Nova Tankers A/S

Registration No. : 34 20 52 48

Annual report for 2014
(January 1 - December 31 2014)
(3 Financial year)

The annual report has been presented and approved at the annual general meeting of the Company

On: 25 May 2015



Chairman

Company information

The company	Nova Tankers A/S Esplanaden 50 1098 København K Danmark Established: January 6 2012 Registred office: Copenhagen
Main activity	The Company's objective is to operate as a commercial management company in the shipping industry.
Executive Board	Eva Bøje Errebo
Board of Directors	Christian Michael Ingerslev (Chairman) Henrik Kvist-Jacobsen Anette Ryde Lasse Carøe Henningsen
Auditor	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup Danmark

Statement by the Management on the Annual Report

Today the Board of Directors and the Executive Board presented the Annual Report for the financial year January 1 – December 31 2014 for Nova Tankers A/S.

The Annual Report has been presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements provide a true and fair view of the Company's assets, liabilities and equity, financial position at December 31 2014 and results of the Company's activities in the accounting period January 1 – December 31 2014.

We recommend that the Annual Report be approved at the Annual General Meeting.

Copenhagen on 25 May 2015

Executive

Eva Bøje Errebro

Board of Directors

Christian Michael Ingerslev (Chairman)

Henrik Kvist-Jacobsen

Anette Ryde

Lasse Carøe Henningsen

Independent Auditor's Report

To the shareholders of Nova Tankers A/S

Report on the Financial Statements

We have audited the Financial Statements of Nova Tankers A/S for the financial year January 1 – December 31 2014, which comprise summary of significant accounting policies, income statement, statement of financial position 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 whether the Financial Statements are free from material misstatement.

An audit involves performing audit 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 Company'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 Company'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.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at December 31 2014 and of the results of the Company operations for the financial year January 1 - December 31 2014 in accordance with the Danish Financial Statements Act.

Copenhagen, on 25 May 2015

Pricewaterhousecoopers
Statsautoriseret Revisionspartnerselskab

Mikkel Sthyr
Statsautoriseret revisor

Henrik Ødegaard
Statsautoriseret revisor

Accounting policies

The Annual Report for Nova Tankers A/S for the financial year January 1 - December 31 2014 has been presented in accordance with the provisions of the Danish Financial Statements Act class B companies.

The accounting policies are unchanged compared to last year.

The Annual Report for the financial year January 1 - December 31 2014 is presented in USD '000.

Recognition and measurement

Income is recognised in the income statement as earned. All expenses are recognised in the income statement. Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and when the value of the asset can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that the future economic benefits will flow out of the Company and when the measurement of the value of the liability is reliable. On initial recognition, assets and liabilities are recognised at cost. Subsequently, assets and liabilities are measured as described below for each item.

Foreign Currency Translation

USD is used as presentation currency and functional currency, as the majority of the Company's transactions are in USD. Transactions in currencies other than the functional currency are translated to the exchange rate on the date of transaction. Monetary items in foreign currency not settled by the balance sheet date are translated to the exchange rate on the balance sheet date. Foreign exchange gains and losses are included in the income statement as financial income and expenses.

On December 31 2014, the exchange rate was DKK/USD 612.14 (December 31 2013: DKK/USD 541.27).

Income statement

Gross profit

Gross profit includes net revenue and other external costs. Revenue comprises income from commercial management. Revenue comprises the fair value of the consideration received or receivable for the management service delivered. Revenue is shown net of value added tax and rebates. Commercial management income is recognised upon delivery of the service in accordance with the management agreement entered into. Other external expenses comprise expenses for administration etc.

Net financials

Financial income and financial expenses are recognised in the income statement with the amounts related to the financial year. Financial income and financial expenses include interest receivable and payable and exchange gains and losses on transactions denominated in foreign currencies etc.

Tax on results for the year

Tax on profit for the year includes the amount expected to be paid for the year plus adjustment concerning previous years and deferred tax.

The statement of financial position

Receivables

Receivables are measured at amortized cost. Provision is made for bad debts.

Liabilities other than provisions

Financial liabilities include trade payables, payables to associated companies and other payables are recognized initially at cost equal to the proceeds received, net of transaction costs incurred. In subsequent periods, the financial liabilities at amortized cost. Other liabilities are measured at net realizable value.

Income Statement for the period January 1 - December 31

USD '000

Notes		2014	2013
	Gross profit	**101**	**287**
	Financial income	5	0
	Financial expenses	3	3
	Results before tax	**103**	**284**
1	Tax on results for the year	26	74
	Results for the year	**77**	**210**
	Proposed distribution of results for the year:		
	Proposed dividend for the financial year	0	0
	Extraordinary dividend	459	0
	Retained earnings	77	210
		536	**210**

Statement of financial position at December 31

USD '000

Notes	Assets	2014	2013
	Current assets		
	Receivables from associated companies	4	0
	Cash	650	56.174
	Total current assets	**654**	**56.174**
	TOTAL ASSETS	**654**	**56.174**
	Liabilities		
2	**Equity**		
	Share capital	86	86
	Retained earnings etc.	-2	380
	Total equity	**84**	**466**
	Liabilities		
	Trade payables	6	9
	Tax payable	0	71
3	Other debt	564	55.628
	Total current liabilities	**570**	**55.708**
	TOTAL LIABILITIES AND EQUITY	**654**	**56.174**

4 Ownership

5 Other financial obligations

Notes

USD '000

1	Tax on profit for the year	2014	2013
	Current tax	26	74
		26	**74**

2	Equity	Share capital	Retained earnings	Total
	Balance at January 1	86	380	466
	Result for the year		77	77
	Extraordinary dividend		-459	-459
	Balance at December 31	86	-2	84

The share capital of DKK 500,000 (tUSD 86) is divided into 500,000 shares with a nominal value of DKK 1. No shares has special privileges.

