



BOA

Annual Report Boa OCV AS 2012

Org.nr. 984 158 939



BOA OCV AS

BOARD'S ANNUAL REPORT FOR 2012

Nature and location of activities:

The company owns and charters out offshore construction vessels "Boa Deep C" and "Boa Sub C". The main office of the company is located in Trondheim. When "Boa Deep C" is in USA the commercial management is performed by the group company Boa Offshore LLC in Houston. The remaining management is performed by Boa Offshore AS.

Work environment:

The company does not have any employees. Seafaring personnel and management services are hired from Boa Offshore AS. Boa Offshore AS has been responsible for the management and administration of the company. The Board is of the opinion that the work environment on board the vessels are good. Absence due to sick leave on board the vessels has been low and there was no serious accidents on board in 2012.

Equal opportunity:

The work force is dominated by men, but there are several positions filled by women. It has proven difficult to find women with the required qualifications and experience to apply for work in a maritime-related job on this type of vessel.

Health, safety, the environment and quality:

The goal of the company's health, safety, environment and quality policy is embedded in the quality control system of Boa Offshore AS. There were no serious personal injuries among hired personnel in 2012.

External environment:

The operation of an offshore construction vessel includes a certain risk for the spill of marine diesel oil products. However, no abnormal spillage has been recorded from the vessels which follows laid down procedures when bunkering of diesel and other potential contaminating liquids.

Continued operation:

The board confirms that the conditions for continued operation has been complied with, and the accounts have been presented under this assumption.

Review of annual accounts:

The operating profit for the company in 2012 was MNOK 176,0 (MNOK 145,0). The company's income and cost will vary if "Boa Deep C" is in USA.

The financial result was MNOK -46,7 (MNOK -69,7). Due to the refinancing in 2011, the financial costs was high.

The year-end profit was MNOK 128,1 (MNOK 80,2).

Total year-end assets were MNOK 1.968,9 (MNOK 1.961,3), and the percentage of shareholder's equity on December 31, 2012 was 39,8 % (34,7 %).

Financial risk:

Market risk:

The company is susceptible to changes in currency exchange rates, since a considerable percentage of the company's earnings are in foreign currencies. The market risk is reduced somewhat since the company's operating purchases take place in various currencies in the countries in which our ships operate. The company only to a limited extent, enters into currency futures contracts or other agreements to reduce currency risk.

The interest on the company's long-term debt is firm due to two interest swaps.

Credit risk:

The risk that the other contracting party will not have the financial means to meet its obligations is considered to be low. No agreements have been made or other financial means established to minimize the company's credit risk.

Liquidity risk

The company's liquidity risk is considered to be acceptable

Appropriation of profits:

The annual results for Boa OCV AS were MNOK 128.1 The Board proposes the following disposal

Transfer to other equity	MNOK 102.5
Group contribution	MNOK 25.6

The company's distributable equity as per 31 December 2012 was MNOK 586.2.

Events after the balance sheet date:

No events took place after the end of the financial year that would affect the evaluation of the company's profit and loss account or balance sheet

Future development:

The market for this kind of vessel is expected to be good for the next several years. The vessels are on hire on long-term contracts. Boa Deep C is on hire to August 2013. Boa Sub C is on hire to July 2015 with options

