Evergas A/S

Kalvebod Brygge 39-41
DK - 1560 Copenhagen
CVR No. 33 24 15 85

Annual report

for the year ended 31 December 2015
(12 months)
5th financial year

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

.....
Chairman

Contents

Company details

Evergas A/S

Kalvebod Brygge 39-41

DK - 1560 Copenhagen

CVR No. 33 24 15 85

www.evergas.net

Supervisory board

Jacques 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

	Percentage interest
Greenship Gas Trust	100%

Auditors

Ernst & Young

Godkendt Revisionspartnerselskab

Osvald Helmuths Vej 4

DK – 2000 Frederiksberg

Bankers

Nordea Bank ASA

Statement by management on the annual report

Today, management has discussed and approved the annual report of Evergas 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 consolidated financial statements and the parent company financial statements give a true and fair view of the group's and the parent company's financial position at 31 December 2015 and of the results of the group's and the parent company's operations and of the consolidated cash flows for the financial year 1 January – 31 December 2015.

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 Rene Georges Rochet	Steffen Jacobsen

Independent auditors' report

To the shareholders of Evergas A/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and parent company of Evergas 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 for the Group as well as for the parent company and consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and consolidated cash flows 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 further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company 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

Financial highlights

	2015	2014	2013	2012	2010/11*
Key figures for the group (in 000'USD)					
Revenue	66,080	67,951	52,339	82,338	105,960
Profit/loss before net financials	(4,065)	3,739	(10,695)	9,946	2,907
EBITDA	1,060	7,317	(1,696)	16,706	30,698
Net financials	(3,257)	(2,617)	(856)	(1,346)	(2,988)
Net profit/loss for the year	(7,236)	788	(11,510)	8,509	(240)
Equity at year end	38,877	35,140	34,352	45,862	37,353
Total assets	165,399	141,457	87,623	70,819	102,969
Investments in the year	30,089	43,476	34,845	(29,123)	102,641
Ratios					
Gross margin	6.68%	14.85%	1.24%	22.98%	31.63%
EBIT margin	-6.15%	5.50%	-20.43%	12.08%	2.74%
Return on assets	-4.92%	3.26%	-13.50%	11.45%	1.95%
Current ratio	288.94%	284.67%	90.43%	190.32%	165.94%
Equity ratio	23.51%	24.84%	39.20%	64.76%	36.28%
Return on equity	-19.55%	2.27%	-28.70%	20.45%	-0.51%

Definition of financial ratios:

Gross margin: Gross profit / Net revenue * 100

EBIT margin: Profit/loss before net financials (EBIT) / Net revenue * 100

Return on assets: Profit/loss before net financials / Average, total assets * 100

Current ratio: Current assets / Short-term liabilities * 100

Equity ratio: Equity / Total assets * 100

Return on equity: Net profit/loss for the year / Average equity in the year * 100

*When calculation Return on assets and Return on equity the result is converted to income equivalent to 12 months.

Management's review

Business activities and mission

Evergas A/S and its subsidiaries ("Evergas Group", "Evergas", or "the Group") is a shipping Group with activities within seaborne transportation of liquefied gasses across the global markets. The consolidated financial statement for Evergas Group contains the result for the period 1 January - 31 December 2015.

Greenship Gas Trust is per 31 December 2015 the 100% owner of the Evergas A/S.

At 31 December 2015, Evergas Group had commitments of USD 144.2 million relating to the remaining installments of vessels under construction, which will be 100% financed though loan drawdown under already signed loan agreements.

Business review

As of 31 December 2015, Evergas' total assets were USD 165.4 million (2014: USD 141.5 million).

The significant asset value is the vessels' value of USD 127.6 million (2014: USD 98.6 million) against an interest-bearing bank debt of USD 81.0 million (2014: USD 46.6 million) and long-term payables to group enterprise of USD 38.5 million (2014: USD 51.8). As per 31 December 2015, Evergas had current assets of USD 37.8 million (2014: USD 39.5 million) against current liabilities of USD 13.1 million (2014: USD 13.9 million), i.e. net current assets of USD 24.7 million (2016 net current liabilities: USD 25.6 million).

Evergas' result for 2015 was negative USD 7.2 million which is lower than excepted. This is mainly due to lower net Freight income as the utilization of the vessels and the hire level has been lower than expected.

Evergas had Cash and Cash equivalents of USD 5.2 million as of 31 December 2015 (2014: USD 8.6 million).

The Evergas equity as per 31 December 2015 was USD 38.9 million against an equity as per 31 December 2014 of USD 35.1 million.

Effect on the financial statements of significant events and matters

In January 2015, Evergas Shipholding 20 A/S has bareboat chartered a vessel from Xiangtong International Ship lease Co. Ltd.
A share capital increase of USD 10.9 million was received in July 2015 through conversion of debt.
Otherwise there has not been any significant events in the Evergas Group with have had influence on the financial statement.

Management's review - continued

Risk factors

Evergas' result depends on the worldwide market for vessels within the gas segment. Market conditions for shipping activities are typically volatile and, as a consequence, the result may vary considerably from year to year. The shipping market in broad terms is dependent upon two factors; the supply of vessels and the overall growth in the world economy which affect the demand side. The supply of vessels is a combination of newbuildings, demolition of older tonnage and legislation that limits the use of older vessels or sets new standards for vessels used in specific trades. When the market is weak, the supply side takes much longer time to adjust to the reduced demand for seaborne transportation, and as a consequence, the market will suffer for a period until balance is achieved. From an asset management perspective high markets will be very liquid in shipping whereas low markets are very illiquid.

