PRESS RELEASE RESULTS 2018

Antwerp
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Regulated information

PLAIN SAILING AHEAD

During its meeting of 28 March 2019 the Board of Directors of EXMAR ("EXMAR" or "the Company") reviewed the results for the year ending 31 December 2018.

Key figures

	International Financial Reporting Standards (IFRS) (Note1)		Management reporting based on proportionate consolidation (Note 2)	
Consolidated statement of profit or loss		**Restated (*)**		**Restated (*)**
(in million USD)	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Turnover (*)	87.7	80.7	171.6	214.9
EBITDA	27.5	58.6	67.4	141.4
Depreciations and impairment losses	-19.0	-8.0	-45.4	-71.4
Operating result (EBIT)	8.5	50.6	22.0	70.0
Net finance result	-21.0	-40.0	-36.6	-40.5
Share in the result of equity accounted investees (net of income tax)	-1.6	18.7	0.6	0.1
Result before tax	-14.2	29.3	-14.0	29.6
Tax	-1.9	-1.3	-2.1	-1.6
Consolidated result after tax	-16.1	28.0	-16.1	28.0
of which group share	-15.9	28.0	-15.9	28.0
Information per share in USD per share				
Weighted average number of shares of the period	57,045,439	56,832,558	57,045,439	56,832,558
EBITDA	0.48	1.03	1.18	2.49
EBIT (operating result)	0.15	0.89	0.39	1.23
Consolidated result after tax	-0.28	0.49	-0.28	0.49
Information per share in EUR per share				
Exchange rate	1.1838	1.1249	1.1838	1.1249
EBITDA	0.41	0.92	1.00	2.21
EBIT (operating result)	0.13	0.79	0.33	1.09
Consolidated result after tax	-0.24	0.44	-0.24	0.44

Note1: The figures in these columns have been prepared in accordance with IFRS as adopted by the EU.
Note2: The figures in these columns show joint ventures applying the proportionate consolidation method instead of applying the equity

(*)As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries in the offshore segment, statements have been restated. This restatement only concerns a reclassification within the statement of profit or loss and does not have result of the prior period. We refer to note 4 in the Financial report per 31 December 2018.

Cash Flow from operations (EBITDA) **as per proportionate consolidation method** is USD 67.4 million (USD 141.4 million in 2017 including capital gains of USD 71.6 million).
EBIT for the full year 2018 is USD 22.0 million (USD 70.0 million in 2017 including capital gains of USD 71.6 million).

Key events 2018 and Year-to-Date 2019

January 2018: Sale of EXMAR's interest in the Floating Storage and Regasification Vessel ***EXCELSIOR***
March 2018: Delivery of LPG carrier ***KAPELLEN***
May 2018: Delivery of LPG carrier ***KOKSIJDE***
July 2018: Delivery of LPG carrier ***WEPION*** and finalization of the Midsize Gas Carriers delivery programme
October 2018: EXMAR's barge-based FSRU received first hire under her Time-Charter contract with Gunvor
October 2018: Refinancing of EXMAR's Pressurized fleet agreed and committed
October 2018: EXMAR is awarded a contract for detailed design of the hull and deck and overall construction supervision of a Floating Production System using EXMAR's OPTI® proprietary design
November 2018: EXMAR signs a ten year tolling agreement with YPF of Argentina for the liquefaction of Natural Gas on board of the ***CARIBBEAN FLNG*** which is renamed ***TANGO FLNG***
February 2019: ***TANGO FLNG*** arrives in Argentina and starts commissioning
February 2019: Cancellation of the shipbuilding contract with Hanjin Heavy Industries for two Very Large Gas Carriers and ongoing negotiations with a shipyard to secure replacement vessels

Highlights 2018 and Outlook 2019

LPG:

The EBIT for the LPG Division in the full year 2018 was USD 3.2 million (including a capital gain of USD 1.0 million on the sale of the ***COURCHEVILLE***) compared to USD 4.6 million for the full year 2017 (including a capital gain of USD 0.5 million on the sale of the ***BRUGGE VENTURE***).

