



Consolidated Annual Accounts

Boa Group

2010



Org.nr. 989 023 268

BOA HOLDING AS GROUP

BOARD'S ANNUAL REPORT FOR 2010

Nature and location of activities:

Boa Holding AS is the parent company of the Boa Group. The Group comprises several companies that engage in property, tugboat, salvaging, barge and offshore activities in Norway and elsewhere. The administration department is located in Trondheim. In 2010, the Group operated a fleet consisting primarily of anchor handling vessels, construction vessels, barges, tugboats and roll-on roll-off vessels. The Group operates worldwide.

Work environment:

At year-end the Group had approx. 450 employees and, in the opinion of the Board, a good work environment. The total absenteeism rate for the year was around 3,4 %.

Equal opportunity:

The Group operates within a sector that historically has been dominated by men. This is also the case among our staff, in which men form the majority of sailing personnel. Consequently, the percentage of women in leading positions is small.

The company aims to ensure that all possible discrimination based on gender, religion or nationality is subject to immediate follow-up by the management staff onboard the vessels and onshore and that conditions are created that guarantee equal opportunity.

The ratio among men and woman in administration onshore is approx. 29 % women and 71 % men. There are two top positions in the Group management held by a woman.

For the Group, the distribution among the employees is about 10 % women and about 90 % men.

Health, safety, the environment and quality:

The goal of the Group's health, safety, the environment and quality policy is 'zero tolerance' when it comes to injury to persons, damage to ships, work-related illness and environmental damage. This can be achieved by establishing a good work environment and work routines both onboard the vessels and onshore. The risk factors linked to the company's operations are continuously identified and the necessary risk-reducing measures implemented. The Group has established procedures for dealing with accidents and other emergency situations and meets international requirements concerning safeguards against acts of terrorism. The Group aims to be known in the market for providing high-quality services and in accordance with national and international laws and regulations.

To achieve these goals, the Group has established an integrated health, safety, environment and quality control system that is used by both the onshore organisations and those onboard the vessels. The system meets all relevant requirements with regard to international standards as well as requirements and guidelines developed by branch organisations within the offshore and shipping sectors. The system undergoes continuous improvements based on reports from users and annual reviews by customers, authorities and the organisation itself.

The goal for the future with regard to the integrated health, safety, the environment and quality system is to achieve combined certification pursuant to the requirements of the ISM code and ISO 9001:2000 quality standard.

Over the last year it has been one serious work-related injury among employees and contracted personnel. The Group is continuously working to reduce the number of work related injuries.

External environment:

The machinery on the ships run on marine diesel oil and, apart from the emissions from this machinery, the Board does not believe that the ships pollute the external environment beyond what is normal for this type of maritime activity. The Group is continuously working to reduce discharge to sea and air.

Continued operations:

Boa Holding AS (parent company) has negative equity as per December 31, 2010. This is due to writing down of one share holding unit. The company's shareholdings in subsidiaries, in the board's opinion, have significant higher value relative to the book values. The annual accounts for 2010 for the Group were drawn up under the assumption of continued operations.

Review of annual accounts:

The operating profit for the Group in 2010 was MNOK 227.7, compared to MNOK -227.0 in 2009. The change from 2009 is primarily due to an improved margin on our units. In 2010 the Group had major costs connected to the closing down of ro-ro operations.

Net financial items were MNOK -179.7, compared to MNOK 17.1 in 2009. The change from 2009 is a result of a decline in net currency gain. The Group also had extraordinary financial costs from loss in joint ventures and from postponed takeover of leased vessels.

The tax expenses for 2010 were MNOK -79.4.

The final result was a gain of MNOK 127.4.

Total year end assets were MNOK 4 040.8, compared to MNOK 4 174.6 the previous year. The percentage of shareholder's equity on December 31, 2010 was 36.0 %, compared with 31.8 % on December 31, 2009.

Financial risk:

Market risk:

The Group is susceptible to changes in currency rates since the Group's earnings and long-term financing is partly in foreign currency. However, the currency risk is reduced somewhat since the operating costs of the Group are in the same currency. The Group always considers entering into forward contracts and other agreements in order to reduce the currency risk.

Credit risk:

The risk that the other contracting party will not have the financial means to meet its obligations is considered low. Agreements have not been made for set-offs or other financial tools to minimise the Group's credit risk.