Evergas has secured a robust financial platform for its operations and at the current earnings run rate, the Group will have a comfortable liquidity situation going forward.

The bunker fuel expenses are sought secured through bunker clauses in the contracts (CoA), alternatively fixed through commodity based derivatives.

Evergas' main credit risks are related to freight income under its charter party contracts for transport. Evergas seeks to limit these risks by trading with creditworthy counterparties and in general major chemical-, trading- or major oil companies only.

Evergas' exposure to interest rate risk is related to interest-bearing liabilities. Evergas' management periodically reviews and assesses the interest rate risk, and considers hedging of such risk based on various short-and long-term effects on liquidity and results. As per 31 December 2015, no debt was hedged. A +/- 1.0 % change in the interest rate would had a +/- USD 0.5 million effect on the profit before tax.

Evergas' functional currency is USD as the majority of the transactions are in USD. Currency risks therefore arise in connection with transactions in other currencies than USD. The Group may use financial derivatives to reduce the net operational currency exposure.

Health, safety and environment

Human capital is a core asset for Evergas. It is of vital importance for Evergas continuously to maintain and attract qualified and motivated employees both at sea and ashore. The Evergas organization embraces a diversified workforce in which employment, promotions, responsibility and job enrichment are based on qualifications and abilities and not on gender, age, race, political- nor religious views.

In 2015 around 400 people were engaged either ashore or at sea in securing and developing the Evergas quality to its customers across the globe.

Evergas believes in equal opportunity for men and women in the workplace, but the shipping business is historically male-dominated. Onboard the vessels, the picture remains very traditional with zero, or close to zero female employment. The lack of female sea staff is however, purely because there is almost no female staff available. Female representation among shore-based employees in Evergas is up from 40% in 2014 to 44% as of 31 December 2015.

Management's review – continued

The safety and well-being of our employees has the highest priority, and Evergas aims to continuously provide and enhance healthy, high-quality working conditions, both ashore and on board the vessels within a zero-incident tolerance environment.

Evergas experienced 4.8% absence due to illness in 2015 and 1.6% in 2014 and zero work-related injuries during 2015 for shore based employees. For the seafarers, there has been reported one work-related injury during the year.

In order to be more involved in the Technical Managers' development of, and compliance with, their business strategies in order to improve all aspects of the technical business scope, Evergas A/S has established a joint venture together with Thome Ship Management Pte Ltd during 2015. Evergas A/S has the controlling interest of the joint venture and will put all vessels under technical management in this joint venture. The establishment of the joint venture expands Evergas Fleet team's possibility to ensure that compliance with safety and quality is constantly maintained. Performance is maintained through detailed service level agreements, vivid KPI measurement and frequent audits and team meetings. Adherence to and compliance with global marine rules, regulations and Industrial standards form part of Evergas ordinary course of business, and Evergas aims to be well ahead of future regulations.

Evergas focuses on transparency in its conduct of business, supports free enterprise and seeks to compete in a fair and ethical manner.

During 2015, carefully chosen KPI's has been implemented in each department to ensure optimization of performance in all areas of the business.

Environment protection by implementing proactive measures in design and operation as well as proactive adoption of regulations has been pillar stone of Evergas strategy. All new vessels entering the Evergas fleet from 2012 onwards are equipped with ballast-water treatment plants to prevent pollution by invasive species and all refrigeration and air-conditioning systems onboard are upgraded to CFC free R404 refrigeration gas. The hull lines of Lions series of the vessels have been optimized to ensure speed maximization within the guidelines of EEDI Phase 1 and these ships have EP class notation and green passport. Evergas is adopting innovative technology of using ethane as propulsion fuel in its new building vessels to be delivered in 2016, whereas the first one is delivered in January 2016. These new vessels are expected to save around 3% on fuel consumption compared to similar vessels. Evergas will continuously strive to improve the environmental standards of its operations.

Human rights

Evergas does not have a specific policy for human rights.

Gender composition of management

The Board has set a target for the underrepresented gender of the Board of 25%. The board works after the target to be achieved by the end of 2017 or when women candidates with the required skills are identified. The 3 current board members are all men. As per 8th May 2015 the CEO replaced the former CEO as CEO and member of the Board.

Corporate governance

Evergas focuses on high ethics, innovation and transparency and a responsible interaction between the Board, management and stakeholders of the company. The Company's successful value added # is profoundly dependent upon internal and external confidence and trust. We believe this is achieved by well-founded business practices, financial performance and timely and correct communication to the market.

Management's review – continued

Subsequent events

On 29 January 2016, the Group took delivery of a newly built vessel, JS INEOS INSPIRATION (S1018).

On March 29 2016 it was announced that Bourbon would acquire 100% of Evergas A/S at the Annual General Meeting on 26 May 2016. Bourbon is a sister company to Greenship Gas Trust which is the current owner of Evergas A/S. The acquisition will have no influence on the day to day business of Evergas A/S. On 17 May 2016 is has been announced that the acquisition will be postponed until further.