Trondheim, 15 February 2013



Ole F. Bjørnevik
Chairman of the Board



Eskil Bjørnevik
Member of the Board



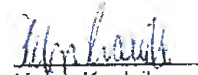
Oddvar Sørtømme
Member of the Board



Marita Bjørnevik
Member of the Board



Svein Berg
Member of the Board



Helge Kvalvik
CEO

Income Statement

Boa OCV AS

Operating income and operating expenses	Notes	2012	2011
Operating income	2	417 039 319	369 994 845
Operating income		<u>417 039 319</u>	<u>369 994 845</u>
Operating expenses ship	11, 12	77 044 310	64 105 252
Payroll expenses	12	77 744 524	79 632 740
Depreciation	4	64 212 336	64 212 336
Other operating expenses	3	22 019 965	17 025 959
Operating expenses		<u>241 021 134</u>	<u>224 976 287</u>
Operating profit		<u>176 018 185</u>	<u>145 018 558</u>
Financial income and expenses			
Interest income from group entities	12	59 353 911	49 341 952
Other interest income		4 860 082	1 610 636
Other financial income		6 009 064	29 982 613
Interest expense to group entities	12	0	5 832 366
Other interest expenses		105 057 722	105 762 180
Other financial expenses		11 901 580	39 055 001
Net financial income and expenses		<u>-46 736 245</u>	<u>-69 714 347</u>
Operating result before tax		<u>129 281 939</u>	<u>75 304 212</u>
Tax on ordinary result	9	1 223 681	-4 849 426
Operating result after tax		<u>128 058 258</u>	<u>80 153 638</u>
Annual net profit		<u>128 058 258</u>	<u>80 153 638</u>
Brought forward			
Group contribution	6	25 600 000	32 000 000
To other equity	6	102 458 258	48 153 638
Net brought forward		<u>128 058 258</u>	<u>80 153 638</u>

Balance sheet

Boa OCV AS

Assets	Notes	2012	2011
Fixed assets			
Tangible fixed assets			
Ships	4, 10, 12	<u>878 750 158</u>	<u>931 446 494</u>
Total tangible fixed assets		<u>878 750 158</u>	<u>931 446 494</u>
Financial fixed assets			
Loans to group companies	8, 10	<u>958 655 592</u>	<u>899 301 681</u>
Total financial fixed assets		<u>958 655 592</u>	<u>899 301 681</u>
Total fixed assets		<u>1 837 405 750</u>	<u>1 830 748 175</u>
Current assets			
Debtors			
Accounts receivables	10	14 529 248	16 662 181
Other receivables		<u>1 667 834</u>	<u>1 441 826</u>
Total debtors		<u>16 197 083</u>	<u>18 104 006</u>
Cash and bank deposits	10	115 310 073	112 399 284
Total current assets		<u>131 507 155</u>	<u>130 503 291</u>
Total assets		<u>1 968 912 905</u>	<u>1 961 251 466</u>

Balance sheet

Boa OCV AS

Equity	Notes	2012	2011
Restricted equity			
Share capital	5, 6	100 000	100 000
Share premium reserve	6	80 108 000	80 108 000
Other restricted equity	6	<u>14 444 514</u>	<u>14 444 514</u>
Total restricted equity		<u>94 652 514</u>	<u>94 652 514</u>
Retained earnings			
Other equity	6	<u>688 484 045</u>	<u>586 025 787</u>
Total retained earnings		<u>688 484 045</u>	<u>586 025 787</u>
Total equity		<u>783 136 559</u>	<u>680 678 301</u>
Liabilities			
Provisions			
Deffered tax	9	2 346 475	2 775 091
Other provisions	11	<u>39 604 510</u>	<u>25 368 219</u>
Total provisions		<u>41 950 985</u>	<u>28 143 310</u>
Other long term liabilities			
Bonds	7, 10	<u>1 087 500 000</u>	<u>1 162 500 000</u>
Total of other long term liabilities		<u>1 087 500 000</u>	<u>1 162 500 000</u>
Current liabilities			
Trade creditors	8	5 998 624	12 947 743
Trade creditors, intercompany	8	2 522 683	0
Group liabilities	8	25 600 000	32 000 000
Tax payable	9	1 652 297	2 053 716
Other short term liabilities	10	<u>20 551 758</u>	<u>42 928 396</u>
Total short term liabilities		<u>56 325 361</u>	<u>89 929 855</u>
Total liabilities		<u>1 185 776 346</u>	<u>1 280 573 165</u>
Total equity and liabilities		<u>1 968 912 905</u>	<u>1 961 251 466</u>


Balance sheet

Boa OCV AS


Trondheim, 15 February 2013



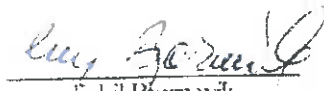
Ole T. Bjørnevik
Chairman of the Board



Oddvar Sortomme
Board member



Svein Berg
Board member



Eskil Bjørnevik
Board member



Marita Bjørnevik
Board member



Helge Kvalvik
CEO

Notes to 2012 annual accounts

Note 1 Accounting principles

The annual accounts are established in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles.

