Solvang ASA

ANNUAL REPORT 2014

INDUSTRY LEADING PROVIDER OF LPG AND PETROCHEMICAL TONNAGE.

From the CEO

2014 will go down in history as the best year ever for the bigger LPG vessels. That being said, 2015 could end up in the same area, or even better. The main reason for the very tight shipping market is the new LPG export volumes coming out of USA, a product of the rapidly increasing shale gas and shale oil production. Along with the exponentially growing export from USA, the traditional existing large LPG exporters have all contributed with stable high volumes. Also, with price differences between regions, additional arbitrage has been available, resulting in additional long haul LPG voyages from West to East. At the same time, very few new ships have been delivered in the period 2010-2013, largely because ordering stopped for an extended period following the financial crises in 2008.

With this record high LPG market, Solvang also had the best year ever in terms of earnings from the shipping activities. And although Solvang is not mainly focused on the spot marked, there were significant improvements on the existing marked-based contracts as well as new improved contracts. Contracts where the specialized niche market ships currently in our fleet were able to differentiate further and capitalize on the strong market.

With this record strong VLGC market, there is of course a strong interest for existing and new players to increase their exposure in this segment. The result is that the current order-book stand at well over 50% of the existing fleet, and a significant part of these ships will enter the market towards the end of 2015 and during the first half of 2016. And even though there is potentially a balance in the market between new vessels and increased LPG exports, the volume of vessels will have a disruptive effect and we expect even higher volatility in the VLGC market.

In the midst of the very exciting and challenging times, I am very proud of what we have achieved. We have a stable operation and technical management, with little or no turnover onshore. We have a robust organization, able to handle growth and to tackle any technical issue without using external expertise. With the very tight shipping market and a large new-build fleet in order, there is a lot of pressure on keeping our sailing crew as well as office staff. We have so far been able to keep a very high retention rate. We will continue focusing on making sure it stays high by developing and empowering all our crew and staff, and helping them progress in their carreers.

In 2014 we deliver better results than ever before in terms of safety, with zero LTI or other serious incidents, in terms of quality with very impressive vetting statistics, in terms of employee satisfaction, and in earnings and cost control. I really want to take this opportunity to thank all our employees for a job very well done, and to encourage all of you to keep trying harder and develop even further. Quality is our key differentiator.

2014 was the first full year with the two new VLGC delivered mid-year and end of 2013. These state-of-the-art vessels were the first of its kind with fully integrated exhaust gas cleaning equipment. The first vessel was delivered in June 2013, but it was not until February 2014 it was fully approved and certified to operate on heavy fuel oil within the Emission Control Areas (ECA). It was a long process, mainly due to the fact that it had not been done before, and the tests had to be developed and agreed upon before the final approval was there. Since then the approval process has been a lot smoother, and ship number two only took about a month. The equipment is working very well, and way below the ECA regulations in terms of discharge to air and sea. Furthermore there has been next to no downtime or technical issues.

In 2015 we will take delivery of three new LGC vessels from Hyundai Heavy Industries in South Korea. These are vessels designed and purpose built to fit a certain niche segment within the gas segment, and represent yet another great step towards the future in terms of fuel efficiency and emission control. There has been a lot of interest in our new vessels and I am happy to say that they will all start their life in a good market and with excellent timing.

Solvang ASA has a strong position, both in the market place and in terms of financial strength. The future looks good, and there will be several growth opportunities for Solvang to participate in. We will continue to focus on excellence in operating our ships, and always giving our customers high quality service-delivery.

Definitions

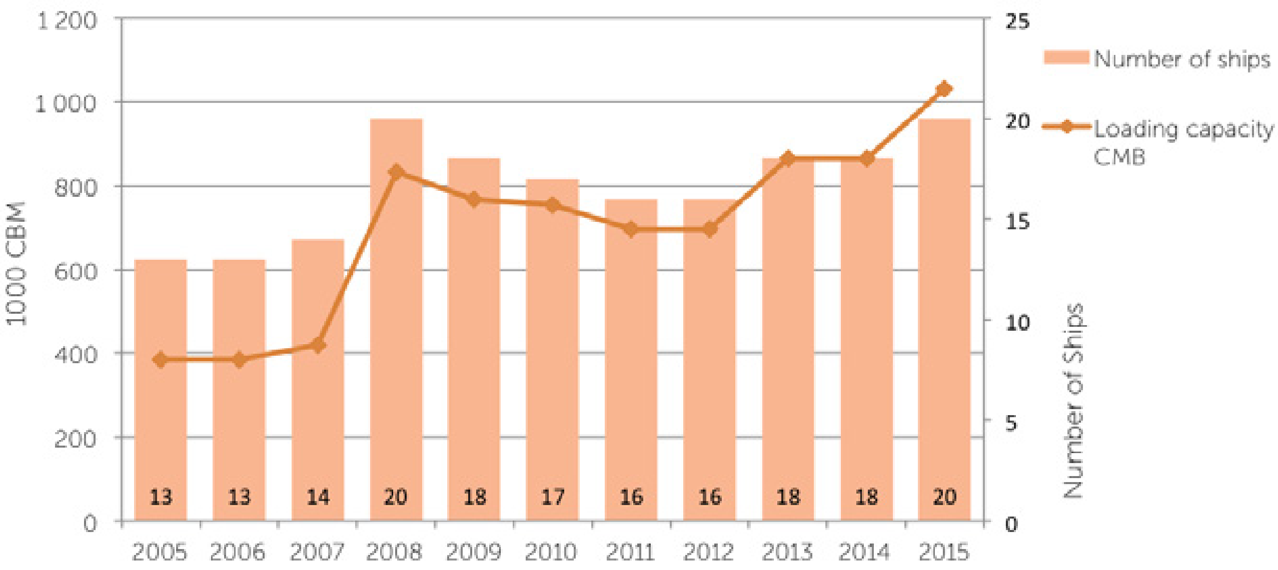
Ammonia / NH3	Used as raw material for fertilizer production.
Cbm	Cubic meter. The most common capacity nomination for gas vessels.
CoA	Contract of Affrightment. A CoA is an agreement between ship owner and customer for the transportation of a min-max volume of cargo at a given rate per ton, normally 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.
FFJV	Fully Fledge Joint Venture.
Freight rate	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 vessels.
KPI	Key Performance Indicators. Key figures.
LGC	Large Gas Carrier. LPG vessels between 50.000 cbm and 70.000 cbm. Normal size for newer vessels is 60.000.

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.

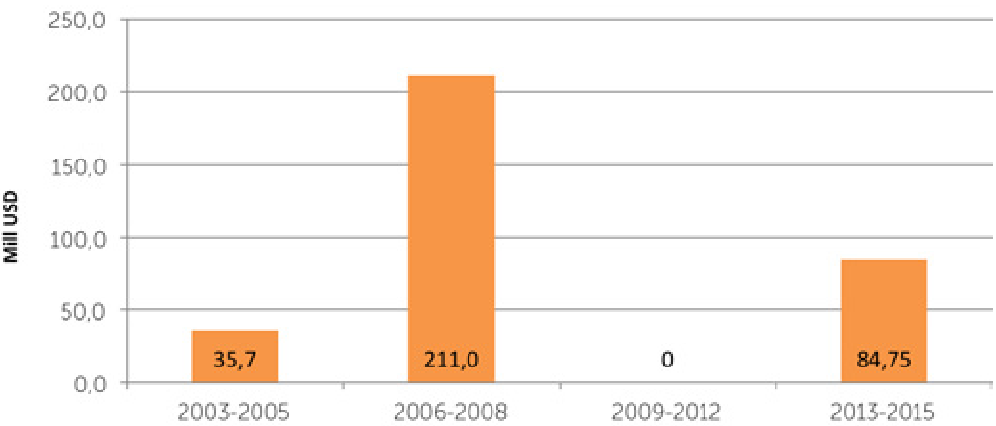
Key Figures

Key figures, joint venture accounting, reference made to note 3 in the group accounts

Number of ships v/s loading capacity



Investments



Financial

		2014	2013	2012	2011	2010
Operating revenues	mill. NOK	324,2	249,1	263,2	202,4	159,6
Op. exp. excl. depreciation	mill. NOK	161,3	146,9	138,7	108,5	113,5
Depreciation	mill. NOK	47,6	49,9	47,7	41,6	49,5
Operating profit/loss	mill. NOK	115,3	52,3	76,8	52,3	-3,5
Net financial items	mill. NOK	-7,0	11,5	-12,6	-38,2	2,8
Profit/loss before tax	mill. NOK	108,4	63,8	64,1	14,2	-0,7
Net profit/loss for the year	mill. NOK	102,8	65,7	55,5	-22,5	13,8
Net Cash flow	mill. NOK	33,9	-3,9	5,4	36,1	-0,6
Total capital joint venture accounting	mill. NOK	1 790,2	1 550,0	1 290,1	1 378,8	1 576,3
Equity	mill. NOK	849,8	626,1	533,0	498,7	512,6
Equity	%	47,47 %	40,40 %	41,31 %	36,17 %	32,52 %
KEY FIGURES PER SHARE						
Nominal value per share		5,00	5,00	5,00	5,00	5,00
Price 31.12 (market price - tax assessment)		22,50	20,25	19,20	18,40	19,00
Yield per share		4,44	2,62	2,63	0,58	-0,03
Earnings per share		4,21	2,69	2,28	-0,93	0,57
Cash flow per share		1,39	-0,16	0,22	1,48	-0,02
Dividend per share		1,00	0,50	0,50	0,00	0,00
Price-Earnings Ratio per 31.12		5,07	7,74	7,29	31,53	-683,00
PRICE DEVELOPMENT						
Nominal value per share		5,00	5,00	5,00	5,00	5,00
Highest quoted price		26,00	24,00	20,90	25,00	22,00
Lowest quoted price		20,20	16,00	14,10	18,10	14,40
Weighted average no. of shares		24 403 578	24 372 413	24 332 859	24 332 859	24 264 427

Formulas used for calculating key figures

Equity %:	Book equity / Total capital joint venture accounting
Yield per share	Profit/loss before tax / Average no. of shares
Earnings per share:	Profit/loss for the year / Average no. of shares
Price-Earnings Ratio:	Price at 31.12 / Profit/loss before tax per share

Market Analysis

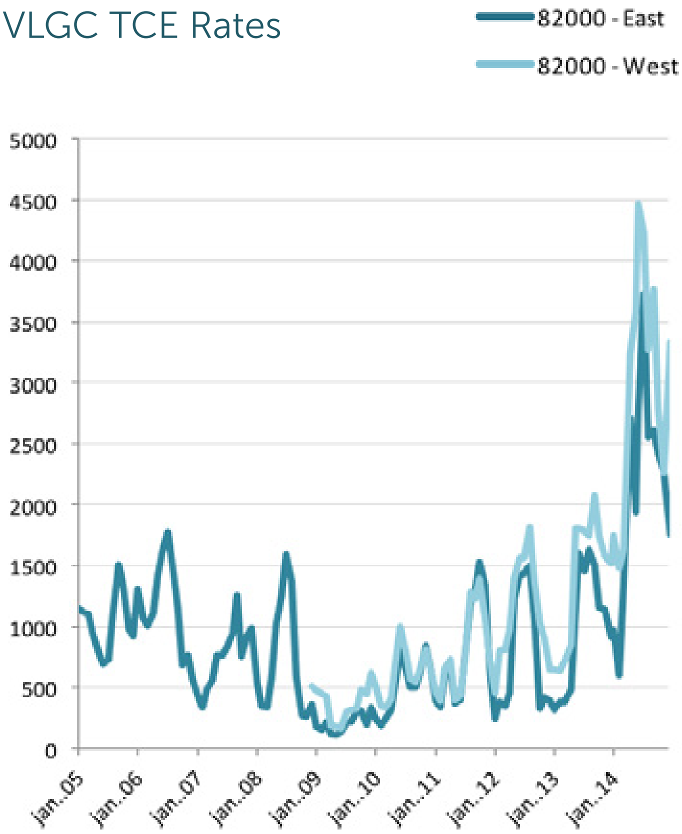
VLGC

2014 was yet another year in the limelight for the VLGCs, with all-time high rates, volatility and record high ordering activity. This year as last year, increased US export capacity was the driver for both freight rates and ordering activity.

