



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2017 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 913 188 845
Organisasjonsform: Aksjeselskap
Foretaksnavn: ODFJELL GAS AS
Forretningsadresse: Conrad Mohrs veg 29
5072 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2017 - 31.12.2017

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Lars Førde
Dato for fastsettelse av årsregnskapet: 28.06.2018

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, 31.10.2020



Resultatregnskap

Beløp i: NOK	Note	2017	2016
RESULTATREGNSKAP			
Kostnader			
Lønnskostnad	2	62 410	1 959 105
Sum kostnader		62 410	1 959 105
Driftsresultat		-62 410	-1 959 105
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	3	226 148	452 048
Annen renteinntekt	3	915 883	87 590
Agio	3	0	752 670
Sum finansinntekter		1 142 031	1 292 308
Nedskrivning av finansielle eiendeler	8	0	3 398 510
Annen rentekostnad	3	894 734	76 533
Annen finanskostnad	3	19 889	9 814
Disagio	3	187 851	0
Sum finanskostnader		1 102 474	3 484 857
Netto finans		39 557	-2 192 549
Ordinært resultat før skattekostnad		-22 853	-4 151 654
Ordinært resultat etter skattekostnad		-22 853	-4 151 654
Årsresultat		-22 853	-4 151 654



Balanse

Beløp i: NOK	Note	2017	2016
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	8	147 991 386	147 991 386
Lån til foretak i samme konsern	4	1 418 164	8 404 252
Sum finansielle anleggsmidler		149 409 550	156 395 638
Sum anleggsmidler		149 409 550	156 395 638
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		18 865	2 693
Konsernfordringer	4	264 621	230 381 125
Sum fordringer		283 486	230 383 818
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		3 413 414	730 616
Sum bankinnskudd, kontanter og lignende		3 413 414	730 616
Sum omløpsmidler		3 696 900	231 114 434
SUM EIENDELER		153 106 450	387 510 072
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	5,7	240 000	240 000
Overkurs	5	150 666 198	150 666 198
Sum innskutt egenkapital		150 906 198	150 906 198



Balanse

Beløp i: NOK	Note	2017	2016
Opptjent egenkapital			
Annen egenkapital	5	1 788 196	1 811 050
Sum opptjent egenkapital		1 788 196	1 811 050
Sum egenkapital		152 694 394	152 717 248
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Utbytte	5	0	230 000 000
Kortsiktig konserngjeld	4	0	4 357 956
Annen kortsiktig gjeld	6	412 055	434 868
Sum kortsiktig gjeld		412 055	234 792 824
Sum gjeld		412 055	234 792 824
SUM EGENKAPITAL OG GJELD		153 106 449	387 510 072



Konsernets resultatregnskap

Beløp i: USD	Note	2017	2016
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	4	16 734 000	24 505 000
Sum inntekter		16 734 000	24 505 000
Kostnader			
Reiseavhengige kostnader	5	7 375 000	11 831 000
Time charter expenses	6	0	993 000
Lønnskostnad	8	332 000	646 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	9	2 573 000	2 729 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	10	0	11 390 000
Annen driftskostnad	7	4 382 000	4 453 000
Tap på salg av driftsmidler		715 000	
Sum kostnader		15 377 000	32 042 000
Driftsresultat		1 357 000	-7 537 000
Finansinntekter og finanskostnader			
Annen renteinntekt	15	216 000	8 000
Sum finansinntekter		216 000	8 000
Annen rentekostnad	15	1 085 000	1 034 000
Annen finanskostnad	15	194 000	252 000
Sum finanskostnader		1 279 000	1 286 000
Netto finans		-1 063 000	-1 278 000
Ordinært resultat før skattekostnad		294 000	-8 815 000
Ordinært resultat etter skattekostnad		294 000	-8 815 000
Årsresultat		294 000	-8 815 000
Andre resultatkomponenter for IFRS-foretak			-29 000
Totalresultat			-8 844 000



Konsernets balanse

Beløp i: USD	Note	2017	2016
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip, rigger, fly og lignende	9,10	0	45 150 000
Nybyggingskontrakter	9,10	0	38 319 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	9	21 000	27 000
Sum varige driftsmidler		21 000	83 496 000
Sum anleggsmidler		21 000	83 496 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	12	1 334 000	1 671 000
Konsernfordringer		0	1 712 000
Sum fordringer		1 334 000	3 383 000
Investeringer			
Eiendeler holdt for salg	9,10	42 590 000	
Sum investeringer		42 590 000	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		5 977 000	2 214 000
Sum bankinnskudd, kontanter og lignende		5 977 000	2 214 000
Sum omløpsmidler		49 901 000	5 597 000
SUM EIENDELER		49 922 000	89 093 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Konsernets balanse

Beløp i: USD	Note	2017	2016
Innskutt egenkapital			
Selskapskapital	16	33 000	33 000
Overkurs	16	45 006 000	72 766 000
Sum innskutt egenkapital		45 039 000	72 799 000
Opptjent egenkapital			
Annen egenkapital		-13 426 000	-14 283 000
Sum opptjent egenkapital		-13 426 000	-14 283 000
Sum egenkapital		31 613 000	58 516 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	12	0	9 000
Sum avsetninger for forpliktelser		0	9 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	9 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	11	18 200 000	21 947 000
Skyldige offentlige avgifter		8 000	7 000
Kortsiktig konserngjeld	14	0	8 614 000
Annen kortsiktig gjeld		102 000	
Sum kortsiktig gjeld		18 310 000	30 568 000
Sum gjeld		18 310 000	30 577 000
SUM EGENKAPITAL OG GJELD		49 923 000	89 093 000



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	04.06.2014	06.06.2014
Telefon	Deres referanse	Vår referanse
22078139	Terje Iversen	2014/390239

ODFJELL GAS AS
Postboks 6101
5892 BERGEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

— Det vises til deres brev av 4. juni 2014 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Odfjell Gas AS	org.nr. 913 188 845
Odfjell Gas Shipowning AS	org.nr. 998 477 875
Odfjell Gas Carriers AS	org.nr. 998 477 913