Outlook

The industry for transportation of liquefied gases is undergoing a rapid expansion with increasing volumes of ethane and LNG being exported from the US.

Evergas is an active participant in this industry with commercial control of nine vessels.

In 2016, we will take delivery of three 27,500 cbm vessels that will carry ethane under long-term contracts for INEOS from the US to Europe.

In 2016, an improved net result compared to 2015 is expected.

During the last couple of years, important steps have been taken to maintain access to building attractive vessels of high complexity in China and at the same time increase our knowledge base and control of the technical management of our fleet. As Evergas is undergoing a period of healthy growth so is the organization, with the addition of experienced senior leaders.

Evergas remains committed to our credo "Carried with Experience".

Accounting policies

The annual report of Evergas A/S has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the consolidated financial statements and the parent company 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 Group and the company, which is also USD.

All group enterprises are presented in USD, based on bookkeeping records maintained in USD.

Consolidation

The consolidated financial statements comprise the parent company Evergas A/S and enterprises in which the parent - directly or indirectly - holds more than 50% of the voting rights or otherwise has a controlling interest. Enterprises in which the parent - directly or indirectly - holds between 20% and 50% of the voting rights or otherwise exercises significant influence are considered associates.

Enterprises that are jointly managed by the company and other enterprises are consolidated on a pro rata basis in the consolidated financial statements, using the same methods as used for the consolidation of group enterprises.

The financial statements of the group enterprises are prepared in accordance with the accounting policies applied by the parent. The consolidated financial statements are prepared on the basis of the financial statements of the parent and the group enterprises by aggregating items of a similar nature.

Intra-group income, expenses, losses, profits and balances are eliminated.

Investments in group enterprises are eliminated with the proportionate share of the net asset value of the group enterprise concerned.

Group enterprises recently acquired or sold are included in the consolidated income statement by reference to the period of ownership.

The purchase method is applied to acquisitions of new enterprises. The cost includes the cash consideration and/or the market price of treasury shares paid as consideration plus directly attributable expenses. Purchase consideration conditional on future events is included in the cost at the net present value of the amount expected to be paid. Identifiable assets and liabilities in the acquired enterprises are measured at fair value at the time of acquisition. Any remaining difference between the cost and the group's share of the net value of the identifiable assets and liabilities is goodwill or negative goodwill. Provisions for restructuring costs related to the acquired enterprise are recognised if the restructuring has been decided and published at the date of the acquisition.

Accounting policies - continued

Minority interests

In the consolidated financial statements, the items of subsidiaries are recognised in full. The minority interests' proportionate shares of the subsidiaries' results and equity are adjusted annually and recognised separately in the income statement and balance sheet.

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. 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.

Derivative financial instruments

Derivative financial instruments are measured at fair value. Positive and negative fair values are recognised as other receivables and other payables, respectively.

Income statement

Revenue and voyage expenses

All voyage revenues and voyage expenses are recognised based on the percentage of completion. Evergas uses a discharge-to-discharge basis in determining percentage of completion for all spot voyages and voyages servicing Contracts of Affreightment (COA). With this method, voyage revenue is recognised evenly over the period from the departure of a vessel from its original discharge port to departure from the next discharge port. Vessels without signed contracts in place at discharge have no revenue before a new contract is signed. Voyage related expenses incurred for vessels during the idle time are expensed. Voyage cost includes bunker, port and other cost related to the specific voyage. Revenue from time charters (T/C) and bareboat charters (B/B) accounted for as operating leases are recognised over the rental periods of such charters, as services are performed. Demurrage is included if a claim is considered probable. Losses arising from COA's, spot, T/C and B/B voyages are provided for in full when they become probable.

Other operating income and expenses

Other operating income and expenses include items of a secondary nature relative to the enterprise's core business.

Other administration expenses

Other administration expenses include expenses related to sale, advertising, administration, premises, bad debts, lease payments under operating leases, etc.

Accounting policies - continued

Amortisation/depreciation and write-downs

Amortisation/depreciation include amortisation, depreciation and write-downs of goodwill and property, plant and equipment. Fixed assets are amortised/depreciated using the straight-line method, based on the cost, less impairment.

Goodwill is amortised over the expected economic life, measured by reference to an assessment of, among other factors, the nature and market position of the business, the stability of the industry and the dependence on key staff. The company is considered to have a strong market position, name and brand in the long term, enhanced by the implemented newbuildings, and therefore the amortisation period is set to 20 years from 6th October 2010 to 6th October 2030.

Property, plant and equipment is depreciated on a straight-line basis to the residual value, based on the cost, measured by reference to the following assessment of the useful lives:

	Useful-life
Vessels	25-30 years
Dry Dock	5 years
Other fixtures and fittings, tools and equipment	3-5 years

Residual value for the vessels are estimated to 4.1 MUSD and for office equipment it is estimated to nill.
Gains or losses on the sale of fixed assets are recognized in the income statement under 'Other income/Other expenses'.

Income from investments in group enterprises

Such income includes dividends received from group enterprises provided it does not exceed the accumulated earnings of the group enterprise or the associate during the period of ownership.

Such income includes dividend from group enterprises and associates.

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 securities and foreign currency transactions, amortisation 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.

Current and deferred taxes related to items recognised 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).

