



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2016 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2016 - 31.12.2016

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 Morten Bjørneberg
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, 31.10.2020



Resultatregnskap

Beløp i: NOK	Note	2016	2015
RESULTATREGNSKAP			
Kostnader			
Administrasjonskostnader	2	1 959 105	2 328 910
Sum kostnader		1 959 105	2 328 910
Driftsresultat		-1 959 105	-2 328 910
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		0	942 901
Renteinntekt fra foretak i samme konsern	3	452 048	16 636 594
Annen renteinntekt	3	87 590	948 032
Agio	3	752 670	0
Sum finansinntekter		1 292 308	18 527 527
Nedskrivning av finansielle eiendeler	8	3 398 510	0
Rentekostnad til foretak i samme konsern	3	0	20 066 745
Annen rentekostnad	3	76 533	28 926
Annen finanskostnad	3	9 814	17 493
Disagio	3	0	3 756 991
Sum finanskostnader		3 484 857	23 870 155
Netto finans		-2 192 549	-5 342 628
Ordinært resultat før skattekostnad		-4 151 654	-7 671 538
Ordinært resultat etter skattekostnad		-4 151 654	-7 671 538
Årsresultat		-4 151 654	-7 671 538
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-4 151 654	-7 671 537
Sum overføringer og disponeringer		-4 151 654	-7 671 537



Balanse

Beløp i: NOK	Note	2016	2015
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	8	147 991 386	781 793 384
Lån til foretak i samme konsern	4	8 404 252	11 130 152
Sum finansielle anleggsmidler		156 395 638	792 923 536
Sum anleggsmidler		156 395 638	792 923 536
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		2 693	91 564
Konsernfordringer	4	230 381 125	970 485
Sum fordringer		230 383 818	1 062 049
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		730 616	2 067 731
Sum bankinnskudd, kontanter og lignende		730 616	2 067 731
Sum omløpsmidler		231 114 434	3 129 780
SUM EIENDELER		387 510 072	796 053 316
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	5,7	240 000	240 000
Overkurs	5	150 666 198	732 996 448
Sum innskutt egenkapital		150 906 198	733 236 448



Balanse

Beløp i: NOK	Note	2016	2015
Opptjent egenkapital			
Annen egenkapital	5	1 811 050	-4 037 297
Sum opptjent egenkapital		1 811 050	-4 037 297
Sum egenkapital		152 717 248	729 199 151
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Skyldige offentlige avgifter		0	118 646
Utbytte	5	230 000 000	0
Kortsiktig konserngjeld	4	4 357 956	66 693 207
Annen kortsiktig gjeld	6	434 868	42 313
Sum kortsiktig gjeld		234 792 824	66 854 166
Sum gjeld		234 792 824	66 854 166
SUM EGENKAPITAL OG GJELD		387 510 072	796 053 317



Konsernets resultatregnskap

Beløp i: USD	Note	2016	2015
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3	24 505 000	36 346 000
Sum inntekter		24 505 000	36 346 000
Kostnader			
Reiseavhengige kostnader	4	11 831 000	13 812 000
Time charter kostnader	5	993 000	8 622 000
Driftskostnader skip	6	4 453 000	4 939 000
Administrasjonskostnader	7	646 000	1 140 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	8	2 729 000	2 680 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	9	11 390 000	0
Sum kostnader		32 042 000	31 193 000
Driftsresultat		-7 537 000	5 153 000
Finansinntekter og finanskostnader			
Annen renteinntekt	14	8 000	115 000
Sum finansinntekter		8 000	115 000
Annen rentekostnad	14	1 034 000	1 122 000
Annen finanskostnad	14	252 000	449 000
Sum finanskostnader		1 286 000	1 571 000
Netto finans		-1 278 000	-1 456 000
Ordinært resultat før skattekostnad		-8 815 000	3 697 000
Skattekostnad på ordinært resultat	12	0	4 000
Ordinært resultat etter skattekostnad		-8 815 000	3 693 000
Årsresultat		-8 815 000	3 693 000



