



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2017 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 913 064 429
Organisasjonsform: Aksjeselskap
Foretaksnavn: AURORA SHIPPING II AS
Forretningsadresse: Professor Kohts vei 5
1366 LYSAKER

Regnskapsår

Årsregnskapets periode: 01.01.2017 - 31.12.2017

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Bård Haugan
Dato for fastsettelse av årsregnskapet: 29.06.2018

Grunnlag for avgivelse

År 2017: Årsregnskapet er elektronisk innlevert
År 2016: Tall er hentet fra elektronisk innlevert årsregnskap fra 2017

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 05.11.2020



Resultatregnskap

Beløp i: USD	Note	2017	2016
RESULTATREGNSKAP			
Inntekter			
Voyage revenue	8	537 000	
Pool revenue	8	5 225 000	8 080 000
Sum inntekter		5 762 000	8 080 000
Kostnader			
Voyage expenses			
ship operating expenses		1 362 000	2 632 000
Commercial management expenses		194 000	75 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	5	2 616 000	2 814 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	5		16 610 000
Other operating expenses	10	1 539 000	30 000
Loss on receivables			
Sum kostnader		5 711 000	22 161 000
Driftsresultat		51 000	-14 081 000
Finansinntekter og finanskostnader			
Annen finansinntekt		86 000	383 000
Sum finansinntekter		86 000	383 000
Annen finanskostnad		483 000	1 675 000
Sum finanskostnader		483 000	1 675 000
Netto finans		-397 000	-1 292 000
Ordinært resultat før skattekostnad		-346 000	-15 373 000
Skattekostnad på ordinært resultat	3	11 000	
Ordinært resultat etter skattekostnad		-357 000	-15 373 000
Årsresultat		-357 000	-15 373 000



Balanse

Beløp i: USD	Note	2017	2016
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip, rigger, fly og lignende	5	49 384 000	52 000 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	5	365 000	
Sum varige driftsmidler		49 749 000	52 000 000
Sum anleggsmidler		49 749 000	52 000 000
Omløpsmidler			
Varer			
Inventories			49 000
Sum varer			49 000
Fordringer			
Kundefordringer	8	2 012 000	610 000
Andre fordringer		637 000	52 000
Konsernfordringer	9	18 648 000	17 247 000
Sum fordringer		21 297 000	17 909 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	7		4 000
Sum bankinnskudd, kontanter og lignende			4 000
Sum omløpsmidler		21 297 000	17 962 000
SUM EIENDELER		71 046 000	69 962 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	4	333 000	333 000



Balanse

Beløp i: USD	Note	2017	2016
Overkurs	4	24 418 000	24 418 000
Sum innskutt egenkapital		24 751 000	24 751 000
Opptjent egenkapital			
Annen egenkapital	4	15 877 000	16 234 000
Sum opptjent egenkapital		15 877 000	16 234 000
Sum egenkapital		40 628 000	40 985 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
ANB Facility loan	6		28 977 000
Leverandørgjeld		595 000	
Betalbar skatt	3	11 000	
Kortsiktig konserngjeld		29 813 000	
Sum kortsiktig gjeld		30 419 000	28 977 000
Sum gjeld		30 419 000	28 977 000
SUM EGENKAPITAL OG GJELD		71 047 000	69 962 000



Skattedirektoratet

Saksbehandler
Rune Tystad

Deres dato
24.03.2015

Vår dato
08.04.2015

Telefon
977 59 464

Deres referanse
Bjørn Lund

Vår referanse
2015/297866

PRICEWATERHOUSECOOPERS AS
Postboks 748 Sentrum
0106 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Aurora LPG Holding ASA med datterselskaper

Vi viser til deres brev av 24. mars 2015 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for

