



CONSOLIDATED INTERIM FINANCIAL REPORT

FIRST HALF 2014

**Njord Gas Infrastructure Group
Njord Gas Infrastructure Holding AS**

Njord Gas Infrastructure Holding AS and consolidated Group

Njord Gas Infrastructure Group

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**CONSOLIDATED INTERIM FINANCIAL REPORT FIRST HALF OF 2014
FOR
NJORD GAS INFRASTRUCTURE HOLDING AS
(‘the Holding Company’ or – together with its subsidiary – ‘the Group’)**

Main figures (Comparable figures for equivalent period previous year in brackets)

Operating revenue for the period amounted to NOK 1,022 million (NOK 973 million). Net operating income for the period amounted to NOK 629 million (NOK 565 million).

Net financial expense of NOK 230 million (NOK 138 million) mainly relates to cost associated to the Group’s bond issue and associated swaps.

The Group’s tax expense for the period was NOK 427 million (NOK 421 million). The effective tax rate for the period 107% (99%) was higher than the corporate tax rate (27%) plus the petroleum tax rate (51%) of 78% mainly due to relatively more revenue than expense qualifying for the petroleum tax element as well as permanent differences relating to depreciation, partly offset by the uplift.

Net loss for the period amounted to NOK 28 million (net gain of NOK 6 million).

At balance sheet date, total consolidated assets amounted to NOK 5,923 million (NOK 6,271 million), of which the investment in the Gassled JV (‘Gassled’) amounted to NOK 4,648 million (NOK 4,708 million). Cash and cash equivalents amounted to NOK 468 million (NOK 961 million).

Net consolidated cash flow for the period was positive NOK 53 million (positive NOK 132 million). A detailed cash flow statement is included in the financial statements. The Holding Company paid a dividend of NOK 250 million (NOK 88 million) to its shareholders in the reporting period. The Group also paid net principal payments of NOK 26 million (NOK 19 million) to its swap providers and NOK 2 million (NOK 2 million) in nominal value of the NOK 300 million index linked tranche in accordance with the terms of the agreements.

Regulatory developments

On 27 June 2013, the Ministry of Petroleum and Energy (‘MPE’) announced changes in the Tariff Regulation (the ‘Amendment’) which reduces the future income basis for the Group significantly. The implications for the Group are not substantial in the short to medium term, but will increase over time as new bookings at lower tariffs start to account for a higher proportion of the revenue basis.

In response to the Amendment, Njord Gas Infrastructure AS filed a writ of summons to initiate legal proceedings against the MPE on 16 January 2014. In the writ of summons, Njord Gas Infrastructure AS argues that the MPE’s decision to reduce the Gassled tariffs does not have sufficient legal basis and must therefore be ruled invalid and claims compensatory

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damages for the loss incurred as a result of the decision. The hearing date has been scheduled to commence in April 2015.

Outlook

With the exception of the ongoing tariff dispute, operation of the Group's main asset, the investment in Gassled, is running in line with expectations. Deliverability was as high as 99.94% for the period and overall HSE results are good.

However, the Group's long term financial profile has clearly changed as a consequence of the Amendment. The Board of Directors expects that the ongoing legal processes will require significant resources from the executive management and Board of Directors over the next 3-5 years. The Board of Directors views the Group's legal position as solid, but recognizes that there is always uncertainty associated with litigation processes. The final outcome of the court case is therefore considered uncertain. The Group intends to continue to fulfil all of its obligations as owner in Gassled.

The Board is not aware of any additional risk factors facing the Group other than those outlined in this report and in the Board of Directors' report for the year ended 31 December 2013.

NJORD GAS INFRASTRUCTURE GROUP

Consolidated income statement

<i>NOK thousands</i>	Note	Period ended 30 June 2014 (unaudited)	Period ended 30 June 2013 (unaudited)
Transportation and processing revenue		1,022,214	972,887
<i>Operating expense</i>			
Transportation and processing expense		(218,059)	(240,604)
Depreciation	4	(157,337)	(149,921)
Employee benefit expense		(5,712)	(3,897)
Other operating expense		(12,150)	(13,271)
Total operating expense		(393,258)	(407,693)
Net operating income/(loss)		628,955	565,194
Net financial income/(expense)	2	(229,520)	(137,826)
Net income/(loss) before taxes		399,435	427,368
Income tax (expense)/credit	6	(426,937)	(421,401)
Net income/(loss) for the period		(27,502)	5,967