Konsernets balanse

Beløp i: USD	Note	2016	2015
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip	8,9	45 150 000	55 986 000
Nybygg	8,9	38 319 000	79 485 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	8	27 000	37 000
Sum varige driftsmidler		83 496 000	135 508 000
Sum anleggsmidler		83 496 000	135 508 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	11	1 671 000	2 097 000
Konsernfordringer		1 712 000	62 000
Sum fordringer		3 383 000	2 159 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		2 214 000	1 473 000
Sum bankinnskudd, kontanter og lignende		2 214 000	1 473 000
Sum omløpsmidler		5 597 000	3 632 000
SUM EIENDELER		89 093 000	139 140 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	15	33 000	33 000
Overkurs	15	72 766 000	113 116 000
Sum innskutt egenkapital		72 799 000	113 149 000



Konsernets balanse

Beløp i: USD	Note	2016	2015
Opptjent egenkapital			
Annen egenkapital		-14 283 000	-5 439 000
Sum opptjent egenkapital		-14 283 000	-5 439 000
Sum egenkapital		58 516 000	107 710 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	11	9 000	0
Sum avsetninger for forpliktelser		9 000	0
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	0	21 883 000
Sum annen langsiktig gjeld		0	21 883 000
Sum langsiktig gjeld		9 000	21 883 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	10	21 947 000	3 800 000
Kortsiktig konserngjeld	13	8 614 000	5 726 000
Annen kortsiktig gjeld		7 000	21 000
Sum kortsiktig gjeld		30 568 000	9 547 000
Sum gjeld		30 577 000	31 430 000
SUM EGENKAPITAL OG GJELD		89 093 000	139 140 000



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 2016

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.

Despite seasonal fluctuations the Commercial Management Partnership with Lauritzen Kosan (LK) provided stable income throughout the year in line with the budget. Year 2016 represented the first full year under technical management by Anglo Eastern. The vessels have performed without any unscheduled off-hire, no vetting issues and largely in line with budgets.

Berlian Ekuator was redelivered to her owners early February 2016 without any issues between Owners and Charterers related to the time charter period.

Odfjell Gas entered into an extensive new building program for four 17.000 cbm Ethylene carriers at Nantong Sinopacific Offshore & Engineering Co in September 2013, followed by contract for four 22.000 cbm Ethylene carriers in 2014. First vessel was due for delivery in October 2015. Due to financial difficulties at the yard, none of the vessels have been delivered. All four contract for the 17.000 cbm vessels have been cancelled during 2016. Instalments with accrued interests for all the cancelled contracts have been received from the guarantors. The company has decided to cancel the remaining new building contracts at the time when we have the termination right according to the contracts.

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 24.5 million. The EBITDA was USD 6.6 mill in 2016 compared to USD 7.8 mill in 2015. The consolidated result before taxes was negative USD 8.8 million. Total interest bearing debt as at 31st December 2016 is USD 21.9 million. The equity ratio was 66%.

The cash flow from operations was USD 6.3 million in 2016. Cash out flows from investment activities amounted to USD 38.5 million, mainly due to repayments of instalments for the newbuildings. The cash flow from financing activities was negative USD 44.1 million, mainly due to capital contribution to shareholders and repayment of debt.

The functional currency for the Group is USD.

Odfjell Gas AS posted a net result for the year of negative NOK 4.2 million. Total equity per 31 December 2016 was NOK 150.7 million, including a proposal for dividend payment of



NOK 230 000 000. It is also proposed to transfer NOK 10 000 000 from share premium reserve to other equity.

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.

With the introduction of the Bow Gallant and the Bow Guardian under commercial management with Lauritzen Kosan the results are more stable.

The Group's revenues are denominated in USD.

Liquidity and financing

The Group has repaid the shareholders total USD 40.3 million in 2016 related to repayment related to paid-in capital.

As at 31 December 2016 the Group's cash and cash equivalent amounted to USD 2.2 million.

Working environment and the employees.

The Group was initially managed by personnel employed by Odfjell Management AS through management agreements. The Group is in a transition period of building up its own organisation to replace management services from Odfjell Management AS. At present there are one employee directly employed by the Company.

QHSE – Safety

The Group had no work related accidents reported during the year. The safety culture is positive with no spill or leakage on any of the vessels with negative environmental effect.

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

Odfjell Gas strives to provide safe, efficient, and cost-effective LPG services to customers worldwide.

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 2017
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

Morten Albrigtsen
Member of the Board





Bergen, 28 / 6 2017
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Member of the Board



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Member of the Board

Morten Albrigtsen
Member of the Board



Bergen, 28.6.2017
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

Morten Albrigtsen
Member of the Board



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Statsautoriserte revisorer
Ernst & Young AS

Thormøhlens gate 53 D, NO-5008 Bergen
Postboks 6163 Bedriftssenter, NO-5892 Bergen

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 55 21 30 00
Fax: +47 55 21 30 01

www.ey.no
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 2016, 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 2016, the statements of other comprehensive income, 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 2016, 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 2016 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 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.

