

Total Gas & Power Chartering Limited

Annual report and financial statements

For the year ended 31 December 2015



Registered No. 06710451

Total Gas & Power Chartering Limited

Directors and advisors

Directors

J. Besse
J-Y. Chantreau
L. Gillet
P. Lautard
J-P. Mateille
D. Toulouse

Secretary

R. Giovannone

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

HSBC Bank plc
133 Regent Street
London
WC2R 2PS

Registered Office

10 Upper Bank Street
London
E14 5BF

Total Gas & Power Chartering Limited

Strategic report

Registered No. 06710451

Review of the business

The principal activity of the company is to arrange for the transportation by ship of coal, petcoke and liquified natural gas (LNG). The company arranges for the carriage of such products by contracting with ship owners or disponent owners.

On 12 April 2013, the company entered into two 20 year time charter agreements for the use of large LNG carriers with Milestone LNG Transport SA and Great Shale LNG Transport SA, two shipping companies jointly owned by SK Shipping Co and Marubeni Corporation. The expected start date of the commencement of operations is in 2017.

A Time Charter Agreement was signed on 26 February 2015 between Total Gas & Power Chartering Limited and Yemen LNG Company Limited whereby one Yemen LNG vessel (Seri Balqis) is sub chartered to the company from 14 February 2015 to 31 December 2015. This agreement was extended on 13 September 2015 for 6 months, starting 1 January 2016.

During the year, the company transitioned from previously extant UKGAAP to FRS 101 and has taken advantage of the disclosure exemptions allowed under this standard. The company's parent undertaking, Total SA, was notified and did not object the use of the EU-Adopted IFRS disclosure exemptions.

Key Performance Indicators

The Companies Act 2006 requires directors to disclose the company's Key Performance Indicators (KPIs). Total manages its KPIs at a segment and geographical level. As a result the directors have taken the decision not to disclose KPIs in individual subsidiary accounts. The Total Group KPIs are included within the accounts of the ultimate parent undertaking Total SA.

Principal risks and uncertainties

The principal risks and uncertainties of the company relate to the quality of the vessels which it contracts to use and the ongoing performance of its counterparties.

The charter agreements entered into by the company subject it to counterparty risks. The ability of our counterparties to perform their obligations under each contract will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions and charter rates. Should a counterparty fail to honour its obligations the company could sustain significant losses which could have a material adverse effect on the performance of the business.

The chartering of an ocean-going vessel carries inherent risks. These risks include the possibility of marine accident, piracy, environmental accidents and business interruptions caused by mechanical failure, human error, war, terrorism, political action in various countries, labour strikes, or adverse weather conditions. Any of these circumstances or events could impact the finances of the company. The involvement of a vessel chartered by the company in an incident may result in the company facing claims under applicable international environmental conventions, laws and regulations, notwithstanding that the ship owner and or vessel operator would in principle primarily be liable. The company seeks to conduct its activities in such a manner so that there is little or minimal risks.

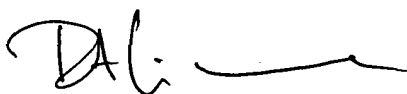
Total Gas & Power Chartering Limited

Strategic report (continued)

Future developments

It is the intention of the directors that the above business of the company will continue for the foreseeable future.

By order of the board,

A handwritten signature in black ink, appearing to read 'R. Giovannone', followed by a horizontal line.

R Giovannone
Secretary

2 June 2016

Total Gas & Power Chartering Limited

Directors' report

Registered No. 06710451

The directors present their annual report on the affairs of the company, together with the financial statements, for the year ended 31 December 2015.

Results and dividends

The loss after taxation amounted to \$ (845,000) for the year ended 31 December 2015 (2014 – profit of \$ 1,023,000). The directors do not propose a dividend in respect of the financial year (2014 – nil).

Going Concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors who served during the year and subsequently were:

F. Agnès (Resigned 23 August 2015)
J. Besse
J-Y. Chantreau
L. Gillet
P. Lautard
J-P. Mateille
D. Toulouse (Appointed 19 October 2015)

Events since the balance sheet date

A Time Charter Agreement was signed on 9 May 2016 between Total Gas & Power Chartering Limited and Yemen LNG Company Limited whereby one Yemen LNG vessel (Arwa Spirit) is sub chartered to the company from 15 July 2016 to 31 December 2016.

Disclosure of information to the auditors

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and the directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Re-appointment of auditors

The company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Ernst & Young LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of S485 of the Companies Act 2006.

Disabled employees and employee involvement

The company has no employees.

By order of the board,



R Giovannone
Secretary

2 June 2016

Total Gas & Power Chartering Limited

Directors' Responsibilities Statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under the company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

To the members of Total Gas & Power Chartering Limited

We have audited the financial statements of Total Gas & Power Chartering Limited for the year ended 31 December 2015 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Shareholders' Equity and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101: Reduced Disclosure Framework.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement as set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

Independent auditors' report (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Natalia Moolman (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: *6 June 2016*

Total Gas & Power Chartering Limited

Income Statement

for the year ended 31 December 2015

	Notes	2015 \$'000	2014 \$'000
Revenue	3	71,065	102,481
Cost of Sales		(70,560)	(99,926)
Gross profit		<u>505</u>	<u>2,555</u>
Administrative expenses		(1,382)	(1,252)
(Loss)/ profit on ordinary activities before taxation		<u>(877)</u>	<u>1,303</u>
Tax on (loss)/ profit on ordinary activities	7	32	(280)
(Loss)/Profit for the year	12	<u>(845)</u>	<u>1,023</u>

The (loss)/profit of the current and previous year was derived in its entirety from continuing operations.

