



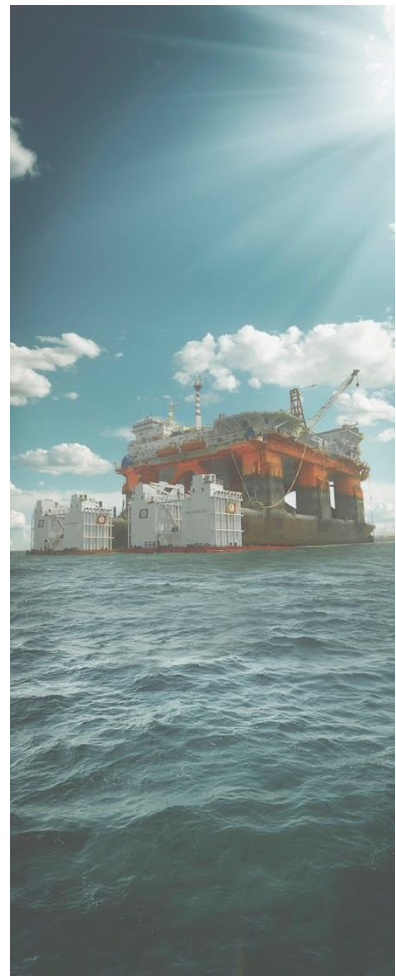
BOA

Quarterly Report

Boa SBL AS

3Q - 2015

Org.nr. 990 899 576



BOA SBL AS

CEO'S REPORT – 3Q 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 third quarter 2015 accounts:

Operating income in the period was NOK 43,9 million (NOK 26,5 million in the same period 2014).

EBITDA for the period was NOK 23,4 million (NOK 14,4 million).

Operating expenses were NOK 27,1 million (NOK 21,8 million).

Operating Profit/EBIT was NOK 16,8 million (NOK 4,8 million).

Net financial items were - NOK 0,7 million (- NOK 4,6 million).

Profit before tax was NOK 16,1 million (NOK 0,2 million).

Cash flow in the period:

Net cash flow from operating activities was NOK 24,3 million (NOK 22,1 million).

Net cash flow from investing activities was - NOK 3,3 million (- NOK 16,6 million).

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

Net change in cash was NOK 16,0 million (NOK 0,6 million).

Balance sheet 30.09.2015:

Total assets per 30.09.2015 were NOK 680 million (NOK 666 million per 30.09.2014). Interest bearing debt was NOK 355 million (NOK 375 million), and the equity NOK 246 million (NOK 208 million). The equity ratio 36,2 %, increased from 34,6 % last quarter (31,2 % per 30.09.2014).

Cash and Cash equivalents per 30.09.2015 were NOK 63,4 million (NOK 42,3 million per 30.09.2014).

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. 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.

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 April 2017 and December 2015 with EMGS. The former was extended by around 9 months in October 2015. EMGS has seen a significant deterioration in sales over the recent quarters along with the industry. A potential new contract for Galatea with EMGS depends on when the oil price and 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.

Statement from the CEO:

I hereby declare that to the best of my knowledge the interim accounts for the third 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, 30 November 2015



Helge Kvalvik
CEO

Income statement
Boa SBL AS

(figures in NOK 1 000)

	3Q 2015	YTD 2015	3Q 2014	YTD 2014
Operating income and operating exp.				
Operating income	43 910	125 727	26 532	90 638
Operating income	43 910	125 727	26 532	90 638
Operating expenses ships	4 784	11 892	3 518	11 579
Payroll expenses	13 287	37 147	7 361	29 372
Depreciation	6 599	20 378	9 623	27 556
Other operating expenses	2 458	7 971	1 261	5 777
Operating expenses	27 128	77 388	21 763	74 285
Operating profit	16 782	48 339	4 770	16 352
Financial income and expenses				
Interest income from group entities	1 700	5 166	1 727	5 102
Other interest income	22	45	311	513
Other financial income	4 855	10 897	2 473	3 917
Interest expenses to group entities	779	2 284	871	2 575
Other interest expenses	6 202	18 945	6 959	20 809
Other financial expenses	281	9 525	1 252	2 361
Net financial income and expenses	-685	-14 646	-4 571	-16 212
Operating result before tax	16 097	33 693	199	140
Tax	0	0	0	0
Result after tax	16 097	33 693	199	140

