



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2017 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 878 679 172
Organisasjonsform: Aksjeselskap
Foretaksnavn: SHELL NEW ENERGIES NORWAY AS
Forretningsadresse: Karenslyst allé 2
0278 OSLO

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: Kinga Palhegyi
Dato for fastsettelse av årsregnskapet: 22.06.2018

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, 03.11.2020



Resultatregnskap

Beløp i: NOK	Note	2017	2016
RESULTATREGNSKAP			
Inntekter			
Sales income	3	486 127 378	503 819 098
Other operating income	4	10 554 938	11 576 653
Sum inntekter		496 682 316	515 395 751
Kostnader			
Materials, goods and services		469 563 019	460 563 436
Other operating expenses	5,6,7	33 414 927	31 431 810
Sum kostnader		502 977 946	491 995 246
Driftsresultat		-6 295 630	23 400 505
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	8	187 529	234 724
Annen renteinntekt	2	40 073	
Sum finansinntekter		227 602	234 724
Interest expense to group companies	8	4 211	8 652
Other finance expense	2,12	3 880 953	5 772 833
Sum finanskostnader		3 885 164	5 781 485
Netto finans		-3 657 562	-5 546 761
Ordinært resultat før skattekostnad		-9 953 192	17 853 744
Tax credit/(expense)	13	-2 396 619	4 474 856
Ordinært resultat etter skattekostnad		-7 556 573	13 378 888
Årsresultat		-7 556 573	13 378 888
Overføringer og disponeringer			
Utbytte	14		10 600 817
Konsernbidrag			2 778 071
Avgitt konsernbidrag	14	7 556 573	
Sum overføringer og disponeringer		-7 556 573	13 378 888



Balanse

Beløp i: NOK	Note	2017	2016
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	13	40 575	
Sum immaterielle eiendeler		40 575	
Finansielle anleggsmidler			
Other long-term receivables	11	308 718	520 570
Sum finansielle anleggsmidler		308 718	520 570
Sum anleggsmidler		349 293	520 570
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables	11	64 232 420	80 601 488
Other short term receivables	9,10	75 253 227	68 836 745
Sum fordringer		139 485 647	149 438 233
Sum omløpsmidler		139 485 647	149 438 233
SUM EIENDELER		139 834 940	149 958 803
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share Capital	14,15	50 000 000	50 000 000
Sum innskutt egenkapital		50 000 000	50 000 000
Opptjent egenkapital			
Retained earnings	14	-176 286	
Sum opptjent egenkapital		-176 286	



Balanse

Beløp i: NOK	Note	2017	2016
Sum egenkapital		49 823 714	50 000 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	13		25 427
Sum avsetninger for forpliktelser			25 427
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	25 427
Kortsiktig gjeld			
Leverandørgjeld	10,11	42 709 160	48 469 302
Taxes payable	13		3 650 060
Utbytte	14		10 600 817
Other payables and accruals	10	47 302 066	37 213 197
Sum kortsiktig gjeld		90 011 226	99 933 376
Sum gjeld		90 011 226	99 958 803
SUM EGENKAPITAL OG GJELD		139 834 940	149 958 803



Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 31.01.2017	Vår dato 13.02.2017
Telefon 977 59 464	Deres referanse Håvard Zeller-Sørensen	Vår referanse 2017/96981

A/S Norske Shell
Postboks 40
4098 TANANGER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Shell Marine Products AS, org.nr. 878 679 172

Vi viser til deres brev mottatt 31. januar 2017 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Shell Marine Products AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Shell Marine Products AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

Fra deres søknad gjengis:

Shell Marine Products(org nr. 878 679 172) er et kontraktsselskap som eier kontrakter med internasjonale marine kunder. Selskapet kjøper smøreoljeprodukter fra andre Shell-selskaper og selger disse videre til sine kunder. Det er ingen ansatte i selskapet, da de kjøper tjenester fra morselskap A/S Norske Shell og Danske Shell. Selskapet er et heleid datterselskap av AS Norske Shell som igjen er heleid av selskap i utlandet.

