



ESE A/S

Kalvebod Brygge 39-41

DK - 1560 Copenhagen

CVR. No. 32 35 76 44

Annual report

for the year ended 31 December 2015

(12 months)

7th financial year

Approved at the annual general meeting of shareholders,
on ^{31/5}2016


.....
Chairman

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Company details

ESE A/S

Kalvebod Brygge 39-41

DK- 1560 Copenhagen

www.evergas.net

Supervisory board

Jaques Marie Joseph Narcisse d'Armand de Chateauvieux, chairman

Philippe René Georges Rochet

Steffen Jacobsen

Executive board

Steffen Jacobsen

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

Evergas Ethylene A/S

Kalvebod Brygge 39-41

DK - 1560 Copenhagen

Auditors

Ernst & Young

Godkendt Revisionspartnerselskab

Osvald Helmuths Vej 4

DK – 2000 Frederiksberg

Bankers

Nordea Bank A/S

Statement by management on the annual report

Today, management has discussed and approved the annual report of ESE 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:

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

.....
Philippe René Georges Rochet


.....
Steffen Jacobsen

Independent auditors' report

To the shareholders of ESE A/S

Independent auditors' report on the financial statements

We have audited the financial statements of ESE 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 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 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 auditor's report - continued

Statement on the management's review

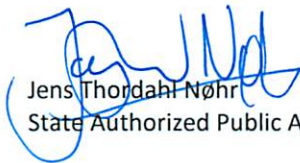
Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial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

Copenhagen, 31 May 2016

Ernst & Young

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Jens Thordahl Nøhr
State Authorized Public Accountant



Peter Andersen
State Authorized Public Accountant

Management's review

Business activities and mission

The purpose of the company is shipping activity and any activity, which according to the opinion of the Executive board is related hereto.

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

Business review

The company's result for 2015 shows a loss of USD 65,323, and the company's balance sheet shows an equity of USD 93,580.

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 adjustment to, or disclosures in the company's financial statement.

Accounting policies

The annual report of ESE 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 translation

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. Realised and unrealised exchange gains and losses are recognised 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

Other external expenses

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

Net financials

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Net financials include interest income and expenses, realised and unrealised capital and exchange gains and losses on foreign currency transactions, 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.

Accounting policies - continued

Balance sheet

Receivables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

Equity

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

Income taxes

Current tax charges are recognised in the balance sheet as the estimated tax charge in respect of the expected taxable income for the year, adjusted for tax on prior years' 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 recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or a set-off against deferred tax liabilities.

Other payables

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

Income statement

1 January – 31 December 2015

	Notes	2015 USD	2014 USD
Revenue		0	0
Other external expenses		<u>(52,486)</u>	<u>(10,112)</u>
Gross margin		(52,486)	(10,112)
Staff expenses	1	<u>0</u>	<u>(14,911)</u>
Profit/loss before net financials		(52,486)	(25,023)
Other financial income		0	0
Other financial expenses	2	<u>(12,444)</u>	<u>(23,893)</u>
Profit/loss before tax		(64,929)	(48,917)
Tax for the year		<u>(393)</u>	<u>0</u>
Net profit/loss for the year		<u>(65,322)</u>	<u>(48,917)</u>

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

Appropriation of profit/loss

Profit/loss to be appropriated:

Retained earnings	62,396	111,313
Net profit/loss for the year	<u>(65,322)</u>	<u>(48,917)</u>
Available for appropriation	<u>(2,927)</u>	<u>62,396</u>

The supervisory board recommends the following appropriation of the profit:

Retained earnings	<u>(2,927)</u>	<u>62,396</u>
Total appropriation	<u>(2,927)</u>	<u>62,396</u>

Balance sheet

At 31 December

	2015 USD	2014 USD
Assets		
Current assets		
Deferred tax asset	0	4,558
Tax receivable	0	39,041
Receivable from group companies	30,554	0
Other receivables	<u>16,451</u>	<u>86,363</u>
Receivables	<u>47,005</u>	<u>129,962</u>
Cash and cash equivalents	<u>49,126</u>	<u>36,088</u>
Total current assets	<u>96,131</u>	<u>166,050</u>
Total assets	<u>96,131</u>	<u>166,050</u>
Equity and liabilities		
Equity		
Share capital	96,508	96,508
Retained earnings	<u>(2,927)</u>	<u>62,396</u>
Total equity	<u>93,581</u>	<u>158,904</u>
Liabilities		
Trade payables	0	1,021
Other payables	<u>2,550</u>	<u>6,125</u>
Short-term liabilities	<u>2,550</u>	<u>7,146</u>
Total equity and liabilities	<u>96,131</u>	<u>166,050</u>
Contingent assets and liabilities and other financial obligations		

Statement of changes in equity

USD

Share capital

Share capital, 1/1	<u>96,508</u>
Share capital, 31/12	<u>96,508</u>

Retained earnings

Retained earnings, 1/1	62,396
Net profit/loss	<u>(65,322)</u>
Retained earnings, 31/12	<u>(2,927)</u>

Total equity

93,581

The company's share capital, USD 96,508, nominal amount of DKK 500,000 consist of 5,000 class A shares of DKK 100.
The share capital has not changed since the date of incorporation.

Notes

	2015 USD	2014 USD
Note 1. Staff costs		
Analysis of staff costs:		
Other social security costs	0	(9,373)
Other staff costs	<u>0</u>	<u>24,284</u>
	<u><u>0</u></u>	<u><u>14,911</u></u>
Note 2. Other financial expenses		
Write-down of investment	0	10,000
Interest paid	78	1,454
Currency losses	11,257	11,000
Bank charges	<u>1,109</u>	<u>1,439</u>
	<u><u>12,444</u></u>	<u><u>23,893</u></u>

Note 3. Contingent assets and liabilities and other financial obligations

As general partner of ESE 2014 K/S, the Company has unlimited liability for all liabilities of the limited partnership, which in total amounted to USD 14,875 thousand at 31 December 2015 (31 December 2014: USD 14,881 thousand) according to the financial statements for 2015 for ESE 2014 K/S. The USD 14,875 thousand are all payable to the previous owners of ESE 2014 K/S and are expected to be settled against the negative equity in 2016 and will have no negative cash impact for ESE A/S.

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.