Liquidity risk:

The Group's liquidity position is considered healthy. The decision has not been made to implement measures to change the liquidity profile of the Group.

Appropriation of profits:

The year-end result of the parent company, Boa Holding AS, was MNOK -74.3. The Board proposes the following distribution:

Transferred from other shareholder's equity: MNOK 74.3.

The company had no distributable equity as per December 31, 2010.

Events after the balance sheet date:

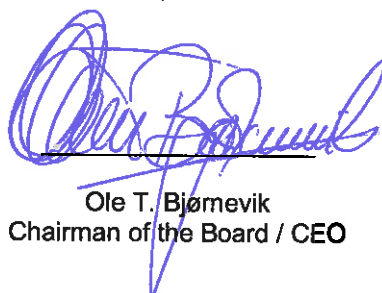
No events have taken place after the end of the financial year that would materially affect the evaluation of the Group's profit and loss account or balance sheet as per December 31, 2010.

Future development:

The financial crisis in 2008 and subsequent fall in oil prices has resulted in growing uncertainty about future demand for offshore vessels, and spot rates for AHTS and PSV vessels have been low over the past year. It is also challenging to put in place funding for the Group's newbuilding program. We have recently seen cases of cancellations of newbuilding and contracts with customers. This uncertainty will likely force some players to exit the market. Reduced newbuilding activity will reduce the risk of overcapacity, and in time secure a better balance in the market. The Board is of the opinion that the underlying market outlook remains positive, and one expects offshore activity to strengthen again.

The Group's strategy continues to focus on a modern fleet of large offshore vessels, to adapt to new demands from customers and the increasing activity in deepwater developments. The Group seeks to balance the contract portfolio between spot and long-term contracts.

Trondheim, 01.04.2011



Ole T. Bjørnevik
Chairman of the Board / CEO

Income statement

Boa Holding AS

Figures in 1 000 NOK

Parent company				Group	
2010	2009	Operating income and operating expenses	Note	2010	2009
0	0	Operating income	2	1 207 403	804 521
<u>0</u>	<u>0</u>	Other operating income	2	<u>19 546</u>	<u>17 276</u>
<u>0</u>	<u>0</u>	Total operating income		<u>1 226 948</u>	<u>821 797</u>
0	0	Payroll expenses	3	272 895	278 137
0	0	Depreciation	4	177 043	180 859
0	0	Write-down fixed assets	4	13 825	216 822
<u>1 700</u>	<u>594</u>	Other operating expenses	3	<u>535 506</u>	<u>373 028</u>
<u>1 700</u>	<u>594</u>	Total operating expenses		<u>999 269</u>	<u>1 048 846</u>
<u>-1 700</u>	<u>-594</u>	Operating result		<u>227 679</u>	<u>-227 049</u>
		Financial income and expenses			
1 664	242	Interest income from subsidiaries		0	0
397	782	Interest income		26 567	17 962
0	0	Other financial income		118 522	214 726
65 028	50 027	Write-down financial fixed assets		0	0
0	0	Loss from associates	5	54 817	26 433
9 937	8 646	Interest expenses to subsidiaries		0	0
3 266	69	Interest expenses		149 797	134 520
<u>0</u>	<u>38</u>	Other financial expenses		<u>120 212</u>	<u>54 642</u>
<u>-76 170</u>	<u>-57 755</u>	Financial result		<u>-179 737</u>	<u>17 094</u>
<u>-77 870</u>	<u>-58 349</u>	Result before tax		<u>47 942</u>	<u>-209 955</u>
-3 596	-2 330	Tax on ordinary result	16	-79 440	-46 760
<u>-74 274</u>	<u>-56 019</u>	Profit for the year		<u>127 382</u>	<u>-163 195</u>
0	0	Minority share		-7	6
0	0	Majority share		127 389	-163 201
		Brought forward			
0	0	To other equity	11	127 382	0
74 274	56 019	From other equity	11	0	163 195

