



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2017 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 995 632 403
Organisasjonsform: Aksjeselskap
Foretaksnavn: ARMADA SEISMIC INVEST II AS
Forretningsadresse: Damsgårdsveien 135
5160 LAKSEVÅG

Regnskapsår

Årsregnskapets periode: 01.01.2017 - 31.12.2017

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Hilde Marie Bjerga
Dato for fastsettelse av årsregnskapet: 14.05.2018

Grunnlag for avgivelse

År 2017: Årsregnskapet er elektronisk innlevert
År 2016: Tall er hentet fra elektronisk innlevert årsregnskap fra 2017

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 07.11.2020



Resultatregnskap

Beløp i: USD	Note	2017	2016
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		4 697 000	1 830 000
Annen driftsinntekt	10, 11		
Sum inntekter		4 697 000	1 830 000
Kostnader			
Avskrivning på varige driftsmidler og immaterielle eiendeler	3	2 860 501	3 448 280
Nedskrivning av varige driftsmidler og immaterielle eiendeler	3		11 287 388
Annen driftskostnad	11	57 086	528 013
Sum kostnader		2 917 587	15 263 682
Driftsresultat		1 779 413	-13 433 682
Finansinntekter og finanskostnader			
Annen finansinntekt		7	1 491
Sum finansinntekter		7	1 491
Rentekostnad til foretak i samme konsern	4	40 496	258 665
Annen rentekostnad		1 530 318	1 382 586
Annen finanskostnad		68 609	697 412
Sum finanskostnader		1 639 423	2 338 662
Netto finans		-1 639 416	-2 337 171
Ordinært resultat før skattekostnad		139 997	-15 770 852
Skattekostnad på ordinært resultat	8		767
Ordinært resultat etter skattekostnad		139 997	-15 771 619
Årsresultat		139 997	-15 771 619
Årsresultat etter minoritetsinteresser		139 997	-15 771 619
Totalresultat		139 997	-15 771 619
Overføringer og disponeringer			



Resultatregnskap

Beløp i: USD	Note	2017	2016
Overføringer til/fra annen egenkapital	5	139 997	-15 771 619
Sum overføringer og disponeringer		139 997	-15 771 619



Balanse

Beløp i: USD	Note	2017	2016
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	8		
Varige driftsmidler			
Skip, rigger, fly og lignende	3	54 356 339	57 216 840
Sum varige driftsmidler		54 356 339	57 216 840
Sum anleggsmidler		54 356 339	57 216 840
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	4	748 730	360 509
Sum fordringer		748 730	360 509
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	7	29 419	900
Sum bankinnskudd, kontanter og lignende		29 419	900
Sum omløpsmidler		778 149	361 409
SUM EIENDELER		55 134 488	57 578 250
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	5, 6	30 474	30 474
Overkurs	5	7 740 987	7 740 987
Sum innskutt egenkapital		7 771 461	7 771 461
Opptjent egenkapital			



Balanse

Beløp i: USD	Note	2017	2016
Annen egenkapital	5	-2 321 194	-2 461 191
Udekket tap	5		
Sum opptjent egenkapital		-2 321 194	-2 461 191
Sum egenkapital		5 450 267	5 310 270
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	9	48 480 835	48 563 415
Sum annen langsiktig gjeld		48 480 835	48 563 415
Sum langsiktig gjeld		48 480 835	48 563 415
Kortsiktig gjeld			
Leverandørgjeld			1 006 567
Annen kortsiktig gjeld	4	1 203 386	2 697 997
Sum kortsiktig gjeld		1 203 386	3 704 564
Sum gjeld		49 684 221	52 267 979
SUM EGENKAPITAL OG GJELD		55 134 488	57 578 250



ANNUAL REPORT 2017

Armada Seismic Invest II AS

Solheimsgaten 15
5058 Bergen

Business reg.no 995 632 403 MVA

Content:

Financial Statement
Auditor's Report



Armada Seismic Invest II AS
Profit and Loss Account (in USD)

OPERATING REVENUE AND EXPENSES	NOTE	2017	2016
Operating revenue		4 697 000	1 830 000
		4 697 000	1 830 000
Cost of sales	11	39 996	422 818
Administration expenses		17 089	105 195
Depreciation	3	2 860 501	3 448 280
Write-down	3	0	11 287 388
Total operating expenses		2 917 587	15 263 682
Net operating income		1 779 413	-13 433 682
FINANCIAL ITEMS			
Financial income		7	1 491
Interest cost to group entities	4	40 496	258 665
Interest expenses		1 530 318	1 382 586
Other financial expenses		17 175	647 560
Exchange loss (-) /gain (+)		-51 434	-49 852
Net financial income and expenses		-1 639 416	-2 337 171
Operating result before tax		139 997	-15 770 852
Tax expenses	8	0	767
Net income		139 997	-15 771 619
ALLOCATION OF NET INCOME			
To other equity	5	139 997	-15 771 619
Total allocation		139 997	-15 771 619



