



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2016 - GENERELL INFORMASJON

### Enheten

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

### Regnskapsår

Årsregnskapets periode: 01.01.2016 - 31.12.2016

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Bente Reinertsen  
Dato for fastsettelse av årsregnskapet: 28.06.2017

### Grunnlag for avgivelse

År 2016: Årsregnskapet er elektronisk innlevert  
År 2015: Tall er hentet fra elektronisk innlevert årsregnskap fra 2016

*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	2016	2015
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating income	3	515 395 751	592 805 829
<b>Sum inntekter</b>		<b>515 395 751</b>	<b>592 805 829</b>
<b>Kostnader</b>			
Materials goods and services	7	460 563 436	497 758 874
Other operating expenses	5,6,7	31 431 810	27 933 940
<b>Sum kostnader</b>		<b>491 995 246</b>	<b>525 692 814</b>
<b>Driftsresultat</b>		<b>23 400 505</b>	<b>67 113 015</b>
<b>Finansinntekter og finanskostnader</b>			
Interest income from group companies	7	234 724	29 763
Other financial income	2,11		20 498 718
<b>Sum finansinntekter</b>		<b>234 724</b>	<b>20 528 481</b>
Rentekostnad til foretak i samme konsern	7	8 652	5 246
Annen rentekostnad			3 950
Other financial expence	2	5 772 833	121 561
<b>Sum finanskostnader</b>		<b>5 781 485</b>	<b>130 757</b>
<b>Netto finans</b>		<b>-5 546 761</b>	<b>20 397 724</b>
<b>Ordinært resultat før skattekostnad</b>		<b>17 853 744</b>	<b>87 510 739</b>
Tax	12	4 474 856	23 626 620
<b>Ordinært resultat etter skattekostnad</b>		<b>13 378 888</b>	<b>63 884 119</b>
<b>Årsresultat</b>		<b>13 378 888</b>	<b>63 884 119</b>
<b>Overføringer og disponeringer</b>			
Utbytte	13	10 600 817	63 450 000
Transfer to other equity	13	2 778 071	434 119
<b>Sum overføringer og disponeringer</b>		<b>13 378 888</b>	<b>63 884 119</b>



## Balanse

Beløp i: NOK	Note	2016	2015
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Other long term receivables	10	520 570	1 743 322
<b>Sum finansielle anleggsmidler</b>		<b>520 570</b>	<b>1 743 322</b>
<b>Sum anleggsmidler</b>		<b>520 570</b>	<b>1 743 322</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Accounts receivable	9	80 601 488	99 388 633
Other short term receivables	8,9	68 836 745	124 008 723
<b>Sum fordringer</b>		<b>149 438 233</b>	<b>223 397 356</b>
<b>Sum omløpsmidler</b>		<b>149 438 233</b>	<b>223 397 356</b>
<b>SUM EIENDELER</b>		<b>149 958 803</b>	<b>225 140 678</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	13,14	50 000 000	50 000 000
<b>Sum innskutt egenkapital</b>		<b>50 000 000</b>	<b>50 000 000</b>
<b>Opptjent egenkapital</b>			
Retained earnings	13		138 432
<b>Sum opptjent egenkapital</b>			<b>138 432</b>
<b>Sum egenkapital</b>		<b>50 000 000</b>	<b>50 138 432</b>



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2016</b>	<b>2015</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	12	25 427	172 799
<b>Sum avsetninger for forpliktelser</b>		<b>25 427</b>	<b>172 799</b>
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>25 427</b>	<b>172 799</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	9	48 469 302	57 335 137
Taxes payable	12	3 650 060	22 500 723
Utbytte	13	10 600 817	63 450 000
Other payables and accruals	8,9	37 213 197	31 543 587
<b>Sum kortsiktig gjeld</b>		<b>99 933 376</b>	<b>174 829 447</b>
<b>Sum gjeld</b>		<b>99 958 803</b>	<b>175 002 246</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>149 958 803</b>	<b>225 140 678</b>



**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 <a href="http://www.skatteetaten.no">www.skatteetaten.no</a> Org.nr: 996250318 E-post: <a href="mailto:skatteetaten.no/sendepost">skatteetaten.no/sendepost</a>	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