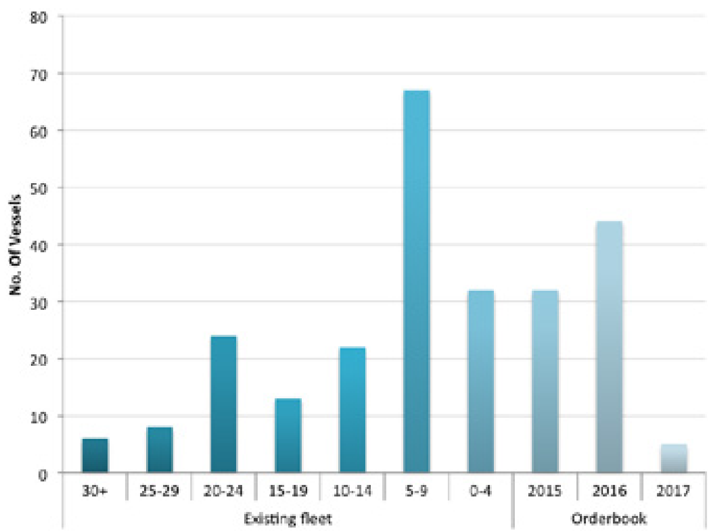
Freight rates started the year in a negative trend, however, from a higher base than the former years. The negative trend reached its trough at the end of February before it went on a rapidly increasing trend, supported by increased US export volumes, west-east arbitrage movement, and high Indian spot demand combined with congestions in Indian ports. The Baltic peaked at an all-time high of USD 137.5 per metric ton (pmt) at the end of April, which equals about USD 3.7 million per month on time charter equivalent (TCE), before it trended down and reached a trough of USD 78.19 pmt (USD 1.7 million TCE) towards the end of May. Supported by the seasonal summer market, the Baltic reached a new all-time high of USD 143.25 in mid-July (USD 4 million TCE). For the reminder of the year, freight rates were on a downward slope. Nevertheless, the Baltic didn't fall lower than USD 64.81 pmt (USD 1.65 million TCE), which must be considered a very healthy level.

8 VLGCs were delivered in 2014, while no vessels were scrapped. The orderbook expanded by a record number of 42 new vessels. 7 orders were placed at Japanese yards, three at Jiangan in China, with the remaining 32 in Korea, including 12 orders by Chinese interests. Ordering interest for new VLGCs slowed down towards the end of the year.

VLGC TCE Rates



VLGC Age



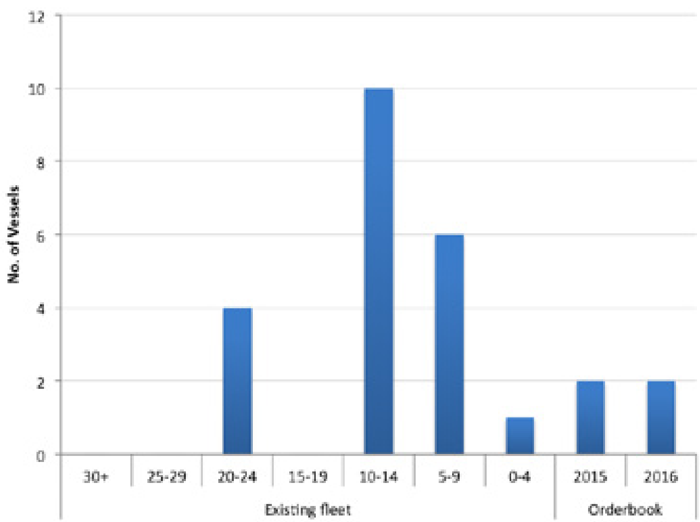
LGC

The LGC segment performed very well in 2014 as freight rates boomed together with the strong VLGC market. The LPG market was to an increasing degree the demand driver this year, with LPG arbitrage conditions making larger LPG tonnage high in demand. Towards the end of 2014, only 5 LGCs were trading ammonia. Most vessels were committed on time charter or own program.

No vessels were scrapped or delivered to the fleet of 20 vessels during 2014. For the second year in a row, Solvang was the only owner placing new orders, adding Hull 2710 to the orderbook, which at the end of 2014 contained three vessels.

LGC Rates

LGC Age



Ethylen/semi-ref

Rates were relatively stable through the year, with the established premium for larger tonnage continuing around last years' levels.
In 2014 as in 2013, Iranian ethylene export remained very limited, even with the limited sanction relief, which allowed Iran to export petrochemicals. The negotiations towards a final deal were extended to an end June 2015 deadline. In April 2015, an agreement for a framework for a final deal was negotiated, which gives optimism for an eventually increase in the Iranian export numbers. However, the final deal is still not signed and the Iranian oil and gas as well as petrochemical sector is suffering after years of underinvestment and sanctions, so the effect on the ethylene and semi-ref market will take time to materialize.

Middle East Gulf ethylene exports were at low numbers, around the 2013 level of 800,000 tons. The main reason for low exports was low Iran and Saudi volumes. The year started on a slow note, with very little export from Saudi Arabia and Iran in the first half of the year. In the second half of the year, Saudi export picked up and UAE export increased from already healthy numbers due to a new steam cracker in Abu Dhabi.

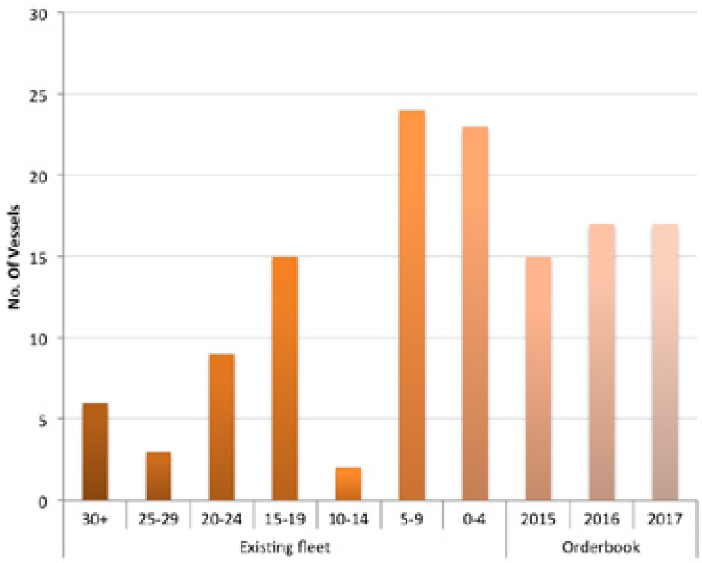
Open west-east arbitrage window for ethylene paved the way for unusual long haul volumes from Europe and South America to Asia. In the opposite direction, the east-west arbitrage window for propylene and especially C4s gave long haul employment for the fleet.

High trans-Atlantic LPG activity during the year gave employment, especially for larger vessels and contributed to keeping rates at decent levels. We expect LPG trade to be an increasing part of the handysize trade, with added volumes from the US and Ust Luga.

During 2014 13 vessels were delivered, and 9 were scrapped. The orderbook expanded rapidly in 2014 with 20 vessels in the in the 21-22.000 cbm range, and in addition, 16 larger ethylene vessels (up to 6x87,000 cbm) were ordered for dedicated ethane trade. The trend in the orderbook is clearly a move towards larger sizes, with ordering of larger tonnage and scrapping of smaller tonnage.

Ethylen/semi-ref rates

12 000 - 23 499 cbm Ethylen/semi-ref age



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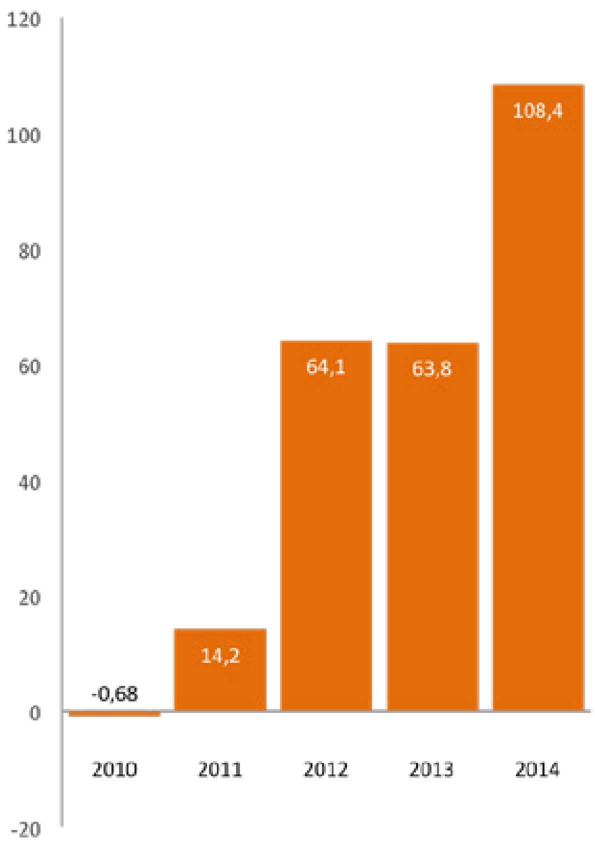
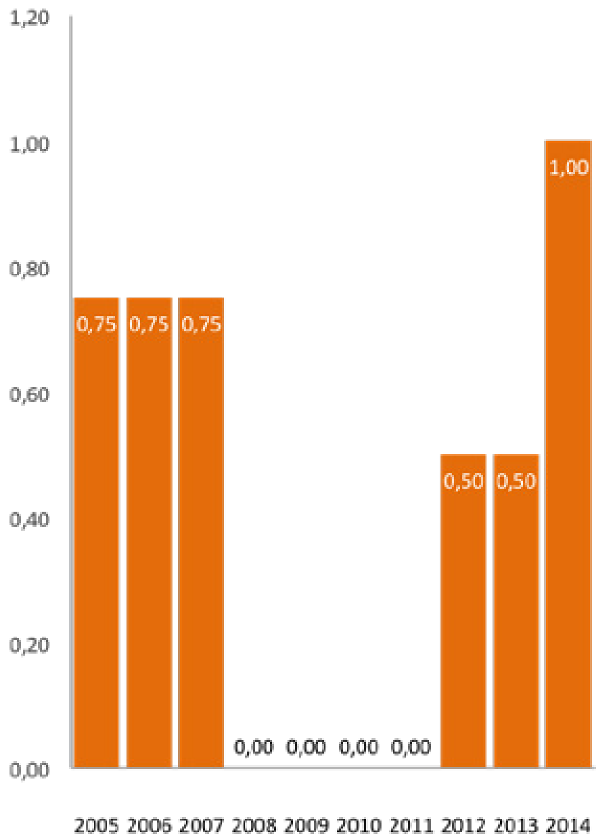
Profit developement 2010-2014(mill. NOK). Profit before taxes



Dividend per share 2005-2014



1. INTRODUCTION

2014 was a very good year for the larger LPG ships. A VLGC (Very Large Gas Carrier) market with a monthly average far above the historical peaks, along with a very tight LGC (Large Gas Carrier) market, resulted in Solvang's highest ever earnings from the shipping activities. The ethylene segment showed a slight improvement from 2013, with good arbitrage between west and east, which resulted in long voyages for the larger ethylene ships.

The Group recorded a profit before tax of NOK 108.4 million against NOK 63.8 million in 2013. Positive cash flow was NOK 33.9 million compared to negative NOK 3.9 million in 2013, where the improvement comes mainly from investments in new ships, as well as higher dividends from the ship owning companies in 2014. Tax expense was NOK 5.6 million, and the Group had a profit after tax of NOK 102.8 million against NOK 65.7 million in 2013.

The board of directors propose a dividend for 2014 of NOK 1.00 per share.

2. OPERATIONS

The group's activities are divided in two main segments; Ship-management and Ship-ownership through participation in ship owning companies. The latter segment can be divided into three sub-segments for the transportation of Liquefied Petroleum Gas (LPG), ammonia (NH3) and petrochemical gases:

- 12,000 cbm – 17,000 cbm ships (Semi-refrigerated / Ethylene)
- 60,000 cbm fully refrigerated LPG ships (LGC)
- 75,000 – 84,000 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 is handled by International Gas Carriers (IGC) in Oslo. IGC is a 100% owned subsidiary of Solvang ASA. In addition, the company has a crewing office in Manila, Philippines.

The company sold the oldest ship, "Clipper Skagen" in October 2014, and operates and has ownership by year end in 17 ships. Furthermore, Solvang has ownership in three 60,000 cbm LGC ship, for delivery in the second and third quarter of 2015.

3. MARKET

3.1 Semi-refrigerated / ethylene carriers

This segment includes semi-refrigerated and ethylene carriers from 8,000 cbm and up. The group had seven ships in this segment at the start of 2014, where one was sold in the fourth quarter. Of the remaining 6, 1 is on a long term TC, while the other 5 has been operating in the spot marked and on consecutive voyage contracts.

For these 5 ships 2014 was the first year outside a JV / commercial cooperation within the ethylene segment, and the group had an upturn in utilization and earnings as a result of a better market, but also as a consequence of being able to freely re-position vessels to other geographical areas, as well as having a broader customer portfolio.

The "Clipper Harald" is on a time charter (TC) until July 2019, and the charterer has an option to extend the contract for an additional eighteen months. This contract was extended by 5 years in 2013, commencing in July 2014, based on "Clipper Harald" retrofitting exhaust gas cleaning equipment (Scrubber) during the fall of 2014, enabling the vessel to comply with new emission regulations from January 2015.

