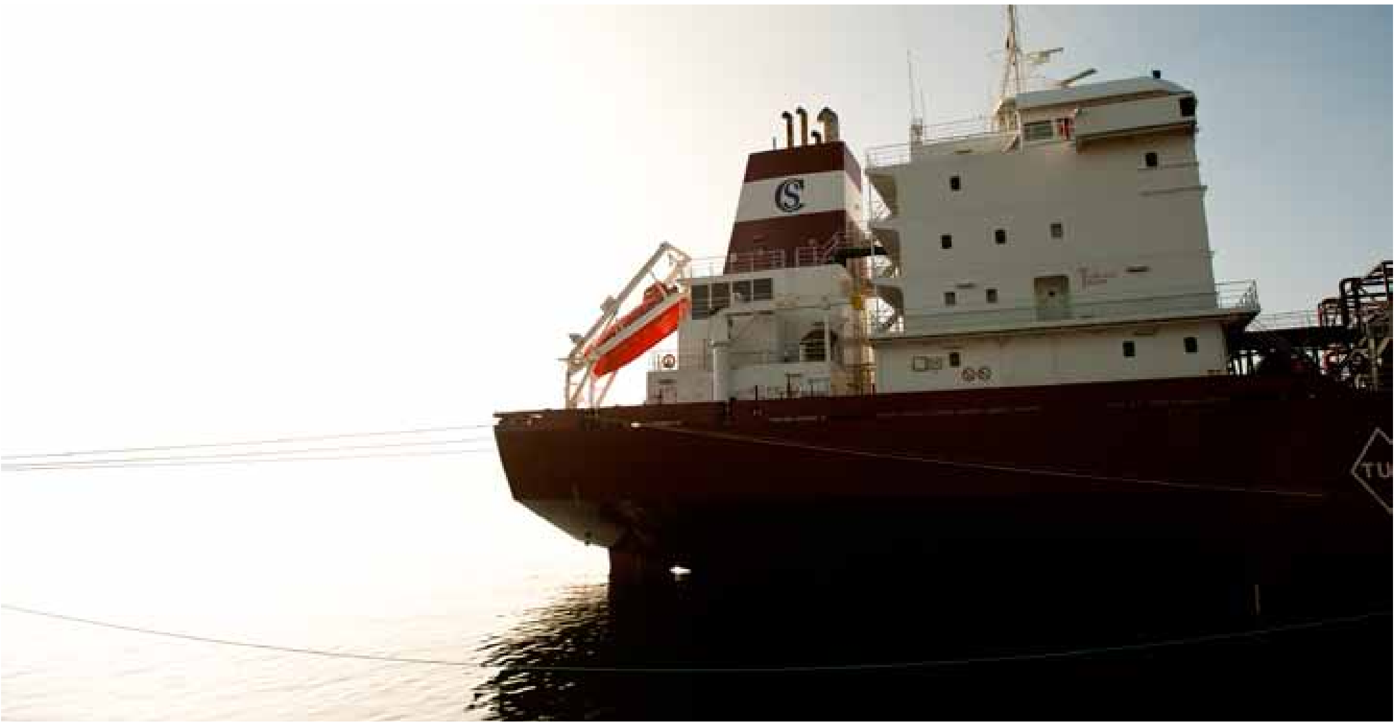
ANNUAL REPORT

2011

RELIABLE | FLEXIBLE | PROACTIVE



Definitions

Ammonia/NH3
Used as raw material for fertilizer production.

Cbm
Cubic meter. The most common capacity nomination for gas vessels

CoA
Contract of Affrightment. A CoA is an agreement between ship owner and customer for the transportation of a min-max volume of cargo at a given rate per ton, normally for one or several years.

Dry docking
Normally related to a vessels periodic maintenance according to class requirements. The intervals are normally 5 years for newer vessels

ESE
Evergas Solvang Ethylene. 50/50 joint venture between Solvang and Evergas for marketing of ethylene ships.

FFJV
Fully Fledge Joint Venture.

Freight rates
The rate paid by customer to owners for the transportation service provided. Calculated either per ton basis or per days basis.

HSEQ
Health, safety, environment and quality

IFRS
International Financial Reporting Standards. All Norwegian companies quoted at the Oslo Stock Exchange are required to follow this accounting standard.

IGC
International Gas Carriers AS. Marketing company for Solvang's LGC and VLGC vessels.

KPI
Key Performance Indicators.

LGC
Large Gas Carrier. LPG vessels between 50.000 cbm and 70.000 cbm. Normal size for newer vessels is 60.000 cbm.

LIBOR
London Interbank Offered Rate

LPG
Liquefied Petroleum Gas.

LTI
Lost Time Incident Ratio measuring the level of injuries in a company or an operation.

Panamax VLGC
Very Large Gas Carrier with a beam of 32.2 meter enabling the vessels to trade through the Panama canal.

Petrochemical Gases
Gases used as input/feedstock in petrochemical industry.

Semiref/Ethylene vessel
A gas carrier capable of transporting cargoes both under high pressure and with full refrigeration.

Spot rate
The rate obtained when chartering out a vessel for a single voyage.

TC
Time Charter. A contract between ship owner and customer for anything between 2 months and several years. All voyage cost such as bunkers, canal and harbour fees are payable by the customer. Operating Cost is for the owner’s account.

VLGC
Very large Gas Carrier. LPG carriers with over 75,000 cbm load capacity. The normal size for modern vessels is 82,000 cbm. As opposed to Panamax VLGC, these vessels cannot sail through the Panama Canal.

Market analysis

The spot market strengthened in 2011 in all of Solvang's segments. The fullyref ships benefited from a strong growth in trade of LPG and ammonia coupled with limited fleet growth. The ethylene carriers benefited from a strong increase in ethylene export from the Middle East, which allowed the market to firm despite a relatively high fleet growth.

The first three months of 2012 has turned out weaker than 2011, especially for the VLGCs while the LGCs and the semirefs have seen smaller declines. The overall fundamentals for 2012 remains positive as fleet expansion appear manageable. Seaborne volumes in LPG and ammonia are expected to expand further this year, although at a more mature rate than in 2011. Overall petrochemical trade is likely impacted by trade sanctions on Iran, although likely compensated by increases elsewhere.

VLGC

The VLGC spot rates rallied during the second half of the year driven by increases in Middle East export. The region accounts for approx. 80 percent of the employment for the trading ships in the VLGC fleet. In May, Saudi Arabia increased crude output to compensate for production losses elsewhere, which in turn also increased the availability of LPG for export. Startup of new LNG trains in Qatar and the completion of three new LPG export project in United Arab Emirates resulted in an overall strong trade growth in 2011.

Fleet expansion was limited in 2011 which left rates and consequently earning in the spot market to exceed the USD 1.0 million-mark by a good margin during Jul-Nov. The year ended however with declining export from Saudi Arabia as increased downstream consumption increased. Production problems and maintenance shutdowns in both Qatar and UAE added downward pressure to the rates. The fundamentals for 2012 remain promising; fleet expansion remains limited and production is likely to be brought back to capacity.

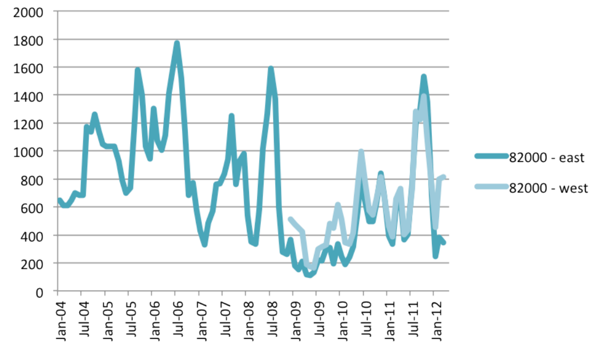
LGC

The LGC spot rates tracked VLGC rates and rallied during the latter half of the year. Following the demolition of Clipper Posh, this segment now counts 20 units. The employment for this fleet is approximately 70% from LPG and 30% from ammonia. LPG trade has generated most of the incremental demand within this segment, although also interest for modern ships for ammonia has supported the market.

Ethylene/Semiref

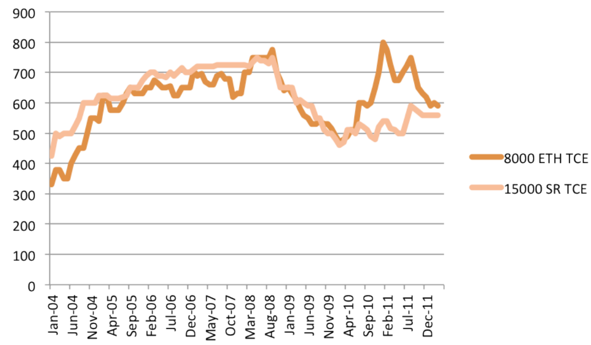
The ethylene market saw two "runs" in rates during 2011; one early in the year on continued active Middle East export, and the latter fuelled by a jump in long-haul C4's import to the US Gulf. This allowed the market to absorb the 5 long-haul ethylene carriers and 10 handysize semiref ships. The orderbook of 8000+ cbm ethylene and non-ethylene semiref carriers now total 25 units compared to an overall fleet of 145 units, of which 16 are 25 years or older. The net fleet growth appears manageable for 2012, although there are mixed developments in long-haul trade. International trade sanctions on Iran that will be fully implemented 1 June is likely to lead to reduce Middle East export volumes. Some of this is likely offset by ethylene production increases elsewhere. There are also positive signs in the long-haul C4's import to the US Gulf that could offset this decline further.

VLGC Rates

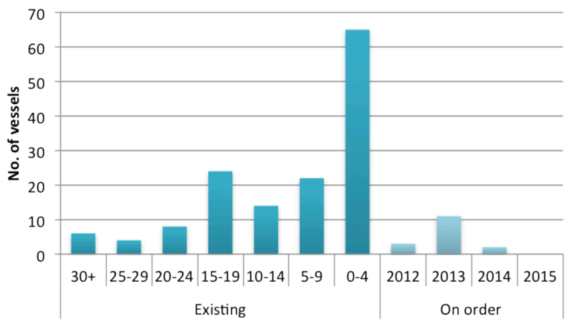


LGC Rates

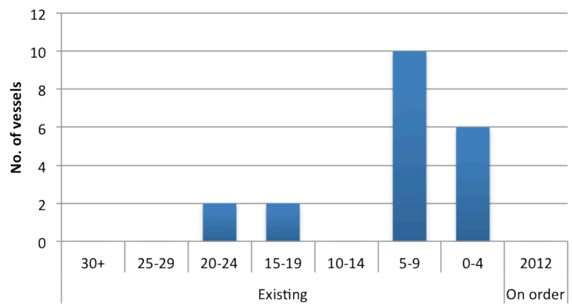
Ethylen/Semi-ref Rates



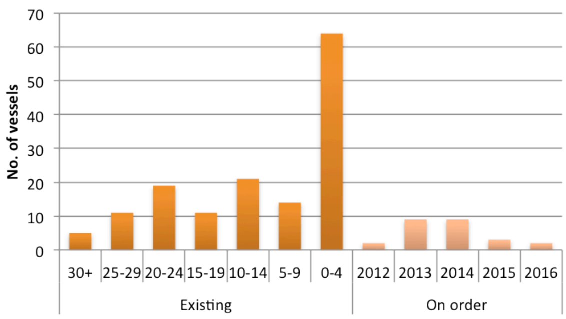
VLGC age



LGC age



Ethylen/Semi-ref age



Solvang ASA | Annual Report 2011

1. INTRODUCTION

2011 was a mixed year, with parts of the fleet generating very good income, whilst other parts of the fleet returned unsatisfactory income. Nevertheless, all segments showed an improvement in earnings compared to 2010, although as a whole, earnings were still not at a satisfactory level. Net financial items contributed negatively primarily due to non-realised losses for the securities portfolio, broadly in line with the equity market in general. The group reported a profit before tax of NOK 14.2 million, compared to a loss of NOK 0.7 million in 2010. The cash flow was NOK 36.1 million, compared to NOK 0.6 million in 2010. The reversal of deferred tax assets resulted in a tax cost for accounting purposes of NOK 36.7 million, which resulted in a loss after tax of NOK 22.5 million.

Given the year-end result, the board of directors does not propose a dividend for 2011.

2. OPERATIONS

The group's activities are divided in two main segments; Ship-management and Ship-ownership. The latter segment can be divided into three sub-segments for the transportation of Liquefied Petroleum Gas (LPG), ammonia (NH_3) and petrochemical gases:

- 12,000 cbm – 17,000 cbm ships (Semi-refrigerated / Ethylene)
- 60,000 cbm fully refrigerated LPG ships (LGC)
- 75,000 – 82,000 cbm fully refrigerated LPG ships (VLGC)

The company's headquarters are located in Stavanger, Norway, where the operation of all the ships are managed from the company's fully integrated shipping organisation.

The chartering of the Ethylene fleet is managed by Evergas Solvang Ethylene (ESE), a 50 / 50 joint venture (JV) company based in Copenhagen. The chartering of the LGC / VLGC fleet is managed by International Gas Carriers (IGC) in Oslo. In addition, the company has a crewing office in Manila, Philippines.

The improvement in market conditions that began in 2010 continued throughout 2011. The oversupply that has characterised the markets over the last two years, driven by strong fleet growth and softer demand, was reversed for most of the fleet in 2011.

3. MARKET

3.1 Semi-refrigerated / ethylene carriers

This segment includes semi-refrigerated and ethylene carriers from 8,000 to 20,000 cbm. The group has seven ships in this segment, of which five are managed by ESE. Solvang's ships in this segment achieved a significant improvement in average earnings for 2011, with earnings increasing 94% compared with 2010. The improvement for ethylene carriers began in the fourth quarter of 2010, which continued in 2011 primarily due to stable export volumes from the Middle East.

The “Clipper Harald” is on a time charter (TC) until October 2015, and the charterer has an option to extend the contract for an additional five year period.

The “Clipper Skagen” is on a TC until September 2013.

3.2 LGC

This segment is defined as fully refrigerated LPG ships of 60,000 cbm. The fleet consisted of seven ships until the “Clipper Posh” was sold for recycling in February 2011, which leaves a fleet consisting of six ships. These ships are marketed by IGC. Four of the ships are on shorter-term employment, while “Clipper Neptun” has entered into a 3+2 year TC and the “Clipper Mars” is on a TC until 2019.

The average earnings on TC basis showed an increase of 25% compared with 2010. Although earnings have shown an improvement compared with 2009 and 2010, they are still at an unsatisfactory level. The market has been variable with a positive underlying trend.

3.3 VLGC

This segment is defined as fully refrigerated LPG ships of 75,000 cbm and above. Solvang has two Panamax VLGC ships (75,000 cbm) and are marketed by IGC. The Panamax VLGC’s are purpose built for transporting LPG from the Atlantic Ocean and Gulf of Mexico to the west coast of Central America. As a result of these features, the Panamax VLGC’s have achieved better earnings than the LGC fleet in 2011. The “Clipper Victory” commenced a five year TC in August, while the “Clipper Sirius” is operating in the spot market.

The 82,000 cbm VLGC “Clipper Sun” is on a TC until September 2016.

4 PROFIT

(Figures in parentheses refer to 2010)

The group’s result after tax was NOK 22.5 million (NOK 13.8 million). Earnings per share was NOK -0.93 (NOK 0.57). The result for the parent company was NOK -22.1 million (NOK -92.5 million).

4.1 Financial items

The group reported net financial items of NOK -24.2 million (NOK 17.4 million). The corresponding figure for the parent company was NOK -10.3 million (NOK -96.9 million). The group’s securities portfolio generated a non-realised result of NOK -28 million (NOK 20.3 million).

4.2 Liquidity and financial strength

At year-end, the group had liquidity consisting of cash, listed shares and equity certificates totalling NOK 121 million (NOK 132.7 million). The securities portfolio had a market value of NOK 77.4 million (NOK 125.2 million). The corresponding figure for the parent company was NOK 57.5 million (NOK 55.9 million), of which the securities portfolio amounted to NOK 35.6 million (NOK 53.2 million). Total current assets at year-end was NOK 134.3 million (NOK 159.3 million), while current liabilities totalled NOK 16.4 million (NOK 82.6 million). Long-term liabilities and obligations totalled NOK 51.4 million (NOK 54.2 million). For the parent company, total assets at year-end amounted to NOK 155.2 million (NOK 169.9 million), while short-term liabilities totalled NOK 165.1 million (NOK 163.6 million). The parent company’s long-term liabilities and obligations totalled NOK 56.7 million (NOK 54.1 million). The group’s share of current assets and liabilities in ship owning companies totalled NOK 71.5 million and NOK 812.3 million respectively.

