



CONSOLIDATED INTERIM FINANCIAL REPORT

FIRST HALF 2017

**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 2017
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 1,004 million (NOK 1,074 million). Net operating income for the period amounted to NOK 612 million (NOK 669 million).

Net financial expense of NOK 97 million (NOK 436 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 473 million (NOK 411 million). The effective tax rate for the period was 92% (177%) was higher than the corporate tax rate (24%) plus the petroleum tax rate (54%) 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 income for the period amounted to NOK 42 million (net loss of NOK 179 million).

At balance sheet date, total consolidated assets amounted to NOK 5,804 million (NOK 6,743 million), of which the investment in the Gassled JV (‘Gassled’) amounted to NOK 4,145 million (NOK 4,400 million). Cash and cash equivalents amounted to NOK 585 million (NOK 931 million).

Net consolidated cash flow for the period was negative NOK 43 million (positive NOK 324 million). A detailed cash flow statement is included in the financial statements. The Group paid a dividend of NOK 50 million (NOK 0 million) to its shareholders in the reporting period. The Group paid principal payments equivalent to NOK 266 million (NOK 103 million) to its bondholders during the period.

Regulatory developments

On 27 June 2013, the Ministry of Petroleum and Energy (‘MPE’) announced changes in the Tariff Regulation (the ‘Amendment’) which reduced the future income basis for the Company significantly. The implications for the Company are not substantial in the short to medium term, but 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, the Company argued that the MPE’s decision to reduce the Gassled tariffs does not have sufficient legal basis and must therefore be ruled invalid. The Company also claims compensatory damages for the loss incurred as a result of the Amendment.

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In September 2015, Oslo City Court announced its decision in favor of the MPE. The Company appealed the verdict and the appellate court proceedings took place in Borgarting Appellate Court in January to April 2017. In June 2017, Borgarting Appellate Court announced its decision in favour of the MPE. The Company has until 16 September to decide whether or not to appeal this decision.

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 99.7% 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 continue to require significant resources from the executive management and Board of Directors over the next years. 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 2016.

NJORD GAS INFRASTRUCTURE GROUP

Consolidated income statement

<i>NOK thousands</i>	Note	Period ended 30 June 2017 (unaudited)	Period ended 30 June 2016 (unaudited)
Transportation and processing revenue		1,003,505	1,073,992
<i>Operating expense</i>			
Transportation and processing expense		(186,159)	(194,349)
Depreciation	4	(178,881)	(174,729)
Employee benefit expense		(5,344)	(5,382)
Other operating expense		(20,735)	(30,982)
Total operating expense		(391,119)	(405,442)
Net operating income/(loss)		612,386	668,550
Net financial income/(expense)	2	(97,385)	(436,477)
Net income/(loss) before taxes		515,001	232,073
Income tax (expense)/credit	6	(472,635)	(410,588)
Net income/(loss) for the period		42,366	(178,515)

Consolidated statement of comprehensive income

<i>NOK thousands</i>	Period ended 30 June 2017 (unaudited)	Period ended 30 June 2016 (unaudited)
Net income/(loss) for the period	42,366	(178,515)
Total comprehensive income/(loss)	42,366	(178,515)

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Consolidated statement of financial position

<i>NOK thousands</i>	Note	As at 30 June 2017 (unaudited)	As at 31 December 2016 (audited)
Assets			
<i>Non-current assets</i>			
Gas transportation and processing facilities	4	4,034,638	4,173,599
Buildings	4	96,721	98,538
Construction in progress	4	13,373	6,488
Other fixtures & equipment	4	712	776
Asset retirement reimbursement		6,502	6,076
Other financial assets	3	697,058	782,912
Total non-current assets		4,849,005	5,068,389
<i>Current assets</i>			
Asset retirement reimbursement, current portion		238	634
Trade and other receivables		220,123	235,279
Other financial assets, current portion	3	149,896	165,589
Cash and cash equivalents		584,931	627,710
Total current assets		955,189	1,029,213
Total assets		5,804,193	6,097,602
Equity and liabilities			
<i>Equity</i>			
Share capital		228,631	228,631
Other paid in capital		247,453	247,453
Retained earnings		(24,513)	(16,879)
Total equity		451,572	459,206
<i>Liabilities</i>			
<i>Non-current liabilities</i>			
Deferred tax liabilities	6	923,383	924,033
Shareholder loans	5	204,158	198,288
Bond loans	5	2,872,755	3,134,226
Asset retirement obligation		8,319	8,014
Total non-current liabilities		4,008,616	4,264,562
<i>Current liabilities</i>			
Asset retirement obligation, current portion		238	634
Current taxes	6	622,854	600,475
Bond loans	5	669,552	691,511
Trade and other payables		51,361	81,214
Total current liabilities		1,344,006	1,373,835
Total liabilities		5,352,622	5,638,396
Total equity and liabilities		5,804,193	6,097,602