Engelsk er det klart dominerende språket i bransjen og konsernets arbeidsspråk er engelsk. Styret består av personer som har engelsk som primært arbeidsspråk. Regnskapet utarbeides følgelig på engelsk da dette er det språket som er nødvendig for å kommunisere med konsernselskap og styret. Det er ingen forhold rundt selskapets finansiering som skulle tilsi behov for regnskap på norsk, da selskapet ikke har noe ekstern gjeld. Etter vår vurdering er det ingen mulige brukere av årsregnskapet som blir negativt påvirket av at regnskapet kun utarbeides på engelsk, da alle aktører i bransjen antas å ha god kjennskap til det engelske språket.

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

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse: Se www.skatteetaten.no Org.nr: 996250318 E-post: skatteetaten.no/sendepost	Sentralbord 800 80 000 Telefaks 22 17 08 60
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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.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er et heleid datteselskap og at eierkretsen derfor er begrenset. Videre er det vektlagt at selskapet opererer innen en internasjonal bransje og at det antas at ingen mulige brukere av årsregnskapet blir negativt påvirket av at regnskapet kun utarbeides på 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



Shell Marine Products AS

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Organization no. 878 679 172

Annual Report 2017
for
Shell Marine Products AS



Shell Marine Products AS

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Organization no. 878 679 172

Annual report 2017

Business

Shell Marine Products AS (hereinafter referred to as "the Company") is a wholly-owned subsidiary of A/S Norske Shell and is part of the Downstream sector.

The Company is a contracting company that owns contracts with international marine customers. The Company purchases lubricating oil products from other Shell companies and sells them on to its customers for use in marine transport, offshore operations and other marine activities. The Company also provides technical and commercial advice.

The staff providing services to the Company are employees of the parent company. Also, personnel related administrative services are mainly received from the parent company. Technical services, marketing activities, activities such as handling customer enquiries, billings, and managing accounts receivable/payable are performed and managed centrally in the Shell Marine Business with teams spread across all their Shell offices.

The business is operated from the Company's premises in Oslo.

Going concern

We confirm that the conditions for considering the Company a going concern are present, in accordance with §3-3a of the Norwegian Accounting Act. The Company is in a healthy economic and financial position.

Operations

The shipping sector continues to face formidable challenges, including a persistent capacity overhang, historically low freight rates, below-average growth in seaborne trade, and increasingly demanding environmental requirements.

The operating loss of 2017 was under budget. While the volume decreased only by 1%, the unit margin was under stress as the cost of goods sold, that significantly increased, could not fully be passed to the customers due to a very competitive market. The high product costs outpaced the price increase.

In 2017 the Company's network stayed with 700 ports in 59 countries. The Company set up new ports in Malta to offer another key location in the Mediterranean and drive growth.

In order to increase customer satisfaction for flexible product availability, the Company has implemented additional supply on key ports to be able to fulfill urgent orders.

There were some initiatives to optimise product costs to remain competitive with a successful plan to be realized in coming year.

The use of Digital technologies to change a business model and/or provide new revenue and value-producing opportunities has been in focus since 2017.

The Company has launched at the end of 2017, a new ultrahigh base number cylinder lubricant, Shell Alexia 140. Shell Alexia 140's high levels of alkalinity and detergency make it suitable for use in newer, more demanding engines.

The Lube Monitor service in the technical field, which was launched in 2016, has been highly recognized in the market as a great innovation onboard tool.

The Company continues to maintain a solid customer portfolio. In addition, the Company has continued to secure new building vessel and change over vessels from existing customers.

The Company's equity is in compliance with the requirements of the Companies Act with respect to adequate equity capital.



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Annual report 2017 (continued)

The Company is considering transferring its customer contracts along with the vendor contracts during Q3 2018 to Shell Marine Products Singapore ("SMPS") as a part of Shell group's business model simplifications process. After the transfer, the employees' costs under AS Norske Shell will be charged out to SMPS.

Net cash flow from operations is NOK 38,951,160. In addition, the net cash flow from financing activities is NOK (39,138,689) due to payment of dividends declared in 2016, group relief payment and changes in (payables/receivables) in the Group account (Zero Balancing). The difference between profits/(losses) before taxes and the cash flow from operational activities, is due to a net reduction of receivables and increased current liabilities.

