



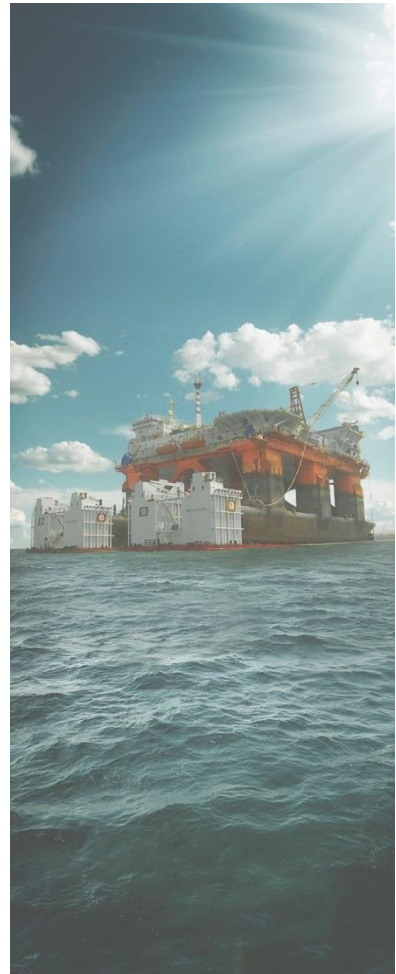
BOA

Quarterly Report

Boa OCV AS

4Q - 2015

Org.nr. 984 158 939



BOA OCV AS

CEO'S REPORT – 4Q 2015

General Information:

The unaudited interim report is prepared in accordance with NGAAP.

Nature and location of activities:

The company owns and subsequently charters out the offshore construction vessels "Boa Deep C" and "Boa Sub C". Management of these vessels is undertaken by Boa Offshore AS.

Review of fourth quarter 2015 accounts:

Operating income in the period was NOK 104,8 million (NOK 98,8 million in the same period 2014).

EBITDA for the period was NOK 1,9 million (NOK 76,8 million).

Operating expenses were NOK 118,1 million (NOK 45,0 million).

Operating Profit/EBIT was - NOK 13,3 million (NOK 53,8 million).

Net financial items were - NOK 8,3 million (- NOK 63,5 million).

Profit before tax was - NOK 21,6 million (- NOK 9,7 million).

Cash flow in the period:

Net cash flow from operating activities was NOK 21,6 million. (NOK 9,5 million in the same period 2014).

Net cash flow from investing activities was - NOK 3,4 million (- NOK 0,9 million).

Net cash flow from financing activities was - NOK 25,0 million (NOK 3,8 million).

Net change in cash was - NOK 6,8 million (NOK 12,3 million).

Balance sheet 31.12.2015:

Total assets per 31.12.2015 were NOK 1 474 million (NOK 1 522 million per 31.12.2014). Interest bearing debt was NOK 1 100 million (NOK 1 200 million), and the equity NOK 325 million (NOK 194 million). The equity ratio decreased to 22,1 % from last quarter 22,6 % (12,8 % per 31.12.2014).

Cash and Cash equivalents per 31.12.2015 were NOK 147,5 million (NOK 184,2 million per 31.12.2014).

Provisions of NOK 38 million related to loss on receivables was made in the quarter.

Financial risk:

Market risk:

The company is susceptible to fluctuations in currency exchange rates. A considerable percentage of the company's earnings are in USD. However this market risk is to a certain degree reduced by the company also having certain operating purchases denominated in USD. The company continuously monitors the currency markets and reduces currency exposure when appropriate by entering into forward agreements or other financial contracts to reduce currency risk. The interest rate exposure on the company's long-term debt is partly hedged by two fixed interest rate swaps (IRS).

Credit risk:

The potential risk that contracting parties will not have the financial means to meet their obligations is considered to be low to medium. No agreements have been entered into or other financial means established to minimize the company's credit risk.

Liquidity risk:

The company's liquidity risk is considered to be acceptable.

Events after the balance sheet date:

There have been no events after the end of the period that would have material impact on the evaluation of the company's profit and loss account or balance sheet.

