

Society of International Gas Tanker & Terminal Operators Ltd



2013

Annual Report

Report and Financial Statements
to 31st December 2013



2013

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SIGTTO

PRESIDENT'S REPORT



It is always a great pleasure and privilege to be mandated, as SIGTTO President, to prepare this message for our annual report. I am proud to hold this position within the Society, which remains the industry leader for best practice of the liquefied gas shipping and terminals operations.

The gas sector is certainly today one of the most active and promising in the energy domain. Recent forecast set an annual growth over 2% p.a. for the next five years. Global gas demand is surging, nurtured by a growing preference for low-carbon energies and uncertainty over nuclear policies in various countries.

It is a very exciting time for the LNG shipping and terminals industry with a bright future ahead of us. In the next ten years, natural gas will meet an increasing proportion of the world's energy needs and, in the form of LNG, offers numerous advantages in terms of transport and flexibility. LNG will constitute an essential element of this rise in gas supply, in response to a growing

demand in many areas like Asia, Europe. North America remains, by far, the leading gas market while Asia is the most important region for LNG imports. Europe remains currently gripped by an economic crisis, but in the context of a declining North Sea production and policies to limit carbon dioxide emissions, European demand for LNG is expected to rise as well. On its own, Asia absorbed 74% of world LNG production in 2013.

The whole economy of this industry has been undoubtedly boosted by the unprecedented development of shale gas resources associated with a strong and sustained global demand of gas. Possible future US exports have contributed to trigger a rapid expansion of the LNG carriers fleet and have also supported the LPG sector, allowing in particular an unprecedented level of ordering of VLGC. In the Offshore sector, new FLNG and FSRU projects have been developed proposing high-technology units and innovative solutions.

In this context, the society had a very busy 2013. During this year, SGMF has been established to encourage the safe and responsible operations of vessels using LNG as fuel, and all marine activities relating to the supply of LNG used for fuel. The use of LNG as a marine fuel presents a major challenge for the shipping industry over the coming years.

SIGTTO is playing a leading role in the launch of this new NGO. SGMF membership is opened to the main stakeholders involved in the LNG bunkering supply chain, i.e. bunker suppliers, shipowners, bunker barge operators, port authorities and regulators. We believe that our participation will yield benefits for not only the gas shipping industry but also the general maritime community.

This favourable context provides SIGTTO with an exciting time and results in an ever-increasing range of activity and a growing and geographically diversified membership.

To face such present and future challenges, the Society can trust a very responsible membership who is consistently supplying staff to working groups and SIGTTO's General Purposes Committee (GPC). As said last year at the same period and as repeated during the last SIGTTO panel in Paris on May, we have to emphasize the action of the efficient and dynamic London based secretariat, lead by Andrew Clifton as General Manager.

Within the recent IMO development, I am pleased to report good progress on the approval of the revised International Gas Carrier Code (IGC Code). The draft revised International Gas Carrier (IGC) Code was adopted at the 93rd Session of IMO's Maritime Safety Committee (MSC 93) in May 2014. The application/implementation date will be 1 July 2016.

Following BLG 17, the IMO Correspondence Group has been reconvened to progress the IGF Code development. Focus remains on LNG as Fuel but the group has been instructed to also progress methyl alcohol and low-flash diesel as alternative fuels. Earliest adoption of an IGF Code will be first half of 2017. Recent IMO sub-committee work has looked at the location of LNG bunker tanks (Ship Design & Construction Sub-committee) and STCW training requirements (Human Element, Training & Watchkeeping Sub-committee).

The Society has been also active through its numerous working groups including: Human Factors, Terminal Competencies, Tugs in Ship and Terminal Emergency Responses, Gas Detection, Ship to Ship Transfer, HMPE working groups. The society has also further developed its library of publications with new documents or updated versions of existing ones.

I have to quote the excellent job carried-out regarding the Panama Canal document. The main task was to review all existing PCA (Panama Canal Authorities) regulations and industry guidelines that may be relevant to the transit of LNG carriers through the enlarged locks. Because LNG carriers have not transited the canal, a current review of the safety regime (in advance of the likely transits of such ships beginning at the end of 2015 – when the enlarged locks are due to open - makes good sense. The document is now available to purchase. Congratulations!