Armada Seismic Invest II AS
Statement of Financial Position (in USD)

ASSETS	NOTE	2017	2016
FIXED ASSETS			
TANGIBLE FIXED ASSETS			
Vessels and marine equipment	3	54 356 339	57 216 840
Total tangible fixed assets		54 356 339	57 216 840
Total fixed assets		54 356 339	57 216 840
CURRENT ASSETS			
DEBTORS			
Other receivables		2 742	0
Receivables to group companies	4	745 988	360 509
Total debtors		748 730	360 509
Cash and cash equivalents	7	29 419	900
Total current assets		778 149	361 409
Total assets		55 134 488	57 578 250



Armada Seismic Invest II AS
Statement of Financial Position (in USD)

EQUITY AND LIABILITIES	NOTE	2017	2016
RESTRICTED EQUITY			
Share capital	5, 6	30 474	30 474
Share premium reserve	5	7 740 987	7 740 987
Total restricted equity		7 771 461	7 771 461
RETAINED EARNINGS			
Retained earnings	5	-2 321 194	-2 461 191
Total retained earnings		-2 321 194	-2 461 191
Total equity		5 450 267	5 310 270
LIABILITIES			
OTHER LONG-TERM LIABILITIES			
Liabilities to financial institutions	9	48 480 835	48 563 415
Total other long term liabilities		48 480 835	48 563 415
CURRENT LIABILITIES			
Trade creditors		0	1 006 567
Liabilities to group companies	4	1 160 189	2 655 266
Other short term liabilities		43 196	42 731
Total short term liabilities		1 203 386	3 704 564
Total liabilities		49 684 221	52 267 979
Total equity and liabilities		55 134 488	57 578 250

Bergen, 30.04.2018

Irene Waage Basili
chairman of the board/General Manager

Einar Ytredal
member of the board



Note 1 Accounting principles

Armada Seismic Invest II AS is a Norwegian registered company with corporate office in Bergen. The company owns a modern purpose built seismic vessel.

As of 22. December 2016 the company is part of the Shearwater GeoServices Group.

The financial statements are prepared in accordance with the Norwegian Generally Accepted Accounting Principles (NGAAP) as set out in the Norwegian Accounting Act of 1998 for small companies. The accounting principles are described below.

Use of functional currency

The company is presenting its financial statements in USD, as this is defined as the presentation currency. The main activities in the company is predominantly in USD. The functional currency in the Group accounts is also USD.

Policies for revenue recognition

Revenue is recognised when it is probable that transactions will generate future economic benefits that will accrue to the company and the value of such benefits can be estimated reliably. Income and expenses related to the vessels' journeys are accrued based on the number of days the journey lasts before and after the end of the year and such income is classified as charter income.

Classification of assets and liabilities in the balance sheet

Assets intended for permanent ownership or use and receivables due later than one year after the balance sheet date are classified as fixed assets. Other assets are classified as current assets. Liabilities due later than one year after the balance sheet date are classified as long-term debt. Other liabilities are classified as short-term debt. The first year's installments on long-term debt are classified as part of long-term debt, but are specified in accompanying notes.

Transactions in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary items are translated at the current exchange rate, non-monetary items that are measured at historical cost are translated at the rate in effect on the original transaction date, and non-monetary items that are measured at fair value are translated at the exchange rate in effect at the time when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies to year-end exchange rates are recognised in the income statement.

Receivables and liabilities in foreign currency

Receivables and liabilities in a foreign currency are translated into USD using the exchange rate at the balance sheet date. Realised and unrealised gains and losses are classified as financial items

Fixed assets

For fixed assets, the straight line method for ordinary depreciation is applied, based on an economic life of 25 years. Improvements and upgrading are capitalised and depreciated over the remaining economic life of the vessel. The straight line method for ordinary depreciation based on a period of 2.5 to 5 years is applied for periodic maintenance.

The depreciation period and method are assessed annually to ensure that the method and period used are in accordance with the financial realities of the fixed asset. The same applies to the scrap value. The scrap value of the vessels is calculated by multiplying the steel weight of the vessel by the prevailing market price for steel at the balance sheet date.

Fixed assets are valued at acquisition cost less any accumulated depreciation and write-downs. When assets are sold or disposed of, the acquisition cost and accumulated depreciation are reversed in the accounts and any loss or gain on the disposal is recognised in the income statement.