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper 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

Odfjell Gas AS er morselskap til Odfjell Gas Shipowning AS og Odfjell Gas Carriers AS. Odfjell Gas AS med underliggende selskaper vil i løpet av 2014 bli et joint venture (JV) selskap med en aksjonærsammensetning fordelt 50 % på Odfjell SE og 50 % i fellesskap på Breakwater Capital og Oak Hill Advisors, L.P. Majoriteten av aksjonærene er på utenlandske hender. Odfjell SE har tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk. Odfjell Gas AS med underliggende selskaper er et internasjonalt shipping selskap med global virksomhet. Dette er en bransje hvor engelsk er det klart dominerende språket. Virksomheten er internasjonal og alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Arbeidsspråket er engelsk og all intern rapportering foregår på dette språket. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

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.”*

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



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 særlig vekt på at selskapene er eiet av et norsk selskap som har tillatelse til å benytte engelsk språk og utenlandske selskaper. Eierkretsen er begrenset. Arbeidsspråket er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at selskapene driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

seniorrådgiver

Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland



Directors report - Odfjell Gas Group and Odfjell Gas AS 2017

Business summary

Unless otherwise specified the report is referring to the consolidated financial statements.

The business area for the company is ownership, chartering and operation of vessels.

The ships are engaged in a pool arrangement under commercial management by Lauritzen Kosan (LK). This setup has provided income throughout the year in line with the expectations.

Odfjell Gas ordered in 2014 eight vessels for agreed delivery in 2016 and 2017, however due to substantial delays, all eight vessels have been cancelled.

Odfjell Gas is seeking to sell the two existing vessels and the assets are classified as assets held for sale.

Going concern

In accordance with the Norwegian Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. The Board believes that the proposed financial statement provides a comprehensive picture of the Groups performance and financial position.

Financial statement

Gross revenues for the Odfjell Gas Group came in at USD 16.7 million. The EBITDA was USD 4.6 mill in 2017 compared to USD 6.6 mill in 2016. The consolidated result before taxes was USD 0.3 million. Total interest bearing debt as at 31st December 2017 is USD 18.2 million. The equity ratio was 63%.

The cash flow from operations was USD 4.1 million in 2017. Cash out flows from investment activities amounted to USD 30.7 million, mainly due to repayments of instalments for the newbuildings. The cash flow from financing activities was negative USD 31.0 million, mainly due to capital contribution to shareholders and repayment of debt.

The functional currency for the Group is USD.

The parent company, Odfjell Gas AS, posted a net result for the year of negative NOK 0.02 million. Total equity per 31 December 2017 was NOK 152.7 million.

Financial risk and strategy

Our financial strategy is to be sufficiently robust to withstand prolonged adverse conditions, such as long-term down cycles of our markets or challenging financial conditions.

The Group's revenues are denominated in USD.



Liquidity and financing

The Group has repaid the shareholders total USD 27.2 million in 2017 related to repayment of paid-in capital.

As at 31 December 2017 the Group's cash and cash equivalent amounted to USD 6.0 million.

Working environment and the employees.

At present there is none employees directly employed by the Company.

QHSE – Safety

The Group had no work related accidents reported during the year. However, we had a gas leakage of about 1 cbm of Propylene from the Bow Guardian in the port of Stade, Germany. There were no injuries. The Bow Guardian had a crack in a ballast tank, which resulted in off hire.

Staff, discrimination

The Board of Directors consist of six members, all men. The Board of Directors have through an assessment not found it necessary to do further efforts to promote gender equality.

Company strategy and prospects

The Odfjell Gas Board of Directors have resolved to sell the two existing vessels with an intention to liquidate the Company following the sales.

Allocation of net result

The Board of Directors proposal on how to dispose the net result for Odfjell Gas AS is shown in the income statement.

Bergen, 28/6 2018

The Board of Directors of Odfjell Gas AS

Terje Iversen
Member of the Board

Kristian V. Mørch
Chairman of the Board

Jeppe Jensen
Member of the Board

Alexis Atteslis
Member of the Board

Jonathan Askew
Member of the Board

Narald Fotland
Member of the Board



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Bergen, 28 / 6 2018

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Torje Iversen
Member of the Board

Kristian V. Mørch
Chairman of the Board

Jeppe Jensen
Member of the Board

Alexis Atteslis
Member of the Board

Jonathan Askew
Member of the Board

Harald Fotland
Member of the Board



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Bergen, 28 / 6 2018

The Board of Directors of Odfjell Gas AS

Terje Iversen
Member of the Board

Jeppe Jensen
Member of the Board

Jonathan Askew
Member of the Board

Kristian V. Mørch
Chairman of the Board

Alexis Atteslis
Member of the Board

Harald Fotland
Member of the Board



ODFJELL GAS GROUP

INCOME STATEMENT

(USD 1 000)

	Note	2017	2016
Gross revenue	4	16 734	24 505
Voyage expenses	5	(7 375)	(11 831)
Time-charter expenses	6	-	(993)
Operating expenses	7	(4 382)	(4 453)
Gross result		4 977	7 228
General and administrative expenses	8	(332)	(646)
Operating result before compensation, depreciation, amortisation and capital gain (loss) on non-current assets (EBITDA)		4 645	6 582
Depreciation	9	(2 573)	(2 729)
Impairment of non-current assets	10	-	(11 390)
Capital gain (loss) on non-current assets		(715)	-
Operating result (EBIT)		1 358	(7 537)
Interest income	15	216	8
Interest expenses	15	(1 085)	(1 034)
Other financial items	15	(194)	(252)
Net financial items		(1 063)	(1 277)
Result before taxes		294	(8 814)
Taxes	13	-	-
Net result		294	(8 814)
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to statement of comprehensive income			
Exchange rate differences		-	(29)
Other comprehensive income		294	(8 843)



ODFJELL GAS GROUP

STATEMENT OF FINANCIAL POSITION

(USD 1 000)