Consolidated statement of comprehensive income

<i>NOK thousands</i>	Period ended 30 June 2014 (unaudited)	Period ended 30 June 2013 (unaudited)
Net income/(loss) for the period	(27 502)	5 967
Total comprehensive income/(loss)	(27 502)	5 967

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Consolidated statement of financial position

<i>NOK thousands</i>	Note	As at 30 June 2014 (unaudited)	As at 31 December 2013 (audited)
Assets			
<i>Non-current assets</i>			
Gas transportation and processing facilities	4	4 502 347	4 540 421
Buildings	4	117 144	118 406
Construction in progress	4	28 352	20 764
Other fixtures & equipment	4	606	627
Asset retirement reimbursement		77 085	75 293
Other financial assets	3	400 294	310 675
Total non-current assets		5 125 829	5 066 187
<i>Current assets</i>			
Asset retirement reimbursement, current portion		42 032	66 466
Trade and other receivables		286 595	275 633
Cash and cash equivalents		468 332	415 314
Total current assets		796 960	757 413
Total assets		5 922 789	5 823 600
Equity and liabilities			
<i>Equity</i>			
Share capital		228 631	228 631
Other paid in capital		365 655	377 588
Retained earnings		(27 502)	238 067
Total equity		566 784	844 287
<i>Liabilities</i>			
<i>Non-current liabilities</i>			
Deferred tax liabilities	6	608 621	552 876
Shareholder loans	5	171 109	166 188
Bond loans	5	3 584 144	3 444 869
Asset retirement obligation		78 631	77 035
Total non-current liabilities		4 442 504	4 240 968
<i>Current liabilities</i>			
Asset retirement obligation, current portion		42 032	66 466
Current taxes	6	365 392	272 030
Other financial liabilities	3	136 171	92 090
Bond loans	5	214 034	198 742
Trade and other payables		155 871	109 019
Total current liabilities		913 500	738 346
Total liabilities		5 356 005	4 979 314
Total equity and liabilities		5 922 789	5 823 600

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Consolidated statement of cash flow

<i>NOK thousands</i>	Note	Period ended 30 June 2014 (unaudited)	Period ended 30 June 2013 (unaudited)
<i>Cash flows from operating activities</i>			
Net income/(loss) before taxes		399,435	427,368
Depreciation	4	157,337	149,921
Interest expenses and finance expenses not paid		9,921	6,228
Foreign exchange and other gains and losses		132,284	41,898
Changes in trade and other receivables		(10,962)	1,498
Changes in trade and other payables		46,880	67,470
Changes in other long term receivables		0	(17)
Tax payments	6	(277,830)	(330,021)
Net cash flow used in operating activities		457,066	364,344
<i>Cash flows from investing activities</i>			
Investment in property plant and equipment	4	(125,792)	(124,134)
Net cash flow used in investing activities		(125,792)	(124,134)
<i>Cash flows from financing activities</i>			
Dividend payments		(250,000)	(88,306)
Payment of principal bond loans	5	(2,391)	(1,601)
Repayment of principal on swap contracts	5	(25,865)	(18,668)
Net cash flow used in financing activities		(278,256)	(108,575)
Net change in cash and cash equivalents		53,018	131,635
Cash and cash equivalents at the beginning of the period		415,314	828,853
Cash and cash equivalents at the end of the period		468,332	960,488
Interest paid		(89,918)	(96,526)

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Consolidated statement of equity

<i>NOK thousands</i>	Nominal share capital	Other paid in capital	Retained earnings	Total equity
Total equity as at 1 January 2013	457,263	457,263	(85,416)	829,109
Total comprehensive income/(loss) for the year	0	0	5,967	5,967
Dividend	0	(88,306)	0	(88,306)
Total equity as at 30 June 2013	457,263	368,957	(79,449)	746,770

<i>NOK thousands</i>	Nominal share capital	Other paid in capital	Retained earnings	Total equity
Total equity as at 1 January 2014	228,631	377,588	238,067	844,287
Total comprehensive income/(loss) for the year	0	0	(27,502)	(27,502)
Dividend	0	(11,933)	(238,067)	(250,000)
Total equity as at 30 June 2014	228,631	365,655	(27,502)	566,784

Notes to the consolidated accounts

Note 1 – General accounting principles

The Group's main business is long-term investment in gas infrastructure serving the Norwegian continental shelf. Njord Gas Infrastructure Holding AS (the "Holding Company"), which is the parent company in the Njord Gas Infrastructure Group (the "Group"), is a Norwegian private limited liability company headquartered in Stavanger, Norway. The Group's main activities are carried out through its Norwegian subsidiary, Njord Gas Infrastructure AS, which holds an 8.036% interest in Gassled, which owns the Norwegian gas transport infrastructure.

