600 | 904,499 |
| | 1,007,534 | 1,368,429 |
| <i>Cost of work contracted out</i> | | |
| Communication | 2,486 | 19,513 |
| Costs Moscow office | 50,000 | 72,454 |
| Work contracted | 81,917 | 85,630 |
| Management fees | 232,531 | 286,333 |
| | 366,934 | 463,930 |
| <i>Other external expenses</i> | | |
| Costs educational programs | 475,633 | 625,267 |
| Costs EDIAAL-program | - | 162,033 |
| Costs E-Learning | - | 73,064 |
| Costs Green decommissioning | 65,938 | |
| Other costs | 99,029 | 44,135 |
| | 640,600 | 904,499 |

Partners

Founding Partners:

- GasTerra
- Gasunie
- OAO Gazprom
- Shell
- University of Groningen (in kind)

Associated Partners:

- Dong
- EBN
- Enagás
- TAQA

Affiliated Partners

- A. Hak
- Denys

Educational programmes

The revenues of educational programmes are revenues in Energy Delta Institute B.V.

| | 2015 | 2014 |
|--|----------------|----------------|
| | € | € |
| 11. PERSONNEL EXPENSES | | |
| Wages and salaries | 424,781 | 497,720 |
| Social security premiums and pension costs | 94,048 | 129,505 |
| | 518,829 | 627,225 |
| 12. DEPRECIATION | | |
| Depreciation of tangible fixed assets | 12,352 | 10,258 |
| 13. OTHER OPERATING EXPENSES | | |
| Other staff expenses | 37,924 | 35,099 |
| Housing expenses | 91,261 | 89,744 |
| Selling expenses | 46,068 | 33,557 |
| Car expenses | 3,752 | 8,861 |
| Office expenses | 65,278 | 58,151 |
| General expenses | 22,262 | 102,957 |
| | 266,545 | 328,369 |
| 14. FINANCIAL INCOME AND EXPENSE | | |
| Other interest and similar income | 8,688 | 800 |
| Interest and similar expenses | -4,962 | -742 |
| | 3,726 | 58 |
| 15. TAXES ON INCOME | | |
| Corporate income tax | - | - |

Average number of employees

During the year 12 employees were employed by the group on the basis of a full time contract of services (2014:15)

Company balance sheet as at December 31, 2015

After proposal result appropriation

| Assets | 12/31/2015 | | 12/31/2014 | |
|--|------------|------------------|------------|------------------|
| | € | € | € | € |
| FIXED ASSETS | | | | |
| Tangible fixed assets | 0 | | 2,227 | |
| Financial fixed assets (16) | 127,735 | | 97,268 | |
| | | 127,735 | | 99,495 |
| CURRENT ASSETS | | | | |
| Receivables | 576,665 | | 531,480 | |
| Cash and banks | 712,818 | | 642,602 | |
| | | 1,289,483 | | 1,174,082 |
| Total assets | | 1,417,218 | | 1,273,577 |
| Equity and Liabilities | | | | |
| | 12/31/2015 | | 12/31/2014 | |
| | € | € | € | € |
| FOUNDATION EQUITY (17) | | | | |
| Earmarked reserve | | 1,201,111 | | 845,018 |
| SHORT TERM LIABILITIES | | | | |
| Trade creditors | 115,084 | | 359,488 | |
| Liabilities to group companies | - | | - | |
| Other liabilities and accrued expenses | 101,023 | | 69,071 | |
| | | 216,107 | | 428,559 |
| Total equity and liabilities | | 1,417,218 | | 1,273,577 |

Company abbreviated profit and loss account for 2015

| | 2015 | | 2014 | |
|---|---------|----------------|----------|-----------------|
| | € | € | € | € |
| Income from participations in group and associated companies (18) | 30,467 | | -132,013 | |
| Company result after taxes | 325,613 | | -57,440 | |
| Net result after taxation | | 356,080 | | -189,453 |