Independent auditor's report - Odfjell Gas AS

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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 2017
ERNST & YOUNG AS


Eirik Moe
State Authorised Public Accountant (Norway)



ODFJELL GAS GROUP

INCOME STATEMENT

(USD 1 000)

	Note	2016	2015
Gross revenue			
Voyage expenses	3	24 505	36 346
Time-charter expenses	4	(11 831)	(13 812)
Operating expenses	5	(993)	(8 622)
Gross result	6	(4 453)	(4 939)
General and administrative expenses		7 228	8 973
Operating result before compensation, depreciation, amortisation and capital gain (loss) on non-current assets (EBITDA)	7	(646)	(1 140)
Depreciation		6 582	7 833
Impairment of non-current assets	8	(2 729)	(2 680)
Operating result (EBIT)	9	(11 390)	-
Interest income		(7 537)	5 153
Interest expenses	14	8	115
Other financial items	14	(1 034)	(1 122)
Net financial items	14	(252)	(449)
Result before taxes		(1 277)	(1 456)
Taxes		(8 814)	3 697
Net result	12	(4)	(4)
		(8 814)	3 693
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to statement of comprehensive income			
Exchange rate differences		(29)	7
Other comprehensive income		(8 843)	3 700




ODFJELL GAS GROUP

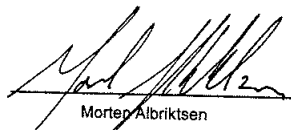
STATEMENT OF FINANCIAL POSITION
(USD 1 000)

ASSETS AS PER 31.12.		Note	2016	2015
NON-CURRENT ASSETS				
Office equipment		8	27	37
Ships		8, 9	45 150	55 986
Newbuilding contracts		8, 9	38 319	79 485
Total non-current assets			83 496	135 508
CURRENT ASSETS				
Current receivables		11	1 671	2 097
Due from related companies			1 712	62
Cash and cash equivalents			2 214	1 473
Total current assets			5 597	3 632
Total assets			89 093	139 140
EQUITY AND LIABILITIES AS PER 31.12				
EQUITY				
Share capital		15	33	33
Share premium		15	72 766	113 116
Other equity			(14 283)	(5 439)
Total equity			58 516	107 710
NON-CURRENT LIABILITIES				
Deferred tax liabilities		11	9	-
Non-current interest bearing debt		10	-	21 883
Total non-current liabilities			9	21 883
CURRENT LIABILITIES				
Current portion of interest bearing debt		10	21 947	3 800
Taxes payable		11	-	-
Employee taxes payable			7	21
Debt to related parties		13	8 614	5 726
Total current liabilities			30 568	9 547
Total liabilities			30 577	31 430
Total equity and liabilities			89 093	139 140

Bergen, 28, 6 2017

THE BOARD OF DIRECTORS OF ODFJELL GAS

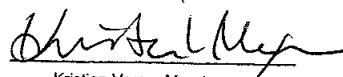

Terje Iversen


Morten Albrigtsen

Jeppe Jensen

Jonathan Askew

Alexis Atteslis


Kristian Verner Mørch



ODFJELL GAS GROUP

STATEMENT OF FINANCIAL POSITION
(USD 1 000)

ASSETS AS PER 31.12.	Note	2016	2015
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Office equipment	8	27	37
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Bergen, 29, 6 2017

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Bergen, 28, 6 2017

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Terje Kjesen

Morten Albritsen

Jonathan Askew

Alexis Atefdis

Kristian Vermer March



STATEMENT OF CASH FLOW

(USD 1 000)

	Note	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income taxes		(8 814)	3 697
Depreciation/impairment	8,9	14 119	2 680
Other current accruals		1 039	146
Net cash flow from operating activities		6 343	6 522
CASH FLOW FROM INVESTING ACTIVITIES			
Refund from cancellation of contracts		39 753	-
Investment in non-current assets		(2 444)	(29 461)
Changes in I/C with related parties		1 237	4 821
Net cash flow from investing activities		38 547	(24 640)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of interest bearing debt	10.0	(3 800)	(3 800)
Capital contribution		(40 350)	6 000
Net cash flow from financing activities		(44 150)	2 200
Net change in cash balances		740	(15 918)
Cash and cash equivalents in hte beginning of the period		1 473	17 391
Cash and cash equivalents as per 31.12		2 214	1 473
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 01.01.2015	19	107 129	-	(9 138)	(9 138)	98 010
Capital contribution	14	5 986	-	-	-	6 000
Other comprehensive income	-	-	7	-	7	7
Net income	-	-	-	3 693	3 693	3 693
Equity as at 31.12.2015	33	113 116	7	(5 446)	(5 439)	107 710
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



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 16 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.

