



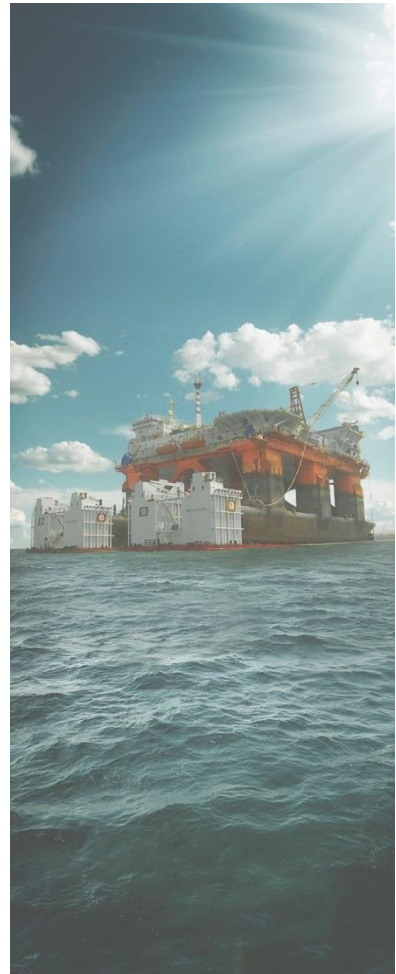
BOA

Quarterly Report

Boa SBL AS

1Q - 2016

Org.nr. 990 899 576



BOA SBL AS

CEO'S REPORT – 1Q 2016

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 two special built vessels for EM Technology “Boa Thalassa” and “Boa Galatea”, and management of these vessels is undertaken by BOA Offshore AS. The main office of the company is located in Trondheim.

Review of first quarter 2016 accounts:

Operating income in the period was mNOK 13,0 (mNOK 40,7 in the same period 2015).

Operating expenses were mNOK 16,8 (mNOK 24,2).

EBITDA for the period was mNOK 3,1 (mNOK 23,5).

Operating profit/EBIT was mNOK -3,7 (mNOK 16,5).

Net financial items were mNOK -8,7 (mNOK -5,5).

Profit before tax was mNOK -12,5 (mNOK 11,0).

Cash flow in the period:

Net cash flow from operating activities was mNOK -16,1 (mNOK 32,0).

Net cash flow from investing activities was mNOK 0,0 (mNOK -0,7).

Net cash flow from financing activities was mNOK -5,0 (mNOK -5,0).

Net change in cash was mNOK -21,1 (mNOK 26,3).

Balance sheet 31.03.2016:

Total assets per 31.03.2016 were mNOK 661 (mNOK 665 per 31.03.2015). Interest bearing debt was mNOK 345 (mNOK 365), and the equity mNOK 240 (mNOK 223). The equity ratio 36,3 %, decreased from 36,8 % last quarter (33,6 % per 31.03.2015).

Cash and Cash equivalents per 31.03.2016 were mNOK 70,6 (mNOK 58,0 per 31.03.2015).

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.

Credit risk:

The potential risk that the other contracting party will not have the financial means to meet their obligations is increased. 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 seismic sector remains challenging due to the fall in oil prices from mid-2014. Exploration seems to be harder hit than the Development part of the E&P value chain when oil companies scale back their E&P investment budgets. The long-term outlook for the offshore seismic sector is still considered to be prospective as global demand for oil and gas continue to grow, and offshore seismic will play an important role in finding new reserves and maintain producing reserves. Although the oil price is up approximately 50 % over the last three months, it probably needs to increase further and stabilize at a higher level than today before seeing any notable increase in demand for seismic services.

Boa Thalassa and Boa Galatea have been working for EMGS since they were delivered from the yard in 2008 and 2009, respectively. Boa Thalassa is on a firm contract with EMGS until April 2017, whereas the Boa Galatea ended its firm contract in January 2016 and is now idle. EMGS has seen a significant deterioration in sales over the recent quarters along with the industry. New potential contracts with EMGS or other seismic companies depend on when the oil and gas industry turn again. In addition to the EM seismic segment with EMGS, the company sees opportunities for the SBL vessels within alternative segments such as accommodation support, Subsea IMR and Survey, lightweight construction and in the offshore wind-farm segment. Some of these segments have deteriorated in line with the industry, others still offer opportunities. Dayrate levels, duration and required investments for conversion will be of importance when considering alternative markets.