Aurora LPG Holding ASA,	org.nr. 913 064 801
Aurora Shipping Holding AS,	org.nr. 913 064 291
Aurora Shipping I AS,	org.nr. 913 064 372
Aurora Shipping II AS,	org.nr. 913 064 429
Aurora Shipping III AS,	org.nr. 913 064 461
Aurora Shipping IV AS,	org.nr. 913 064 569
Aurora Shipping V AS,	org.nr. 913 064 704
Aurora Shipping VI AS,	org.nr. 913 064 739
Aurora Shipping VII AS,	org.nr. 913 064 763
Aurora Shipping VIII AS,	org.nr. 913 112 091
Aurora Shipping IX AS,	org.nr. 913 112 040
Aurora Shipping X AS,	org.nr. 913 112 121
Aurora Shipping XII AS,	org.nr. 914 900 220
Aurora Shipping XIII AS,	org.nr. 914 900 344
Aurora Shipping XIV AS,	org.nr. 914 900 182

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de ovennevnte selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Aurora LPG Holding ASA og dets datterselskaper er ett internasjonalt shipping selskap som hovedsakelig yter tjenester vedrørende befraktning av gass (LPG) i internasjonale farvann og har pr. i dag 3 skip («Very Large Gas Carrier»/«VLGC») i drift. I tillegg har selskapet 6 VLGCer under bestilling. Aurora LPG Holding ASA er notert på Oslo Børs, og andelen internasjonale investorer er betydelig. Selskapet har fått dispensasjon fra Oslo Børs for å bruke engelsk som primær språk i forbindelse med pressemeldinger og øvrig kommunikasjon med Oslo Børs og investorene. Konsernets arbeidsspråk er engelsk. Engelsk språk benyttes i all hovedsak både ved intern og

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Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



ekstern kommunikasjon. De norske versjonene av regnskapet utarbeides kun for å tilfredsstille regnskapslovens krav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal ”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at konsernet driver virksomhet av internasjonal karakter innenfor skipsfart. Det er videre lagt vekt på at konsernets arbeidsspråk er engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



To the General Meeting of Aurora Shipping II AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Aurora Shipping II AS showing a loss of USD 357 thousand. The financial statements comprise the balance sheet as at 31 December 2017, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Qualified Opinion

The Company had entered into a pool arrangement with other vessel owners and Atlantic Tankers AS as pool manager where the vessel was on a time charter contract with Atlantic Tankers AS based on a variable charter rate. There is currently a material uncertainty related to the final settlement of pool revenues of USD 509 thousand and pool receivable of USD 1 120 thousand toward Atlantic Tankers AS as well as costs associated with the termination of the pool arrangement. The uncertainty is also based on the Company's view that the Pool Agreement dated January 18, 2016 is legally invalid and the Company is questioning how certain clauses in the pool arrangement and time charter contract have been applied by Atlantic Tankers AS.

Due to these uncertainties, we have not been able to obtain sufficient and appropriate audit evidence to form an opinion about neither pool revenues nor pool receivables. Consequently, we were unable to determine whether adjustments to these amounts were necessary.

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs. Our responsibilities under those standards 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 as required by laws and regulations, 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 qualified opinion.

Other Information

Management is responsible for the other information. The other information comprises the Board of Directors' report, but does not include the financial statements and our auditor's report thereon.

PricewaterhouseCoopers AS, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - Aurora Shipping II AS



Our opinion on the financial statements does not cover the other information 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 the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. It is probable that the Company will be liquidated.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We 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.

(2)



Independent Auditor's Report - Aurora Shipping II AS



- conclude on the appropriateness of management's use of the going concern basis of accounting. It is probable that the Company will be liquidated. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the assumption that liquidation is probable, and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 29 June 2018
PricewaterhouseCoopers AS

Bjørn Lund
State Authorised Public Accountant



Aurora Shipping II AS Annual report 2017

Operations

Aurora's headquarters are located in Lysaker. Aurora Shipping II AS is a pure ship owning company with no employees. The LPG spot market has been weak in 2017.