2.2 The use of estimates and assessment of accounting policies when preparing the annual accounts

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.

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 recognised in accordance with the percentage of completion method with operating revenues and expenses recognised for each voyage. This recognition is based on estimated voyages that are reviewed and updated at each period end.

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 Generated 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 2016. 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 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 actual use of the ships differs from estimated useful life an impairment loss could occur.

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.

2.3 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.

2.4 Non-current assets

Non-current assets 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 a non-current asset 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 non-current asset 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 income 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 non-current assets 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.

Depreciation of the above mentioned assets appears as depreciation in the income statement.

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 non-current asset 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.

Non-current assets 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.

2.5 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.

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.

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, see note 5.



2.6 Impairment of assets

Non-financial assets

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 CGU to which the asset belong. The recoverable amount is the highest of the fair market value of the asset, less cost to sell, and the net present value (NPV) of future estimated cash flow from the employment of the asset ('value in use'). The NPV is based on an interest rate according to a weighted average cost of capital ('WACC') 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 impairment loss previously recognised in other comprehensive income, is transferred from other comprehensive income to income statement. This normally applies in a situation with changes exceeding 20% of the value and expected to last for more than six months, both based on original cost.

2.7 Consolidation

The consolidated statements consist of Odfjell Gas AS and its subsidiaries as at 31 December each year (see note 16).

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the



entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

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.

2.8 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.

2.9 Financial instruments

Financial investments have been classified as financial assets at fair value through profit and loss, loans and receivables or available-for-sale categories. 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.

2.10 Trade receivables

Trade receivables are recognised at fair value at time of initial measurement. After initial recognition, receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Provisions for impairment are based on estimated historical data and objective indicators of a fall in value. Objective indicators are, among other: material economic problems, economical restructuring, bankruptcy, delayed repayment or non-payment. Provisions for impairment are recognised to receivables and changes are charged to the income statement as reduction in gross revenue. Any receipt of earlier written off receivables are recognised in the income statement as gross revenue.

2.11 Inventories

Bunkers and other inventories 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.

2.12 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.



2.13 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.

Other equity

(i) 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.

2.14 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.

2.15 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. Borrowings 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.

2.16 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.

2.17 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.

2.18 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.

2.19 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.



2.20 Classification in the financial statement

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

Note 3 Freight income

(USD 1 000)

	2016	2015
Own ships	23 080	24 382
TC-ships	1 425	11 964
Total freight income	24 505	36 346

Note 4 Voyage expenses

Voyage expenses are expenses directly related to the ship voyage.

(USD 1 000)

	2016	2015
Commission expenses	30	342
Pool distribution to external part	11 796	13 319
Other voyage related expenses	6	151
Total voyage expenses	11 831	13 812

Note 5 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 6 Operating expenses

(USD 1 000)

	2016	2015
Crew expenses	2 200	2 251
Other cost of operation	2 253	2 688
Total operating expenses	4 453	4 939

Note 7 General and administration expenses

Compensation and benefits to Board of Directors:
Jeppe Jensen USD 50 000.

The recognised audit fee for 2016 is USD 15 293.

**Note 8 Non-current assets**

(USD 1 000)	Ships	Newbuilding contracts	Office equipment	Total
Net carrying amount 01.01.2016	55 986	79 485	37	135 508
Investment	151	2 293	-	2 444
Cancellation of contracts	-	(40 344)	-	(40 344)
Depreciation 2016	(2 712)	-	(9)	(2 720)
Impairment 2016	(8 274)	(3 116)	-	(11 390)
Net carrying amount 31.12.2016	45 150	38 319	27	83 496

Due to extensive delays in the newbuilding program the Board of Odfjell Gas AS has in 2016 decided to cancel the contract for the four remaining 17,000 cbm vessels, namely Hull S1030, S1031, S1032 and S1033, this is valid as from when the company has a termination right under relevant contracts.

