

LNG 1 A/S

c/o Citco (Denmark) ApS

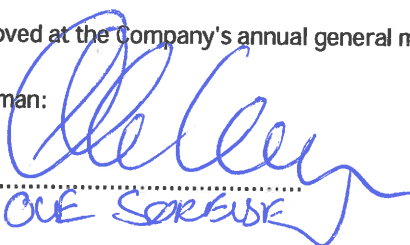
Holbergsgade 14, 2. tv., 1057 Copenhagen

CVR no. 10 09 71 18

Annual report 2017

Approved at the Company's annual general meeting on 8 May 2018

Chairman:


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OLE SØRENSEN





Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements for the period 1 January - 31 December	7
Income statement	7
Balance sheet	8
Notes the financial statements	9

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of LNG 1 A/S for the financial year 1 January - 31 December 2017.

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and its financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 8 May 2018
Executive Board:

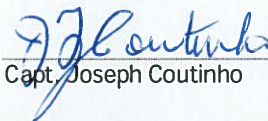


Capt. Joseph Coutinho

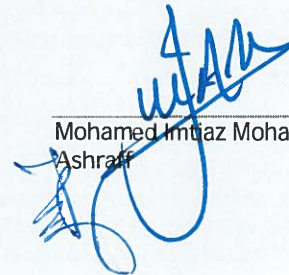
Board of Directors:



Anil Gupta
Chairman



Capt. Joseph Coutinho



Mohamed Intiaz Mohamed
Ashraf

Independent auditor's report

To the shareholders of LNG 1 A/S

Opinion

We have audited the financial statements of LNG 1 A/S for the financial year 1 January – 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain 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 error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- ▶ Obtain 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.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements 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 to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view. ·

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 8 May 2018

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Anders Flymer-Dindler

State Authorised

Public Accountant

MNE no.: mne35423

Management's review

Company details

Name	LNG 1 A/S
Address, zip code, city	c/o Citco (Denmark) ApS. Holbergsgade 14 2 tv, 1057 Copenhagen K
CVR no.	CVR no. 10 09 71 18
Established	1 October 2002
Financial year	1 January - 31 December
Executive Board	Capt. Joseph Coutinho
Board of Directors	Anil Gupta Capt. Joseph Coutinho Mohamed Imtiaz Mohamed Ashraff
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, DK-2000 Frederiksberg

Management's review

Operating review

Principal activities of the Company

The Company's main objective is to be administrator, limited partner and general partner of K/S Membrane 1. K/S Membrane 1 was liquidated in December 2014. The Company has currently no operating activities and is expected to be liquidated in 2018.

Loss for the year

Loss for the year after tax is USD 19 thousand (2016: a loss of USD 34 thousand), which is in line with expectations. A minor loss is expected for 2018.

Subsequent events

No events have occurred after the balance sheet date which materially affects the financial year for the period 1 January - 31 December 2017 or the financial position at 31 December 2017.

Financial statements for the period 1 January - 31 December

Income statement

Note	USD'000	2017	2016
	Other external costs	-19	-32
	Operating profit/loss	-19	-32
3	Financial income	2	1
4	Financial expenses	-2	-3
	Loss before tax	-19	-34
5	Tax on loss for the year	0	0
	Loss for the year	-19	-34
	Proposed distribution of loss		
	Proposed dividend	0	0
	Retained earnings	-19	-34
		-19	-34

Financial statements for the period 1 January - 31 December

Balance sheet

Note	USD'000	2017	2016
	ASSETS		
	Current assets		
	Receivables		
	Receivables from group enterprises	18	18
	Corporation tax receivables	6	13
		<u>24</u>	<u>31</u>
	Cash at bank and in hand	39	49
	Total current assets	<u>63</u>	<u>80</u>
	Total assets	<u>63</u>	<u>80</u>
	Equity and liabilities		
	Equity		
6	Share capital	91	91
	Retained earnings	-59	-40
	Total equity	<u>32</u>	<u>51</u>
	Liabilities		
	Current liabilities		
	Payables to group enterprises	20	19
	Trade payables	11	10
		<u>31</u>	<u>29</u>
	Total liabilities	<u>31</u>	<u>29</u>
	Total equity and liabilities	<u>63</u>	<u>80</u>

- 1 Accounting policies
- 7 Contractual obligations and contingencies, etc.
- 8 Contingent liabilities, mortgages and collateral
- 9 Related party disclosures

Financial statements for the period 1 January - 31 December

Notes the financial statements

1 Accounting policies

The annual report of LNG 1 A/S for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

In accordance with section 16(2) of the Danish Financial Statements Act, the Company has chosen to present the annual report in the Company's functional currency USD. At 31 December 2017, the currency exchange rate was 6.21 DKK/USD (31 December 2016: 7.05 DKK/USD).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Other external costs

Other external cost consists of administrative expenses, including management fee.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies, etc.

Tax on profit/loss for the year

The Company is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense/income that relates to the profit/loss for the year is recognised in the income statement.

Balance sheet

Cash

Cash comprise cash and subject only to minor risks of changes in value.

Financial statements for the period 1 January - 31 December

Notes the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired.

Corporation tax

In its capacity as the administrative company, LNG 1 A/S is liable for the entities' corporation taxes towards the tax authorities concurrently with the payment of joint taxation contribution by the entities within the joint taxation.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

Liabilities

Liabilities are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes the financial statements

2 Staff cost

There are no employees of the company. Executive Board and Board of Directors have received no remuneration from this company.

USD'000	2017	2016
3 Financial income		
Other financial income	2	1
	<u>2</u>	<u>1</u>
4 Financial expenses		
Bank fee	2	3
	<u>2</u>	<u>3</u>
5 Tax on the results for the year		
Adjustment, prior years	0	0
	<u>0</u>	<u>0</u>

6 Statement of changes in equity

USD'000	Share capital	Retained earnings	Total
Equity at 1 January 2017	91	-40	51
Transferred, cf. distribution of loss	-	-19	-19
Equity at 31 December 2017	<u>91</u>	<u>-59</u>	<u>32</u>

The share capital consists of shares corresponding to USD 91,241, DKK 500,000 translated at the USD/DKK rate at 10 July 2014. All shares rank equally. The share capital has been reduced during 2014. Until 10 July 2014, the share capital consisted of shares corresponding to USD 1,079,000.

Until 10 July 2014, the share capital remained unchanged for the preceding four years.

7 Contractual obligations and contingencies, etc.

The Company is jointly taxed with other Danish enterprises with the same ultimate owner. Companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

8 Contingent liabilities, mortgages and collateral

The Company has no contingent liabilities.

Financial statements for the period 1 January - 31 December

Notes the financial statements

9 Related party disclosures

LNG 1 A/S' related parties comprise the following:

Parties exercising control

Qatar Shipping Company (France) SARL, Paris, holding 100% of the share capital in the Company.