Risks

The Company has little exposure to credit risk, as the experience is that losses on accounts receivable are usually marginal. The Company is only exposed to a small extent to liquidity related risks. The Company participates in a Group account system that permits a total overdraft of USD 15 million. On the other hand, there is a higher market risk related to the products due to high excise taxes and strict public requirements. The Company assumes a certain currency exchange risk, as it has elected not to hedge its foreign currency exposure.

Other

There have not been any events since the end of the year that affect the Company's financial position.

There are no research and development activities in the Company, but the Company has access to the Shell Group's R&D knowledge and this is used actively in the sales process.

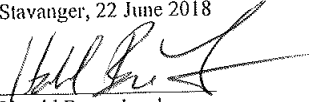
The Company's business does not affect the external environment directly, and it experienced no personnel injuries in 2017.


The working environment, absence due to illness and equal opportunities, etc. for employees that have performed services for the Company, is described in the Annual Report of A/S Norske Shell.


There are two female Directors.

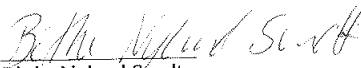
For more information, please refer to the notes to the financial statements.

Stavanger, 22 June 2018


Harald Børre Jacobsen
Chairman of the Board of Directors


Magne Novak
General Manager


Palhegyi Kinga
Director


Birthe Nylund Sundt
Director



Shell Marine Products AS

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

(in NOK)

	Note	2017	2016
OPERATING INCOME AND EXPENSES:			
OPERATING INCOME			
Sales income	3	486,127,378	503,819,098
Other operating income	4	10,554,938	11,576,653
TOTAL OPERATING INCOME		496,682,316	515,395,751
OPERATING EXPENSES			
Materials, goods and services		469,563,019	460,563,436
Other operating expenses	5, 6, 7	33,414,927	31,431,810
TOTAL OPERATING EXPENSES		502,977,946	491,995,246
OPERATING (LOSS)/PROFIT		(6,295,630)	23,400,505
FINANCE INCOME & FINANCE EXPENSES:			
FINANCE INCOME			
Interest income from group companies	8	187,529	234,724
Other finance income	2	40,073	-
TOTAL FINANCE INCOME		227,602	234,724
FINANCE EXPENSES			
Interest expense to group companies	8	4,211	8,652
Other finance expense	2, 12	3,880,953	5,772,833
TOTAL FINANCE EXPENSES		3,885,164	5,781,485
NET FINANCE ITEMS		(3,657,562)	(5,546,761)
NET (LOSS)/PROFIT BEFORE TAX		(9,953,192)	17,853,744
Tax credit/(expense)	13	2,396,619	(4,474,856)
NET (LOSS)/PROFIT		(7,556,573)	13,378,888
TRANSFERS AND DISPOSITIONS			
Provisions for dividend	14	-	10,600,817
Transfer to other equity	14	(7,556,573)	2,778,071
TOTAL TRANSFERS AND DISPOSITIONS		(7,556,573)	13,378,888



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BALANCE SHEET AS AT 31 DECEMBER 2017

(in NOK)

ASSETS	Note	2017	2016
NON-CURRENT ASSETS			
Deferred tax asset	13	40,575	-
Other long-term receivables	11	308,718	520,570
TOTAL NON-CURRENT ASSETS		349,293	520,570
CURRENT ASSETS			
Receivables			
Accounts receivables	11	64,232,420	80,601,488
Other short term receivables	9, 10	75,253,227	68,836,745
TOTAL CURRENT ASSETS		139,485,647	149,438,233
TOTAL ASSETS		139,834,940	149,958,803



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BALANCE SHEET AS AT 31 DECEMBER 2017 (CONTINUED)

(in NOK)

EQUITY AND LIABILITIES	Note	2017	2016
Paid-up equity capital			
Share capital	14, 15	50,000,000	50,000,000
TOTAL PAID-UP SHAREHOLDERS' EQUITY		50,000,000	50,000,000
Retained earnings			
Retained earnings	14	(176,286)	-
TOTAL RETAINED EARNINGS		(176,286)	-
TOTAL EQUITY CAPITAL		49,823,714	50,000,000
LIABILITIES			
Provisions			
Deferred taxes	13	-	25,427
TOTAL LONG-TERM LIABILITIES		-	25,427
Current liabilities			
Accounts payable	10, 11	42,709,160	48,469,302
Taxes payable	13	-	3,650,060
Allocated dividend	14	-	10,600,817
Other payables and accruals	10	47,302,066	37,213,197
TOTAL CURRENT LIABILITIES		90,011,226	99,933,376
TOTAL LIABILITIES		90,011,226	99,958,803
TOTAL EQUITY AND LIABILITIES		139,834,940	149,958,803