These interim condensed financial statements for the six months ended 30 June 2014 have been prepared in accordance with *IAS 34 - Interim Financial Reporting*. The interim condensed financial statements do not include all the information and disclosure required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2013.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statement for the year ended 31 December 2013. New and amended standards applicable for the period starting 1 January 2014 do currently not have any effect on the Group's financial statements.

All amounts in the interim financial statements are stated in Norwegian Kroner ('NOK) thousands unless stated otherwise. The interim financial statements are unaudited.

Note 2 – Financial income and expense

<i>NOK thousands</i>	Period ended 30 June 2014	Period ended 30 June 2013
Interest income	3 972	8 436
Net gain on derivative instruments (swaps)	34 676	0
Net currency translation effects	132	345
Total finance income	38 780	8 781
Interest expense	16 476	12 778
Net loss on derivative instruments (swaps)	0	47 042
Amortization of day 1 loss	5 217	5 725
Fair value loss on bond loans at FVTPL	245 118	79 106
Other financial expenses	1 490	1 956
Total finance expense	268 301	146 607
Net financial income/(expense)	(229 520)	(137 826)

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The majority of the Group's revenues are NOK denominated and subject to annual inflation adjustments. In order to synchronize its debt exposure (ref. Note 5) to its cash flows from operations, the Group has entered into three series of swap arrangements (ref. Note 3). Each series of swaps replicate perfectly the three nominal bond series so that the Group effectively has swapped all of its nominal bond positions into a NOK denominated inflation linked position.

The management expects that the concept of converting the three nominal bond series into a synthetic NOK denominated inflation linked position provides an effective hedging of the Group's overall cash flow position. However, the synthetic position creates an accounting exposure/mismatch that is distinct and separate from the underlying economic exposure of the Group and that would not arise for a conventional NOK denominated inflation linked bond position recognized at amortized cost.

Market expectations for the future development in the Norwegian interest rates have continued to reduce since inception of the swaps. This has caused an adverse impact on the Group's financial results for the reporting period, although it does not reflect the underlying exposure of the Group's operations overall. These effects are due to the *Fair Value Through Profit and Loss* approach ('FVTPL') applied for the recognition of the bonds and swaps which requires the Group to value the financial instruments marked-to-market. The full unrealized change in fair value of the financial instruments is thus recognized in the income statement immediately. In reality however, those exposures are matched against the operating cash flows which will be recognized in the income statement as incurred.

Critical judgments in measuring fair value

Bond loans recognized at FVTPL and swap contracts are grouped into level 2 and level 3 respectively according to the fair value hierarchy for the purpose of measuring fair value.

Assumptions applied for the purpose of estimating the fair value of the Group's nominal bond loan series and related swaps include expectations for future Norwegian interest rate, credit spread and future CPI. For the swapped position of the Group, an increase in a) Norwegian interest rates will have a favorable impact on the Group's income statement and vice versa, b) credit spread will have a favorable impact on the Group's income statement and vice versa, and c) CPI will have an adverse impact on the Group's income statement and vice versa. For example (assuming all other variables kept constant):

a) If expectations for future Norwegian interest rates at 30 June 2014 had been:

- 50bps higher, then profit before tax would have been NOK 117.5 million higher
- 50bps lower, then profit before tax would have been NOK 123.0 million lower

Management's estimate of change in credit spread since inception as applied in relation to these financial statements is 175bps.