General

The accounts for 2017 are not based on the assumption of a going concern as it is not unlikely that the company will be liquidated or/and merged in 2018. Based on this, all assets and liabilities have therefore been recognized at estimated fair value as of December 31, 2017. It is of the Board of Directors opinion that the accounts provide a fair picture of the results for the year 2017 and the company's position at the end of 2017. The financial statements for Aurora Shipping II AS has been prepared based on Norwegian GAAP. The Company's vessel, BW Leo, joined and traded a pool operated by BW Green Carriers AS in 2017.

Financial results

The annual accounts for 2017 show a total revenue of USD 5.8M with a net loss of 0.4M, compared to total revenue of USD 8.1M and net loss of USD 15.4M in 2016. All the assets in the Company are related to related parties. Total assets year end 2017 is equivalent of USD 71.0M compared to USD 70.0M as of year-end 2016. Total shareholders' equity amounted to USD 40.6M. Aurora Shipping II AS has in 2017 a negative cash flow of USD 4K. Cash flow from operations generated a positive cash flow of USD 0.1M.

Market outlook

The vessel was sold in 2017, and it is not unlikely that the company will be liquidated or merged in 2018.

Financial risks

USD is the functional currency for the Company. Some expenses are incurred in other currencies such as EUR and NOK. Thus, the exchange risk is limited, and the Company has currently not entered into any hedging instruments. The company is not exposed to changes in the interest rate, as the company has no mortgage debt. The risk of losses on receivables is considered to be low, as the company's receivables are mostly inter-company balances. The liquidity risk is considered low.

Working environment and employees

The company has no employees. The Board of Directors consists of two men and two women. The company's ambition is to exercise full gender equality.

Environment

The Company recognizes its impact on the environment through the related activities of its operation. The Company is continuously reviewing its policies and connected operations to minimize negative externalities.



Allocation of loss

The Board proposes that the loss of USD 0.4M is transferred to the retained earnings.

Martin Ackermann
Chairman of the board

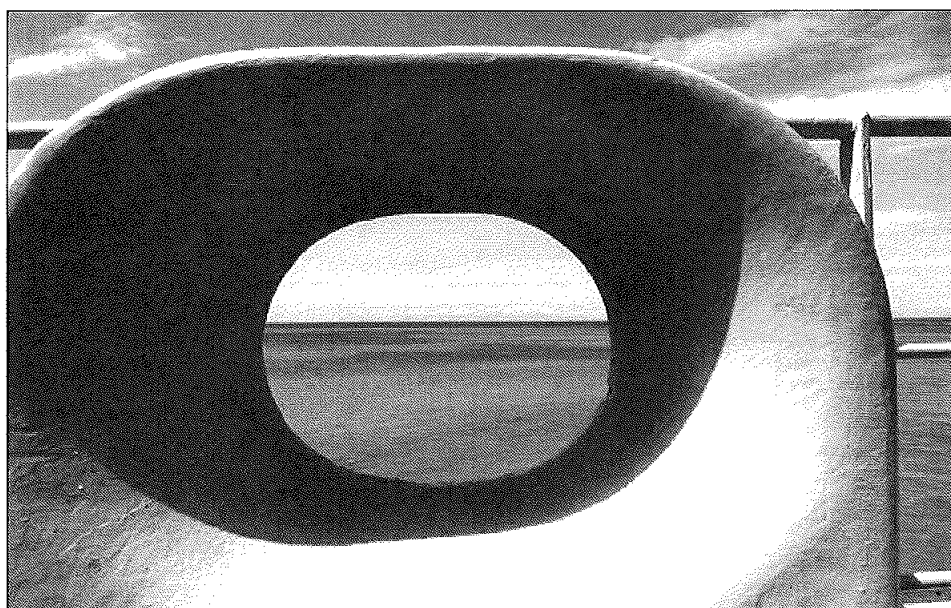
Lysaker, 29 June 2018

Elaine Ong
Board member

Bård Haugan
Board member

Francesca L'Orange
Board member

Aage Figenschou
General Manager



Aurora Shipping II AS

Financial Statements 2017



Aurora Shipping II AS

INCOME STATEMENT

(In thousand USD)