3.2 LGC

This segment is defined as fully refrigerated LPG ships from 59.000 – 60.000 cbm. The fleet consist of 9 ships, where 3 are under construction for delivery in second and third quarter 2015. All ships operate on TC with varying length.

The newbuilds represent a new type of LGC, with a shorter hull to avoid waiting time in certain areas, and there is considerable amount of development done in order to create the most energy efficient vessels possible. Changes including hull shape, propulsion technology, antifouling technology and cargo systems. Furthermore, the newbuilds are the first LGC LPG carriers in the world with fully integrated exhaust gas cleaning system for both the main and auxiliary engines. This means that the ships comply with all existing environmental standards in Emission Control Areas (ECA) from 2015, and the new expected global standards in 2020.

The average earnings on TC basis showed a continuous positive trend with improvements from 2013, where earnings for 2014 was about 2% higher compared to 2013. The positive trend in earnings continues in 2015, where LGC segment are benefiting from positive outlook in LPG, and from favourable changes in trading patterns for Ammonia.

3.3 VLGC

This segment is defined as fully refrigerated LPG ships of 75.000 - 84.000 cbm. Solvang has a total of 5 ships in this segment, two Panamax VLGC ships of 75,000 cbm, one VLGC of 82.000 cbm, and two VLGC ships of 84.000 cbm.

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 TC earnings than the VLGC fleet in general in 2014. The "Clipper Victory" is on TC to August 2016, while the "Clipper Sirius" is on TC to January 2017.

The 82,000 cbm VLGC "Clipper Sun" is on a TC until September 2016. "Clipper Quito" a 84.000 cbm vessel, is on TC to October 2016, and the "Clipper Posh", a 84.000 cbm vessel, is on TC to December 2018.

4. PROFIT

(Figures in parentheses refer to 2013)

Operating income increased significantly from NOK 65.5 million to NOK 80 million, with a full year of VLGC delivered toward the end of 2013, management fee for LGC newbuilds, and additional fees for commercial chartering for Aurora LPG.

The group's result after tax was NOK 102.8 million (NOK 65.7 million). Earnings per share were NOK 4.21 (NOK 2.69). The result for the parent company was NOK 9.1 million (NOK 12.4 million).

4.1 Financial items

The group reported net financial items of NOK 6.9 million (NOK 17.6 million). The corresponding figure for the parent company was a result of NOK 9.7 million (NOK 13.6 million). The group's securities portfolio generated a result of NOK 2.8 million (NOK 14.4 million). The group has during 2014 sold out its entire securities portfolio.

4.2 Liquidity and financial strength

At year-end, the group had liquidity consisting of cash totalling NOK 92.1 million (NOK 72 million). The securities portfolio is now sold, and therefore had a market value of NOK 0 (NOK 13.8 million). The corresponding figure for the parent company was NOK 18.8 million (NOK 21.9 million), of which the securities portfolio amounted to NOK 0 (NOK 13.8 million). Total current assets at year-end was NOK 123.2 million (NOK 144.9 million), while current liabilities totalled NOK 58.8 million (NOK 81.2 million). Long-term liabilities and obligations totalled NOK 30.5 million (NOK 16 million). For the parent company, total current assets at year-end amounted to NOK 35.6 million (NOK 38.6 million), while short-term liabilities totalled NOK 99.5 million (NOK 27.2 million). The parent company's long-term liabilities and obligations totalled NOK 26.7 million (NOK 79.5 million). The group's share of current assets and liabilities in ship owning companies totalled NOK 88.9 million and NOK 851.1 million respectively.

Net cash flow from operating activities was NOK 17.2 million, compared to an operating profit of NOK 101.5 million. The main difference comes from the reversal of earnings from shipping companies using the equity method, partially offset by changes in working capital.

The group's book equity totalled NOK 849.8 million (NOK 626.1 million) at the year-end.

4.3 Taxes

The group is from 2013 part of the tonnage-tax regime through its subsidiary Clipper Shipping AS. Other companies within the group are taxed ordinary.

All the company's current interests in ships except for one, are owned under the tonnage-tax regime.

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 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 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 13 ships on TC contracts in excess of one year. The charterers are oil majors and major operators within the Ammonia 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 Note 3 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, 38% are women and 62% 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. 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 42 onshore employees and

around 500 sailing personnel. Working conditions on shore and on the ships are considered to be good. Sick leave on board the ships were 0.95%. The group had no incidents that resulted in sick leave or lost time in 2014, and have only had 3 incidents causing lost time over the last 7 years. The target is always zero accidents, and the very low injury frequency can be attributes to a conscious attention on this area across the entire group.

Sick leave among the onshore employees was 1.41% in 2014. Of this percentage, 0,91% were from three long-term sick leave cases. The self-certified absence was at 1,95%. There were no incidents resulting in personal injury at the office in 2014.

5.3 Board of Directors

The Board of Directors consists of two women and three men. 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 has through active measures been able to continue the positive trend achieved in recent years. The modern ships today use up to 40% less fuel compared to ships of same size 20 years ago.

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 standards, 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, with zero incidents in 2014 and only three incidents in the entire period from 2008-2014, with around 3.5 million working hours per year. 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 258 inspections on our 18 ships in 2014. Of these inspections, 125 were conducted by Solvang, while our customers, port authorities and classification companies conducted a total of 133 inspections.

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

5.7 Corporate Social Responsibility

The group's main contribution to society is to conduct long-term, sustainable and value-added business for our shareholders, employees, customers, suppliers and other relations. Our goal is to ensure that our business practices and investments are sustainable and contribute to long-term economic, environmental and social development. The group's material sustainability areas are within Environment, Finance, Human Resources and Community, including ethics and anti-corruption

The Group recognizes its environmental responsibility and strive to maintain a high standard in order to reduce the environmental impact of its operations. The company has focused on reducing fuel consumption, which is the main source of the shipping sector's emissions of CO_2, NO_x and SO_x. Continuous measurements of all consumption are being done, as well as implementing measures and setting clear targets for improvement. The Group also has two VLGCs which were the first in the world of its kind with full exhaust cleaning system, have done a complete retrofit of one of the ethylene carriers with the same exhaust gas cleaning equipment, and all the three newbuilds for delivery in 2015 will have full scale exhaust gas cleaning installed.

With regards to Finances, the company strives for good corporate governance with necessary internal controls, risk management, and solidity.

It is the company's policy to integrate attention to human and labour rights in its existing business. In practice, a large part of human and labour rights are covered by the company's health and safety work. The company values its employees as its most important resource, and always aim to continuously provide and promote high quality of working conditions, both on land and on board ships.

The company believes that corruption hinders well-functioning business processes and suppresses economic development. The group focuses on transparency in its business practices, and compete in a fair and ethical manner. The Board of Solvang ASA has approved a Code of Conduct, a set of ethical guidelines that define the company's ethical standards. The Group is furthermore a full member of MACN (Marine Anti-Corruption Network), a network of companies doing knowledge sharing and working actively to reduce corruption in the most exposed areas.

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 a dividend of NOK 1.00 per share for 2014.

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. There are also parallel investments with companies controlled by the Steensland family. 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 12 months and has not yet been utilised.

The board has also been granted a power of attorney to approve the distribution of dividends on the basis of the financial statements for 2013. The power of attorney is valid until the Annual General Meeting in 2015, and has not been used.

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 65% 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. The Board also acts as the audit committee.

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, and HSE. The Chairman, Michael Steensland Brun, was employed in the company as Managing Director prior to the appointment as Chairman of the Board.

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 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 10 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 at the start of 2015. 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. 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

From January 2014 the Group's ethylene fleet was free from previous contractual obligation in the Middle East, and was now better positioned to take both European and USA cargoes in addition to the Middle East. This resulted in a small increase in 2014, and after a slow start in 2015, with low export volumes from all areas, it is expected that the long haul ethylene market is back from second quarter and throughout the year.

For the fully refrigerated ships (VLGC and LGC), the 2014 market was at a historical high. 2015 has started in the same trend, and is expected to be a very strong year, with additional increased in export volumes from USA as well as stable export levels from Middle East. For the largest ships, VLGC, the orderbook is more than 50% of the global existing fleet, and there is some uncertainty about the longer term supply and demand balance within this segment.

The Group had at year-end contract coverage of 94% for 2015 for the fully refrigerated ships (VLGC & LGC), with only one ship coming available in June 2015 and one of the newbuilds is currently without firm contract. The ethylene tonnage operates mainly in the spot market and on consecutive voyage contracts.

8. ALLOCATION OF THE PARENT COMPANY'S PROFIT

Solvang ASA posted a result of KNOK 9 148.

The Board of Directors proposes the following allocation:

Suggested dividend	KNOK -24 451
From other equity:	KNOK 15 303

At the year-end, the parent company's equity amounted to KNOK 542 732 (KNOK 564 591).

9. SUBSEQUENT EVENTS

During first quarter 2015, the Group increased its ownership in Clipper Star DA by 2%, Clipper Sky DA by 3% and Clipper Victory DIS by 1.53%. The first of three LGC newbuilds, Clipper Jupiter, was delivered from the shipyard in Korea the 8th of April. There are no other subsequent events of material concern.

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 busy period, where the Group delivers strong results in terms of safety, quality and financial. We would also like to thank our customers and suppliers for their good support and cooperation in 2014 and look forward to the same good cooperation in 2015.