Note 9 Impairment

The management has evaluated the potential impairment losses in accordance with the accounting principles in note 2.2.

Odfjell Gas ordered in 2014 in total eight vessels for agreed delivery between 2016 and 2017. Due to substantially delays, the four first vessels have been cancelled, and there are also material delays in the production of the four remaining orders, see note 8. Due to this, and evaluation of future market view, and impairment of USD 11.4 million is done in 2016 related to the newbuilding contracts and the two existing vessels.

Note 10 Non-current interest bearing debt

(USD 1 000)

	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	-	-	-	-	-	
Total	881	-	-	-	-	-	

	Average interest rate	2015
Loans from financial institutions – floating interest rate	3.82%	25 800
Subtotal interest bearing debt		25 800
Transaction cost		(117)
Total interest bearing debt		25 683
Current portion of total debt		(3 800)
Total non-current interest bearing debt		21 883

Maturity of interest bearing debt as per 31 December 2015:

	2016	2017	2018	2019	2020	2021+	Total
Loans from financial institutions – floating interest rate	3 800	22 000	-	-	-	-	25 800
Total interest bearing debt	3 800	22 000	-	-	-	-	25 800

Estimated interest payable	913	840	-	-	-	-	1 753
Total	4 713	22 840	-	-	-	-	27 553

Note 11 Current receivables

(USD 1 000)	2016	2015
Trade receivables	1 542	2 079
Other current receivable	128	18
Total current receivables	1 671	2 097

All receivables are in currency USD



Note 12 Taxes

(USD 1 000)	2016	2015
Taxes payable – ordinary tax	-	-
Taxes payable – shipping tax system	-	(4)
Change in deferred tax – ordinary tax	-	-
Change in deferred tax – shipping tax system	-	-
Total tax income (expenses)	(143)	(4)

(USD 1 000)	2016	2015
Pre-tax profit	(8 814)	3 697
Tax calculated at domestic tax rates applicable to profits in the respective countries	2 204	(998)
Tax effect of:		
Income and expenses not subject/(subject) to tax	(2 204)	994
No deferred tax asset recognized	-	-
Tax income (expenses)	-	(4)

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 a total loss carried forward of about NOK 14.5 million within the ordinary tax system in Norway and NOK 25.5 mill within the Norwegian shipping tax system per 31 December 2016, 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 13 Debt to related parties

(USD 1 000)	2016	2015
Odfjell SE	8 483	5 672
Odfjell Management AS	131	54
Total	8 614	5 726

All receivables are in currency USD

Note 14 Financial items

(USD 1 000)	2016	2015
Interest income	19	115
Interest expenses	(1 044)	(1 122)
Other financial expenses	(264)	(426)
Currency gain/loss	12	(23)
Total financial items	(1 277)	(1 456)

Note 15 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 16 List of subsidiaries

The following subsidiaries are fully consolidated in the financial statement as per 31 December 2016:

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 17 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 18 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 2016.

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

(USD mill)	2016	2015
Equity	58	108
Total assets	89	139
Equity ratio	66%	77%
Cash and cash equivalents	2	1
Total available liquidity	2	1

Note 19 Commitments

Operating leases

The Group has entered into an operating lease for a ship. The leases have fixed time-charter commitment. The time-charter rate is the compensation to the shipowner covering the financial expenses and in some cases also the ships operating expenses. See note 5 for the time charter/lease expenses.

The operating leases contain no restrictions on the Company's dividend policy or financing opportunities.

The nominal value of future lease payments falls due as follows:

(USD 1 000)	2016	2015
Within one year *)	-	1 341
After one year but not more than five years	-	-
Total operating leases	-	1 341

*) The TC was terminated in 2016.

Capital commitment

No future capital commitments.