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b) *If the change in credit spread at 30 June 2014 had been:*

- 25bps higher, then profit before tax would have been NOK 48.1 million higher
- 25bps lower, then profit before tax would have been NOK 49.2 million lower
- 50bps higher, then profit before tax would have been NOK 95.2 million higher
- 50bps lower, then profit before tax would have been NOK 99.5 million lower

Management's estimate of the long term CPI as applied in relation to these financial statements is 1.75%.

c) *If expectations for future CPI at 30 June 2014 had been:*

- 25bps higher, then profit before tax would have been NOK 56.5 million lower
- 25bps lower, then profit before tax would have been NOK 55.5 million higher
- 50bps higher, then profit before tax would have been NOK 114.0 million lower
- 50bps lower, then profit before tax would have been NOK 110.1 million higher

Note 3 – Other financial assets and liabilities

As described in Note 2, the Group has entered into a series of swap arrangements that are matched perfectly to each nominal bond tranche (timing, payment structure, maturity) so that the Group's effective debt service exposure is NOK denominated inflation linked. The following tables summarize the contracts and the carrying amounts.

Summary of contracts

Bond loan/swap contracts	Group pays to swap providers	Group receives from swap providers	Maturity
USD 265m nominal	NOK inflation linked interest and principal	USD nominal interest and principal	30 Sept. 2027
GBP 165m nominal ¹⁾	NOK inflation linked interest and principal	GBP nominal interest and principal	30 Sept. 2027
NOK 550m nominal	NOK inflation linked interest and principal	NOK nominal interest and principal	30 Sept. 2027

1) *GBP 28m of the total issued amount of GBP165m is held as treasury bonds following a buy back in 2013. The equivalent swap position was settled in 2013.*

Carrying amounts

<i>NOK thousands</i>	As at 30 June 2014	As at 31 December 2013
Fair value on derivative financial instruments	126 755	76 001
Loss on derivative instruments at inception	137 368	142 584
Less current portion (a net liability)	136 171	92 090
Other financial assets	400 294	310 675

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Reconciliation of fair value measurement

<i>NOK thousands</i>	As at 30 June 2014	As at 31 December 2013
Opening balance fair value derivative financial instruments	76 001	(27 843)
Payments of principal amounts	25 865	72 400
Net receipt of interest payments	(9 787)	(14 287)
Loss on settlement	0	1 500
Gain/(loss) from fair value remeasurements recognised in income statement	34 676	44 230
Ending balance fair value derivative instruments	126 755	76 001

The purposes of the swap arrangements

1) Reduce bond currency risk

After taking into account the swaps, the Group is only exposed to debt service in NOK so that its debt service obligations are not impacted by movements in USD and GBP versus NOK.

2) Match debt service with the NOK inflation linked cash flows of Gassled

Through the Group's investment in Gassled, it receives an inflation adjusted revenue stream that is mainly NOK denominated. By entering into the swap arrangements, the Group has effectively exchanged its nominal bond debt liabilities (NOK nominal bond loan, USD nominal bond loan, GBP nominal bond loan) for NOK denominated inflation linked debt service to match the underlying inflation linked NOK denominated cash flows from operations.

Loss of derivative instruments at inception

The fair value of the swap contracts has been calculated by valuation techniques that incorporate all factors that market participants would consider in setting a price. At initial recognition the best estimate of a fair value gave rise to a loss at inception of NOK 186,056 thousands. Consistent with IAS 39, this loss is not recognized in the income statement at initial recognition. The loss at inception is capitalized, and will be reflected in the income statement on a linear basis over the duration of the swaps. The remaining balance of the loss at inception was NOK 137,368 thousands at balance sheet date (NOK 142,584 thousands as at 31 December 2013).

The loss reflects credit charges from the swap counterparties and a limited market for such transactions.

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Note 4 – Property, plant and equipment

<i>NOK thousands</i>	Gas transportation and processing facilities	Buildings	Construction in progress	Other fixtures & equipment	Total
Cost					
Cost at 1 January 2013	5,054,805	133,533	0	373	5,188,712
Additions since acquisition	224,286	4,321	20,764	313	249,685
Disposals	0	0	0	0	0
Cost at 31 December 2013	5,279,092	137,854	20,764	687	5,438,397
Additions	115,249	2,732	7,588	0	125,568
Transferred from construction in progress	0	0	0	0	0
Disposals	0	0	0	0	0
Cost at 30 June 2014	5,394,340	140,585	28,352	687	5,563,965
Depreciation and impairment					
Accumulated at 1 January 2013	(443,226)	(11,693)	0	(28)	(454,947)
Depreciation for the year	(295,444)	(7,754)	0	(32)	(303,230)
Impairment	0	0	0	0	0
Disposals	0	0	0	0	0
Accumulated at 31 December 2013	(738,671)	(19,447)	0	(59)	(758,177)
Depreciation for the period	(153,322)	(3,994)	0	(21)	(157,337)
Impairment	0	0	0	0	0
Disposals	0	0	0	0	0
Accumulated at 30 June 2014	(891,993)	(23,441)	0	(80)	(915,515)
Carrying amount at 31 December 2013	4,540,421	118,406	20,764	627	4,680,219
Carrying amount at 30 June 2014	4,502,347	117,144	28,352	606	4,648,450
Depreciation plan	Linear	Linear	Linear	Linear	
Estimated useful life (years)	17.6 (1)	17.6 (1)	17.6 (1)	17.6 (1)	