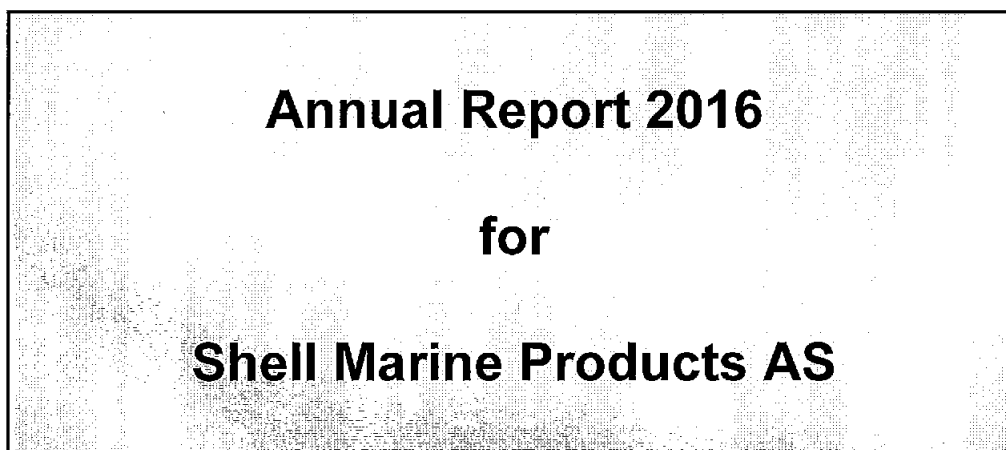
*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*



Shell Marine Products AS

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## Annual report 2016

### Business

Shell Marine Products AS (SMP AS) 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. SMP AS 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. SMP AS also provides technical and commercial advice.

Personnel related administrative services are mainly received from the parent company, in addition to minor services from Danske Shell. 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.

#### Allocations

The company's 2016 profits are NOK 13,378,888 and are allocated as follows:

(in NOK)

	2016
Provisions for dividend	10,600,817
Transfer to other equity	2,778,071
<b>Total</b>	<b>13,378,888</b>

#### 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 profit of 2016 was over budget, however, in contrast to 2015, the exchange rate between NOK and USD has changed less significantly during 2016, SMP realised Financial loss based on the exchange rate differences.

The volume decreased by 13% due to very competitive market. The unit margin was under stress as cost of goods sold increase outpaced price increase. SMP could not pass on the price increase due to full competition.

In 2016 SMP's network grew to 700 ports, rising by 25% since end of 2015. SMP set up new ports in key new markets, such as Saudi Arabia and Australia to drive growth in the Marine Lubricants Market.

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

One new customer has been added to our portfolio, OSM Group. Shell is now the preferred supplier for the group. In addition, SMP have increased the number of new building vessel and change over vessels from existing customers.

In the technical field SMP has launched the Lube Monitor service, which have been highly recognized in the market as great innovation onboard tool.



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SMP continues to maintain a solid customer portfolio and has several good customer prospects for 2017.

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

Net cash flow from operations is NOK 123,322,166. In addition, the net cash flow from financing activities is NOK (119,006,809) due to payment of dividends and changes in (payables/receivables) in the Group account (Zero Balancing). The difference between profits 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. SMP 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 2016.

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 is one female Director.

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

Stavanger, 6/28/2017

Harald Børre Jacobsen  
Chairman of the Board of Directors

Magne Novak  
Managing Director

Lars Inge Kunde  
Director

Jan Christian Toschka  
Director

Birthe Nyland Sundt  
Director



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**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016**

(in NOK)