Stavanger, 21st April 2015

Michael Steensland Brun
Chairman

Alf Andersen

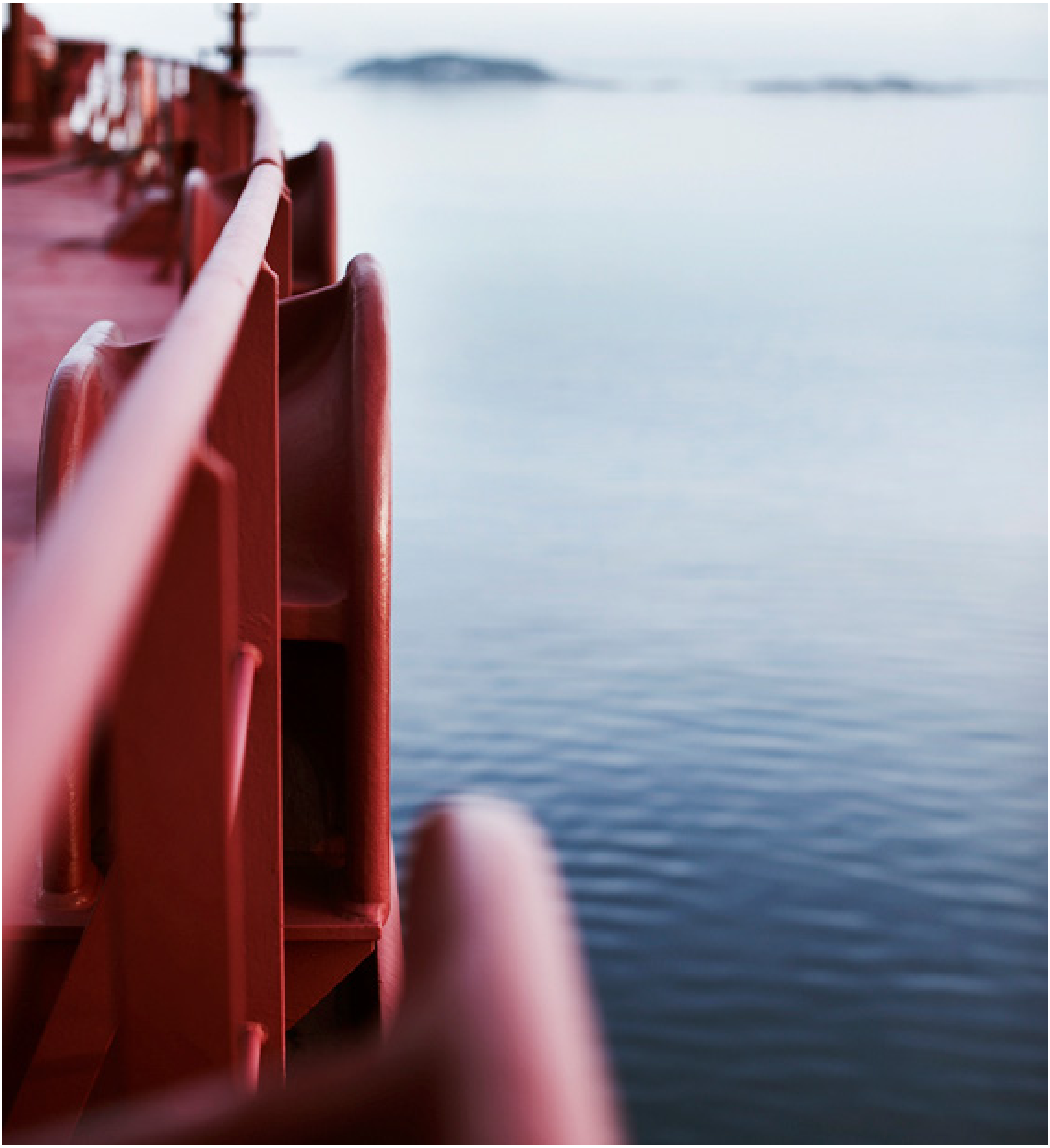
Wenche Rettedal

Hans Petter Aas

Ellen Solstad

Edvin Endresen
Managing Director

GROUP ACCOUNTS 2014



Profit & Loss | Solvang Group

Amounts in NOK 1 000

	Note	2014	2013
Management fee	12	79 965	65 458
Total operating income		**79 965**	**65 458**
Salaries and other personnel expenses	10,11	55 847	51 242
Depreciation	15	990	833
Other operating expenses		15 110	15 106
Total operating expenses		**71 947**	**67 182**
Ship owning companies equity method	3,4,5	95 880	47 881
Loss sale of share in ship owning company	3,4,5	-2 434	0
Operating result		**101 463**	**46 158**
Financial income and cost			
Other affiliated companies equity method	6	108	272
Other financial income	7	21 846	22 726
Other financial expenses	8,12	-15 044	-5 367
Net financial items		**6 911**	**17 632**
Ordinary result before tax		**108 374**	**63 789**
Tax on ordinary result	9	5 581	-1 871
Net profit / (loss) for the year		**102 793**	**65 661**
Earnings per share (whole NOK)	14	4,21	2,69
Diluted earnings per share (whole NOK)	14	4,17	2,66
STATEMENT OF COMPREHENSIVE INCOME			
Earnings of the period		102 793	65 661
Items that will not be reclassified to profit or loss			
Remeasurements pension liability		-13 685	-7 014
Tax effects of remeasurements pension liability		3 695	1 964
Items that may be reclassified to profit or loss			
Translation differences ship owning companies etc.		142 381	42 708
Tax effects of translation differences ship owning companies			-71
Comprehensive income to the shareholders of Solvang ASA		**235 184**	**103 248**

Balance Sheet | Solvang Group

Amounts in NOK 1 000	Note	31.12.14	31.12.13
ASSETS			
Fixed Assets			
Intangible fixed assets			
Deferred tax asset	9	7 913	7 035
Total intangible fixed assets		**7 913**	**7 035**
Tangible fixed assets			
Office equipment, furniture etc.	15	2 319	2 801
Total tangible fixed assets		**2 319**	**2 801**
Financial fixed assets			
Investments ship owning companies equity method	3,4,5	804 593	567 860
Investments in affiliated companies	6	1 019	708
Other shares		20	20
Total financial fixed assets		**805 631**	**568 588**
Total fixed assets		**815 863**	**578 424**
Current Assets			
Receivables			
Other short term receivables	12,16	31 086	72 887
Total receivables		**31 086**	**72 887**
Investments			
Listed investments	7,8,20	0	13 811
Total Investments		**0**	**13 811**
Cash and bank deposits	13	92 134	58 245
Total current assets		**123 220**	**144 942**
TOTAL ASSETS		**939 083**	**723 366**

Continued on next page

Balance Sheet | Solvang Group

Amounts in NOK 1 000	Note	31.12.14	31.12.13
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	18	123 264	123 264
Treasury shares	19	-1 246	-1 402
Total paid-in capital		**122 018**	**121 862**
Retained earnings			
Other equity, unrecognized		119 032	-13 360
Retained earnings		608 719	517 608
Total retained earnings		**727 751**	**504 248**
Total equity	**18**	**849 769**	**626 110**
Liabilities			
Provisions			
Pension liabilities	11	30 473	16 044
Total provisions		**30 473**	**16 044**
Long term liabilities			
Other long term liabilities	12,17	0	0
Total long term liabilities		**0**	**0**
Current liabilities			
Liabilities to financial institution	17	0	87
Tax payable	9	2 980	176
Public duties paytable		10 054	13 972
Other short term liabilities	12	45 807	66 976
Total current liabilities		**58 841**	**81 212**
Total liabilities		**89 314**	**97 256**
TOTAL EQUITY AND LIABILITIES		**939 083**	**723 366**

Stavanger, 21st April 2015

Michael Steensland Brun
Chairman

Alf Andersen

Wenche Rettedal

Hans Petter Aas

Ellen Solstad

Edvin Endresen
Managing Director

Changes in Equity | Group

Amounts in NOK 1 000	Share capital	Treasury shares	Other reserves	Retained earnings	Total equity
2013					
Equity as of 31.12.2012	**123 264**	**-1 600**	**-50 947**	**463 560**	**534 277**
Profit/(loss) of the year				65 661	65 661
Remeasurements pension liabilities			-5 050		-5 050
Translation differences ship owning companies etc.			42 638		42 638
Total comprehensive income			**37 588**	**65 661**	**103 248**
Paid dividend				-12 166	-12 166
Buy back / Sale treasury shares		198		554	752
Total changes in equity for the year		**198**	**37 588**	**54 048**	**91 833**
Equity as of 31.12.2013	**123 264**	**-1 402**	**-13 360**	**517 608**	**626 110**

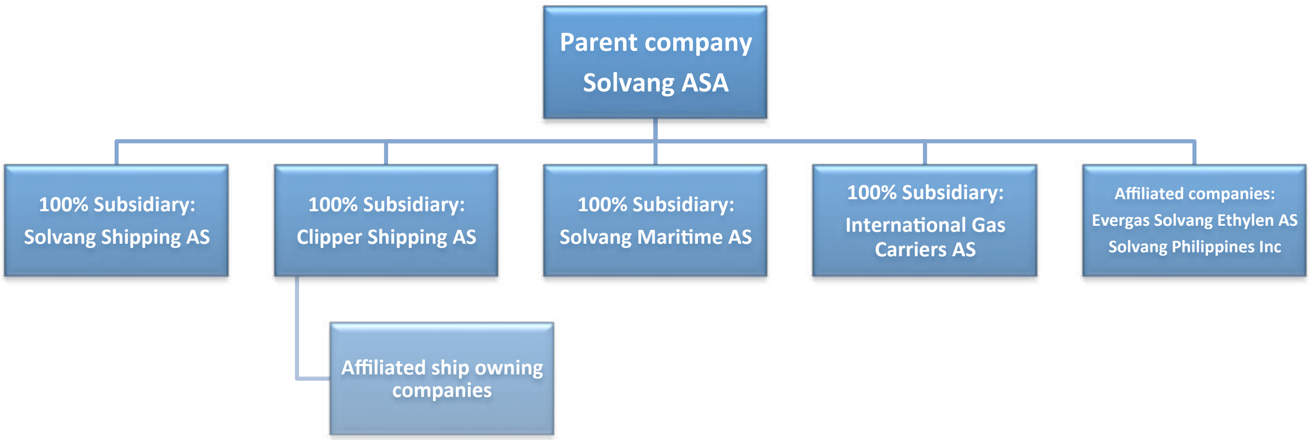
	Share capital	Treasury shares	Other reserves	Retained earnings	Total equity
2014					
Equity as of 01.01.2014	**123 264**	**-1 402**	**-13 360**	**517 608**	**626 110**
Profit/(loss) of the year				102 793	102 793
Remeasurements pension liabilities			-9 990		-9 990
Translation differences ship owning companies etc.			142 381		142 381
Total comprehensive income			**132 391**	**102 793**	**235 184**
Paid dividend				-12 202	-12 202
Buy back / Sale treasury shares		156		521	677
Total changes in equity for the year		**156**	**132 391**	**91 112**	**223 658**
Equity as of 31.12.2014	**123 264**	**-1 246**	**119 032**	**608 719**	**849 769**

Cash Flow Statement | Group

Amounts in NOK 1 000	Note	2014	2013
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) before tax		108 374	63 789
Tax paid for the period		39	-172
Depreciation and amortisation	15	990	833
Difference between expensed pension and paid in/out		745	675
Result in affiliated ship owning companies	3,4,5	-93 445	-47 881
Result in affiliated companies	6	-108	-272
Changes in other current balance sheet items		6 663	-3 165
Earnings shipping co-operation partners		883	-10 541
Financial income	7	-21 517	-21 939
Financial expenses	8	14 621	5 006
Net cash flow from operating activities		**17 245**	**-13 666**
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale / purchase of tangible fixed assets		-507	-1 804
Payments purchase of securities		16 223	74 185
Dividend received	7	408	685
Net changes Investment affiliated companies	6	-203	43
Payments from ship owning companies	5	58 289	16 893
Payments from sale of share in ship owning companies	5	15 835	0
Payments to ship owning companies	5	-67 883	-70 868
Net cash flow from investing activities		**22 161**	**19 133**
CASH FLOW FROM FINANCING ACTIVITIES			
Changes in overdraft facility		-87	-477
Purchase / sale of treasury shares	18	677	752
Dividend payment		-12 202	-12 166
Net cash flow from financing activities		**-11 613**	**-11 891**
Effect of exchange rate changes on cash and cash equivalents		6 096	2 545
Net change in cash and cash equivalents		33 889	-3 880
Cash and cash equivalents 01.01		58 245	62 124
Cash and cash equivalents 31.12		**92 134**	**58 245**

Notes 2014 | 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 shipping partnerships. The investments in shipping partnerships are accounted for using the equity method.

As of 31.12, Solvang's fleet consists of 17 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 shares and other financial instruments, which are valued at market value according to IAS 39, and ownership in ship owning companies which are valued according to equity method of accounting.

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

Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards adopted by the EU-adopted 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 2014.

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 12 May 2015 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 2014, Solvang ASA has four fully-owned subsidiaries: Solvang Shipping AS, Clipper Shipping AS, Solvang Maritime AS, and International Gas Carriers AS. Solvang Shipping AS has been liquidated in January 2015.

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 is 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 and pension liabilities. 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 tangible fixed asset

The company invests in ships through 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.

All tangible fixed assets 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 through 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 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. Periodical 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. The difference between basic earnings per share and diluted earnings per share is a consequence of treasury shares.

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.

Gains and losses resulting from the remeasurements of the pension liability based on experience variances and changes in actuarial assumptions are recognized in equity through other comprehensive income in the period they occur..

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 3 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

The following standards have been adopted by the group for the first time for the financial year beginning on or after 1 January 2014 and have a material impact on the group:

Amendments to IAS 32 - Financial Instruments. The amendment clarifies when net presentation of financial assets and liabilities can be undertaken, and it also considers settlement mechanisms. The change did not have any significant impact on the consolidated financial statements.

IFRS 10 - Consolidation. Regulates when a company has control and must consolidate the investment. The implementation did not have any effect on the consolidated financial statements.

IFRS 11 - Joint arrangements. Regulates how investments in joint arrangements should be accounted for based on a new classification model. The implementation did not have any effect on the consolidated financial statements.

IFRS 12 - Disclosures. Regulates the disclosures to be provided for investments in subsidiaries, joint arrangements, associates and unconsolidated investments. The implementation did not have any significant effect on the consolidated financial statements.

IFRIC 21 - Levies. Provides guidance for accounting of an obligation to pay levies that falls within the scope of IAS 37 - Provisions. The interpretation addresses what the triggering event is, which means when the levy should be recognized as a liability. The implementation resulted in no significant changes in the timing of recognition of levies for the group.

There are no other new or changed IFRSs or IFRIC interpretations that are effective for the 2014 financial statements, which is considered to have or expected to have a material impact on the Group.

New standards and interpretations which have not come into force

There are a number of new standards and interpretations that have been adopted but not yet made effective for the year ending 31 December 2014. For example

- IFRS 9 - Financial Instruments will replace IAS 39
- IFRS 12 (Amendment) - Disclosures of Interest in Other Entities
- IFRS 15 – Revenue from contracts with customers
- IAS 19 (Amendment) – Employee benefits

The Group has not used early adoption of any new or amended IFRSs and IFRIC interpretations, and based on the information known to Solvang ASA at the reporting date (when the financial statements are prepared) it has been determined that these will most likely not have a material effect on the consolidated accounts for Solvang ASA in 2014.

When it comes to changes in accounting rules for financial instruments, IFRS 9 was adopted in late 2009. Implementation of IFRS 9 is postponed indefinitely. It is not yet approved for use by the EU and Solvang ASA will consider adopting this standard early when it has been approved for use. If this becomes relevant, Solvang will demonstrate the possible consequences.

NOTE 2 - 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. 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.

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 31.12.2014 the liquidity reserves amount to 10 % of the total balance sheet, while current liabilities together with liability to pay equity to affiliated companies amount to 11 % 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 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). The group has a conservative strategy for investment in equity shares. The groups activities are mainly USD based, and deposits are to a large extent held in USD to reduce exchange rate risk. The group is mainly exposed to interest rate risk through mortgage loan in the ship owning companies. These loans are priced at floating LIBOR rate + margin. Interest rate exposure is actively handled, and parts of the loans are secured by fixed interest rate contracts to reduce interest rate risk. Due to a conservative strategy regarding financial instruments, and active handling of market risk, we are of the opinion that the groups market risk is satisfactory seen in relation to the balance sheet.