Principle rule for recording and categorising assets and debts

Assets intended for long-term ownership or usage are categorised as fixed assets. Other assets are categorised as current assets. Debts to be paid back within a year are also categorised as current assets. Similar criteria are used to categorise short-term and long-term debts.

Fixed assets are valued at purchase cost, and depreciated over the economic lifetime. If the actual value of the fixed assets is lower than the booked value and the decrease in value is not expected to be temporary, devaluation to the actual value is carried out. Fixed assets are depreciated linearly.

Current assets are recorded at the lowest of historical cost and net realisable value.

Other long-term and short-term debts are recognised at nominal value.

Assets and debt in foreign currency

Money items in foreign currency are converted at the rate applicable on the balance sheet date.

Receivables

Accounts receivable and other receivables are entered at nominal value after deducting the provision for expected losses.

The provision for losses is based on an individual assessment of the separate claims.

Bank deposits, cash, etc.

Bank deposits, cash, etc includes cash, bank deposits and other forms of payment which mature less than three months from the acquisition date.

Revenue

Revenues from the sale of services are recognised in the income statement according to the project's level of completion. Revenues are booked at the net sales value at the time of the transaction.

Cost

As a general rule, costs are booked in the same period as the corresponding income. When there is no clear correlation between costs and income, the allocation of costs is made as a "best effort" appraisal.

Taxes

Tax expenses are grouped with operating profit before tax. Taxes are recognised directly in equity to the extent that they relate to equity transactions.

The company entered the Norwegian shipowning tax regime as of 01.01.2007.

Tax cost includes taxes payable (tax on this years taxable income and interest surplus), tonnage tax and change in net deferred taxes.

Deferred tax and deferred tax assets are presented net in the balance sheet.

All figures in the notes are quoted in NOK 1 000.

Notes to 2012 annual accounts

Note 2 Operating income

Geographical area	2012	2011
USA	195 186	27 619
Norway	221 853	342 376
Total	417 039	369 995

All the income is from offshore activity.

Note 3 Personnel compensation, number of employees and loans to employees etc.

The company does not have any personnel. Administrative services are hired from Boa Offshore AS.

The Board and the general manager do not receive a salary or other compensation.

Auditor

The fee paid in 2012 to Deloitte AS for accounting services was NOK 50 000, and for other services NOK 1 100.

Note 4 Fixed assets

	Vessel
Acquisition cost on 01.01	1 283 895
Additions	11 516
Disposals	0
Acquisition cost on 31.12	1 295 411
Accumulated depreciation on 01.01	352 449
Depreciation this year	64 212
Accum. depreciation 31.12.	416 661
Book value	878 750
Economic lifespan	20 years
Depreciation plan	Linear

Note 5 Share capital and shareholder information

	Shares	Equity share	Voting share
Boa Offshore AS	1 000	100 %	100 %
Total number of shares	1 000	100 %	100 %

The company share capital is NOK 100 000, 1 000 shares with a nominal value of NOK 100.

The company has only one class of shares.

The company is a part of the group Boa Offshore AS. Boa Offshore AS is a part of the group Boa Holding AS. Both of the groups financial statements can be distributed from the office in Trondheim.

Notes to 2012 annual accounts

Note 6 Equity

	Share capital	Share premium reserve	Other restricted equity	Other equity	Total
Equity 01.01.	100	80 108	14 445	586 026	680 678
Profit of the year				128 058	128 058
Group contribution				-25 600	-25 600
Equity 31.12.	100	80 108	14 445	688 484	783 137

Note 7 Long term debt

	2013	2014	2015	2016
Instalments	75 000	75 000	75 000	862 500

Note 8 Outstanding accounts with companies within the same group

Long term receivables

	2012	2011
Boa Offshore AS	958 656	899 302
Sum	958 656	899 302

Short term liabilities

	2012	2011
Boa Offshore AS	27 982	35 023
Boa Shipping AS	140	
Sum	28 123	35 023

Note 9 Tax

This years tax:	2012	2011
Changes in deferred tax	-429	-6 927
Tax payable	1 606	2 008
Tonnage tax	46	46
Tax prior year	-	24
This years tax expense	1 223	-4 849