Time-Charter Equivalent (in USD per day)	Full Year 2018	Full Year 2017
Midsize (38,115 m³)	17,979	20,315
VLGC (83,300 m³)	15,531	12,090
Pressurized (3,500 m³)	6,967	5,755
Pressurized (5,000 m³)	8,766	6,977

In the beginning of the year a fall in VLGC earnings following reduced demand from China and India brought Time-Charter earnings back to the lows of early 2017. A mild winter and global high storage levels have contributed to the slump in earnings. EXMAR's single *VLGC* position with ***BW TOKYO*** has been extended until end 2019 on a partially fixed and partially floating hire basis in accordance with the Baltic Index limiting EXMAR's exposure to the market fluctuations.
In March 2018 EXMAR announced it had contracted two VLGC Newbuildings with LPG as a fuel for the main engine at Hanjin Heavy Industries & Construction at Subic Bay (Philippines) to serve long-term commitments with Equinor ASA of Norway for worldwide LPG transportation.
In January 2019 Hanjin Heavy Industries & Construction at Subic Bay filed for rehabilitation due to financial difficulties. The construction disruptions caused thereby obliged EXMAR to cancel both Shipbuilding Contracts and invoke the Refund Guarantees from Korean Development Bank to recover each of the Instalments already paid.
In order to fulfil its long-term commitments towards Equinor ASA of Norway and further dedicate its resources to innovative shipping solutions, EXMAR is currently in advanced negotiations with a shipyard to secure replacement vessels.

The Midsize ("***MGC***") market showed signs of an increasing recovery in the beginning of 2019 but quickly suffered from the lack of employment of the VLGCs. Whilst having a solid backbone of 79 % cover for 2019, the forward fixing strategy of EXMAR is paying off as those fixings are done above current market terms. EXMAR's 20 unit-strong Midsize fleet and diverse client portfolio remains well-placed to take advantage of an improving market environment.

Continued tight spot market conditions and a limited order book maintain a solid outlook for the Pressurized vessel segment. EXMAR's fleet is entirely booked for 2019. Rewarding new prospects as well as opportunities to extend current charters are therefore expected to positively impact future earnings. In the meantime, a successful refinancing operation on EXMAR's Pressurized fleet of ten vessels will be completed in April 2019 with already six vessels refinanced in 2018 generating in total approximately USD 60.0 million of free cash to EXMAR.

LNG & LNG Infrastructure:

The EBIT for the LNG Division over the full year 2018 was USD 21.4 million (including a capital gain of USD 30.9 million on the sale of EXCELSIOR) compared to USD 47.6 million for 2017 (including a USD 70.0 million capital gain on the sale of EXPLORER, EXCELERATE and EXPRESS and a USD 22.5 million impairment on the ***EXCEL***).

LNG Shipping: LNG shipping cash flow is generated by the LNG carrier ***EXCALIBUR*** under her long-term time charter contract until early 2022, performing in line with her contract. The debt on the ***EXCALIBUR*** has been successfully refinanced until the end of her time charter. This will guarantee a stable income in the coming years and puts EXMAR in a position to take advantage of new LNG shipping opportunities as they arise.

Floating Regasification: The barge-based Floating Storage Regasification Unit ("***FSRU***"), contracted to Gunvor and delivered from the yard in 2017, is currently still at Keppel Shipyard, Singapore. EXMAR awaits instructions and a timeline for further mobilization as Gunvor might elect.
Gunvor has certain termination rights in line with market practice and such rights exist as long as no agreement is reached between Gunvor and its customer for the deployment of the unit.
In the meantime the ***FSRU*** is on hire as from October 2018. EXMAR has reached an agreement in principle for the financing of the unit.

Floating Liquefaction: The ***TANGO Floating Liquefaction barge*** ("***TANGO FLNG***") arrived in Bahia Blanca Argentina on 4 February 2019. The ***TANGO FLNG*** is already installed and safely moored in Bahia Blanca, Argentina, only two-and-a-half months after contract signing. The installation and commissioning of the unit has started on arrival and EXMAR's management remains comfortable that the unit will be able to start its gas liquefaction operations in the second quarter of 2019 at which time a significant portion of the restricted cash under the financing of ***TANGO FLNG*** will be released. The yearly production of about 500,000 tons LNG will account for an estimated annual EBITDA of USD 43.0 million per year with a potential upside depending on the market environment and the actual production of the unit.

OFFSHORE

The EBIT for the Offshore Division for the full year 2018 was USD -0.4 million compared to USD -7.7 million in the year 2017.