The group’s book equity totalled NOK 498.7 million (NOK 525.0 million) at the year-end.

4.3 Taxes

The group does not have any recognised deferred tax assets linked to temporary differences in the subsidiary, Clipper Shipping AS. The reason for the non-recognition of deferred tax assets is that the company is assessing whether or not to join the tonnage-tax regime with effect from 2012. The utilisation of tax positions is therefore associated with some uncertainty, and the group has therefore decided to reverse previously deferred tax assets associated with the subsidiary. This has led to an increase in tax costs for 2011 of NOK 16.3 million. See Note 8 of the consolidated accounts for a more detailed specification of tax costs.

All the company's current interests in ships are owned under normal taxation.

4.4 Financial risk

The group's interests in ships that are owned through participation in general partnerships with shared liability, are primarily USD-based. Most of the revenues and the majority of expenses are in USD. Furthermore, the market value of the ships, and thus the greatest share of the assets, is priced in USD. The same applies to the financing of the ships. This entails that the real foreign currency exposure is limited in financial terms.

The group's entire fleet is fully financed by long-term financing at favourable terms compared with what can be achieved in the market today. The group has not entered into any contracts concerning financial derivatives or other financial instruments where there is any particular counterparty risk.

Most of the group's liabilities consist of a share of the mortgage debt for ships that are owned through general partnerships. This is denominated in USD and priced at a floating LIBOR interest rate. In addition, mortgage debt in certain general partnerships is hedged through fixed interest rate contracts. The group has a satisfactory debt-equity ratio, and this, together with active management of the interest rate exposure, ensures that the risk associated with any change in interest rate levels is acceptable.

The group's securities portfolio had a book value of NOK 77.4 million at the end of the year, compared with a cost price of NOK 96.9 million. The company is responsible for management of the portfolio. The investment activities are based on a relatively conservative strategy. The significant fall in the securities markets in the latter half of 2011 led to a negative value adjustment for the portfolio in 2011.

The group's fleet is employed in a mix of long & short TC contracts as well as in the spot market. This is a result of a conscious strategy aimed at ensuring earnings and cash flow, while at the same time benefiting from upturns in the market. The development of the world economy makes future market prospects uncertain.

The group has five ships on TC contracts in excess of one year. The charterers are oil majors and major operators within the NH_3 market. Credit risk is considered to be limited. The company sees the settlement risk for the business carried out in the spot market as satisfactory.

4.5 General

The year-end accounts are based on the assumption of a going concern. In the opinion of the Board of Directors, the accounts provide a true picture of the results for the year and the company's position at the year-end.

The group's interests in ships are owned through participation in general partnerships, with shared liability. In the opinion of the Board, current accounting principles do not provide adequate information on the company's main operations. In Note 2 of the accounts, the income statement and balance sheet have been compiled according to the proportionate consolidation method in order to provide more detailed accounting information on the operations.

All of the group's interests in ships are significant and they are recognised in accordance with IFRS based on the equity method of accounting.

5 ORGANISATION, HEALTH SAFETY AND THE ENVIRONMENT

5.1 Organisation

Both at sea and onshore, the company's primary focus is to ensure continuity on the personnel side. The company strives to establish an interesting and attractive workplace that attracts competent employees, where appraisals and employee surveys are key measures. We believe that we have succeeded in this context and that we have a stable and highly –qualified workforce.

Of the company's office staff, 37% are women and 63% are men. Women and men have equal opportunities to qualify for all types of jobs and positions, and they have equal opportunities for promotion. Working conditions are deemed to be good. Salaries reflect the individual's qualifications, regardless of gender.

Solvang is an international company with employees from a number of countries and cultures in addition to Norway. This recruitment policy is important for the future development of the company, and we do not envisage any changes to this policy in the future. The company wants to attract competent employees, regardless of religion, gender, race or sexual orientation.

The company engages in research and development work to optimise the ships' operations and to reduce emissions.

5.2 Health

The group has 36 onshore employees and around 400 sailing personnel. Working conditions on shore and on the ships are considered to be good. Sick leave on board the ships are 0.64%. The group had no injuries that resulted in a lost time incident in 2011. This is an exceptionally good result, and can be attributes to a conscious attention on this area across the entire group.

Sick leave among the onshore employees was 3.64% in 2011. Of this percentage, 2.59% were on long-term sick leave and 0.8% were self-certified. There were no incidents resulting in personal injury at the office in 2011.

5.3 Board of Directors

The Board of Directors consists of one woman and two men. Work is currently under way to strengthen the board with further two people. There is a healthy and positive working relationship between the management and Board of Directors.

5.4 Compensation policy

By offering a complete range of jobs, salaries and other benefits, Solvang aims to be an attractive employer for skilled individuals in all relevant disciplines.

All of Solvang's employees, including the Managing Director, are employed at a fixed salary with no fixed bonus or option elements. Salaries are adjusted once a year. The Managing Director's salary is evaluated correspondingly by the Board once a year. The company has a pension scheme that covers around 66% of the employees' salary with full entitlement based on 30 years of service and a retirement age of 67 for employees who started with the company before 31 December 2010. Persons who were employed after this date are offered a defined contribution scheme. In addition, the company has an ordinary insurance scheme covering disability, accidents and death.

The Board is remunerated by fixed directors' fees that are determined annually by the General Meeting. Board members have no bonus or options agreements with the company.

5.5 External environment

The transport of LPG and petrochemical gases by sea entails little risk of emissions or leakage into the sea. Loading and unloading operations are conducted in closed systems, and strict quality and safety requirements reduce the risk of emissions to a minimum.

All transport at sea entails emissions to the air from the combustion of oil by the ships' main and auxiliary engines. Our policy in this area is thus to reduce such emissions as much as practically possible. The group focuses primarily on reducing the consumption of bunkers and lubricants, and active measures have continued to have a positive impact on this area in 2011.

Measurements are carried out regularly using a number of systems. Fuel consumption measured against the distance travelled is one of the most important key figures. Wherever possible, we optimise our speed, in other words the speed that gives the lowest emissions and consumption given the contractual obligations we have towards our customers. These systematic analyses have generated excellent results in only a short timeframe. Our modern fleet is also significantly more environmentally friendly than older ships.

In 2010, the company was certified and approved in accordance with the ISO 14001 environmental standard, and will continue in its work to comply with the standard in future.

5.6 Safety

The company has strict quality and safety requirements, both on board the ships and within the onshore organisation. This is reflected in very good statistics for Loss Time Incident (LTI) injuries for the period 2008-2010, and with no injuries in 2011. This is further demonstrated in our good insurance statistics. In order to ensure that this positive development continues, the company invests significant resources in programmes for the continuous improvement of quality and safety on board and on land. We conduct regular and systematic inspections of our ships as part of this work. The same applies to several of our customers, which includes several major oil companies. There were a total of 224 inspections on our 16 ships in 2011. Of these inspections, 111 were conducted by Solvang, while our customers, port authorities and classification companies conducted a total of 113 inspections.

The company uses the “Best Management Practice” in waters as appropriate according to the situation.

6. CORPORATE GOVERNANCE

Solvang attaches importance to good corporate governance. There is a good relationship between the owners, Board and management, and all three parties have a desire and a stated goal to comply with any significant requirements stipulated by the Corporate Governance Code.

6.1 General

Solvang shall conduct operations that are commercially sound and beneficial to the owners, employees, customers and suppliers. The operations shall be conducted in accordance with clear ethical guidelines and with a focus on the impact on the environment and society as a whole.

6.2 Operations

The operations are described in the company’s articles of association as being shipping, shipowning operations and real estate. The company is currently concentrating entirely on shipowning operations and shipping.

6.3 Company capital and dividends

Shipping is a cyclical industry that requires the company to be adequately capitalised with regard to equity and liquidity. This is reflected in the company’s balance sheet structure. The company aims to have a stable and predictable dividend policy. This means that the dividends shall reflect the profit for the year, but dividends have also been paid during years with less earnings. In recent years dividends have been based on striking a balance between these two considerations. It is proposed that no dividend be paid for 2011.

6.4 Equal treatment of shareholders and transactions with related parties

The Company has only one class of share, with the same voting right for all shares. Transactions with related parties take place in accordance with the guidelines set by the code.

The group’s main broker for sale and purchase is Inge Steensland AS. Parallel investments are also made with other companies within the Steensland Group. All transactions are carried out on market terms.

The Board of Directors has been granted a power of attorney by the General Meeting to increase the share capital by a maximum of 4 million shares. This power of attorney is valid for 18 months and has not yet been utilised.

In recent years, the Board has also had the power of attorney to purchase the company’s own shares up to a maximum of 10% of the company’s share capital. As of today, the company owns 319,978 treasury shares, approximately 1.3% of the share capital.

6.5 Free negotiability

The shares are freely negotiable, and Board approval is not required for the acquisition of shares.

6.6 General Meeting

The General Meeting is called and held in accordance with the company’s articles of association. The Auditor and Chairman of the Board attend the General Meeting. Ample time shall be allowed for holding the General Meeting and for discussion.

6.7 Nominating Committee

More than 70% of the share capital is represented by the company's Board of Directors. It is therefore not deemed necessary to establish a separate nominating committee.

6.8 Board of Directors, composition and independence

The Board plays an important role as a link and as a control function between the shareholders and the company's management. The board members are elected for a term of one year at a time. The General Meeting also elects the Chairman of the Board.

Some of the board members have shares in the company. These are shares that have been acquired at market price. The Board is remunerated through a fixed directors' fee.

The Board's composition reflects the ownership structure and the need for a broad range of expertise in shipping, finance, law and HSE. None of the Board Members are or have been employed by the company.

6.9 Work of the Board

The work of the Board and its meeting schedule is established once a year for the next 12-month period. The meetings include regular reporting and discussion in all relevant areas, including safety, quality, technical operations and finance. At least once a year, the company's Auditor participates in a board meeting at which feedback is given on the company's internal control, among other things.

6.10 Risk management and internal control

An important element in the company's risk management and internal control is an open and systematic dialogue between the Board and the management. A detailed review of the company's financial and operational position is carried out by the Board before presenting any quarterly report. In addition, the Board receives monthly reports concerning key figures in the income statement and balance sheet.

In general, there is a good dialogue between the Board and the management. No changes to the business plan or significant investments are made without prior discussion and approval by the Board.

6.11 Remuneration of the Board

The principles for remuneration of the Board and the management have remained unchanged for a long period of time. None of the Board's members have any additional duties for the company. The Board has not been allocated options in the company.

6.12 Remuneration of executive management

The company's senior executives are employed on a fixed salary. No options or fixed bonuses are linked to salary agreements. Details of the remuneration of the Board and senior executives are given in Note 9 to the consolidated accounts and Note 8 to the annual accounts for Solvang ASA. For several years, the company has had a programme for the sale of shares to employees, most recently in 2011. Each employee has had an opportunity to purchase shares worth up to a maximum of NOK 30,000 at a 20% discount.

6.13 Information and communication

The company attaches great importance to ensuring that all shareholders and the market in general receive accurate and detailed information simultaneously and at the right time. The reports are published and distributed relatively soon after the end of each quarter and year. From 2011, the company will only publish the annual report and quarterly reports on the Internet.

6.14 Corporate takeovers

As mentioned in Section 6.5, the company's shares are freely negotiable. In the event of a bid for the company, the Board will strive to provide the company's shareholders with accurate and timely information, as well as adequate time to evaluate the bid. If the situation so requires, the Board will seek an independent valuation to assess the value of the bid submitted.

6.15 Auditor

Each year, the Auditor presents a plan for the auditing work and reports the results of the audit that has been conducted. The Board summons the Auditor to board meetings at which significant accounting matters are to be discussed. This normally occurs once or twice a year. Information on the Auditor's remuneration, broken down by auditing and other work, is presented in the company's annual report and submitted to the General Meeting for approval.

One meeting is held each year between the Auditor and the Board without the presence of the management.

7. FUTURE OUTLOOK

The year 2011 was a mixed year, where the upturn for the ethylene fleet from the fourth quarter of 2010, continued throughout 2011. The ethylene market is expected to remain satisfactory in 2012, but with some uncertainty linked to the anticipated fleet growth.

For the fully refrigerated ships, the market as a whole was unsatisfactory, whilst the second half of 2011 was significantly better than the first half. The year 2012 is expected to bring further positive developments, and earnings overall are expected to be higher than in 2011.

8. ALLOCATION OF THE PARENT COMPANY'S PROFIT

Solvang ASA posted a loss of KNOK -22,094.

The Board of Directors proposes the following allocation:

From the fund for valuation differences:	KNOK	1
From other equity:	KNOK	22,093

At the year-end, the parent company's equity amounted to KNOK 579,181 (KNOK 600,420).

9. SUBSEQUENT EVENTS

One VLGC ship of 84,000 cbm was contracted from Hyundai Heavy Industries in March 2012. The group will own a minimum of 20%. Other than this, no circumstances have arisen which are of significance to the balance sheet and income statement since the end of the financial year.

10. CONCLUSION

The Board of Directors and the management would like to thank all the employees, both at sea and on shore, for their fine efforts during a period when the shipping market for some of the fleet has remained weak, while expectations concerning quality and safety have remained unchanged. We would also like to thank our customers and suppliers for their good support and cooperation in 2011 and look forward to the same good cooperation in 2012.

Profit & Loss Account | Solvang ASA Group

Amounts in NOK 1 000	Note	2011	Corrected 2010	Reported 2010
Management fee	11	24 659	26 064	26 064
Total Operating income		**24 659**	**26 064**	**26 064**
Salaries and other personnel expenses	9,10	16 611	18 648	18 648
Depreciation	14	523	628	628
Other operating expenses	9	9 198	6 820	6 820
Total operating expenses		**26 332**	**26 096**	**26 096**
Ship owning companies equity method	2,3,4	40 099	-18 019	-18 019
Operating result		**38 426**	**-18 051**	**-18 051**
Finansinntekter og finanskostnader				
Ship owning companies fair value		0	10	10
Other affiliated companies equity method	5	-1	311	311
Other financial income	6	10 963	23 909	23 909
Other financial expenses	7,11	-35 209	-6 854	-6 854
Net financial items		**-24 247**	**17 376**	**17 376**
Ordinary result before tax		**14 179**	**-675**	**-675**
Tax on ordinary result	8	36 717	-14 516	-14 516
Net profit or loss for the year		**-22 538**	**13 841**	**13 841**
Earnings per share (whole NOK)	13	-0,93	0,57	0,57
Diluted earnings per share (whole NOK)	13	-0,93	0,56	0,57
Statement of comprehensive income				
Earnings of the periode		-22 538	13 841	13 841
Translation differences affiliated companies equity method		35	0	0
Translation differences ship owning companies equity method		10 856	-17 220	2 768
Tax effects of translation differences ship owning companies equity method		-3 040	4 822	-775
Comprehensive income to the shareholders of Solvang ASA		**-14 686**	**1 442**	**15 834**

Balance Sheet | Solvang ASA Group

Amounts in NOK 1 000	Note	2011	Corrected 2010	Reported 2010
ASSETS				
Fixed Assets				
Intangible fixed assets				
Deferred tax asset	8	1 959	98 490	89 366
Total intangible fixed assets		**1 959**	**98 490**	**89 366**
Tangible fixed assets				
Office equipment, furniture etc	14	1 148	1 961	1 961
Total tangible fixed assets		**1 148**	**1 961**	**1 961**
Financial fixed assets				
Investments ship owning companies equity method	2,3,4	426 729	388 060	409 582
Investments in affiliated companies	5	2 389	1 538	1 538
Other shares		20	20	20
Total financial fixed assets		**429 138**	**389 618**	**411 140**
Total fixed assets		**432 244**	**490 069**	**502 468**
Current Assets				
Receivables				
Other short term receivables	11,16	13 314	26 602	26 602
Total receivables		**13 314**	**26 602**	**26 602**
Investments				
Listed investments	6,7,15	77 357	125 184	125 184
Total investments		**77 357**	**125 184**	**125 184**
Cash and bank deposits	12	43 626	7 494	7 494
Total current assets		**134 297**	**159 280**	**159 280**
TOTAL ASSETS		**566 541**	**649 349**	**661 748**