ASSETS AS PER 31.12.	Note	2017	2016
NON-CURRENT ASSETS			
Office equipment	9	21	27
Ships	9, 10	-	45 150
Newbuilding contracts	9, 10	-	38 319
Total non-current assets		21	83 496
CURRENT ASSETS			
Current receivables	12	1 334	1 671
Due from related companies		-	1 712
Cash and cash equivalents		5 977	2 214
Assets classified as held for sale	9, 10	42 590	-
Total current assets		49 901	5 597
Total assets		49 922	89 093
EQUITY AND LIABILITIES AS PER 31.12			
EQUITY			
Share capital	16	33	33
Share premium	16	45 006	72 766
Other equity		(13 426)	(14 283)
Total equity		31 613	58 516
NON-CURRENT LIABILITIES			
Deferred tax liabilities	12	-	9
Total non-current liabilities		-	9
CURRENT LIABILITIES			
Current portion of interest bearing debt	11	18 200	21 947
Taxes payable	12	-	-
Employee taxes payable		8	7
Debt to related parties	14	-	8 614
Other current liabilities		102	-
Total current liabilities		18 309	30 568
Total liabilities		18 309	30 577
Total equity and liabilities		49 922	89 093

Bergen, 28, 6 2018

THE BOARD OF DIRECTORS OF ODFJELL GAS

Terje Iversen
Harald Fotland

Jeppe Jensen

Jonathan Askew

Alexis Atteslis

Kristian Verner Mørch



ODFJELL GAS GROUP

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(USD 1 000)

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Bergen, 28, 6 2018

THE BOARD OF DIRECTORS OF ODFJELL GAS

Torje Iversen
Harald Folland
Jeppe Jensen

Jonathan Askew

Alexis Attaslis

Kristian Verner Merch



ODFJELL GAS GROUP

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(USD 1 000)

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Bergen, 28, 6 2018

THE BOARD OF DIRECTORS OF ODFJELL GAS

Terja Iversen
Harald Folland
Jøppe Jansen
Jonathan Askew
Alexis Attaslis
Kristian Verner March



STATEMENT OF CASH FLOW

(USD 1 000)

	Note	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income taxes		294	(8 814)
Depreciation/impairment	9, 10	2 573	14 119
Capital (gain) loss on non-current assets		715	-
Other current accruals		477	1 019
Net cash flow from operating activities		4 058	6 343
CASH FLOW FROM INVESTING ACTIVITIES			
Refund from cancellation of contracts	9	38 368	39 753
Investment in non-current assets	9	(764)	(2 444)
Changes in I/C with related parties		(6 902)	1 237
Net cash flow from investing activities		30 702	38 547
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of interest bearing debt	11	(3 800)	(3 800)
Capital contribution		(27 198)	(40 350)
Net cash flow from financing activities		(30 998)	(44 150)
Net change in cash balances		3 763	740
Cash and cash equivalents in the beginning of the period		2 214	1 473
Cash and cash equivalents as per 31.12		5 977	2 214
Available credit facilities		-	-



ODFJELL GAS GROUP

STATEMENT OF CHANGES IN EQUITY
(USD 1 000)

	Share capital	Share premium	Exchange rate differences	Retained earnings	Total other equity	Total equity
Equity as at 01.01.2016	33	113 116	7	(5 446)	(5 439)	107 710
Return of paid in capital	-	(40 350)	-	-	-	(40 350)
Other comprehensive income	-	-	(29)	-	(29)	(29)
Net income	-	-	-	(8 814)	(8 814)	(8 814)
Equity as at 31.12.2016	33	72 766	(22)	(14 260)	(14 282)	58 516
Equity as at 01.01.2017	33	72 766	(22)	(14 260)	(14 282)	58 516
Return of paid in capital	-	(27 197)	-	-	-	(27 197)
Other comprehensive income	-	-	-	-	-	-
Net income	-	-	-	294	294	294
Equity as at 31.12.2017	33	45 568	(22)	(13 966)	(13 988)	31 613



Note 1 Corporate information

Odfjell Gas AS, Conrad Mohrsv. 29, Bergen, Norway, is the ultimate parent company of the Odfjell Gas Group. The Odfjell Gas Group includes Odfjell Gas AS and subsidiaries (see note 17 for an overview of consolidated companies).

Note 2 Summary of significant accounting principles

2.1 Basis for preparation

The Odfjell Gas Group has prepared its consolidated financial statements according to International Financial Reporting Standards (IFRS) approved by the EU. The consolidated financial statements have been prepared under the historical cost convention.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Revenue recognition

Revenue is recognised when it is probable that a transaction will generate a future economic benefit that will accrue to the Group, and the size of the amount may be reliably estimated. Revenue is measured at the fair value of the amount to be received, excluding discounts, sales taxes or duty.

Total revenues and voyage related expenses in a period are accounted for as the percentage of completed voyages. Voyage accounting consists of actual figures for completed voyages and estimates for voyages in progress. Voyages are normally discharge-to-discharge. Except for any period a ship is declared off-hire due to technical or other owner's matters, a ship is always allocated to a voyage.

Revenue from pool participation is reconized as a share of joint venture arrangement on a gross basis where freight income and voyage expenses are reported on a gross basis.

2.3 Property, plant and equipment

Property, plant and equipment – including Ships, newbuilding contracts, office equipment - are measured at historical cost, which includes purchase price, capitalised interest and other expenses directly related to the assets. The carrying value of the non-current assets on the balance sheet represents the cost less accumulated depreciation and any impairment charges. New building contracts include payments made under the contracts; capitalised interest and other costs directly associated with the new building and are not depreciated until the asset is available for use.

Each component of property, plant and equipment that is significant to the total cost of the item is depreciated separately. The Company allocates the amount initially recognised in respect of an item of property, plant and equipment to its significant components and depreciates separately each such component over their useful lives. The book value of ships is split into two components, ships and periodic maintenance.

Day-to-day repairs and maintenance costs are charged to the income statement during in which they are incurred. The cost of major renovations and periodic maintenance is included in the asset's carrying amount. At the time of investing in a ship a portion of the purchase



price is defined as periodic maintenance. The investment is depreciated over the remaining useful life of the asset and for the periodic maintenance part over the period until the next periodic maintenance.

