Deloitte
Statsautoriseret Revisionspartnerselskab
CVR-No. 33963556
Weidekampsgade 6
Postboks 1600
0900 København C

Phone 36 10 20 30
Fax 36 10 20 40
www.deloitte.dk

Copenship MPP A/S
Central Business Registration No 33067941

Annual report 2013

The Annual General Meeting adopted the annual report on 02.05.2014

Chairman of the General Meeting

Name: Jørgen Larsen

Contents

Entity details

Company

Copenship MPP A/S
Håbets Allé 26B
2700 Brønshøj

Central Business Registration No: 33067941
Registered in: København
Financial year: 01.01.2013 - 31.12.2013

Phone: +4538262700
Fax: +4538606403
Internet: www.copenship.dk
E-mail: copsh@copenship.dk

Board of Directors

Jørgen Larsen
Michael Irvine Fenger
Claus Finderup Grove

Executive Board

Jørgen Larsen, Chief Exectutive Officer

Company auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Copenship MPP A/S for the financial year 01.01.2013 - 31.12.2013.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2013 and of the results of its operations for the financial year 01.01.2013 - 31.12.2013.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Brønshøj, 02.05.2014

Executive Board

Jørgen Larsen
Chief Exectutive Officer

Board of Directors

Jørgen Larsen	Michael Irvine Fenger	Claus Finderup Grove

Independent auditor's reports

To the owners of Copenship MPP A/S
Report on the financial statements

We have audited the financial statements of Copenship MPP A/S for the financial year 01.01.2013 - 31.12.2013, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires 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 misstatements 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 of financial statements that give a true and fair view 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 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.

Our audit has not resulted in any qualification.

Independent auditor's reports

Opinion

In our opinion, the financial statements give a true and fair view of the Company’s financial position at 31.12.2013 and of the results of its operations for the financial year 01.01.2013 - 31.12.2013 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

København, 02.05.2014

Deloitte
Statsautoriseret Revisionspartnerselskab

Christian K. Jørgensen statsautoriseret revisor	Chris Bjørholm Dyhr statsautoriseret revisor

Management commentary

	2013 USD'000	2012 USD'000	2011 USD'000	2010 USD'000	2009 USD'000
Financial highlights					
Key figures					
Gross profit	4.194	3.853	(682)	1.974	11.118
Operating profit/(loss)	3.772	3.463	(1.191)	1.448	8.180
Net financials	(243)	(36)	(162)	9	101
Profit/(loss) for the year	2.645	2.569	(1.018)	1.086	6.197
Total assets	15.730	8.575	6.439	15.028	84.324
Equity	5.597	2.952	383	1.401	7.819
Ratios					
Return on equity (%)	61,9	154,1	(114,1)	23,6	79,3
Equity ratio (%)	35,6	34,4	5,9	9,3	9,3

Management commentary

Primary activities

The Company's primary activity is to carry on chartering and time chartering business.

Development in activities and finances

Copenship MPP A/S produced a profit of USD 2.6 million which is satisfactory and better than expected.

Copenship MPP's revenue and operating expenses are denominated in US dollars, for which reason the financial risk is associated with the administrative expenses not denominated in US dollars. These are primarily the administrative expenses incurred in Denmark, with Copenship regularly assessing whether or not to hedge the USD/DKK rate.

Copenship MPP A/S also makes use of hedging instruments for bunker purchases either by physical forward purchases or paper hedges through bunker swaps.

As bunker hedging always is covered against physical products, there is no financial risk tied to these instruments. They are pure hedging instruments.

Outlook

Management expects 2014 to be a year where the shipping market improves compared to prior years because of a continuing increase in the demand for cargo whereas deliveries of new vessel will reduce. This supply-demand ratio is the main key to freight rates, and Management believes that the years from 2014 to 2017 will be profitable..

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

The Company present its annual report in USD which is the Company's functional currency. The functional currency is the currency used in the primary financial environment in which the Company operates.

On initial recognition, other currency transactions than USD are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or trade payables.

Accounting policies

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement as financial income or expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Results of a voyage in cases of re-chartering or time chartering in progress at the balance sheet date are accrued relative to the duration of the voyage before and after the balance sheet date.

Commission is taken to income in the financial year in which the chartered vessel takes in cargo. Commission calculated based on hire is accrued relative to the duration of the voyage before and after the balance sheet date.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Commission is taken to income in the financial year in which the chartered vessel takes in cargo. Commission calculated based on hire is accrued relative to the duration of the voyage before and after the balance sheet date.

Staff costs

Staff costs comprise salaries and wages as well as social security costs, pension contributions, etc for the Company's staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Other financial income

These items comprise interest income, realised and unrealised capital gains and losses on payables and transactions in foreign currencies.

Accounting policies

Other financial expenses
These items comprise interest expenses, realised and unrealised capital gains and losses on payables and transactions in foreign currencies.

Income taxes
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Inventories
Inventories primarily consist of oil held on board the vessels. Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Accounting policies

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Other provisions
Other provisions comprise anticipated losses on voyages in progress and claims etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a voyage in progress, a provision is made for the total loss estimated to result from the relevant voyage.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable
Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred income
Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement
The Company has not prepared a cash flow statement as it forms part of the consolidated financial statements..

Financial highlights
Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Accounting policies

Ratios	Calculation formula	Ratios reflect
Return on equity (%)	Profit/loss for the year x 100 / Average equity	The Entity's return on capital invested in the Entity by the owners.
Equity ratio (%)	*Equity x 100 / Total assets*	The financial strength of the Entity.