Tax payable in balance:	2012	2011
This year's tax on profit	1 652	2 054
Net tax payable	1 652	2 054

This years tax basis:	2012	2011
Profit and loss account	5 736	7 170
Financial result	4 206	-
Loss carried forward used	-4 206	-
This years tax basis	5 736	7 170

Temporary differences:	2012	2011
Profit and loss account	22 945	28 682
Loss carried forward	-14 565	-18 771
Net temporary differences	8 380	9 911
Net deferred tax 28 %	2 346	2 775

Notes to 2012 annual accounts

Note 10 Secured debt/other long-term debt

Debt secured by mortgage etc.	2012	2011
Debt to credit institutions	1 087 500	1 162 500
Accrued interest	16 484	19 560
Sum	1 103 984	1 182 060

Book value of assets mortgaged for debt:	2012	2011
Bank deposits	115 202	112 286
Accounts receivable	14 529	16 662
Vessel	878 750	931 446
Group receivables	958 656	417 359
Sum	1 967 138	1 060 395

Note 11 Other provisions for obligations

The company is making allocations for class costs. The allocations are being made based on estimated time for next periodic class survey. Changes in estimates have been spread over the remaining period up to the next drydocking. The allocations also includes repairs and periodic maintenance.

Note 12 Transactions with related parties

The outstanding accounts with group companies are mentioned in note 8.

Transactions with related parties:

Operating transactions:	2012	2011
Services		
- Mother company	61 309	51 269
Total expenses from operating transactions	61 309	51 269

Purchase of tangible assets		
- Sister company	11 516	0
Total purchase of tangible assets	11 516	0

Finance transactions:	2012	2011
Interest income		
- Mother company	59 354	48 885
- Sister company	0	457
Total income from finance transactions	59 354	49 342

Interest expense		
- Mother company	0	1 115
- Sister company	0	862

Guarantee commission		
- Mother company	0	3 856
Total expenses from finance transactions	0	5 832

Cash flow statement

Figures in 1 000 NOK	Note	2012	2011
Cash flow from operating activities			
Profit before income taxes		129 282	75 304
Paid in tax		-2 054	-12 436
Depreciation		64 212	64 212
Currency gain/-loss		-	-
Changes in trade receivables and creditors		-4 816	-5 565
Changes in receivables from group entities	1.	-56 831	-449 505
Changes in other short-term receivables and liabilities		-8 366	39 951
Net cash flow from operating activities		121 427	-288 039
Cash flow from investing activities			
Purchase of financial fixed assets		-11 516	-677 517
Net cash flow from investing activities		-11 516	-677 517
Cash flow from financing activities			
Raised long term liabilities		-	1 200 000
Repayment of long term liabilities		-75 000	-264 840
Group contribution		-32 000	
Merger		-	142 395
Net cash flow from financing activities		-107 000	1 077 555
Net changes in cash and cash equivalents		2 911	111 999
Cash and cash equivalents at 01.01		112 399	400
Cash and cash equivalents at 31.12		115 310	112 399

1. Changes in receivables from group entities does not include group contribution for 2012.

Translation from the original Norwegian version

To the Annual Shareholders' Meeting of BOA OCV AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of BOA OCV Company, which comprise the balance sheet as at December 31, 2012, and the income statement, showing a profit of NOK 128.058.258 and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 auditor's 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 auditor considers 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 are prepared in accordance with the law and regulations and give a true and fair view of the financial position of BOA OCV Company as at December 31, 2012, and of its

financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the allocation of the profit/coverage of the loss

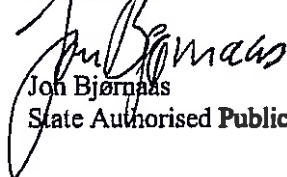
Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements and the going concern assumption, and that the proposal for the allocation of the profit complies with the law and regulations and that the information is consistent with the financial statements.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Trondheim, 15. februar 2013

Deloitte AS



Jon Bjørnaas

State Authorised Public Accountant (Norway)

[Translation has been made for information purposes only]