3 Other debt

The amount primarily consists of payables to pool partners.

4 Ownership

The following shareholders are registered in the Company's register of shareholders as being owners of minimum 5 % of the voting rights or minimum 5 % of the share capital:

Maersk Tankers A/S, Copenhagen

5 Other financial obligations

The Company is part of national joint taxation in Denmark with A.P. Møller Holding A/S, and is jointly liable with other Danish companies within the Maersk Group for corporate- and withholding tax to Denmark.

T.USD 564 of cash is resticted and related to payables to pool partners.

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Nova Tankers A/S

Auditor's Long-form Report relating to Annual Report for 2014

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NOVA Tankers A/S

Auditor's Long-form Report relating to Annual Report for 2014

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Introduction

1 We have completed our audit of the Financial Statement for the financial year 31 December 2014. The Financial Statements show a profit from the operations of the Company of tUSD 77 and equity of tUSD 84.

2 We refer to our description of the responsibility for the presentation of the Annual Report etc and of the performance and scope of the audit provided in our Terms of Engagement dated 13 May 2014, pages 12 - 17, paragraphs 1 - 31.

Conclusion on the Audit Performed

3 The audit performed did not give rise to comments of such materiality or nature that they are to be included in our auditor's report on the Financial Statements.

4 Provided that the Annual Report is approved in its present form and that no additional, significant information is brought forward during the Board of Directors' consideration and adoption of the Annual Report, we will provide the Financial Statements with an unqualified auditor's report without emphasis of matter and a statement on the Management's Review with no comments.

Comments on the Audit Performed

5 The development in the income statement and the statement of financial position is mainly effected by the decision of closure of the Nova Tankers Pool.

Revenue and operating expenses

6 Revenues, USD 2,255 thousand (2013: USD 6,361 thousand) and operating expenses, USD 2,154 thousand (2013: USD 6,075 thousand), are presented in the income statement as gross profit amounting to USD 101 thousand (2013: USD 287 thousand).

7 The Company is appointed commercial manager of the Nova Tankers pool according to Service Agreement dated 6 January 2012. The Company has appointed Maersk Tankers A/S and Phoenix Tankers Pte. Ltd. to provide various management services. This agreement has been cancelled in 2014 due to the closure of the Nova Tankers Pool.

8 We have tested the recognised revenue and operating expenses to the Service Agreement. Revenue is based on operating expenses incurred plus a mark-up of 5 %.

Cash

9 Cash balance, USD 650 thousand at 31 December 2014 (2013: USD 56,174 thousand), is specified by USD 564 thousand in Citibank and USD 86 thousand in Danske Bank. We have tested the balances to statements from banks.

Other debt

10 Other debt USD 564 thousand at 31 December 2014 (2013: USD 55,628 thousand), constitute the net balances against pool partners, originating from pool points and on-hire days adjusted for cash payments to the respective pool partners.

11 We have as part of our audit tested the balance to the reconciliation of pool result made up per vessel/pool partner.

Uncorrected misstatement

12 In accordance with current auditing standards, we must inform the Board of Directors of misstatements which have not been adjusted in the draft financial statements as the management assesses that they are insignificant both individually and combined for the financial statements as a whole.

13 This information is provided to ensure that the Board of Directors is informed about and agrees with the assessment made by Management.

14 All misstatements identified have been adjusted in the financial statements.

Risk of material misstatements due to fraud

15 According to the auditing standards the auditor is obliged to make inquiries to the Company's Board According to the auditing standards the auditor is obliged to make inquiries to the Company's Board of Directors into the way in which it supervises the activities and procedures imple-

mented by the Executive Board to identify and respond to the risk of material fraud in the Company and about internal control, if any, implemented by the Executive Board to prevent such risks.

16 We are moreover to make inquiries to the Board of Directors as to whether it has knowledge of any actual fraud affecting the Company or of any suspected or alleged fraud.

17 As part of this procedure we have discussed with the Executive Board the management and control processes established by the Company to detect and prevent fraud and error. During our discussions the Executive Board informed us that it has no knowledge of fraud or of any suspicion or allegation of fraud which may materially affect the Company.

Management's Review

18 Our audit did not include Management's Review, but we have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Minute Books and Representations Obtained

19 We have obtained a letter of representation signed by the Executive Board. Furthermore, we have obtained accounts statements from banks etc.

20 We have read the minutes of the general meetings and the minutes of the Board of Directors' meetings up to and including the meeting on 24 October 2014.

21 The material received did not disclose any matters not duly represented in the Financial Statements and Management's Review.

Statutory records etc

22 In accordance with the requirements of the Danish Companies Act, we have ensured that the Company's Board of Directors has established and is keeping a register of shareholders and major shareholders. We have also ensured that rules of procedure have been established for the Board of Directors.

23 In accordance with the requirements of the Danish Executive Order on Approved Auditors' Reports, we have ensured that the statutory provisions on bookkeeping and the keeping of accounting records have been observed.

Declaration

24 According to the Danish Act on Approved Auditors and Audit Firms, we declare:

that we comply with the auditor independence requirements contained in the law;
that we have received all the information requested by us.

Copenhagen, 25 May 2015
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Mikkel Sthyr
State Authorised Public Accountant

Henrik Ødegaard
State Authorised Public Accountant

Pages 22 - 25 were presented to the Board of Directors on / 2015.

Board of Directors

Christian Michael Ingerslev
Chairman

Henrik Kvist-Jacobsen

Anette Ryde

Lasse Carøe Henningsen

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