	Note	2016	2015
<b>OPERATING INCOME AND EXPENSES:</b>			
<b>OPERATING INCOME</b>			
Sales income	3	503,819,098	578,716,525
Other operating income		11,576,653	14,089,304
<b>TOTAL OPERATING INCOME</b>		<b>515,395,751</b>	<b>592,805,829</b>
<b>OPERATING EXPENSES</b>			
Materials, goods and services	7	460,563,436	497,758,874
Other operating expense	5, 6, 7	31,431,810	27,933,940
<b>TOTAL OPERATING EXPENSES</b>		<b>491,995,246</b>	<b>525,692,814</b>
<b>OPERATING PROFIT</b>		<b>23,400,505</b>	<b>67,113,015</b>
<b>FINANCIAL INCOME &amp; FINANCIAL EXPENSES:</b>			
<b>FINANCIAL INCOME</b>			
Interest income from group companies	7	234,724	29,763
Other financial income	2, 11	-	20,498,718
<b>TOTAL FINANCIAL INCOME</b>		<b>234,724</b>	<b>20,528,481</b>
<b>FINANCIAL EXPENSES</b>			
Interest expense to group companies	7	8,652	5,246
Other interest expense		-	3,950
Other financial expense	2	5,772,833	121,561
<b>TOTAL FINANCIAL EXPENSES</b>		<b>5,781,485</b>	<b>130,757</b>
<b>NET FINANCIAL ITEMS</b>		<b>(5,546,761)</b>	<b>20,397,724</b>
<b>NET PROFIT BEFORE TAX</b>		<b>17,853,744</b>	<b>87,510,739</b>
Tax on net profit	12	4,474,856	23,626,620
<b>NET PROFIT</b>		<b>13,378,888</b>	<b>63,884,119</b>
<b>TRANSFERS AND DISPOSITIONS</b>			
Provisions for dividend	13	10,600,817	63,450,000
Transfer to other equity	13	2,778,071	434,119
<b>TOTAL TRANSFERS AND DISPOSITIONS</b>		<b>13,378,888</b>	<b>63,884,119</b>



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## BALANCE SHEET AS AT 31 DECEMBER 2016

(in NOK)

<b>ASSETS</b>	<b>Note</b>	<b>2016</b>	<b>2015</b>
<b>FIXED ASSETS</b>		-	-
<b>Financial assets</b>			
Other long-term receivables	10	520,570	1,743,322
<b>TOTAL FIXED ASSETS</b>		<b>520,570</b>	<b>1,743,322</b>
<b>CURRENT ASSETS</b>			
<b>Receivables</b>			
Accounts receivables	9	80,601,488	99,388,633
Other short term receivables	8, 9	68,836,745	124,008,723
<b>Other current assets</b>			
Cash at bank and in hand		-	-
<b>TOTAL CURRENT ASSETS</b>		<b>149,438,233</b>	<b>223,397,356</b>
<b>TOTAL ASSETS</b>		<b>149,958,803</b>	<b>225,140,678</b>



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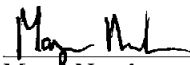
(in NOK)

EQUITY AND LIABILITIES	Note	2016	2015
<b>Paid-up equity capital</b>			
Share capital	13, 14	50,000,000	50,000,000
<b>TOTAL PAID-UP SHAREHOLDERS' EQUITY</b>		<b>50,000,000</b>	<b>50,000,000</b>
<b>Retained earnings</b>			
Retained earnings	13	-	138,432
<b>TOTAL RETAINED EARNINGS</b>		<b>-</b>	<b>138,432</b>
<b>TOTAL EQUITY CAPITAL</b>		<b>50,000,000</b>	<b>50,138,432</b>
<b>LIABILITIES</b>			
<b>Provisions</b>			
Deferred taxes	12	25,427	172,799
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>25,427</b>	<b>172,799</b>
<b>Current liabilities</b>			
Accounts payable	9	48,469,302	57,335,137
Taxes payable	12	3,650,060	22,500,723
Allocated dividend	13	10,600,817	63,450,000
Other payables and accruals	8, 9	37,213,197	31,543,587
<b>TOTAL CURRENT LIABILITIES</b>		<b>99,933,376</b>	<b>174,829,447</b>
<b>TOTAL LIABILITIES</b>		<b>99,958,803</b>	<b>175,002,246</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>149,958,803</b>	<b>225,140,678</b>

Stavanger, 6/28/2017



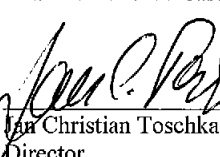
Harald Børre Jacobsen  
Chairman of the Board of Directors



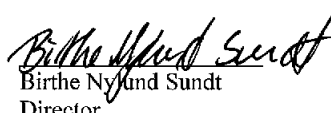
Magne Novak  
Managing Director



Lars Inge Lunde  
Director



Jan Christian Toschka  
Director



Birthe Nyund Sundt  
Director



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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