Njord Gas Infrastructure Holding AS and consolidated Group

Consolidated statement of cash flow

<i>NOK thousands</i>	Note	Period ended 30 June 2017 (unaudited)	Period ended 30 June 2016 (unaudited)
<i>Cash flows from operating activities</i>			
Net income/(loss) before taxes		515,001	232,073
Depreciation	4	178,881	174,729
Interest expenses and finance expenses not paid		10,299	7,579
Foreign exchange and other gains and losses		16,601	288,393
Changes in trade and other receivables		15,156	(9,460)
Changes in trade and other payables		(29,853)	33,804
Changes in other long term receivables		(120)	826
Tax payments	6	(450,907)	(240,617)
Net cash flow from operating activities		255,059	487,328
<i>Cash flows from investing activities</i>			
Investment in property plant and equipment	4	(44,925)	(66,858)
Net cash flow used in investing activities		(44,925)	(66,858)
<i>Cash flows from financing activities</i>			
Dividend payments		(50,000)	0
Payment of principal bond loans	5	(265,703)	(102,901)
Net received of principal on swap contracts	5	62,790	6,039
Net cash flow used in financing activities		(252,913)	(96,862)
Net change in cash and cash equivalents		(42,779)	323,608
Cash and cash equivalents at the beginning of the period		627,710	607,828
Cash and cash equivalents at the end of the period		584,931	931,436
Interest paid		(72,423)	(84,212)

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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 2016	228,631	265,655	284,736	779,022
Total comprehensive income/(loss) for the year	0	0	(178,515)	(178,515)
Dividend	0	0	0	0
Total equity as at 30 June 2016	228,631	265,655	106,221	600,507

<i>NOK thousands</i>	Nominal share capital	Other paid in capital	Retained earnings	Total equity
Total equity as at 1 January 2017	228,631	247,453	(16,879)	459,206
Total comprehensive income/(loss) for the year	0	0	42,366	42,366
Dividend	0	0	(50,000)	(50,000)
Total equity as at 30 June 2017	228,631	247,453	(24,513)	451,572

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 2016 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 2016.

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 2016. New and amended standards applicable for the period starting 1 January 2017 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 2017	Period ended 30 June 2016
Interest income	2,485	3,649
Net currency translation effects	453	0
Total finance income	2,939	3,649
Interest expense	15,569	13,650
Net loss on derivative instruments (swaps)	7,055	327,055
Amortization of day 1 loss	5,217	5,217
Fair value loss on bond loans at FVTPL	71,484	67,445
Other financial expenses	999	24,245
Net currency translation effects	0	2,515
Total finance expense	100,323	440,126
Net financial income/(expense)	(97,385)	(436,477)

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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 3) 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.

The Group calculates the fair value of its financial instruments by applying conventional bond and swap valuation techniques based on market quoted swap rates and management's best estimate of market expectations for future inflation and credit spread. Changes in the combined fair values of the bonds and swaps are mainly impacted by changes in Norwegian interest rates, changes in expectations for future Norwegian consumer price inflation ('CPI') as well as currency movements. The fair value of the nominal bond loan series may additionally be impacted by changes to assumed credit risk. 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.

During the first half of 2017 there were only marginal changes to the market expectations for future interest rates and also only marginal changes to the FX rates. The assumed credit risk was not changed during the first half of 2017.

During the first half of 2016 market expectations for future development in the Norwegian interest rates decreased. This caused an adverse impact on the Group's financial results in first half of 2016, although it does not reflect the underlying exposure of the Company's operations overall. Also, following the successful completion of the re-profiling in June 2016 which resulted in a two notch uplift in S&P's rating on the Company's bonds from BB- to BB+, the credit spread was reduced by 50bps, which also adversely impacted the financial results in first half of 2016.