Accounting policies - continued

Tax - continued

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 maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Tonnage Tax

All Danish vessel owing entities within Evergas have entered the Danish Tonnage Tax Scheme.

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and write-downs.

An impairment test is prepared for goodwill if there are indications of decreases in value. The impairment test is prepared for the activity or business area to which the goodwill relates. Goodwill is written down to the higher of the value in use and the net selling price for the activity or the business area to which the goodwill relates (recoverable amount) if it is lower than the carrying amount.

Property, plant and equipment

Vessels

Vessels are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the vessels. The cost is split into vessel and docking components.

All separate components are depreciated on a straight-line basis over the useful life of the separate item.

Depreciation is based on cost less the estimated residual value. The residual value of the vessels is estimated as the lightweight tonnage of each vessel multiplied by expected steel price per ton. The residual values of dockings are estimated to nil.

The residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year-end.

Components of vessels are de-recognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on de-recognition of an asset is included in the income statement in the year the asset is de-recognised.

An impairment test is prepared for property, plant and equipment if there are indications of decreases in value. The impairment test is prepared 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.

Accounting policies - continued

Other fixtures and fittings, tools and equipment

Other fixtures and fittings, tools and equipment include equipment. Equipment is measured at cost less accumulated depreciation (to the residual value) and write-downs.

An impairment test is prepared if there are indications of decreases in value. The impairment test is prepared 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.

Investments

Investments in group enterprises are measured at cost. Dividends exceeding the accumulated earnings of the group enterprise or the associate in the period of ownership are treated as a cost reduction. Where the cost exceeds the net realisable value, a write-down is made to such lower value.

Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO method, and net realisable value.

Receivables

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

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent reporting years.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term bank deposits.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts which are repayable on demand.

Equity

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

Accounting policies - continued

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 affecting neither the results of operations nor the taxable income, and temporary differences on non-amortisable goodwill.

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.

Lease liabilities

Finance lease liabilities are measured at the net present value of the remaining lease payments including guaranteed residual value, if any, calculated by reference to the interest rate implicit in the lease.

Financial liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method.

Other payables

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

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent reporting years.

Cash flow statement

The cash flow statement shows the enterprise's net cash flows, the year's changes in cash and cash equivalents and the enterprise's cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are presented using the indirect method and are calculated as the net profit or loss for the year, adjusted for non-cash operating items, changes in working capital, paid financial items and paid income taxes.

Cash flows from investing activities comprise payments related to additions and disposals of fixed assets.

Cash flows from financing activities comprise dividends paid to shareholders, capital increases and reductions, proceeds from borrowings and repayments of interest-bearing debt.

Cash and cash equivalents comprise cash.

Income statement
1 January – 31 December 2015

		Group		Parent company	
	Notes	2015 USD	2014 USD	2015 USD	2014 USD
Freight income	3	66,080,130	67,950,723	6,410,701	6,076,490
Voyage related expenses		(14,271,995)	(21,905,296)	37,028	(214,041)
Freight income on T/C basis		51,808,135	46,045,427	6,447,729	5,862,449
Other operating income/expense	4	455,830	1,617,059	(1,209,703)	2,322,491
External expenses vessels		(46,570,835)	(35,491,399)	(2,915,580)	(2,944,909)
Other administration expenses		(1,991,515)	(1,427,788)	(488,190)	(502,629)
Gross margin		**3,701,615**	**10,743,299**	**1,834,256**	**4,737,402**
Employee benefit expenses	5	(3,351,054)	(2,775,819)	0	0
Earnings before interest, depreciations, amortization, impairment and taxes (EBITDA)		**350,561**	**7,967,480**	**1,834,256**	**4,737,402**
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	6	(4,415,965)	(4,228,861)	(1,434,828)	(1,434,828)
Profit/loss before net financials		(4,065,403)	**3,738,619**	**399,428**	**3,302,574**
Other financial income	7	1	134	311,341	1,108,590
Other financial expenses	8	(3,256,892)	(2,617,602)	(9,694,845)	(1,749,222)
Profit/loss before tax		**(7,322,294)**	**1,121,151**	**(8,984,076)**	**2,661,942**
Tax for the year	9	73,208	(333,053)	63,012	(84,329)
Net profit/loss for the year before minority		(7,249,086)	**788,098**	**(8,921,064)**	**2,577,613**
Minority interests' share of profit/loss		(13,312)	0	0	0
Net profit/loss for the year after minority interests		**(7,235,774)**	**788,098**	**(8,921,064)**	**2,577,613**

Appropriation of profit/loss

Profit/loss to be appropriated:				
Retained earnings/Accumulated profit/loss	(2,452,825)	(3,240,923)	(4,259,984)	(6,837,596)
Net profit/loss for the year	(7,235,774)	788,098	(8,921,064)	2,577,613
Available for appropriation	(9,688,599)	(2,452,825)	(13,181,047)	(4,259,984)

The supervisory board recommends the following appropriation of the profit/loss:

Retained earnings/Accumulated profit/loss	(9,688,599)	(2,452,825)	(13,181,047)	(4,259,984)
Total appropriation	(9,688,599)	(2,452,825)	(13,181,047)	(4,259,984)