(in NOK)

	2016	2015
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>17,853,744</b>	<b>87,510,739</b>
<u>Non-cash adjustment to reconcile profit before tax to net cash flows</u>		
Unrealized foreign exchange loss	5,772,833	(20,498,718)
Interest expense	8,652	9,196
Interest income	(234,724)	(29,763)
<b>Operating profit before working capital changes</b>	<b>23,400,505</b>	<b>66,991,454</b>
Movements in working capital:		
(Decrease)/Increase in Account payables	(8,865,835)	4,283,264
Increase in Other payables and accruals	2,319,173	1,087,100
Decrease/(Increase) in Accounts receivables	18,787,145	(12,378,111)
Decrease/(Increase) in Other receivables	110,181,901	(83,095,140)
<b>Cash generated from / (used in) operations</b>	<b>145,822,889</b>	<b>(23,111,433)</b>
Direct taxes paid (net of refunds)	(22,500,723)	(8,477,169)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>123,322,166</b>	<b>(31,588,602)</b>
<b>Cash flows from investing activities</b>		
Forex (Expense)/Income	(5,772,833)	20,498,718
Sign on bonus	1,222,752	687,198
Interest received	234,724	29,763
<b>Net cash flow (used in)/from investing activities (B)</b>	<b>(4,315,357)</b>	<b>21,215,679</b>
<b>Cash flows from financing activities</b>		
Movements with STCL	(55,009,923)	32,882,119
Group Relief	(538,234)	-
Dividends Paid	(63,450,000)	(22,500,000)
Interest paid	(8,652)	(9,196)
<b>Net cash flow (used in)/from financing activities (C)</b>	<b>(119,006,809)</b>	<b>10,372,923</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	-	-
Cash and cash equivalents at the beginning of the year	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>-</b>	<b>-</b>



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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. Subsidiaries apply the same accounting principles used for the financial statements of the parent company. 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](mailto:order@shell.com)

### Assets and Liabilities in Foreign Currency

Cash items in foreign currency are translated at the prevailing exchange rate 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 emptied into a top account, of which the Company's accumulated balance is decisive for whether there is a current receivable or payable.

### Tax cost and deferred taxes

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

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 taxes 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.



**Cash flow statement**

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

**2. Financial market risk / currency exchange loss/gain**

The company's purchases and sales are conducted 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 financial income/costs and are as follows:

(in NOK)

	2016	2015
Net currency (loss)/gain	(5,701,851)	20,498,718

**3. Sales revenue**

The Company's sales revenue is from the sale of international marine products and all income in 2016 is related to the sale of lubrication oil.

**4. Losses on accounts receivable**

The cost of losses on accounts receivable is included in other operating costs in the income statement.

(in NOK)

	2016
Provision as at 31.12.2016	-
Provision as at 31.12.2015	500,816
Revaluation effect	(51,456)
Change in provision	(449,360)
Received on receivables previously depreciated	-
Realized losses of the year	-
<b>Total</b>	<b>(449,360)</b>

**5. 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 2,723,898 amounted to NOK 8,092,650 in 2016.

The fee recognized for mandatory audit services amounts to NOK 190,906 excluding VAT. No compensation has been paid to the Directors.

**6. 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.



7. Transactions with related parties

(in NOK)

	2016	2015
<b>Operating income</b>		
Other group companies	(5,255,315)	(7,107,366)
<b>Other income</b>	<b>(5,255,315)</b>	<b>(7,107,366)</b>
<b>Total income</b>	<b>(5,255,315)</b>	<b>(7,107,366)</b>

	2016	2015
<b>Operating expenses</b>		
Shell Eastern Trading (PTE) Limited	123,082,143	136,805,164
Shell Markets (Middle East) Limited	27,124,573	31,626,193
Shell Nederland Verkoopmaatschappij B.V.	35,075,213	42,988,523
Hankook Shell Oil Co Ltd	2,915,267	14,165,899
Shell Deutschland Oil GmbH	21,652,292	27,209,709
Other group companies	59,850,695	58,089,258
<b>Cost of Stock</b>	<b>269,700,183</b>	<b>310,884,746</b>
A/S Norske Shell	9,179,813	9,981,744
Other group companies	21,300,929	24,386,295
<b>Other costs</b>	<b>30,480,742</b>	<b>34,368,039</b>
<b>Total operating expenses</b>	<b>300,180,925</b>	<b>345,252,785</b>

