



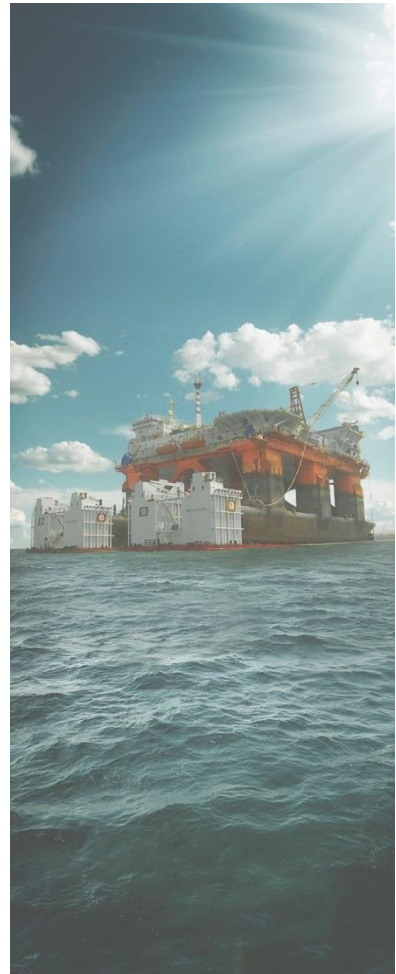
BOA

Quarterly Report

Boa OCV AS

1Q - 2015

Org.nr. 984 158 939



BOA OCV AS

CEO'S REPORT – 1Q 2015

General Information

The unaudited interim report is prepared in accordance with NGAAP.

Nature and location of activities:

The company owns and charters out the offshore construction vessels "Boa Deep C" and "Boa Sub C", and management of the vessels is performed by Boa Offshore AS..

Review of first quarter 2015 accounts:

Operating income in the period was NOK 102,9 million (NOK 81,9 million in the same period 2014).

EBITDA for the period was NOK 78,4 million (NOK 60,1 million).

Operating expenses were NOK 40,0 million (NOK 40,7 million).

Operating Profit/EBIT was NOK 62,9 million (NOK 41,3 million).

Net financial items were - NOK 15,4 million (- NOK 8,1 million).

Profit before tax was NOK 47,4 million (NOK 33,2 million).

Cash flow in the period

Net cash flow from operating activities was NOK 47,8 million. (NOK 29,9 million in the same period 2014).

Net cash flow from investing activities was - NOK 4,5 million (NOK 0,3 million).

Net cash flow from financing activities was - NOK 75,0 million (- NOK 56,0 million).

Net change in cash was - NOK 31,7 million (NOK 26,3 million).

Balance sheet 31.03.2015

Total assets per 31.03.2015 were NOK 1 458 million (NOK 2 036 million per 31.03.2014). Interest bearing debt was NOK 1 175 million (NOK 994 million), and the equity NOK 242 million (NOK 982) million). The equity ratio increased to 16,6% from last quarter 12,8 % (48,2 % per 31.03.2014).

Cash and Cash equivalents per 31.03.2015 were NOK 152,5 million (NOK 255,6 million per 31.03.2014).

Financial risk:

Market risk:

The company is susceptible to changes in currency exchange rates, since a considerable percentage of the company's earnings are in USD. The market risk is reduced somewhat since the company's operating purchases partially also take place in USD. The company continuously considers entering into currency futures contracts or other agreements to reduce currency risk. The interest on the company's long-term debt is partly firm due to two interest swaps.

Credit risk:

The risk that the contracting parties will not have the financial means to meet its obligations is considered to be low. No agreements have been made 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 has become more uncertain on the back of the drop in oil prices from mid 2014. Despite a 40% recovery of the Brent oil price from the January 2015 low to the current around USD65/bbl, oil prices probably need to recover to above USD70/bbl range 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, as a result of significant cost reductions in the industry. We see some increased activity in certain segments compared with the low activity seen over the winter, but more short-term than long-term work.

Ongoing and sanctioned projects will ensure decent activity in the subsea sector in the short to medium term. Furthermore, IMR and subsea well-related services still seem to be a growing part of the subsea market, which is less cyclical than the installation segment. 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 offshore deepwater. Hence, deepwater and subsea will remain one of the most important growth opportunities for oil companies also in the coming decade.

Boa Sub C is on a firm contract to late 3Q15, while Boa Deep C is chartered by Boa Offshore AS' US entity BMSI (BOA Marine Services Inc). Despite the current softer market, there are still opportunities for short and long-term contracts for both vessels from 2015, both with BMSI and third party charterers.