Notes to the company balance sheet as at December 31, 2015

| Assets / Fixed assets | 12/31/2015 | 12/31/2014 |
|-----------------------------------|------------|------------|
| | € | € |
| 16. FINANCIAL FIXED ASSETS | | |
| Participations in group companies | 127,735 | 97,268 |

An overview of the financial fixed assets can be found below:

| | |
|---|-------------------|
| PARTICIPATIONS IN GROUP COMPANIES | |
| Energy Delta Institute B.V., Groningen (100%) | |
| Balance as at January 1, 2015 | |
| Principal value | 97,268 |
| Share in result | 30,467 |
| Balance as at December 31, 2015 | 127,735 |
| Equity | |
| | Earmarked reserve |
| | € |
| 17. FOUNDATION EQUITY | |
| Balance as at January 1, 2015 | 845,031 |
| Appropriation of result | 356,080 |
| Balance as at December 31, 2015 | 1,201,111 |

Notes to the company abbreviated profit and loss account for 2015

| | 2015 | 2014 |
|--|--------|----------|
| | € | € |
| 18. INCOME FROM PARTICIPATIONS IN GROUP AND ASSOCIATED COMPANIES | | |
| Result of Energy Delta Institute B.V. | 30,467 | -132,013 |

Independent auditor's report

To: the board of Stichting Energy Delta Institute

Report on the audit of the financial statements 2015

Our opinion

We have audited the financial statements 2015 of Stichting Energy Delta Institute, based in Groningen. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion, the enclosed financial statements give a true and fair view of the financial position of Stichting Energy Delta Institute as at 31 December 2015 and of its result for 2015 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1. the consolidated and company balance sheet as at 31 December 2015;
- 2. the consolidated and company profit and loss account for 2015; and
- 3. the notes comprising a summary of the applicable accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Energy Delta Institute in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence requirements in the Netherlands.

Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

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

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

Misstatements can arise from errors or fraud and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a

going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other legal and regulatory requirements

Other information

This report includes, next to the financial statements and our opinion thereon, other information. This other information consists of:

- the management board report
- the other information on page 32

Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code and the auditing standards we report that:

- we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the other information on page nr 32 as required by Part 9 of Book 2 of the Dutch Civil Code have been annexed.
- the management board report, to the extent we can assess, is consistent with the financial statements.

Our opinion on the financial statements does not include the other information and we do not express an opinion or other

assurance conclusion on the other information. As part of our audit on the financial statements and based on the auditing standards, it is our responsibility to read the other information. We have to assess whether there are any material inconsistencies between the other information and the financial statements. In order to do so, we use the obtained audit evidence of audit of the financial statements and the conclusions drawn in our audit. We also determine whether the other information in other ways seems to include material deficiencies. If we conclude, based on the procedures performed, that the other information includes a material deficiency, we are required to report this matter.

Management is responsible for the preparation of the other information including the preparation of the management board report and the other information on page nr 32 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Groningen, 8 April 2016

For and on behalf of BDO
Audit & Assurance B.V.,

drs. K.J. Doevendans RA

4. ADDITIONAL INFORMATION

PROFIT APPROPRIATION

The profit appropriation for 2015 can be found on page 16 of this report.

FOUNDATION & EXECUTIVE BOARD

The organisation's legal entity is in the form of a Dutch foundation.

Name: Stichting Energy Delta Institute

Address

Laan Corpus den Hoorn 300
9728 JT Groningen

Executive Board

In 2015, the following persons were members of the Executive Board:

Drs. U. Vermeulen – Chairman

(N.V. Nederlandse Gasunie)

Prof. P.C. Verhoef – Treasurer

(University of Groningen)

Drs. G.J. Lankhorst – Member

(GasTerra B.V.)

Prof. E. Sterken – Member

(University of Groningen)

Groningen, 8 April 2016

The English version of this annual report is leading