Despite the volatility of oil prices, EXMAR Offshore in Houston was awarded a contract for the detailed design of the hull and deck, and overall construction supervision of a third OPTI® floating production semisubmersible for deployment in the Gulf of Mexico.

This is a significant achievement for EXMAR at a time when only a handful of projects have been sanctioned in recent years. This unit will be similar to EXMAR's OPTI® design on the ***DELTA HOUSE*** development and EXMAR has received a license fee for its OPTI® Series hull at the end of 2018.

Additionally, EXMAR continues to perform early conceptual design work for a number of potential developments in the Gulf of Mexico based on the highly successful OPTI®- Series semisubmersible design. EXMAR's proven OPTI® based floating production system offers operators a lower cost option to produce deepwater fields and enables a shorter project development cycle time.

The ***NUNCE*** accommodation work barge will remain under firm employment with Sonangol P&P, offshore Angola, until the end of the second quarter 2022. The ***WARIBOKO*** accommodation work barge continues to be employed by Total E&P, offshore Nigeria, until mid-2019. EXMAR is currently working on employment opportunities beyond that period.

SUPPORTING SERVICES

The contribution of the supporting activities to the operating result (EBIT) for the full year 2018 was USD 1.8 million.

Within the specialized floating asset market, EXMAR SHIPMANAGEMENT expanded its fleet with several types of vessels including Gas carriers, a Juice carrier, a Multi-Purpose Service Vessel and one Floating Storage Unit. In addition, EXMAR SHIPMANAGEMENT will manage in 2019 four newbuild VLGCs for Trafigura, currently under construction.

LIQUIDITY POSITION

The Company is of the opinion that, taking into account its available cash, cash equivalents (including undrawn committed credit lines and release of restricted cash under the ***TANGO FLNG*** financing) and financing and re-financing assumptions, it has sufficient liquidity to meet its present obligations and cover its working capital needs for a period of at least 12 months.

The Company is looking to refinance, partly or fully, its existing bond (approximately USD 121.4 million) which is falling due on 7 July 2019. The Company believes that there is appetite for such refinancing, however no commitments have been made. DNB Markets, Nordea and Pareto Securities have been mandated in relation to a bond issue which may follow.

The Company met all its financial covenants as at 31 December 2018.

The next testing date with respect to the financial position as at the end of June 2019 is in September 2019. In the event of a breach of covenants the Company is confident that a waiver will be obtained from the relevant lenders.

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Dividend

The Board of Directors proposes not to pay a dividend for the accounting year 2018.

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Statement on the true and fair view of the consolidated financial statements and the fair overview of the management report.

The Board of Directors, represented by Nicolas Saverys (CEO) and NV Jalcos (represented by its legal representative Ludwig Criel) and the Executive Committee, represented by Patrick De Brabandere (COO) and Miguel de Potter (CFO), hereby confirm that, to the best of their knowledge, the consolidated financial statements for the period ended 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the entities included in the consolidation as a whole, and that the management report includes a fair overview of the important events that have occurred during the financial year and of the major transactions with the related parties, and their impact on the consolidated financial statements, together with a description of the principal risks and uncertainties they are exposed to.

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Annex

- Consolidated statement of financial position;
- Consolidated statement of profit or loss
- Consolidated statement of comprehensive income;
- Consolidated statement of cash flows;
- Consolidated statement of changes in equity;
- Management's view on Liquidity Position.

Calendar

Announcement of the first quarter results 2019 : Thursday 25 April 2019
Annual Financial Report EXMAR available on website : Thursday 25 April 2019
Annual General Meeting of Shareholders : Tuesday 21 May 2019

The Board of Directors
Antwerp, 28 March 2019.

EXMAR

ANNEX TO PRESS RELEASE OF 28 MARCH 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of USD)