(1) Depreciation over 17.6 years corresponds to the period from the acquisition of the interest in Gassled to the end of the current license period. Additions in 2014 is depreciated over 14.5 years.

Impairment testing

As outlined in the Board of Directors report of these financial statements, an amendment in the Tariff Regulation was effectuated in 2013 which reduced the Group's future income potential from the *Gas transportation and processing facilities*. On the basis of the new Tariff Regulation, the Group tested its property, plant and equipment for impairment as at 31 December 2013. The calculated recoverable amount was higher than the carrying amount and no impairment was recognized in the period. There is no new information which would cause any amendment to this assessment as per 30 June 2014.

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Note 5 – Shareholder loans and bond loans

To finance the acquisition of the interest in Gassled, the Group has entered into several loan agreements. The bond loans were issued in June 2011 and are listed on the Oslo Stock Exchange. Interest is paid semi-annually. In August 2013, the Group bought back GBP 28 million of the GBP nominal bond loan. The acquired bonds are held as treasury bonds. The tables below summarize the contracts and the carrying amounts.

Summary of contracts

Loan	Nominal amount remaining	Interest rate	Maturity	Category
NOK real bond loan (1)	NOKm 287	4.3000%	30 Sept. 2027	Amortized cost
NOK nominal bond loan (2)	NOKm 550	6.1525%	30 Sept. 2027	FVTPL
GBP nominal bond loan (3)	GBPm 137	5.2410%	30 Sept. 2027	FVTPL
USD nominal bond loan (4)	USDm 265	5.1000%	30 Sept. 2027	FVTPL
NOK shareholder loans	NOKm 169	6.0000%	30 Sept. 2028	Amortized cost

(1) Series 1 - NOK Index Linked Bond Issue 2011/2027 - ISIN NO 001 060768.2

(2) Series 2 - NOK Senior Secured Bond Issue 2011/2027 - ISIN NO 001 060769.0

(3) Series 3 - GBP Senior Secured Bond Issue 2011/2027 - ISIN NO 001 061111.4 (excluding treasury bonds)

(4) Series 4 - USD Senior Secured Bond Issue 2011/2027 - ISIN NO 001 061112.2

Carrying amounts

NOK thousands

As at 30 June 2014

Financial liabilities	Amortized cost	Fair value through profit or loss	Total carrying amount
Bond loans	305 688	3 492 490	3 798 178
Shareholder loans	171 109	0	171 109
Total	476 797	3 492 490	3 969 287

As at 31 December 2013

Financial liabilities	Amortized cost	Fair value through profit or loss	Total carrying amount
Bond loans	303 078	3 340 533	3 643 611
Shareholder loans	166 188	0	166 188
Total	469 266	3 340 533	3 809 799

NOK 214,034 thousands of the carrying amount of bond loans was due within the next twelve months of balance sheet date and therefore classified as ‘current liabilities’ (NOK 198,742 thousands as at 31 December 2013).

The Group did not make any repayments on shareholder loans in the reporting period (nil). The Group repaid principal of NOK 2,391 thousands on bond loans in the reporting period (NOK 1,601 thousands in the first half of 2013).

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Note 6 – Tax

Income taxes recognized in the income statement

<i>NOK thousands</i>	Period ended 30 June 2014	Period ended 31 December 2013
Tax payable	371,526	603,855
Tax payable, adjustment previous years	(334)	(29)
Change in deferred tax	55,745	345,556
Total income tax expense recognized in the income statement	426,937	949,382

Reconciliation of income tax

<i>NOK thousands</i>	Period ended 30 June 2014	Period ended 31 December 2013
Profit/(loss) before income tax	399,435	1,272,865
Expected income tax at nominal tax rate (27%)	107,847	356,402
Expected petroleum tax (51%)	203,712	636,432
Permanent differences (1)	54,030	111,471
Financial items	109,357	(75,380)
Onshore items	(38,437)	(50,652)
Uplift	(9,238)	(20,722)
Changed tax rates	0	(8,141)
Change in valuation allowance and changes related to prior years	(334)	(29)
Total income tax expense recognized in the income statement	426,937	949,382
Effective income tax rate	106.9 %	74.6 %

(1) Permanent differences mainly relate to depreciation of property, plant and equipment recognized at acquisition of interest in Gassled (section 10 resolution).

