



Annual report

Boa SBL AS

2011



Org.nr. 990 899 576

Boa SBL AS

BOARD'S ANNUAL REPORT FOR 2011

Nature and location of activities:

The company owns and charters out two special built vessels for EM Technology "Boa Thalassa" and "Boa Galatea". The main office of the company is located in Trondheim. Management of the vessel is performed by Taubåtkompaniet AS.

Work environment and equal opportunity:

The company does not have any employees. Seafaring personnel and management services are hired from Boa Offshore AS. Boa Offshore AS has provided the administration services for the company. The Board is of the opinion that the work environment on board the vessel is good. Absenteeism due to illness has been low. There were no serious personal injuries on the vessels in 2011.

The work environment is dominated by men, but there are more and more positions being filled by women.

External environment:

The operation of a vessel includes a certain risk for spillage of marine diesel oil products. However, no abnormal spillage has been recorded from the vessels in 2011 that follow laid down procedures when bunkering of diesel and other potential contaminating liquids.

The board is not aware of any non-compliance with government requirements regarding the pollution of the environment.

Continued operation:

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

Review of annual accounts:


The year-end profit for 2011 was MNOK -14,6. Total year-end assets were MNOK 633,9, compared to MNOK 636,8 the prior year. The shareholder's equity on December 31, 2011 was 33,6 %, compared to 35,7 % as of December 31, 2010.

The company's distributable equity as per 31 December 2011 is MNOK 5,3.


Trondheim, 26 March 2012



Ole T. Bjørnevik
Chairman of the
Board



Eskil Bjørnevik
Member of the Board



Marita Bjørnevik
Member of the Board



Helge Kvalvik
CEO

Income Statement

Boa SBL AS

Operating income and operating expenses	Notes	2011	2010
Operating income	2	<u>116 383 926</u>	<u>152 840 369</u>
Operating income		<u>116 383 926</u>	<u>152 840 369</u>
Operating expenses ships	11	24 479 212	11 234 187
Payroll expenses	12	36 742 401	35 363 410
Depreciation	4	32 388 768	32 388 768
Other operating expenses	3, 12	<u>10 420 077</u>	<u>7 263 173</u>
Operating expenses		<u>104 030 459</u>	<u>86 249 538</u>
Operating profit		<u>12 353 468</u>	<u>66 590 831</u>
Financial income and expenses			
Interest income from group entities	12	371 754	942 964
Other interest income		854 077	829 288
Other financial income		24 056 743	28 604 103
Interest expense to group entities	12	10 009 475	9 337 606
Other interest expenses	12	18 591 004	24 331 015
Other financial expenses	12	<u>27 145 412</u>	<u>33 631 335</u>
Net financial income and expenses		<u>-30 463 317</u>	<u>-36 923 602</u>
Operating result before tax		<u>-18 109 849</u>	<u>29 667 229</u>
Tax on ordinary result	9	-3 493 275	-4 323 320
Operating result after tax		<u>-14 616 575</u>	<u>33 990 549</u>
Annual net profit		<u>-14 616 575</u>	<u>33 990 549</u>
Brought forward			
Loss brought forward	6	<u>14 616 575</u>	<u>-33 990 549</u>
Total brought forward		<u>-14 616 575</u>	<u>33 990 549</u>

Balance sheet

Boa SBL AS


Assets	Notes	2011	2010
Fixed assets			
Intangible fixed assets			
Deferred tax asset	9	<u>7 812 685</u>	<u>4 319 410</u>
Total intangible assets		<u>7 812 685</u>	<u>4 319 410</u>
Tangible fixed assets			
Ships	4, 10	<u>559 757 376</u>	<u>595 346 144</u>
Total tangible fixed assets		<u>559 757 376</u>	<u>595 346 144</u>
Financial fixed assets			
Other receivables		<u>7 931 954</u>	<u>11 462 733</u>
Total financial fixed assets		<u>7 931 954</u>	<u>11 462 733</u>
Total fixed assets		<u>575 502 014</u>	<u>611 128 287</u>
Current assets			
Debtors			
Accounts receivables	10	13 058 915	23 361 185
Other receiveables		<u>489 511</u>	<u>586 397</u>
Total debtors		<u>13 548 426</u>	<u>23 947 583</u>
Cash and bank deposits	10	44 818 265	1 750 027
Total current assets		<u>58 366 691</u>	<u>25 697 609</u>
Total assets		<u>633 868 705</u>	<u>636 825 896</u>


Balance sheet


Boa SBL AS

Equity	Notes	2011	2010
Restricted equity			
Share capital	5, 6	200 100 000	200 100 000
Share premium reserve	6	14 000	14 000
Total restricted equity		<u>200 114 000</u>	<u>200 114 000</u>
Retained earnings			
Other equity	6	13 065 105	27 681 679
Total retained earnings		<u>13 065 105</u>	<u>27 681 679</u>
Total equity		<u>213 179 105</u>	<u>227 795 679</u>
Liabilities			
Provisions			
Other provisions	11	780 000	4 916 682
Total provisions		<u>780 000</u>	<u>4 916 682</u>
Other long term liabilities			
Liabilities to financial institutions	7, 10	335 258 998	366 087 578
Group liabilities	8	64 672 631	15 099 087
Total of other long term liabilities		<u>399 931 629</u>	<u>381 186 666</u>
Current liabilities			
Trade creditors	8	16 858 352	5 381 222
Other short term liabilities		3 119 619	17 545 647
Total short term liabilities		<u>19 977 971</u>	<u>22 926 869</u>
Total liabilities		<u>420 689 600</u>	<u>409 030 217</u>
Total equity and liabilities		<u>633 868 705</u>	<u>636 825 896</u>

Trondheim, 26 March 2012


 Ole T. Bjørnevik
 Chairman of the board


 Eskil Bjørnevik
 Member of the board


 Marita Bjørnevik
 Member of the board


 Helge Kvalvik
 CEO

Notes to 2011 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.