Statement of comprehensive income

for the year ended 31 December 2015

The company had no other recognised gains or losses during the period.

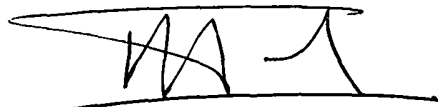
Total Gas & Power Chartering Limited

Balance sheet

at 31 December 2015

	Notes	2015 \$'000	2014 \$'000
Current assets			
Debtors	8	38,561	52,295
Total current assets		38,561	52,295
Total assets		38,561	52,295
Shareholders' equity			
Called up equity share capital	11	-	-
Retained earnings	12	2,730	3,575
Total Shareholders' equity		2,730	3,575
Current liabilities			
Creditors	9	2,021	7,969
Other current liabilities	10	33,810	40,751
Total current liabilities		35,831	48,720
Total liabilities and shareholders' equity		38,561	52,295

The financial statements were approved and authorised for issue by the board on 2 June 2016.



D. Toulouse
Director

Total Gas & Power Chartering Limited

Statement of changes in shareholders' equity for the year ended 31 December 2015

	Called up equity share capital (note 11) \$'000	Retained earnings (note 12) \$'000	Total \$'000
At 1 January 2014	-	2,552	2,552
Profit for the financial year	-	1,023	1,023
Total comprehensive income for the year	-	1,023	1,023
At 31 December 2014	-	3,575	3,575
At 1 January 2015	-	3,575	3,575
Loss for the financial year	-	(845)	(845)
Total comprehensive loss for the year	-	(845)	(845)
At 31 December 2015	-	2,730	2,730

Total Gas & Power Chartering Limited

Notes to the financial statements

at 31 December 2015

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Total Gas & Power Chartering Limited (the “company”) for the year ended 31 December 2015 were authorised for issue by the board of the directors on 2 June 2016 and the balance sheet was signed on the board’s behalf by D. Toulouse. Total Gas & Power Chartering Limited is incorporated and domiciled in England.

These financial statements were prepared in accordance with Financial Reporting Standards 101 Reduced Disclosure Framework (FRS 101) including the July 2015 amendments and in accordance with applicable accounting standards.

The company’s financial statements are presented in US Dollar and all values are rounded to the nearest thousand dollar (\$’000) except when otherwise indicated.

The results of Total Gas & Power Chartering Limited are included in the consolidated financial statements of Total SA (note 15).

The company’s principal place of business is Total Gas & Power Chartering Limited, 10 Upper Bank Street, London, E14 5BF.

2. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the revaluation of certain financial instruments and in accordance with applicable accounting standards.

The company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. There were no material measurement or recognition adjustments on adoption of FRS 101.

Where relevant equivalent disclosures have been made in the consolidated accounts of Total SA, the company has taken advantage of the following disclosures exemptions under FRS 101:

- (i) The requirements of paragraph 10(d), 10(f), 40(a), 111 and 134-136 of IAS 1 *Presentation of Financial Statements*
- (ii) The requirements of IAS 7 *Statement of Cash Flows*
- (iii) The requirements of paragraph 17 and 18(a) of IAS 24 *Related Party Disclosures*
- (iv) The requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- (v) The requirements of paragraphs 30 and 31 of IAS 8 *Accountings Policies, Changes in Accounting Estimates and Errors*
- (vi) The requirements of IFRS 7 *Financial instruments, Disclosures*
- (vii) The requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement* for assets and liabilities other than financial instruments

All equivalent disclosures regarding the above exemptions are included in the consolidated financial statements of Total SA.

Total Gas & Power Chartering Limited

Notes to the financial statements (continued)

at 31 December 2015

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue Recognition

Revenue represents sales made by the company in the normal course of business and is shown net of VAT.

Taxation

Corporation tax is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to receive more, tax. Deferred tax assets are recognised only to the extent that the directors consider that it is probable that taxable profit will be available against which the temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

Foreign currency

The company's financial statements are presented in US Dollar, which is also the company's functional currency.

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the Income Statement.

3. Revenue

Revenue comprises the amounts derived from the provision of goods and services which fall within the company's ordinary activities, and is stated net of VAT. All turnover arises from continuing activities and is attributable to the income from arranging transportation by ship of coal, petcoke and liquefied natural gas.

4. Auditors remuneration

Audit fees of \$23,000 (2014 - \$25,000) are borne by another group company, Total Gas & Power Limited, and disclosed in that company's financial statements. No non-audit services were provided by the auditors.

5. Employee costs

The company has no employees.