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. The Board considers any investments in financial instruments continuously. The Group currently has no investments in financial instruments with the exception of treasury shares. 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.

FINANCIAL INSTRUMENTS	**31.12.2014**		**31.12.2013**	
	Booked value	**Fair value (Level 1)**	**Booked value**	**Fair value (Level 1)**
Financial assets held at fair value through profit or loss				
Equity securities	0	0	13 811	13 811
Options	0	0	0	0
Loan and receivables				
Long term loans	0	0	0	0
Total	0	0	13 811	13 811

The table above analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:
- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

For bank deposits, receivables and account payable the groups best estimate as per 31.12. is that book value is equal to fair value.

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NOTE 2 - FINANCIAL MARKET RISK

SENSITIVITY ANALYSIS

Change in exchange rates		**Value change**
Bank deposits	10 % increase of exchange rates	7 332
	10 % reduction of exchange rates	-7 332

Change of interest rates		**Effect on profit or loss**
Mortgage loans on ships in companies included using the equity method of accounting	100 basis points increase of interest rates	8 245
	100 basis points reduction of interest rates	-8 245

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

NOTE 3 - 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 by ship size and ship management activities.

PROFIT AND LOSS ACCOUNT PROPORTIONATE CONSOLIDATION

OPERATING INCOME/EXPENSES	**2014**	**2013**
Share of revenue on t/c-basis ships	246 684	183 675
Profit on sale of ships / interests in ship owning companies	-2 434	0
Management fee	79 965	65 458
Total operating income	324 214	249 133
Share of operating expenses ships	90 331	80 564
Salaries and other personnel expenses	55 847	51 242
Other operating expenses	15 110	15 106
Depreciation ships	56 317	49 067
Write-down ships / reversal previous write-down	-9 730	0
Depreciation	990	833
Total operating expenses	208 865	196 813
Operating result	115 349	52 320
FINANCIAL ITEMS		
Other affiliated companies equity method	108	272
Financial income	21 846	22 726
Share of financial expenses ships	-13 886	-6 163
Financial expenses	-15 044	-5 367
Net financial items	-6 975	11 469
Ordinary result before tax	108 374	63 789
Tax on ordinary result	-5 581	1 871
Net profit or loss for the year	102 793	65 661

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NOTE 3 - AREAS OF OPERATION

BALANCE SHEET PROPORTIONATE CONSOLIDATION

ASSETS	31.12.14	31.12.13
Fixed Assets		
Deferred tax asset	7 913	7 035
Share of ships	1 397 544	1 223 966
Share of periodic maintenance ships	50 037	38 496
Share of new build contracts	119 184	41 404
Office equipment, furniture etc	2 319	2 801
Total	1 576 996	1 313 703
Financial fixed assets		
Investments in affiliated companies	1 019	708
Other shares	20	20
Total fixed assets	1 578 034	1 314 430
Current Assets		
Receivables		
Share of current assets ship owning companies	88 925	90 582
Other short term receivables	31 086	72 887
Total receivables	120 011	163 469
Investments		
Listed investments	0	13 811
Bank deposits		
Bank deposits	92 134	58 245
Total current assets	212 145	235 524
TOTAL ASSETS	1 790 179	1 549 954

EQUITY AND LIABILITIES		
Equity		
Paid-in capital		
Share capital (24 652 837 shares a NOK 5)	123 264	123 264
Treasury shares	-1 246	-1 402
Retained earnings		
Other equity, unrecognized	119 032	-13 360
Retained earnings	608 719	517 608
Total equity	849 769	626 110
Long term liabilities		
Share of long term liabilities ship owning companies	821 668	767 699
Pension liabilities	30 473	16 044
Total long term liabilities	852 141	783 743
Current liabilities		
Liabilities to financial institution	0	87
Tax payable	2 980	176
Public duties payable	10 054	13 972
Share of current liabilities of ship owning companies	29 429	58 889
Other short term liabilities	45 807	66 976
Total current liabilities	88 269	140 101
TOTAL EQUITY AND LIABILITIES	1 790 179	1 549 954

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NOTE 3 - AREAS OF OPERATION

AREAS OF OPERATION AND SEGMENTS

	SHIP OWNERSHIP		SHIP MANAGEMENT		TOTAL	
	2014	2013	2014	2013	2014	2013
Operating income			79 965	65 458	79 965	65 458
Share of profit ship owning companies						
Semi ref ships	80 922	68 358			80 922	68 358
LGC ships	76 736	66 995			76 736	66 995
VLGC ships	89 026	48 321			89 026	48 321
Operating expenses	-90 331	-80 564	-70 957	-66 348	-161 288	-146 913
Depreciation	-46 587	-49 067	-990	-833	-47 577	-49 900
Operating profit/loss	109 766	54 044	8 018	-1 723	117 783	52 320
Shares in affiliated companies	-2 434		108	272	-2 326	272
Financial items	-13 886	-6 163	6 803	17 359	-7 084	11 197
Profit/loss before tax	93 445	47 881	14 929	15 908	108 374	63 789
Deferred tax assets			7 913	7 035	7 913	7 035
Interest in ship owning companies equity method						
Semi ref ships	422 048	369 191			422 048	369 191
LGC ships	433 754	400 324			433 754	400 324
VLGC ships	541 741	454 451			541 741	454 451
New build	119 184	41 404			119 184	41 404
Total	1 516 728	1 265 370			1 516 728	1 265 370
Share periodic maintenance ships						
Semi ref ships	21 006	12 804			21 006	12 804
LGC ships	16 107	13 639			16 107	13 639
VLGC ships	12 924	12 053			12 924	12 053
Total	50 037	38 496			50 037	38 496
Share of current assets ships						
Semi ref ships	35 307	40 594			35 307	40 594
LGC ships	29 317	26 900			29 317	26 900
VLGC ships	24 300	23 089			24 300	23 089
Total	88 925	90 582			88 925	90 582
Other investments			3 337	3 509	3 337	3 509
Assets		13 811	123 240	131 151	123 240	144 962
Total assets	1 655 689	1 408 259	134 490	141 695	1 790 179	1 549 954
Share long term debt ships						
Semi ref ships	224 032	190 317			224 032	190 317
LGC ships	261 889	263 697			261 889	263 697
VLGC ships	335 746	313 686			335 746	313 686
Total	821 668	767 699			821 668	767 699
Share current liability ships						
Semi-ref skip	9 346	21 959			9 346	21 959
LGC skip	5 034	12 271			5 034	12 271
VLGC skip	15 038	24 649			15 038	24 649
Total	29 419	58 879			29 419	58 879
None Interest bearing debt			89 314	97 168	89 314	97 168
Interest-bearing debt				87		87
Total debts	851 086	826 579	89 314	97 256	940 400	923 835
Net investments in fixed assets in the period						
Interest in ship owning companies equity method						
LGC ships	77 780	41 404			77 780	41 404
VLGC ship		688 742				688 742
Office equipment, furniture etc			507	1 804	507	1 804

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

NOTE 4 - SHIPPING ACTIVITY

SHARE IN SHIP OWNING COMPANIES UNDER THE EQUITY METHOD OF ACCOUNTING, SHARE OF P&L AND BALANCE SHEET ITEMS

Company	Owner-ship %	Freight earnings on T/C base	Operating expenses	Depreciation	Write-off / reversal	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 31.12.2014	Net book value balance sheet at 31.12.2014
PR Clipper Skagen DA	20,00 %	6 972	4 379	1 803	0	-18	773	0	0	2 073	0	334	0	1 739
PR Clipper Viking DA	20,00 %	9 210	4 611	2 043	0	6	2 562	29 017	2 490	4 642	0	324	0	35 825
PR Clipper Harald DA	20,00 %	2 950	4 058	309	0	26	-1 390	0	9 833	716	0	5 760	0	4 789
PR Clipper Star DA	20,00 %	36 714	13 483	9 225	0	-2 304	11 702	209 667	7 833	5 955	126 605	1 562	0	95 289
PR Clipper Sky DA	20,00 %	24 683	9 253	5 890	0	-1 604	7 935	150 149	6 431	5 599	96 601	1 247	0	64 330
PR Clipper Hebe DA	25,00 %	28 049	10 586	7 306	0	-1 048	9 109	182 742	2 894	12 154	95 770	1 522	0	100 497
PR Clipper Mars DA	15,00 %	15 339	5 021	3 941	-6 532	-820	12 089	73 939	1 842	2 519	38 683	1 724	0	37 893
PR Clipper Hermes DA	30,00 %	33 741	13 344	8 342	0	-1 412	10 644	210 289	5 789	15 723	128 262	1 406	0	102 133
PR Clipper Sirius DA	30,00 %	29 899	7 248	5 565	0	-1 071	16 016	150 887	3 162	8 267	99 135	2 188	0	60 994
PR Clipper Posh DA	20,00 %	14 014	4 277	3 546	0	-2 636	3 556	119 063	2 063	3 174	73 425	6 608	0	44 267
Victory DIS	15,30 %	27 900	6 770	4 499	0	-2 041	14 590	171 256	4 133	7 096	106 226	3 973	45 471	72 285
PR Clipper Sun II DA	20,00 %	17 213	4 869	3 849	-3 198	-875	10 818	100 535	3 567	5 764	56 960	2 269	0	50 636
PR Clipper Jupiter DA	25,00 %	0	2 433	0	0	-91	-2 524	119 184	0	15 244	0	501	0	133 927
Total 2014		246 684	90 331	56 317	-9 730	-13 886	95 880	1 516 728	50 037	88 925	821 668	29 418	45 471	804 593
Total 2013		183 675	80 564	49 067	0	-6 163	47 881	1 265 370	38 496	90 582	767 699	58 879	37 219	567 860

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 by comparing the carrying values against valuations obtained from brokers. There are indications of impairment for several of the vessels. Estimated value of use are calculated for the vessels that hava an indication of impairment. 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 is calculated based on each vessel's remaining economic life, and the first year's cash-flow based on approved budgets. Discount rate, 4.4% (5 year) and 4.9% (10 year), is based on the group's risk weighted cost of capital (WACC). WACC is calculated on basis of the capital asset pricing model (CAPM), and the loan interest rate is assumed interest rate for new loans. USD/NOK is set at 7.4299, which was the rate as per 31.12.2014.

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 5 - SHIPPING ACTIVITY

SHARE IN SHIP OWNING COMPANIES UNDER THE EQUITY METHOD OF ACCOUNTING

		2013					2014					
Company	Owner-ship in %	Balance 01.01.2013	Share profit of the year	Investments/ repayments/ sale	Translation differences	Balance 31.12.2013	Balance 01.01.2014	Share profit of the year	Disposal / sold	Investments/ repayments/ sale	Translation differences	Balance 31.12.2014
KS AS Heragas	19,50 %											
PR Clipper Skagen DA	20,00 %	9 839	-374		890	10 355	10 355	773		-10 273	884	1 739
PR Clipper Viking DA	20,00 %	28 374	2 050	-3 487	2 515	29 452	29 452	2 562		-2 551	6 363	35 826
PR Clipper Harald DA	20,00 %	2 918	-425		253	2 746	2 746	-1 390		2 551	882	4 789
PR Clipper Star DA	20,00 %	59 972	8 595		5 807	74 374	74 374	11 702		-7 262	16 474	95 288
PR Clipper Sky DA	20,00 %	34 569	7 363		3 431	45 363	45 363	7 935			11 032	64 330
PR Clipper Hebe DA	25,00 %	75 726	6 197	-6 094	7 174	83 004	83 004	9 109		-9 435	17 809	100 487
PR Clipper Mars DA	15,00 %	30 147	4 317		2 919	37 384	37 384	12 089	-18 269		6 689	37 893
PR Clipper Hermes DA	30,00 %	78 658	5 957	-7 312	7 445	84 747	84 747	10 644		-11 807	18 548	102 133
PR Clipper Sirius DA	30,00 %	26 317	12 863		2 865	42 045	42 045	16 016		-7 181	10 114	60 994
PR Clipper Posh DA	20,00 %	18 551	-2 559	13 971	2 848	32 810	32 810	3 556			7 901	44 267
Victory DIS	15,30 %	40 631	875		3 762	45 268	45 268	14 590			12 427	72 285
PR Clipper Sun II DA	20,00 %	25 483	3 200		2 452	31 135	31 135	10 818			8 683	50 636
PR Clipper Jupiter DA	25,00 %		-178	49 688	-333	49 177	49 177	-2 524		65 139	22 135	133 927
Total		431 185	47 881	46 766	42 028	567 860	567 860	95 880	-18 269	19 180	139 942	804 593

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 option was exercised in October 2014 and the Group's ownership in PR Clipper March DA is thus 15% per 31.12.2014. It was recognized a loss of NOK 2.4 million in connection with the sale.