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

Income statement
Boa OCV AS

(figures in NOK 1 000)

	1Q 2015	1Q 2014	FY 2014
Operating income and operating exp.			
Operating income	102 890	81 938	363 435
Operating income	102 890	81 938	363 435
Operating expenses ships	11 013	5 458	39 153
Payroll expenses	11 420	13 251	55 762
Depreciation	15 588	18 840	84 339
Other operating expenses	2 010	3 108	12 860
Operating expenses	40 030	40 658	192 113
Operating profit	62 859	41 280	171 322
Financial income and expences			
Interest income from group entities	8 524	14 332	53 361
Other interest income	401	0	4 516
Other financial income	11 006	5 751	31 806
Interest expenses to group entities	0	0	0
Other interest expenses	23 939	22 025	124 038
Other financial expenses	11 426	6 161	43 443
Net financial income and expences	-15 434	-8 103	-77 798
Operating result before tax	47 425	33 177	93 523
Tax	0	15	-9 933
Result after tax	47 425	33 161	103 456

Balance sheet
Boa OCV AS

(figures in NOK 1 000)

	31.03.2015	31.03.2014	31.12.2014
Assets			
Intangible fixed assets			
Deferred tax asset	9 043	0	9 043
Total intangible fixed assets	9 043	0	9 043
Fixed assets			
Ships	770 783	760 928	781 864
Total tangible fixed assets	770 783	760 928	781 864
Financial fixed assets			
Loan to group companies	505 113	1 019 752	505 113
Total financial receivables	505 113	1 019 752	505 113
Total fixed assets	1 284 939	1 780 680	1 296 019
Current assets			
Debtors			
Accounts receivables	1 388	25 375	29 658
Other receivables	11 158	27 352	11 849
Group receivables	8 524	17 905	0
Total debtors	21 069	70 633	41 507
Cash and bank deposits	152 474	179 275	184 222
Total current assets	173 543	255 567	225 729
Total assets	1 458 482	2 036 247	1 521 748

Balance sheet
Boa OCV AS

(figures in NOK 1 000)

	31.03.2015	31.03.2014	31.12.2014
Equity			
Restricted equity			
Share capital	100	100	100
Share premium	80 108	80 108	80 108
Other restricted equity	14 445	14 445	14 445
Total restricted equity	94 653	94 653	94 653
Retained earnings			
Other equity	99 424	853 967	99 424
This years retained earnings	47 425	33 161	0
Total retained earnings	146 849	887 129	99 424
Total equity	241 502	981 781	194 076
Liabilities			
Provisions			
Other provisions	0	1 928	0
Total provisions	0	1 928	0
Other long term liabilities			
Bonds	1 175 000	993 750	1 200 000
Total of other long term liabilities	1 175 000	993 750	1 200 000
Current liabilities			
Trade creditors	17 192	20 967	29 843
Group liabilities	0	0	50 000
Tax payable	395	505	1 037
Other short term liabilities	24 394	37 317	46 791
Total short term liabilities	41 980	58 788	127 672
Total liabilities	1 216 980	1 054 466	1 327 672
Total equity and liabilities	1 458 482	2 036 247	1 521 748

Cash flow report

Figures in 1 000 NOK	Note	1Q 2015	1Q 2014	FY 2014
Cash flow from operating activities				
Profit before income taxes		47 425	33 177	93 523
Paid in tax		-643	-826	-1 331
Depreciation		15 588	18 840	84 339
Changes in trade receivables and creditors		15 619	13 517	32 160
Changes in receivables from group entities	1.	-8 524	-17 906	-67 411
Changes in other short-term receivables and liabilities		-21 706	-16 854	13 800
Net cash flow from operating activities		47 760	29 948	155 080
Cash flow from investing activities				
Purchase of financial fixed assets		-4 508	-274	-86 709
Net cash flow from investing activities		-4 508	-274	-86 709
Cash flow from financing activities				
Repayment of long term liabilities		-25 000	-18 750	-1 012 500
Group contribution		-50 000	-37 245	-277 245
Raised long term liabilities		-	-	1 200 000
Net cash flow from financing activities		-75 000	-55 995	-89 745
Net changes in cash and cash equivalents		-31 748	-26 321	-21 374
Cash and cash equivalents start at period		184 222	205 596	205 596
Cash and cash equivalents end of period		152 474	179 275	184 222

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

Notes to 1Q 2015 report

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 Fixed assets

	Vessels	Periodic maintenance	Total
Acquisition cost 01.01.15	1 242 896	139 224	1 382 120
Additions	420	4 087	4 508
Disposals			0
Acquisition cost 31.03.15	1 243 316	143 311	1 386 628
Accumulated depr. 01.01.15	577 527	22 729	600 256
Acc. depreciation disposals			0
Depreciation this period	9 285	6 303	15 588
Accum. depreciation 31.03.15	586 812	29 032	615 844
Book value 31.03.15	656 504	114 280	770 783
Economic life	27		
Depreciation schedule	Linear	Linear	

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

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	194 077
Profit for the period				47 425	47 425
Equity 31.03.15	100	80 108	14 445	146 849	241 502

Note 4 **Income statement - summary**

	1Q 2015	1Q 2014	FY 2014
Operating income	102 890	81 938	363 435
Operating expences	24 442	21 818	107 774
EBITDA	78 448	60 120	255 661
EBITDA %	76 %	73 %	70 %
Depreciation	15 588	18 840	84 339
EBIT	62 860	41 280	171 322
Net finance	-15 434	-8 103	-77 798
Pre tax profit	47 425	33 177	93 523
Tax	-	15	-9 933
Net profit	47 425	33 161	103 456