Fixed assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Write-downs recorded in previous periods are reversed



when there is information indicating that the recoverable amount is higher than the carrying amount.

Periodical maintenance

The company capitalises expenses incurred at the docking of the vessels and amortises these expenses over the period until the next docking ("the capitalisation method").

Receivables

Receivables are valued at the lower of the nominal value and fair value.

Cash and bank deposits

Includes bank deposits, cash in hand and short-term bank deposits with an original maturity of three months or less.

Taxes

The company is structured in accordance with the Norwegian tonnage tax system. At entry to the tonnage tax system operational profit is non taxable. Tonnage tax is accounted as operational cost.

A tax percentage of 24 % is used on taxable financial income. Temporary differences related to financial assets/debts are offset when estimating deferred tax/- tax assets, which is 23 % (24 % in 2016) of net temporary differences. The accounting follow the general rules of valuation for recognition.

Contingencies

Contingent losses are recognised as expense if they are probable and can be reliably measured. Contingent gains that are probable and contingent losses that are less probable are not recognised but disclosed in the annual report or in the accompanying notes.

Note 2 Payroll expenses, number of employees, remunerations

The company has no employees and therefore no legal or constructive obligations to hold a pension scheme as defined in the Norwegian pension law. There has been no remuneration to general manager or directors of the board. The company has expensed USD 1 844 excl VAT as remuneration for the auditor this financial year. No tax advisory or other services outside the audit scope have been charged from the auditor in 2017.



Note 3 Tangible fixed assets

	Vessel
Acquisition cost as at 1.1.	93 837 348
+ Additions during the year	0
= Acquisition cost as at 31.12.	93 837 348
Accumulated depreciation at 1.1.	17 773 902
Accumulated write-downs at 1.1.	18 846 606
+ Depreciation for the year	2 721 633
+ Depreciation of periodic maintenance for the year	138 869
+ Write-downs during the year	0
= Accumulated depreciation and write-downs at 31.12.	39 481 009
Carrying amount as at 31.12.	54 356 339

Fixed assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. In 2016 the recoverable amount for "Polar Duchess" was based on the sales transaction between GC Rieber Shipping Group and Shearwater GeoServices in December 2016, giving a total write-down of USD 11 287 388.

In 2017 there were no indication that the carrying amount might not be recoverable. The market, although still challenging, shows signs of improving and the vessel will be bareboat chartered to a group company going forward. The estimated average market value obtained from two renowned shipbrokers as at 31.12.17, also substantiated the carrying amount as recoverable.

Note 4 Intercompany balances

Short term receivables to group companies totals to USD 745 988 (2016: USD 360 509).

Short term liabilities to group companies totals to USD 1 160 189 (2016: USD 2 655 266). In 2016 USD 2 655 266 was change in long term debt related to the sale of the company to the Shearwater group.

All intercompany balances are subject to interest calculation. The group uses its highest external interest rate in the calculation.

Note 5 Equity

	Share capital	Share premium reserve	Retained earnings	Total equity
Equity as at 01.01.	30 474	7 740 987	-2 461 191	5 310 270
Net income for the year			139 997	139 997
Equity as at 31.12.	30 474	7 740 987	-2 321 194	5 450 267



Note 6 Share capital

The share capital consists of 200 000 shares at NOK 1. Carrying amount of the share capital in the financial statement is USD 30 474.

Polar Ship Invest IV AS owns 100 % of the shares.

Note 7 Bank deposits

The company has no restricted tax withholdings.

Note 8 Taxes

The company qualifies for the Norwegian tonnage tax system.

	2017	2016
Tax over profit and loss:		
Tax payable	0	767
Change in deferred taxes	0	0
Tax expense/ -income	0	767
	2017	2016
Deferred tax/ - tax assets:		
Temporary differences long term loan	-2 278 248	-2 161 274
Deferred tax assets not recognised in the balance sheet	2 278 248	2 161 274
Basis for calculation of deferred tax 31.12.	0	0
Tax rate	23%	24%
Deferred tax/deferred tax asset in the balance sheet (-)	0	0

The company does not capitalize deferred tax assets related to currency effects.

Note 9 Debt to credit institutions

	2017	2016
Total interest bearing debt	48 480 835	48 563 415
<i>Carrying amount of pledged assets:</i>		
Vessel	54 356 339	57 216 840

There are no instalments in 2018. The facility amount shall be paid in full within 5 years by end of this financial year.