Total Gas & Power Chartering Limited

Notes to the financial statements (continued)

at 31 December 2015

6. Directors remuneration

None of the directors received or were due remuneration for services performed for the company during the year.

7. Taxation

	2015 \$'000	2014 \$'000
a) Tax charged in the income statement		
<i>Current tax</i>		
UK Corporation tax (credit)/charge for the year	(149)	280
Adjustments to current tax in respect of prior years	117	-
Total current tax charge	(32)	280
Tax (credit)/charge on profit on ordinary activities	(32)	280

b) Factors affecting the tax charge

The corporation tax charge is lower than (2014: equal to) the average standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The current year difference is reconciled below.

	2015 \$'000	2014 \$'000
(Loss) / profit on ordinary activities before tax	(877)	1,303
Corporation tax at 20.25% (2014: 21.5%)	(178)	280
Effects of:		
Expenses not deductible for tax purposes	29	-
Adjustments to tax charge in respect of previous periods	117	-
Total corporation tax (credit)/charge	(32)	280

The main rate of corporation tax reduced from 21% to 20% with effect from 1 April 2015. Following the Finance (No.2) Act 2015, the main rate will further reduce to 19% from 1 April 2017, and 18% from 1 April 2020. In the budget on 16 March 2016 it was announced that the previously enacted reduction to 18% from 1 April 2020 would be replaced with a reduction to 17%.

Total Gas & Power Chartering Limited

Notes to the financial statements (continued)

at 31 December 2015

8. Debtors

	2015	2014
	\$'000	\$'000
Amounts due from group companies	38,538	52,146
Other debtors	6	124
Corporation tax	17	-
VAT	-	7
Prepayments and accrued income	-	18
Total debtors	38,561	52,295

9. Creditors

	2015	2014
	\$'000	\$'000
Trade creditors	169	58
Amounts due to group companies	1	1
Accrued corporation tax	-	335
Accruals	1,851	7,575
Total creditors	2,021	7,969

10. Other current liabilities

	2015	2014
	\$'000	\$'000
Amounts due to group companies	33,810	40,751
Total other current liabilities	33,810	40,751

The company has an overdraft facility with another UK group subsidiary which is used to finance its current activities.

Total Gas & Power Chartering Limited

Notes to the financial statements (continued) at 31 December 2015

11. Equity share capital

	2015 \$'000	2014 \$'000
Authorised, allotted, called up and fully paid 100 Ordinary shares of £1 each	-	-

12. Retained earnings

	2015 \$'000	2014 \$'000
At 01 January	3,575	2,552
(Loss)/Profit for the year	(845)	1,023
At 31 December	2,730	3,575

Total Gas & Power Chartering Limited

Notes to the financial statements (continued)
at 31 December 2015

13. Off-balance sheet commitments and contractual obligations

2015	Total	Less than 1 year	Maturity and instalments	
			Between 1 and 5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000
Purchase obligations	486,595	12,407	131,278	342,910
Total contractual obligations not recorded in the balance sheet	486,595	12,407	131,278	342,910
Sales obligations	13,405	13,405	-	-
Total of commitments received	13,405	13,405	-	-
2014	Total	Less than 1 year	Maturity and instalments	
			Between 1 and 5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000
Purchase obligations	518,879	31,614	108,167	379,098
Total contractual obligations not recorded in the balance sheet	518,879	31,614	108,167	379,098
Sales obligations	44,819	31,741	13,078	-
Total of commitments received	44,819	31,741	13,078	-

Total Gas & Power Chartering Limited

Notes to the financial statements (continued)

at 31 December 2015

14. Related parties

During the year, the company paid, in the ordinary course of its business, amounts to the following related parties who are associated undertakings of fellow subsidiaries of Total SA.

		<i>Profit and Loss account</i>		<i>Creditor at end of year</i>	
		<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Yemen LNG	- Purchases	26,563	18,015	(100)	(352)
Total Gas & Power Business Services SAS	- Purchases	1,141	1,229	(444)	(1,229)

The company has taken advantage of the exemption in paragraph 8(k) of FRS 101 from disclosing transactions with wholly owned subsidiaries of the Total SA group.

15. Parent undertaking and controlling party

The immediate parent undertaking of this company is Total Midstream Holdings UK Limited, which is registered in England.

The company's ultimate parent undertaking is Total SA, a company registered in France. This is the largest and smallest group for which group financial statements are prepared. Copies of the financial statements of Total SA can be obtained from 2, Place Jean Millier, La Defense 6, 92400 Courbevoie, France.

16. Subsequent events since the balance sheet date

A Time Charter Agreement was signed on 9 May 2016 between Total Gas & Power Chartering Limited and Yemen LNG Company Limited whereby one Yemen LNG vessel (Arwa Spirit) is sub chartered to the company from 15 July 2016 to 31 December 2016.

17. Transition notes to FRS 101

For all periods up to and including the year ended 31 December 2014, the company prepared its financial statement in accordance with United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first the company has prepared in accordance with FRS 101.

The company has prepared the financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in Note 2.

In preparing these financial statements, the company has started from an opening balance sheet as at 1 January 2014 which is the company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. There were no material measurement or recognition adjustments on adoption of FRS 101.