



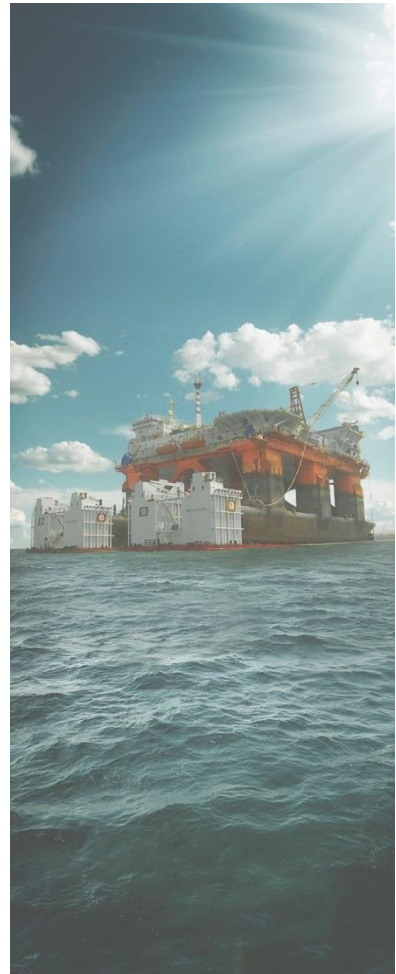
BOA

Quarterly Report

Boa SBL AS

2Q - 2015

Org.nr. 990 899 576



BOA SBL AS

CEO'S REPORT – 2Q 2015

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 second quarter 2015 accounts:

Operating income in the period was NOK 41,1 million (NOK 32,3 million in the same period 2014).

EBITDA for the period was NOK 21,9 million (NOK 14,6 million).

Operating expenses were NOK 26,1 million (NOK 26,6 million).

Operating Profit/EBIT was NOK 15,0 million (NOK 5,7 million).

Net financial items were - NOK 8,4 million (- NOK 5,8 million).

Profit before tax was NOK 6,6 million (- NOK 0,0 million).

Cash flow in the period

Net cash flow from operating activities was - NOK 5,6 million (- NOK 1,7 million).

Net cash flow from investing activities was NOK 0,0 million (NOK 0,0 million).

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

Net change in cash was - NOK 10,6 million (- NOK 6,7 million).

Balance sheet 30.06.2015

Total assets per 30.06.2015 were NOK 665 million (NOK 664 million per 31.06.2014). Interest bearing debt was NOK 360 million (NOK 380 million), and the equity NOK 230 million (NOK 207 million). The equity ratio 34,6%, increased from 33,6 % last quarter (31,2 % per 30.06.2014).

Cash and Cash equivalents per 30.06.2015 were NOK 47,4 million (NOK 41,7 million per 30.06.2014).

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 considered to be low. 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-term outlook for the seismic sector remains challenging due to the fall in oil prices from mid 2014. After a short lived recovery in oil prices seen in the second quarter after the 2015 January lows, oil prices have again fallen below USD45 per barrel. This has pushed a recovery further forward in time. Exploration seems to be harder hit than the Development part of the E&P value chain due to oil companies scaling 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.

Boa Thalassa and Boa Galatea have been working for EMGS since they were delivered from the yard in 2008 and 2009, respectively. Boa Thalassa and Boa Galatea are both employed on fixed contracts until December 2015 and July 2016 with EMGS. EMGS has seen a significant deterioration in sales over the recent quarters, and renewal of these contracts with EMGS when the current fixed periods mature will depend on their ability to book sales and backlog. 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.

Statement from the CEO

I hereby declare that to the best of my knowledge the interim accounts for the second quarter of 2015 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, 28 August 2015



Helge Kvalvik
CEO

Income statement
Boa SBL AS

(figures in NOK 1 000)

	2Q 2015	YTD 2015	2Q 2014	YTD 2014
Operating income and operating exp.				
Operating income	41 082	81 817	32 340	64 105
Operating income	41 082	81 817	32 340	64 105
Operating expenses ships	3 790	7 109	4 865	8 061
Payroll expenses	12 583	23 860	10 544	22 012
Depreciation	6 851	13 779	8 918	17 933
Other operating expenses	2 834	5 513	2 289	4 516
Operating expenses	26 058	50 260	26 616	52 523
Operating profit	15 024	31 557	5 724	11 582
Financial income and expenses				
Interest income from group entities	1 725	3 465	1 703	3 376
Other interest income	12	24	101	202
Other financial income	1 546	6 042	663	1 444
Interest expenses to group entities	761	1 505	858	1 705
Other interest expenses	6 378	12 743	6 968	13 850
Other financial expenses	4 573	9 244	415	1 108
Net financial income and expenses	-8 430	-13 961	-5 774	-11 641
Operating result before tax	6 594	17 596	-50	-59
Tax	0	0	0	0
Result after tax	6 594	17 596	-50	-59