Balance Sheet | Solvang ASA Group

Amounts in NOK 1 000	Note	2011	Corrected 2010	Reported 2010
EQUITY AND LIABILITIES				
Equity				
Paid-in capital				
Share capital	18	123 264	123 264	123 264
Treasury shares	19	-1 600	-1 798	-1 798
Total paid-in capital		**121 664**	**121 467**	**121 467**
Retained earnings				
Other reserves		-30 804	-38 641	-26 243
Retained earnings		407 843	429 755	429 755
Total retained earnings		**377 039**	**391 114**	**403 512**
Total equity	**18**	**498 704**	**512 580**	**524 979**
Liabilities				
Provisions				
Pension liabilities	10	4 189	8 583	8 583
Total provisions		**4 189**	**8 583**	**8 583**
Long term liabilities				
Other long term liabilities	11,17	47 255	45 562	45 562
Total long term liabilities		**47 255**	**45 562**	**45 562**
Current liabilities				
Liabilities to financial institution	17	0	9 852	9 852
Tax payable	8	104	58 423	58 423
Public duties payable		5 206	4 769	4 769
Other short term liabilities	11	11 084	9 581	9 581
Total current liabilities		**16 394**	**82 624**	**82 624**
Total liabilities		**67 838**	**136 769**	**136 769**
TOTAL EQUITY AND LIABILITIES		**566 541**	**649 349**	**661 748**

Stavanger, 28th March 2012

Translation only, not to be signed

John Hatleskog
Chairman

Wenche Rettedal

Erik O. Jacobsen

Michael Steensland Brun
Managing Director

Cash Flow Statement | Group

Amounts in NOK 1 000	Note	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) before tax		14 179	-675
Tax paid for the period		-1 862	2 938
Depreciation and amortisation	14	523	628
Difference between expensed pension and paid in/out		-4 394	627
Result in affiliated ship owning companies	2,3,4	-40 099	18 009
Result in affiliated companies	5	1	-311
Changes in other current balance sheet items		16 902	14 512
Financial income	6	-10 303	-23 474
Financial expenses	7	36 482	5 137
Net cash flow from operating activities		**11 429**	**17 391**
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale / purchase of tangible fixed assets		291	73
Payments purchase of securities		15 198	-17 435
Payments received securities		0	13 673
Dividend received	6	4 671	3 093
Investment affiliated companies	5	-817	0
Payments from ship owning companies	4	16 817	5 273
Payments to ship owning companies	4	-4 227	-15 670
Net cash flow from investing activities		**31 932**	**-10 994**
CASH FLOW FROM FINANCING ACTIVITIES			
Changes in overdraft facility		-9 852	-7 094
Purchase / sale of treasury shares	18	824	802
Net cash flow from financing activities		**-9 028**	**-6 292**
Effect of exchange rate changes on cash and cash equivalents		1 799	-690
Net change in cash and cash equivalents		36 132	-584
Cash and cash equivalents 01.01		7 494	8 078
Cash and cash equivalents 31.12		**43 626**	**7 494**

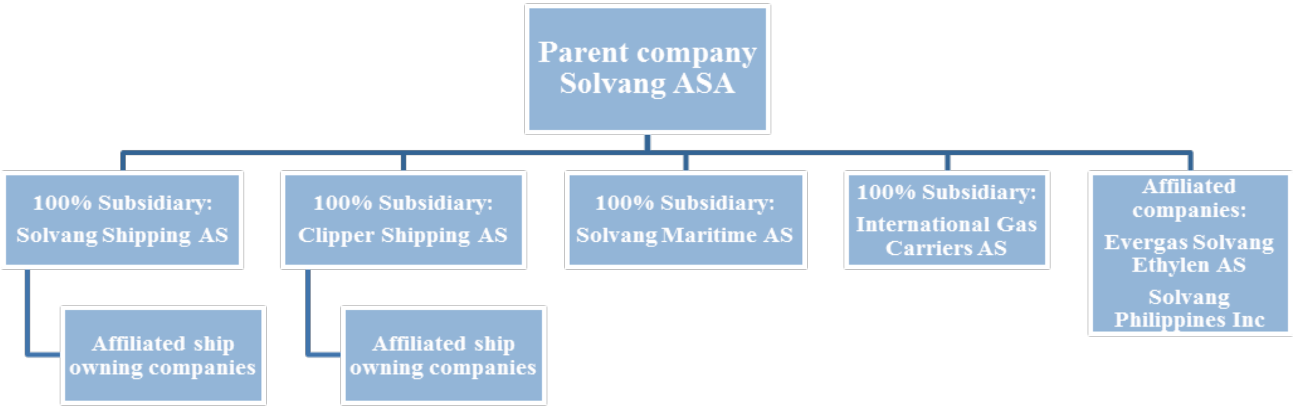
Statement of changes in equity | Group

Amounts in NOK 1 000	Share capital	Treasury shares	Other reserves	Retained earnings	Total equity
2010					
Equity at 01.01.2010	**123 264**	**-2 027**	**-28 236**	**415 341**	**508 343**
Profit of the year				13 841	13 841
Changes related to translation method ship owning companies			1 993		1 993
Total comprehensive income			**1 993**	**13 841**	**15 834**
Paid dividend					
Buy back / Sale treasury shares		229		573	802
Proposed dividend					
Total changes in equity for the year		229	1 993	14 414	16 636
Reported equity 31.12.2010	**123 264**	**-1 798**	**-26 243**	**429 755**	**524 979**
Changes related to translation method ship owning companies			-12 398		-12 398
Corrected equity at 31.12.2010	**123 264**	**-1 798**	**-38 641**	**429 755**	**512 580**

	Share capital	Treasury shares	Other reserves	Retained earnings	Total equity
2011					
Equity at 01.01.2011	**123 264**	**-1 798**	**-38 641**	**429 755**	**512 580**
Loss of the year				-22 538	-22 538
Changes related to translation method ship owning companies			7 837		7 837
Total comprehensive income			**7 837**	**-22 538**	**-14 700**
Paid dividend					
Buy back / Sale treasury shares		198		626	824
Proposed dividend					
Total changes in equity for the year		**198**	**7 837**	**-21 912**	**-13 876**
Equity at 31.12.2011	**123 264**	**-1 600**	**-30 804**	**407 843**	**498 704**

Notes 2011 | Solvang Group

NOTE 1 - CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES



CORPORATE INFORMATION
Solvang ASA is a public limited company incorporated and domiciled in Norway whose shares are publicly traded on Oslo Børs. The company was incorporated in 1936, and the address of the registered office is: Solvang ASA, Næringslivets Hus, Haakon VII's gate 8, 4005 Stavanger, Norway.

Solvang ASA and its subsidiaries' ("Solvang" or "the Company") business is fully concentrated on shipping and ship owning activities through investments in limited partnerships and shipping partnerships. The investments in limited partnerships and shipping partnerships are accounted for using the equity method. In addition, the company uses some resources on the management of its liquidity.

Solvang's fleet consists of 16 ships that carry liquid petrochemical gases, liquefied petroleum gases and ammonia.

BASIS OF PRESENTATION
The consolidated financial statements have been prepared on a historical cost basis, except for investments in ship owning companies where the ownership is less than 20% and for investments in shares and other financial instruments, which are valued at market value according to IAS 39.

The consolidated financial statements are presented in Norwegian kroner (NOK).

Statement of Compliance
The consolidated financial statements have been prepared in accordance with EU-adopted IFRSs and appurtenant interpretations and additional country-specific disclosure requirements according to the Norwegian Accounting Act and stock exchange rules, in effect as of 31st of December 2011.

The proposed consolidated financial statement was approved by the board of directors and the managing director on the date which appears on the dated and signed balance sheet. The consolidated financial statement will be handled by the annual general meeting on 10 May 2012 for final approval. Until final approval, the board is authorised to amend the consolidated financial statement.

Basis of consolidation
The consolidated financial statements of Solvang ASA comprise the financial statements of Solvang ASA and its subsidiaries. As of 31 December, 2011 Solvang ASA has four fully-owned subsidiaries: Solvang Shipping AS, Clipper Shipping AS, Solvang Maritime AS, and International Gas Carriers AS. International Gas Carriers AS is omitted from the consolidation as increase of shareholding to subsidiary is done temporarily, pending establishment of a new partner. Hence the company has kept the joint venture structure, even if it is currently a fully owned subsidiary. The group considers classification together with other affiliated companies to be most accurate.

Consistent accounting policies are applied throughout the group.

All intercompany balances, transactions, income and expenses together with unrealized profits and losses resulting from intercompany transactions that are recognized in assets, have been eliminated.

Functional Currency
The functional currency of an entity is the currency of the primary economic environment in which the entity operates. Normally, that is the currency of the environment in which an entity primarily generates and expends cash. The Company has Norwegian kroner as the reporting currency at group level. Both Solvang ASA and its fully-owned subsidiaries Solvang Shipping AS, Clipper Shipping AS and Solvang Maritime AS have Norwegian kroner as their functional currency. However, International Gas Carriers ASA and investments in ship owning companies accounted for using the equity method, have US dollar (USD) as the functional currency. Exchange differences arising on translation of the ship owning companies from USD to NOK recognized as a separate item in shareholders' equity, net of any deferred tax.

SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Estimation uncertainty
The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting periods. The most significant estimates and assumptions relate to fixed asset impairment tests, useful life applied for the depreciation of fixed assets, pension liabilities and to revenue and expense recognition and valuation of interest on the fair value of ship owning companies. We evaluate these estimates on an ongoing basis, utilizing past experience, consultations with experts and other methods we consider reasonable in the particular circumstances. Nevertheless, actual results may differ significantly from our estimates.

The key assumptions concerning the future and other key sources of estimating uncertainty at the balance sheet date and which have a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of property, plant and equipment
The company invests in ships through limited partnerships and shipping partnerships. For ships held in entities accounted for using the equity method, the Company assesses at each reporting date whether there is an indication that an asset that is held in entities accounted for using the equity method may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount, which is the higher of fair value less costs to sell or value in use.

Property, plant and equipment are evaluated for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. This requires an estimation of the asset's value, which, if available, is based on market appraisals or value in use.

The value in use is determined on the basis of the total estimated discounted future cash flows, excluding taxes. In determining impairment of fixed assets, management must make judgments and estimates to determine the cash flows generated by those assets. Discount rates must also be estimated. Assumptions used in these estimates are consistent with internal forecasts. To support management's estimates, market outlook and considerations provided by the joint/venture chartering companies have been used.

If the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment is reflected in the Company's share of income/(loss) from ship owning companies in the profit and loss account.

The Company considers whether there is a basis for reversing previous asset impairment write-downs, using the same evaluation criteria as for impairment. If the review suggests that there is a basis for reversal, the carrying amount is reversed to the estimated fair value, limited to the carrying amount the asset would have had if no impairment had been recognized.

SIGNIFICANT ACCOUNTING POLICIES

Revenue and expense recognition

The Company's revenues are mainly derived from ship management. These revenues are fixed per year according to contracts and recognized monthly throughout the year. Operating expenses are expensed when incurred.

Income in limited partnerships and shipping partnerships booked using the equity method, are either income from joint ventures or income from time charters. Freight income and demurrage are recognized according to monthly joint venture settlements and monthly time charters. Direct voyage expenses are matched to income when relevant. Essentially, all direct voyage expenses for the joint ventures and time charter are recognized on the accounts of the charterers.

Foreign currency transactions

Transactions in foreign currencies are recorded using the exchange rate at the transaction date. Balances denominated in foreign currencies are translated using the exchange rates at the balance sheet date. Foreign currency gains and losses are recorded as financial items when incurred.

Investments in shipping partnerships – equity method

The equity method is used for investments in limited partnerships and shipping partnerships in which the Company has significant influence. The Company's share of profits and losses are adjusted to include amortization of excess value on ships if the original cost of the owner interest is higher than the acquired share of booked equity.

Tangible fixed assets

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment write-downs. Depreciation is straight-line over the estimated useful life of the asset. When assets are sold or retired, their costs and related accumulated depreciation are removed from the balance sheet and any gain or loss is included in net income. Estimates of useful life, residual value and method of depreciation are reviewed at each financial year end and adjusted if appropriate. Any changes are accounted for prospectively as a change in accounting estimate.

Tangible fixed assets in shipping partnerships

In the shipping partnerships booked using the equity method, the ships are booked at cost less accumulated depreciation and impairment write-downs. Cost includes the expense of adding/replacing part of a ship, machinery or equipment when that expense is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized.

Depreciation of ships is computed using the straight line method over estimated useful life. The depreciable amount is determined after deducting the residual value of the asset. The cost of ships has been categorized separately by its main components, and useful life has been determined for each component. The average useful life for gas ships is 30 years.

A part of the original cost of ships is allocated to periodical maintenance. Periodic maintenance for ships is recognized in the balance sheet and expensed over the period up to the next periodical maintenance. Current maintenance is expensed as incurred.

When assets are sold or retired, their costs and related accumulated depreciation are removed from the balance sheet and any gain or loss is included in net income.

Estimates of useful life, residual values and methods of depreciation are reviewed at each financial year end and adjusted if appropriate. Any changes are accounted for prospectively as a change in accounting estimate. The estimated useful life of the ships could change, resulting in different depreciation amounts in the future.

Financial assets

Financial assets are recognized on the contract date, when the group becomes party to the contractual provisions of the instrument. Initially, all financial assets which are not recognized at fair value through profit or loss are recognized in the balance sheet at fair value including transaction costs. Financial assets which are recognized at fair value through profit or loss are recognized at the time of acquisition at fair value and the transactions costs are recognized.

The group derecognizes a financial asset when the contractual right to the cash flow from the asset expires or when the group transfers the contractual right to a transaction where substantially all the risks and rewards of ownership of the financial asset are transferred. All rights and obligations that are created or retained in this type of transfer are recognized separately as assets or liabilities.

As a rule, the group classifies financial assets in one of the following categories: financial assets at fair value through profit or loss; loans and receivables; and financial assets available for sale.

Financial assets at fair value through profit or loss
A financial asset is classified at fair value through profit or loss if on initial recognition it is designated as such or is classified as held for trading. Financial assets are designated at fair value through profit or loss if management and acquisition and sales decisions are based on the instrument's fair value in accordance with the group's documented risk management or investment strategy. On initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Instruments are measured at fair value, and changes in value are recognized in profit or loss.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs. After initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment loss.

Held for sale
Financial assets held for sale is non-derivative financial assets which we choose to classify in this category, or which do not belong to any other category. They are classified as assets as long as the investment does not fall due within twelve months or the management has as intention to sell the investment within twelve months from the balance sheet date.

Offsetting
Financial assets and obligations are presented net if the group has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial liabilities
Financial liabilities are recognized on the contract date, when the group becomes party to the contractual provisions of the instrument. On initial recognition, non-derivative financial liabilities are recognized at fair value plus directly attributable transaction costs. After initial recognition, liabilities are measured at amortized costs using the effective interest method.

Share capital
Ordinary shares are classified as equity. Costs that are directly attributable to the issuance of ordinary shares and share options are recognized as a reduction of equity (share premium reserves) net after any tax.

When shares which is recognized as equity is reacquired, the consideration, including directly attributable costs, is recognized as a reduction in equity, net after tax. The shares that are acquired are classified as treasury shares, and are presented separately. The shares’ face value is separated, and deducted from the share capital. When treasury shares are sold, the amount received is recognized as an increase in equity and divided between share capital and other equity. Gain or loss as a consequence of the transaction is transferred to/ from retained earnings.