Critical judgments in 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)

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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 2017 had been:*

- 50bps higher, then profit before tax would have been NOK 69.6 million higher
- 50bps lower, then profit before tax would have been NOK 72.5 million lower

Management's estimate of change in credit spread since inception as applied in relation to these financial statements is 275bps.

b) *If the change in credit spread at 30 June 2017 had been:*

- 50bps higher, then profit before tax would have been NOK 65.3 million higher
- 50bps lower, then profit before tax would have been NOK 67.8 million lower
- 100bps higher, then profit before tax would have been NOK 128.2 million higher
- 100bps lower, then profit before tax would have been NOK 138.3 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 2017 had been:*

- 25bps higher, then profit before tax would have been NOK 31.7 million lower
- 25bps lower, then profit before tax would have been NOK 31.2 million higher
- 50bps higher, then profit before tax would have been NOK 63.8 million lower
- 50bps lower, then profit before tax would have been NOK 62.0 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. 2028
GBP 165m nominal ¹⁾	NOK inflation linked interest and principal	GBP nominal interest and principal	30 Sept. 2028
NOK 550m nominal	NOK inflation linked interest and principal	NOK nominal interest and principal	30 Sept. 2028

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 the same year.*

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Carrying amounts

<i>NOK thousands</i>	As at 30 June 2017	As at 31 December 2016
Fair value on derivative financial instruments	590,989	671,627
Loss on derivative instruments at inception	106,069	111,285
Other financial non-current assets	697,058	782,912
<i>NOK thousands</i>		
Current portion of financial instruments	149,896	165,589
Other financial current assets/(liabilities)	149,896	165,589

Reconciliation of fair value measurement

<i>NOK thousands</i>	As at 30 June 2017	As at 31 December 2016
Opening balance fair value derivative financial instruments	837,217	1,375,622
Payments of principal amounts	(62,790)	(52,767)
Net receipt of interest payments	(26,487)	(61,253)
Gain/(loss) from fair value remeasurements recognised in income statement	(7,054)	(424,385)
Ending balance fair value derivative instruments	740,886	837,217

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. The loss reflects credit charges from the swap counterparties and a limited market for such transactions. 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 116,502 thousands at balance sheet date (NOK 121,718 thousands as at 31 December 2016).

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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
<i>Cost</i>					
Cost at 1 January 2016	5,780,936	141,821	0	898	5,923,655
Additions	115,446	479	6,488	169	122,582
Cost at 31 December 2016	5,896,381	142,300	6,488	1,067	6,046,236
Additions	35,700	2,339	6,885	(0)	44,925
Cost at 30 June 2017	5,932,081	144,639	13,373	1,067	6,091,161
<i>Depreciation and impairment</i>					
Accumulated at 1 January 2016	(1,379,629)	(35,569)	0	(181)	(1,415,380)
Depreciation for the year	(343,152)	(8,192)	0	(110)	(351,455)
Accumulated at 31 December 2016	(1,722,781)	(43,762)	0	(292)	(1,766,835)
Depreciation for the period	(174,662)	(4,157)	0	(62)	(178,881)
Accumulated at 30 June 2017	(1,897,443)	(47,919)	0	(353)	(1,945,716)
Carrying amount at 31 December 2016	4,173,599	98,538	6,488	776	4,279,401
Carrying amount at 30 June 2017	4,034,638	96,721	13,373	713	4,145,445
Depreciation plan	Linear	Linear		Linear	
Estimated useful life (years)	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 2015 is depreciated over 11.5 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 latest tested its property, plant and equipment for impairment as at 31 December 2016. 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 change in this assessment as per 30 June 2017.

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.