Balance sheet

Boa Holding AS

Figures in 1 000 NOK

Parent company

Group

2010	2009	Assets	Note	2010	2009
		Fixed assets			
		Intangible assets			
6 810	3 215	Deferred tax asset	16	98 931	0
<u>6 810</u>	<u>3 215</u>	Total intangible assets		<u>98 931</u>	<u>0</u>
		Tangible fixed assets			
0	0	Buildings and land	4	1 388	1 258
0	0	Pictures and fitting etc.	4	5 273	2 913
0	0	Vessels, barges and helicopters	4, 17	2 464 961	2 643 895
0	0	Newbuilding contracts	4	1 099 077	1 142 305
<u>0</u>	<u>0</u>	Total tangible fixed assets		<u>3 570 698</u>	<u>3 790 371</u>
		Financial fixed assets			
75 085	75 085	Investments in subsidiaries	5	0	0
0	65 028	Investments in associated comp. and joint ventures	5, 17	9 960	79 168
12 080	24 389	Loans to associated companies and joint ventures	8	12 630	24 539
0	0	Investments in shares	6, 17	4 202	805
0	0	Other receivables	3, 8, 12	17 476	21 631
<u>87 165</u>	<u>164 503</u>	Total financial fixed assets		<u>44 268</u>	<u>126 144</u>
<u>93 976</u>	<u>167 717</u>	Total fixed assets		<u>3 713 897</u>	<u>3 916 515</u>
		Current assets			
0	0	Inventories	9, 17	4 949	4 329
		Receivables			
0	0	Trade receivables	7, 17	216 934	141 161
0	66	Other receivables		64 869	77 249
<u>0</u>	<u>66</u>	Total receivables		<u>281 803</u>	<u>218 410</u>
		Investments			
0	0	Bonds		318	311
<u>0</u>	<u>0</u>	Total investments		<u>318</u>	<u>311</u>
61	1	Cash and bank deposits	17, 18	39 795	34 992
<u>61</u>	<u>67</u>	Total current assets		<u>326 866</u>	<u>258 041</u>
<u>94 037</u>	<u>167 784</u>	Total assets		<u>4 040 763</u>	<u>4 174 556</u>

Balance sheet

Boa Holding AS

Figures in 1 000 NOK

Parent company

Group

2010	2009		Note	2010	2009
		Equity and liabilities			
		Restricted equity			
1 100	1 000	Share capital	10, 11	1 100	1 000
4 080	4 080	Share premium reserve	11	4 080	4 080
<u>5 180</u>	<u>5 080</u>	Total restricted equity		<u>5 180</u>	<u>5 080</u>
		Retained earnings			
-92 997	-18 723	Other equity	11	1 450 048	1 323 857
<u>-92 997</u>	<u>-18 723</u>	Total retained earnings		<u>1 450 048</u>	<u>1 323 857</u>
<u>-87 817</u>	<u>-13 643</u>	Total equity		<u>1 455 228</u>	<u>1 328 937</u>
0	0	Minority share		-228	-204
		Liabilities			
		Provisions			
0	0	Deferred tax	16	0	13 043
0	0	Other provisions	14	33 901	47 378
<u>0</u>	<u>0</u>	Total provisions		<u>33 901</u>	<u>60 421</u>
		Other long term liabilities			
0	0	Liabilities to financial institutions	13, 17	1 398 358	1 650 668
144 852	149 024	Liabilities to subsidiaries	15	0	0
0	0	Other long term liabilities		97 574	168 257
<u>144 852</u>	<u>149 024</u>	Total other long term liabilities		<u>1 495 932</u>	<u>1 818 925</u>
		Current liabilities			
0	0	Liabilities to financial institutions		72 062	0
0	208	Trade creditors		635 914	705 736
0	0	Tax payable	16	122 680	125 596
0	0	Public duties payable		7 924	5 825
37 002	32 195	Other short term liabilities		217 122	129 117
<u>37 002</u>	<u>32 403</u>	Total short term liabilities		<u>1 055 702</u>	<u>966 274</u>
<u>181 854</u>	<u>181 427</u>	Total liabilities		<u>2 585 535</u>	<u>2 845 620</u>
<u>94 037</u>	<u>167 784</u>	Total liabilities and equity		<u>4 040 763</u>	<u>4 174 556</u>

Trondheim, 01.04.2011



Ole T. Bjørnevik
Chairman of the Board / CEO

Notes to 2010 Annual Report

Note 1 Accounting principles

The financial statement have been prepared in accordance with the Norwegian Accounting Act of 1998 and Generally Accepted Accounting Principles in Norway.

Consolidation principles

The consolidated financial statement comprises Boa Holding AS and subsidiaries, where the company has controlling interest as a result of legal or actual control. The consolidated accounts are established in accordance with uniform accounting principles for similar transactions within all companies included in the consolidated financial statement. All essential transactions and outstanding accounts between companies within the group are eliminated. Investments in companies in which the group has considerable influence (associates and joint ventures) are valued in the consolidated financial statement in accordance with the equity method. Considerable influence generally means that the group owns 20 to 50 percent of the voting capital.