	31/12/2018	31/12/2017
ASSETS		
NON-CURRENT ASSETS	**720,677**	**729,266**
Vessels	564,423	563,021
Vessels	564,423	563,021
Vessels under construction - advance payments	0	0
Other property, plant and equipment	2,032	2,323
Intangible assets	405	612
Investments in equity accounted investees	104,490	104,416
Borrowings to equity accounted investees	49,328	58,894
CURRENT ASSETS	**183,664**	**189,329**
Equity accounted investee held for sale	0	23,004
Other investments	4,022	4,577
Trade and other receivables	72,345	50,772
Current tax assets	190	653
Derivative financial instruments	0	1,065
Restricted cash	67,270	67,434
Cash and cash equivalents	39,837	41,824
TOTAL ASSETS	**904,341**	**918,595**
EQUITY AND LIABILITIES		
TOTAL EQUITY	**462,763**	**477,542**
Equity attributable to owners of the Company	462,786	477,407
Share capital	88,812	88,812
Share premium	209,902	209,902
Reserves	179,985	150,662
Result for the period	-15,913	28,031
Non-controlling interest	-23	135
NON-CURRENT LIABILITIES	**225,376**	**350,757**
Borrowings	221,209	343,571
Employee benefits	4,166	4,826
Provisions	0	2,360
CURRENT LIABILITIES	**216,203**	**90,296**
Borrowings	165,657	29,136
Trade and other payables	48,183	60,001
Current tax liability	2,362	1,159
TOTAL LIABILITIES	**441,578**	**441,053**
TOTAL EQUITY AND LIABILITIES	**904,341**	**918,595**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(in thousands of USD)

	01/01/2018 - 31/12/2018	01/01/2017 - 31/12/2017 (*)
STATEMENT OF PROFIT OR LOSS		
Revenue	87,699	80,650 (*)
Gain on disposal	30,942	98,382
Other operating income	8,754	1,894
Operating income	**127,395**	**180,926**
Goods and services	-65,975	-83,454 (*)
Personnel expenses	-34,294	-38,277 (*)
Depreciations, amortisations & impairment losses	-19,019	-8,004
Provisions	2,360	0
Loss on disposal	-1,272	-27
Other operating expenses	-727	-549 (*)
Result from operating activities	**8,467**	**50,615**
Interest income	3,043	24,096
Interest expenses	-21,241	-20,469
Other finance income	6,999	1,766
Other finance expenses	-9,810	-10,394
Impairment loss loan to equity accounted investee	0	-35,026
Net finance result	**-21,009**	**-40,027**
Result before income tax and share of result of equity accounted investees	**-12,542**	**10,588**
Share of result of equity accounted investees (net of income tax)	-1,603	18,717
Result before income tax	**-14,145**	**29,305**
Income tax expense	-1,925	-1,353
Result for the period	**-16,070**	**27,952**
Attributable to:		
Non-controlling interest	-157	-79
Owners of the Company	-15,913	28,031
RESULT FOR THE PERIOD	**-16,070**	**27,952**
Basic earnings per share (in USD)	**-0.28**	**0.49**
Diluted earnings per share (in USD)	**-0.28**	**0.49**
STATEMENT OF COMPREHENSIVE INCOME		
Result for the period	**-16,070**	**27,952**
Items that are or may be reclassified to profit or loss		
Equity accounted investees - share in other comprehensive income	204	2,964
Foreign currency translation differences	-878	3,034
Net change in fair value of cash flow hedges - hedge accounting	0	191
	-674	**6,189**
Items that will never be reclassified to profit or loss		
Employee benefits - remeasurements of defined benefit liability/asset	247	-535
Other comprehensive income for the period (net of income tax)	**-427**	**5,654**
Total comprehensive income for the period	**-16,497**	**33,606**
Attributable to:		
Non-controlling interest	-158	-80
Owners of the Company	-16,339	33,686
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-16,497**	**33,606**

(*) As a consequence of the non-application of the agent principle on revenue and costs for one of our subsidiaries in the offshore segment, the prior period financial statements have been restated. The affected captions in the consolidated statement of profit or loss have been marked with a (*).

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of USD)