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Summary of contracts

Loan	Nominal amount remaining	Interest rate	Maturity	Category
NOK real bond loan (1)	NOKm 202	4.3000%	30 Sept. 2028	Amortized cost
NOK nominal bond loan (2)	NOKm 423	6.1525%	30 Sept. 2028	FVTPL
GBP nominal bond loan (3)	GBPm 108	5.2410%	30 Sept. 2028	FVTPL
USD nominal bond loan (4)	USDm 200	5.1000%	30 Sept. 2028	FVTPL
NOK shareholder loans	NOKm 204	6.0000%	30 Sept. 2028	Amortized cost

(1) Series 1 - NOK Index Linked Bond Issue 2011/2028 - ISIN NO 001 060768.2

(2) Series 2 - NOK Senior Secured Bond Issue 2011/2028 - ISIN NO 001 060769.0

(3) Series 3 - GBP Senior Secured Bond Issue 2011/2028 - ISIN NO 001 061111.4 (excluding treasury bonds)

(4) Series 4 - USD Senior Secured Bond Issue 2011/2028 - ISIN NO 001 061112.2

Carrying amounts

NOK thousands

As at 30 June 2017

Financial liabilities	Amortized cost	Fair value through profit or loss	Total carrying amount
Bond loans	231,459	3,310,849	3,542,308
Shareholder loans	204,158	0	204,158
Total	435,616	3,310,849	3,746,466

As at 31 December 2016

Financial liabilities	Amortized cost	Fair value through profit or loss	Total carrying amount
Bond loans	244,197	3,581,540	3,825,737
Shareholder loans	198,288	0	198,288
Total	442,485	3,581,540	4,024,025

NOK 669,552 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 691,511 thousands as at 31 December 2016).

The Group did not make any repayments on shareholder loans in the reporting period (nil in the first half of 2016). The Group repaid principal of NOK 48,534 thousands, GBP 6,565 thousands and USD 18,564 thousands on bond loans in the reporting period (NOK 26,901 thousands, GBP 4,749 thousands and USD 7,628 thousands in the first half of 2016).

As at the date of this report, the bonds are rated BB+. The Company last reported DSCRs to the Nordic Trustee following the interest payment date on 31 March 2017. Reported DSCR was 1.40x and reported Forecast DSCR was 2.06x.

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Note 6 – Tax

<i>NOK thousands</i>	Period ended 30 June 2017	Period ended 31 December 2016
Tax payable	473,285	1,018,437
Tax payable, adjustment previous years	0	19
Change in deferred tax	(650)	(196,756)
Total income tax expense recognized in the income statement	472,635	821,699

Reconciliation of income tax

<i>NOK thousands</i>	Period ended 30 June 2017	Period ended 31 December 2016
Profit/(loss) before income tax	515,001	601,882
Expected income tax at nominal tax rate (24% in 2017, 25% in 2016)	123,600	162,508
Expected petroleum tax (54% in 2107, 53% in 2016)	278,102	306,960
Permanent differences (1)	56,057	112,472
Financial items	49,834	355,499
Onshore items	(25,110)	(74,576)
Uplift	(9,849)	(25,227)
Changed tax rates	0	(15,939)
Change in valuation allowance and changes related to prior years	0	1
Total income tax expense recognized in the income statement	472,635	821,699
Effective income tax rate	91.8 %	136.5 %

(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 2017	Period ended 31 December 2016
Property, plant and equipment	708,394	685,893
Loans and swap contracts	216,443	239,652
Asset retirement obligation	(1,418)	(1,512)
Tax losses carried forward	(36)	0
Total deferred tax liabilities/(assets)	923,383	924,033
Total deferred tax liabilities/(assets) recognized	923,383	924,033

Deferred tax is calculated based on tax rates applicable at balance sheet date. Ordinary income tax is 24% , to which is added a special petroleum tax for oil and gas companies at the rate of 54%, giving a total tax rate of 78%.

Tax payable

<i>NOK thousands</i>	Period ended 30 June 2017	Period ended 31 December 2016
Tax payable for 2016	1,018,437	1,018,437
Tax paid for 2016	(901,813)	(450,907)
Tax payable for 2017	473,285	0
Tax payable, adjustment previous years not yet assessed	32,945	32,945
Total tax payable	622,854	600,475

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Note 7 – Related party disclosure

Purchases from related parties

Related party	Period ended 30 June 2017	Period ended 30 June 2016
UBS International Infrastructure Fund Holding Coöperatie UA (Shareholder)	66	465
CDC Infrastructure SA (Shareholder)	16	52
Mark Gilligan (Board member until 30 June 2017)	399	0
Sandvold Energy AS (100% owned by the Chairman of the Board)	1,361	1,361