Balance sheet
At 31 December

	Notes	Group 2015 USD	Group 2014 USD	Parent company 2015 USD	Parent company 2014 USD
Assets					
Fixed assets					
Goodwill		3,070,540	3,278,712	0	0
Intangible assets	10	**3,070,540**	**3,278,712**	**0**	**0**
Vessels		74,674,447	78,870,176	9,567,246	11,002,074
Vessels under construction		49,807,204	19,734,669	0	2,260,013
Other fixtures and fittings, tools and equipment		65,429	60,958	0	0
Property, plant and equipment	11	**124,547,080**	**98,665,803**	**9,567,246**	**13,262,087**
Investments in group enterprises	12	0	0	30,285,827	19,355,456
Receivables from group enterprises	13	0	0	3,496,324	27,609,049
Investments		**0**	**0**	**33,782,151**	**46,964,505**
Total fixed assets		**127,617,620**	**101,944,515**	**43,349,397**	**60,226,591**
Current assets					
Inventories		2,044,347	3,733,438	94,872	120,617
Inventories		**2,044,347**	**3,733,438**	**94,872**	**120,617**
Trade receivables		6,124,922	11,393,146	1,274,166	1,977,854
Receivables from group enterprises		17,889,157	9,829,656	20,217,365	10,022,300
Deferred tax asset	14	0	5,483	0	0
Other receivables		5,750,001	5,687,164	2,036,409	4,001,923
Prepayments	15	821,269	310,062	36,471	53,450
Receivables		**30,585,349**	**27,225,511**	**23,564,411**	**16,055,527**
Cash and cash equivalents	16	**5,151,561**	**8,553,577**	**2,453,965**	**5,841,984**
Total current assets		**37,781,257**	**39,512,526**	**26,113,248**	**22,018,128**
Total assets		**165,398,877**	**141,457,041**	**69,462,645**	**82,244,719**

Balance sheet - continued
at 31 December

	Notes	Group 2015 USD	Group 2014 USD	Parent company 2015 USD	Parent company 2014 USD
Equity and liabilities					
Equity					
Share capital	17	48,523,306	37,592,935	48,523,306	37,592,935
Retained earnings/Accumulated profit/loss		(9,632,942)	(2,397,168)	(13,181,047)	(4,259,984)
Equity before minority		**38,890,364**	**35,195,767**	**35,342,259**	**33,332,951**
Minority interests	18	(13,312)	0	0	0
Total equity		**38,877,052**	**35,195,767**	**35,342,259**	**33,332,951**
Liabilities					
Payables to group enterprise		38,483,466	51,787,456	31,409,682	42,096,211
Bank debt	19	74,962,589	40,649,286	0	0
Long-term liabilities		**113,446,055**	**92,436,742**	**31,409,682**	**42,096,211**
Liabilities					
Current portion of long-term liabilities	19	6,036,173	5,948,979	0	1,014,690
Trade payables		1,310,286	1,842,962	147,199	112,913
Payables to group enterprises		704,945	1,644,659	1,708,874	3,216,332
Income taxes		262,533	320,472	0	0
Deferred income	20	858,596	1,688,970	157,235	1,168,786
Other payables		3,903,237	2,378,490	697,397	1,302,836
Short-term liabilities		**13,075,770**	**13,824,532**	**2,710,705**	**6,815,557**
Total liabilities		**126,521,825**	**106,261,274**	**34,120,387**	**48,911,768**
Total equity and liabilities		**165,398,877**	**141,457,041**	**69,462,645**	**82,244,719**

Significant events and matters	**1**
Subsequent events	**2**
Security for loans	**21**
Contingent assets and liabilities and other financial obligations	**22**
Financial instruments	**23**
Fees to the auditors appointed by the Company in general meeting	**24**

Consolidated statement of changes in equity

	Share capital	*Retained Earnings/ Accumulated loss*	*Dividend*	*Minority interets*	*Total*
Equity at 31/12 2011	**37,592,935**	**(239,593)**	**0**	**0**	**37,353,342**
Transfer in the year	0	8,508,592	0	0	8,508,592
Equity at 31/12 2012	**37,592,935**	**8,268,999**	**0**	**0**	**45,861,934**
Transfer in the year	0	(11,509,922)	0	0	(11,509,922)
Equity at 31/12 2013	**37,592,935**	**(3,240,923)**	**0**	**0**	**34,352,012**
Transfer in the year	0	843,755	0	0	843,755
Equity at 31/12 2014	**37,592,935**	**(2,397,168)**	**0**	**0**	**35,195,767**
Share capital increase	10,930,371	0	0	0	10,930,371
Transfer in the year	0	(7,235,774)	0	(13,312)	(7,249,086)
Equity at 31/12 2015	**48,523,306**	**(9,632,942)**	**0**	**(13,312)**	**38,877,052**

Statement of changes in equity, parent company

	Share capital	*Retained earnings/ Accumulated loss*	*Proposed dividend*	*Total*
Equity at 31/12 2011	**37,592,935**	**(8,644,119)**	**0**	**28,948,816**
Transfer in the year	0	8,496,053	0	8,496,053
Equity at 31/12 2012	**37,592,935**	**(148,066)**	**0**	**37,444,869**
Transfer in the year	0	(6,689,530)	0	(6,689,530)
Equity at 31/12 2013	**37,592,935**	**(6,837,596)**	**0**	**30,755,339**
Transfer in the year	0	2,577,613	0	2,577,613
Equity at 31/12 2014	**37,592,935**	**(4,259,984)**	**0**	**33,332,951**
Share capital increase	10,930,371	0	0	10,930,371
Transfer in the year	0	(8,921,064)	0	(8,921,064)
Equity at 31/12 2015	**48,523,306**	**(13,181,047)**	**0**	**35,342,259**