Expected useful lives of property, plant and equipment are reviewed at each balance sheet date, and where they differ significantly from previous estimates, depreciations are adjusted accordingly. Changes are valid as from the dates of estimate changes.

Capital gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the operating result. When the carrying amount of a property, plant and equipment will be recovered principally through a sale transaction rather than through continued use they are reported at the lower of the carrying amount and the fair value less selling costs.

Property, plant and equipment are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell. Assets held for sale are excluded from the impairment test together with the other assets and a separate judgement is made.

2.4 Leases

The determination of whether an arrangement is, or may represent a lease, is based on the substance of the arrangement at inception date. An arrangement is a lease if the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. After inception reassessment is made only if one of the following aspects occurs:

1. there is a change in contractual terms, other than a renewal or extension of the arrangement
2. a renewal option is exercised or an extension is granted, without the term of the renewal or extension having been initially included in the lease term
3. there is a change in the determination of whether fulfilment is dependent on a specified asset
4. there is a substantial change to the asset where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios 1, 3 or 4 and at the date of renewal or extension period for scenario 2.

Assets financed under financial leases are capitalised at the commencement of the lease at the fair value of the leased asset, or if lower, at the net present value of minimum lease payments. Lease payments consist of a capital element and financial cost, the repayment of the capital element reduces the obligation to the lessor and the financial cost is expensed. Capitalised leased assets are depreciated over the estimated useful life. For ships chartered in on bareboat terms, Odfjell is responsible for operating expenses and periodic maintenance. For such ships we make accruals for estimated future periodic maintenance. Provision for dry-docking of ships on bareboat terms is included in other current liabilities in the Statement of financial position.



Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the lease term.

2.5 Impairment of assets

Property, plant and equipment

The carrying amount of the Group's tangible assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Assets held for sale are excluded from the cash generating units and are assessed separately for impairment.

The recoverable amount is the highest of the fair market value of the asset, less cost to sell, and value in use. The value in use is based on the net present value of future estimated cash flow from the employment of the asset. The net present value is based on an interest rate based on weighted average cost of capital reflecting the required rate of return. If the recoverable amount is lower than the book value, impairment has occurred and the asset shall be revalued. Impairment losses are recognised in income statement. Assets are grouped at the lowest level where there are separately identifiable independent cash flows.

Impairment losses recognised in the income statement for previous periods are reversed when there is information that the basis for the impairment loss no longer exists. This reversal is classified in the income statement as an impairment reversal. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

Financial assets

At each reporting date the Group assesses whether a financial asset or a group of financial assets is impaired.

(i) Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost occurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

(ii) Available-for-sale-investments

If an available-for-sale-investment is impaired, an amount comprising the difference between its cost and its current fair value, less any prior impairment losses, is recognized in the income statement. This normally applies in a situation with changes exceeding 20% of the value or expected to last for more than six months, both based on original cost.



2.6 Consolidation

The consolidated statements consist of Odfjell Gas AS and its subsidiaries as at 31 December each year.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtained control, and continues to be consolidated until the date that such control ceases. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Controlling influence is normally gained when the Group owns, directly or indirectly, more than 50% of the shares in the company and is capable of exercising actual control over the company.

Identified excess values have been allocated to those assets and liabilities to which the value relates. Fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the balance sheet date. Excess values are depreciated over the estimated useful lives for the relevant asset and liabilities.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies

2.7 Currency

The consolidated financial statements are presented in USD as the Group operates in an international market where the functional currency is mainly USD. The functional currency of the parent company is USD.

Transactions in non-USD currency are recorded at the exchange rate on the date of the transaction. Receivables and liabilities in non-USD currencies are translated at the exchange rate on the balance sheet date. All exchange rate differences are taken to the Income statement.

The balance sheet of foreign subsidiaries with functional currency other than USD is translated at the rate applicable on the balance sheet date, while the income statement is translated using the monthly average exchange rate for the accounting period. Exchange rate differences that arise as a result of this are included as exchange rate differences in other comprehensive income. When a foreign subsidiary is sold, the accumulated translation adjustment related to that subsidiary is taken to the income statement

2.8 Financial assets

Financial investments have been classified as financial assets at fair value through profit and loss, loans and receivables or available-for-sale. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value



through profit and loss directly attributable transaction costs. The classification is dependent on the purpose for which the investments were acquired. Financial investments with less than 12 months to maturity or if they are being regularly traded are classified as current assets, otherwise as non-current. The Group determines the classification of its financial investments after initial recognition, and where allowed and appropriate, this designation is re-evaluated at each financial year end.

Purchases and sales of financial investments are recognised on the settlement date, which is the date that the asset is delivered to or by the Group. When financial investments are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit and loss, directly attributable transaction cost.

Fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another substantially same instrument, discounted cash flow analysis or other valuation models.

Financial investments at fair value through profit and loss

This category includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit and loss. A financial investment is classified in this category if acquired principally for the purpose of regular trading. Derivatives are in this category unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loan and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process

2.9 Trade receivables

Trade receivables are recognised at fair value at time of initial measurement. Provisions for impairment are based on estimated historical data and objective indicators of a decline in value. Objective indicators are, among other: material economic problems, economic restructuring, bankruptcy, delayed repayment or non-payment. Provisions for impairment are recognised as adjustment to receivables and changes are charged to the income statement. Any receipt of earlier written off receivables are recognised in the income statement as gross revenue.

2.10 Inventories

Bunkers, spare parts and consumables are accounted for at purchase price, on a first-in, first-out basis.

Inventories are measured at the lower of cost and net realisable value. If inventory is written down to net realisable value, the write down is charged to the income statement.



2.11 Cash and cash equivalents

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash in hand and in bank, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

The amount of cash and cash equivalents in the cash flow statement does not include available credit facilities.

Equity

Paid in equity

(i) Share capital

Ordinary shares are classified as equity. The paid in equity equals the nominal value per share.