Impairment of financial assets
At the balance sheet date (reporting date), financial assets that are not measured at fair value with value changes recognized in profit or loss are measured to determine whether there is objective evidence of impairment. A financial asset is assessed to be exposed to impairment if objective evidence exists that one or more events have had a negative effect on the estimated future cash flow for the asset. Objective evidence that financial assets have been subjected to impairment may be: failure of the debtor to make payments; changes in outstanding claims at terms which the group would otherwise not have accepted; indications that a debtor or issuer will become bankrupt or the lack of an active market for securities. For equity instruments classified as available for sale, there will be objective evidence of impairment due to a significant or prolonged decline in the fair value below its cost.

Basic and diluted earnings per share
Basic earnings per share are computed by dividing profit for the year by the weighted average number of common shares outstanding during the period. On a diluted basis, both profit for the year and shares outstanding are adjusted to assume exercise of all potential shares which have been outstanding in the period. For diluted earnings per share, the Company must also consider the potential outstanding shares of its equity method investees. Neither the Company nor its equity method investees has any potentially outstanding shares. As a result, basic and diluted earnings per share are the same.

Pensions

The company has both a defined benefit pension plan and a contribution based pension plan whereas the benefit pension plan was closed for new employees per 01.01.2011. All employees starting from 2011 will be included in the contribution based pension plan.

Defined benefit pension plan
The Company has a defined benefit pension plan for employees, managed and funded through a Norwegian life insurance company, and non-funded pension obligations for two pensioners, which are not covered by the general pension plan. The present value of benefit obligations is calculated based on actuarial methods, and compared with the value of pension assets. The net amount of the present value of benefit obligations and pension assets, adjusted for unrecognized changes in estimates, is included under long-term liabilities or non-current assets. Net pension costs (benefits earned during the period including interest on the projected benefit obligation, less estimated return on pension assets and amortization of accumulated changes in estimates) are included in salaries and other personnel expenses.

Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses for each individual plan at the end of the previous reporting year exceed 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains and losses are recognized over the expected average remaining working life of the employees participating in the plans.

Contribution based pension plan
For contribution based pension plans, the company pays contributions to a public or private managed pension plan. The company has no further payment obligations after the contribution have been paid. Contributions are recognized as personnel expenses in line with the obligation to pay contributions accrue.

Taxes
Income tax expense consists of taxes payable and the net change in deferred taxes arising as a result of temporary differences.

Current tax for the current and prior periods is measured at the amount expected to be paid to the tax authorities for present and earlier years. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date.

Change deferred taxes reflect the future tax effects resulting from the activities for the period. Deferred taxes in the balance sheet are calculated on the basis of temporary differences between financial and taxable values, with consideration for taxable losses carried forward. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that is not probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Dividends
Dividends proposed by the Board of Directors are not recorded as liability in the financial statements until they have been approved by the shareholders at the annual general meeting.

Related parties
Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence. The Company believes that all transactions between related parties are based on the principle of arm’s length (estimated market value).

Business areas/segments
Ship management and ship ownership are the business areas for Solvang. Ship ownership is further divided based on type and size of ship. Solvang has ownership interests in gas ships. These ships are divided into three types based on size, semi-ref ships from 12,000 – 17,000 cbm, LGC ships from 40,000 - 60,000 cbm and VLGC ships above 75,000 cbm. Accounting information based on business area and ship types are given in note 2 to the accounts.

Cash flow statement / Cash and cash equivalents

The Company uses the indirect method for calculating cash flow statements. Cash flows generated by investment and financing activities is shown gross, while for operations a reconciliation is shown between profit for the year and cash flows from operating activities. Cash and cash equivalents include cash and bank deposits.

NEW IFRS AND IFRIC INTERPRETATIONS

There are no new or changed IFRS's or IFRICS interpretations which has come into force for the 2011 accounts which is assessed to have or expected to have significant impact for the group.

New standards and interpretations which have not come into force
There are a number of new standards and interpretations which have been adopted but which did not come into force before the financial year ending on 31 December 2011. These include:

IFRS 9 – Financial Instruments. This standard is the first step in the process to replace IAS 39.
IFRS 10 – Consolidated Financial Statements
IFRS 12 – Disclosures of Interest in Other Entities
IFRS 13 – Fair Value Measurement
IAS 1 (change) – Presentation of Financial Statements
IAS 19 (change) – Employee Benefits

The Group has not chosen early implementation of any of the new or changed IFRS's or IFRIC interpretations, and based on circumstances and information of which Solvang ASA was aware at the reporting date (when the accounts were reported), it was assessed that these will probably have no impact on the figures in Solvang ASA's consolidated financial statement for 2011.

With regards to amendments to the regulations on accounting for financial instruments, IFRS 9 was adopted at the end of 2009. The standard will come into force for the accounting period starting 1st of January 2013 or later, but IASB has a proposal on hearing for delaying the effective date to the accounting period starting the 1st of January 2015 or later. It has not yet been approved for use by the EU, and Solvang ASA will consider early implementation of this standard once it has been approved for use. In this connection, a more detailed account will be given of any consequences if this should prove to be necessary.

Notes 2011 | Solvang Group

NOTE 2 - AREAS OF OPERATION

Solvangs management reports and control are reported according to the proportionate consolidation method. In the companys view this gives the best information regarding total risk related to the groups operation. The main reason for using this principle is that the majority of the ship owning companies are organized as pro rata unlimited partnerships where each partners has an unlimited, pro rata liability for the ship owning companys commitments. In the notes to the accounts the profit and loss account as well as the balance sheet are presented according to the proportionate consolidation method. Further, main figures for areas of operation for our ship owning activity are presented with a split on market segments and ship management activities.

PROFIT AND LOSS ACCOUNT PROPORTIONATE CONSOLIDATION

OPERATING INCOME/EXPENSES	**2011**	**Corrected 2010**	**Reported 2010**
Share of revenue on t/c-basis ships	174 086	131 578	131 578
Profit on sale of ships / interests in ship owning companies	3 676	1 949	1 949
Management fee	24 659	26 064	26 064
Total operating income	202 421	159 592	159 592
Share of operating expenses ships	82 704	88 045	88 045
Salaries and other personnel expenses	16 611	18 648	18 648
Other operating expenses	9 198	6 820	6 820
Depreciation ships	39 656	44 271	44 271
Write-down ships	1 381	4 631	4 631
Depreciation	523	628	628
Total operating expenses	150 072	163 043	163 043
Operating result	52 349	-3 451	-3 451
FINANCIAL ITEMS			
Interest in ship owning companies fair value	0	10	10
Other affiliated companies equity method	-1	311	311
Financial income	10 963	23 909	23 909
Share of financial expenses ships	-13 923	-14 600	-14 600
Financial expenses	-35 209	-6 854	-6 854
Net financial items	-38 170	2 776	2 776
Ordinary result before tax	14 179	-675	-675
Tax on ordinary result	-36 717	14 516	14 516
Net profit or loss for the year	-22 538	13 841	13 841

Notes 2011 | Solvang Group

NOTE 2 - AREAS OF OPERATION

BALANCE SHEET PROPORTIONATE CONSOLIDATION		Corrected	Reported
ASSETS	**31.12.11**	**31.12.10**	**31.12.10**
Fixed Assets			
Deferred tax asset	1 959	98 490	89 366
Share of ships	1 141 833	1 239 745	1 261 267
Share of periodic maintenance ships	10 452	18 661	18 661
Share of new build contracts	15 260	0	0
Office equipment, furniture etc	1 148	1 961	1 961
Total	1 170 652	1 358 858	1 371 256
Financial fixed assets			
Investments in affiliated companies	2 389	1 538	1 538
Other shares	20	20	20
Total fixed assets	1 173 061	1 360 416	1 372 814
Current Assets			
Receivables			
Share of current assets ship owning companies	71 478	56 593	56 593
Other short term receivables	13 314	26 602	26 602
Total receivables	84 792	83 195	83 195
Investments			
Listed investments	77 357	125 184	125 184
Bank deposits			
Bank deposits	43 626	7 494	7 494
Total current assets	205 775	215 873	215 873
TOTAL ASSETS	1 378 836	1 576 289	1 588 687
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital (24 652 837 shares a NOK 5)	123 264	123 264	123 264
Treasury shares	-1 600	-1 798	-1 798
Retained earnings			
Other equity	-30 804	-38 641	-26 243
Retained earnings	407 843	429 755	429 755
Total equity	498 704	512 580	524 979
Long term liabilities			
Share of long term liabilities ship owning companies	773 678	891 140	891 140
Other long term liabilities	47 255	45 562	45 562
Pension liabilities	4 189	8 583	8 583
Total long term liabilities	825 122	945 285	945 285
Current liabilities			
Liabilities to financial institution	0	9 852	9 852
Tax payable	104	58 423	58 423
Public duties payable	5 206	4 769	4 769
Share of current liabilities of ship owning companies	38 616	35 799	35 799
Other short term liabilities	11 084	9 581	9 581
Total current liabilities	55 010	118 423	118 423
TOTAL EQUITY AND LIABILITIES	1 378 836	1 576 289	1 588 687

Notes 2011 | Solvang Group

NOTE 2 - AREAS OF OPERATION

	SHIP OWNERSHIP		SHIP MANAGEMENT		TOTAL	
	2011	2010	2011	2010	2011	2010
Operating income			24 659	26 064	24 659	26 064
Share of profit ship owning companies						
Semi ref ships	99 170	60 302			99 170	60 302
LGC ships	46 171	48 607			46 171	48 607
VLGC ships	32 421	24 618			32 421	24 618
Operating expenses	-82 704	-88 045	-25 809	-25 468	-108 513	-113 513
Depreciation	-41 036	-48 902	-523	-628	-41 559	-49 530
Operating profit/loss	54 022	-3 419	-1 673	-32	52 349	-3 451
Net profit ships fair value method		10			0	10
Shares in affiliated companies			-1	311	-1	311
Financial items	-13 923	-14 600	-24 246	17 055	-38 169	2 455
Profit/loss before tax	40 099	-18 009	-25 920	17 333	14 179	-675
Deferred tax assets	1 959	98 490			1 959	98 490
Interest in ship owning companies equity method						
Semi ref ships	422 672	430 959			422 672	430 959
LGC ships	424 697	439 094			424 697	439 094
VLGC ships	294 464	369 692			294 464	369 692
New build	15 260				15 260	
Total	1 157 093	1 239 745			1 157 093	1 239 745
Share periodic maintenance ships						
Semi ref ships	4 035	7 180			4 035	7 180
LGC ships	4 334	7 173			4 334	7 173
VLGC ships	2 084	4 309			2 084	4 309
Total	10 452	18 661			10 452	18 661
Share of current assets ships						
Semi ref ships	30 582	27 049			30 582	27 049
LGC ships	19 047	18 046			19 047	18 046
VLGC ships	21 849	11 498			21 849	11 498
Total	71 478	56 593			71 478	56 593
Assets	77 357	125 184	60 497	37 616	137 854	162 800
Total assets	1 318 339	1 538 673	60 497	37 616	1 378 836	1 576 289
Share current debt ships						
Semi ref ships	230 765	265 312			230 765	265 312
LGC ships	312 592	333 536			312 592	333 536
VLGC ships	230 321	292 293			230 321	292 293
Total	773 678	891 140			773 678	891 140
Share current debt ships						
Semi-ref skip	6 377	9 455			6 377	9 455
LGC skip	14 466	10 404			14 466	10 404
VLGC skip	17 774	15 940			17 774	15 940
Total	38 616	35 799			38 616	35 799
None Interest bearing debt	0	58 423	20 582	22 932	20 582	81 355
Interest-bearing debt	47 255	45 562		9 852	47 255	55 414
Total debts	859 550	1 030 924	20 582	32 784	880 133	1 063 708
Net investments in fixed assets in the period						
Interest in ship owning companies equity method						
LGC ships		-3 407				-3 407
Office equipment, furniture etc			85		85	

Liquidity reserves including equity shares are included in the ship ownership area, as this is the capital intensive area of the groups operation.

NOTE 3 - SHIPPING ACTIVITY

SHARE IN SHIP OWNING COMPANIES UNDER THE EQUITY METHOD OF ACCOUNTING

Company	Owner-ship %	Profit on sale of vessels	Freight earnings T/C based	Operating expenses	Depr.	Writeoff	Net financial items	Net profit	Share vessel	Share accr. dry-docking	Share current assets	Share long term liabilities	Share current liabilities	Share uncalled capital as of 31.12.2011	Net book value balance sheet at 31.12.2011
KS AS Heragas	19,5 %	0	0	9	0	0	-9	-18	0	0	410	0	4	1 248	406
PR Clipper Skagen DA	20,0 %	0	4 079	5 185	1 079	1 381	-209	-3 776	11 381	508	1 763	0	2 656	0	10 996
PR Clipper Viking DA	20,0 %	0	19 164	8 920	2 669	0	-13	7 561	56 226	1 530	2 982	0	1 291	0	59 447
PR Clipper Star DA	20,0 %	0	18 546	15 176	6 425	0	-1 570	-4 624	190 085	1 876	9 914	133 877	5 108	0	62 890
PR Clipper Sky DA	20,0 %	0	13 135	9 104	4 395	0	-2 377	-2 740	135 318	1 539	5 166	104 996	6 387	0	30 641
PR Clipper Hebe DA	25,0 %	0	34 617	11 163	5 626	0	-1 668	16 159	165 486	524	11 075	101 830	1 044	0	74 211
PR Clipper Mars DA	24,0 %	0	14 489	4 776	3 064	0	-1 082	5 567	99 294	918	3 967	73 720	2 971	0	27 489
PR Clipper Hermes DA	30,0 %	0	41 310	11 992	6 211	0	-2 313	20 794	189 579	1 473	14 353	128 935	1 382	0	75 087
PR Clipper Victory DA	30,0 %	3 676	4 366	3 055	1 975	0	-678	2 335	0	0	0	0	0	0	0
PR Clipper Sirius DA	30,0 %	0	11 582	6 881	4 239	0	-1 866	-1 403	135 427	908	6 903	109 258	9 680	0	24 300
Victory DIS	15,3 %	0	2 926	1 735	1 247	0	-724	-780	87 436	642	9 164	56 821	3 580	41 241	36 841
PR Clipper Sun II DA	20,0 %	0	9 871	4 708	2 725	0	-1 413	1 025	86 861	534	5 782	64 243	4 514	0	24 421
Total 2011		3 676	174 086	82 704	39 656	1 381	-13 923	40 099	1 157 093	10 452	71 478	773 678	38 616	42 489	426 729
Total 2010		1 949	131 578	88 045	44 271	4 631	-14 600	-18 019	1 239 745	18 661	56 593	891 140	35 799	1 248	388 060

Where the company has invested in pro rata unlimited partnerships (Partrederi DA), the company has a pro rata liability for the ship owning company's commitments. The ownership in the ship owning companies have been tested for impairment and this test resulted in impairment adjustment of NOK 1 380 726. The recoverable amount is fixed at estimated value of use of each ship. Estimated value of use is calculated as a net present value based on the rest of life and risk. The net present value calculated based on each vessel's remaining economic life, and the first year's cash-flow based on approved budgets. Discount rate, 5.23% (5 year) and 6.28% (10 year), is based on the group's risk weighted cost of capital (WACC). USD/NOK is set at 5.99, which was the rate as per 31.12.2011.

Mortgage debt in ship owning companies are nominated in USD and priced by LIBOR + margin. For parts of the debt interest rate SWAPS has been entered for maturities up to 5 years.