	Note	2017	2016
Profit and loss			
Voyage revenue	8	537	0
Pool revenue, related party	8	5,225	8,080
Voyage expenses		0	0
Total revenue		5,762	8,080
Ship operating expenses		(1,362)	(2,632)
Ship management fee		(194)	(75)
Other operating expenses	10	(1,539)	(30)
Depreciation	5	(2,616)	(2,814)
Impairment of vessel	5		(16,610)
Total operating expenses		(5,711)	(22,161)
Financial income		86	383
Financial expenses		(483)	(1,676)
Profit (loss) before income tax expense		(346)	(15,373)
Tax expense	3	(11)	0
Net (loss)/income		(357)	(15,373)

**Aurora Shipping II AS**

BALANCE SHEET AT 31.12

(In thousand USD)

	Note	2017	2016
ASSETS			
Vessel	5	49,384	52,000
Other equipment	5	365	0
Total non-current assets		49,749	52,000
Cash and cash equivalents	7	-	4
Inventories		-	49
Other current assets		637	52
Pool receivables	8	2,012	610
Inter-company receivables	9	18,648	17,246
Total current assets		21,297	17,961
Total assets		71,046	69,961
EQUITY AND LIABILITIES			
Share capital	4	333	333
Share premium	4	24,418	24,418
Retained earnings	4	15,877	16,234
Total Equity		40,627	40,984
ABN facility loan	6	-	-
Total non-current liabilities		-	-
ABN facility loan	6	-	28,977
Inter-Company payable		29,813	-
Tax payable	3	11	-
Accounts payable		595	-
Total current liabilities		30,419	28,977
Total equity and liabilities		71,046	69,961

Martin Ackermann
Chairman of the board

Lysaker, 29 June 2018

Elaine Ong
Board memberBård Haugan
Board memberFrancesca L'Orange
Board memberAage Figenschou
General Manager



Cash Flow

(In thousands USD)

	Notes	2017	2016
Operating activities			
Loss before income tax expense		-346	-15,373
Depreciation	5	2,616	2,814
Amortization of facility fee	6	0	451
Impairment of vessel	5	0	16,610
Change in working capital		-2,203	-4,325
Net cash from operating activities		67	176
Financing activities			
Dividends		0	0
Drawdown of debt	6	28,906	0
Payment of debt	6	-28,977	-3,406
Net cash from financing activities		-71	-3,406
Net increase (decrease) in cash and cash equivalents		-4	-3,230
Cash and cash equivalents at beginning of period		4	3,234
Cash and cash equivalents at the end of period		0	4



Note 1 Accounting policies

The annual financial statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles (NGAAP). All amounts are in USD 1 000 unless otherwise stated.

There is a plan to liquidate the Company and the financial statements is therefore not prepared on the basis of going concern assumption. All assets and liabilities have therefore been recognized at estimated fair values as of December 31,12.

Currency

The base currency of the Company is used for taxation purposes is Norwegian Kroner (NOK). The company's presentational and functional currency is U.S. dollars.

Transactions in foreign currencies are translated into U.S. dollars at the rates of exchange in effect at the date of the transaction. Foreign currency monetary assets and liabilities are translated using rates of exchange at the balance sheet date. Foreign currency non-monetary assets and liabilities are translated using historical rates of exchange.

Cash and cash equivalents

Cash represents cash on hand and deposits with bank that is callable on demand. Cash equivalents represents short-term, highly liquid investments which are readily convertible into known amounts of cash with original maturities of three months or less and that are subject to an insignificant change in value.

Accounts receivable and accounts payable

Accounts receivable and accounts payable are initially valued at their fair value and subsequently at amortized cost. Accounts receivable are subject to value adjustments where their recovery is uncertain. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Inventories

Inventories comprise principally of fuel and lubricating oils and are stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis (FIFO).