This category includes cash, bank deposits and other forms of payment with an expiration date that is shorter than three months from purchase.

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 01.01.2008.

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 benefits are entered in net amounts on the balance sheet.

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

Notes to 2011 annual accounts

Note 2 Operating income

Divisions	2011	2010
Offshore activity	116 384	152 840
Sum	116 384	152 840

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 2011 to Deloitte AS for accounting services was NOK 35 000.

Note 4 Fixed assets

	Vessels
Acquisition cost on 01.01	651 378
Additions	
Disposals	3 200
Acquisition cost on 31.12	648 178
Accumulated depreciation on 01.01	56 032
Depreciation this year	32 389
Accumulated depreciation on 31.12	88 421
Book value 31.12	559 757
Economic lifespan	20
Depreciation plan	Linear

Note 5 Share capital and shareholder information

	Shares	Equity share	Voting share
Boa Offshore AS	1 000	100,00 %	100,00 %
Total number of shares	1 000	100,00 %	100,00 %

The company share capital is NOK 200 100 000, 1 000 shares with a nominal value of NOK 200 100.

The company has only one class of shares.

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

Note 6 Equity

	Share capital	Share premium	Other equity	SUM
Equity 01.01	200 100	14	27 682	227 796
Profit of the year			-14 616	-14 616
Equity 31.12	200 100	14	13 066	213 180

Notes to 2011 annual accounts

Note 7 Long term debt

	2012	2013	2014	2015	2016	→
Instalments	35 276	35 276	35 276	35 276	35 276	158 879

Note 8 Outstanding accounts with companies within the same group

Long-term liabilities	Long term liabilities		Short term liabilities	
	2011	2010	2011	2010
Boa Offshore AS	64 673	15 099		6 442
Boa OCV AS			125	
Boa Marine Services Inc			14	
Sum	64 673	15 099	139	6 442

Note 9 Tax

This years tax:	2011	2010
Changes in deferred tax	-3 493	-4 319
Tax payable		
Tonnage tax		
Corr. prior year		-4
This years tax expense	-3 493	-4 323

Tax payable in balance:	2011	2010
This years tax on profit		
Tonnage tax		
Net tax payable	-	-

This years tax basis:	2011	2010
Financial result		
Loss carried forward used		
This years tax basis	-	-

Temporary differences:	2010	2010
Profit and loss account	-27 902	-15 426
Net temporary differences	-27 902	-15 426
Net deferred tax 28 %	-7 813	-4 319

Note 10 Secured debt

Debt secured by mortgage etc.	2011	2010
Debt to credit institutions	335 259	366 088
Sum	335 259	366 088

Book value of assets mortgaged for debt:	2011	2010
Bank deposits	44 608	779
Accounts receivable	13 059	23 361
Vessels	559 757	595 346
Sum	617 424	619 486

Notes to 2011 annual accounts

Note 11 Other appropriations for liabilities

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

Note 12 Intercompany transactions

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

Operating transactions:	2011
Services	
- Mother company	36 021
- Sister company	404
Total expenses from operating transactions	36 424

Finance transactions:	2011
Interest income	
- Sister company	373
Total income from finance transactions	373

Interest expense	
- Mother company	3 674
- Sister company	338

Guarantee commision	
- Mother company	5 997
Total expenses from finance transactions	10 009

Service to group companies are priced at the same conditions as for external parts.
Services from group companies are general management and engineering services.
Financial transactions is priced at the same conditions as for external parts.

Cash flow statement

Figures in 1 000 NOK	2011	2010
Cash flow from operating activities		
Profit before income taxes	-18 111	29 667
Paid taxes		-692
Depreciation	32 389	32 389
Currency gain/-loss	3 293	2 694
Changes in trade receivables and creditors	21 779	2 990
Changes in receivables from group entities	49 574	-34 712
Changes in other short-term receivables and liabilities	-14 935	12 039
Net cash flow from operating activities	73 988	44 375
Cash flow from investing activities		
Purchase of tangible fixed assets	3 200	
Net cash flow from investing activities	3 200	-
Cash flow from financing activities		
Paid in share capital		
Repayment of long term liabilities	-34 121	-43 479
Raised long term liabilities		
Net cash flow from financing activities	-34 121	-43 479
Net changes in cash and cash equivalents	43 067	896
Cash and cash equivalents at 01.01	1 750	854
Cash and cash equivalents at 31.12	44 818	1 750

Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Boa SBL AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Boa SBL AS, which comprise the balance sheet as at 31. December 2011, and the income statement, showing a loss of NOK 14.616.575,- 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 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 SBL AS as at 31. December 2011, 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 in the financial statements 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 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, 26. March 2012
Deloitte AS

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

[Translation has been made for information purposes only]