NOTE 4 - SHIPPING ACTIVITY

SHARE IN SHIP OWNING COMPANIES UNDER THE EQUITY METHOD OF ACCOUNTING

		2010					2011					
Company	Owner-ship in %	Balance 01.01.2010	Share profit of the year	Investments/repayments/sale	Translation differences	Balance 31.12.2010	Corrections	Balance 01.01.2011	Share profit of the year	Investments/ repayments/sale	Translation differences	Balance 31.12.2011
PR Clipper Victoria DA	27,0 %	219	106	-329	4							0
KS AS Heragas	19,5 %	3 024	835	-3 116	-309	434	-17	416	-18		8	406
PR Clipper Skagen DA	20,0 %	19 087	-6 864	2 332	420	14 976	-282	14 694	-3 776		78	10 996
PR Clipper Viking DA	20,0 %	56 212	4 757		2 156	63 125	-2 359	60 765	7 561	-10 103	1 223	59 447
PR Clipper Lady DA	25,0 %	255	100	-362	7				0			0
PR Clipper Star DA	20,0 %	73 703	-9 570	5 865	1 622	71 620	-5 303	66 317	-4 624		1 197	62 890
PR Clipper Sky DA	20,0 %	35 755	-2 649	3 500	-962	35 644	-2 825	32 820	-2 740		562	30 641
PR Clipper Hebe DA	25,0 %	60 892	937		831	62 660	-3 321	59 339	16 159	-3 425	2 137	74 211
PR Clipper Mars DA	24,0 %	19 413	2 336		-820	20 929	132	21 062	5 567		860	27 489
PR Clipper Hermes DA	30,0 %	57 936	1 485		86	59 507	-4 298	55 209	20 794	-3 289	2 373	75 087
PR Clipper Victory DA	30,0 %	33 968	-2 830	61	-421	30 779	-199	30 580	2 335	-30 716	-2 199	0
PR Clipper Sirius DA	30,0 %	29 798	-5 139	3 912	134	28 715	-3 481	25 224	-1 403		480	24 300
PR Clipper Car DA	30,0 %	174	-1	-172					0			0
PR Clipper Sun DA	20,0 %	11	-5	-6					0			0
Victory DIS	15,3 %								-780	34 133	3 488	36 841
PR Clipper Sun II DA	20,0 %	22 577	-1 519		135	21 193	441	21 634	1 025	1 106	655	24 421
Sum		413 023	-18 019	11 684	2 884	409 582	-21 512	388 060	40 099	-12 293	10 862	426 729

The share in KS AS Heragas is included under the equity method of accounting even if the share is less than 20%. Solvang ASA is manager for the company and has significant influence in the company.
Registered office for ships operated by Solvang ASA, are in Stavanger. The right to vote is according to pro rata, ownership share. Some of the companies which is included under the equity method of accounting has loan agreements with financial institutions which restricts distribution to the owners. This can be requirement for minimum cash holdings, working capital, or written approval from the lender before distribution to owners.

According to sales agreement dated 9th September 2009, were the company reduced its ownership share in PR Clipper Mars DA. from 30% to 24%, buyer has an option, given certain circumstances, to declare a purchase of a further 30% which would reduce the company's holding to 15%. The purchase price according to the option agreement is pro rata the same as the price paid for the first 20%. The earliest date for declaring the option is September 2014. The company has assessed the option agreement according to IAS 39 regarding implied derivative. At year end 2010 the agreement is not included in the balance sheet as the management evaluates the value of the written call option to be insignificant. The value of the option will be assessed on a continuous basis until maturity.

NOTE 5 - OTHER AFFILIATED COMPANIES

SHARE IN AFFILIATED COMPANIES INCLUDED UNDER THE EQUITY METHOD OF ACCOUNTING

Company	Ownership	Balance 01.01.11	Share profit for the year	Investments	Translation difference	Balance 31.12.11
Solvang Philippines Inc	25 %	-13	29		1	18
International Gas Carriers AS	100 %	1 044	95	817	30	1 987
Evergas Solvang Ethylene AS	50 %	507	-125		3	385
Sum		1 538	-1	817	35	2 389

Solvang Philippines Inc. is located in Manila, Philippines.
International Gas Carriers AS is located in Oslo
Evergas Solvang Ethylene AS is located in Copenhagen, Denmark.
Voting rights are according to pro rata ownership share.

We have not received final audited accounts from the companies, and results presented in this note is by definition estimates.

International Gas Carriers AS is excluded from consolidation since the acquisition up to subsidiary is only done with the purpose of temporary ownership and held in anticipation of the process of finding a new partner. The company has therefore retained the structure as a Joint Venture set up despite the fact that it is currently a 100% owned subsidiary.

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NOTE 6 - FINANCIAL INCOME

	2011	2010
RECEIVABLES		
Interest income	611	379
Currency gain	5 455	1 883
Total receivables	6 066	2 262
HELD AT FAIR VALUE THROUGH PROFIT OR LOSS		
Gain on sale of shares	25	1 527
Increase in market value of current financial assets	0	15 713
Dividend Norwegian shares	4 464	2 675
Dividend foreign shares	208	418
Gain on options	151	1 249
Total held at fair value through profit and loss	4 847	21 581
Other financial income	50	65
Total	10 963	23 909

NOTE 7 - FINANCIAL EXPENSES

	2011	2010
Loans		
Interest and banking expenses	1 970	3 144
Currency loss	3 657	2 455
Total loans	5 626	5 599
HELD AT FAIR VALUE THROUGH PROFIT OR LOSS		
Loss on sale of shares	42	942
Decrease in market value of current financial assets	32 641	0
Expenses trading shares and options	143	307
Total held at fair value through profit and loss	32 825	1 248
Reversal of earlier years accrued financial expenses	-3 246	0
Other financial expenses	4	7
Total	35 209	6 854

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NOTE 8 - TAX

CURRENT TAX	2011	2010
Ordinary income/loss before tax	14 179	-675
Permanent differences related to shares	26 299	-18 133
Other permanent differences	26 533	238
Differences related to share of ship owning companies		-34 802
Differences related to equity method		-311
Changes in temporary differences	-101 061	-16 581
Applied loss carried forward		-12 627
Net taxable income/loss	-34 050	-82 892
Payable tax	0	0
Tax payable exit from tonnage tax regime		58 443

TAX EXPENSES FOR THE YEAR	2011	2010
Payable tax	124	43
Gross changes in deferred tax / deferred tax assets	34 934	-12 780
Adjustment previous year	1 659	-1 779
Total tax on income for the year	36 717	-14 516

SPECIFICATION OF TEMPORARY DIFFERENCES:	31.12.11	31.12.10
Long term temporary differences		
Tangible fixed asset	-128	82
Pension liabilities	-4 189	-8 583
Investment in shares	-1 837	472
Investment ship owning companies	139 349	61 412
Tax loss carry-forward	-199 078	-385 875
Total	-65 882	-332 492

ANALYSIS OF RECOGNISED DEFERRED TAX IN RESPECT OF EACH TYPE OF TEMPORARY DIFFERENCES AND UNUSED TAX LOSSES

	31.12.11	31.12.10	Change
Long-term temporary differences			
Tangible fixed asset	-36	23	-59
Pension liabilities	-1 173	-2 403	1 230
Investments in shares	-514	132	-646
Investments in ship owning companies	39 018	17 195	21 822
Tax loss carried forward	-55 742	-108 045	52 303
Total deferred tax (28%)	-18 447	-93 098	74 651
Change deferred tax recognized through profit and loss account			34 934
Reclassification from tax payable to deferred tax			58 423
Corrections previous year			-8 990
Change deferred tax recognized through other comprehensive income			3 041
Deferred tax asset not recognised (28%)	-16 488	-3 732	-12 757
Total recognised deferred tax (28%)	-1 959	-89 366	87 407
Deferred tax related to change of translation method ship owning companies		-9 124	
Corrected recognized deferred tax assets		-98 490	

Reconciliation tax expenses for the year	**2011**	**%**	**2010**	**%**
28% of ordinary income/loss before tax	3 970	28 %	-189	28 %
Adjustment previous year	1 659	12 %	-3 745	555 %
28% effect of permanent differences related to shares	7 364	52 %	-5 388	798 %
28% effect of other permanent differences	7 429	52 %	-1 909	283 %
Withholding tax	20	0 %	43	-6 %
28% effect of deferred tax asset not recognised	16 274	115 %	-3 329	493 %
Tax cost according to Profit & Loss account	36 717	259 %	-14 516	2149 %

The Group has not recognized deferred tax assets related to temporary differences in the subsidiary Clipper Shipping AS. The deferred tax asset is not recognized as the company evaluates entering the Norwegian tonnage tax scheme from 2012. As a consequence utilization of the deferred tax asset is uncertain.

NOTE 9 - PAYROLL EXPENSES

Personnel expenses	2011	2010
Salary	9 543	9 363
Employers tax	4 022	3 734
Pension cost	1 656	3 735
Other benefits	1 390	1 816
Total personnel expenses	16 611	18 648
Number of employees	36	36
REMUNERATION (IN NOK 1000)		
Managing Director (01.01 - 30.04)		
Salary	1 059	2 224
Bonuses		
Pensions paid	4 262	1 044
Other remuneration	63	142
Managing Director (01.05 - 31.12)		
Salary	1 000	
Bonuses		
Pension		
Other remuneration	3	
Deputy Managing Director (01.10 -31.12)		
Salary	425	
Bonuses		
Pension	32	
Other remuneration	8	
Director Marine Operations		
Salary	1 391	1 163
Bonuses		
Pension	109	112
Other remuneration	81	114
Total remuneration to key management personnel	8 433	4 799
Number of individuals included in key management personnel	3	2
Board of Directors		
Remuneration	325	400
Total remuneration to key management personnel and Board of Directors	8 758	5 199

The Deputy Managing Director has an agreement of one year pay after termination of employment, and an additional contribution based pension of 15% of salary above 12G. The company's senior executives are employed on a fixed salary. No options or fixed bonuses are linked to the salary agreements.
The amounts stated are exclusive of social security contributions

Auditor

Remuneration to auditor consist of the following	2011	2010
Audit mandatory by law	813	349
Tax advisory services	121	40
Other non-audit services	54	22
Total	**988**	**411**

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NOTE 10 - PENSION COST AND PENSION LIABILITIES

Funded plans
The company has a general pension plan in a life insurance company. The plan entitles its members to defined future benefits. These benefits are mainly dependent on number of years of employment, salary at the end of ordinary employment and the size of the benefits from the National Insurance Scheme. Full retirement pension will amount to approximately 66% of the basis for pension (limited to 12G), and the plan also includes entitlement to disability and children's pensions. Retirement age is 67 years. The company has the right to alter the pension plan. The benefits accruing under the scheme are funded. The pension plan has 35 members (2010: 35 members).

This pension plan meets the requirement in the Act on Mandatory company pension.

Non-funded plans
The company also has non-funded pension obligations for Managing Director and 2 pensioners, which are not covered by the general pension plan.
The unfunded pension was settled when the Managing Director left his position in 2011. The unfunded plan now only cover for two pensioners.

Assumptions
Pension liabilities and pension costs are calculated by a third party independent actuary, and the following assumptions were used:

	2011	**2010**
Discount rate	2,60 %	4,00 %
Expected salary increases	3,50 %	4,00 %
Rate of pension increases	0,10 %	1,30 %
Increase of National Insurance Basic amount (G)	3,25 %	3,75 %
Expected return on plan assets	4,10 %	5,40 %
Social Security Tax	14,10 %	14,10 %

Discount rate is based on 10 year Norwegian government securities adjusted to reflect that the settlement date for the pension obligations is beyond 10 years. The overall expected rate of return on plan assets are determined based on the market prices prevailing at year end applicable to the period over which the obligation is expected to be settled, taking into account each category of plan assets.

Net periodic pension cost:	***Non-funded plans***			***Funded plans***
	2011	**2010**	**2011**	**2010**
Benefits earned during the year	205	571	2 355	2 274
Interest cost	88	293	704	692
Expected return on pension assets			-733	-658
Administrative expenses			177	152
Social Security Tax	41	122	328	325
Amortization of net accumulated changes in estimates	-1 636	160	90	119
Net periodic pension cost	-1 301	1 146	2 921	2 903
Actual return on plan assets			3,5 %	5,5 %

Present value of benefit obligation	***Non-funded plans***		***Funded plans***	
	2011	**2010**	**2011**	**2010**
Present value of benefit obligation at January 1	7 593	6 564	17 688	15 447
Actuarial loss / (gain)	-3 155	269	-780	-578
Benefits earned during the year	205	571	2 355	2 274
Interest cost on prior year's benefit obligation	88	293	704	692
Pensions paid during the year	-4 160	-104	-175	-146
Present value of benefit obligation at December 31	571	7 593	19 792	17 688

NOTE 10 - PENSION COST AND PENSION LIABILITIES

Fair value of plan assets	***Non-funded plans***		***Funded plans***	
	2011	**2010**	**2011**	**2010**
Fair value of plan assets at January 1			12 460	10 764
Actuarial (loss) / gain			-1 904	-1 579
Actual return on plan assets			733	658
Company contributions			1 111	2 895
Administrative expenses			-155	-133
Pensions paid during the year			-175	-146
Fair value of plan assets at December 31			12 070	12 460

Status of pension plans reconciled to the balance sheet

	Non-funded plans		***Funded plans***	
	2011	**2010**	**2011**	**2010**
Present value of pension obligations	-571	-7 593	-19 792	-17 688
Fair value of plan assets			12 070	12 460
Funded status of plans at December 31.	-571	-7 593	-7 722	-5 228
Unrecognised net changes in estimates	65	2 030	5 209	4 017
Social Security Tax	-81	-1 071	-1 089	-737
Net pension liability recognised at December 31.	-586	-6 634	-3 602	-1 949

	2011	**2010**
Total net pension liability non-funded and funded plans recognised at December 31	-4 189	-8 583

Composition of plan assets on major investment categories

The company's pension funds are managed by an independent life insurance company that invests the funds of the plan according to Norwegian law. The major categories of plan assets as a percentage of the fair value of plan assets are as follows:

	2011	**2010**
Shares and other equity instruments	5,0 %	15,0 %
Bonds	47,3 %	48,8 %
Money market and similar	30,1 %	16,2 %
Properties and real estate	17,6 %	20,0 %
Total	100 %	100 %

Expected payments related to the pension plans in 2010

The Company's estimate contribution to the funded pension plan for the fiscal year 2012 is NOK 1 620 092
The Company's estimated payments for non-funded pension plans are NOK 112 000 for the fiscal year 2012.

The value adjusted return on plan assets (secured pension plan) was 3,1% per 30.09.2011, and for 2010 was the value adjusted return 5,7%

Development of deficit/surplus in the plan and actuarial loss / gain the last five years

	2011	**2010**	**2009**	**2008**	**2007**
As of 31st December					
Present value of benefit obligation	20 363	25 281	22 011	22 319	15 504
Fair value of plan assets	12 070	12 460	10 764	7 967	7 707
Deficit in the plan	8 293	12 822	11 247	14 352	7 797
Experience adjustments on plan assets	-3 935	-309	-4 357	3 196	1 169
Experience adjustments on plan assets	1 904	1 579	127	1 713	25

NOTE 11 - RELATED PARTIES

The shipping companies where Solvang has an ownership share of more than 20% and companies where the Steensland family have control are regarded as related parties. All transactions with related parties, are at arm's length and market terms. In connection with Solvang's position as manager for the shipping partnerships, there are ongoing transactions between Solvang and the individual shipping partnerships. Solvang receives a yearly fee as managers. The size of the fee is regulated by the management agreement, and is approved each year by the annual general meeting of the shipping partnerships. Solvang's regular broker for sale and purchase is Inge Steensland AS. Parallel investments with other companies controlled by the Steensland family, are also made.

	Profit & Loss Account		Balance Sheet	
	2011	**2010**	**31.12.11**	**31.12.10**
Management fee (income)	24 659	26 064		
Technical fee (reduction of cost)	17 076	15 606		
Interest expenses other related parties	-1 350	-1 226		
Receivables ship owning companies			12 242	23 283
Receivables other related parties			378	1 165
Liabilities ship owning companies			-6 568	
Liabilities other related parties			-47 255	-45 562
Total	40 384	40 444	-41 203	-21 114

Liabilities other related parties are priced at 3 months LIBOR + margin of 1% for foreign exchange loans, and 3 months NIBOR + margin 1% for NOK loans.

There are no covenants related to the loans.

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NOTE 12 - RESTRICTED BANK DEPOSIT

In connection with payment of payroll withholding tax, the group has a total restricted bank deposit of NOK 2 600 389,-.