Balance sheet
Boa SBL AS

(figures in NOK 1 000)

	30.06.2015	30.06.2014	31.12.2014
Assets			
Intangible fixed assets			
Deferred tax asset	12 183	12 203	12 183
Total intangible fixed assets	12 183	12 203	12 183
Fixed assets			
Ships	463 576	479 085	476 617
Total tangible fixed assets	463 576	479 085	476 617
Financial fixed assets			
Other receivables	0	80	0
Loan to group companies	104 752	97 857	101 287
Total financial receivables	104 752	97 937	101 287
Total fixed assets	580 511	589 225	590 086
Current assets			
Debtors			
Accounts receivables	30 744	23 352	25 338
Other receivables	4 933	10 058	9 293
Group receivables	1 414	0	0
Total debtors	37 092	33 410	34 630
Cash and bank deposits	47 354	41 707	31 742
Total current assets	84 446	75 116	66 372
Total assets	664 957	664 341	656 458

Balance sheet
Boa SBL AS

(figures in NOK 1 000)

	30.06.2015	30.06.2014	31.12.2014
Equity			
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	12 359	7 340	12 359
This years retained earnings	17 596	-59	0
Total retained earnings	29 955	7 281	12 359
Total equity	230 069	207 395	212 473
Liabilities			
Other long term liabilities			
Bonds	360 000	380 000	370 000
Group liabilities	64 360	61 094	62 855
Total of other long term liabilities	424 360	441 094	432 855
Current liabilities			
Trade creditors	4 943	9 808	6 141
Other short term liabilities	5 585	6 045	4 989
Total short term liabilities	10 528	15 852	11 131
Total liabilities	434 888	456 946	443 985
Total equity and liabilities	664 957	664 341	656 458

Cash flow statement

Figures in 1 000 NOK	2Q 2015	YTD 2015	2Q 2014	YTD 2014
Cash flow from operating activities				
Profit before income taxes	6 594	17 596	-50	-59
Depreciation	6 851	13 779	8 918	17 934
Changes in trade receivables and creditors	-18 080	-8 021	-2 892	5 950
Changes in receivables from group entities	-964	-1 960	-4 136	-4 962
Changes in other short-term receivables and liabilities	-45	4 955	-3 554	-7 375
Net cash flow from operating activities	-5 643	26 350	-1 714	11 488
Cash flow from investing activities				
Purchase of tangible fixed assets	-	-738	-	-
Net cash flow from investing activities	-	-738	-	-
Cash flow from financing activities				
Repayment of long term liabilities	-5 000	-10 000	-5 000	-10 000
Net cash flow from financing activities	-5 000	-10 000	-5 000	-10 000
Net changes in cash and cash equivalents	-10 643	15 612	-6 714	1 488
Cash and cash equivalents start of period	57 997	31 742	48 421	40 219
Cash and cash equivalents end of period	47 354	47 354	41 707	41 707

Notes to 2Q 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.

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	641 653	23 161	664 814
Additions	738		738
Disposals			0
Acquisition cost 30.06.15	642 391	23 161	665 552
Accumulated depr. 01.01.15	182 929	5 268	188 197
Acc. depreciation disposals			0
Depreciation this year	10 770	3 008	13 779
Accum. depreciation 30.06.15	193 699	8 276	201 976
Book value 30.06.15	448 692	14 885	463 576
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 equity	Total
Equity 01.01.15	200 100	14	12 359	212 473
Profit for the period			17 596	17 596
Equity 30.06.15	200 100	14	29 955	230 069

Note 4 **Income statement - summary**

	2Q 2015	YTD 2015	2Q 2014	YTD 2014
Operating income	41 082	81 817	32 340	64 105
Operating expences	19 207	36 481	17 698	34 590
EBITDA	21 875	45 336	14 642	29 515
EBITDA %	53 %	55 %	45 %	46 %
Depreciation	6 851	13 779	8 918	17 933
EBIT	15 024	31 557	5 724	11 582
Net finance	-8 430	-13 961	-5 774	-11 641
Pre tax profit	6 594	17 596	-50	-59
Tax	-	-	-	-
Net profit	6 594	17 596	-50	-59