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. Accounts receivable that mature within one year are 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 valued 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

Liquid funds and debt in foreign currency are converted to the rate applicable on the balance sheet date.

Capitalised interests

Interest related to ships under construction are capitalized.

Shares in associates, joint ventures and subsidiaries

Investments in subsidiaries are valued according to the cost method and written down at the actual value if the decrease in value is not temporary, and it is considered necessary in accordance with generally accepted accounting principles. Dividend from subsidiaries are recorded as other financial income. The same applies to investments in associates and joint ventures.

Other shares classified as fixed assets

Shares and investments in general partnerships and limited partnerships in which the company does not have considerable influence are valued according to the cost method. Investments are written down at the actual value if the decrease in value is not expected to be temporary. Profits received from the companies are recognised as other financial income.

Bonds classified as fixed assets

Bonds are recognised at purchase cost. Bonds are written down at the actual value if the decrease in value is not expected to be temporary.

Investments classified as floating assets

Market-based financial instruments, including shares included in a trading portfolio, are recognised at the actual value on the balance sheet date.

Inventories

Inventories are recognised at the lowest of purchase cost and net sales value.

Notes to 2010 Annual Report

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

On sale of goods:

Revenues from the sale of goods are recognised in the income statement once delivery has taken place and most of the risk and control has been transferred to the customer, normally on delivery to the customer. Revenues are booked at the net sales value at the time of the transaction.

On sale of services:

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.

Expenses

Expenses are recognised in the same period as the related revenues. In those instances in which there is no clear connection between expenses and revenues, the distribution is determined based on discretionary criteria. Other exceptions from the classification principle are disclosed when relevant.

Pension

Contribution pension plan

The company has a contribution-based obligatory company pension scheme for onshore personnel. This is expensed at date of payment.

Performance-based scheme

The company also has a performance-based company pension scheme for maritime personnel. The liability is valued annually and the balance is classified as long-term provisions (receivables) in the balance sheet.

Government subsidies

The group receives a subsidy from the Norwegian Maritime Directorate in connection with the employment of Norwegian maritime personnel. The subsidy is entered as a reduction under the group's salary costs.

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.

Tax expenses consist of tax payable (tax on financial income for the year) and changes in deferred taxes. Tax expenses are divided between ordinary returns and returns from extraordinary items according to the tax base. Deferred tax and deferred tax assets are presented net in the balance sheet.

Miscellaneous

All numbers are presented in 1 000 NOK.

Notes to 2010 Annual Report

Note 2 Revenues

Group

Per business area	2010	2009
Shipping activities	1 225 484	816 928
Other activities	1 464	4 869
Total	1 226 948	821 797

Note 3 Personnel expenses, number of employees, employee loans, etc.

Group

	2010	2009
Salaries	186 898	207 436
Subsidies from Norwegian Maritime Directorate	-385	-387
Employer's national insurance contribution	10 660	12 257
Pension contribution	3 293	3 659
Other personnel expenses	72 428	55 172
Total personnel costs	272 895	278 137

Number of man-labour years employed	450	440
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Management remuneration	Salary	Other
CEO	815	34
Board of Directors		440

Loan and securities to shareholders, management personnel and employees

	Amount	Interest rate	Securities
Employees	1 900	0 - 5 %	None

Auditor

Audit fee for 2010 to Deloitte was NOK 71 250 for the parent company and NOK 739 165 for the Group.

Fee to Deloitte for other services was NOK 8 250 for the parent company and NOK 265 130 for the Group.

Fee paid to Deloitte for tax services world wide was NOK 1 365 589.

The fee paid in 2010 to other audit firms and the companies with whom they collaborate was for the Group NOK 33 000 for accounting services and NOK 32 900 for other services.