NOTE 13 - EARNINGS PER SHARE

(Amounts in NOK)

	2011	2010
Profit / loss for the year (numerator)	-22 537 734	13 840 595
Average number of shares outstanding (denominator)	24 332 859	24 264 427
Total number of shares issued	24 652 837	24 652 837
Earnings per share (NOK)	-0,93	0,57
Diluted earnings per share (NOK)	-0,93	0,56

NOTE 14 - TANGIBLE FIXED ASSETS

	Book value as of 01.01.10	Additions during the year	Disposals during the year	Gain/loss by disposal	Depreciation during the year	Expensed home computers employees	Book value as of 31.12.10
Misc. Fixed assets	2 560	0	0	0	628		1 931
Home computer agreements er	103					73	30
Total	2 664	0	0	0	628	73	1 961

	Book value as of 01.01.11	Additions during the year	Disposals during the year	Gain/loss by disposal	Depreciation during the year	Expensed home computers employees	Book value as of 31.12.11
Misc. Fixed assets	1 931	86	350	0	523		1 143
Home computer agreements er	30					26	4
Total	1 962	86	350		523	26	1 147

Useful life for office equipment is from 3 to 5 years.

NOTE 15 - SHARES IN OTHER COMPANIES

	Currency	2011 Number of shares	2011 Acquisition cost (NOK)	2011 Book value/ market value as of 31.12.2011 (NOK)	2010 Number of shares	2010 Acquisition cost (NOK)	2010 Book value/ market value as of 31.12.2010 (NOK)
SHARES LISTED IN NORWAY							
DNB	NOK	80 460	3 666	4 711	80 460	3 666	6 590
Gjensidige Forsikring	NOK	2 982	144	207	2 711	144	159
Norsk Hydro	NOK	116 954	4 353	3 244	116 954	4 353	4 983
Orkla	NOK	70 000	4 298	3 126	70 000	4 298	3 969
Prosafe	NOK	60 000	1 974	2 459	60 000	1 974	2 784
Seadrill	NOK	0	0	0	3 000	586	592
Statoil	NOK	24 000	4 196	3 684	24 000	4 196	3 326
Telenor	NOK	0			10 000	493	948
Yara International	NOK	32 500	4 485	7 800	32 500	4 485	10 969
BW Offshore	NOK	96 000	1 133	907	96 000	1 133	1 565
Dockwise	NOK	2 541	560	245	2 541	560	399
DOF	NOK	56 300	1 469	1 210	56 300	1 469	2 787
Eidesvik Offshore	NOK	10 000	415	292	10 000	425	380
Imarex	NOK	9 000	592	155	9 000	934	513
Norske Skog A	NOK	150 000	10 066	678	150 000	10 066	2 078
Northern Offshore	NOK	20 000	660	255	20 000	660	299
Noreco (Norwegian Energy Company)	NOK	46 800	1 544	218	46 800	1 544	861
Oceanteam Power & Umbilical	NOK	65 500	3 647	29	65 500	3 647	39
Scana Industrier	NOK	20 377	381	40	20 377	381	144
Equity certificates Sandnes Sparebank	NOK	105 490	14 697	6 329	105 490	14 697	9 652
Equity certificatesSparebank1 Midt-Norge	NOK	93 750	4 224	3 684	93 750	4 224	5 063
Equity certificates Sparebank1 Nord-Norge	NOK	40 000	1 156	1 292	15 000	1 156	1 800
Equity certificates Sparebanken1 SR-Bank	NOK	722 565	18 796	29 408	722 565	18 796	41 186
Equity certificates Sparebanken Vest	NOK	148 888	9 896	4 690	148 888	9 896	6 998
Misc. Shares	NOK		11			11	
Total shares listed in Norway			92 364	74 664		93 794	108 082

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NOTE 15 - SHARES IN OTHER COMPANIES

	Currency	2011 Number of shares	2011 Acquisition cost (NOK)	2011 Book value/ market value as of 31.12.2011 (NOK)	2010 Number of shares	2010 Acquisition cost (NOK)	2010 Book value/ market value as of 31.12.2010 (NOK)
SHARES / FUNDS LISTED IN UK							
Australia & New Zealand Bank Group	GBP	0			2 200	285	305
BG Group	GBP	0			12 000	190	1 410
BHP Billiton	GBP	0			6 000	765	1 388
BP	GBP	0			27 000	1 892	1 141
Centrica	GBP	0			13 750	348	414
Colgate-Palmolive Co	GBP	0			540	284	251
Danone	GBP	0			760	274	278
GlaxoSmithKlein	GBP	0			2 500	539	281
International Power	GBP	0			8 000	380	318
Johnson Matthey	GBP	0			2 200	435	407
JPM Brazile Inv TS South America	GBP	0			19 500	192	209
Land Securities	GBP	0			7 000	242	428
Lloyds Banking Group	GBP	0			58 329	1 361	349
National Grid	GBP	0			14 452	423	725
Nestle	GBP	0			900	280	306
Novartis	GBP	0			930	280	318
Prudential	GBP	0			5 000	463	303
Reckitt Benckiser	GBP	0			2 000	413	639
Rio Tinto	GBP	0			1 880	540	765
Rotork	GBP	0			1 060	132	176
Royal Bank of Scotland	GBP	0			9 907	474	35
Royal Dutch Shell plc	GBP	0			10 000	1 232	1 918
First State Investement Asia Pacific	GBP	0			7 700	235	265
Total shares/funds listed in Great Britain						11 659	12 628
SHARES/FUNDS LISTED IN USA							
Alcoa Inc	USD	4 000	902	207	4 000	902	361
Exxon Mobil	USD	0			500	201	214
Google Inc.	USD	0			130	418	452
Transocean	USD	1 000	573	230	1 000	573	407
Vale	USD	2 000	392	257	2 000	392	405
INVESCO Greater China equity Fund	USD	2 600	395	421	2 600	395	507
MLIIF Emerging Europe	USD	1 850	1 591	979	1 850	1 591	1 322
MLIIF India Fund	USD	850	106	83	850	106	131
Franklin India Fund	USD	850	103	91	850	103	132
Pioneer Great China Equity	USD	8 000	467	425	8 000	467	542
Total shares/funds listed in USA			4 530	2 693		5 148	4 474
Total group			96 893	77 357		110 602	125 184

Exchange rates per 31.12.2011	GBP/NOK	9,280
	USD/NOK	5,990
	EUR/NOK	7,750

In 2011 a decrease in market value of NOK 32.6 mill has been booked towards the company's listed investment portfolio. The decrease has been classified as other financial expenses. (Ref note 7).

NOTE 16 - RECEIVABLES

Debtors, KNOK 13 314 consist mainly of receivables from shipping partnerships as a consequence of costs refund. None of the receivables is falling due more than one year after the end of the fiscal year.

NOTE 17 - LIABILITIES

Long term debt
Solvang ASA has long term debt to AS Clipper and AS Audley with NOK 47.3mill. The amount includes accrued not paid interests. The long term loans have the following maturity structure. Reference is made to note 11.

	2011	2010
Year 1:	0	0
Year 2:	47 255	45 562
Total	47 255	45 562

Security
Solvang ASA has a credit facility of NOK 20 million. As of 31.12.2011 there was no drawn from this facility. As security for this the company has furnished the shares of Solvang Shipping AS as collateral. Book value of the equity in Solvang Shipping AS as at 31.12.2011 is 55,8 mill according to preliminary 2011 financial statement.

In addition the group has parts of mortgage debt through participation in a limited partnership and shipping partnership. As security for this mortgage debt, the lender has a mortgage on ships belonging to the respective companies. The Solvang ASA group's share of mortgage debt was KNOK 789 149 at 31.12.2011 (KNOK 908 265 at 31.12.2010).

Leasing
The company has operating lease commitments for office space that expires at 31.12.2016.
There is an option under the agreement to extend the lease with 5 years from 31.12.2016 at market terms.

At 31.12 The Company had the following minimum non-cancellable leasing commitments:

	2011	2010
Year 1	2 151	2 012
Year 2-5	8 606	0
Year 6-10	0	0
Total	10 757	2 012

The company recognized lease expenses of NOK 2 011 644 for 2011 and NOK 1 972 200 for 2010.

Notes 2011 | Solvang Group

NOTE 18 - EQUITY

Shareholders

The company's main shareholders as of 31.12.2011

	31.12.11		31.12.10	
Name of owner	**# of shares**	**Ownership**	**# of shares**	**Ownership**
Clipper AS	5 460 932	22,2 %	5 460 932	22,2 %
Straen AS	5 405 157	21,9 %	5 263 796	21,4 %
Audley AS	3 589 014	14,6 %	3 589 014	14,6 %
Jason Shipping ASA	1 350 674	5,5 %	1 401 300	5,7 %
Søgne Shipping AS	1 000 000	4,1 %	1 000 000	4,1 %
Steensland Inge, estate	0	0,0 %	948 701	3,8 %
Michael Steensland Brun	981 201	4,0 %	32 500	0,1 %
MP Pensjon PK	821 363	3,3 %	821 363	3,3 %
Micro Gas AS	0	0,0 %	687 561	2,8 %
Folke Hermansen AS	503 600	2,0 %	0	0,0 %
Det Stavangerske Dampskibsselskab AS	0	0,0 %	503 600	2,0 %
Inge Steenslands Stiftelse	500 000	2,0 %	500 000	2,0 %
Myhre Leif Harald	404 000	1,6 %	404 000	1,6 %
Jaco Invest AS	354 510	1,4 %	354 110	1,4 %
Solvang ASA	319 978	1,3 %	359 518	1,5 %
Torbertra Kapital AS	310 500	1,3 %	310 500	1,3 %
Others < 1%	3 651 908	14,8 %	3 015 942	12,2 %
Total	24 652 837	100,0 %	24 652 837	100,0 %

The board of directors and managing director own or control shares in the company as of 31.12.2011 as follows:

John Hatleskog	354 510
Erik O. Jacobsen	178 151
Wenche Rettedal	2 781
Michael Steensland Brun	981 201

Proposed dividend
The Board of Directors propose that no dividend is paid for 2011. No dividend for 2010 was paid either.

The company has no other dividend limitations than those imposed by Norwegian law.

NOTE 19 - TREASURY SHARES

As of 31.12.2011 Solvang ASA had shareholdings of 319 978 own shares, booked at NOK 2 854 112.
The purpose for buy back of own shares is to increase value for the company's shareholders.

NOTE 20 - FINANCIAL MARKET RISK

The group is exposed to credit risk, liquidity risk and market risk by use of financial instruments.

Credit risk
Credit risk is risk for financial loss if a counterpart to a financial instrument does not manage to fulfil its obligations under the contract. There are attached credit risk to the group's receivables and equity securities. Receivables are mainly towards affiliated ship owning companies included using the equity method of accounting. As manager for these companies, we have a good view of their financial standing, and the credit risk is considered minimal. The equity portfolio consists of listed shares and equity certificates in Norway, Great Britain and USA. There is little credit risk related to these investments.

Liquidity risk
Liquidity risk is the risk for the group not being able to fulfil its financial obligations as they fall due. Shipping is a cyclical business, and the group has therefore chosen to be well capitalized, and have a high proportion of liquidity. As of 31.12.2011 the liquidity reserves including the portfolio of equity securities amount to 19 % of the total balance sheet, while current liabilities together with liability to pay equity to affiliated companies amount to 10 % of the balance sheet. The liquidity risk is considered acceptable.

Market risk
Market risk is risk for changes in market prices, such as exchange rates on currency, interest rates and share prices, influence on income or value of financial instruments. There is attached financial market risk to interest in ship owning companies fair value (exchange rate and market prices), equity shares (exchange rate and market prices), and bank deposits (exchange rate), loans (exchange rate and interest rates). In addition the group is exposed to market risk related to mortgage loans in the ship owning companies included using the equity method of accounting (interest rates).

Asset management
The board's goal is to keep a sufficient capital base, to maintain confidence from investors, creditors and the market in general, and to develop the business activity. A substantial part of the liquidity reserve is invested in equity shares as the board are of the opinion that this over time will yield a higher return compared to keeping the reserve as bank deposits and bond investments. The portfolio is managed by the group, and a relatively conservative strategy has been applied for the management. Capital return is monitored by the board. The group trade in its own shares. The purpose is to increase value for the company's shareholders. There has not been made any changes in how asset management is approached during the year. None of the group's companies is subordinated external capital requirements.

The following table summarizes the estimated fair value of the group's financial instruments at the balance sheet date:

FINANCIAL INSTRUMENTS	31.12.2011		31.12.2010	
	Booked value	**Fair value**	**Booked value**	**Fair value**
Financial assets held at fair value through profit or loss				
Equity securities	77 357	77 357	125 184	125 184
Options	-139	-139	-139	-139
Loan and receivables				
Long term loans	-47 255	-47 255	-45 562	-45 562
Total	29 962	29 962	79 482	79 482

For bank deposits, receivables and account payable the groups best estimate as per 31.12.2011 is that book value is equal to fair value. Market value for equity securities are calculated on basis of listed stock price at the balance sheet day. Market value for loan and receivables are at face value, adjusted for any exchange rate effects.

There is a 3 level hierarchy for assessing the value of financial instruments entered into the balance sheet at market value. All the company's financial instruments are valued according to level 1 where market value is set by using quoted prices.

NOTE 20 - FINANCIAL MARKET RISK

SENSITIVITY ANALYSIS

Change in market prices		**Value change**
Equity securities	10 % increase of share prices	7 736
	10 % reduction of share prices	-7 736

Change in exchange rates		**Value change**
Equity securities	10 % increase of exchange rates (USD)	269
	10 % reduction of exchange rates (USD)	-269
Bank deposits	10 % increase of exchange rates	2 673
	10 % reduction of exchange rates	-2 673
Loans	10 % increase of exchange rates	1 600
	10 % reduction of exchange rates	-1 600

Change of interest rates		**Effect on profit or loss**
Loans	100 basis points increase of interest rates	473
	100 basis points reduction of interest rates	-473
Mortgage loans on ships in companies included using the equity method of accounting	100 basis points increase of interest rates	7 891
	100 basis points reduction of interest rates	-7 891

Effect of change of interest rates for bank deposits is evaluated insignificant, and there is not made a sensitivity analysis.

Notes 2011 | Solvang Group

NOTE 21 - CHANGE IN CORRESPONDING FIGURES

Solvang Group owns interests in ship owning company with USD as functional currency. The conversion of Solvang's share of profit and equity generates translation differences. Until 3rd quarter 2011 we have used an estimate based method for the calculation of the vessels USD acquisition costs. As of 3rd quarter of 2011, we have used an accurate method for the establishment of the vessels acquisition cost in USD. This means that the ship carrying values are reduced by NOK 21.5 million and according to IFRS are classified as a correction of prior years errors. The correction is therefore made against the opening balance of 2011. Adjusted comparative figures for 2010 have been prepared.

The sum of the corrections described above are for the balance sheet 2010 as follows:	
Deferred tax assets:	+ NOK 9,1 mill
Shares in ship owning companies	- NOK 21,5 mill
Equity	- NOK 12,4 mill

NOTE 22 - SUBSEQUENT EVENTS

One VLGC ship of 84,000 cbm was contracted from Hyundai Heavy Industries in March 2012. The group will own a minimum of 20%. Other than this, no circumstances have arisen which are of significance to the balance sheet and income statement since the end of the financial year.