Future development:

The short to medium term outlook for the subsea segment remains uncertain and challenging due to the drop in oil prices from mid-2014. A number of offshore projects have been postponed as oil companies focus to a greater extent on cash flow due to lower oil prices. Ongoing and sanctioned projects will ensure a certain activity level in the subsea sector in the short to medium term. Furthermore, IMR and subsea well-related services are still considered to be a growing part of the subsea market over time, which is less cyclical than the installation segment. Furthermore, costs in the oil and gas industry have adjusted accordingly and decreased as a result. A recovery in the sector can therefore most likely be seen at lower oil prices than those before the drop in mid 2014. However, timing and magnitude of such a recovery remains uncertain.

The long-term market outlook for the subsea segment remains prospective. Deepwater oil and gas reserves come at a marginal cost lower than a number of other sources of oil and gas, and a significant part of discovered oil and gas reserves over the last decade has been made in offshore deepwater. Thus we believe that deepwater and subsea will remain one of the most important growth opportunities for oil companies also in the coming decade.

Boa Sub C is currently lined up for a number of short-term assignments in West Africa commencing 1Q16, while Boa Deep C is scheduled to be chartered to a project in South America led by international Oil Majors. Despite the current soft market, there are still some opportunities for short and medium-term contracts.

Statement from the CEO

I hereby declare that to the best of my knowledge the interim accounts for the fourth quarter of 2015 are prepared in accordance with NGAAP – Interim financial reporting, and that the information in the financial statements portrays a true picture of the company's assets, liabilities, financial position and result as a whole, as well as the more important risk and uncertainty factors to which the company might be exposed in the next financial period.

Trondheim, 29 February 2016



Helge Kvalvik
CEO

Income statement
Boa OCV AS

(figures in NOK 1 000)

	4Q 2015	YTD 2015	4Q 2014	YTD 2014
Operating income and operating exp.				
Operating income	104 779	427 459	98 817	363 435
Operating income	104 779	427 459	98 817	363 435
Operating expenses ships	31 097	59 131	6 489	39 153
Payroll expenses	22 389	72 032	12 497	55 762
Depreciation	15 186	60 672	22 933	84 339
Other operating expenses	49 403	58 413	3 067	12 860
Operating expenses	118 075	250 248	44 985	192 113
Operating profit	-13 296	177 211	53 832	171 322
Financial income and expences				
Interest income from group entities	8 714	34 569	9 886	53 361
Other interest income	1	678	3 730	4 516
Other financial income	9 384	36 523	11 787	31 806
Other interest expenses	23 083	93 996	58 012	124 038
Other financial expenses	3 340	26 526	30 937	43 443
Net financial income and expences	-8 325	-48 753	-63 546	-77 798
Operating result before tax	-21 621	128 458	-9 714	93 523
Tax	-2 756	-2 756	-9 933	-9 933
Result after tax	-18 865	131 215	220	103 456

Balance sheet
Boa OCV AS

(figures in NOK 1 000)

	31.12.2015	31.12.2014
Fixed assets		
Intangible fixed assets		
Deferred tax asset	12 638	9 043
Total intangible fixed assets	12 638	9 043
Tangible fixed assets		
Ships	734 653	781 864
Total tangible fixed assets	734 653	781 864
Financial fixed assets		
Loan to group companies	539 681	505 113
Total financial fixed assets	539 681	505 113
Total fixed assets	1 286 972	1 296 020
Current assets		
Inventories	8 259	0
Debtors		
Accounts receivables	19 004	29 658
Other receivables	9 000	11 849
Group receivables	3 428	0
Total debtors	31 433	41 507
Cash and bank deposits	147 489	184 222
Total current assets	187 180	225 729
Total assets	1 474 152	1 521 749

Balance sheet
Boa OCV AS

(figures in NOK 1 000)