(1) *The purchases relate to rebilling of expenses incurred in relation to management of Njord Gas Infrastructure AS.*

Other balances with related parties

NOK thousands

Related party	Period ended 30 June 2017	Period ended 31 December 2016
Trade payables		
Sandvold Energy AS (100% owned by the Chairman of the Board)	284	0

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Income statement

<i>NOK thousands</i>	Note	Period ended 30 June 2017 (unaudited)	Period ended 30 June 2016 (unaudited)
Operating income		0	0
<i>Operating expense</i>			
Employee benefit expense		(14)	(14)
Other operating expense	3	(104)	(87)
Total operating expense		(118)	(102)
Operating income/(loss)		(118)	(102)
Net financial income/(expense)		(33)	(52)
Net income/(loss) before taxes		(151)	(153)
Income tax (expense)/credit		36	38
Net income/(loss) for the period		(115)	(115)

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Statement of financial position

<i>NOK thousands</i>	Note	As at 30 June 2017 (unaudited)	As at 31 December 2016 (audited)
Assets			
<i>Non-current assets</i>			
Deferred tax asset		36	0
Investments in subsidiaries		525,733	525,733
Total non-current assets		525,770	525,733
<i>Current assets</i>			
Dividend receivables		0	50,000
Trade and other receivables		0	1,927
Cash and cash equivalents		123	52
Total current assets		123	51,979
Total assets		525,893	577,712
Equity and liabilities			
<i>Equity</i>			
Share capital		228,631	228,631
Other paid in capital		247,453	247,453
Total paid in capital		476,084	476,084
<i>Retained earnings</i>			
Other equity	2	49,664	49,779
Total equity		525,749	525,863
Liabilities			
<i>Non-current liabilities</i>			
Loan from subsidiary		123	1,818
Total non-current liabilities		123	1,818
<i>Current liabilities</i>			
Dividend payable		0	50,000
Trade and other payables		21	31
Total current liabilities		21	50,031
Total liabilities		144	51,849
Total equity and liabilities		525,893	577,712

Njord Gas Infrastructure Holding AS and consolidated Group

Statement of cash flow

<i>NOK thousands</i>	Note	Period ended 30 June 2017 (unaudited)	Period ended 30 June 2016 (unaudited)
<i>Cash flows from operating activities</i>			
Net income/(loss) before taxes		(151)	(153)
Interest expenses and finance expenses not paid		33	52
Changes in trade and other payables		1,917	(17)
Net cash flow used in operating activities		1,799	(119)
<i>Cash flows from investing activities</i>			
Dividends received		50,000	0
Net cash flow used in investing activities		50,000	0
<i>Cash flows from financing activities</i>			
Loan from subsidiary		(1,728)	43
Dividend paid to shareholders		(50,000)	0
Net cash flow used in financing activities		(51,728)	43
Net change in cash and cash equivalents		71	(76)
Cash and cash equivalents at the beginning of the period		52	155
Cash and cash equivalents at the end of the period		123	79
Interest paid		0	0

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 2016 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 2016. 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 2016.

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 2016	228,631	265,655	81,798	576,084
Net loss for the period	0	0	(115)	(115)
Total equity as at 30 June 2016	228,631	265,655	81,683	575,969
Total equity as at 1 January 2017	228,631	247,453	49,779	525,863
Net loss for the period	0	0	(115)	(115)
Total equity as at 30 June 2017	228,631	247,453	49,664	525,748

Note 3 – Related party disclosure

The Holding Company has a loan from its subsidiary with an outstanding balance of NOK 123 thousands at balance sheet date. (NOK 1,818 thousands as at 31 December 2016). 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 2017 (NOK 50 thousands in the first half of 2016). There was no other purchase of goods or services from other related parties in the first six months of 2017 and 2016.

Njord Gas Infrastructure Holding AS and consolidated Group

Responsibility statement

We confirm, to the best of our knowledge, that the interim financial statements for the period 1 January to 30 June 2017 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 2017/29 august 2017
The Board of Directors of Njord Gas Infrastructure Holding AS



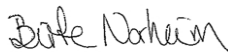
Tore I. Sandvold
Chairman



Paul J. Moy
Director



Gautier M. J. F Chatelus
Director



Birte Norheim
CEO