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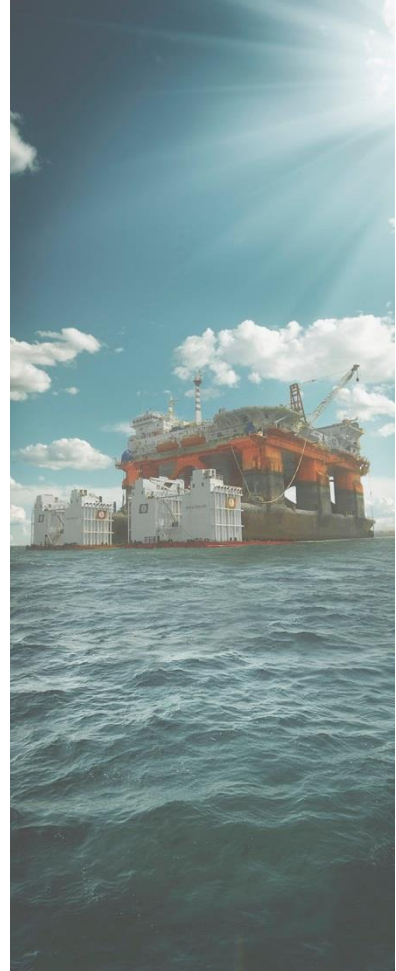
Quarterly Report

Consolidated

Boa Offshore AS

1Q - 2015

Org.nr. 926 265 156



CONSOLIDATED BOA OFFSHORE AS

CEO'S REPORT – 1Q 2015

General Information

The unaudited interim report is prepared in accordance with NGAAP.

Nature and location of activities:

Boa Offshore AS is the parent and the management company of the Boa Offshore Group ("Group"). The company also invests in shipping and offshore related companies. The Group is comprised of several ship owning companies within the following segments; tugboats, barges and offshore vessels. The tugboat activity, including salvaging, operates along the Norwegian coast and the North Sea. The barge fleet consists of larger barges operated internationally, and the offshore department manages offshore support vessels within construction and oil exploration, operating worldwide. The management is located in Trondheim. An American subsidiary located in Houston is currently engaged in the Gulf of Mexico operating chartered construction vessels in addition to some of the Group's vessels.

Review of first quarter 2015 accounts:

Operating income in the period was NOK 371,3 million (NOK 355,0 million in the same period 2014).

EBITDA for the period was NOK 6,1 million (NOK 101,5 million).

Operating expenses was NOK 407,0 million (NOK 293,8 million).

Operating Profit/EBIT was - NOK 35,7 million (NOK 61,2 million).

Net financial items was - NOK 41,8 million (- NOK 45,0 million).

Profit before tax was - NOK 77,4 million (NOK 16,2 million).

Cash flow in the period

Net cash flow from operating activities was NOK 79,0 million (- NOK 23,4 million).

Net cash flow from investing activities was - NOK 140,3 million (- 116,3 million).

Net cash flow from financing activities was NOK 105,4 million (NOK 73,3 million).

Net change in cash was NOK 44,1 million (- NOK 66,4 million).

Balance sheet 31.03.2015

Total assets per 31.03.2015 were NOK 5 760 million (NOK 5 001 million per 31.03.2014). Interest bearing debt was NOK 3 773 million (NOK 2 946 million), and the equity NOK 1 554 million (NOK 1 536 million). The equity ratio is 27,0 %, a decrease from 28,3 % last quarter, and 30,7 % per 31.03.2014).

Cash and Cash equivalents per 31.03.2015 were NOK 678 million (NOK 682 million per 31.03.2014).

The value adjusted equity ratio for Boa Offshore per 31.03.2015 was 42,5 % and the NIBD/EBITDA ratio was 8,47 (EBITDA last 12 months/4 quarters).

Financial risk:*Market risk:*

The Group is susceptible to changes in currency rates considering that 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 continually considers entering into forward contracts and other agreements in order to reduce the currency risk. By 31.03.2015 the total of the group's interest bearing debt was NOK 3 755 million where of NOK 985 million is secured by interest rate swap agreements or fixed rate.

Credit risk:

The risk that the contracting parties 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 as of 31.03.2015 is NOK 678 million. The initiated new-building program is fully financed with both short-term construction loans and long-term financing. The parent company has a bonds of NOK 500 million listed at Oslo Stock Exchange ABN, as well as a non-listed bond of NOK 50 million outstanding. The bonds have maturity dates in December 2018 (NOK 500 million) and May 2020 (NOK 50 million). The total of outstanding bonds as of 31.03.2015 was NOK 2 089 million.