INCOME STATEMENT

ODFJELL GAS AS

(FIGURES IN NOK)

	Note	2016	2015
OPERATING INCOME (-COST)			
General and administration expenses	2	(1,959,105)	(2,328,910)
Operating result		(1,959,105)	(2,328,910)
FINANCIAL INCOME AND EXPENSES			
Income from investments in subsidiaries		0	942,901
Impairment of assets	8	(3,398,510)	0
Interest income from group entities	3	452,048	16,636,594
Interest income	3	87,590	948,032
Interest expense to group entities	3	0	(20,066,745)
Interest expenses	3	(76,533)	(28,926)
Other financial expenses	3	(9,814)	(17,493)
Currency gain (loss)	3	752,670	(3,756,991)
Net financial items		(2,192,548)	(5,342,628)
Operating result before tax		(4,151,653)	(7,671,537)
Operating result after tax		(4,151,653)	(7,671,537)
Annual net profit		(4,151,653)	(7,671,537)
BROUGHT FORWARD			
To other equity		(4,151,653)	(7,671,537)
Net brought forward		(4,151,653)	(7,671,537)



BALANCE SHEET

ODFJELL GAS AS

(FIGURES IN NOK)

	Note	2016	2015
FIXED ASSETS			
Investments in subsidiaries	8	147,991,386	781,793,384
Loans to group companies	4	8,404,252	11,130,152
Total financial fixed assets		156,395,638	792,923,537
Total fixed assets		156,395,638	792,923,537
CURRENT ASSETS			
Due from related companies	4	230,381,125	970,485
Other receivables		2,693	91,564
Cash and bank deposits		730,616	2,067,731
Total current assets		231,114,433	3,129,780
Total assets		387,510,071	796,053,316



BALANCE SHEET			
ODFJELL GAS AS		(FIGURES IN NOK)	
	Note	2016	2015
EQUITY AND LIABILITIES			
Share capital	5, 7	240,000	240,000
Share premium reserve	5	150,666,198	732,996,448
Total paid-in capital		150,906,198	733,236,448
Other equity/Uncovered loss	5	1,811,050	(4,037,297)
Total retained earnings		1,811,050	(4,037,297)
Total equity		152,717,248	729,199,151
LIABILITIES			
CURRENT LIABILITIES			
Public duties payable		0	118,646
Proposed dividend	5	230,000,000	0
Due to related companies	4	4,357,956	66,693,207
Other short term liabilities	6	434,868	42,313
Total short term liabilities		234,792,823	66,854,165
Total liabilities		234,792,823	66,854,165
Total equity and liabilities		387,510,071	796,053,316

Bergen 28/6 2017
The board of Odfjell Gas AS


Kristian Verner Mørch
Chairman of the Board


Terje Iversen
Board member


Morten Albritsen
Board member

Jeppe Jensen
Board member

Alexis Atteslis
Board member

Jonathan Askew
Board member



BALANCE SHEET			
ODFIJELL GAS AS			
(FIGURES IN NOK)			
	Note	2016	2015
EQUITY AND LIABILITIES			
Share capital			
Share premium reserve	5, 7	240 000	240 000
Total paid-in capital	5	150 666 198	732 996 448
		150 906 198	733 236 448
Other equity/Uncovered loss			
Total retained earnings	5	1 811 050	(4 037 297)
		1 811 050	(4 037 297)
Total equity		152 717 248	729 199 151
LIABILITIES			
CURRENT LIABILITIES			
Public duties payable		0	118 646
Proposed dividend			
Due to related companies	5	230 000 000	0
Other short term liabilities	4	4 357 956	66 693 207
Total short term liabilities	6	434 868	42 313
Total liabilities		234 792 823	66 854 165
		234 792 823	66 854 165
Total equity and liabilities		387 510 071	796 053 316

Bergen 28/6 2017
The board of Odfjell Gas AS

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Chairman of the Board

Terje Iversen
Board member

Morten Albrigtsen
Board member

Jeppe Jensen
Board member

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Jonathan Askew
Board member



BALANCE SHEET			
ODFJELL GAS AS			
(FIGURES IN NOK)			
	Note	2016	2015
EQUITY AND LIABILITIES			
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		150 906 198	733 236 448
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Bergen 28 / 6 2017
The board of Odfjell Gas AS

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Board member

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Board member

Alexis Atteslis
Board member

Morten Albriksen
Board member

Jonathan Askew
Board member



ØDFJELL GAS AS (figures in NOK)

CASHFLOW STATEMENT

Cash flow from operating activities	2016	2015
Result before taxes	(4,151,653)	(7,671,537)
Impairment	3,398,510	-
Other current accruals	362,780	(1,684,667)
Net cash flow from operations	(390,363)	(9,356,204)
Cash flow from investing activities		
Repayment/Investment in shares	400,403,488	(435,953,087)
Net cash flow from investing activities	400,403,488	(435,953,087)
Cash flow from financing activities		
Group inter-company	(59,019,991)	11,302,118
Return of share premium	(342,330,250)	-
Capital contribution	-	52,441,037
Net cash flow from financing activities	(401,350,241)	63,743,155
Effect on cash balances from currency exchange rate fluctuations	-	-
Net change in cash balances	(1,337,116)	(381,566,136)
Cash and cash equivalents as per 01.01	2,067,732	383,633,868
Cash and cash equivalents as per 31.12	730,616	2,067,732



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 24 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 shares holdings.