NOTE 6 - OTHER AFFILIATED COMPANIES

SHARE IN AFFILIATED COMPANIES INCLUDED UNDER THE EQUITY METHOD OF ACCOUNTING

Company	Ownership	Historical cost	Book equity at acquisition	Incoming balance 01.01.2014	Share profit of the year	Dividend	Translation	Outgoing balance 31.12.2014
Solvang Phillipines Inc	25 %	102	102	126	56	-29	93	247
Evergas Solvang Ethylene AS	50 %	292	292	582	52		138	772
Total		394	394	708	108	-29	232	1 019

Solvang Philippines Inc. is located in Manila, Philippines.
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.

NOTE 7 - FINANCIAL INCOME

	2014	**2013**
RECEIVABLES		
Interest income	329	690
Currency gain	18 697	7 040
Total receivables	19 026	7 730
FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS		
Gain on sale of shares	2 412	14 214
Dividend Norwegian shares	408	674
Dividend foreign shares	0	11
Total held at fair value through profit and loss	2 820	14 899
Other financial income	0	97
Total	21 846	22 726

NOTE 8 - FINANCIAL EXPENSES

	2014	**2013**
LOANS		
Interest and banking expenses	204	193
Currency loss	14 621	4 553
Total loans	14 825	4 746
HELD AT FAIR VALUE THROUGH PROFIT OR LOSS		
Loss on sale of shares	0	0
Net decrease in market value of current financial assets	0	191
Expenses trading shares and options	0	261
Total held at fair value through profit and loss	0	453
Other financial expenses	219	168
Total	15 044	5 367

NOTE 9 - TAX

TAX EXPENSES FOR THE YEAR	2014	2013
Payable tax	2 782	1
Tonnage tax	198	176
Gross changes in deferred tax / deferred tax assets	-878	-3 924
Herof changes booked through other comprehensive income	3 695	1 406
Effect of changed tax rate	0	261
Tax previous years	-216	209
Total tax on income for the year	5 581	-1 871

SPECIFICATION OF TEMPORARY DIFFERENCES:	31.12.14	31.12.13
Long term temporary differences		
Tangible fixed asset	-178	-3
Pension liabilities	-30 473	-16 044
Investment ship owning companies	3 931	1
Tax loss carry-forward	-17 589	-10 010
Total basis for deferred tax	-44 310	-26 055

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

	31.12.14	31.12.13	Changes
Temporary differences			0
Tangible fixed asset	-48	-1	-47
Pension liabilities	-8 228	-4 332	-3 896
Investment ship owning companies	1 061		1 061
Tax loss carry-forward	-4 749	-3 795	-954
Total deferred tax / tax asset (27%)	-11 964	-8 128	-3 836
Change deferred tax recognized through profit and loss account			2 817
Other changes deferred tax (recognized through OCI and equity)			-3 695
Deferred tax asset not recognised (27%)	-4 051	-1 093	-2 958
Total recognised deferred tax (27%)	-7 913	-7 035	-878

Changes in deferred tax recognized through other comprehensive income consist of tax effect related to remeasurements of pension liabilities.

Reconciliation tax expenses for the year	**2014**	**%**	**2013**	**%**
27% of ordinary income/loss before tax	29 261	27 %	17 861	28 %
Adjustment previous year	-130	0 %	322	1 %
27% effect of permanent differences related to shares	-750	-1 %	-4 590	-7 %
27% effect of other permanent differences	-26 593	-25 %	-14 111	-22 %
Withholding tax	198	0 %	1	0 %
Translation differences	637	1 %	0	0 %
Effect of changed tax rate	0	0 %	261	0 %
Effect of deferred tax asset not recognised	2 958	3 %	-1 614	-3 %
Tax cost according to Profit & Loss account	5 581	5 %	-1 871	-3 %

The Group's subsidiary, Clipper Shipping AS enters into the tonnage tax scheme in 2013, and is therefore only assigned tax on financial records in accordance with the tonnage tax regulations. Clipper Shipping AS is the owner of the investments in ship owning companies which result will then also be taxed under the tonnage tax regime.

There is no tax payable for 2014 under the tonnage tax regime, except for the tonnage tax itself.
It is not recognized deferred tax assets related to finance deficits within the tonnage tax regime.

NOTE 10 - PAYROLL EXPENSES

PERSONNEL EXPENSES	2014	2013
Salary	40 650	37 556
Employers tax	6 642	6 240
Pension cost	5 359	4 968
Other benefits	3 197	2 477
Total personnel expenses	55 847	51 242
Number of employees	40	40

REMUNERATION (IN NOK 1000)	2014	2013
Managing Director		
Salary	2 227	1 972
Bonuses	196	163
Pension cost	260	72
Other remuneration	102	103
Director Marine Operations		
Salary	1 798	1 618
Bonuses	141	132
Pension cost	207	159
Other remuneration	116	195
Total remuneration to key management personnel	5 047	4 414
Number of individuals included in key management personnel	2	2
Board of Directors		
Remuneration	400	400
Total remuneration to key management personnel and Board of Directors	5 447	4 814

The 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. There are no related share-based payments or fixed bonuses to the salary agreements. It is also not granted loans or guarantees from the Company to any of its employees.
The amounts stated are exclusive of social security contributions.

All employees of the parent company were paid bonuses in 2014, equivalent to a monthly salary. The total bonus payment for 2014 was 2 126 053,-.

Auditor

Remuneration to auditor consist of the following	2014	2013
Audit mandatory by law	615	1 084
Tax advisory services	8	33
Other non-audit services	24	111
Total	**647**	**1 229**

NOTE 11 - PENSION COST AND PENSION LIABILITIES

Funded plans
The group has a general pension plans 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 29 members. The defined benefit pension plan for Solvang ASA has been closed for new employees. New employees are members of a defined-contribution pension plan.

This pension plan together with the defined contribution pension plan meets the requirement in the Act on Mandatory company pension.

Non-funded plans
The group also has non-funded pension obligations for 2 pensioners, and for the Managing Directors of IGC and Solvang, which are not covered by the general pension plan. The pension obligations for the 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 are valued according to Revised IAS 19. Changes in pension liabilities due to actuarial assumptions and differences between actual and expected return on plan a assets are recognized in other comprehensive income. The following Assumptions were used:

	2014	2013
Discount rate	2,30 %	4,00 %
Expected salary increases	2,75 %	3,75 %
Rate of pension increases	0,00 %	0,60 %
Increase of National Insurance Basic amount (G)	2,50 %	3,50 %
Expected return on plan assets	2,30 %	4,00 %
Social Security Tax	14,10 %	14,10 %
Disability tariff	KU	KU
Mortality tariff	K2013	K2013

Net periodic pension cost:	***Non-funded plans***		***Funded plans***	
	2014	**2013**	**2014**	**2013**
Current service cost	1 349	1 014	2 991	2 398
Net interest expense /(income)	264	194	216	76
Administrative expenses			65	161
Social Security Tax	227	170	452	349
Net pension cost	1 840	1 378	3 725	2 983
Actual return on plan assets			5,00 %	5,50 %

Present value of benefit obligation	***Non-funded plans***		***Funded plans***	
	2014	**2013**	**2014**	**2013**
Present value of benefit obligation at January 1	6 777	5 021	27 179	19 866
Remeasurements	675	349	10 164	4 292
Present value of the service cost	1 349	1 014	2 991	2 398
Net interest cost on benefit obligation	264	194	1 084	772
Pensions paid during the year	-113	-110	-148	-148
Present value of benefit obligation at December 31	8 952	6 467	41 271	27 179

Fair value of plan assets	***Non-funded plans***		***Funded plans***	
	2014	**2013**	**2014**	**2013**
Fair value of plan assets at January 1			19 585	17 389
Remeasurements			-859	-1 238
Actual return on plan assets			868	696
Company contributions			4 422	3 296
Administrative expenses			-353	-410
Pensions paid during the year			-148	-148
Fair value of plan assets at December 31			23 515	19 585

Continued on next page

NOTE 11 - PENSION COST AND PENSION LIABILITIES

Status of pension plans reconciled to the balance sheet

	Non-funded plans		Funded plans	
	2014	**2013**	**2014**	**2013**
Present value of pension obligations	-8 952	-6 467	-41 271	-27 179
Fair value of plan assets			23 515	19 585
Funded status of plans at December 31.	-8 952	-6 467	-17 756	-7 594
Social Security Tax	-1 262	-912	-2 504	-1 071
Net pension obligations as at December 31	-10 214	-7 379	-20 259	-8 665

	2014	**2013**
Total net pension liability non-funded and funded plans recognised at Dec. 31	-30 473	-16 044

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:

	2014	**2013**
Shares and other equity instruments	10,80 %	13,30 %
Bonds	62,00 %	45,30 %
Money market and similar	10,00 %	25,80 %
Properties and real estate	15,00 %	15,60 %
Other	2,20 %	0,00 %
Total	100,00 %	100,00 %

Expected payments related to the pension plans in 2015
The Group's estimate contribution to the funded pension plan for the fiscal year 2015 is NOK 3 561 731.
The Company's estimated payments for non-funded pension plans are NOK 745 910 for the fiscal year 2015.

The value adjusted return on plan assets (secured pension plan) was 5% per 31.12.2014, and for 2013 the value adjusted return was 5,5%.

Sensitivity
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0,50 %	Decrease 10 %	Increase 12 %
Salary growth rate	0,50 %	Increase 6 %	Decrease 5 %
Changes in pension from the Norwegian National Insurance	0,50 %	Decrease 1 %	Increase 1 %
Pension growth rate	0,50 %	Increase 7 %	Decrease 0 %

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Defined-contribution pension plan
The defined benefit pension plan for Solvang ASA has been closed for new employees. New employees are members of a defined-contribution pension plan. Per 31.12.2014 this plan had 15 members. Paid contributions in 2014 was NOK 643 845.

Pension liability from subsidiary, Solvang Maritime AS
Solvang Maritime´s pension liabilities are charged to the shipping companies and therefore represents no cost to the Group. A receivable towards the shipping companies matching the pension liability is therefore recognized in the balance sheet making the net pension liability zero out. Pension obligations from Solvang Maritime is thus not included in the figures above.

NOTE 12 - 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	
	2014	**2013**	**31.12.14**	**31.12.13**
Management fee and technical fee (income)	72 371	65 458		
Interest income ship owning companies	71	295		
Interest expenses other related parties				
Receivables ship owning companies			24 634	41 697
Receivables other related parties			0	0
Liabilities ship owning companies			-31 891	-24 178
Liabilities other related parties			0	0
Long term liability ship owning companies			0	883
Total	72 442	65 753	-7 257	18 401

Liabilities related parties are priced at 3 months LIBOR + margin of 2% for foreign exchange loans, and 3 months NIBOR + margin 2% for NOK loans.

NOTE 13 - BANK DEPOSIT

The group has the following restricted bank deposits

	2014	**2013**
Restricted bank deposit payroll withholding tax	5 441	4 329
Restricted bank deposit rent guarantee	473	473
Restricted bank deposit pension liability	7 430	5 481

The groups bank deposits at 31.12 are divided on different currencies as follows:

	2014	**2013**
NOK	18 817	16 076
GBP	0	1
USD	73 317	42 167
Total	92 134	58 245

NOTE 14 - EARNINGS PER SHARE

	2014	2013
Profit / loss for the year (numerator)	102 793	65 661
Average number of shares outstanding (denominator)	24 404	24 372
Total number of shares issued	24 653	24 653
Earnings per share (NOK)	4,21	2,69
Diluted earnings per share (NOK)	4,17	2,66

NOTE 15 - TANGIBLE FIXED ASSETS

	Car	Software and office equipment	Furniture and fixtures	Non depreciable assets	2014	2013
Acquisition costs 01.01	1 054	2 626	2 887	240	**6 807**	4 965
Translation differences	234				**234**	89
Additions during the year		204	239		**443**	1 753
Acquisition costs 31.12	1 288	2 830	3 126	240	**7 483**	6 807
Accumulated ordinary depreciation 01.01	581	844	2 580		**4 006**	3 134
Depreciation during the year	220	575	195		**990**	833
Translation differences	168		1		**169**	38
Accumulated depreciation and write-off 31	969	1 420	2 776		**5 165**	4 006
Book value as of 31.12	319	1 410	349	240	**2 319**	2 801
Useful life	5 years	3-4 years	6 years	-		3 - 6 years
Depreciation plan	Linear	Linear	Linear	Linear		Linear
Depreciation percentage	20 %	25 - 30%	15 %	0 %		15 - 30%

NOTE 16 - RECEIVABLES

Recivables consist mainly of trade debtors, prepaid voyage costs and receivables from shipping partnerships. None of the receivables is falling due more than one year after the end of the fiscal year. None of the receivables of significant amount is due on the balance sheet date.