Progress and works in all the above named subjects are only achievable with active support from members. Many thanks for the commitment and expert participation of members contributing to keep the Society growing and facing the challenges ahead of us. Let's now look towards 2014, this year of the 35th anniversary of SIGTTO and 50th anniversary of LNG next October in Livorno. Save the date!

Luc GILLET
SIGTTO President

July 2014

GENERAL MANAGER'S REPORT



2013 was another busy and eventful year for the Society.

Over the year, the Society had seven members resign, and six join. At year end we had a total of 168 Full and Associate Members.

The Directors met three times during the year as per the Bye-Laws. The spring Board meeting was in Houston kindly hosted by BG and the autumn meetings were in London.

The 2013 Report of Accounts is attached.

The Society is registered in Bermuda as a “not-for-profit” entity, however we are allowed to retain surplus as reserves. We set the budget each year to generate a small surplus which goes to reserves. The reserve level we target is about one year’s operating costs and we are comfortably in excess of this target. The Society’s finances remain on a sound footing.

The General Purposes Committee (GPC) met twice in the year to manage the Society’s affairs. The meetings were in Houston in March and London in October. The Society maintains a full program of activities, most of which are addressed by working groups populated by experts selected from the member companies.

The Panel meeting was held on the days following the autumn GPC meeting in London. This is the main meeting forum for the members and was well attended with nearly 200 registered for the meeting.

Regional Forum meetings have continued to be held on a regular basis, the timing of such meetings being largely dictated by the members themselves.

The Society has ‘observer status’ as a Non-Governmental Organisation (NGO) at the International Maritime Organisation (IMO). The Secretariat attends IMO as appropriate and has written/co-sponsored submissions to IMO on various matters related to the LNG/LPG sector of the industry.

The Secretariat maintains close contacts with other NGOs, principally OCIMF, ICS, Intertanko and BIMCO. Where appropriate, we co-ordinate our activities to ensure a consistent industry message to the wider world.

After much effort by members and the wider industry, the revised International Gas Carrier Code (IGC Code) continues its process through the IMO system and is expected to come into force in January 2016.

The Secretariat maintains a program of external engagements to promote the Society’s profile, these include speaking to various bodies and chairing and presenting papers at conferences such as Gastech. In April, SIGTTO took a high profile at the LNG 17 conference in Houston where the General Manager co-chaired a session.

LNG for use as a ship’s fuel is a current hot topic. A large part of SIGTTO’s time in 2013 was spent establishing “The Society for Gas as a Marine Fuel” (SGMF). This is the new NGO dealing

with the use of LNG as a marine fuel. This NGO is now established and is fully independent. SIGTTO will continue to support and assist SGMF and work closely together.

The Society continues to be the principal voice for the liquefied gas industry. I look forward immensely to 2014 as SIGTTO General Manager, meeting and working with the membership, this is a very exciting and challenging time to be in this role.

Andrew Clifton
General Manager

June 2014

SIGTTO at a Glance

- SIGTTO was formed in 1979 with 7 members, within one year there were 20 members. At the end of 2013 SIGTTO had 132 Full Members and 36 Associate Members.
- SIGTTO has been organised to encourage safe and responsible operation of liquefied gas tankers and marine terminals handling liquefied gas; to develop advice and guidance for best industry practice among its members and to promote criteria for best practice to all who have responsibilities for, or an interest in, the continuing safety of gas tankers and terminals.
- SIGTTO is a not for profit organisation based in Bermuda with a London liaison office. London is the financial and shipping capital of the World and is also the headquarters of the International Maritime Organisation where SIGTTO has observer status.
- The SIGTTO London Office a permanent staff of six and has a Board of Directors, presently numbering 20, who meet three times a year. The Annual General Meeting of Members is normally held in the Autumn.
- The Society does not seek to promote the sectional interests of any of its members, nor will it compromise technical standards to secure commercial advantage for any one party.
- Our members are involved in all aspects of the safe marine transportation and transfer to and from shore tankage of liquefied gasses.
- SIGTTO publishes over 50 books, recommendations and guidelines – an average of two per year have been produced or updated. The SIGTTO website is available to all interested parties, and members have free access to further pages.
- SIGTTO sponsors Panel Meetings and Regional Forums where members are encouraged to suggest topics for discussion. Members, engineers, specialists and manufacturers are invited to speak at these events. Panel and Regional meetings provide an excellent opportunity for members to network with their peers.
- The main technical body of SIGTTO is the General Purposes Committee. General Purposes Committee members are expected to be supportive of the aims of the Society, in promoting safe and responsible operations in the sphere of gas tanker and terminal operations and to reflect this commitment in the conduct of their own operations.
- The GPC and the Secretariat provide the vehicle through which the knowledge and information gathering within the organisation can best be promulgated to the members and the regulatory bodies that influence the industry.