	01/01/2018 - 31/12/2018	01/01/2017 - 31/12/2017
OPERATING ACTIVITIES		
Result for the period	-16,070	27,952
Share of result of equity accounted investees (net of income tax)	1,603	-18,717
Depreciations, amortisations and impairment loss	19,019	8,004
Profit or loss effect equity securities measured at FVTPL	2,385	-705
Impairment loss loan to equity accounted investee	0	35,026
Net interest expenses/ (income)	18,198	-3,627
Income tax expense/ (income)	1,925	1,353
Net gain on sale of assets	-29,670	-98,355
Dividend income	-113	-107
Unrealised exchange difference	-5,049	3,751
Equity settled share-based payment expenses (option plan)	578	920
Gross cash flow from operating activities	**-7,194**	**-44,505**
(Increase)/decrease of trade and other receivables	1,092	-11,657
Increase/(decrease) of trade and other payables	2,125	29,737
Increase/(decrease) in provisions and employee benefits	-2,570	-55
Cash generated from operating activities	**-6,547**	**-26,480**
Interest paid	-13,315	-13,393
Interest received	4,431	22,577
Income taxes paid	-226	-2,572
NET CASH FROM OPERATING ACTIVITIES	**-15,657**	**-19,868**
INVESTING ACTIVITIES		
Acquisition of vessels and vessels under construction	-46,732	-281,500
Acquisition of other property, plant and equipment	-443	-250
Acquisition of intangible assets	-34	-254
Proceeds from the sale of vessels and other property, plant and equipment (incl held for sale)	81	1,754
Acquisition of subsidiaries, equity accounted investees and other investments (*)	0	-788
Disposal of subsidiary and equity accounted investees, net of cash disposed of	44,438	61,437
Dividends received from equity accounted investees	2,000	4,942
Other dividens received	113	107
Borrowings to equity accounted investees	0	0
Repayments from equity accounted investees	4,350	328,227
NET CASH FROM INVESTING ACTIVITIES	**3,773**	**113,675**
FINANCING ACTIVITIES		
Dividends paid	0	0
Proceeds from treasury shares and share options exercised	1,135	1,098
Proceeds from new borrowings	69,584	200,019
Repayment of borrowings	-57,505	-294,409
Payment for banking fees/ debt transaction costs	-2,295	-15,868
Payment CCIRS	0	-32,867
Increase in restricted cash	0	-67,434
Decrease in restricted cash	164	34,891
NET CASH FROM FINANCING ACTIVITIES	**11,083**	**-174,570**
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	**-801**	**-80,763**
RECONCILIATION OF NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
Net cash and cash equivalents at 1 January	41,824	121,096
Net increase/(decrease) in cash and cash equivalents	-801	-80,763
Exchange rate fluctuations on cash and cash equivalents	-1,186	1,491
NET CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**39,837**	**41,824**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of USD)

	Share capital	Share premium	Retained earnings	Reserve for treasury shares	Translation reserve	Hedging reserve	Share-based payments reserve	Total	Non-controlling interest	Total equity
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS PER 31 DECEMBER 2017										
Opening equity per 1 January 2017	**88,812**	**209,902**	**192,669**	**-52,236**	**-9,777**	**822**	**11,511**	**441,703**	**215**	**441,918**
Comprehensive result for the period										
Result for the period			**28,031**					**28,031**	**-79**	**27,952**
Foreign currency translation differences					3,035			3,035	-1	3,034
Foreign currency translation differences - share equity accounted investees					1,076			1,076		1,076
Net change in fair value of cash flow hedges - hedge accounting						191		191		191
Net change in fair value of cash flow hedges - hedge accounting - share equity accounted investees						1,888		1,888		1,888
Employee benefits - remeasurements of defined benefit liability/asset			-535					-535		-535
Total other comprehensive result	**0**	**0**	**-535**	**0**	**4,111**	**2,079**	**0**	**5,655**	**-1**	**5,654**
Total comprehensive result for the period	**0**	**0**	**27,496**	**0**	**4,111**	**2,079**	**0**	**33,686**	**-80**	**33,606**
Transactions with owners of the Company										
Dividends paid								0		0
Share-based payments										
Share options exercised			-1,792	3,750			-860	1,098		1,098
Treasury shares purchased								0		0
Share based payments transactions							920	920		920
Total transactions with owners of the Company	**0**	**0**	**-1,792**	**3,750**	**0**	**0**	**60**	**2,018**	**0**	**2,018**
31 December 2017	**88,812**	**209,902**	**218,373**	**-48,486**	**-5,666**	**2,901**	**11,571**	**477,407**	**135**	**477,542**