Consolidated cash flow statement

	Notes	2015 USD	2014 USD
Net loss for the year		(7,249,086)	788,098
Non-cash items, etc.	23	8,309,349	6,210,886
Changes in working capital	24	(3,897,365)	(19,431,905)
Cash flows from operating activities before net financials		(2,837,102)	(12,432,921)
Interest received		1	1
Interest paid		(1,451,523)	(1,264,566)
Income taxes paid		20,752	(28,601)
Cash flows from operating activities		(4,267,872)	(13,726,087)
Additions of property, plant and equipment		(30,089,069)	(44,247,516)
Proceeds from disposal of property, plant and equipment		0	767,425
Additions of investments		0	(5,000)
Cash flows from investing activities		(30,089,069)	(43,485,091)
Share capital increase		10,930,371	0
Of which thorugh conversion of debt		(10,930,371)	0
Intercompany loan, net		(3,313,333)	39,462,439
Borrowing costs		(2,570,932)	(362,460)
Repayments, long-term liabilities		(6,409,810)	(6,442,415)
Contracting of long-term liabilities (proceeds)		43,249,000	23,800,000
Cash flows from financing activities		30,954,925	56,457,564
Net cash flow for the year		(3,402,016)	(753,614)
Cash and cash equivalents			
Cash and cash equivalents at 1/1 2015		8,553,577	9,307,191
Net cash flow for the year		(3,402,016)	(753,614)
Cash and cash equivalents at 31/12 2015	**26**	5,151,561	8,553,577

Notes

Note 1. Significant event and matters

In January 2015, Evergas Shipholding 20 A/S has bareboat chartered a vessel from Xiangtong International Ship lease Co. Ltd.
During 2015, Evergas A/S has established a 51% owned joint venture together with Thome Ship Management Pte Ltd. Evergas A/S has the controlling interest of the joint venture and will put all vessels under technical management in this joint venture. This is done in order to be more involved in the Technical Managers' development of, and compliance with, their business strategies in order to improve all aspects of the technical business scope.
A share capital increase of USD 10.9 million was received in July 2015 through conversion of debt. Otherwise there has not been any significant events in the Evergas Group with have had influence on the financial statement.

Note 2. Subsequent events

On 29 January 2016, the Group took delivery of a newly built vessel, JS INEOS INSPIRATION (S1018).
On March 29 2016 it has been announced that Bourbon will acquire 100% of Evergas A/S at the Annual General Meeting on 26 May 2016. Bourbon is a sister company to Greenship Gas Trust which is the current owner of Evergas A/S. The acquisition will have no influence on the day to day business of Evergas A/S. On 17 May 2016 is has been announced that the acquisition will be postponed until further.

	Group		*Parent company*	
	2015	**2014**	**2015**	**2014**
	USD	**USD**	**USD**	**USD**
Note 3. Revenue				
Segmentation of revenue on activity:				
Shipping	66,080,130	67,950,723	6,410,701	6,076,490
	66,080,130	67,950,723	6,410,701	6,076,490

Evergas is carrying on shipping business world wide.

Note 4. Other operating income/expense				
Gain/loss on sale of fixed assets	(709,702)	650,040	(1,209,703)	2,322,491
Service fee income	1,165,532	967,019	0	0
	455,830	1,617,059	(1,209,703)	2,322,491

Notes

	Group		Parent company	
	2015 USD	2014 USD	2015 USD	2014 USD
Note 5. Employee benefit expenses				
Analysis of staff costs:				
Wages and salaries	2,869,316	2,369,586	0	0
Pension costs	259,617	259,384	0	0
Other social security costs	21,312	21,203	0	0
Other staff costs	200,809	125,646	0	0
	3,351,054	2,775,819	0	0
Remuneration to the executive and supervisory board	750,249	0	750,249	0
According to the Danish Financial Statements Act § 98b, the total remuneration to the executive and supervisory boards in 2014 are not disclosed.				
Average number of employees	19	17	0	0
Note 6. Amortisation/depreciation and impairment of intangible assets and property, plant and equipment				
Goodwill	208,173	208,173	0	0
Vessels	4,195,729	4,012,020	1,434,828	1,434,828
Other fixtures and fittings, tools and equipment	12,063	8,668	0	0
	4,415,965	4,228,861	1,434,828	1,434,828
Note 7. Other financial income				
Interest receivable, group enterprises	0	0	311,341	267,629
Adjustment of investments	0	0	0	840,961
Other interest receivable, exchange gains and similar income	1	134	0	0
	1	134	311,341	1,108,590