Notes to 2010 Annual Report

Note 4 Fixed assets

Group

	Ship/plane	Ships under construction	Office equipment	Property	Total
Acc. cost on Jan. 1	3 420 447	1 190 485	6 997	3 913	4 621 841
Additions	295 736	19 837	938	203	316 715
Disposals	-506 886	-63 845	0	0	-570 731
Acc. cost on Dec. 31	3 209 297	1 146 477	7 935	4 116	4 367 825
Acc. depreciation on Jan. 1	777 330	47 400	1 290	2 655	828 674
Acc. depreciation disposals	-222 419	0	0	0	-222 419
Depreciation current year	175 600	0	1 372	74	177 045
Write-down current year	13 825	0	0	0	13 825
Acc. depreciation on Dec. 31	744 336	47 400	2 662	2 728	797 126
Book value on Dec. 31	2 464 961	1 099 077	5 273	1 388	3 570 698

Economic life	10-25 years	N/A	3-6 years	20 years
Depreciation schedule	Linear	N/A	Linear	Linear

Annual lease amount on fixed assets not included on the balance sheet 27 115

Financial lease agreements for ships recognised in the balance sheet (assets) 210 508
 Book value of financial leases ships (liabilities) 177 078

Note 5 Shareholdings in subsidiaries, associated companies and joint ventures

Group

	Year of	Office	Share	Equity	Results
Subsidiaries (Norwegian)					
Taubåtkompaniet AS	1979	Trondheim	100 %	353 959	-17 713
T.A. Kittilsen Shipping AS	1998	Brevik	100 %	4 862	1 244
Boa Offshore AS	2000	Trondheim	100 %	677 617	24 765
Boa Eiendom AS	2000	Trondheim	100 %	45 674	1 160
Boa Deep C AS	2002	Trondheim	100 %	491 581	111 001
Boa Sub C AS	2004	Trondheim	100 %	140 944	25 470
Boa SBL AS	2008	Trondheim	100 %	227 796	33 991
Boa Barges AS	2008	Trondheim	100 %	4 503	4 402
Boa Tugs AS	2008	Trondheim	100 %	-630	-731
Subsidiaries (foreign)					
Kystlink APS	2005	Denmark	100 %	-1 237	0
Rederi AB	2005	Sweden	90 %	-2 282	-73
Boa Marine S.A	2006	Gdynia, Poland	100 %	-221	49
Boa Offshore LLC	2008	Houston, U.S.	100 %	1 260	7 047
Boa Marine Services Inc.	2009	Houston, U.S.	100 %	-580	15 935

Notes to 2010 Annual Report

Associated companies

Royal Garden Inv. AS	2003	Trondheim	25 %	-1 086	-186
Alio AS	2006	Trondheim	25 %		
Trondheim Maritime Senter AS	2007	Trondheim	25 %	699	-26
Fremo Næringspark AS	2007	Trondheim	20 %	18 583	1 617
KS Royal Garden Invest	2003	Trondheim	22,5 %	26 590	-453

Joint ventures

NFDS AS	2006	Trondheim	50 %	-43 522	-149 322
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Associated companies and joint ventures are valued in accordance with the equity method in the consolidated accounts.

The group also includes the subsidiaries Boa Ltd. and Boa Ltd. Malta. These companies have no activities and are considered immaterial in the consolidated accounts.

Associated companies

	Ødegård Berging AS 49 %	Royal Garden Invest AS 25 %	Alio AS 25 %	KS Royal Garden Inv. 22.5%
Acquisition costs	16 545	25	403	8 775
Share of equity at acquisition	10 415			
Attributed goodwill	6 130			
Book value Jan. 1	10 264	-226	439	6 085
Share of current year result		-46	0	-102
Additions/disposals	-10 264			
Adjustments to equity		271	0	
Book value Dec. 31	0	0	439	5 983

	Fremo Nærings- park AS 20 %	Trondheim Maritime Senter AS 25 %	Sonowand AS 12,26 %	Total
Acquisition costs	4 800	202	5 600	36 350
Book value Jan. 1	4 055	181	3 392	24 190
Share of current year result	323	-6		169
Additions/disposals	-1 000		-3 392	-14 656
Adjustments to equity	-15			257
Book value Dec. 31	3 363	175	0	9 960

The previous share ownership in Sonowand AS was 20.25%. The stake is reduced to 12,26 %.

Notes to 2010 Annual Report

Joint ventures

	NFDS AS 50 %
Acquisition costs	115 055
Share of equity at acquisition	115 055
Book value Jan. 1	54 979
Equity paid-in	-54 979
Additions/disposals	
Share of current year result	
Book value Dec. 31	0

Total share of current year result and book value at Dec. 31 in associated companies and joint ventures.