Balance sheet
Boa SBL AS

(figures in NOK 1 000)

	30.09.2015	30.09.2014	31.12.2014
Fixed assets			
Intangible fixed assets			
Deferred tax asset	12 183	12 203	12 183
Total intangible fixed assets	12 183	12 203	12 183
Tangible fixed assets			
Ships	460 261	486 014	476 617
Total tangible fixed assets	460 261	486 014	476 617
Financial fixed assets			
Loan to group companies	106 452	99 584	101 287
Total financial fixed assets	106 452	99 584	101 287
Total fixed assets	578 896	597 800	590 086
Current assets			
Debtors			
Accounts receivables	32 492	15 259	25 338
Other receivables	4 829	11 044	9 293
Total debtors	37 321	26 303	34 630
Cash and bank deposits	63 361	42 300	31 742
Total current assets	100 682	68 603	66 372
Total assets	679 578	666 403	656 458

Balance sheet
Boa SBL AS

(figures in NOK 1 000)

	30.09.2015	30.09.2014	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
Total retained earnings	46 052	7 480	12 359
Total equity	246 166	207 594	212 473
Liabilities			
Other long term liabilities			
Bonds	355 000	375 000	370 000
Group liabilities	65 139	61 965	62 855
Total of other long term liabilities	420 139	436 965	432 855
Current liabilities			
Trade creditors	8 299	15 853	6 141
Other short term liabilities	4 975	5 992	4 989
Total short term liabilities	13 274	21 845	11 131
Total liabilities	433 412	458 809	443 985
Total equity and liabilities	679 578	666 403	656 458

Cash flow statement

Figures in 1 000 NOK	3Q 2015	YTD 2015	3Q 2014	YTD 2014
Cash flow from operating activities				
Profit before income taxes	16 097	33 693	199	140
Depreciation	6 599	20 378	9 623	27 557
Changes in trade receivables and creditors	3 022	-4 998	16 643	22 592
Changes in receivables from group entities	-922	-2 881	-3 360	-8 322
Changes in other short-term receivables and liabilities	-506	4 449	-960	-8 335
Net cash flow from operating activities	24 291	50 641	22 144	33 632
Cash flow from investing activities				
Purchase of tangible fixed assets	-3 284	-4 022	-16 552	-16 552
Net cash flow from investing activities	-3 284	-4 022	-16 552	-16 552
Cash flow from financing activities				
Repayment of long term liabilities	-5 000	-15 000	-5 000	-15 000
Net cash flow from financing activities	-5 000	-15 000	-5 000	-15 000
Net changes in cash and cash equivalents	16 007	31 619	593	2 081
Cash and cash equivalents start of period	47 354	31 742	41 707	40 219
Cash and cash equivalents end of period	63 361	63 361	42 300	42 300

Notes to 3Q 2015 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 01.01.15	641 653	23 161	664 814
Additions	1 271	2 751	4 022
Disposals			0
Acquisition cost 30.09.15	642 924	25 912	668 836
Accumulated depr. 01.01.15	182 929	5 268	188 197
Acc. depreciation disposals			0
Depreciation this year	16 171	4 207	20 378
Accum. depreciation 30.09.15	199 100	9 475	208 575
Book value 30.09.15	443 824	16 436	460 261
Economic life	27	2,5 -10	
Depreciation schedule	Linear	Linear	

The economic lifetime for the vessels has been extended from 20 to 27 years in 2015.

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			33 693	33 693
Equity 30.09.15	200 100	14	46 052	246 166

Note 4 **Income statement - summary**

	3Q 2015	YTD 2015	3Q 2014	YTD 2014
Operating income	43 910	125 727	26 532	90 638
Operating expences	20 529	57 010	12 141	46 729
EBITDA	23 381	68 717	14 392	43 909
EBITDA %	53 %	55 %	54 %	48 %
Depreciation	6 599	20 378	9 623	27 556
EBIT	16 782	48 339	4 770	16 352
Net finance	-685	-14 646	-4 571	-16 212
Pre tax profit	16 097	33 693	199	140
Tax	-	-	-	-
Net profit	16 097	33 693	199	140