Statement from the CEO:

I hereby declare that to the best of my knowledge the interim accounts for the first quarter of 2016 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, 30 May 2016



Helge Kvalvik
CEO

Income Statement
Boa SBL AS

(figures in NOK 1 000)

	1Q 2016	1Q 2015	FY 2015
Operating income and operating expenses			
Operating income	13 027	40 735	165 229
Operating income	13 027	40 735	165 229
Operating expenses vessels	1 998	3 319	17 870
Payroll expenses	5 659	11 277	48 896
Depreciation expenses	6 869	6 928	27 247
Other operating expenses	2 233	2 680	13 580
Operating expenses	16 759	24 204	107 593
Operating result	-3 732	16 531	57 636
Financial income and expenses			
Interest income from group companies	1 804	1 741	6 851
Other interest income	7	12	45
Other financial income	622	4 496	13 916
Interest expense to group companies	789	744	3 072
Other interest expenses	5 840	6 370	24 945
Other financial expenses	4 531	4 663	9 910
Financial result	-8 728	-5 528	-17 115
Result before tax	-12 459	11 002	40 521
Tax on ordinary result			852
Result after tax	-12 459	11 002	39 669

Balance Sheet
Boa SBL AS

	31.03.2016	31.03.2015	31.12.2015
<i>(figures in NOK 1 000)</i>			
Fixed assets			
Intangible fixed assets			
Deferred tax assets	11 330	12 183	11 330
Total intangible assets	11 330	12 183	11 330
Tangible fixed assets			
Vessels	446 554	470 427	453 423
Total tangible fixed assets	446 554	470 427	453 423
Financial fixed assets			
Loans to group companies	109 941	103 027	108 137
Total financial fixed assets	109 941	103 027	108 137
Total fixed assets	567 826	585 637	572 890
Current assets			
Inventories	191		
Receivables			
Trade receivables	5 550	16 352	15 803
Receivables from group companies	13 486		983
Other receivables	3 264	5 179	3 874
Total receivables	22 300	21 531	20 660
Cash and bank deposits	70 598	57 997	91 686
Total current assets	93 090	79 528	112 346
Total assets	660 915	665 165	685 236

Balance Sheet
Boa SBL AS

	31.03.2016	31.03.2015	31.12.2015
<i>(figures in NOK 1 000)</i>			
Equity and liabilities			
Restricted equity			
Share capital	200 100	200 100	200 100
Share premium	14	14	14
Total restricted equity	200 114	200 114	200 114
Retained earnings			
Other equity	39 568	23 361	52 027
Total retained earnings	39 568	23 361	52 027
Total equity	239 682	223 475	252 141
Liabilities			
Other long term liabilities			
Bonds	345 000	365 000	350 000
Liabilities to group companies	66 716	63 599	65 927
Total long term liabilities	411 716	428 599	415 927
Short time liabilities			
Trade creditors	2 557	5 298	6 660
Liabilities to group companies		1 918	4 056
Other short term liabilities	6 961	5 875	6 453
Total short term liabilities	9 518	13 091	17 169
Total liabilities	421 233	441 690	433 096
Total liabilities and equity	660 915	665 165	685 236

Cash flow statement

Figures in 1 000 NOK	1Q 2016	1Q 2015	FY 2015
Cash flow from operating activities			
Profit before income taxes	-12 459	11 002	40 521
Depreciation	6 869	6 928	27 247
Changes in trade receivables and creditors	6 150	10 059	10 052
Changes in receivables from group entities	-17 574	-996	-705
Changes in other short-term receivables and liabilities	926	5 000	6 882
Net cash flow from operating activities	-16 088	31 993	83 997
Cash flow from investing activities			
Purchase of tangible fixed assets	-	-738	-4 053
Net cash flow from investing activities	-	-738	-4 053
Cash flow from financing activities			
Repayment of long term liabilities	-5 000	-5 000	-20 000
Net cash flow from financing activities	-5 000	-5 000	-20 000
Net changes in cash and cash equivalents	-21 088	26 255	59 944
Cash and cash equivalents start of period	91 686	31 742	31 742
Cash and cash equivalents end of period	70 598	57 997	91 686

Notes to 1Q 2016 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 01.01.16	642 955	25 912	668 867
Additions	0	0	0
Disposals	0	0	0
Acquisition cost 31.03.16	642 955	25 912	668 867
Accumulated depr. 01.01.16	204 495	10 949	215 444
Acc. depreciation disposals	0	0	0
Depreciation this year	5 395	1 474	6 869
Accum. depreciation 31.03.16	209 890	12 423	222 313
Book value 31.03.16	433 065	13 489	446 554
Economic life	27	2,5 -10	
Depreciation schedule	Linear	Linear	

Note 3 Shareholder's equity

	Share capital	Share premium	Other equity	Total
Equity 01.01.16	200 100	14	52 027	252 141
Profit for the period	0	0	-12 459	-12 459
Equity 31.03.16	200 100	14	39 568	239 682

Notes to 1Q 2016 report

Note 4 **Income statement - summary**

	1Q 2016	1Q 2015	FY 2015
Operating income	13 027	40 735	165 229
Operating expences	9 890	17 276	80 346
EBITDA	3 137	23 459	84 883
EBITDA %	24 %	58 %	51 %
Depreciation	6 869	6 928	27 247
EBIT	-3 732	16 531	57 636
Net finance	-8 728	-5 528	-17 115
Pre tax profit	-12 459	11 002	40 521
Tax	-	-	852
Net profit	-12 459	11 002	39 669