Profit & Loss Account | Solvang ASA

	Note	2011	2010
Management fee	10	24 919 071	26 364 317
Total Operating income		**24 919 071**	**26 364 317**
Salaries and other personnel expenses	8,10	16 614 108	18 647 956
Depreciation	13	523 010	628 196
Other operating expenses	8	9 053 517	6 702 405
Total operating expenses		**26 190 635**	**25 978 557**
Operating result		**-1 271 564**	**385 760**
Write-down subsidiaries		0	-104 170 198
Ship-owning companies equity method	2	139 151	-2 586 914
Ship-owning companies fair value		0	10 256
Other affiliated companies equity method	3	-1 249	310 921
Other financial income	4,10	7 658 796	13 413 741
Other financial expenses	5,10	-18 085 453	-3 911 183
Net financial items		**-10 288 755**	**-96 933 377**
Ordinary result before tax		**-11 560 319**	**-96 547 617**
Tax on ordinary result	6	10 534 069	-4 011 786
Net profit or loss for the year		**-22 094 388**	**-92 535 831**
Net profit or loss for the year is distributed as follows			
Reserve for valuation variances		1 249	-310 922
From other equity		22 093 139	92 846 753
Total distributed		**22 094 388**	**92 535 831**

Balance Sheet | Solvang ASA

	Note	2011	2010
ASSETS			
Fixed Assets			
Intangible fixed assets			
Deferred tax asset	6	0	3 650 265
Total intangible fixed assets		**0**	**3 650 265**
Tangible fixed assets			
Office equipment, furniture etc	13	1 147 900	1 961 469
Total tangible fixed assets		**1 147 900**	**1 961 469**
Financial fixed assets			
Investments in subsidiaries	7,16	629 740 980	627 754 447
Investments ship-owning companies equity method	2	14 531 892	13 286 496
Investments in affiliated companies	3	402 462	1 538 234
Total financial fixed assets		**644 675 334**	**642 579 177**
Total fixed assets		**645 823 234**	**648 190 911**
Current Assets			
Receivables			
Short term receivables group companies	10,15	89 986 516	87 748 328
Other short term receivables	10,15	7 650 960	26 259 078
Total receivables		**97 637 476**	**114 007 406**
Investments			
Listed investments	14	35 626 722	53 217 076
Total investments		**35 626 722**	**53 217 076**
Cash and bank deposits	11	21 895 950	2 711 342
Total current assets		**155 160 148**	**169 935 824**
TOTAL ASSETS		**800 983 382**	**818 126 735**

Balance Sheet | Solvang ASA

	Note	2011	2010
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	18	123 264 185	123 264 185
Treasury shares	19	-1 599 890	-1 797 590
Total paid-in capital		**121 664 295**	**121 466 595**
Retained earnings			
Reserve for valuation variances		658 053	624 492
Other equity		456 858 809	478 328 639
Total retained earnings		**457 516 862**	**478 953 131**
Total equity	**18**	**579 181 157**	**600 419 726**
Liabilities			
Provisions			
Pension liabilities	9	4 188 697	8 582 781
Deferred tax liability	6	5 210 000	0
Total provisions		**9 398 697**	**8 582 781**
Long term liabilities			
Other long term liabilities	10,16	47 255 327	45 562 227
Total long term liabilities		**47 255 327**	**45 562 227**
Current liabilities			
Liabilities to financial institution	16	0	9 852 015
Trade creditors		1 370 404	0
Current liabilities Group companies	10	157 975 273	145 000 000
Tax payable	6	0	0
Public duties payable		3 133 857	3 002 607
Other short term liabilities	10	2 668 667	5 707 379
Total current liabilities		**165 148 201**	**163 562 001**
Total liabilities		**221 802 225**	**217 707 009**
TOTAL EQUITY AND LIABILITIES		**800 983 382**	**818 126 735**

Stavanger, 28th March 2012

John Hatleskog
Chairman

Wenche Rettedal

Erik O. Jacobsen

Michael Steensland Brun
Managing Director

Cash Flow Statement | Solvang ASA

	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	-11 560 319	-96 547 617
Profit / (loss) on sale of fixed assets	-50 000	0
Depreciation and amortisation	523 010	628 196
Difference between expensed pension and paid in/out	-4 394 084	627 001
Write-down subsidiaries	0	104 170 198
Result in other affiliated companies	1 249	-310 921
Result in affiliated ship owning companies	-139 151	2 586 914
Changes in inventories, trade receivables and trade payables	1 370 404	0
Changes in other current balance sheet items	26 652 703	4 335 485
Financial income	-2 254 324	-10 462 963
Financial expenses	15 710 947	1 088 445
Net cash flow from operating activities	**25 860 435**	**6 114 738**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale / purchase of tangible fixed assets	314 714	0
Payments purchase of securities	0	-13 413 745
Payments received securities	1 916 365	9 787 113
Dividend received	2 078 365	1 180 219
Investment affiliated companies	-850 761	0
Payments from ship owning companies	0	1 621 966
Payments to ship owning companies	-1 106 245	-1 276 369
Net cash flow from investing activities	**2 352 438**	**-2 100 816**
CASH FLOW FROM FINANCING ACTIVITIES		
Changes in overdraft facility	-9 852 015	-7 093 930
Purchase / sale of treasury shares	823 750	802 393
Net cash flow from financing activities	**-9 028 265**	**-6 291 537**
Net change in cash and cash equivalents	**19 184 608**	**-2 277 615**
Cash and cash equivalents 01.01	2 711 342	4 988 957
Cash and cash equivalents 31.12	**21 895 950**	**2 711 342**

Notes 2011 | Solvang ASA

NOTE 1 ACCOUNTING PRINCIPLES

The annual accounts consist of the profit and loss account, balance sheet, cash flow statement and notes to the accounts, and have been presented in compliance with the Norwegian Companies Act, the Norwegian Accounting Act and Norwegian generally accepted accounting principles in effect as of 31st of December 2011.

The annual accounts have been prepared based on the fundamental accounting principles, and the classification of assets and liabilities are according to the Norwegian Accounting Act. The application of the accounting principles and the presentation of transactions and other issues attach importance to economic realities, not only legal form. Contingent losses, which are likely to happen and are quantifiable, will be expensed.

General principles
Assets that are meant for long-term ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables are classified as current assets if they are to be re-paid within one year after payment. The same criteria apply for liabilities.

The annual accounts have been prepared based on the fundamental accounting principles historical cost, comparability, going concern, congruence and prudence. Transactions are recorded at their value at the time of the transaction. Income is recognised at the time of delivery of goods or service sold and matches costs expensed in the same period as the income to which they relate is recognized.

Valuation of fixed assets is entered in the accounts at original cost. If the fair value of a fixed asset is lower than book value, and the decline in value is not temporary, the fixed asset will be written down to fair value. Fixed assets with a limited expected useful life is depreciated according to plan.

Current assets are valued at the lower of acquisition cost and fair value. Short-term liability is booked nominally at the point of establishment.

According to the accounting principles there are some exceptions from the general principles. These exceptions are commented below.

Fixed assets
Fixed assets are entered in the accounts at original cost, with deductions for accumulated depreciation and write-down. If the fair value of a fixed asset is lower than book value, and the decline in value is not temporary, the fixed asset will be written down to fair value. Depreciation is calculated and distributed linearly over the estimated useful life. Maintenance of fixed assets is continuously booked to operating cost. Major replacement and improvements witch significantly improve the fixed assets useful life, are added to the purchase price of the assets.

Investment in subsidiaries
By subsidiaries means investments where the company directly or indirectly owns more than 50% of the voting shares, where the investment have a long-term and strategic dimension, and investments where the company have a controlling interest. Investments in subsidiaries are accounted for using the purchase method. Cost price increases when means are contributed by a capital increase, or when group contribution is received by the subsidiary. Received dividends are normally booked as income. Dividends which exceeds retained earnings after the initial investment, is booked as reduction of historical acquisition cost. Year-end allocation related to dividend from subsidiaries is entered as financial income the same fiscal year.

Investment in affiliated companies
By affiliated companies means investments where the company directly or indirectly owns 20-50% of the voting shares, where the investment have a long-term and strategic dimension, and investments where the company can exercise a considerable influence. Investments in affiliated companies are accounted for using the equity method.

Solvang's share of the profit in an affiliated company is based on profit after tax in the affiliated company less any depreciation on excess value due to the acquisition cost of the owner interest being higher than the acquired share of book equity. In the profit and loss account, the share of the profit in affiliated companies is presented as financial items. In the balance sheet, owner interests in affiliated companies are presented together with fixed assets.

Notes 2011 | Solvang ASA

NOTE 1 ACCOUNTING PRINCIPLES

Securities
Shares, primary capital certificates and interests in unit trusts (mutual funds) that are traded on a stock exchange or a regulated market and have a good ownership diversity and liquidity, are included in the trading portfolio and are valued at market value at balance sheet date.

Receivables
Receivables are valuated at face value after deduction of accrual for anticipated loss. Accruals for anticipated loss are made on basis of assessment of the individual outstanding claims.

Foreign currency
Transactions in foreign currencies are recorded at transaction date.
All cash and bank balances in foreign currency are accounted for at the exchange rate at year-end.

Financial expenses
When a new debt financing is established any up front fees and other cost related to the financing are expensed at the date of drawdown of the loan.

Pension liability and pension cost
The Company has both defined benefit and contribution based pension plans, which the defined benefit pension plan was closed by 01.01.2011 so that all new employees starting from 2011 will be included in the contribution based pension plan.

Defined benefit pension plan
Net pension cost includes the period calculated pension benefits, including expected salary increases, estimated interest expenses, less the expected return on plan assets and any effects of changes in estimates and plans. The surplus is capitalized to the extent it can be applied to future pension obligations. The company applies IAS 19 Employee Benefits as a basis for accounting for pension.

Contribution based pension plan
For defined contribution plans the company pays contributions to publicly or privately administered pension insurance plans. The company has no further payment obligations once the contributions have been paid. Contributions are recognized as compensation expense in line with the obligation to pay contributions accrue.

Treasury shares
Own shares are posted at face value on a separate line of the balance sheet under equity. The difference between the face value of the share and the original cost is deducted from other equity.

Taxes
Taxes in the Profit and Loss statement contain both payable tax of the year and changes in deferred tax / deferred tax asset.

Deferred tax /deferred tax assets is calculated on basis of temporary differences between accounting standards and tax legislation by the end of the fiscal year. The calculation is based on nominal tax rate. Tax-augmenting and tax-reducing temporary differences that can be reversed in the same period are balanced in the accounts. Deferred tax assets arises if there are net tax-reducing temporary differences which can be justified by the assumption of future profits. This year tax on ordinary result consist of net changes in deferred tax and deferred tax assets together with payable tax of the year and adjusted for any differences in provision previous years.

Cash flow statement
The Cash Flow statement is prepared in accordance with the indirect method. Cash flow generated by investing and financing activities is shown gross, while for operations reconciliation is shown between book profit and cash flow from operating activities. Investments in securities are not included under cash equivalents. Cash and cash-equivalents include petty cash and bank payments.

Notes 2011 | Solvang ASA

NOTE 2 - SHIPPING ACTIVITY

SHARE IN VESSELS INCLUDED UNDER THE EQUITY METHOD OF ACCOUNTING

Company	Owner-ship	Opening balance 01.01.11	Share of net profit	Incoming payments / repayments	Closing balance 31.12.11
PR Clipper Sun II DA	20 %	13 286 496	139 151	1 106 245	14 531 892
Total		13 286 496	139 151	1 106 245	14 531 892

Registered office of ship owning companies included after the equity method of accounting is in Stavanger. The voting rights are according to pro rata ownership share.

NOTE 3 - AFFILIATED COMPANIES

AFFILIATED COMPANIES INCLUDED UNDER THE EQUITY METHOD OF ACCOUNTING

Company	Owner-ship	Acquisition cost	Opening balance 01.01.11	Share of net profit	Additions / deletions	Translation differences	Closing balance 31.12.11
Solvang Phillipines Inc	25 %	102 092	-12 525	28 856	0	1 487	17 818
International Gas Carriers AS	50 %	1 337 200	1 044 187	94 853	-1 169 333	30 293	0
Evergas Solvang Ethylene AS	50 %	291 650	506 572	-124 958	0	3 030	384 644
Sum		1 730 942	1 538 234	-1 249	-1 169 333	34 810	402 462

Solvang Phillipines Inc is located in Manila, Phillipines.
International Gas Carriers AS is located in Oslo. The company is reclassified as subsidiary as of 31st December.
Evergas Solvang Ethylene AS is located in Copenhagen, Denmark.
The voting rights are according to pro rata ownership share.

We have not received final or audited accounts from the affiliated companies, hence the amounts presented in this note is estimate only.

Notes 2011 | Solvang ASA

NOTE 4 - FINANCIAL INCOME

	2011	2010
Interest income	526 553	361 943
Interest received from group companies	2 473 394	1 479 424
Gain on sale of shares	24 765	1 055 980
Increase in market value of current financial assets	0	6 978 192
Dividend Norwegian shares	2 078 365	1 180 219
Gain on options	151 194	1 248 572
Currency gain	2 354 523	1 044 082
Other financial income	50 002	65 329
Total	**7 658 796**	**13 413 741**

NOTE 5 - FINANCIAL EXPENSES

	2011	2010
Interest and banking expenses	1 742 283	1 821 700
Loss on sale of shares	0	844 743
Brokerage costs shares and options	12 175	243 702
Decrease in market value of current financial assets	15 698 772	0
Currency loss	407 284	1 001 038
Other financial expenses	224 939	0
Total	**18 085 453**	**3 911 183**

Notes 2011 | Solvang ASA

NOTE 6 - TAX

		2011	2010
Ordinary income/loss before tax		-11 560 319	-96 547 617
Permanent differences related to shares		13 526 336	-6 215 917
Permanent differences		321 634	238 487
Permanent differences related to write-down of shares in subsidiaries		-	104 170 198
Differences related to share of ship owning companies		29 354 898	10 840 471
Differences related to equity method		1 249	-310 921
Changes in temporary differences		-37 737 297	452 383
Applied loss carried forward		-	-12 627 083
Net taxable income/loss		**-6 093 499**	**0**
Payable tax	**28 %**	**0**	**0**
Tax expenses for the year			
Payable tax		0	0
Gross changes in deferred tax / deferred tax assets		8 860 264	-4 011 788
Adjustment previous year		1 673 805	0
Total tax on income for the year		**10 534 069**	**-4 011 788**
Specification of temporary differences:			
Long term temporary differences			
Tangible fixed asset		-128 082	82 188
Investment in shares		0	471 887
Pension liabilities		-4 188 697	-8 582 781
Investment ship owning companies		29 017 417	-5 007 953
Tax loss carry-forward		-6 093 496	-11 602 391
Not recognised tax asset		0	11 602 391
Total		**18 607 142**	**-13 036 659**
Deferred tax / deferred tax assets	**28 %**	**5 210 000**	**-3 650 265**
Reconciliation tax expenses for the year			
28% of ordinary income/loss before tax		-3 236 889	-27 033 333
Changes related to ship owning companies		8 219 371	0
Changes related to equity method		350	-87 057
28% effect of permanent differences related to shares		3 787 374	-1 740 457
28% effect of permanent differences related to write-down of shares in subsidiaries		0	29 167 655
28% effect of other permanent differences		90 058	-1 389 816
28% effect of deferred tax asset not recognised		0	-2 928 780
Adjustment previous year		1 673 805	0
Tax cost according to Profit & Loss account		**10 534 069**	**-4 011 788**

NOTE 7 - SHARES IN SUBSIDIARIES

Company name	Ownership/ Voting rights	Share capital	Nominal value	Number of shares owned	Total nominal value	Value on balance sheet
Solvang Shipping AS	100 %	22 000 000	1 000	22 000	22 000 000	68 331 530
Clipper Shipping AS	100 %	559 316 900	100	5 593 169	559 316 900	559 316 917
Solvang Maritime AS	100 %	100 000	1 000	100	100 000	106 000
International Gas Carriers AS	100 %	1 000 000	100	10 000	1 000 000	1 986 533
Total Subsidiaries						**629 740 980**

Solvang Shipping AS, Clipper Shipping AS and Solvang Maritime AS is located in Stavanger.
International Gas Carriers AS is located in Oslo. Ownership is reclassified from affiliated company to a subsidiary in 2011, but the company is excluded from consolidation since the acquisition up to subsidiary is only done with the purpose of temporary ownership and held in anticipation of the process of finding a new partner. The company has therefore retained the structure as a Joint Venture set up despite the fact that it is currently a 100% owned subsidiary.

NOTE 8 - PAYROLL EXPENSES

	2011	2010
Personnel expenses		
Salary	9 543 174	9 363 491
Employers tax	4 021 726	3 733 513
Pension cost	1 656 123	3 735 028
Other benefits	1 393 085	1 815 924
Total personnel expenses	16 614 108	18 647 956
Number of employees	36	36

Remuneration (in NOK) 2011

	Director's fees	Salary	Bonuses	Pension costs	Other remuneration	Total remuneration
MANAGERS						
Magne Morken, Man.Dir (01.01 - 30.04)		1 058 983	0	4 262 010	63 243	5 384 236
Michael Steensland Brun, Man.Dir from (01.05 - 31.12)		1 000 000	0	0	2 666	1 002 666
Edvin Endresen, Dep. Man.Dir. (01.10 -31.12)		425 001	0	32 065	7 841	464 907
Tor Øyvind Ask, Dir. Marine Operations		1 391 155	0	109 420	80 556	1 581 131
BOARD OF DIRECTORS						
John Hatleskog, Chairman	100 000					100 000
Erik O. Jacobsen, Board member	75 000					75 000
Wenche Rettedal, Board member	75 000					75 000
Åse Koll Lunde, Board member	75 000					75 000
Total remuneration	**325 000**	**3 875 139**	**0**	**4 403 495**	**154 306**	**8 757 940**

The Deputy Managing Director has an agreement of one year pay after termination of employment, and an additional contribution based pension of 15% of salary above 12G. The company's senior executives are employed on a fixed salary. No options or fixed bonuses are linked to the salary agreements.