Receivables at 31.12 can be divided as follows:

	2014	2013	
Receivables from shipping partnerships	24 634	42 580	(ref note 12 - Related parties)
Trade debtors	0	23 972	
Accruals	4 793	5 883	
Other receivables	1 659	452	
Total receivables	31 086	72 887	

All the groups trade debtors at 31.12 are nominated in USD and are less than 30 days old.
Receivables from shipping partnerhips are nominated in both NOK and USD.

NOTE 17 - LIABILITIES

Security

Solvang ASA has a credit facility of NOK 20 million.
As security for this the company has furnished the shares of Solvang Shipping AS as collateral.

	2014	**2013**
Drawn amount overdraft facility	0	87
Security overdraft facility (equity Solvang Shipping AS)	68 016	68 016

In addition the group has parts of mortgage debt through participation in shipping partnerships.
As security for this mortgage debt, the lender has a mortgage on ships belonging to the respective companies.

	2014	**2013**
The groups share of mortgage debt	824 454	775 678

Leasing

The group has operating lease commitments for office space that expires at 31.12.2016 and 31.12.2019

There is options under the agreements to extend the leases with 5 years from 31.12.2016 and 31.12.2019 at market terms.

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

	2014	**2013**
År 1	3 217	2 942
År 2-5	6 053	4 455
År 6-10	0	0
Sum	9 271	7 396

The company recognized lease expenses of KNOK 3 478 for 2014 and KNOK 3 003 for 2013.

NOTE 18 - EQUITY

The company's main shareholders as of 31.12.2014

	31.12.14		31.12.13	
Name of owner	**# of shares**	**Ownership**	**# of shares**	**Ownership**
Clipper AS	5 460 932	22,15 %	5 460 932	22,15 %
Straen AS	5 405 157	21,93 %	5 405 157	21,93 %
Audley AS	3 589 014	14,56 %	3 589 014	14,56 %
Mertoun Capital AS	1 000 000	4,06 %	1 000 000	4,06 %
Michael Steensland Brun	981 201	3,98 %	981 201	3,98 %
MP Pensjon PK	821 363	3,33 %	821 363	3,33 %
Skagenkaien Eiendom	655 902	2,66 %	600 000	2,43 %
Jacobsen Erik Olger	97 152	0,39 %	599 152	2,43 %
Olger Invest AS	500 000	2,03 %	0	0,00 %
Folke Hermansen AS	0	0,00 %	503 600	2,04 %
Kontrari AS	482 381	1,96 %	0	0,00 %
Inge Steenslands Stiftelse	500 000	2,03 %	500 000	2,03 %
Myhre Leif Harald	404 000	1,64 %	404 000	1,64 %
Jaco Invest AS	354 510	1,44 %	354 510	1,44 %
Torkap AS	225 250	0,91 %	290 500	1,18 %
Solvang ASA	249 259	1,01 %	280 424	1,14 %
Søgne Shipping AS	0	0,00 %	0	0,00 %
Øvrige < 1%	3 926 716	15,93 %	3 862 984	15,67 %
Totalt	24 652 837	100,00 %	24 652 837	100,00 %

The board of directors and managing director own or control shares in the company as of 31.12.2014 as follows:

Michael Steensland Brun	981 201
Wenche Rettedal	2 781
Edvin Endresen (CEO)	4 401

Proposed dividend
The Board of Directors has proposed a dividend of NOK 1,- per share for 2014. There was paid a dividend of NOK 0.50 per share for 2013. The company has no other dividend limitations than those imposed by Norwegian law.

NOTE 19 - TREASURY SHARES

As of 31.12.2014 Solvang ASA had shareholdings of 249 259 treasury shares, booked at KNOK 1 426.
The purpose for buy back of own shares was to increase value for the company's shareholders.

NOTE 20 - SHARES IN OTHER COMPANIES

	2014		2013	
	Acquisition cost (NOK)	**Book value/ market value (NOK)**	**Acquisition cost (NOK)**	**Book value/ market value (NOK)**
HELD AT FAIR VALUE THROUG PROFIT OR LOSS				
Shares and equity certificates listed in Norway	0	0	14 958	13 811
Shares and funds listed in USA	0	0	0	0
Total group	0	0	14 958	13 811

Exchange rate USD/NOK per 31.12.2014 7,4299

The group has sold all records in the securities portfolio in 2014. This gave a profit of NOK 2.4 mill. (Ref Note 7).

PARENT COMPANY

2014

Profit & Loss Account | Solvang ASA

Amounts in NOK 1 000	Note	2014	2013
Management fee	10	54 808	50 457
Total Operating income		**54 808**	**50 457**
Salaries and other personnel expenses	8,10	40 422	39 294
Depreciation	13	765	628
Other operating expenses	8	11 806	12 389
Total operating expenses		**52 994**	**52 312**
Operating result		**1 815**	**-1 855**
Recieved group contributions		2 533	541
Ship-owning companies equity method	2	-2 060	-145
Other affiliated companies equity method	3	108	272
Other financial income	4,10	19 369	6 205
Write-down shares in subsidiaries	7	0	10 761
Other financial expenses	5,10	-10 219	-4 021
Net financial items		**9 731**	**13 613**
Ordinary result before tax		**11 546**	**11 758**
Tax on ordinary result	6	2 398	-685
Net profit or loss for the year		**9 148**	**12 442**
Net profit or loss for the year is distributed as follows			
Reserve for valuation variances		0	-84
Dividend		-24 451	-12 186
To/from other equity		15 303	-172
Total distributed		**-9 148**	**-12 442**

Balance Sheet | Solvang ASA

Amounts in NOK 1 000	Note	31.12.14	31.12.13
ASSETS			
Fixed Assets			
Intangible fixed assets			
Deferred tax asset	6	5 045	4 688
Total intangible fixed assets		**5 045**	**4 688**
Tangible fixed assets			
Office equipment, furniture etc	13	1 848	2 328
Total tangible fixed assets		**1 848**	**2 328**
Financial fixed assets			
Investments in subsidiaries	7,15	622 212	622 212
Investments ship-owning companies equity method	2	3 236	2 745
Investments in affiliated companies	3	1 019	708
Total financial fixed assets		**626 467**	**625 665**
Total fixed assets		**633 359**	**632 681**
Current Assets			
Receivables			
Short term receivables group companies	10,14	6 132	2 123
Other short term receivables	10,14	10 642	14 571
Total receivables		**16 774**	**16 695**
Investments			
Listed investments		0	13 831
Total investments		**0**	**13 831**
Cash and bank deposits	11	18 837	8 047
Total current assets		**35 612**	**38 572**
TOTAL ASSETS		**668 971**	**671 253**

Continued on next page:

Balance Sheet | Solvang ASA

Amounts in NOK 1 000	Note	31.12.14	31.12.13
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	17	123 264	123 264
Treasury shares	18	-1 246	-1 402
Total paid-in capital		**122 018**	**121 862**
Retained earnings			
Other equity		420 714	442 729
Total retained earnings		**420 714**	**442 729**
Total equity	**17**	**542 732**	**564 591**
Liabilities			
Provisions			
Pension liabilities	9	18 355	7 909
Total provisions		**18 355**	**7 909**
Long term liabilities			
Long Term loan Group companies	10, 14	0	71 557
Total long term liabilities		**0**	**71 557**
Current liabilities			
Liabilities to financial institution	15	0	87
Trade creditors		3 823	3 039
Current liabilities Group companies	10	70 862	1 543
Public duties payable		4 973	6 557
Dividend		24 451	12 186
Other short term liabilities	10	3 775	3 783
Total current liabilities		**107 884**	**27 196**
Total liabilities		**126 239**	**106 662**
TOTAL EQUITY AND LIABILITIES		**668 971**	**671 253**

Stavanger, 21. april 2015

Michael Steensland Brun
Chairman

Alf Andersen

Wenche Rettedal

Hans Petter Aas

Ellen Solstad

Edvin Endresen
Managing Director

Cash Flow Statement | Solvang ASA

Amounts in NOK 1 000	**2014**	**2013**
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	11 546	11 758
Taxes paid	0	0
Depreciation and amortisation	765	628
Return on investments in equity shares	-2 820	-4 535
Difference between expensed pension and paid in/out	241	-877
Result in other affiliated companies	-108	-272
Result in affiliated ship owning companies	2 060	145
Changes in inventories, trade receivables and trade payables	784	-709
Changes in other current balance sheet items	2 357	-6 753
Write-down shares in subsidiaries	0	-10 761
Net cash flow from operating activities	**14 826**	**-11 375**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale / purchase of tangible fixed assets	-285	-1 753
Proceeds from sale / purchase of securities	16 223	20 707
Dividend received	408	660
Investment affiliated companies	29	66
Payments to ship owning companies	-2 551	0
Net cash flow from investing activities	**13 824**	**19 680**
CASH FLOW FROM FINANCING ACTIVITIES		
Changes in overdraft facility	-87	-477
Purchase / sale of treasury shares	677	751500
Change in outstanding accounts group companies	-6 246	650
Dividends paid	-12 202	-12 166
Net cash flow from financing activities	**-17 859**	**-11 241**
Net change in cash and cash equivalents	**10 790**	**-2 936**
Cash and cash equivalents 01.01	8 047	10 983
Cash and cash equivalents 31.12	**18 837**	**8 047**

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 2014.

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.

NOTE 1 ACCOUNTING PRINCIPLES (cont)

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.

For affiliated participant taxed companies are Solvang's share of the profit based on the pre-tax profit in the affiliated company. Tax on profit share is recognized through the general tax cost of the Group.

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.

<u>Defined benefit pension plan</u>

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 Revised IAS 19 Employee Benefits as a basis for accounting for pension.

<u>Contribution based pension plan</u>

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.

NOTE 1 ACCOUNTING PRINCIPLES (cont)

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 are 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 arise 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.

NOTE 2 - SHIPPING ACTIVITY

SHARE IN VESSELS INCLUDED UNDER THE EQUITY METHOD OF ACCOUNTING

Company	Ownership	Acquisition cost	Opening balance 01.01.2014	Share of net profit	Incoming payments/ repayments	Closing balance 31.12.2014
PR Clipper Harald DA	20 %	6 188	2 745	-2 060	2 551	3 236
Total		6 188	2 745	-2 060	2 551	3 236

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	Equity at acquisition	Opening balance 01.01.2014	Share of net profit	Dividend received	Translation differences	Closing balance 31.12.2014
Solvang Phillipines Inc	25 %	102	102	126	56	-29	93	247
Evergas Solvang Ethylene AS	50 %	292	292	582	52		138	772
Total		394	394	708	108	-29	232	1 019

Solvang Phillipines Inc is located in Manila, Phillipines.
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.

NOTE 4 - FINANCIAL INCOME

	2014	2013
Interest income	137	81
Interest received from group companies	232	0
Gain on sale of shares	2 412	3 875
Dividend Norwegian shares	408	660
Currency gain	16 180	1 491
Other financial income	0	97
Total	**19 369**	**6 205**

NOTE 5 - FINANCIAL EXPENSES

	2014	2013
Interest and banking expenses	191	188
Interest group companies	3 002	2 741
Brokerage costs shares and options	0	87
Decrease in market value of current financial assets	0	191
Currency loss	6 856	681
Other financial expenses	170	134
Total	**10 219**	**4 021**

NOTE 6 - TAX

		2014	2013
Ordinary income/loss before tax		11 546	11 758
Permanent differences related to shares		-2 779	-4 813
Permanent differences		210	-11 040
Permanent differences ship owning companies		-2 365	24
Differences related to equity method		-108	-272
Changes in temporary differences		358	-1 001
Applied loss carried forward		-6 862	0
Net taxable income/loss		**0**	**-5 344**
Payable tax	**27 %**	**0**	**0**
Tax expenses for the year			
Payable tax		0	0
Gross changes in deferred tax / deferred tax assets		-357	-2 496
Deferred tax of remeasurement pensions recognized in equity		2 755	1 637
Effect Change in tax rate		0	174
Total tax on income for the year		**2 398**	**-685**
Specification of temporary differences:			
Long term temporary differences			
Tangible fixed asset		-121	-4
Pension liabilities		-18 355	-7 909
Investment ship owning companies		2 378	0
Tax loss carry-forward		-2 587	-9 449
Total		**-18 684**	**-17 362**
Deferred tax / deferred tax assets	**27 %**	**-5 045**	**-4 688**
Reconciliation tax expenses for the year			
27% of ordinary income/loss before tax		3 117	3 292
Changes related to ship owning companies		0	7
Changes related to equity method		-29	-76
27% effect of permanent differences related to shares		-750	-1 348
27% effect of other permanent differences		60	-3 091
Effect of change in tax rate		0	174
Adjustment previous year		0	358
Tax cost according to Profit & Loss account		**2 398**	**-685**

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	68 016 000
Clipper Shipping AS	100 %	559 316 900	100	5 593 169	559 316 900	552 103 671
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						**622 212 204**

Solvang Shipping AS, Clipper Shipping AS and Solvang Maritime AS are located in Stavanger.
International Gas Carriers AS is located in Oslo.