	Year result	Book value
Associated companies this year result	426	10 960
Associated companies loss from sale	-264	0
Joint ventures	-54 979	0
Total	-54 817	10 960

Note 6 Other shares and bonds

Group Company	Share	Acq. costs	Book value	Market value
Midnor Bestik (stiftelse)	0,5 %	10	10	10
Newtron Line		90	0	0
Såkorn Invest Midt-Norge AS	7 %	625	0	457
EMGS ASA		135	135	12
Dynapel Inc		10	10	10
Texi AS	2 %	400	400	400
Taklift AS	10,2 %	250	250	250
Sonowand	12,3 %	5 600	3 392	3 392
Åfjord Utvikling AS	3,0 %	6	6	6
Total		7 126	4 202	4 537

Note 7 Accounts receivable

The group's accounts receivable are recorded at nominal value, reduced by the provision for bad debts by NOK 28 653 720. The corresponding provision last year was NOK 32 739 215.

Note 8 Long-term receivables

Group	2010	2009
Receivables against associated companies	12 630	24 689
Other long-term receivables	17 476	21 490

Notes to 2010 Annual Report

Note 9 Inventory

The bunker inventory was scanned on December 31, 2010. Inventory is valued at the lowest of purchase cost and bunker market price on the balance sheet date.

Note 10 Shareholder information

Shareholders	Shares	Equity share
Ole T. Bjørnevik	727 999	72,8 %
Boa 1 AS	68 000	6,8 %
Boa 2 AS	68 000	6,8 %
Boa 3 AS	68 000	6,8 %
Boa 4 AS	68 000	6,8 %
Total number of shares	999 999	100 %

The parent company's share capital is NOK 1.100.000, distributed among 1.000.000 shares of par value NOK 1,1.

The share capital are divided in A-shares and B-shares where the A-shares has the right to vote.

Note 11 Shareholder's equity

Parent company	Share premium		Other equity	Total equity
	Share capital	reserve		
Book equity on Jan. 1	1 000	4 080	-18 723	-13 643
Paid in capital	100			100
Year result			-74 274	-74 274
Book equity on Dec. 31	1 100	4 080	-92 997	-87 817

Group

This years change in equity

Book equity on Jan. 1	1 328 937
Year result	127 382
Currency differences subsidiaries	-1 190
Paid in capital	100
Book equity on Dec. 31	1 455 228

	Share premium		Other equity	Minority	Total equity
	Share capital	reserve			
Book equity on Jan. 1	1 000	4 080	1 324 062	-204	1 328 937
Paid in capital	100				100
Year result			127 389	-7	127 382
Adjustments to equity			-1 173	-17	-1 190
Book equity on Dec. 31	1 100	4 080	1 450 277	-228	1 455 228

Notes to 2010 Annual Report

Note 12 Pension costs and net pension liabilities

The company is obliged to have a company pension scheme in accordance with the Norwegian Pension Act. for all employees.

The company has performance-based pension schemes for a total of 45 persons. These schemes entitle the employee to certain future payments. This primarily depends on the number of years of employment, the salary level upon reaching retirement age and the size of the contribution from the National Insurance. These obligations are covered through an insurance company.

Pension cost

	2010	2009
Net present value of pension build-up this year	362	333
Interest costs for pension obligation	140	152
Return on pension funds	-133	-155
Estimated deviation recorded	35	48
Administrative costs	65	82
Accrued employer's contribution	61	58
Net costs after employer's contribution	529	518

Pension obligation

	2010	2009
Pension obligation	-3 535	-2 664
Pension funds (at market value)	2 241	2 354
Accrued employer's contribution	-182	-44
Deferred obligation for (losses)/profits	1 594	791
Net pension funds	118	436

Financial assumptions

	2010	2009
Interest rate	4,6 %	5,4 %
Expected return	5,4 %	5,7 %
Salary increase	4,0 %	4,5 %
G-regulation	3,75 %	4,3 %
Regulation of continuous pension	1,30 %	1,4 %
Employer's contribution rate	14,1 %	14,1 %
Voluntary resignation before the age of 40	0,0 %	0,0 %
Voluntary resignation after the age of 40	0,0 %	0,0 %

Actuary predictions for demographic factors and resignations are based on commonly used assumptions within the insurance industry.

Note 13 Long-term debts

Long-term loans in foreign currency (USD and EUR) are converted to NOK at the applicable exchange rate on Dec. 31, 2010.

The currency risk is reduced somewhat since the group has operating revenues in USD and EUR.