AUDITOR

The fee to the auditors for 2011 amounts to NOK 855 260, whereof NOK 679 905 relates to audit regulated by law, NOK 121 055 for tax advisory and NOK 54 300 for other non-audit services. The amounts are reported exclusive of VAT.

Notes 2011 | Solvang ASA

NOTE 9 - PENSION COST AND PENSION LIABILITIES

Funded plans
The company is obligated to have a pension plan according to the Act on Mandatory company pension, and has a pension plan which follows the requirement as set in the Act on Mandatory company pension.

The company has a general pension plan in a life insurance company. The plan entitles its members to defined future benefits. These benefits are mainly dependent on number of years of employment, salary at the end of ordinary employment and the size of the benefits from the National Insurance Scheme. Full retirement pension will amount to approximately 66% of the basis for pension (limited to 12G), and the plan also includes entitlement to disability and children's pensions. Retirement age is 67 years. The company has the right to alter the pension plan. The benefits accruing under the scheme are funded. The pension plan has 35 members (2010: 35 members).

Non-funded plans
The company also has non-funded pension obligations for Managing Director and 2 pensioners, which are not covered by the general pension plan. The pension obligations for Managing Director include early retirement pension and pension for salary exceeding 12 G.

Assumptions
Pension liabilities and pension costs are calculated by a third party independent actuary, and the following assumptions were used:

	2011	2010
Discount rate	2,60 %	4,00 %
Expected salary increases	3,50 %	4,00 %
Rate of pension increases	0,10 %	1,30 %
Increase of National Insurance Basic amount (G)	3,25 %	3,75 %
Expected return on plan assets	4,10 %	5,40 %
Social Security Tax	14,10 %	14,10 %

Net periodic pension cost:	**Non-funded plans**		**Funded plans**	
	2011	**2010**	**2011**	**2010**
Benefits earned during the year	204 592	570 936	2 355 039	2 273 521
Interest cost	88 230	293 030	704 014	691 827
Expected return on pension assets	0	0	-733 190	-658 308
Past service costs	0	0	0	0
Administrative expenses	0	0	177 211	151 769
Social Security Tax	-1 635 595	160 382	327 947	325 293
Amortization of net accumulated changes in estimates	41 288	121 819	90 417	119 153
Net periodic pension cost	**-1 301 485**	**1 146 167**	**2 921 438**	**2 903 255**
Actual return on plan assets			3,5 %	5,5 %

Status of pension plans reconciled to the balance sheet

	Non-funded plans		**Funded plans**	
	2011	**2010**	**2011**	**2010**
Present value of pension obligations	-570 967	-7 593 096	-19 791 896	-17 687 973
Fair value of plan assets	0	0	12 069 618	12 459 534
Funded status of plans at December 31.	-570 967	-7 593 096	-7 722 278	-5 228 439
Unrecognised net changes in estimates	65 147	2 029 602	5 208 747	4 016 989
Social Security Tax	-80 506	-1 070 627	-1 088 841	-737 210
Net pension liability recognised at December 31.	**-586 326**	**-6 634 121**	**-3 602 372**	**-1 948 660**

	2011	**2010**
Total net pension liability non-funded and funded plans recognised at December 31	-4 188 698	-8 582 781

Composition of plan assets on major investment categories
The company's pension funds are managed by an independent life insurance company that invests the funds of the plan according to Norwegian law.

The major categories of plan assets as a percentage of the fair value of plan assets are as follows:

	2011	2010
Shares and other equity instruments	5,0 %	15,0 %
Bonds	47,3 %	48,8 %
Money market and similar	30,1 %	16,2 %
Properties and real estate	17,6 %	20,0 %
Total	**100,0 %**	**100,0 %**

NOTE 10 - RELATED PARTIES

The shipping companies where Solvang has an ownership share of more than 20% and companies where the Steensland family have control are regarded as related parties. All transactions with related parties, are at arm's length and market terms. In connection with Solvang's position as manager for the shipping partnerships, there are ongoing transactions between Solvang and the individual shipping partnerships. Solvang receives a yearly fee as managers. The size of the fee is regulated by the management agreement, and is approved each year by the annual general meeting of the shipping partnerships. Solvang's regular broker for sale and purchase is Inge Steensland AS. Parallel investments with other companies controlled by the Steensland family, are also made.

	Profit & Loss Account		**Balance Sheet**	
	2011	**2010**	**31.12.11**	**31.12.10**
Management fee (income)	24 919 071	26 364 317		
Technical fee (reduction of cost)	17 075 614	15 605 958		
Interest income subsidiaries	2 473 394	1 479 424		
Interest expenses other related parties	-1 350 217	-1 226 406		
Receivables group companies			89 986 516	87 748 328
Liabilities group companies			-157 975 273	-145 000 000
Receivables ship owning companies			6 848 297	23 151 219
Receivables other related parties			378 329	971 177
Liabilities other related parties			-47 255 327	-45 562 227
Total	**43 117 862**	**42 223 293**	**-108 017 458**	**-78 691 503**

NOTE 11 - RESTRICTED BANK DEPOSIT

In connection with payment of payroll withholding tax, the company has a restricted bank deposit of NOK 1 419 133,-.

NOTE 12 - EARNINGS PER SHARE

	2011	2010
Profit / loss for the year (numerator)	-22 094 388	-92 535 831
Average number of shares outstanding (denominator)	24 332 859	24 264 427
Total number of shares issued	24 652 837	24 652 837
Earnings per share (NOK)	-0,91	-3,81
Diluted earnings per share (NOK)	-0,91	-3,81

NOTE 13 - TANGIBLE FIXED ASSETS (NOK 1 000)

	Book value as of 01.01.11	Additions during the year	Disposals during the year	Gain/loss by disposal	Depreciation during the year	Expensed home computers employees	Book value as of 31.12.11
Misc. Fixed assets	1 931	86	350	0	523	0	1 143
Home computer agreements employees	30	0	0	0	0	26	4
Total	**1 962**	**86**	**350**	**0**	**523**	**26**	**1 147**

Useful life for office equipment is from 3 to 5 years.

NOTE 14 - SHARES IN OTHER COMPANIES

	Number of shares	Acquisition cost (NOK)	Currency	Market value as of 31.12.2011	Book value/ Market value as of 31.12.2011 (NOK)
DnB	24 502	1 816 339	NOK	58,55	1 434 592
Gjensidige Forsikring	2 982	143 954	NOK	69,30	206 653
Norsk Hydro	116 954	4 353 338	NOK	27,74	3 244 304
Norske Skog A	150 000	10 066 212	NOK	4,52	678 000
Orkla	70 000	4 297 520	NOK	44,65	3 125 500
Prosafe	20 000	695 560	NOK	40,99	819 800
Statoil	24 000	4 195 900	NOK	153,50	3 684 000
Yara International	32 500	4 485 350	NOK	240,00	7 800 000
BW Offshore	36 000	424 800	NOK	9,45	340 200
Dockwise	2 541	559 812	NOK	96,25	244 571
DOF	56 300	1 469 290	NOK	21,50	1 210 450
Eidesvik Offshore	10 000	415 000	NOK	29,20	292 000
Imarex	9 000	592 333	NOK	17,20	154 800
Northern Offshore	20 000	660 000	NOK	12,75	255 000
Noreco	46 800	1 544 400	NOK	4,66	218 088
Oceanteam Power & Umbilical	65 500	3 646 900	NOK	0,44	28 820
Scana Industrier	20 377	381 006	NOK	1,98	40 346
Equity certificates Sandnes Sparebank	43 317	5 220 105	NOK	60,00	2 599 020
Equity certificates Sparebanke1 Midt-Norge	93 750	4 224 167	NOK	39,30	3 684 375
Equity certificates Sparebanke1 SR-Bank	21 530	928 540	NOK	40,70	876 271
Equity certificates Sparebanken Vest	148 888	9 895 790	NOK	31,50	4 689 972
Diverse aksjer	0	3 926	NOK	0,00	0
Total shares		**60 020 242**			**35 626 722**

In 2011 a decrease in market value of NOK 15.7 mill has been booked towards the company's listed investment portfolio. The decrease has been classified as other financial expenses. (Ref note 5).

Notes 2011 | Solvang ASA

NOTE 15 - RECEIVABLES

Debtors consist mainly of receivables from shipping partnerships. None of the receivables is falling due more than one year after the end of the fiscal year.

NOTE 16 - LIABILITIES

Solvang ASA has a credit facility of NOK 20 million. As of 31.12.2011 there was no drawn from this facility. As security for this the company has furnished the shares of Solvang Shipping AS as collateral. Book value of the shares in Solvang Shipping AS is 68 331 530.

Solvang ASA has long term debt towards AS Clipper and AS Audley of NOK 47.26 mill in total. The total debt falls due within 5 years.

NOTE 17 - AREAS OF OPERATION

Since practically all of the company's ship ownership was sold to the subsidiary Clipper Shipping AS in December 2007, the company is left with one area of operation, ship management.

NOTE 18 - EQUITY

Solvang ASA	Share capital	Treasury shares	Reserve for valuation differences	Other Equity	Total equity
Equity as of 31.12.2010	123 264 185	-1 797 590	624 492	478 328 639	600 419 726
Profit / loss of the year			-1 249	-22 093 139	-22 094 388
Translation differences *(note 3)*			34 810	-2 741	32 069
Treasury shares		197 700		626 050	823 750
Equity as of 31.12.2011	**123 264 185**	**-1 599 890**	**658 053**	**456 858 809**	**579 181 157**

Shareholders

The share capital of Solvang ASA consist of 24 652 837 ordinary shares, each with a par value of NOK 5,-.
All shares have equal rights.

The company's main shareholders as of 31.12.2011

Name of owner	# of shares	Ownership
Clipper AS	5 460 932	22,2 %
Straen AS	5 405 157	21,9 %
Audley AS	3 589 014	14,6 %
Jason Shipping ASA	1 350 674	5,5 %
Søgne Shipping AS	1 000 000	4,1 %
Michael Steensland Brun	981 201	4,0 %
MP Pensjon PK	821 363	3,3 %
Folke Hermansen AS	503 600	2,0 %
Inge Steenslands Stiftelse	500 000	2,0 %
Myhre Leif Harald	404 000	1,6 %
Jaco Invest AS	354 510	1,4 %
Solvang ASA	319 978	1,3 %
Torbertra Kapital AS	310 500	1,3 %
Others < 1%	3 651 908	14,8 %
Total	**24 652 837**	**100,0 %**

The board of directors and managing director own or control shares in the company as of 31.12.2011 as follows:

John Hatleskog	354 510
Erik O. Jacobsen	178 151
Wenche Rettedal	2 781
Michael Steensland Brun	981 201

Proposed dividend
The Board of Directors propose that no dividend is paid for 2011. No dividend for 2010 was paid either.

The company has no other dividend limitations than those imposed by Norwegian law.

Notes 2011 | Solvang ASA

NOTE 19 - TREASURY SHARES

As of 31.12.2011 Solvang ASA had shareholdings of 319 978 own shares, booked at NOK 2 854 112.
The purpose for buy back of own shares is to increase value for the company's shareholders.

NOTE 20 - FINANCIAL MARKET RISK

The company's operations expose the company for currency risk, interest risk and market risk, whilst the company only have a very limited exposure to credit risk.

CURRENCY RISK AND INTEREST RISK

Investment in ship owning companies

The operations of the company's investments in ship owning companies accounted for according to the equity method are mainly USD based. Most of the revenues are in USD. The majority of the income is in USD. Furthermore, the market value of the ships, and thus most of the assets, are priced in USD. Most of the debts are also in USD. This leads to foreign exchange exposure being limited.

Most of the company's debt is share of the debt in the ship owning companies accounted for according to the equity method. This is denominated in USD and is priced by floating LIBOR interest. All loans are at floating interest rates. The company has an acceptable equity ratio. This together with an active handling of interest rate exposure, leads to the risk of any changes in the interest rate level being limited for the company.

MARKET RISK

The company has a liquidity reserve, which to a large extent is invested in equity shares. At 31.12.2011 the portfolio was booked at NOK 35,6 mill. Acquisition cost is NOK 60 mill. The portfolio is exposed to market risk, depending on the development in the equity share market. The portfolio is managed by the company, and a relatively conservative strategy has been applied for the management. The portfolio is listed in details in note 14.

Solvang ASA | Annual report 2011

BOARD AND GENERAL MANAGER'S STATEMENT OF COMPLIANCE

We confirm that the annual accounts for the period 1 January 2011 to 31 December 2011 are, to the best of our knowledge, presented in compliance with current applicable accounting standards, and that the information contained in the accounts give a true and fair view of the company's and the groups' assets, liabilities, financial position and results as a whole. We also confirm that the information in the annual report gives a true summary of the developments, profits and losses and position of the company and the group together with a description of the most central risk factors and uncertainties with which the company is faced.

Stavanger, 28th March 2012

John Hatleskog	Wenche Rettedal	Erik O. Jacobsen	Michael Steensland Brun
Chairman			*Managing Director*

To the Annual Shareholders' Meeting of Solvang ASA

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Solvang ASA, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2011, and the income statement and cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet at 31 December 2011, income statement, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position for Solvang ASA as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group present fairly, in all material respects, the financial position of the group Solvang ASA as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and statement of corporate governance principles and practices

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 and statement of corporate governance principles and practices concerning the financial statements and the going concern assumption, and the proposal for coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

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

Stavanger, 28 March 2012
PricewaterhouseCoopers AS

Henrik Z. Nessler
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

Fleetlist

Ship	Owner share %	Employment	Register	Load capasity	Type of ship	Year built
Clipper Skagen		TC	NIS		LPG/Ammoniakk	1989
Clipper Viking	20,0	Samseiling ESE	NIS	12 500 cbm	LPG/Etylen	1998
Clipper Harald	20,0	TC	NIS	12 500 cbm	LPG/Etylen	1999
Clipper Hebe	25,0	Samseiling ESE	NIS	17 200 cbm	LPG/Etylen	2007
Clipper Helen	25,0	Samseiling ESE	NIS	17 200 cbm	LPG/Etylen	2007
Clipper Hermes	30,0	Samseiling ESE	NIS	17 200 cbm	LPG/Etylen	2008
Clipper Hermod	30,0	Samseiling ESE	NIS	17 200 cbm	LPG/Etylen	2008
Clipper Star	20,0	Samseiling IGC	NIS	59 200 cbm	LPG/Ammoniakk	2003
Clipper Moon	20,0	Samseiling IGC	NIS	59 200 cbm	LPG/Ammoniakk	2003
Clipper Sky	20,0	Samseiling IGC	NIS	59 200 cbm	LPG/Ammoniakk	2004
Clipper Orion	20,0	Samseiling IGC	NIS	60 000 cbm	LPG/Ammoniakk	2008
Clipper Neptun	20,0	Samseiling IGC	NIS	60 000 cbm	LPG/Ammoniakk	2008
Clipper Mars	24,0	TC	NIS	60 000 cbm	LPG/Ammoniakk	2008
Clipper Sirius	30,0	Spot	NIS	75 000 cbm	LPG/Ammoniakk	2008
Clipper Victory	15,3	TC	NIS	75 000 cbm	LPG/Ammoniakk	2009
Clipper Sun	20,0	TC	NIS	82 000 cbm	LPG/Ammoniakk	2008
Newbuildings						
Hyundai Heavy Industries Hull No. 2516	15,3		NIS	84 000 cbm	LPG/Ammoniakk	2013
Hyundai Heavy Industries Hull No. 2517	20,0		NIS	85 000 cbm	LPG/Ammoniakk	2013