Events after the balance sheet date:

There have been no events after the end of the financial period that would have material impact on the evaluation of the Group's profit and loss account or balance sheet as per 31.03.2015.

Future Development:

The short to medium term outlook for some of the segments Boa Offshore operates within remains uncertain and challenging, despite a 40% recovery of the Brent oil price from the January 2015 low to the current around USD65/bbl. We see some increased activity in certain segments compared with the low activity seen over the winter. Furthermore, sanctioned projects and projects under development will provide a certain sustained activity level in the short to medium term.

A number of offshore projects are now being postponed as oil companies focus more on cash flow on the back of lower oil prices. On the other hand the cost level of the oil and gas industry has adjusted and decreased as a result, and oil prices probably need to recover to above USD70/bbl to spur demand growth again in general. A number of industry players now see future offshore and deepwater field developments economically viable in the USD50-70/bbl range.

Both the barge and tug businesses of Boa Offshore are exposed to other industries and demand drivers than oil and gas. For both these segments we see decent possibilities for the next couple of years. A large part of the work performed by Boa OCV and BMSI is within the IMR part of the subsea sector, which is less cyclical than the installation segment. BMSI and the AHTS segment represent the spot exposed income in the Boa Group. Activity in the US GoM, where BMSI operates, is relatively healthy. However, increased competition from more vessels mobilized to the region still represents risk in the short to medium term. In the AHTS segment the level of the North Sea AHTS spot fleet will determine the strength of the market, as demand from working rigs and FPSO installations are seen stable to slightly up Y/Y in 2015. The North Sea AHTS fleet has increased since 4Q14 as vessels have returned from terminated contracts in Russia and finalized contracts in Brazil.

The long-term outlook for the offshore sector is still considered to be prospective as global demand for oil and gas continue to grow, and offshore will play an important role in developing new reserves and increase production.

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

Statement from the CEO

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

Trondheim, 29 May 2015



Helge Kvalvik

CEO

Consolidated Income Statement

Boa Offshore AS

Figures in 1 000 NOK

	Note	1Q 2015	1Q 2014	FY 2014
Operating income	2	371 328	354 981	1 765 482
Operating cost ships		271 512	188 572	1 016 818
Payroll expenses		80 450	59 791	267 597
Depreciation	3	41 726	40 344	190 665
Write down on tangible assets	3	0	0	30
Other operating expenses		13 304	5 100	20 342
Operating expenses		406 993	293 807	1 495 452
Operating profit		-35 665	61 173	270 030
Financial income and expenses				
Interest income from group companies		1 933	2 129	8 651
Other interest income		937	219	11 703
Other financial income		52 952	10 993	74 283
Depreciation of other financial fixed assets		0	0	141
Interest expense to group companies		144	182	668
Other interest expenses		53 297	49 607	242 544
Other financial expenses		44 159	8 542	110 496
Net financial income and expenses		-41 778	-44 990	-259 212
Operating result before tax		-77 443	16 183	10 818
Tax on ordinary result		7	17	-21 704
Operating result		-77 450	16 166	32 522

Consolidated Balance Sheet

Boa Offshore AS

Figures in 1 000 NOK

Assets	Note	31.03.2015	31.03.2014	31.12.2014
Fixed assets				
Intangible fixed assets				
Deferred tax asset		203 376	178 038	205 563
Total intangible assets		203 376	178 038	205 563
Tangible fixed assets				
Buildings and land	3	5 447	1 447	5 447
Ships	3	2 691 254	1 888 600	2 721 196
Equipment and other movables	3	3 963	3 710	5 248
Newbuilding contracts	3	1 365 970	1 537 071	1 232 648
Total tangible fixed assets		4 066 634	3 430 828	3 964 539
Financial fixed assets				
Loans to group companies		174 720	139 344	167 433
Investments in shares		270	410	270
Other receivables		198 514	24 044	201 032
Total financial fixed assets		373 503	163 798	368 735
Total fixed assets		4 643 512	3 772 664	4 538 837
Current assets				
Inventories		5 738	8 801	5 427
Debtors				
Accounts receivables		247 628	240 674	391 391
Loan to group companies		106	301	53
Other receivables		184 840	296 618	192 269
Total debtors		432 574	537 592	583 713
Investments				
Other financial instruments		334	340	334
Total investments		334	340	334
Cash and bank deposits		678 321	681 764	634 206
Total current assets		1 116 966	1 228 498	1 223 679
Total assets		5 760 479	5 001 162	5 762 516

Consolidated Balance Sheet

Boa Offshore AS

Figures in 1 000 NOK

Equity and liabilities	Note	31.03.2015	31.03.2014	31.12.2014
Restricted equity				
Share capital	4	2 500	2 500	2 500
Share premium	4	74 447	74 447	74 447
Other restricted equity	4	3 106	3 106	3 106
Total restricted equity		80 053	80 053	80 053
Retained earnings				
Other equity	4	1 473 566	1 455 843	1 552 211
Total retained earnings		1 473 566	1 455 843	1 552 211
Total equity		1 553 618	1 535 896	1 632 263
Liabilities				
Provisions				
Other long-term liabilities				
Bonds	5	2 089 000	1 937 950	2 179 200
Liabilities to financial institutions	5	1 684 249	1 002 289	1 470 676
Liabilities to group companies		12 286	11 638	12 142
Other long term liabilities	5	0	5 700	0
Total of other long term liabilities		3 785 536	2 957 577	3 662 018
Current liabilities				
Liabilities to financial institutions		0	1 339	0
Trade creditors		208 509	369 667	261 574
Liabilities to group companies		10	181	0
Tax payable		6 095	5 543	11 502
Public duties payable		8 519	8 145	9 597
Dividends		9 100	0	9 100
Other short term liabilities		189 092	122 815	176 462
Total short term liabilities		421 325	507 690	468 235
Total liabilities		4 206 860	3 465 267	4 130 253
Total equity and liabilities		5 760 479	5 001 162	5 762 516

Consolidated Cash Flow Statement

Boa Offshore AS

Figures in 1 000 NOK

		1Q 2015	1Q 2014	FY 2014
Cash flow from operating activities				
Profit before income taxes		-77 450	16 183	10 818
Income tax payable		-6 111	-7 195	-15 860
Depreciation and write-down		41 726	40 344	190 695
Gain on sale of tangible fixed assets		0	33	33
Gain on sale of financial items		-728	0	0
Write-down of financial fixed assets		0	0	141
Currency gain/-loss		18 000	-3 907	38 445
Changes in inventories		-311	-6 568	-2 718
Changes in trade receivables		143 763	5 550	-145 167
Changes in other receivables		9 947	-70 969	-134 072
Changes in trade creditors		-53 065	-16 635	-43 210
Changes in receivables from group companies		-7 186	-5 076	-32 595
Changes in other short-term liabilities		10 410	24 823	89 272
Net cash flow from operating activities	A	78 995	-23 417	-44 218
Cash flow from investing activities				
Sale of tangible fixed assets		0	5 445	5 445
Purchase of tangible fixed assets		-140 385	-121 759	-806 185
Changes in other investments		110	-6	-9 530
Net cash flow from investing activities	B	-140 275	-116 320	-810 270
Cash flow from financing activities				
Raised long term liabilities		215 471	97 965	1 886 854
Paid in long term liabilities		-110 076	-28 123	-1 155 450
Changes in liabilities		0	3 458	-36 244
Group contribution		0	0	-17 667
Paid in share capital		0	0	63 000
Net cash flow from financing activities	C	105 395	73 299	740 494
Net changes in cash and cash equivalents	A+B+C	44 115	-66 437	-113 995
Cash and cash equivalent start at period		634 206	748 201	748 201
Cash and cash equivalents at end of period		678 321	681 764	634 206

Income Statement

Boa Offshore AS

Figures in 1 000 NOK

	Note	1Q 2015	1Q 2014	FY 2014
Operating income and operating expenses				
Operating income	2	7 225	11 477	49 316
Other operating income	2	61 904	43 483	206 766
Operating Income		69 129	54 960	256 082
Operating cost ships		1 079	520	5 782
Payroll expenses		60 310	42 130	189 087
Depreciation	3	248	468	1 476
Write down on tangible assets	3	0	0	30
Other operating expenses		9 678	7 782	35 156
Operating expenses		71 314	50 899	231 531
Operating profit		-2 185	4 060	24 550
Financial income and expenses				
Income from subsidiaries				862 549
Interest income from group companies		19 953	19 656	88 752
Other interest income		276	30	5 464
Other financial income		12 911	258	3 772
Depreciation of other financial fixed assets		0	0	141
Interest expense to group companies		10 858	16 692	62 926
Other interest expenses		13 789	12 234	50 299
Other financial expenses		4 597	433	4 621
Net financial income and expenses		3 895	-9 416	842 550
Operating result before tax		1 710	-5 356	867 100
Tax on ordinary result		0	2	2 286
Operating result		1 710	-5 357	864 814

Balance Sheet

Boa Offshore AS

Figures in 1 000 NOK

	Note	31.03.2015	31.03.2014	31.12.2014
Fixed assets				
Intangible assets				
Deferred tax asset		204 422	206 707	204 422
Total intangible assets		204 422	206 707	204 422
Tangible fixed assets				
Buildings and land	3	5 447	1 447	5 447
Vessels	3	5 071	4 626	4 121
Equipment and other movables	3	1 580	1 449	2 752
Total tangible fixed assets		12 098	7 521	12 320
Financial fixed assets				
Investments in subsidiaries		299 315	297 125	299 315
Loans to group companies		1 799 122	1 149 837	1 623 254
Investments in shares		20	160	20
Other receivables		10 385	15 100	12 440
Total financial fixed assets		2 108 842	1 462 222	1 935 029
Total fixed assets		2 325 362	1 676 450	2 151 771
Current assets				
Inventories		120	158	189
Receivables				
Trade receivables		15 197	6 052	14 528
Loans to group companies		93 272	29 906	153 673
Other receivables		10 886	5 806	11 251
Total receivables		119 355	41 764	179 453
Cash and bank deposits		121 888	357 453	186 843
Total current assets		241 363	399 375	366 485
Total assets		2 566 725	2 075 825	2 518 256

Balance Sheet

Boa Offshore AS

Figures in 1 000 NOK

Equity and liabilities	Note	31.03.2015	31.03.2014	31.12.2014
Restricted equity				
Share capital	4	2 500	2 500	2 500
Share premium	4	74 447	74 447	74 447
Other restricted equity	4	3 106	3 106	3 106
Total restricted equity		80 053	80 053	80 053
Retained earnings				
Other equity	4	1 085 979	223 198	1 084 269
Total retained earnings		1 085 979	223 198	1 084 269
Total equity		1 166 032	303 250	1 164 321
Liabilities				
Provisions				
Other long term liabilities				
Bonds	5	549 000	559 200	609 200
Liabilities to financial institutions	5	131 119	13 957	30 000
Liabilities to subsidiaries		672 086	1 163 584	662 126
Total other long term liabilities		1 352 205	1 736 741	1 301 326
Current liabilities				
Trade creditors		4 859	3 355	4 342
Liabilities to group companies		5 541	15 708	17 032
Tax payable		612	-1 350	0
Public duties payable		8 519	4 412	8 987
Dividends		9 100	0	9 100
Other short term liabilities		19 858	13 710	13 148
Total short term liabilities		48 489	35 834	52 609
Total liabilities		1 400 694	1 772 575	1 353 935
Total liabilities and equity		2 566 725	2 075 825	2 518 256

Cash Flow Statement

Boa Offshore AS

Figures in 1 000 NOK

	1Q 2015	1Q 2014	FY 2014	
Cash flow from operating activities				
Profit before income taxes	1 710	-5 356	867 100	
Gain on investments in subsidiaries	0	0	-862 549	
Income tax payable	0	-362	-356	
Depreciation and write-down	248	468	1 506	
Gain on sale of tangible fixed assets	0	33	33	
Gain on sale of financial items	-728	0	0	
Write-down of financial fixed assets	0	0	141	
Changes in inventories	69	51	20	
Changes in trade receivables	-669	2 127	-6 349	
Changes in other receivables	2 420	-3 582	501	
Changes in trade creditors	517	-1 082	-95	
Changes in receivables from group companies	-116 998	-23 015	-524 945	
Changes in other short-term liabilities	6 855	-4 033	969	
Net cash flow from operating activities	A	-106 575	-34 752	-524 024
Cash flow from investing activities				
Sale of tangible fixed assets	0	5 445	5 445	
Purchase of tangible fixed assets	-27	-50	-5 890	
Purchase of financial fixed assets	0	0	-2 190	
Changes in other investments	0	0	-6 512	
Net cash flow from investing activities	B	-27	5 395	-9 147
Cash flow from financing activities				
Raised long term liabilities	101 119	0	80 000	
Paid in long term liabilities	-59 472	-1 065	-15 022	
Group contribution	0	-5 500	261 661	
Net cash flow from financing activities	C	41 647	-6 564	326 639
Net changes in cash and cash equivalents	A+B+C	-64 955	-35 922	-206 532
Cash and cash equivalent start at period		186 843	393 375	393 375
Cash and cash equivalents at end of period		121 888	357 453	186 843

Note 1 Accounting principles / general information

The quarterly report is unaudited and is prepared in compliance with NGAAP using the same principles as in the last financial year, except the following explained change of principle.