Revenue and expense recognition

Voyage revenues (spot voyages) are recognized rateably over the estimated length of each voyage and, therefore, are allocated between reporting periods based on the relative number of days in each period. Voyage expenses are recognized rateably over the same period as used for recognition of the voyage revenue. The Company uses a discharge-to-discharge basis in determining percentage of completion for all spot voyages. However, the Company does not recognize any revenue if a charter has not been contractually committed to by a customer, even if the vessel has discharged its cargo and is sailing to the anticipated load port on its next voyage. Ship operating expenses are recognized as incurred.

Pool revenues are accounted for using the same policies as described above. However, pool revenues are presented net of voyage expenses, and other expenses incurred by the Atlantic Tankers AS ("the Pool Company").

Vessels and equipment

The cost of the vessels less estimated residual value is depreciated on a straight-line basis over the vessels estimated remaining economic useful lives. The estimated economic useful life of the Company's vessels is 30 years which is based on the time from when the vessel was newly constructed. The residual value for the vessels is calculated by multiplying the lightweight tonnage of the vessel by the market price of scrap per ton. The market price of scrap per ton is calculated based on recent prices available across the three main recycling markets (Far East, Indian sub-continent and Bangladesh). Residual values are reviewed annually. Each acquired vessel is reviewed before useful lifetime, depreciation and scrap value is assessed.

Periodic classification and maintenance costs are capitalized as part of the vessel in the balance sheet and are depreciated on a straight-line basis until the next planned docking. If the dry-docking results in an extension of the life of a ship, then the estimated useful life of the ship is adjusted accordingly.



Impairment

The vessel is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount is not recoverable. If the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized and the asset is written down to its recoverable amount. The recoverable amount of an asset is the higher of the asset's net selling price and its value in use. Prior impairments are reviewed for possible reversal at each reporting date.

Group affiliation

The company is owned by Aurora Shipping Holding AS. BW Holding LPG Limited owns 100% of the shares in Aurora LPG Holding AS (the owner of Aurora Shipping Holding AS). BW LPG Holding Limited is a wholly-owned subsidiary of BW LPG Limited. The consolidated financial statements for BW LPG Limited can be found at www.bwlpg.com.

Note 2 Shareholders

As of December 31, 2017 there was only one shareholder, Aurora Shipping Holding AS which owned 100% of the share capital in the company.

Note 3 Taxes

The Company is a subject to the Norwegian tonnage tax regime. This tonnage tax is levied as an annual tax for the Company where the tax rate is based on the vessels net tonnage. Since the tonnage tax incurred is not calculated on the basis of net income, the tonnage tax expense is recognized and presented as an operating expense. Deferred tax and taxes payable for 2017 and are considered immaterial and therefore no detailed note for taxes has been included in these financial statements.

Note 4 Share capital

(In thousands USD)

	Share capital	Share premium	Retained earnings	Total
Shareholders equity 01.01.17	333	24,418	16,234	40,984
Net income			-357	-357
Shareholders equity 31.12.17	333	24,418	15,877	40,627

As of December 31, 2017 the Company had a share capital of USD 333. Outstanding and issued shares were 300 as of December 31, 2017.

Note 5 Vessels

(in thousands USD)

	2017	2016
Opening net book amount 01.01.17	52,000	71,424
Depreciation	-2,616	-2,814
Impairment of vessel		-16,610
Total as of 31.12.17	49,384	52,000

Other equipment is related to a ballast water treatment system that will be installed when the vessel is dry-docking in 2018.



Note 6 Borrowing

	<i>(in thousands USD)</i>	
	2017	2016
Loan 01.01.17	28,977	31,932
Amortization of ABN debt issuance expense	0	-451
Amortization of ABN facility fees	0	451
Principal repayments ABN facility loan	-28,977	-2,955
ABN loan 31.12.17	0	28,977

The Company has a secured term loan (the "Facility") of USD 37.5 million with ABN AMRO financing 50% of the vessel Aurora Leo. The loan has collateral in the vessel. The loan was drawn down by USD 37.5 million on May 28th, 2014 and bears interests of LIBOR + 3%.

The external debt was paid in full in 2017 and replaced with an internal loan (see note 9).