List of Directors – December 2013

Mr Luc Gillet	Total SA
Mr David Furnival	Bernard Schulte Shipmanagement
Mr Masahiro Iwatani	Kansai Electric Power Co Inc
Ms Anita Odedra	BG LNG Services
Mr Ed Carr	BGT
Mr Jim Ellis	BP Shipping
Mr Øyvind Solem	BW Gas
Mr Jim Kelley	Chevron Shipping
Mr Edwin Mortimer	Company Secretary
Mr Peter Pearman	Conyers Dill & Pearman
Mr Keith Trotter	Exxonmobil Development Company
Mr Rudolf Adamiak	GDF SUEZ
Mr Stephan Tschudi-Madsen	Hoegh LNG
Mr Faisal Ismail	MISC
Mr Takeshi Hashimoto	MOL
Mr Akira Kono	NYK Line
Mr. Yutaka Kunigo	Tokyo Gas
Mr Abdullah Al-Sulaiti	Qatar Gas
Mr David Glendinning	Teekay Shipping
Mr. Adri Postema	Shell

Facts & Figures 2013

LNGCs

SIGTTO Members own, operate or have a significant interest in 97% of the World total of 393 ships with a total capacity of 55.4 million m³.

Of the 20 LNGC new-buildings delivered in 2013 17 are either owned partially or entirely and/or operated by SIGTTO members. The remaining three are all small scale vessels.

LPGCs

Of the World total of 1092 LPG ships, which has a total capacity of 19.7 million m³ SIGTTO members own or operate 299 ships with a capacity totalling 9.9 million m³. This equates to around 50% of total vessel capacity, i.e. membership is heavily loaded towards the larger vessels.

LNG Terminals

SIGTTO members have interests in 23 of the 25 the LNG export terminals.

Of the 89 conventional regas terminals members have an interest in 74 and all 15 unconventional (i.e. floating and offshore) terminals are owned or operated wholly or in part by SIGTTO members.

LPG Terminals

SIGTTO members own or operate 71 terminals with 9.8 million m³ total storage capacity.

Sources:

GIIGNL "The LNG Industry"

IHS World Fleet Statistics

SIGTTO Membership Database and other internal records

**SOCIETY OF INTERNATIONAL GAS TANKER
AND TERMINAL OPERATORS LIMITED**

REPORT AND FINANCIAL STATEMENTS

31st DECEMBER 2013

Independent Auditors' Report to the Members of the Society of International Gas Tanker and Terminal Operators Limited

Report on the Financial Statements

We have audited the accompanying financial statements of the Society of International Gas Tanker and Terminal Operators Limited, which comprise the statement of financial position as at 31st December 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the society's members, as a body, in accordance with our terms of engagement. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society of International Gas Tanker and Terminal Operators Limited as at 31st December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Society of International Gas Tanker and
Terminal Operators Limited**