Income statement for 2013

	Notes	2013 USD	2012 USD'000
Gross profit		**4.194.023**	**3.853**
Staff costs	1	(422.500)	(391)
Depreciation, amortisation and impairment losses	2	0	1
Operating profit/(loss)		**3.771.523**	**3.463**
Other financial income	3	8.564	16
Other financial expenses	4	(251.680)	(52)
Profit/(loss) from ordinary activities before tax		**3.528.407**	**3.427**
Tax on profit or loss from ordinary activities	5	(883.449)	(858)
Net profit/(loss) for the year		**2.644.958**	**2.569**

Proposed distribution of profit or loss			
Retained earnings		2.644.958	2.569
		2.644.958	**2.569**

Balance sheet at 31.12.2013

	Notes	2013 USD	2012 USD'000
Deferred tax	7	1.666	0
Fixed asset investments	6	**1.666**	**0**
Fixed assets		**1.666**	**0**
Raw materials and consumables		1.230.606	1.784
Inventories		**1.230.606**	**1.784**
Trade receivables		2.838.502	1.894
Receivables from group enterprises		10.451.671	4.061
Other short-term receivables		585.768	83
Prepayments	8	591.072	637
Receivables		**14.467.013**	**6.675**
Cash		**30.600**	**116**
Current assets		**15.728.219**	**8.575**
Assets		**15.729.885**	**8.575**

Balance sheet at 31.12.2013

	Notes	2013 USD	2012 USD'000
Contributed capital	9	96.337	96
Retained earnings		5.500.686	2.856
Equity		**5.597.023**	**2.952**
Other provisions	10	6.665	600
Provisions		**6.665**	**600**
Bank loans		357.217	0
Trade payables		4.511.189	2.643
Debt to group enterprises		4.025.039	992
Income tax payable		885.115	569
Other payables		94.971	72
Deferred income	11	252.666	747
Current liabilities other than provisions		**10.126.197**	**5.023**
Liabilities other than provisions		**10.126.197**	**5.023**
Equity and liabilities		**15.729.885**	**8.575**

	Notes
Contingent liabilities	12
Assets charged and collateral	13
Related parties with control	14
Ownership	15
Consolidation	16

Statement of changes in equity for 2013

	Contributed capital USD	Retained earnings USD	Total USD
Equity beginning of year	96.337	2.855.723	2.952.060
Profit (loss) for the year	0	2.644.963	2.644.963
Equity end of year	**96.337**	**5.500.686**	**5.597.023**

Notes

1. Staff costs

	2013 USD	2012 USD'000
Wages and salaries	402.110	369
Pension costs	19.522	21
Other social security costs	868	1
	422.500	**391**
Average number of employees	**3**	**3**

2. Depreciation, amortisation and impairment losses

	2013 USD	2012 USD'000
Depreciation of property, plant and equipment	0	10
Profit or loss from sale of intangible assets and property, plant and equipment	0	(11)
	0	**(1)**

3. Other financial income

	2013 USD	2012 USD'000
Exchange rate adjustments	8.564	1
Fair value adjustments	0	15
	8.564	**16**

4. Other financial expenses

	2013 USD	2012 USD'000
Interest expenses	57.231	45
Fair value adjustments	190.265	0
Other financial expenses	4.184	7
	251.680	**52**

5. Tax on ordinary profit or loss for the year

	2013 USD	2012 USD'000
Tax on current year taxable income	885.115	569
Change in deferred tax for the year	(1.666)	289
	883.449	**858**

6. Fixed asset investments

Notes

	2013 USD	2012 USD'000
7. Deferred tax		
Provisions	1.666	0
	1.666	**0**

8. Prepayments

Accrualed results of voyages in progress.

9. Contributed capital

The share capital consists of 1.000 shares at DKK 500. The shares have not been divided into classes.

The share capital has not been changed since the foundation.

10. Other provisions

The item consists of provisions for claims 2013: USD 0, 2012: USD 600.000 and Provisions for losses on voyages in progress 2013: USD 6.655 2012: USD 0..

11. Short-term deferred income

Accrualed results of voyages in progress.

12. Contingent liabilities

The company has provided a floating charge of DKK 10m nominal as security for bank debt, equal to USD 1.77m.

The floating charge includes unsecured claims relating to sale of goods and services, goodwill, domain names and rights.

The Company is included in a Danish joint taxation with Copenship A/S as the management company. Therefore and in accordance with the rules hereon in the Danish Corporation Tax Act, the Company is jointly and severally liable for income taxes as of the financial year 2013. The company is also severally liable with the jointly taxed companies as of 1 July 2012 for any liability to withhold tax at source including interest, royalties and dividends.

13. Assets charged and collateral

Notes

The Company has provided a guarantee for the group enterprises' debt to Sydbank.

The limit of the guarantee is DKK 25m, equal to USD 4.42m.

14. Related parties with control

Copenship A/S, Central Business Reg No 33 06 79 25, Håbets Allé 26B, 2700 Brønhøj, Denmark wholly owns the shares of the Entity and thus has control over the Entity.

15. Ownership

The Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:
Copenship A/S, Reg no 33 06 79 25, Håbets Allé 26B, 2700 Brønshøj, Denmark

16. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Copenship A/S, CVR-nr. 33 06 79 25, Håbets Allé 26B, 2700 Brønshøj