Notes

	Group		Parent company	
	2015 USD	2014 USD	2015 USD	2014 USD
Note 8. Other financial expenses				
Write-down of receivable from group enterprises	0	0	8,181,361	704,163
Interest payable, group enterprises	1,217,902	900,492	1,053,664	809,246
Interest payable, exchange losses and similar expenses	2,038,990	1,717,110	459,820	235,813
	3,256,892	2,617,602	9,694,845	1,749,222
Note 9. Tax for the year				
Estimated income tax charge, excl. interest surcharges	0	(86,052)	0	(3,872)
Correction to previous years income tax	78,108	(237,305)	63,012	(73,670)
Witholding tax	(8)	(6,854)	0	(6,787)
Adjustment of deferred tax assets	(4,892)	(2,842)	0	0
	(73,208)	(333,053)	63,012	(84,329)

Note 10. Intangible assets

Group

	Goodwill
Cost	
Balance at 1/1 2015	4,163,443
Additions in the year	0
Cost at 31/12 2015	**4,163,443**
Amortisation and write-downs	
Balance at 1/1 2015	884,730
Amortisation in the year	208,173
Amortisation and write-downs at 31/12 2015	**1,092,903**
Carrying amount at 31/12 2015	**3,070,540**

Notes

Note 11. Property, plant and equipment

Group

	Vessels	*Vessels under construction*	*Other fixtures and fittings, tools and equipment*	*Total*
Cost				
Balance at 1/1 2015	85,368,731	19,734,669	74,693	105,178,093
Additions in the year	0	30,072,535	16,534	30,089,069
Disposals in the year	0	0	0	0
Cost at 31/12 2015	**85,368,731**	**49,807,204**	**91,227**	**135,267,162**
Depreciation and write-downs				
Balance at 1/1 2015	6,498,555	0	13,735	6,512,290
Depreciation in the year	4,195,729	0	12,063	4,207,792
Accumulated depreciation of disposals	0	0	0	0
Depreciation and write-downs at 31/12 2015	**10,694,285**	**0**	**25,798**	**10,720,082**
Carrying amount at 31/12 2015	**74,674,447**	**49,807,204**	**65,429**	**124,547,080**

Parent company

	Vessels	Vessels under construction	Total
Cost			
Balance at 1/1 2015	15,013,809	2,260,013	17,273,822
Additions in the year	0	0	0
Disposals in the year	0	(2,260,013)	(2,260,013)
Cost at 31/12 2015	**15,013,809**	**0**	**15,013,809**
Depreciation and write-downs			
Balance at 1/1 2015	4,011,735	0	4,011,735
Depreciation in the year	1,434,828	0	1,434,828
Accumulated depreciation and write-downs of disposals	0	0	0
Depreciation and write-downs at 31/12 2015	**5,446,563**	**0**	**5,446,563**
Carrying amount at 31/12 2015	**9,567,246**	**0**	**9,567,246**

Note 20 provides more details on security for loans, etc., as regards property, plant and equipment.

Notes

Note 12. Investments in group enterprises

Parent company

Investments in group enterprises.

	Total group enterprises
Cost	
Balance at 1/1 2015	41,077,391
Additions in the year	10,930,371
Cost at 31/12 2015	**52,007,762**
Write-downs	
Balance at 1/1 2015	21,721,935
Adjustment of investments	0
Conversion of loan into equity	0
Write-downs at 31/12 2015	**21,721,935**
Carrying amount at 31/12 2015	**30,285,827**

	Domicile	*Currency*	*Nominal capital*	*Interest (%)*
Group enterprises				
Evergas Shipholding A/S	Denmark	USD	92,935	100
Evergas Management A/S	Denmark	USD	89,484	100
Evergas Ethylene A/S	Denmark	USD	96,600	100
Evergas Shipholding Pte Ltd	Singapore	USD	21,629,000	100
Evergas Shipholding 2 A/S	Denmark	USD	10,318,922	100
Evergas Shipholding 3 A/S	Denmark	USD	10,322,939	100
Evergas Shipholding 18 A/S	Denmark	USD	3,247,707	100
Evergas Shipholding 19 A/S	Denmark	USD	3,312,707	100
Evergas Shipholding 20 A/S	Denmark	USD	2,899,128	100
ESE A/S	Denmark	USD	96,508	100
ESE 2014 K/S	Denmark	USD	1,000,000	100
Evergas Shipmanagement Pte Ltd	Singapore	USD	1	51

Notes

Note 13. Receivables from group enterprises (Investments)

Parent

The balance of USD 3,496,324 is falling due at 31 December 2017.

	Group		Parent company	
	2015 USD	2014 USD	2015 USD	2014 USD
Note 14. Deferred tax asset				
Balance at 1/1 2015	5,483	6,343	0	0
Change in the year	(5,483)	(860)	0	0
	0	5,483	0	0
Note 15. Prepayments				
Prepaid insurance	123,413	165,126	0	41,652
Prepayment spare parts	683,137	0	0	0
Other prepayments	14,719	144,936	36,471	11,798
	821,269	310,062	36,471	53,450

Note 16. Cash and cash equivalents

Out of the balance as at 31 December 2015 USD 5,151,561 is USD 1,200,000 pledged to secure bank loans in Evergas Shipholding 2 A/S and Evergas Shipholding 3 A/S.