Stavanger, 22 June 2018

Harald Borre Jacobsen
Chairman of the Board of Directors

Magne Novak
General Manager

Palhegyi Kinga
Director

Birthe Nyttund Sundt
Director



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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

(in NOK)

	2017	2016 (restated)
Cash flows from operating activities		
(Loss)/Profit before tax	(9,953,192)	17,853,744
<u>Non-cash adjustment to reconcile profit before tax to net cash flows</u>		
Unrealized foreign exchange loss	2,979,072	4,636,394
Interest expense	4,211	8,652
Interest income	(227,602)	(234,724)
Operating profit before working capital changes	(7,197,511)	22,264,066
Movements in working capital:		
(Decrease) in Account payables	(5,645,806)	(10,986,438)
Increase in Other payables and accruals	13,986,852	2,293,360
Decrease in Accounts receivables	13,223,272	16,239,149
Decrease in Other receivables	25,894,027	111,462,671
Cash generated from/(used in) operations	40,260,834	141,272,808
Direct taxes paid (net of refunds)	(1,309,674)	(22,500,723)
Net cash flow from/(used in) operating activities (A)	38,951,160	118,772,085
Cash flows from investing activities		
Interest received	187,529	234,724
Net cash flow from/(used in) investing activities (B)	187,529	234,724
Cash flows from financing activities		
Movements with STCL	(24,644,990)	(55,009,923)
Group Relief paid	(3,888,671)	(538,234)
Dividends Paid	(10,600,817)	(63,450,000)
Interest paid	(4,211)	(8,652)
Net cash flow from/(used in) financing activities (C)	(39,138,689)	(119,006,809)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	-	-

Note: The restatements of 2016 cash flows includes the reclassification of amortization of sign-on bonus and unrealized foreign exchange losses.



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Notes to the financial statements

1. Accounting principles

The annual statements were prepared in accordance with the Norwegian Accounting Act of 1998. They were prepared in accordance with Norwegian accounting rules and standards. There were no changes to the accounting principles this year.

The immediate parent Company is A/S Norske Shell.

The ultimate parent Company and controlling party is Royal Dutch Shell plc, which is incorporated in England and Wales. Royal Dutch Shell plc is the parent undertaking of the largest group to consolidate these accounts.

The consolidated accounts of Royal Dutch Shell plc are available from:

Royal Dutch Shell plc
Tel: +31 888 800 844
email: order@shell.com

Assets and Liabilities in Foreign Currency

Cash items in foreign currency are translated at the prevailing exchange rate as on the date of the balance sheet.

Receivables

Accounts receivables and other receivables are recorded at face value after deduction of provisions for expected losses. Provisions for losses are made on the basis of an individual assessment of each claim.

Accrual of income

Income on the sale of goods is accrued at the time of delivery. Services are accrued concurrently with performance. The portion of sales revenues related to future service performance is recognized in the balance sheet as unearned income at the time of the sale and recognized thereafter as income in time with delivery.

Bank deposits

Bank deposits include cash, time deposits with bank and short-term investments with a maturity of three months or less from the time of acquisition. The bank deposit is included in a Zero-balancing Group agreement requiring that the bank account is swept into a top account, of which the Company's accumulated balance is decisive for whether there is a current receivable or payable.

Current tax and deferred taxes

The tax expense is related to the accounting profits and consists of the tax payable and changes in deferred taxes. The applicable tax rate for ordinary tax is used for the calculation of the tax expense.

In the balance sheet, deferred taxes are calculated on the positive temporary differences between the accounting and tax related balance sheet values after reconciliation of negative temporary differences.

A provision for deferred taxes according to the liability method without discounting has been made. Deferred tax liabilities and deferred tax assets are represented by a net amount in the balance sheet. Deferred tax assets are only recognized in the balance sheet when it is considered probable that the asset may be realized.