(ii) Share premium

The excess value of the total paid-in-capital not reflected in the nominal value of the shares. Transaction costs of an equity transaction are accounted for as a deduction in share premium, net of any related income tax benefit.

(iii) Retained earnings

The net result attributable to and available for distribution to the shareholders.

Dividends are recorded as a deduction to other equity in the period in which they are approved by the shareholders.

2.12 Taxes

The shipping activities are operated in Norway under the ordinary tax system in Norway and the Norwegian shipping tax system.

The Group's taxes include taxes of Group companies based on taxable profit for the relevant financial period, together with tax adjustments for previous periods and any change in deferred taxes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available to offset the temporary differences. We recognise formerly unrecognised deferred tax assets to the extent that it has become probable that we can utilise the deferred tax asset. Similarly, the Company will reduce its deferred tax assets to the extent that it no longer can utilise these.



Deferred tax and deferred tax assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the relevant tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax and deferred tax assets are recognised irrespective of when the differences will be reversed. Deferred tax and deferred tax assets are recognised at their nominal value and are classified as non-current liabilities (non-current assets) in the balance sheet.

Companies taxed under special shipping tax systems will generally not be taxed on the basis of their net operating profit. A portion of net financial income and other non-shipping activities are normally taxed at the ordinary applicable tax rate. Taxation under shipping tax regimes requires compliance with certain requirements, and breach of such requirements may lead to a forced exit of the regime.

Tax payable and deferred taxes are recognised directly in equity to the extent that they relate to factors that are recognised directly in equity.

2.13 Interest bearing debt

Interest bearing debt is classified as non-current liabilities and initially recognised at the amount of proceeds received, net of transaction costs incurred. Debt are subsequently carried at amortised cost, where any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Interest bearing debt is generally non-current liabilities, while instalments within the next 12 months are classified as current liabilities.

2.14 Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction and production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred

2.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation. Provisions are based on best estimates. Provisions are reviewed on each balance sheet date and reflect the best estimate of the liability. If the effect of the time value of money is material, normally more than twelve months, provisions are discounted using a current pre tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Events after the balance sheet date

Events after the balance sheet date that do not affect the Company's position at the balance sheet date, but which will materially affect the Company's position in the future are stated.



2.17 Related parties

In the normal course of the conduct of its business, the Group enters into a number of transactions with related parties. The Company considers these arrangements to be on reasonable market terms.

2.18 Classification in the financial statement

Odfjell Gas has used a classification based on a combination of nature and function in the income statement.

2.19 Changes in accounting policy and disclosures

(i) New and amended standards adopted by the Group

There have been no new accounting standard or amendments commencing 1 January 2017 with material impact on the financial statements for the Group.

(ii) New standards and interpretations not yet adopted

Certain new accounting standard and interpretations have been published that are not mandatory as per 31 December 2017. These new standards have not been adopted. The Group's assessment of the impacts on these new standards is set out below.

IFRS 9 Financial Instruments

IFRS 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. The new standard will not have material impact on the Group's financial assets and liabilities.

IFRS 15 Revenue from contracts with customers

The new revenue standard, that is applicable for the Group from 1 January 2018, will replace the percentage of completion method. The Group has applied the percentage of completion to determine when to recognize revenues and also when to recognize voyage cost. Under the new standard the percentage of completion method will no longer be applicable.

Under the new standard freight revenues should be recognized over time commencing from loading in load port and ceasing in the port after discharge has taken place. Each freight service provided is subject for separate recognition. Number of days are used as measure for delivery of the freight service, i.e. all of the proceeds from the freight service including demurrage revenues is recognized linear over the voyage period from load port to discharge port specific to that contract.

The new standard will be implemented in The Group using the modified retrospective method, i.e. applying IFRS 15 from 1 January 2018 without restating 2017. Cumulative effect from implementation will be recognized as an adjustment to equity as at 1 January 2018. The new standard is not expected to have material impact on the Group's financial assets and liabilities.

Note 3 Critical accounting judgment and key sources of estimation uncertainties

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving higher degree and judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are:

Voyage revenues and costs

Voyage revenues and costs are through 2017 recognised in accordance with the percentage of completion method under current accounting policies for revenue recognition, where the timing of operating revenues and voyage cost are assessed for each voyage. This recognition is based on estimated voyages revenues and cost that are reviewed and updated at each period end. Difference between estimated and actual voyage revenues and cost would impact revenues and cost in future periods.

Impairment test LPG/ethylene vessels

The LPG/ethylene fleet is reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the fleet may not be recoverable. Management measures the recoverable amount of an asset or Cash Generating Unit (CGU) by comparing its carrying amount to the higher of its fair value less cost of disposal or value in use that the asset or CGU is expected to generate over its remaining useful life.

If an asset or CGU is considered to be impaired, impairment is recognised in an amount equal to the excess of the carrying amount of the asset or CGU over its recoverable amount.

As the Odfjell Gas ships are interchangeable all ships are seen together as a portfolio of ships.

In order to assess impairment, Management makes assumptions regarding future cash inflows and outflows based on existing contracts, historical experience, financial forecasts, expected growth in ship supply, market demand and discount rate. Management also makes assumptions regarding residual values of the ships.

If actual results differ from estimates and assumptions used in estimating future cash flows, then the Group may be exposed to future impairment losses that could be material.

An impairment test has been carried out at year end 2017. Key assumption in the impairment test is the gross result and discount rate.

Depreciation and residual value of ships

Ships are recognised at historical cost less accumulated depreciation and any impairment charges. The cost of the ships includes the contract price, expenses related to site team and pre-delivery borrowings incurred. The cost less residual value is depreciated on a straight-line basis over the ships estimated useful life.

The cost of the ships is divided into separate components for depreciation purposes. Estimated cost of first time dry-docking is deducted from the cost of the ship and depreciated separately over a period until the next dry-docking. The residual value of these the dry-docking components is zero.



Residual value is estimated based upon the latest available steel-price/stainless steel price and the lightweight of the ships. Stainless steel part of the lightweight of the ships is separately assessed and valued as part of the total residual value.