	31.12.2015	31.12.2014
Equity		
Restricted equity		
Share capital	100	100
Share premium	80 108	80 108
Other restricted equity	14 445	14 445
Total restricted equity	94 653	94 653
Retained earnings		
Other equity	230 639	99 424
Total retained earnings	230 639	99 424
Total equity	325 291	194 076
Liabilities		
Other long term liabilities		
Bonds	1 100 000	1 200 000
Total of other long term liabilities	1 100 000	1 200 000
Current liabilities		
Trade creditors	14 587	23 414
Trade creditors, group companies	8 174	6 429
Group liabilities	0	50 000
Tax payable	839	1 037
Other short term liabilities	25 261	46 791
Total short term liabilities	48 861	127 672
Total liabilities	1 148 861	1 327 672
Total equity and liabilities	1 474 152	1 521 749

Cash flow report

Figures in 1 000 NOK	Note	4Q 2015	YTD 2015	4Q 2014	YTD 2014
Cash flow from operating activities					
Profit before income taxes		-21 621	128 459	-9 714	93 523
Paid in tax		249	-1 036	306	-1 331
Depreciation		15 186	60 671	22 933	84 339
Changes in trade receivables and creditors		21 781	-4 602	15 815	32 160
Changes in receivables from group entities	1.	-3 967	-29 822	-46 968	-67 411
Changes in other short-term receivables and liabilities		9 961	-26 942	27 100	13 800
Net cash flow from operating activities		21 589	126 728	9 472	155 080
Cash flow from investing activities					
Purchase of fixed assets		-3 407	-13 460	-917	-86 709
Net cash flow from investing activities		-3 407	-13 460	-917	-86 709
Cash flow from financing activities					
Repayment of long term liabilities		-25 000	-100 000	-956 250	-1 012 500
Group contribution		0	-50 000	-240 000	-277 245
Raised long term liabilities		0	0	1 200 000	1 200 000
Net cash flow from financing activities		-25 000	-150 000	3 750	-89 745
Net changes in cash and cash equivalents		-6 818	-36 733	12 305	-21 374
Cash and cash equivalents start at period		154 307	184 222	171 918	205 596
Cash and cash equivalents end of period		147 489	147 489	184 222	184 222

1. The changes in receivables from group entities does not include the group contribution.

Notes to 4Q 2015 report

Note 1 Accounting principles / general information

The quarterly report is unaudited and prepared in compliance with NGAAP using the same principles as the last financial year.

Miscellaneous

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

Events after the balance date

There have been no significant events taking place after the balance date.

Note 2 Fixed assets

	Vessels	Periodic maintenance	Total
Acquisition cost 01.01.15	1 277 940	139 224	1 417 164
Additions	10 382	4 087	14 470
Disposals	-1 009	0	-1 009
Acquisition cost 31.12.15	1 287 314	143 311	1 430 625
Accumulated depr. 01.01.15	577 527	57 773	635 300
Acc. depreciation disposals	0	0	0
Depreciation this period	37 178	23 494	60 672
Accum. depreciation 31.12.15	614 705	81 267	695 972
Book value 31.12.15	672 609	62 044	734 653
Economic life	27	2,5 - 10	
Depreciation schedule	Linear	Linear	

The economic lifetime for the vessels has been extended from 20 to 27 years in 2015.

Note 3 Shareholder's equity

	Share capital	Share premium	Other restricted equity	Other equity	Total
Equity 01.01.15	100	80 108	14 445	99 424	194 076
Profit for the period	0	0	0	131 215	131 215
Equity 31.12.15	100	80 108	14 445	230 639	325 291

Note 4 **Income statement - summary**

	4Q 2015	YTD 2015	4Q 2014	YTD 2014
Operating income	104 779	427 459	98 817	363 435
Operating expences	102 889	189 576	22 052	107 774
EBITDA	1 890	237 883	76 765	255 661
EBITDA %	2 %	56 %	78 %	70 %
Depreciation	15 186	60 672	22 933	84 339
EBIT	-13 296	177 211	53 832	171 322
Net finance	-8 325	-48 753	-63 546	-77 798
Pre tax profit	-21 621	128 458	-9 714	93 523
Tax	-2 756	-2 756	-9 933	-9 933
Net profit	-18 865	131 215	220	103 456