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 Segments**Consolidated**

	OCV vessels*	Seismic vessels*	Barges*	Other / elimination	Total
Operating income	102 890	40 735	21 258	206 446	371 328
EBITDA	78 448	23 461	12 838	-108 685	6 061
EBIT	62 859	16 533	6 598	-121 656	-35 665

* OCV vessels: Boa Deep C and Boa Sub C. Seismic vessels: Boa Thalassa and Boa Galatea. Barges in Boa Barges AS.

Note 3 Fixed assets - consolidated

	Vessels	Periodic maintenance	Newbuilding contracts	Equipment	Buildings and land	Sum
Acquisition cost 01.01.	3 486 147	228 552	1 253 313	16 091	5 447	4 989 551
Additions	1 817	4 042	136 094	230		142 184
Disposals	-585					-585
Transfer	6 387	190	-2 983	-1 584		2 011
Corr. due to change of princ.						0
Acquisition cost 31.03.	3 493 767	232 784	1 386 424	14 738	5 447	5 133 160
Accumulated depr. 01.01.	915 431	78 073	20 665	10 843		1 025 011
Acc. depreciation disposals	475			-475		0
Write-down this period			-211			-211
Depreciation this period	29 763	11 556		407		41 726
Corr. due to change of princ.						0
Accum. depr. 31.03.	945 669	89 628	20 454	10 776	0	1 066 527
Book value 31.03.	2 548 098	143 156	1 365 970	3 963	5 447	4 066 634
Economic life	27-30 years	2,5-10 years		5 years		
Depreciation schedule	Linear	Linear		Linear		

The economic lifetime has been extended to 27 years for OSV vessels and Tugs, and to 30 years for Barges.

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

135 025

Note 4 Shareholder's equity**Parent company**

	Share capital	Share premium	Other restricted equity	Other equity	Total
Equity 01.01.	2 500	74 447	3 106	1 084 269	1 164 321
Profit of the year				1 710	1 710
Equity 31.03.	2 500	74 447	3 106	1 085 979	1 166 032

Consolidated

	Share capital	Share premium	Other restricted equity	Other equity	SUM
Equity 01.01.	2 500	74 447	3 106	1 552 211	1 632 263
Profit of the year				-77 450	-77 450
Adjustments to equity				-1 195	-1 195
Equity 31.03.	2 500	74 447	3 106	1 473 566	1 553 618

Note 5 Long term liabilities**Parent company**

Instalments of debt falling due more than 5 years from the balance date:

	2015	2016	2017	2018	2019	→
Instalments	30 000	100 119	0	500 000	0	50 000

Consolidated

Instalments of debt falling due more than 5 years from the balance date:

	2015	2016	2017	2018	2019	→
Instalments	186 210	343 102	243 060	743 144	1 320 309	706 842

A MNOK 231 loan in Boa PSV AS is a combined construction- and long term loan, and as such not included in the above table.

Note 6 Consolidated income statement - summary

	1Q 2015	1Q 2014	YTD 2014
Operating income	371 328	354 981	1 765 482
Operating expenses	365 267	253 463	1 304 757
EBITDA	6 061	101 518	460 725
EBITDA %	2 %	29 %	26 %
Depreciation	41 726	40 344	190 695
EBIT	-35 665	61 174	270 030
Net finance	-41 778	-44 990	-259 212
Pre tax profit	-77 443	16 183	10 818
Tax	7	17	-21 704
Net profit	-77 450	16 166	32 522

Note 7 Interest bearing debt / equity

Key figures	31.03.2015	31.03.2014	31.12.2014
Interest bearing debt	3 773 249	2 945 939	3 649 876
Cash and cash equivalents	678 321	681 764	634 206
Net Interest Bearing Debt (NIBD)	3 094 928	2 264 175	3 015 670
NIBD / EBITDA *	8,47	5,58	6,55
* Last four quarters			
Booked equity ratio	27,0 %	30,7 %	28,3 %
Value adjusted equity ratio	42,5 %	47,9 %	43,3 %