	2016	2015
<b>Financial income and financial expenses</b>		
A/S Norske Shell	(18)	(5)
Shell Treasury Centre Limited	(245,820)	(29,760)
<b>Financial income</b>	<b>(245,838)</b>	<b>(29,765)</b>
A/S Norske Shell	3,458	5,236
Shell Treasury Centre Limited	7,202	10
<b>Financial expenses</b>	<b>10,660</b>	<b>5,246</b>
<b>Net financial items</b>	<b>(235,178)</b>	<b>(24,519)</b>

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

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

The bank accounts of SMP are part of a Group account system called Zero-Balancing. This means that accounts are daily emptied 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 12/31/2016, the Company's outstanding balance amounted to NOK 42,002,746 and is part of the claim on inter-group companies. Please refer to Note 9 below. There is no joint and several liability for the Group account arrangement.



## 9. Accounts between companies in the same corporate group

(in NOK)

	2016	2015
Other receivables	59,932,606	115,349,650
Account payables	31,811,473	39,522,651
Other payables and accruals	16,792,492	10,100,944

Other current receivables are mainly related to outstanding balances in Zero-Balancing, please refer Note 8.

## 10. Receivables / payables

There are receivables with a maturity of more than one year from the date of the balance sheet. These are related to customer contracts in which SMP offers strongly 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 depreciated monthly in line with the contract period. The amounts classified as long-term receivables are the parts to be depreciated and accrued as cost subsequent to year end 2016.

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.

## 11. Accounting currency

The Company records its transactions in USD, but the accounting currency is NOK. All exchange rate differences are recognized in the income statement as other financial income or other financial cost. 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 of 12/31/2016. The exchange rates are retrieved from Norges Bank.



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## 12. Taxes

(in NOK)

	2016	2015
<b>Basis for current year's tax payable:</b>		
Net profit before tax	17,853,744	87,510,739
Permanent differences	49,916	46,463
Basis for current year's tax	17,903,660	87,557,202
Change in temporary differences	585,249	(3,682,956)
Received group relief	-	-
Basis for tax payable in the P&L	18,488,909	83,874,246
Group relief paid	(3,888,671)	(538,234)
<b>Taxable income</b>	<b>14,600,238</b>	<b>83,336,012</b>
<b>Tax expense in current year consists of:</b>		
Current tax on result of the period	4,622,228	22,646,046
Change in deferred tax	(146,312)	994,398
Change in deferred tax due to change in tax rate	(1,060)	(13,824)
<b>Total tax expenses</b>	<b>4,474,856</b>	<b>23,626,620</b>
<b>Tax payable in the balance sheet:</b>		
Tax payable on current year's result	4,622,228	22,646,046
Tax on group relief received	(972,168)	(145,323)
<b>Tax payable</b>	<b>3,650,060</b>	<b>22,500,723</b>

Specification of basis for deferred tax	Change	2016	2015
Current assets	(558,761)	-	558,761
Profit and loss account	(26,488)	105,951	132,439
Carry forward loss	-	-	-
<b>Basis for deferred tax in the BS</b>	<b>(585,249)</b>	<b>105,951</b>	<b>691,200</b>
<b>Deferred tax in the BS</b>	<b>(147,372)</b>	<b>25,427</b>	<b>172,799</b>

## 13. Equity capital

(in NOK)

	Share Capital	Retained earnings	Total equity
Equity as at 01.01.2016	50,000,000	138,432	50,138,432
<b>Current year's change in equity</b>			
Result of the year	-	13,378,888	13,378,888
Proposed dividend	-	(10,600,817)	(10,600,817)
Group relief paid, net	-	(2,916,503)	(2,916,503)
<b>Equity as at 31.12.2016</b>	<b>50,000,000</b>	<b>-</b>	<b>50,000,000</b>



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**14. Share capital and shareholder information**

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





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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 2016, 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 2016 and its financial performance 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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### 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, 30 June 2017  
ERNST & YOUNG AS

Erik Søreng  
State Authorised Public Accountant (Norway)

