

Maersk Tankers MR K/S

50 Esplanaden, 1263 Copenhagen K.

Registration No. : 36 96 26 23

Annual report for 2016 (January 1 - December 31 2016) (2 Financial year)

The annual report has been presented and approved at the annual general meeting of the Company

On: 2 May 2017



Chairman

Company information

The company	Maersk Tankers MR K/S Esplanaden 50 1263 København K Danmark Established: July 6 2015 Registered office: Copenhagen
Board of Directors	Søren Christian Meyer (Chairman) Henrik Kvist-Jacobsen Anette Ryde
General partner	Maersk Tankers MR General Partner A/S
Auditor	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup Danmark

Management's review

Maersk Tankers MR K/S is a 100% owned subsidiary of Maersk Tankers A/S.

The Company's objective is to operate as a commercial management company in the shipping industry.

Activities for the year

Result for the year was t.USD -2 (2015: t.USD -2), the result is at a satisfactory level.

Events after the balance sheet date

No events have occurred after 31 December 2016 which may significantly affect the financial year 2017.

Expected development

The 2017 result is expected to be in line with 2016.

Statement by the Management on the Annual Report

Today the Board of Directors and the General Partner presented the Annual Report for the financial year January 1 – December 31 2016 for Maersk Tankers MR K/S.


The Annual Report has been presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements provide a true and fair view of the Company's assets, liabilities and equity, financial position at December 31 2016 and results of the Company's activities in the accounting period January 1 – December 31 2016.

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

Copenhagen on 1 May 2017

General Partner



Maersk Tankers MR General Partner A/S

Board of Directors



Søren Christian Meyer
(Chairman)



Henrik Kvist-Jacobsen



Anette Ryde

Independent Auditor's Report

To the Limited Partner and General Partner of Maersk Tankers MR K/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of Maersk Tankers MR K/S at 31 December 2016, and of the results of Maersk Tankers MR K/S's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Maersk Tankers MR K/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Copenhagen, on

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-no. 33 77 12 31



Henrik Ødegaard

State Authorised Public Accountant

Accounting policies

The Financial Statement for Maersk Tankers MR K/S for the financial year January 1 - December 31 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act regarding class B companies.

The accounting policies are unchanged compared to last year.

The Financial Statement for the financial year January 1 - December 31 2016 is presented in USD '000.

Recognition and measurement

Income is recognised in the income statement as earned. All expenses are recognised in the income statement. Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and when the value of the asset can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that the future economic benefits will flow out of the Company and when the measurement of the value of the liability is reliable. On initial recognition, assets and liabilities are recognised at cost. Subsequently, assets and liabilities are measured as described below for each item.

Foreign Currency Translation

USD is used as presentation currency and functional currency, as the majority of the Company's transactions are in USD. Transactions in currencies other than the functional currency are translated to the exchange rate on the date of transaction. Monetary items in foreign currency not settled by the balance sheet date are translated to the exchange rate on the balance sheet date. Foreign exchange gains and losses are included in the income statement as financial income and expenses.

On December 31 2016, the exchange rate was DKK/USD 705.28 (December 31 2015: DKK/USD 683.00).

Income statement

Gross profit

Gross profit includes net revenue and other external costs. Revenue comprises income from commercial management. Revenue comprises the fair value of the consideration received or receivable for the management service delivered. Revenue is shown net of value added tax and rebates. Commercial management income is recognised upon delivery of the service in accordance with the management agreement entered into. The net result is successively distributed to the participants of the company by way of management fee. Other external expenses comprise expenses for administration etc.

Tax

The tax liability lies with the Participant and accordingly, the responsibility for paying taxes on income from the company lies with the Participant. Thus, no tax expenses will be recognised in the Financial statements for the company.

Balance sheet

Receivables

Receivables are measured at amortized cost. Provision is made for bad debts.

Liabilities other than provisions

Financial liabilities include trade payables, payables to associated companies and other payables are recognized initially at cost equal to the proceeds received, net of transaction costs incurred. In subsequent periods, the financial liabilities are measured at amortized cost. Other liabilities are measured at net realizable value.

Income Statement for the period January 1 - December 31

USD '000

Notes	2016	2015
Revenue	5.955	3.723
Management fee	<u>-5.955</u>	<u>-3.723</u>
	0	0
Administration	<u>-1</u>	<u>-2</u>
Gross profit	-1	-2
Financial expenses	<u>-1</u>	<u>0</u>
Result for the year	<u>-2</u>	<u>-2</u>
Distribution:		
To be carried forward to next year	<u>-2</u>	<u>-2</u>
	<u>-2</u>	<u>-2</u>

Balance sheet at December 31

USD '000

Notes	Assets	<u>2016</u>	<u>2015</u>
	Receivables	0	12
	Receivables from Owners	0	12
	Receivables from affiliated companies	<u>10</u>	<u>0</u>
	Total current assets	<u>10</u>	<u>24</u>
	 TOTAL ASSETS	 <u>10</u>	 <u>24</u>
	 Liabilities		
1	Equity		
	Company capital	12	12
	Retained earnings etc.	<u>-4</u>	<u>-2</u>
	Total equity	<u>8</u>	<u>10</u>
	 Trade payables	 0	 12
	Other debt	<u>2</u>	<u>2</u>
	Total current liabilities	<u>2</u>	<u>14</u>
	 Total liabilities and equity	 <u>10</u>	 <u>24</u>

Notes

USD '000

1	Equity	Capital of limited partnership	Retained earnings	Total
	Balance at January 1	12	-2	10
	Result for the year	<u>0</u>	<u>-2</u>	<u>-2</u>
	Balance at December 31	<u><u>12</u></u>	<u><u>-4</u></u>	<u><u>8</u></u>