Specification of tax effects on temporary differences, tax losses and uplift carried forward

<i>NOK thousands</i>	Period ended 30 June 2014	Period ended 31 December 2013
Property, plant and equipment	474,713	426,488
Loans and swap contracts	136,421	142,277
Asset retirement obligation	(1,205)	(1,359)
Tax losses carried forward	(1,308)	(14,530)
Total deferred tax liabilities/(assets)	608,621	552,876
Valuation allowance for deferred tax assets	0	0
Total deferred tax liabilities/(assets) recognized	608,621	552,876

Deferred tax is calculated based on tax rates applicable at balance sheet date. Ordinary income tax is 27% , to which is added a special petroleum tax for oil and gas companies at the rate of 51%, giving a total tax rate of 78%.

Tax payable

<i>NOK thousands</i>	Period ended 30 June 2014	Period ended 31 December 2013
Tax payable for year 2013	603,855	603,855
Tax paid for year 2013	(642,601)	(364,771)
Tax payable for year 2014	371,526	0
Tax payable, adjustment previous years not yet assessed	32,612	32,945
Total tax payable	365,392	272,030

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Note 7 – Related party disclosure

Purchases from related parties

NOK thousands

Related party	Period ended 30 June 2014	Period ended 30 June 2013
UBS International Infrastructure Fund Holding Coöperatie UA (Shareholder)	84	253
CDC Infrastructure SA (Shareholder)	29	0
Sandvold Energy AS (100% owned by the Chairman of the Board)	168	966

Amounts above are exclusive of VAT and include refunds

- (1) *UBS Limited was one of two banks that were engaged by the Group to be joint lead arrangers on its bond offering in 2011 and is one of two counterparties to the Group's swap arrangements. UBS Limited is a group company to UBS International Infrastructure Fund Holding Coöperatie UA, who owns 82% of the share capital of the Holding Company. The purchases relate to rebilling of expenses incurred in relation to the management of Njord Gas Infrastructure AS.*
- (2) *CDC Infrastructure SA owns 18% of the share capital of the Holding Company. The purchases relate to rebilling of expenses incurred in relation to the management of Njord Gas Infrastructure AS.*

Other balances with related parties

NOK thousands

Related party	Period ended 30 June 2014	Period ended 31 December 2013
Trade payables		
UBS International Infrastructure Fund Holding Coöperatie UA	0	130
Sandvold Energy AS (100% owned by the Chairman of the Board)	210	203

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Income statement

<i>NOK thousands</i>	Note	Period ended 30 June 2014 (unaudited)	Period ended 30 June 2013 (unaudited)
Operating income		0	0
<i>Operating expense</i>			
Employee benefit expense		(29)	(16)
Other operating expense	3	(136)	(164)
Total operating expense		(165)	(180)
Operating income/(loss)		(165)	(180)
Net financial income/(expense)		(38)	(16)
Net income/(loss) before taxes		(202)	(196)
Income tax (expense)/credit		55	55
Net income/(loss) for the period		(148)	(141)

Njord Gas Infrastructure Holding AS and consolidated Group

Statement of financial position

<i>NOK thousands</i>	Note	As at 30 June 2014 (unaudited)	As at 31 December 2013 (audited)
Assets			
<i>Non-current assets</i>			
Deferred tax asset		319	265
Investments in subsidiaries		594,872	594,872
Total non-current assets		595,191	595,137
<i>Current assets</i>			
Dividend receivables		0	250,000
Cash and cash equivalents		80	96
Total current assets		80	250,096
Total assets		595,271	845,232
Equity and liabilities			
<i>Equity</i>			
Share capital		228,631	228,631
Other paid in capital		365,655	365,655
Total paid in capital		594,286	594,286
<i>Retained earnings</i>			
Other equity	2	(148)	0
Total equity		594,139	594,286
Liabilities			
<i>Non-current liabilities</i>			
Loan from subsidiary		1,104	916
Total non-current liabilities		1,104	916
<i>Current liabilities</i>			
Dividend payable		0	250,000
Trade and other payables		29	30
Total current liabilities		29	250,030
Total liabilities		1,132	250,946
Total equity and liabilities		595,271	845,232