Loan from credit institutions for the vessel is part of a joint loan facility with its parent company Polar Ship Invest IV AS (PSI) for the vessels "Polar Duke" and "Polar Marquis", and Shearwater GeoServices Assets II AS (Assets II) for the vessel "Polar Empress". Debt related to the facility for PSI and Assets II totals USD 98.7 million and USD 75.8 million respectively. The vessels mentioned above are all posed as security for the facility.



Note 10 Operating revenue

The company owns one vessel and the entirety of the operation revenue relates to the seismic segment. All operating revenue relates to one intercompany customer from Norway.

Note 11 Transactions with related parties

The company bareboat chartered "Polar Duchess" to its parent company Polar Ship Invest IV AS throughout 2017. Charter hire totals to USD 4 697 000

Until 22. December 2016 the company was part of the GC Rieber Shipping group. In that period Polar Duchess was hired on a bareboat charter to the sister company Polar Explorer AS, totalt USD 1 638 000. From the 22. December and the rest of the year, the company bareboat chartered the vessel to its parentcompany Polar Ship Invest IV AS a total of USD 192 000. The transactions are part of the ordinary business.

The company bought services for accounting and other administrative services from Shearwater GeoServices Norway AS in 2017 total USD 33 659 (2016: USD 50 000 part of GC Rieber Shipping Group until 22. December 2016).

Note 12 Contingencies

The company received in 2012 a claim from Arrow Sesimic invest II Ltd (now: PGS Geophysical (UK) Limited) amounting to approxiamtely EUR 9 million. The claim against Armada was dismissed 2 march 2016, and Armada was awarded full legal fees in the amount of NOK 3.4 million. In April 2016, the decision was appealed by PGS. The dispute has now been adjudicated in the Gulating Court of Appeal in Bergen, which rendered its decision 27 April 2018. The claim against Armada has been dismissed, and Armada has been awarded full legal fees in the amount of NOK 3.4 milliion. The decision may be appealed.

GC Rieber Shipping ASA has issued a letter of indemnity to Shearwater GeoServices on account of ongoing and potential disputes/litigations concerning the company.



ANNUAL REPORT 2017

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Administration expenses		17 089	105 195
Depreciation	3	2 860 501	3 448 280
Write-down	3	0	11 287 388
Total operating expenses		2 917 587	15 263 682
Net operating income		1 779 413	-13 433 682
FINANCIAL ITEMS			
Financial income		7	1 491
Interest cost to group entities	4	40 496	258 665
Interest expenses		1 530 318	1 382 586
Other financial expenses		17 175	647 560
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Net income		139 997	-15 771 619
ALLOCATION OF NET INCOME			
To other equity	5	139 997	-15 771 619
Total allocation		139 997	-15 771 619



Armada Seismic Invest II AS
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TANGIBLE FIXED ASSETS			
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Total tangible fixed assets		54 356 339	57 216 840
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Total fixed assets		54 356 339	57 216 840
CURRENT ASSETS			
DEBTORS			
Other receivables		2 742	0
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Total current assets		778 149	361 409
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Total assets		55 134 488	57 578 250



Armada Seismic Invest II AS
Statement of Financial Position (in USD)

EQUITY AND LIABILITIES	NOTE	2017	2016
RESTRICTED EQUITY			
Share capital	5, 6	30 474	30 474
Share premium reserve	5	7 740 987	7 740 987
Total restricted equity		7 771 461	7 771 461
RETAINED EARNINGS			
Retained earnings	5	-2 321 194	-2 461 191
Total retained earnings		-2 321 194	-2 461 191
Total equity		5 450 267	5 310 270
LIABILITIES			
OTHER LONG-TERM LIABILITIES			
Liabilities to financial institutions	9	48 480 835	48 563 415
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Trade creditors		0	1 006 567
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Total short term liabilities		1 203 386	3 704 564
Total liabilities		49 684 221	52 267 979
Total equity and liabilities		55 134 488	57 578 250

Bergen, 30.04.2018

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chairman of the board/General Manager

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member of the board



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Classification of assets and liabilities in the balance sheet

Assets intended for permanent ownership or use and receivables due later than one year after the balance sheet date are classified as fixed assets. Other assets are classified as current assets. Liabilities due later than one year after the balance sheet date are classified as long-term debt. Other liabilities are classified as short-term debt. The first year's installments on long-term debt are classified as part of long-term debt, but are specified in accompanying notes.

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Receivables and liabilities in foreign currency

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Fixed assets

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The depreciation period and method are assessed annually to ensure that the method and period used are in accordance with the financial realities of the fixed asset. The same applies to the scrap value. The scrap value of the vessels is calculated by multiplying the steel weight of the vessel by the prevailing market price for steel at the balance sheet date.