	Share capital	Share premium	Retained earnings	Reserve for treasury shares	Translation reserve	Hedging reserve	Share-based payments reserve	Total	Non-controlling interest	Total equity
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS PER 31 DECEMBER 2018										
Opening equity per 1 January 2018	**88,812**	**209,902**	**218,373**	**-48,486**	**-5,666**	**2,901**	**11,571**	**477,407**	**135**	**477,542**
Comprehensive result for the period										
Result for the period			**-15,913**					**-15,913**	**-157**	**-16,070**
Foreign currency translation differences					-877			-877	-1	-878
Foreign currency translation differences - share equity accounted investees					-403			-403		-403
Net change in fair value of cash flow hedges - hedge accounting						0		0		0
Net change in fair value of cash flow hedges - hedge accounting - share equity accounted investees						607		607		607
Employee benefits - remeasurements of defined benefit liability/asset			247					247		247
Total other comprehensive result	**0**	**0**	**247**	**0**	**-1,280**	**607**	**0**	**-426**	**-1**	**-427**
Total comprehensive result for the period	**0**	**0**	**-15,666**	**0**	**-1,280**	**607**	**0**	**-16,339**	**-158**	**-16,497**
Transactions with owners of the Company										
Dividends paid								0		0
Share-based payments										
Share options exercised			72	4,137			-3,069	1,140		1,140
Treasury shares sold								0		0
Share based payments transactions							578	578		578
Total transactions with owners of the Company	**0**	**0**	**72**	**4,137**	**0**	**0**	**-2,491**	**1,718**	**0**	**1,718**
31 December 2018	**88,812**	**209,902**	**202,779**	**-44,349**	**-6,946**	**3,508**	**9,080**	**462,786**	**-23**	**462,763**

LIQUIDITY POSITION

The Company is of the opinion that, taking into account its available cash and cash equivalents, its undrawn committed facilities available on the date of establishing the consolidated financial statements, its projected cash flows based on approved budgets and the liquidity impact of the management measures listed below, it has sufficient liquidity to meet its present obligations and cover its working capital needs for a period of at least 12 months from the authorization date of this annual report.
The consolidated financial statements for the year ended 31 December 2018 have been prepared on a going concern basis. In making this assessment, the Board of Directors assumed that the following management measures be timely and successfully completed to provide sufficient liquidity for the Company:

* The Company reached an agreement in principle with Bank of China, financing TANGO FLNG under a Loan Facility, to partially release cash currently trapped in a Debt Service Reserve Account to secure the Loan Facility. Following the execution of this agreement in principle, approximately USD 40 million restricted cash is expected to become available in May 2019 (ie after the collection of the first hire payment from YPF is expected) and an additional USD 13 million of restricted cash is expected to become available after one year of operations of TANGO FLNG. The documentation is being prepared and will be executed once the final approval of the China Export and Credit Insurance Corporation, Sinosure has been obtained.

* The Company agreed on a non-binding Term Sheet for the financing of the FSRU barge (chartered out to Gunvor) with China State Shipbuilding Corporation ("CSSC"). The FSRU barge is currently not pledged to any financings. The Company and CSSC Leasing have agreed to work towards a long term (10 years) sale and lease-back structure with drawdown of a first tranche of approximately USD 80 million net assumed in May 2019. A second tranche of approximately USD 40 million net is assumed to become available for drawdown in October 2019 (i.e. once the FSRU barge is expected to be operationally accepted by Gunvor). The total of this financing is still conditional, amongst others to final credit committee approval of CSSC but the Company is confident that such approval will be obtained in a reasonable timeframe. Gunvor has continued to pay full hire under the Time Charter Party.

* The Company is looking to refinance, partly or fully, its existing bond (approximately USD 121.4m) which is falling due on July 7, 2019. The Company believes that there is appetite for such refinancing, however no commitments have been made. DNB Markets, Nordea and Pareto Securities have been mandated in relation to a bond issue which may follow.

* In light of its ongoing operational challenges and the resulting pressure on its financial position, the Company is closely monitoring its compliance with the financial covenants. The Company has met all its financial covenants as at December 31th 2018 and the next testing date with respect to the financial position as at the end of June 2019 is in September 2019. Meeting the financial covenants at June 2019 is depending upon the successful implementation of some of the measures mentioned above. In the event of a breach of covenants the Company will request and is assuming it will be able to obtain a waiver from the relevant lenders.

The Board is confident that management will be able to timely and successfully implement these plans and therefore it has an appropriate basis for the use of the going concern assumption. In the event the above assumptions are not timely met, there is a material uncertainty whether the Company will have sufficient liquidities to fulfil its obligations for the period of at least 12 months from the date of authorising these financial statements.