Estimated useful life of the ships is 30 years. Estimated cost of dry-docking is depreciated over an estimated period of 2.5 years.

If residual value is incorrect, the future depreciation would be affected, either as a reduction if residual value is understated or as an increase in depreciation if residual value is overstated.

Note 4 Freight income

(USD 1 000)	2017	2016
Own ships	16 734	23 080
TC-ships	-	1 425
Total freight income	16 734	24 505

Note 5 Voyage expenses

Voyage expenses are expenses directly related to the ship voyage.

(USD 1 000)	2017	2016
Commission expenses	-	30
Pool distribution to external part	7 369	11 796
Other voyage related expenses	6	6
Total voyage expenses	7 375	11 831

Note 6 Time-charter expenses

Time-charter expenses consist of expenses for operating leases. Time-charter is an arrangement for hire of a ship. These arrangements vary in form and way of payment and period of hire may differ from time to time.

Note 7 Operating expenses

(USD 1 000)	2017	2016
Crew expenses	2 190	2 200
Other cost of operation	2 192	2 253
Total operating expenses	4 382	4 453



Note 8 General and administration expenses

None compensation and benefits to Board of Directors.

The recognised audit fee for 2017 is USD 10 787.

Note 9 Non-current assets

(USD 1 000)	Ships	Newbuilding contracts	Office equipment	Total
Net carrying amount 01.01	45 150	38 319	27	83 496
Investment	-	764	-	764
Cancellation of contracts	-	(39 083)	-	(39 083)
Depreciation	(2 559)	-	(14)	(2 573)
Translation differences	-	-	7	7
Reclassified to assets held for sale	(42 590)	-	-	(42 590)
Net carrying amount 31.12	-	-	21	21

Due to extensive delays in the newbuilding program the Board of Odfjell Gas AS has in 2016 and 2017 decided to cancel the contracts for all vessels.

Note 10 Impairment

The management has evaluated the potential impairment losses in accordance with the accounting principles in note 2.

Odfjell Gas AS ordered in 2014 eight vessels for agreed delivery in 2016 and 2017, however due to substantially delays, all eight vessels have been cancelled. Odfjell Gas AS is seeking to sell the two existing vessels and the assets are classified as assets held for sale.

In 2016 total impairment of USD 11.4 million was done related to the newbuilding contracts and the two existing vessels.

**Note 11 Non-current interest bearing debt**

(USD 1 000)

	Average interest rate	2017
Loans from financial institutions – floating interest rate	4.58%	18 200
Subtotal interest bearing debt		18 200
Transaction cost		-
Total interest bearing debt		18 200
Current portion of total debt		(18 200)
Total non-current interest bearing debt		0

Maturity of interest bearing debt as per 31 December 2017:

	2018	2019	2020	2021	2022	2023+	Total
Loans from financial institutions – floating interest rate	18 200	-	-	-	-	-	18 200
Total interest bearing debt	18 200	-	-	-	-	-	18 200
Estimated interest payable *)	825	-	-	-	-	-	825
Total	825	-	-	-	-	-	825

*) The loan has been refinanced in June 2018 and matures in December 2018, estimated interests payable are calculated up to this point.

	Average interest rate	2016
Loans from financial institutions – floating interest rate	4.24%	22 000
Subtotal interest bearing debt		22 000
Transaction cost		(53)
Total interest bearing debt		21 947
Current portion of total debt		(21 947)
Total non-current interest bearing debt		0



Maturity of interest bearing debt as per 31 December 2016:

	2017	2018	2019	2020	2021	2022+	Total
Loans from financial institutions – floating interest rate	21 947	-	-	-	-	-	21 947
Total interest bearing debt	21 947	-	-	-	-	-	21 947
Estimated interest payable	881	-	-	-	-	-	881
Total	881	-	-	-	-	-	881

Note 12 Current receivables

(USD 1 000)	2017	2016
Trade receivables	1 322	1 542
Other current receivable	12	128
Total current receivables	1 334	1 671

All receivables are in currency USD

Note 13 Taxes

(USD 1 000)	2017	2016
Taxes payable – ordinary tax	-	-
Taxes payable – shipping tax system	-	-
Change in deferred tax – ordinary tax	-	-
Change in deferred tax – shipping tax system	-	-
Total tax income (expenses)	-	-

(USD 1 000)	2017	2016
Pre-tax profit	294	(8 814)
Tax calculated at Odfjell Gas statutory income tax rate 24% (2016: 25%)	(71)	2 204
Tax effect of:		
Income and expenses not subject to tax	562	1 072
Non deductible expenses for tax purposes – impairment/sale of assets	(172)	(2 848)
Deferred tax assets not recognised	(319)	(428)
Tax income (expenses)	-	-



The tax returns of the Company and its subsidiaries' are routinely examined by relevant tax authorities. From time to time, in the ordinary course of business, certain items in the tax returns are questioned or challenged. The Company believes that adequate tax provisions have been made for open years.

The Group has one ongoing tax case with tax authorities where deferred tax liability is estimated to USD 1 million. The amount is not accounted for as the Group believe it has a good case.

The Group has a total loss carried forward of about NOK 14.7 million within the ordinary tax system in Norway and NOK 32.7 mill within the Norwegian shipping tax system per 31 December 2017, that is available indefinitely to offset against future taxable profits of the companies in which the losses arose. Tax Group contributions are available within the same country and within the same tax regime. Any distribution of dividend to the shareholders does not affect the Company's payable or deferred tax.

The deferred tax asset is not accounted for due to uncertainty about future use.

Note 14 Debt to related parties

(USD 1 000)	2017	2016
Odfjell SE	-	8 483
Odfjell Management AS	-	131
Total	-	8 614

All receivables are in currency USD

Note 15 Financial items

(USD 1 000)	2017	2016
Interest income	216	19
Interest expenses	(1 085)	(1 044)
Other financial expenses	(232)	(264)
Currency gain/loss	38	12
Total financial items	(1 063)	(1 277)



Note 16 Share capital and premium

Total share capital is NOK 240 000. Shares 60 of nominal value of NOK 4 000.