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Notes to the financial statements (continued)

1. Accounting principles (continued)

Cash flow statement

The cash flow statement has been prepared in accordance with the indirect method of the Norwegian Accounting Standard.

2. Financial market risk / currency exchange (loss)/gain

The company's purchases and sales are accounted in USD. Thus, the profit margin is exposed to foreign currency exchange risk. Currency exchange losses and gains are recognized via the income statement as part of other finance expenses and are as follows:

(in NOK)

	2017	2016
Net currency (loss)	(3,801,835)	(5,701,851)

3. Sales revenue

The Company's sales revenue is from the sale of international marine products and all income in 2017 is related to the sale of lubrication oil.

4. Other operating income

(in NOK)

	2017	2016
Commission received	1,034,938	4,523,632
Income from services	9,520,000	7,053,021
	10,554,938	11,576,653

5. Losses on accounts receivable

No losses have been recognised against accounts receivable in the current year.

6. Remuneration to members of management

All personnel administration is governed by different Service Level Agreements between Shell Marine Products AS and its internal Group service providers. Shell Marine Products AS itself has no employees, but procures all types of services from other Shell companies. The total recognized amount for these services, including the wages of the general manager of NOK 2,337,713 amounted to NOK 8,461,355 in 2017.

The fee recognized for mandatory audit services amounts to NOK 32,484 excluding VAT. No compensation has been paid to the Directors.

7. Number of employees

The company has no employees. Administrative services are mainly purchased from A/S Norske Shell, which also ensures compliance with the requirements related to mandatory company pension.



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Notes to the financial statements (continued)

8. Transactions with related parties

(in NOK)

	2017	2016
Operating income		
Other group companies	(1,113,134)	(4,651,484)
Total income	(1,113,134)	(4,651,484)

	2017	2016
Operating expenses		
Shell Eastern Trading (PTE) Limited	140,698,521	123,280,252
Shell Nederland Verkoopmaatschappij B.V.	35,688,973	34,829,173
Shell Markets (Middle East) Limited	24,907,556	27,312,851
Shell Deutschland Oil GmbH	21,091,207	21,462,260
Hankook Shell Oil Co Ltd	9,977,435	2,915,267
Other group companies	20,827,354	27,961,735
Purchases	253,191,046	237,761,538
Shell International Petroleum Company Limited	22,216,487	20,571,659
A/S Norske Shell	9,349,483	9,179,813
Other group companies	225,985	1,472,097
Other costs	31,791,955	31,223,569
Total operating expenses	284,983,001	268,985,107

	2017	2016
Finance income and finance expenses		
A/S Norske Shell	-	(18)
Shell Treasury Centre Limited	(187,530)	(234,705)
Finance income	(187,530)	(234,723)
Shell Treasury Centre Limited	(126,563)	(33,111)
A/S Norske Shell	(11,582)	45,451
Finance expenses	(138,145)	12,340
Net finance items	(325,675)	(222,383)

The input for the table is based on incoming and outgoing invoices and accruals recorded in 2017 and 2016 comparatives.

9. Bank deposits and other cash equivalents (Zero-Balancing)

The bank accounts of the Company are part of a Group account system called Zero-Balancing. This means that accounts are swept daily into a top-level account in which accumulated receivables or payables are reported as claims or liabilities against Shell Treasury Company Limited (STCL). As of 12/31/2017, the Company's outstanding balance from STCL amounted to NOK 17,357,756 and is part of the claim on inter-group companies (Please refer to Note 10 below). There are no joint and several liabilities for the Group account arrangement.



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Notes to the financial statements (continued)

10. Accounts between companies in the same corporate group

(in NOK)

	2017	2016
Other short-term receivables		
- Related parties	43,814,798	59,932,606
- Others	31,438,429	8,904,139
	75,253,227	68,836,745
Account payables		
- Related parties	28,086,907	31,811,473
- Others	14,622,253	16,657,829
	42,709,160	48,469,302
Other payables and accruals		
- Related parties	7,517,783	16,792,492
- Others	39,784,283	20,420,705
	47,302,066	37,213,197

Other short-term receivables from related parties includes outstanding balances in Zero-Balancing, please refer Note 9.