Note 7 Cash and cash equivalents

There were no restricted cash as of December 31, 2016 and 2017

Note 8 Pool revenues and pool receivables (related parties)

Pool revenues and receivables

The company entered into a pool arrangement operated by BW Green Carriers AS (BW Green Carriers) in 2017, after leaving the pool arrangement with Atlantic Tankers AS. The vessel is on Time Charter with BW Green Carriers based with a variable charter rate. The variable rate of the time charter contract is determined based on the net pool result derived from earnings from voyage charter revenues less voyage expenses and other expenses. The pool revenue is recognized in the financial statements on a net basis showing the time charter revenue derived from the pool.

Pool revenues amounted to USD 5.8M for 2017 (2016: USD 8.1M) and pool receivable was USD 2.0M as of December 31, 2017, (December 31, 2016: USD 0.6M).

Related parties

BW Green Carriers AS is owned by BW LPG Pte. Ltd, and all the vessels in this pool is fully or partly owned by the BW LPG group.

Uncertainty related to pool revenues and receivables

Atlantic Tankers AS is owned by the former CEO and CFO of Aurora LPG Holding AS. Atlantic Tankers has entered into a Commercial Management Agreement with Ponos Shipping AS (Ponos Shipping). Ponos Shipping owns Atlantic Tankers Management. Ponos Shipping has entered into a sub contract agreement with Atlantic Tankers Management. The former CFO of Aurora LPG Holding AS owns Ponos Shipping as of December 31, 2017.

There is currently material uncertainty related to the final settlement of pool revenues and pool receivable toward Atlantic Tankers as well as costs associated with the termination of the pool arrangement. The uncertainty is also based on issues where the Company's view is that the Pool Agreement dated January 18, 2016 is legally invalid and the Company is also questioning how certain provisions for the pool arrangements have been applied by the Atlantic Tankers AS.

Aurora Shipping II AS has as of year-end 2017 a pool receivable of USD 1,120 thousand towards Atlantic Tankers AS, and pool revenues of USD 509 thousand.



Note 9 Intercompany

2017	Payable	Receivables
Aurora Shipping Holding AS	28,906	17,246

2016	Receivables
Aurora Shipping Holding AS	17,246

Note 10 Other operating expenses

The audit fee for 2017 amounted to USD 258K. This was invoiced to, and taken up as cost in, Aurora LPG Holding AS. The amount includes the statutory audits, and other services.

Note 11 Subsequent events

The company has in 2018, as owner guarantor, entered into a facility agreement with a number of external parties, BW LPG Holding Limited as borrower, BW LPG Limited as parent guarantor and BW Cyan Limited and BW VLGC Limited as owner guarantors. The lenders have agreed to make available to the borrower a term loan facility of an amount not exceeding USD 150 million, which shall be used to finance or refinance existing indebtedness of the borrower and for general corporate and working capital purposes.

**Aurora Shipping II AS**

BALANCE SHEET AT 31.12

(In thousand USD)

	Note	2017	2016
ASSETS			
Vessel	5	49,384	52,000
Other equipment	5	365	0
Total non-current assets		49,749	52,000
Cash and cash equivalents	7	-	4
Inventories		-	49
Other current assets		637	52
Pool receivables	8	2,012	610
Inter-company receivables	9	18,648	17,246
Total current assets		21,297	17,961
Total assets		71,046	69,961
EQUITY AND LIABILITIES			
Share capital	4	333	333
Share premium	4	24,418	24,418
Retained earnings	4	15,877	16,234
Total Equity		40,627	40,984
ABN facility loan	6	-	-
Total non-current liabilities		-	-
ABN facility loan	6	-	28,977
Inter-Company payable		29,813	-
Tax payable	3	11	-
Accounts payable		595	-
Total current liabilities		30,419	28,977
Total equity and liabilities		71,046	69,961

Martin Ackermann
Chairman of the board

Lysaker, 29 June 2018

Elaine Ong
Board memberBård Haugan
Board memberFrancesca L'Orange
Board memberAage Figenschou
General Manager