Instalment profile:

	2011	2012	2013	2014	2015	→
Instalments	182 004	140 420	140 420	140 420	140 420	494 367

Notes to 2010 Annual Report

Note 14 Other provisions for obligations

Balance sheet items relates to provisions for future maintenance costs. The provision is calculated based on the expected due date for the next periodic maintenance. Changes in estimates are recognised over the remaining period up to the next dry-docking.

Note 15 Intercompany balances

Parent company

Long-term liabilities	2010	2009
Taubåtkompaniet AS	144 852	149 018
Boa Offshore LLC		7
Total	144 852	149 024

Note 16 Taxes

Parent company

Tax expenses current year:	2010	2009
Changes in deferred taxes	-3 596	-2 330
Payable taxes		-
Tax expenses in P&L	-3 596	-2 330

Changes in deferred taxes	2010	2009
Tax losses carried forward	-24 323	-11 481
Net tax asset (liability)	-24 323	-11 481
Net deferred tax at 28%	-6 810	-3 215

Group

Tax expenses current year:	2010	2009
Changes in deferred taxes	-111 974	-87 680
Payable taxes	32 421	40 822
Tonnage tax	112	98
Tax expenses in P&L	-79 440	-46 760

Taxes payable in balance sheet:	2010	2009
Calculated tonnage tax	119	98
Taxes payable	122 562	125 498
Taxes payable in balance sheet	122 680	125 596

Calculation of tax base for the year ordinary taxation:

	2010	2009
Result before taxes	-159 683	-1 195 670
Permanent differences	68 514	72 541
Changes in timing differences	-19 172	146 564
Loss carried forward used	0	0
Tax base for the year	-110 341	-976 565

Notes to 2010 Annual Report

Note 18 Bank deposits

Restricted deposits	2010	2009
Employees' tax deduction	2 519	3 987
Other restricted deposits	6 592	24 110
Total	9 111	28 097

Boa Holding AS - group

Cash flow statement

Figures in 1 000 NOK

Parent company			Group	
2009	2010	Cash flow from operating activities	2010	2009
-58 349	-77 870	Profit before income taxes	47 942	-209 955
		Other income	54 553	27 473
		Income tax payable	-35 288	
50 027	65 028	Depreciation and write-down	190 868	397 681
		Gain on sale of tangible fixed assets	-67 413	-22 971
		Gain on sale of financial fixed assets	264	-18
		Currency gain/-loss	-7 754	-110 978
		Changes in inventories	-620	221
		Changes in trade receivables	-75 773	74 012
-19	66	Changes in other receivables	12 380	43 856
-32	-208	Changes in trade creditors	-69 822	339 106
27 115	-4 172	Changes in receivables from subsidiaries		
6 450	4 808	Changes in other short-term liabilities	160 812	-2 661
25 193	-12 348	Net cash flow from operating activities	210 149	535 766
		A		
		Cash flow from investing activities		
		Investing activities		
		Sale of tangible fixed assets	371 978	55 056
		Purchase of tangible fixed assets	-275 759	-610 637
		Sale of financial fixed assets	11 000	28 614
-45 006		Purchase of financial fixed assets	-13	-45 141
19 719	12 309	Changes in other investments	16 064	1 062
-25 287	12 309	Net cash flow from investing activities	123 270	-571 046
		B		
		Cash flow from financing activities		
		Long term liabilities	-315 239	-255 263
		Changes in liabilities	-13 477	-1 012
	100	Paid in equity	100	
0	100	Net cash flow from financing activities	-328 616	-256 275
		C		
-95	61	Net changes in cash and cash equivalents	4 803	-291 555
95	0	Cash and cash equivalent at 01.01	34 992	326 547
0	61	Cash and cash equivalents at 31.12	39 795	34 992

Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Boa Holding AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Boa Holding AS, which comprise the financial statements for the parent company, showing a loss of NOK 74.274.000, and the financial statements for the group, showing a profit of NOK 127.382.000. The financial statements comprise the balance sheets as at 31.12.2010, income statements and cash flows statements 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 give a true and fair view of the financial position of Boa Holding AS and of the group as at 31.12.2010, 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 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 the proposal for the coverage of the loss 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 the company's 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, 1. april 2011
Deloitte AS

Harald J. Lydersen (sign.)
State Authorised Public Accountant (Norway)

[Translation has been made for information purposes only]