



Evergas Management A/S

Kalvebod Brygge 39-41
DK-1560 Copenhagen
CVR No. 28 28 90 81

Annual report

for the year ended 31 December 2015

(12 months)

12th financial year

Approved at the annual general meeting of shareholders,

the 3/5. 2016


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Chairman

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Company details

Evergas Management A/S
Kalvebod Brygge 39-41
DK-1560 Copenhagen
CVR No. 28 28 90 81

Supervisory board

Jaques Marie Joseph Narcisse d'Armand de Chateauvieux, chairman
Philippe Rene Georges Rochet
Steffen Jacobsen

Executive board

Steffen Jacobsen

Shareholders holding 5% or more of the share capital or the voting rights

Evergas A/S
Kalvebod Brygge 39-41
DK-1560 Copenhagen
CVR No. 33 24 15 85

The consolidated financial statements of Evergas is available at the company's address.

Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Osvold Helmuths Vej 4
DK – 2000 Frederiksberg

Statement by management on the annual report

Today, management has discussed and approved the annual report of Evergas Management A/S for the financial year 1 January – 31. december 2015.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2015 and of the results of the company's operations.

In our opinion, the management's review includes a fair review of the matters dealt with in the management's review.

We recommend that the annual report is approved by the annual general meeting of shareholders.

Copenhagen, 31 May 2016

Executive board:



Steffen Jacobsen

Supervisory board:

.....
Jacques Marie Joseph Narcisse
d'Armand de Chateauvieux
(chairman)

.....
Philippe René Georges Rochet



Steffen Jacobsen

Independent auditors' report

To the shareholders of Evergas Management A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Evergas Management A/S for the financial year 1 January – 31 December 2015, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statement

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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent auditors' report - continued

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 31 May 2016

Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Jens Thordahl Nørh
State Authorized Public Accountant



Peter Andersen
State Authorized Public Accountant

Management's review

Business activities and mission

The objectives of the company are to carry on shipping business or other activities at home and abroad, which are in connection with shipping business as well as other transportation business and investment in companies of mentioned nature and any other business activities, which in the opinion of the board of directors are related hereto.

The company's functional currency and reporting currency is USD.

Business review

The company's result for 2015 is a profit of USD 193,421 and the company's balance sheet at 31 December 2015 shows equity at USD 715,707.

Uncertainty relating to recognition and measurement

Recognition and measurement in the annual report have not been subject to any significant uncertainty.

Unusual circumstances

There has not been any unusual circumstances in the financial year.

Subsequent events

There were no events subsequent to the balance sheet date, which would require adjustments to or disclosures in the company's financial statement.

Accounting policies

The annual report of Evergas Management A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

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

Reporting currency

The financial statements are presented in USD, based on bookkeeping records maintained in USD. The financial statements are presented in USD to match the functional currency of the company, which is also USD.

Foreign currency retranslation

Transactions denominated in foreign currencies are translated into USD at the exchange rates at the date of the transaction.

Monetary items denominated in foreign currencies are translated into USD at the exchange rates at the balance sheet date. Realized and unrealized exchange gains and losses are recognized in the income statement as financial income/expenses. The exchange rate between USD/DKK per 31. December 2015 was 6.83 against 6.12 per 31. December 2014.

Income statement

Revenue

Sales of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total service to be provided.

Staff expenses

Staff expenses include wages and salaries, social security costs, pensions etc.

Other external expenses

Other external expenses include expenses related to sale, administration etc.

Amortisation/depreciation and write-downs

Amortisation/depreciation include amortisation, depreciation and write-downs of property, plant and equipment. Fixed assets are depreciated on a straight-line basis to the residual value, measured by reference to the assessment of the useful lives. Residual value for the office equipment is estimated to nil.

Useful life

Office equipment	3 – 5 years
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Gains or losses on the sale of fixed assets are recognised in the income statement under 'Other income/Other expenses'.

Accounting policies - continued

Net Financials

Financial income and expenses are recognized in the income statement at the amounts that relate to the reporting period.

Net financials include interest income and expenses, dividends received from group enterprises, adjustment of investments, realized and unrealized capital and exchange gains and losses on securities and foreign currency transactions, amortization of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments less the share of the tax for the year that relates to changes in equity.

Current and deferred taxes related to items recognized directly in equity are taken directly to equity.

The parent and all Danish group enterprises are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish enterprises in proportion to their taxable income (full allocation method).

The parent acts as a management company for all the companies encompassed by the joint taxation arrangement, meaning that the parent is responsible for ensuring that taxes, etc. are paid to the Danish tax authorities.

Jointly taxed companies entitled to a tax refund are, at a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a minimum, a surcharge according to the management company.

Balance sheet

Property, plant and equipment

Property, plant and equipment comprise of office equipment, which is measured at cost to the residual value less accumulated depreciation and write-downs.

An impairment test is prepared for property, plant and equipment if there are indications of decreases in value. The impairment test is made for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Receivables

Trade receivables, etc., are measured at the lower of amortized cost and net realizable value, based on an assessment of the individual receivable.

Accounting policies - continued

Equity

Dividends proposed for the reporting period are presented as a separate item under 'Equity'.

Income taxes

Current tax charges are recognized in the balance sheet as the estimated tax charge in respect of the expected taxable income for the year, adjusted for tax on prior year's taxable income and tax paid in advance.

Provisions for deferred tax are calculated at 22% of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax assets are recognized at the value at which they are expected to be utilized either through elimination against tax on future earnings or a set-off against deferred tax liabilities.

Other payables

Other payables are measured at amortized cost, which essentially corresponds to the fair value.

Income statement
1 January - 31 December 2015

	Note	2015 USD	2014 USD
Revenue	1	5,773,978	4,517,557
Other external expenses		<u>(2,217,097)</u>	<u>(1,609,029)</u>
Gross margin		<u>3,556,881</u>	<u>2,908,528</u>
Staff expenses	2	(3,351,053)	(2,706,469)
Amortisation/depreciation and impairment of fixed assets		<u>(8,669)</u>	<u>(8,669)</u>
Profit before net financials		<u>197,159</u>	<u>193,390</u>
Other financial income	3	98,451	22,703
Other financial expenses	4	<u>(12,074)</u>	<u>(10,022)</u>
Profit before tax		<u>283,536</u>	<u>206,071</u>
Tax for the year	5	<u>(90,115)</u>	<u>(23,740)</u>
Net profit for the year		<u>193,421</u>	<u>182,331</u>

Which the supervisory board recommends is carried forward to next year.

Appropriation of profit

Profit to be appropriated:

Retained earnings	432,802	250,471
Net profit for the year	<u>193,421</u>	<u>182,331</u>
Available for appropriation	<u>626,223</u>	<u>432,802</u>

The supervisory board recommends the following appropriation

Retained earnings/Accumulated profit	<u>626,223</u>	<u>432,802</u>
Total appropriation	<u>626,223</u>	<u>432,802</u>

**Balance sheet
at 31 December**

	Note	2015 USD	2014 USD
Assets			
Fixed assets			
Office equipment	6	63,639	60,958
Property, plant and equipment		<u>63,639</u>	<u>60,958</u>
Total fixed assets		<u>63,639</u>	<u>60,958</u>
Current assets			
Receivables from group enterprises		945,065	1,238,647
Deferred tax asset	7	-	423
Other receivables		695,314	341,992
Prepayments		-	12,923
Receivables		<u>1,640,379</u>	<u>1,593,985</u>
Cash and cash equivalents		<u>572,599</u>	<u>96,092</u>
Total current assets		<u>2,212,978</u>	<u>1,690,077</u>
Total assets		<u><u>2,276,617</u></u>	<u><u>1,751,035</u></u>

**Balance sheet
at 31 December**

	Note	2015 USD	2014 USD
Equity and liabilities			
Share capital	8	89,484	89,484
Retained earnings		626,223	432,802
Total equity		715,707	522,286
Liabilities			
Trade payables		615,348	108,975
Payables to group enterprises		20,277	248,396
Income taxes		-	54,438
Other payables		925,285	816,940
Short-term liabilities		1,560,910	1,228,749
Total liabilities		1,560,910	1,228,749
Total equity and liabilities		2,276,617	1,751,035
Security for loans	9		
Contingent assets and liabilities and other financial obligations	10		

**Consolidated statement of changes in equity
at 31 December**

	31/12 2015	31/12 2014
	USD	USD
Share capital		
Balance at 1/1	<u>89,484</u>	<u>89,484</u>
	<u>89,484</u>	<u>89,484</u>
Retained earnings		
Balance at 1/1	432,802	250,471
Net profit/loss	<u>193,421</u>	<u>182,331</u>
	<u>626,223</u>	<u>432,802</u>
Equity at 31/12	<u><u>715,707</u></u>	<u><u>522,286</u></u>

Notes

Note 1. The company's main activity

The company's main activity is management of gas tankers.

Note 2. Staff expenses	2015	2014
	USD	USD
Analyses of staff costs:		
Wages and salaries	2,854,469	2,249,876
Pension costs	259,617	259,384
Other social security costs	22,859	22,982
Other staff costs	214,108	174,227
	<u>3,351,053</u>	<u>2,706,469</u>
Average number of employees	<u>19</u>	<u>18</u>

Note 3. Other financial income

Other financial income	<u>98,451</u>	<u>22,703</u>
	<u>98,451</u>	<u>22,703</u>

Note 4. Other financial expenses

Other financial expenses	<u>12,074</u>	<u>10,022</u>
	<u>12,074</u>	<u>10,022</u>

Note 5. Tax for the year

Estimated income tax charge, excl. interest surcharges	-	55,760
Correction to previous years income tax	89,395	(34,862)
Changes of deferred tax amounts in the year	720	2,842
	<u>90,115</u>	<u>23,740</u>

Notes

Note 6. Office equipment

	Office equipment USD
Cost	
Balance at 1/1	74,693
Additions in the year	11,350
Disposals in the year	-
Cost at 31/12	86,043
Depreciation and write-downs	
Balance at 1/1	(13,735)
Depreciation in the year	(8,669)
Disposals in the year	-
Depreciation and write-downs at 31/12	(22,404)
Carrying amount at 31/12	63,639

Scrap value of office equipment is USD 0.

Note 7. Deferred tax asset

	2015	2014
	USD	USD
Balance at 1/1	720	3,562
Changes of deferred tax amounts in the year	(720)	(2,842)
	<u>-</u>	<u>720</u>

Note 8. Share capital

The company's share capital, USD 89,484 nominal amount of DKK 500,000 consist of 500 shares of DKK 1,000. The share capital has not changed since the date of incorporation.

Note 9. Security for loans

The Company has at 31 December 2015 no security for loans.

Note 10. Contingent assets and liabilities and other financial obligations

The Company has entered into respectively rent leases, operating leases and agreements regarding sales of services.

The Company's obligations are:

	2015	2014
	USD	USD
Falling due within 1 year	240,546	278,638
Falling due between 1 and 5 years	259,553	474,788
	<u>500,099</u>	<u>753,425</u>

Note 11. Jointly taxation

The company is jointly taxed with its parent, Evergas A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.