11. Receivables / payables

There are no receivables with a maturity of more than one year from the date of the balance sheet. These are related to customer contracts in which the Company offers discounted arrangements related to the first filling of lubricating oil for new vessels (initial fill - IF) or the refilling of lubricating oils related to new contracts where the customer previously has had an agreement with another oil company (changeover - CO). The negative margin on these sales are moved from the income statement to the balance sheet. From thereon, the amount is amortized monthly in line with the contract period. The amounts classified as long-term receivables are the parts to be amortized and recognized as cost in the subsequent years.

In case of breach of contract, the customers will be required to repay any remaining amount.

There are no liabilities with a maturity of more than 5 years from the date of the balance sheet.

12. Accounting currency

The Company records its transactions in USD, but the reporting currency is NOK. All exchange rate differences are recognized in the income statement as other finance income or other finance expense. The conversion rate to NOK in the income statement is based on an average monthly rate, whereas the conversion rate in the balance sheet is the exchange rate as on 12/31/2017. The exchange rates used for conversion are from Norges Bank.



Notes to the financial statements (continued)

13. Taxes

(in NOK)

	2017	2016
Basis for current year's tax payable:		
Net (loss)/profit before tax	(9,953,191)	17,853,744
Permanent differences	(40,073)	49,916
Basis for current year's tax	(9,993,264)	17,903,660
Change in temporary differences	21,191	585,249
Received group relief	9,710,904	-
Basis for tax credit/payable in the profit and loss account	(261,169)	18,488,909
Group relief paid	-	(3,888,671)
(Losses carried forward)/Refund receivable	(261,169)	14,600,238
Tax expense in current year consists of:		
Current tax on result of the period (2017: 24%; 2016: 25%)	(2,388,766)	4,622,228
Change in deferred tax	(9,618)	(146,312)
Change in deferred tax due to change in tax rate	1,765	(1,060)
Total tax (credit)/expenses	(2,396,619)	4,474,856
Tax payable in the balance sheet:		
Tax payable on current year's result	-	4,622,228
Tax on group relief received	-	(972,168)
Tax payable	-	3,650,060

Specification of basis for deferred tax	Change	2017	2016
Current assets		-	-
Profit and loss account	(21,191)	84,760	105,951
Carry forward loss	(261,169)	(261,169)	-
Basis for deferred tax in the balance sheet	(282,360)	(176,409)	105,951
Deferred tax (asset)/liability in the balance sheet	(66,002)	(40,575)	25,427



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Notes to the financial statements (continued)

14. Equity

(in NOK)

	Share Capital	Retained earnings	Total equity
Equity as at 01.01.2017	50,000,000	-	50,000,000
Current year's change in equity			
Result of the year	-	(7,556,573)	(7,556,573)
Proposed dividend	-	-	-
Group relief received/(paid), net	-	7,380,287	7,380,287
Equity as at 31.12.2017	50,000,000	(176,286)	49,823,714

15. Share capital and shareholder information

The company's share capital is NOK 50,000,000, comprises 5,000 shares with a face value of NOK 10,000 per share. A/S Norske Shell is the sole shareholder.





Shell Marine Products AS

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Ernst & Young AS
Att.: Erik Søreng

This representation letter is provided in connection with your audit of the financial statements of Shell Marine Products AS for the year ended 31 December 2017, for the purpose of expressing an opinion as to whether those financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the company in accordance with the Accounting Act and generally accepted accounting principles in Norway. We acknowledge our responsibility for such fair presentation of those financial statements.

We confirm, to the best of our knowledge and belief, the following representations:

1. The financial statements referred to above are fairly presented in conformity with the Accounting Act and generally accepted accounting principles in Norway. The going concern assumption applied in preparing the financial statements is appropriate.
2. The Company has, as of the above date:
 - a) no owned fixed assets, and there are no liens or encumbrances, nor has any asset been pledged as collateral.
 - b) no significant current assets recorded at a value exceeding realizable value
 - c) no significant unrecorded assets
 - d) no significant unrecorded liabilities
 - e) no expected material losses derived from committed purchase or sales orders, or derived from other contractual terms (including guarantees issued, options, forward contracts, legal disputes etc.) not reflected in the accounts in accordance with the Company's accounting principles.
3. The Company has no other liabilities or gain or loss contingencies (including those relating to oral guarantees) than those disclosed in the 2017 financial statements.
4. The Company has not obtained any loans from banking and financial institutions.
5. To the extent required by the Accounting Act sections 7-31 and 7-32, the financial statements and footnote disclosures contain complete information regarding all agreements made by the