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Receivables

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Cash and bank deposits

Includes bank deposits, cash in hand and short-term bank deposits with an original maturity of three months or less.

Taxes

The company is structured in accordance with the Norwegian tonnage tax system. At entry to the tonnage tax system operational profit is non taxable. Tonnage tax is accounted as operational cost.

A tax percentage of 24 % is used on taxable financial income. Temporary differences related to financial assets/debts are offset when estimating deferred tax/- tax assets, which is 23 % (24 % in 2016) of net temporary differences. The accounting follow the general rules of valuation for recognition.

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Note 3 Tangible fixed assets

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+ Depreciation of periodic maintenance for the year	138 869
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Note 5 Equity

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	2017	2016
Total interest bearing debt	48 480 835	48 563 415
<i>Carrying amount of pledged assets:</i>		
Vessel	54 356 339	57 216 840

There are no instalments in 2018. The facility amount shall be paid in full within 5 years by end of this financial year.

Loan from credit institutions for the vessel is part of a joint loan facility with its parent company Polar Ship Invest IV AS (PSI) for the vessels "Polar Duke" and "Polar Marquis", and Shearwater GeoServices Assets II AS (Assets II) for the vessel "Polar Empress". Debt related to the facility for PSI and Assets II totals USD 98.7 million and USD 75.8 million respectively. The vessels mentioned above are all posed as security for the facility.



Note 10 Operating revenue

The company owns one vessel and the entirety of the operation revenue relates to the seismic segment. All operating revenue relates to one intercompany customer from Norway.

Note 11 Transactions with related parties

The company bareboat chartered "Polar Duchess" to its parent company Polar Ship Invest IV AS throughout 2017. Charter hire totals to USD 4 697 000

Until 22. December 2016 the company was part of the GC Rieber Shipping group. In that period Polar Duchess was hired on a bareboat charter to the sister company Polar Explorer AS, totalt USD 1 638 000. From the 22. December and the rest of the year, the company bareboat chartered the vessel to its parent company Polar Ship Invest IV AS a total of USD 192 000. The transactions are part of the ordinary business.

The company bought services for accounting and other administrative services from Shearwater GeoServices Norway AS in 2017 total USD 33 659 (2016: USD 50 000 part of GC Rieber Shipping Group until 22. December 2016).

Note 12 Contingencies

The company received in 2012 a claim from Arrow Sesimic Invest II Ltd (now: PGS Geophysical (UK) Limited) amounting to approxiamtely EUR 9 million. The claim against Armada was dismissed 2 march 2016, and Armada was awarded full legal fees in the amount of NOK 3.4 million. In April 2016, the decision was appealed by PGS. The dispute has now been adjudicated in the Gulating Court of Appeal in Bergen, which rendered its decision 27 April 2018. The claim against Armada has been dismissed, and Armada has been awarded full legal fees in the amount of NOK 3.4 million. The decision may be appealed.

GC Rieber Shipping ASA has issued a letter of indemnity to Shearwater GeoServices on account of ongoing and potential disputes/litigations concerning the company.



To the General Meeting of Armada Seismic Invest II AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Armada Seismic Invest II AS showing a profit of USD 139 997. The financial statements comprise the balance sheet as at 31 December 2017, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2017, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - Armada Seismic Invest II AS

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(2)



Independent Auditor's Report - Armada Seismic Invest II AS

Report on Other Legal and Regulatory Requirements

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.

Bergen, 14 May 2018

PricewaterhouseCoopers AS

Jon Haugervåg
State Authorised Public Accountant



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 05.12.2017	Vår dato 11.12.2017
Telefon 22078139	Deres referanse Kristian Rådal	Vår referanse 2017/1254129

SHEARWATER GEOSERVICES AS
Postboks 1243 , Sentrum
5811 BERGEN

MOTIAT
13 DES, 2017

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Armada Seismic Invest II AS, org.nr. 995 632 403

Vi viser til deres brev av 5. desember 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Armada Seismic Invest II AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Armada Seismic Invest II AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Armada Seismic Invest II AS er eid av Polar Ship Invest IV AS. Konsernspissen er Shearwater GeoServices Holding AS som har dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk. Shearwater GeoServices Holding AS med datterselskaper tilbyr tjenester innen seismikkvirksomhet internasjonalt. Konsernet operer hvor engelsk klart er det dominerende arbeidsspråket. Konsernets arbeidsspråk er engelsk. Selskapet driver virksomhet i en internasjonal bransje. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *“informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er eid av et selskap. Konsernspissen har dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk. Eierkretsen er begrenset. Selskapet opererer i en internasjonal bransje. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Jeanette Munkvold Skovholt
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer