ANNUAL REPORT
2015/16
(financial year 1 May – 30 April)

UNI-CHARTERING A/S

Turbinevej 10, 5500 Middelfart
CVR No 31 58 78 67

The Annual Report was presented
and adopted at the Annual General
Meeting of the Company
on 4 July 2016.

Michael Keldsen
Chairman

Contents

Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Uni-Chartering A/S for the financial year 1 May 2015 - 30 April 2016.

The Annual Report was 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 30 April 2016 and of the results of the Company operations for 2015/16.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Middelfart, 4 July 2016

Executive Board

Per Frithiof Ekmann

Torben Andersen

Supervisory Board

Torben Østergaard-Nielsen
Chairman

Klaus Nyborg
Vice Chairman

Michael Keldsen

Torben Janholt

Peter Frederiksen

Nina Østergaard Borris

Peter Korsholm

Morten Hultberg Buchgreitz

Independent Auditor's Report

To the Shareholder of Uni-Chartering A/S

Report on the Financial Statements

We have audited the Financial Statements of Uni-Chartering A/S for the financial year 1 May 2015 - 30 April 2016, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility 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.

Auditor's 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 whether the Financial Statements are free from material misstatement.

An audit involves performing audit 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 auditor considers 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 audit opinion.

The audit has not resulted in any qualification.

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2016 and of the results of the Company operations for the financial year 1 May 2015 - 30 April 2016 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Financial Statements.

Trekantområdet, 4 July 2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Jan Bunk Harbo Larsen	Carsten Dahl
State Authorised Public Accountant	State Authorised Public Accountant

Company Information

The Company	Uni-Chartering A/S Turbinevej 10 DK-5500 Middelfart
	Telephone: +45 88 30 99 09 Facsimile: +45 88 30 99 00 E-mail: info@uni-chartering.com
	CVR No: 31 58 78 67 Financial year: 1 May – 30 April Municipality of reg. office: Middelfart
Supervisory Board	Torben Østergaard-Nielsen, Chairman Klaus Nyborg, Vice Chairman Morten Hultberg Buchgreitz Nina Østergaard Borris Peter Frederiksen Torben Janholt Michael Keldsen Peter Korsholm
Executive Board	Per Frithiof Ekmann Torben Andersen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2015/16	2014/15	2013/14	2012/13	2011/12
	USD '000	USD '000	USD '000	USD '000	USD '000
Key figures					
Profit/loss					
Revenue	157,622	116,939	80,073	55,569	27,637
Profit/loss before financial income and expenses	9,589	190	4,794	1,673	712
Net financials	164	(440)	102	(125)	40
Profit/loss before tax	9,754	(250)	4,896	1,547	752
Net profit/loss for the year	9,872	(72)	4,926	1,503	712
Balance sheet					
Balance sheet total	27,236	17,037	14,562	7,469	4,601
Equity	18,112	8,011	8,083	3,158	1,655
Ratios (%)					
Gross margin	10.6%	4.7%	10.9%	7.0%	8.4%
Profit margin	6.1%	0.2%	6.0%	3.0%	2.6%
Return on equity	75.6%	-1.3%	87.6%	62.5%	54.4%
Liquidity ratio	2.98	1.87	2.22	1.71	1.52
Solvency ratio	66.5%	47.0%	55.5%	42.3%	36.0%

Review

Activities
The Company's main activities comprise chartering and shipowning activities.

Development in the year
Uni-Chartering A/S achieved revenue of USD 157.6 million and a profit of USD 9.9 million. At the end of the year, equity amounted to USD 18.1 million.

Market conditions improved in 2015/16 compared to the previous years, and earnings have been record high due to expansion of the fleet and to increased TCE rates. The company succeeded in adding 8 more TC vessels to the fleet during the year bringing the total number of commercially managed vessels up to 47. The number of ship days in 2015/16 was 13,777 days, up by 16 percent compared to last year. The higher TCE rates are driven by the fall in oil prices and by successful parcelling and positioning of the Company's fleet, driven by the dedicated staff of employees covering all time zones. Furthermore, the company has increased the contract coverage significantly during the year, and have successfully expanded the cooperation with current good customers, and added a few new strategically important customers to the list.

The results are better than expected, and under the current market conditions, considered satisfactory.

Financial risks
Commercial risks
While Uni-Chartering handles the commercial management of 14 of the parent company's fleet of owned vessels, the main part of the Company's fleet is time chartered from other owners. As the time charter hire is fixed over the charter period, the Company is exposed to the commercial risk of a falling market, as well as other commercial risks.

In previous years this risk has been covered by only entering into short term time charters, mainly up to six months. As part of a specific strategy to diversify the time chartered fleet, the Company has increased the exposure to time charter contracts during the year by adding a few longer term time charter contracts. The average duration of the current time charter contracts at year-end is still only shortly above 6 months.

Credit risks
The Company is not exposed to any material risks relating to individual large customers or business partners. The Company's policy for assuming credit risks involves that all customers and business partners are credit rated on a current basis.

Expectations for the year ahead
The market is still volatile and affected by the tonnage overcapacity, which continues to create a high degree of uncertainty to the forward looking expectations. As oil prices increased

Review

over the last couple of months in the financial year 2015/16, the TCE rates have decreased slightly. The Company expects that average TCE rates in 2016/17 will be slightly lower than realised in 2015/16, however expects a profit for 2016/17.

Subsequent events
No significant events affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 May – 30 April

	Note	2015/16	2014/15
		USD	USD'000
Revenue		**157,622,466**	**116,939**
Direct expenses		140,911,671	111,465
Gross profit		**16,710,795**	**5,474**
Staff expenses	1	3,981,870	2,090
Other external expenses		3,094,665	3,145
Profit before depreciation and amortisation		**9,634,260**	**239**
Depreciation and amortisation	5	45,203	49
Profit before financial income and expenses		**9,589,057**	**190**
Financial income	2	165,410	12
Financial expenses	3	951	451
Profit/loss before tax		**9,753,516**	**(250)**
Tax for the year	4	(118,112)	(178)
Net profit/loss for the year		**9,871,628**	**(72)**

Distribution of profit/loss

Proposed distribution of profit/loss		
Proposed dividends	10,000,000	0
Retained earnings	(128,372)	(72)
	9,871,628	**(72)**

Balance Sheet at 30 April

Assets

	Note	2016	2015
		USD	USD'000
Software		9,025	18
Intangible assets	5	**9,025**	**18**
Fixtures and fittings, tools and equipment		76,338	107
Leasehold improvements		2,866	4
Property, plant and equipment	5	**79,204**	**111**
Fixed assets		**88,229**	**129**
Inventory of fuel oil		**1,407,127**	**1,988**
Trade receivables		7,934,154	5,960
Receivables from group enterprises		2,316,138	1,021
Other receivables		447,880	326
Corporation tax		292,382	0
Deferred tax asset	6	0	168
Prepayments		5,784,313	3,234
Receivables		**16,774,867**	**10,708**
Cash at bank and in hand		**8,966,047**	**4,212**
Current assets		**27,148,041**	**16,908**
Assets		**27,236,270**	**17,037**

Balance Sheet at 30 April

Liabilities and equity

	Note	2016	2015
		USD	USD'000
Share capital		888,178	888
Retained earnings		7,223,610	7,123
Proposed dividends for the year		10,000,000	0
Equity	7	**18,111,788**	**8,011**
Trade payables		4,524,121	2,578
Payables to group enterprises		1,683,347	4,616
Other payables		1,866,993	438
Deferred income		1,050,021	1,394
Short-term debt		**9,124,482**	**9,026**
Debt		**9,124,482**	**9,026**
Liabilities and equity		**27,236,270**	**17,037**
Security and contingent liabilities	8		
Transactions with related parties	9		

Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividends for the year	Total
	USD	USD	USD	USD
2015/16				
Equity at 1 May	888,178	7,123,276	0	8,011,454
Net profit/loss for the year	0	(128,372)	10,000,000	9,871,628
Fair value adjustment of hedging instruments	0	228,706	0	228,706
Equity at 30 April	**888,178**	**7,223,610**	**10,000,000**	**18,111,788**

	Share capital	Retained earnings	Proposed dividends for the year	Total
	USD	USD	USD	USD
2014/15				
Equity at 1 May	888,178	7,195,124	0	8,083,302
Net profit/loss for the year	0	(71,848)	0	(71,848)
Equity at 30 April	**888,178**	**7,123,276**	**0**	**8,011,454**

Notes to the Annual Report

	2015/16	2014/15
	USD	USD'000
Staff expenses		
Wages and salaries	3.497.311	1.643
Pensions	144.216	100
Social security expenses	22.290	15
Other staff expenses	318.053	332
	3.981.870	**2.090**
Average number of employees	18	15
Salaries and remuneration to the Executive and Supervisory Boards amount to:		
Executive Board	281.401	208.612
Supervisory Board	0	0
Financial income		
Intercompany interest income	30.903	12
Exchange adjustments	134.335	0
Other financial income	172	0
	165.410	**12**
Financial expenses		
Exchange adjustments	0	449
Other financial expenses	951	2
	951	**451**
Corporation tax		
Current tax for the year	(106.826)	0
Adjustment of current tax re. previous years	(178.911)	1
Adjustment of deferred tax re. previous years	167.625	(179)
	(118.112)	**(178)**

Notes to the Annual Report

		Software	Fixtures and fittings, tools and equipment	Leasehold improvements
		USD	USD	USD
5	**Intangible assets and property, plant and equipment**			
	Cost at 1 May	44,821	272,078	5,122
	Additions for the year	0	4,224	0
	Cost at 30 April	44,821	276,302	5,122
	Depreciation and amortisation at 1 May	26,770	164,829	1,214
	Depreciation and amortisation for the year	9,026	35,135	1,042
	Depreciation and amortisation at 30 April	35,796	199,964	2,256
	Carrying amount at 30 April	**9,025**	**76,338**	**2,866**

		2016	2015
		USD	USD'000
6	**Deferred tax**		
	Deferred tax at 1 May	(167,625)	(31)
	Adjustment, beginning of year	167,625	2
	Adjustment of tax rate	0	11
	Exchange adjustment, year end	0	40
	Change for the year	0	(190)
	Deferred tax at 30 April	**0**	**(168)**

7 Equity

The share capital consists of shares of DKK 100 or multiples hereof.