Shareholders:

Odfjell SE	50%
Gas Maritime Partners S.À.R.L	50%

Note 17 List of subsidiaries

The following subsidiaries are fully consolidated in the financial statement as per 31 December:

Company	Country of registration	Ownership share	Voting share
Odfjell Gas Carriers AS	Norway	100%	100%
Odfjell Shipowning AS	Norway	100%	100%
Odfjell Gas Denmark AS	Denmark	100%	100%

Note 18 Financial risk management

The Group's results and cash flow are influenced by a number of variable factors. Our policy is to manage the risks we are exposed to, including, but not limited to market risk, credit risk, liquidity risk, currency risk and interest rate risk. Our strategy is to systematically monitor and understand the impact of changing market conditions on our results and cash flow and to initiate mitigating actions where required.

Credit risk

The Group has no significant credit risks, other than those which have already been provided for, nor any concentrations of credit with a single customer or in an industry or geographical region which carries an unusually high credit risk.

Liquidity risk

The Group's strategy is to have liquid assets or available credit facilities at any time to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is in addition, to ensure, as far as possible, that it will always have sufficient liquidity to meet significant risk factors, such as long term down-cycles in the market or unfavorable conditions in financial markets. Surplus liquidity is mainly invested via short term interest deposits.

Currency risk

The Group has limited exposure to currency fluctuation at present



Interest rate risk

The objective for the interest rate management is to minimize interest costs and at the same time keep the volatility of future interest payments within acceptable limits. If necessary the Group enters into different types of interest rate derivatives to hedge against fluctuations in the results due to changes in interest rates.

Note 19 Capital management

The primary objective of the Group's capital management policy is to maintain healthy capital ratios and hold liquidity available to take advantage of investment opportunities and generally support the business. At the same time capital management should be such that the capital structure is sufficiently robust to withstand prolonged adverse conditions in significant risk factors, such as long-term down-cycles in our markets and unfavorable conditions in the financial markets.

The Group manages the capital structure and makes adjustments to maintain an optimal structure adapted to current economic conditions. In order to maintain or adjust the capital structure, the Company may adjust dividend payments, buy treasury shares, redemption of shares or issue new shares. No changes were made in the objectives or policies during the year ending 31 December 2017.

The Group monitors its capital using the book equity ratio and available liquidity, as the primary measurements.

(USD mill)	2017	2016
Equity	32	58
Total assets	50	89
Equity ratio	63%	66%
Cash and cash equivalents	6	2
Total available liquidity	6	2



INCOME STATEMENT			
	ODFIJELL GAS AS	(FIGURES IN NOK)	
	Note	2017	2016
OPERATING INCOME (-COST)			
General and administration expenses	2	(62,410)	(1,959,105)
Operating result		(62,410)	(1,959,105)
FINANCIAL INCOME AND EXPENSES			
Impairment of assets	8	-	(3,398,510)
Interest income from group entities	3	226,148	452,048
Interest income	3	915,883	87,590
Interest expenses	3	(894,734)	(76,533)
Other financial expenses	3	(19,889)	(9,814)
Currency gain (loss)	3	(187,851)	752,670
Net financial items		39,556	(2,192,548)
Operating result before tax		(22,854)	(4,151,653)
Operating result after tax		(22,854)	(4,151,653)
Annual net profit		(22,854)	(4,151,653)
BROUGHT FORWARD			
To other equity		(22,854)	(4,151,653)
Net brought forward		(22,854)	(4,151,653)



BALANCE SHEET			
ODFJELL GAS AS		(FIGURES IN NOK)	
	Note	2017	2016
FIXED ASSETS			
Investments in subsidiaries	8	147,991,386	147,991,386
Loans to group companies	4	1,418,164	8,404,252
Total financial fixed assets		149,409,550	156,395,638
Total fixed assets		149,409,550	156,395,638
CURRENT ASSETS			
Due from related companies	4	264,621	230,381,125
Other receivables		18,865	2,693
Cash and bank deposits		3,413,414	730,616
Total current assets		3,696,900	231,114,433
Total assets		153,106,449	387,510,071




BALANCE SHEET

ODFIJELL GAS AS

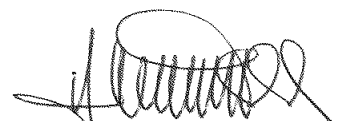
(FIGURES IN NOK)

	Note	2017	2016
EQUITY AND LIABILITIES			
Share capital	5, 7	240,000	240,000
Share premium reserve	5	150,666,198	150,666,198
Total paid-in capital		150,906,198	150,906,198
Other equity	5	1,788,196	1,811,050
Total retained earnings		1,788,196	1,811,050
Total equity		152,694,394	152,717,248
LIABILITIES			
CURRENT LIABILITIES			
Proposed dividend	5	-	230,000,000
Due to related companies	4	-	4,357,956
Other short term liabilities	6	412,055	434,868
Total short term liabilities		412,055	234,792,823
Total liabilities		412,055	234,792,823
Total equity and liabilities		153,106,449	387,510,071

Bergen 28/6 2018
The board of Odfjell Gas AS


Kristian Verner Mørch
Chairman of the Board


Terje Iversen
Board member


Harald Fotland
Board member

Jeppe Jensen
Board member

Alexis Atteslis
Board member

Jonathan Askew
Board member



BALANCE SHEET

ODFJELL GAS AS


(FIGURES IN NOK)

	Note	2017	2016
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Share capital	5, 7	240,000	240,000
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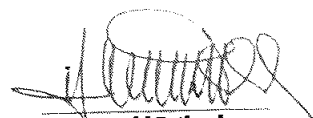


BALANCE SHEET			
ODFJELL GAS AS		(FIGURES IN NOK)	
	Note	2017	2016
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ODFJELL GAS AS (figures in NOK)