ODFJELL GAS AS (figures in NOK)

NOTE 2 - GENERAL AND ADMINISTRATION EXPENSES

	31.12.2016	31.12.2015
Fee to member of the Board	432,280	1,517,345
Social expenses	86,370	259,053
Auditor fee	47,662	76,082
Legal fees to auditor	253,253	231,264
Charged from Odfjell Management AS	1,126,112	-
Other fees	13,428	245,165
Total general and administration expenses	1,959,105	2,328,910

NOTE 3 - FINANCIAL INCOME AND EXPENSES

	31.12.2016	31.12.2015
Income from investments in subsidiaries	-	942,901
Interest expenses from related companies	452,048	16,636,594
Interest income	87,590	948,032
Interest expenses to related companies	-	(20,066,745)
Other interest expenses	(76,533)	(28,926)
Total interest	463,106	(2,511,045)
Other financial expenses	(9,814)	(17,493)
Currency gain	10,041,340	66,649,067
Currency loss	(9,288,669)	(70,406,059)
Total currency gain/loss	752,670	(3,756,992)
Net financial items	1,205,962	(5,342,628)

NOTE 4 - DUE TO/FROM RELATED COMPANIES

	31.12.2016	31.12.2015
Due from related companies:		
Odfjell Gas Carriers AS (Long term)	8,404,252	9,551,049
Odfjell Gas Denmark AS	-	2,577,172
Odfjell Gas Shipowning AS (Short term)	230,000,900	-
Odfjell Gas Carriers AS (Short term)	380,225	-
	238,785,377	12,128,221
Due to related companies:		
Odfjell Gas Shipowning AS	3,231,844	66,693,207
Odfjell Management AS	1,126,112	-
	4,357,956	66,693,207

NOTE 5 - EQUITY

	Share capital	Share premium	Other equity	Total equity
Equity as per 1 January 2016	240,000	732,996,448	(4,037,296)	729,199,152
Share premium paid to shareholders	-	(342,330,250)	-	(342,330,250)
Proposed dividend	-	(230,000,000)	-	(230,000,000)
Proposed transferred to other equity	-	(10,000,000)	10,000,000	-
Net result 2016	-	-	(4,151,653)	(4,151,653)
Equity as per 31 December 2016	240,000	150,666,198	1,811,051	152,717,248

NOTE 6 - OTHER CURRENT LIABILITIES

	31.12.2016	31.12.2015
Other current liabilities	434,868	42,313

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
Odfjell SE	30	50 %
Gas Maritime Partners S.å.r.l	30	50 %

NOTE 8 - SHARES IN SUBSIDIARIES

	31.12.2016	31.12.2015
Odfjell Gas Shipowning AS	146,230,586	781,098,376
Odfjell Gas Carriers AS	100,000	100,000
Odfjell Gas Denmark AS	1,660,800	595,008
Total shares in subsidiaries	147,991,386	781,793,384

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



ODFJELL GAS AS (figures in NOK)

NOTE 9 - TAX

Taxes payable:	31.12.2016	31.12.2015
Net result before taxes	(4 151 653)	(7 671 537)
Permanent differences	3 398 510	2 002
Changes in temporary differences	-	-
Tax-loss carried forward	-	-
Tax base	(753 143)	(7 669 535)
Tax 25%	-	-
Reduction due to deferred tax assets	-	-
Taxes payable	-	-
Specification of deferred tax/(deferred tax assets):	31.12.2016	31.12.2015
Current assets	-	-
Fixed assets	-	-
Other long-term temporary differences	-	-
Tax-loss carried forward	-	-
	(14 210 722)	(13 457 579)
Net temporary differences	(14 210 722)	(5 788 044)
Tax rate	24 %	25 %
Deferred tax/(deferred tax assets)	(3 410 573)	(1 562 772)

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