Note 17. Share capital

Analysis of the company's share capital, USD 48,523,306:

273,431,061 shares of DKK 1	48,523,306

Apart from the incorporation, there have been a capital increase due to debt conversion in October 2010 of DKK 198,375,000, and a capital increase due to debt conversion in July 2015 of DKK 74,556,061

Note 18. Minority interests

	2015 USD'000	2014 USD'000
Minority 01/01 2015	0	0
Share of loss for the year	(13,312)	0
Foreign currency translation adjustments	0	0
Minority 31/12 2015	(13,312)	0

Notes

Note 19. Long-term liabilities

Group

Breakdown of certain liabilities by long-term and short-term liabilities:

	Falling due between 1 and 5 years	Falling due after more than 5 years	Total long-term liabilities at 31/12 2015	Falling due within 1 year	Total
Bank debt	51,538,815	23,423,774	74,962,589	6,036,173	80,998,762
Payable to group enterprise	38,486,466	0	38,486,466	0	38,486,466
	90,025,281	23,423,774	113,449,055	6,036,173	119,485,228

Parent company

Breakdown of certain liabilities by long-term and short-term liabilities:

	Falling due between 1 and 5 years	Falling due after more than 5 years	Total long-term liabilities at 31/12 2015	Falling due within 1 year	Total
Bank debt	0	0	0	0	0
	0	0	0	0	0

Note 20. Deferred income

Deferred income includes prepaid hire from costumers covering periods after 31.12.2015.

Note 21. Security for loans

Group

The entirety of the shares held by Evergas A/S in Evergas Shipholding 2 A/S and Evergas Shipholding 3 A/S are pledged as security for bank loan with KfW in Evergas Shipholding 2 A/S and Evergas Shipholding 3 A/S. Under the terms and conditions of the loans, Evergas A/S is prohibited from disposing of the investments or subjecting them to further charges without furnishing a replacement security of similar kind.

Furthermore, bank loan in Evergas Shipholding 2 A/S and Evergas Shipholding 3 A/S are secured by first mortgage over the vessels owned by those companies with a net carrying amount of USD 65,336,300 in total as at 31 December 2015.

Parent company

The entirety of the shares held by Evergas A/S in Evergas Shipholding 2 A/S and Evergas Shipholding 3 A/S are pledged as security for bank loan with KfW in Evergas Shipholding 2 A/S and Evergas Shipholding 3 A/S. Under the terms and conditions of the loans, Evergas A/S is prohibited from disposing of the investments or subjecting them to further charges without furnishing a replacement security of similar kind.

Notes

Note 22. Contingent assets and liabilities and other financial obligations

	2015 USD'000	2014 USD'000
Other financial obligations, group		
Rent payments	361	604
Payments under other operating leases	139	150
T/C hire payments	38,160	92,500
Payments regarding Technical Management agreements	1,460	1,353
	40,120	94,607

At 31 December 2015, Evergas Group had commitments of USD 144.2 million relating to the remaining installments of vessels under construction.

As at 31 December 2014, Evergas Group has no tax liability that is not included in the financial statements.
The maximum tax liability, if any, as at 31 December 2015 relating to the distributions Evergas Shipholding Pte Ltd has received from the investment in the limited partnership ESE 2014 K/S is USD 807,266 (2014: USD 807,266).

Contingent liabilities, parent company

	2015 USD'000	2014 USD'000
Other financial obligations, parent company		
Payments regarding Technical Management agreement	506	480

The parent company has issued support letters in favor of its fully owned subsidiaries Evergas Shipholding 2 A/S, Evergas Shipholding 3 A/S, Evergas Shipholding A/S, Evergas Shipholding 18 A/S, Evergas Shipholding 19 A/S, Evergas Shipholding 20 A/S, providing adequate funds through 31 December 2016 to allow the subsidiaries to meet their financial obligations as they fall due.

As management Company, the company is jointly taxed with other Danish group entities. The company 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 in the group of jointly taxed entities.

Note 23. Financial instruments, group

Evergas has transactions in foreign currencies and as a result is exposed to movements in foreign currency exchange rates. Evergas does not engage in trading of or speculation in foreign currencies as Evergas' exposure to foreign currency risk is minimal.
Evergas' reporting currency is USD. Most of the revenues and expenses are denominated in USD. Evergas' strategy is to finance the vessels in the same currency as the vessels received income.

Notes

Note 24. Fees to the auditors appointed by the company in general meeting

	Group		Parent company	
	2015	2014	2015	2014
	USD	USD	USD	USD
Fee for statutory audit	39,387	110,743	11,464	28,340
Fee for tax advice	8,825	11,685	0	0
Fee for non-audit services	0	0	0	0
	48,212	122,428	11,464	28,340

Note 25. Non-cash items, etc., cash flow statement

	2015	2014
	USD	USD
Depreciation and write-downs	4,415,964	4,228,861
Gain/loss on sale of fixed assets	709,702	(650,040)
Financial income	1	(134)
Financial expenses	3,256,892	2,299,146
Tax for the year	(73,208)	333,053
Total changes	8,309,349	6,210,886

Note 26. Changes in working capital, cash flow statement

Changes in receivables	(3,365,321)	(15,029,701)
Changes in inventories	1,689,092	(312,972)
Changes in trade payables	(532,538)	127,491
Changes in other payables	(1,688,598)	(4,216,723)
Total changes in working capital	(3,897,365)	(19,431,905)

Note 27. Cash and cash equivalents, cash flow statement

Cash and cash equivalents at 31/12 2015 comprise:

Cash	5,151,561	8,553,577
Cash and cash equivalents at 31/12 2015	5,151,561	8,553,577