Notes to the Annual Report

8 Security and contingent liabilities

Security

None.

Contingent liabilities

The Group's Danish companies are jointly and severally liable for the tax on the Group's jointly taxed income etc. Total accrued corporation tax appears from the Annual Report of Selfinvest ApS which acts as management company in the jointly taxed group. Moreover, the Group's Danish enterprises are jointly and severally liable for Danish withholding tax. Any subsequent adjustments to corporation or withholding taxes may result in an increase of the Company's liability.

Rental and lease obligations:

The Company has entered into the following contracts:
- rental contract with group enterprises with a total obligation of USD 62k.
- operating leases with a total obligation of USD 261k.
- time charter contracts with a total obligation of USD 70,988k.

9 Transactions with related parties

Related parties comprise the Board of Directors, the Executive Board and senior executives in the group enterprises as well as companies in which these persons have significant interests.

The Company is included in the Consolidated Financial Statements of the immediate Parent Company Uni-Tankers A/S.

Controlling interest is exercised through the Company's immediate Parent Company, Uni-Tankers A/S. The Company's ultimate Parent Company which prepares Consolidated Financial Statements is Selfinvest ApS, in which Torben Østergaard-Nielsen, CEO, exercises control.

Accounting Policies

Basis of Preparation

The Annual Report of Uni-Chartering A/S for 2015/16 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Financial Statements for 2015/16 have been presented in USD. The exchange rate for USD/DKK at 30 April 2015 is 665.46 and at 30 April 2016 652.81.

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement provided in the Consolidated Financial Statements of Uni-Tankers A/S, the Company has omitted preparing a cash flow statement.

Recognition and measurement

The Financial Statements have been prepared based on the historic cost principle.

Revenues are recognised in the income statement as earned, and all expenses incurred to achieve the earnings for the year are deducted. Expenses include operating expenses, depreciation, amortisation, impairment losses and provisions as well as changes due to changed accounting estimates. Furthermore, value adjustments of financial assets and liabilities measured at fair value are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account profits, losses and risks occurring before the presentation of the Annual Report which relate to affairs and conditions existing at the balance sheet date.

USD is used as the measurement currency. All other currencies are regarded as foreign currencies.

Translation policies

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Accounting Policies

Translation policies (continued)

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the paragraph on hedge accounting .

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are recognised in "Other receivables" and "Other payables", respectively. Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Fair value hedges:

Changes in the fair values of derivative financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability.

Hedges of future assets or liabilities:

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised directly in retained earnings under equity. If the hedged transaction results in an asset or a liability, the amount is transferred from equity to the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Income Statement

Revenue

Revenue on the sale of goods and services is recognised in the income statement when the sale has been completed. This is considered the case when

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined, and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and duties, and income is cut off and recognised over the duration of the voyages.

Direct expenses

Direct expenses include expenses for the purchase of fuel for ships.

Accounting Policies

Other external expenses
Other external expenses include expenses for sale and marketing as well as office expenses, etc.

Staff expenses
Staff expenses comprise wages and salaries as well as payroll expenses.

Financial income and expenses
Financial income and expenses comprise interest as well as realised and unrealised exchange gains.

Tax on the profit/loss for the year
The Company's current tax is computed according to the provisions of the Danish Tonnage Tax Act. On the basis of the Company's planned shipowning operations, the Tonnage Tax Scheme does not imply recapture of depreciation, and therefore deferred tax is only disclosed in the notes.

Tax for the year consists of current tax for the year and adjustment of deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Balance Sheet

Intangible assets
Software is measured at cost less accumulated amortisation. Software is amortised over 5 years.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets:

Fixtures and fittings, tools and equipment	3-6 years
Leasehold improvements	lease term

Receivables
Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Accounting Policies

Inventory of fuel oil
Oil inventories comprise bunker for own use.

Prepayments
Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities
Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities
Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years.

Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts
Fixed-interest loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income
Deferred income comprises payments received in respect of income in subsequent years.

Accounting Policies

Definition of financial ratios

Gross margin	=	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	=	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on equity	=	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$
Liquidity ratio	=	$\frac{\text{Current assets}}{\text{Short-term debt}}$
Solvency ratio	=	$\frac{\text{Equity at year end x 100}}{\text{Total assets}}$