The financial accounts of 2014 for Solvang Shipping AS are stated as a liquidation statement. As the company was finally deleted in Brønnøysund January 2015, it is not recognized in the accounts until 2015.

NOTE 8 - PAYROLL EXPENSES

	2014	2013
Personnel expenses		
Salary	29 517	29 317
Employers tax	4 880	4 936
Pension cost	3 677	2 910
Other benefits	2 348	2 131
Total personnel expenses	40 422	39 294
Number of employees	34	34

Remuneration (in NOK) 2014

	Director's fees	Salary	Bonuses	Pension costs	Other remuneration	Total remuneration
MANAGERS						
Edvin Endresen, CEO		2 226 831	195 833	259 923	102 030	2 784 617
Tor Øyvind Ask, Dir. Marine Operations		1 798 065	141 187	207 004	115 794	2 262 050
BOARD OF DIRECTORS						
Michael Steensland Brun, Chairman	100 000	0	0	0	0	100 000
Alf Andersen, Board member	75 000	0	0	0	0	75 000
Wenche Rettedal, Board member	75 000	0	0	0	0	75 000
Ellen Solstad, Board member	75 000	0	0	0	0	75 000
Hans Petter Aas, Board member	75 000	0	0	0	0	75 000
Total remuneration	**400 000**	**4 024 896**	**337 020**	**466 927**	**217 824**	**5 446 667**

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 share-based payments or fixed bonuses are related to the salary agreements. The Company has not granted loans or guarantees to any of its employees.
All employees got paid a bonus in 2014 equal to one months salary. Total bonus of 2014 amounted to NOK 2 126 053,-.

AUDITOR
The fee to the auditors for 2014 amounts to NOK 365 410, whereof NOK 357 220 relates to audit regulated by law and NOK 8 190 for tax advisory. The amounts are reported exclusive of VAT.

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 22 members (2013: 24 members).

Non-funded plans

The company also has non-funded pension obligations for 2 pensioners and an additional defined contribution plan for CEO, which are not covered by the general pension plan.

Assumptions

Pension liabilities and pension costs are calculated by a third party independent actuary, and has been evaluated according to revised IAS 19. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited through Equity. The following assumptions were used:

	2014	**2013**
Discount rate	2,30 %	4,00 %
Expected salary increases	2,75 %	3,75 %
Rate of pension increases	0,00 %	0,60 %
Increase of National Insurance Basic amount (G)	2,50 %	3,50 %
Expected return on plan assets	2,30 %	4,00 %
Social Security Tax	14,10 %	14,10 %

Net periodic pension cost:	**Non-funded plans**		**Funded plans**	
	2014	**2013**	**2014**	**2013**
Benefits earned during the year	175	0	2 183	1 745
Interest cost	20	16	212	72
Administrative expenses	0	0	40	105
Social Security Tax	28	2	338	256
Net periodic pension cost	**223**	**18**	**2 773**	**2 179**
Actual return on plan assets			5,00 %	5,50 %

Overview of actuarial gains and losses recognized directly through other equity:

	2014
Net actuarial gains/losses 01.01	-4 210
Current year actuarial gains/losses	-10 205
Tax	2 755
Net actuarial gains/losses 31.12	**-11 660**

Continues on next page

Status of pension plans reconciled to the balance sheet

	Non-funded plans		Funded plans	
	2014	**2013**	**2014**	**2013**
Present value of pension obligations	-804	-392	-33 759	-23 098
Fair value of plan assets	0	0	18 476	16 558
Funded status of plans at December 31.	-804	-392	-15 282	-6 540
Social Security Tax	-113	-55	-2 155	-922
Net pension liability recognised at December 31.	**-917**	**-447**	**-17 437**	**-7 462**

	2014	**2013**
Total net pension liability non-funded and funded plans as of 31.12	-18 355	-7 909

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:

	2014	**2013**
Shares and other equity instruments	10,80 %	13,30 %
Bonds	62,00 %	45,30 %
Money market and similar	10,00 %	25,80 %
Properties and real estate	15,00 %	15,60 %
Other	2,20 %	0,00 %
Total	**100,00 %**	**100,00 %**

Defined-contribution pension plan

The defined benefit pension plan for Solvang ASA has been closed for new employees. New employees are members of a defined-contribution pension plan. Per 31.12.2014 this plan had 15 members. Paid contributions in 2014 was NOK 643 845.

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 companies controlled by the Steensland family, are also made.

	Profit & Loss Account		Balance Sheet	
	2014	**2013**	**31.12.14**	**31.12.13**
Management fee (income)	54 808	50 457		
Net interest subsidiaries	-2 770	-2 741		
Interest expenses other related parties	0	34		
Receivables group companies			6 132	2 123
Liabilities group companies			-70 862	-73 100
Net receivables ship owning companies			0	13 935
Net receivables other related parties			0	0
Liabilities other related parties			0	0
Total	**52 038**	**47 751**	**-64 730**	**-57 041**

NOTE 11 - RESTRICTED BANK DEPOSIT

In connection with payment of payroll withholding tax, the company has a restricted bank deposit of NOK 2 940 555,-

NOTE 12 - EARNINGS PER SHARE

	2014	2013
Profit / loss for the year (numerator)	9 147 788	12 442 411
Average number of shares outstanding (denominator)	24 403 578	24 372 413
Total number of shares issued	24 652 837	24 652 837
Earnings per share (NOK)	0,37	0,51
Diluted earnings per share (NOK)	0,37	0,50

NOTE 13 - TANGIBLE FIXED ASSETS

	Software and office equipment	Furniture and fixtures	Non depreciable assets	2014	2013
Acquisition costs 01.01	2 626	2 887	240	5 753	4 000
Additions during the year	204	81 408	0	285	1 753
Disposals during the year	0	0	0	0	0
Acquisition costs 31.12	2 830	2 968	240	**6 038**	5 753
Accumulated ordinary depreciation 01.01	844	2 580	0	3 425	2 796
Depreciation during the year	575	190	0	765	628
Accumulated depreciation sold/disposed assets	0	0	0	0	0
Accumulated depreciation and write-off 31.12	1 420	2 771	0	4 190	3 425
Book value as of 31.12	1 410	198	240	**1 848**	2 328
Useful life	3-4 years	6 years	-		3 - 6 years
Depreciation plan	Linear	Linear	Linear		Linear
Depreciation percentage	25 - 30%	15 %	0 %		15 - 30%

NOTE 14 - RECEIVABLES AND DEBT

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.

As Solvang Shipping AS was terminated early 2015, the debt has been reclassified to current liabilities and will be offset against liquidation dividend in connection with the termination.

NOTE 15 - LIABILITIES

Solvang ASA has a credit facility of NOK 20 million. As of 31.12.2014 there was zero 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 68 016 000.

NOTE 16 - 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 17 - EQUITY

Solvang ASA	Share capital	Treasury shares	Other Equity	Total equity
Equity as of 31.12.2013	**123 264**	**-1 402**	**442 729**	**564 591**
Profit / loss of the year			9 148	9 148
Translation differences *(note 3)*			232	232
Remeasurement pension liability (net after tax)			-7 449	-7 449
Difference between proposed and paid dividend 2013			-16	-16
Proposed dividend			-24 451	-24 451
Treasury shares		156	521	677
Equity as of 31.12.2014	**123 264**	**-1 246**	**420 714**	**542 732**

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 31.12.2014

Name of owner	# of shares	Ownership
Clipper AS	5 460 932	22,15 %
Straen AS	5 405 157	21,93 %
Audley AS	3 589 014	14,56 %
Mertoun Capital AS	1 000 000	4,06 %
Michael Steensland Brun	981 201	3,98 %
MP Pensjon PK	821 363	3,33 %
Skagenkaien Eiendom	655 902	2,66 %
Olger Invest AS	500 000	2,03 %
Inge Steenslands Stiftelse	500 000	2,03 %
Kontrari AS	482 381	1,96 %
Myhre Leif Harald	404 000	1,64 %
Jaco Invest AS	354 510	1,44 %
Solvang ASA	249 259	1,01 %
Others < 1%	4 249 118	17,24 %
Totalt	**24 652 837**	**100,00 %**

The board of directors and CEO own or control shares in the company as of 31.12.2014 as follows:

Michael Steensland Brun (Chairman)	981 201
Wenche Rettedal	2 781
Edvin Endresen (CEO)	4 401

Proposed dividend

The Board of Directors has proposed a dividend of NOK 1.00 per share for 2014. A dividend of NOK 0.50 per share was paid for 2013.
Allocated dividend is based on the number of shares outstanding on the grant date.
The company has no other dividend limitations than those imposed by Norwegian law.

NOTE 18 - TREASURY SHARES

As of 31.12.2014 Solvang ASA had shareholdings of 249 259 treasury sahares, booked at NOK 1 426 306.
The purpose for buy back of own shares was to increase value for the company's shareholders.

NOTE 19 - FINANCIAL MARKET RISK

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

NOTE 20 - SHARES IN OTHER COMPANIES

	2014		2013	
	Acquisition cost (NOK)	Book value/ Market value (NOK)	Acquisition cost (NOK)	Book value/ Market value (NOK)
Held at fair value through profit or loss				
Shares and equity certificates listed in Norway	0	0	14 958	13 811
Total listed investments	0	0	14 958	13 811

Currency exchange rate USD/NOK as of 31.12.2014 7,4299

The company has sold all records in the securities portfolio in 2014. This gave a profit of NOK 2.4 mill. (Ref Note 4).

STATEMENT OF COMPLIANCE

BOARD AND GENERAL MANAGER'S STATEMENT OF COMPLIANCE

We confirm that the annual accounts for the period 1 January 2014 to 31 December 2014 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, 21st April 2015

Michael Steensland Brun
Chairman

Alf Andersen

Wenche Rettedal

Hans Petter Aas

Ellen Solstad

Edvin Endresen
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 2014, and the income statement, statement of changes in equity 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 2014, income statement, statement of comprehensive income, 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.

Independent auditor's report - 2014 - Solvang ASA, page 2

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 2014, 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 are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the group Solvang ASA as at 31 December 2014, 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 the statements on Corporate Governance and Corporate Social Responsibility

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 in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit 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, 21 April 2015
PricewaterhuseCoopers AS

Henrik Zetliz Nessler
State Authorised Public Accountant (Norway)

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

Fleet overview

Ship	Owner share in %	Employment	Register	Load capasity	Type of ship	Year built
Clipper Viking	20,0	Joint venture IGC	NIS	12 500 cbm	LPG/Etylen	1998
Clipper Harald	20,0	TC	NIS	12 500 cbm	LPG/Etylen	1999
Clipper Hebe	25,0	Joint venture IGC	NIS	17 200 cbm	LPG/Etylen	2007
Clipper Helen	25,0	Joint venture IGC	NIS	17 200 cbm	LPG/Etylen	2007
Clipper Hermes	30,0	Joint venture IGC	NIS	17 200 cbm	LPG/Etylen	2008
Clipper Hermod	30,0	Joint venture IGC	NIS	17 200 cbm	LPG/Etylen	2008
Clipper Star	22,0	Joint venture IGC	NIS	59 200 cbm	LPG/Ammoniakk	2003
Clipper Moon	22,0	Joint venture IGC	NIS	59 200 cbm	LPG/Ammoniakk	2003
Clipper Sky	23,0	Joint venture IGC	NIS	59 200 cbm	LPG/Ammoniakk	2004
Clipper Orion	22,0	Joint venture IGC	NIS	60 000 cbm	LPG/Ammoniakk	2008
Clipper Neptun	23,0	Joint venture IGC	NIS	60 000 cbm	LPG/Ammoniakk	2008
Clipper Mars	15,0	TC	NIS	60 000 cbm	LPG/Ammoniakk	2008
Clipper Jupiter	25,0	Joint venture IGC	NIS	60 000 cbm	LPG/Ammoniakk	2015
Clipper Sirius	30,0	TC	NIS	75 000 cbm	LPG/Ammoniakk	2008
Clipper Victory	16,8	TC	NIS	75 000 cbm	LPG/Ammoniakk	2009
Clipper Sun	20,0	TC	NIS	82 000 cbm	LPG/Ammoniakk	2008
Clipper Quito	16,8	TC	NIS	84 000 cbm	LPG/Ammoniakk	2013
Clipper Posh	20,0	TC	NIS	84 000 cbm	LPG/Ammoniakk	2013
Newbuildings						
Clippper Saturn	25,0	Joint venture IGC	NIS	60 000 cbm	LPG/Ammoniakk	2015
Hyundai Heavy Industries Hull No. 2710	25,0	Joint venture IGC	NIS	60 000 cbm	LPG/Ammoniakk	2015

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