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Statement of cash flow

<i>NOK thousands</i>	Note	Period ended 30 June 2014 (unaudited)	Period ended 30 June 2013 (unaudited)
<i>Cash flows from operating activities</i>			
Net income/(loss) before taxes		(202)	(196)
Interest expenses and finance expenses not paid		55	16
Changes in trade and other payables		(1)	(21)
Net cash flow used in operating activities		(149)	(200)
<i>Cash flows from investing activities</i>			
Dividends received		250,000	88,306
Net cash flow used in investing activities		250,000	88,306
<i>Cash flows from financing activities</i>			
Loan from subsidiary		133	200
Dividend paid to shareholders		(250,000)	(88,306)
Net cash flow used in financing activities		(249,867)	(88,106)
Net change in cash and cash equivalents		(16)	(0)
Cash and cash equivalents at the beginning of the period		96	2
Cash and cash equivalents at the end of the period		80	2
Interest paid		0	0

Njord Gas Infrastructure Holding AS and consolidated Group

Notes to the accounts

Note 1 – General accounting principles

Njord Gas Infrastructure Holding AS (the “Holding Company”)’s main business is long-term investment in gas infrastructure serving the Norwegian continental shelf. The Holding Company is a Norwegian private limited liability company headquartered in Stavanger, Norway. The Group’s main activities are carried out through its Norwegian subsidiary, Njord Gas Infrastructure AS, which holds an 8.036% interest in Gassled, which owns the Norwegian gas transport infrastructure.

The Holding Company is owned by UBS International Infrastructure Fund Holding Coöperatie U.A. (82%) and CDC Infrastructure SA (18%).

These interim condensed financial statements for the six months ended 30 June 2014 have been prepared in accordance with the provisions of the *Norwegian Accounting Act* and generally accepted accounting practices in Norway (‘N GAAP’). *NRS 11 Interim Reporting* provides guidelines regarding interim reporting.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2013. The report does not include all the information and disclosure required in the annual financial statement and should be read in conjunction with the Holding Company’s annual report for the year ended 31 December 2013.

All amounts in the financial statements are stated in Norwegian Kroner (‘NOK’) thousands unless stated otherwise. The interim financial statements are unaudited.

Note 2 – Reconciliation of equity

<i>NOK thousands</i>	Share capital	Other paid in capital	Other equity	Total equity
Total equity as at 1 January 2013	457,263	368,957	(464)	825,755
Net loss for the period	0	0	(141)	(141)
Total equity as at 30 June 2013	457,263	368,957	(606)	825,614
Total equity as at 1 January 2014	228,631	365,655	0	594,286
Net loss for the period	0	0	(148)	(148)
Total equity as at 30 June 2014	228,631	365,655	(148)	594,139

Note 3 – Related party disclosure

The Holding Company has a loan from its subsidiary with an outstanding balance of NOK 1,104 thousands at balance sheet date. (NOK 916 thousands as at 31 December 2013). The final repayment date on the loan is 30 September 2028.

The subsidiary charged the Holding Company NOK 50 thousands for administrative services, classified as *other operating expense*, in the first half of 2014 (NOK 50 thousands in the first half of 2013). There was no other purchase of goods or services from other related parties in the first six months of 2014 or in 2013.

Responsibility statement

We confirm, to the best of our knowledge, that the interim financial statements for the period 1 January to 30 June 2014 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and income statement of the Holding Company and the consolidated Group.

We also confirm, to the best of our knowledge, that the interim financial report includes a true and fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements, a description of the principal risks and uncertainties facing the Holding Company and the Group and major related parties transactions.

Stavanger, 30 June 2014/28 august 2014
The Board of Directors of Njord Gas Infrastructure Holding AS



Tore I. Sandvold
Chairman



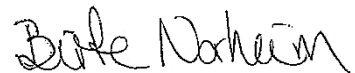
Paul J. Moy
Director



Mark A. Gilligan
Director



Gautier M. J. F Chatelus
Director



Birte Norheim
CEO