**Statement of Comprehensive Income
For the year ended 31st December 2013**

	<u>Note</u>	<u>2013</u>	<u>2012</u>
Revenue			
Members' annual dues		1,096,078	1,074,222
Royalties		161,248	128,400
Interest receivable		11,766	13,709
		<hr/>	<hr/>
Members' annual dues	2(b)	1,269,092	1,216,331
Expenditure			
Employee benefit expense	5	389,324	379,906
Office supplies, web and library costs		56,240	58,459
Members' meetings		228,520	235,466
Rents, rates and services		130,264	121,574
Professional fees		316,550	274,231
Project costs		32,363	(1,020)
Communications		5,096	7,423
Depreciation	4	7,448	8,162
Miscellaneous expenses		15,670	8,321
Loss allowances		-	8,745
		<hr/>	<hr/>
		1,181,475	1,101,267
		<hr/>	<hr/>
Surplus for the year		£ 87,617	£ 115,064
		<hr/> <hr/>	<hr/> <hr/>

The company has no items of other comprehensive income.

**Society of International Gas Tanker and
Terminal Operators Limited**

**Statement of Changes in Equity
For the year ended 31st December 2013**

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Total</u>
At 1st January 2012	25,188	1,623,377	1,648,565
Issue of shares to new members 1,800 shares	1,100	-	1,100
Surplus for the year	-	115,064	115,064
At 31st December 2012	£ 26,288	£ 1,738,441	£ 1,764,729
Issue of shares to new members 1,800 shares (note 8)	1,122	-	1,122
Surplus for the year	-	87,617	87,617
At 31st December 2013	£ 27,410	£ 1,826,058	£ 1,853,468

**Society of International Gas Tanker and
Terminal Operators Limited**

**Statement of Cash Flows
For the year ended 31st December 2013**

	<u>2013</u>	<u>2012</u>
Operating Activities		
Surplus for the year	87,617	115,064
Adjustment for:		
Interest receivable	(11,766)	(13,709)
Loss allowances	-	8,745
Depreciation	7,448	8,162
	<hr/>	<hr/>
Operating surplus before working capital changes	83,299	118,262
(Increase)/decrease in trade and other receivables	(353,736)	154,456
Increase/(decrease) in trade and other payables	76,083	(109,551)
	<hr/>	<hr/>
Cash inflow from Operating Activities	194,354	163,167
Investing Activities		
Interest received	11,766	13,709
Payments to acquire property, plant and equipment	(1,275)	(3,008)
	<hr/>	<hr/>
Cash inflow from Investing Activities	10,491	10,701
Financing Activities		
Issue of share capital	1,122	1,100
	<hr/>	<hr/>
Cash inflow from Financing Activities	1,122	1,100
(Decrease)/Increase in Cash in the Year	(182,741)	174,968
Cash and cash equivalents at Beginning of Year	<hr/> 1,854,021	<hr/> 1,679,053
Cash and cash equivalents at End of Year	<hr/> <hr/> £ 1,671,280	<hr/> <hr/> £ 1,854,021

**Society of International Gas Tanker and
Terminal Operators Limited**

Financial Statements for the year ended 31st December 2013

Notes

1. General

The Society of International Gas Tanker and Terminal Operators Limited, incorporated under the laws of Bermuda, is a non-profit company dedicated to the protection and promotion of the mutual interests of its Members in the safe operation of liquefied gas tankers and liquefied gas terminals. It consults with and represents its Members before the International Maritime Organisation and other bodies on matters relating to the shipment and terminalling of liquefied gas. The company's principal place of business is 17 St. Helen's Place, London.

2. Significant Accounting Policies

(a) Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards.

(b) Revenue

Revenue includes members' dues which are paid annually and comprise a basic minimum charge plus a call on the volume capacity of ships or terminals owned or operated by them. The level of the dues per unit volume is fixed by the Members in the Annual General Meeting. Members dues are accounted for on an accruals basis.

Royalty income is accounted for on an accruals basis.

(c) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation.

Depreciation is provided to write off the cost of property, plant and equipment on a straight line basis over the estimated useful economic lives, being 3 years.

(d) Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies have been translated into pounds sterling, the functional currency of the company at the rates of exchange prevailing at the balance sheet date. Income and expense transactions originating in foreign currencies are translated at the rates of exchange prevailing at the date of the transaction.

(e) Financial instruments

Financial assets and liabilities are initially recognised on the balance sheet at fair value when the company has become a party to the contractual provisions of the instrument.

All financial assets are categorised as loans and receivables. Such assets are carried at amortised cost using the effective interest method if the time value of money may have a significant impact on their value.

Financial liabilities are subsequently measured at amortised cost.

**Society of International Gas Tanker and
Terminal Operators Limited**

Financial Statements for the year ended 31st December 2013

Notes (Continued)

4. Property, Plant and Equipment

	<u>Refurbishment Costs</u>	<u>Fixtures, Fittings and Office Equipment</u>	<u>Total</u>
2013			
Cost			
At 1st January 2013	17,544	76,252	93,796
Additions in the year	-	1,275	1,275
At 31st December 2013	<u>17,544</u>	<u>77,527</u>	<u>95,071</u>
Depreciation			
At 1st January 2013	17,544	62,048	79,592
Charge for the year	-	7,448	7,448
At 31st December 2013	<u>17,544</u>	<u>69,496</u>	<u>87,040</u>
Net book value At 31st December 2013	£ -	£ 8,031	£ 8,031
2012			
Cost			
At 1st January 2012	17,544	73,244	90,788
Additions in the year	-	3,008	3,008
At 31st December 2012	<u>17,544</u>	<u>76,252</u>	<u>93,796</u>
Depreciation			
At 1st January 2012	17,544	53,886	71,430
Charge for the year	-	8,162	8,162
At 31st December 2012	<u>17,544</u>	<u>62,048</u>	<u>79,592</u>
Net book value At 31st December 2012	£ -	£ 14,204	£ 14,204

**Society of International Gas Tanker and
Terminal Operators Limited**

Financial Statements for the year ended 31st December 2013

Notes (Continued)

5. Employee Benefit Expense

	<u>2013</u>	<u>2012</u>
Wages and salaries	295,164	296,770
Social security costs	36,667	39,036
Pension contributions and healthcare	40,123	36,070
Other payroll costs	17,370	8,030
	<u>£ 389,324</u>	<u>£ 379,906</u>

6. Trade and Other Receivables

	<u>2013</u>	<u>2012</u>
Trade receivables	418,975	385,021
Prepayments and accrued income	120,387	88,802
Social security and other taxation	10,584	-
Other receivables	277,613	-
	<u>£ 827,559</u>	<u>£ 473,823</u>

Included in other receivables is a term loan provided to The Society for Gas as a Marine Fuel. The loan is up to £350,000 and as at 31 December 2013 £277,445 is outstanding. The loan is unsecured, repayable in three yearly instalments starting in May 2014 and attracts interest rate of 0.5%. £160,778 is considered to be non current. The fair value is considered to be materially equal to the carrying value.

7. Trade and Other Payables

	<u>2013</u>	<u>2012</u>
Trade payables	25,723	19,749
Social security and other taxation	10,972	15,042
Accruals and deferred income	616,707	542,528
	<u>£ 653,402</u>	<u>£ 577,319</u>

8. Share Capital

	<u>2013</u>		<u>2012</u>	
	\$	£	\$	£
Authorised				
50,000 voting shares of U.S.\$1 each	<u>50,000</u>		<u>50,000</u>	
Issued				
Voting shares of U.S.\$1 par value	<u>42,300</u>	<u>27,410</u>	<u>41,100</u>	<u>26,288</u>

**Society of International Gas Tanker and
Terminal Operators Limited**

Financial Statements for the year ended 31st December 2013

Notes (Continued)

8. Share Capital (Continued)

The company's by-laws provide that each new Member shall undertake to subscribe for the same number of voting shares as held by each other Member.

Presently, each Member holds 300 voting shares which must be transferred or surrendered at par value upon withdrawal from membership. Details of share transactions at par value are as follows:

	<u>2013</u>	<u>2012</u>
	(Number of Shares)	
Voting shares		
Number of voting shares brought forward	41,100	39,300
Issued to new members	1,800	1,800
Number of voting shares carried forward	42,900	41,100

9. Taxation

The company has received an undertaking from the Bermuda Government that in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of such tax shall not be applicable to this company or to any of its operations nor to the shares, debentures or other obligations of the company until 28th March 2016.

10. Operating Lease Commitments

The company has annual commitments under non cancellable operating leases which expire:

	Land and Buildings		Office Equipment	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Within one year	52,570	52,570	30,790	30,882
Between two and five years	91,998	144,568	50,482	79,190
	£ 144,568	£ 197,138	£ 81,272	£ 110,072

**Society of International Gas Tanker and
Terminal Operators Limited**

Financial Statements for the year ended 31st December 2013

Notes (Continued)

11. Capital Structure

The capital structure of the company includes all components of equity. Total equity at 31st December 2013 was £1,853,468 (2012: £1,764,729). The company's objectives when managing capital are:

- to safeguard the company's ability to continue as a going concern; and
- to enhance the ability of the company to support its members by sustaining a strong balance sheet position.

12. Risk and Financial Instruments

The following information is presented in order to assist users of the financial statements in assessing the extent of risk related to financial instruments:

Categories of financial assets	<u>2013</u>	<u>2012</u>
<u>Financial assets</u>		
Loans and receivables (including cash and cash equivalents)	£ 2,498,839	£ 2,327,844
<u>Financial Liabilities</u>		
Financial liabilities at amortised cost	£ 653,402	£ 577,319

The fair values of the company's financial instruments approximate their carrying values. There are no financial assets or liabilities measured at fair value in the balance sheet.

Financial risk management

The company's overall risk management policy focuses on seeking to limit potential adverse effects on the company's financial performance. The company does not use derivative financial instruments to mitigate risk.

Interest rate risk

The company's interest-bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The company has no interest bearing liabilities.

**Society of International Gas Tanker and
Terminal Operators Limited**

Financial Statements for the year ended 31st December 2013

Notes (Continued)

12. Risk and Financial Instruments (continued)

Concentrations of credit risk exist to the extent that at 31st December 2013 and 2012 all current accounts and short-term deposits were mainly held with two financial institutions with credit ratings according to Standard and Poor's as follows:

<u>Institution</u>	<u>Credit rating</u>	<u>2013</u>	<u>2012</u>
HSBC	AA-	128,547	54,764
Bank of Bermuda	A+	1,542,733	1,799,257
		<u>£ 1,671,280</u>	<u>£ 1,854,021</u>

The company monitors credit risk on a regular basis and manages its credit risk by placing bank deposits with reliable financial institutions.

Currency risk

The company monitors its exposure to currency risk on a regular basis. There are no other monetary assets and liabilities in currencies other than sterling. Any change to exchange rates would have no material impact on equity and the surplus for the year at the reporting date.

13. Recent Accounting Pronouncements

(a) New interpretations and revised standards effective for the year ended 31st December 2013

The Company has adopted the new interpretations and revised standards effective for the year ended 31st December 2013. The adoption of these interpretations and revised standards did not have a significant impact on the financial statements during the period.

(b) Standards and interpretations in issue but not yet effective

The International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") have issued revisions to a number of existing standards and new interpretations with an effective date of implementation after the date of these financial statements.

The directors do not anticipate that the adoption of these revised standards and interpretations will have a material impact on the figures included in the financial statements in the period of initial application other than the following revisions to existing standards:

**Society of International Gas Tanker and
Terminal Operators Limited**

Financial Statements for the year ended 31st December 2013

Notes (Continued)

13. Recent Accounting Pronouncements (continued)

(b) Standards and interpretations in issue but not yet effective (continued)

IFRS 9: Financial instruments

The revisions make substantial changes to the recognition and measurement of financial assets, financial liabilities and the derecognition of financial assets. In the future there will only be two categories of financial assets: those at fair value through profit and loss and those measured at amortised cost.

Most financial liabilities will continue to be carried at amortised cost, however, some financial liabilities will be required to be measured at fair value through profit and loss (for example derivatives) with changes in credit risk to be recognised in other comprehensive income.

The standard is effective for accounting periods beginning on or after 1st January 2015.