- Managing Director, Chairman of the Board, other Board members and other executives with respect to compensation, options/warrants, pension, early retirement and termination rights as well as all loans or collateral provided to Board members, shareholders and employees.
6. The Company is not a party to any completed, current or impending legal proceedings that has incurred, or could incur, financial consequences.
 7. We are responsible for implementing and operating the accounting and internal control systems that have been developed to prevent and detect fraud and errors.
 8. We have informed the auditor of
 - a) any instances of fraud or suspicion of fraud known to management and that can have influenced the company, involving:
 - a. management,
 - b. employees with important functions in internal control, or
 - c. others where fraud could have had a significant influence on the financial statements
 - b) the results of our assessments concerning the risk of material errors in the financial statements due to fraud
 - c) any allegations or suspicions of fraud that can have influenced the company's financial statements and that have been communicated by employees, former employees, analysts, regulatory authorities or others.
 9. The following have been properly recorded or disclosed in the financial statements and have been communicated in full to you:
 - the company's related parties and all transactions, transfers free of charge and agreements with related parties
 - transactions with employees beyond ordinary compensation arrangements on terms different from normal market prices and/or payment terms
 - outstanding/issued warrants, options, convertible loans etc. related to the Company's share capital
 - outstanding/issued warrants, options, convertible loans, etc. held by members of the Board or employees that involve the right to exercise in any other Company within the Group
 - arrangements with lenders/financial institutions involving restrictions on deposit accounts (restricted cash)
 - sale and lease back transactions
 - transactions with extended payment terms.
 10. All transactions have been recorded in the accounting records underlying the financial statements. In our opinion, we have fulfilled our duty to properly register and document the accounting information in accordance with Norwegian law and generally accepted bookkeeping practice in Norway.
 11. All transactions with third parties have been conducted within the regulations of the Limited Liability Companies Act and no Board member, employees or other individuals and/or Companies




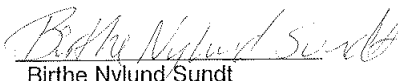
included in the Limited Liability Companies Act section 6-17 have received any compensation violating the regulations of this section.

12. In our view, the methods, the information and the assumptions applied by us in making accounting estimates, including estimates at fair value, are reasonable and constitute management's best estimate.
13. The Company has complied with prevailing laws and regulations affecting the business (including direct and indirect tax regulations, currency regulations, price and competition laws, etc.). There have been no communications from regulatory agencies or lenders concerning noncompliance with or deficiencies in financial or tax reporting practices that may be material for the financial statements.
14. No events have occurred subsequent to the balance-sheet date and through the date of this letter that would require adjustment to or disclosure in the financial statements.
15. The Company has no plans or intentions that may materially affect the Company's operations, position or the carrying value or classification of assets and liabilities.
16. We have made available to you without withholding any relevant information
 - a. all financial records and related data
 - b. minutes/protocols from all meetings of shareholders, directors etc. until this date.
17. We acknowledge our responsibility for the preparation of the other information included in our annual report. The other information comprises the Board of Directors' report that has been made available to you.

We confirm that the content contained within the other information is consistent with the financial statements and that we are not aware of any misstatement in the other information.

Stavanger, 22 June 2018
Shelli Marine Products AS


Harald Børre Jacobsen
Chairman


Birthe Nylund Sundt
Director





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Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Shell Marine Products AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Shell Marine Products AS, which comprise the balance sheet as at 31 December 2017, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2017 and its financial performance and 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 opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of 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 management for the financial statements

Management is responsible for the preparation and 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



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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, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (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 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 in accordance with law, regulations and generally accepted auditing principles 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, 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 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 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 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.

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 and the going concern assumption is consistent with the financial statements and complies with the law and regulations.



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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 ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Stavanger, 24 June 2018
ERNST & YOUNG AS

Erik Søreng
State Authorised Public Accountant (Norway)