CASHFLOW STATEMENT

Cash flow from operating activities	2017	2016
Result before taxes	(22,854)	(4,151,653)
Impairment	-	3,398,510
Other current accruals	(38,984)	362,780
Net cash flow from operations	(61,838)	(390,363)
Cash flow from investing activities		
Repayment/Investment in shares	230,000,000	400,403,488
Net cash flow from investing activities	230,000,000	400,403,488
Cash flow from financing activities		
Group inter-company	2,744,636	(59,019,991)
Return of share premium	(230,000,000)	(342,330,250)
Net cash flow from financing activities	(227,255,364)	(401,350,241)
Effect on cash balances from currency exchange rate fluctuations	-	-
Net change in cash balances	2,682,798	(1,337,116)
Cash and cash equivalents as per 01.01	730,616	2,067,732
Cash and cash equivalents as per 31.12	3,413,414	730,616



ODFJELL GAS AS

NOTE 1 - ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Use of estimates

The management has used estimates and assumptions that affects the income statement and the valuation of assets and liabilities at the balance sheet date.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 23 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is likely that the tax assets will be utilized. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

Balance sheet classification

Assets and liabilities related to the operation of the company are classified as current assets and liabilities.

Assets for long-term use are classified as non-current assets.

Current assets are valued at the lower of historical cost and fair value. Short term liabilities are recognized at nominal value.

Investments in subsidiaries

Investments in subsidiaries are presented according to the cost method. Group contribution and dividends from subsidiaries is recognised in the year for which it is proposed by the subsidiary to the extent the parent company can control the decision of the subsidiary through its share holdings.



ODFJELL GAS AS (figures in NOK)

NOTE 2 - GENERAL AND ADMINISTRATION EXPENSES

	31.12.2017	31.12.2016
Fee to member of the Board	-	432,280
Social expenses	-	86,370
Auditor fee	43,050	47,662
Legal fees to auditor	19,360	253,253
Charged from Odjell Management AS	-	1,126,112
Other fees	-	13,428
Total general and administration expenses	62,410	1,959,105

NOTE 3 - FINANCIAL INCOME AND EXPENSES

	31.12.2017	31.12.2016
Impairment of assets	-	(3,398,510)
Interest income from related companies	226,148	452,048
Interest income	915,883	87,590
Interest expenses to related companies	-	-
Other interest expenses	(894,734)	(78,533)
Total interest	247,297	463,106
Other financial expenses	(19,889)	(9,814)
Currency gain	553,443	10,041,340
Currency loss	(741,294)	(9,288,669)
Total currency gain/loss	(187,851)	752,671
Net financial items	39,556	(2,192,548)

NOTE 4 - DUE TO/FROM RELATED COMPANIES

	31.12.2017	31.12.2016
Due from related companies:		
Odjell Gas Carriers AS (Long term)	1,416,164	8,404,252
Odjell Gas Denmark AS	264,621	-
Odjell Gas Shipowning AS (Short term)	25,000,000	230,000,900
Odjell Gas Carriers AS (Short term)	-	380,225
	26,682,785	238,785,377
Due to related companies:		
Odjell Gas Shipowning AS	-	3,231,844
Odjell Management AS	-	1,126,112
	-	4,357,956

NOTE 5 - EQUITY

	Share capital	Share premium	Other equity	Total equity
Equity as per 1 January 2017	240,000	150,666,198	1,811,051	152,717,248
Net result	-	-	(22,854)	(22,854)
Equity as per 31 December 2017	240,000	150,666,198	1,788,197	152,694,394

NOTE 6 - OTHER CURRENT LIABILITIES

	31.12.2017	31.12.2016
Other current liabilities	412,055	434,658

NOTE 7 - SHARE CAPITAL AND INFORMATION ABOUT SHAREHOLDERS

Total share capital is NOK 240 000, 60 shares with nominal value NOK 4 000.

Shareholders	Number of shares	Voting rights
Odjell SE	30	50 %
Gas Maritime Partners S.à.r.l	30	50 %

NOTE 8 - SHARES IN SUBSIDIARIES

	31.12.2017	31.12.2016
Odjell Gas Shipowning AS	146,230,586	146,230,586
Odjell Gas Carriers AS	100,000	100,000
Odjell Gas Denmark AS	1,660,800	1,660,800
Total shares in subsidiaries	147,991,386	147,991,386

Total impairment done in 2016 is NOK 3 398 510 in Odjell Gas Denmark AS.



ODFJELL GAS AS (figures in NOK)

NOTE 9 - TAX

Taxes:	31.12.2017	31.12.2016
Taxes payable	-	-
Changes in deferred tax/deferred tax assets	-	-
Total tax expenses	-	-

Taxes payable:	31.12.2017	31.12.2016
Net result before taxes	(22 854)	(4 151 653)
Permanent differences	-	3 398 510
Changes in temporary differences	-	-
Tax-loss carried forward	-	-
Tax base	(22 854)	(753 143)
Tax 24%/25%	-	-
Reduction due to deferred tax assets	-	-
Taxes payable	-	-

Specification of deferred tax/(deferred tax assets):	31.12.2017	31.12.2016
Current assets	-	-
Fixed assets	-	-
Other long-term temporary differences	-	-
Tax-loss carried forward	(14 233 576)	(14 210 722)
Net temporary differences	(14 233 576)	(14 210 722)
Tax rate	23 %	24 %
Deferred tax/(deferred tax assets)	(3 273 722)	(3 410 573)

Because of uncertainty about the future use of deferred tax assets, this is not capitalized.



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Odfjell Gas AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Odfjell Gas AS comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the balance sheet as at 31 December 2017, the income statement, statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements comprise the balance sheet as at 31 December 2017, income statement, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- ▶ the financial statements are prepared in accordance with the law and regulations;
- ▶ the financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2017, and of 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;
- ▶ the consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2017 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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 and the Group 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 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.



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Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the parent company and International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, 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, 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 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.
- ▶ obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.



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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 going concern assumption, and proposal for the allocation of the result 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 ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Bergen, 28 June 2018
ERNST & YOUNG AS



Eirik Moe
State Authorised Public Accountant (Norway)