



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2014 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	996 330 958
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	DOLPHIN GEOPHYSICAL AS
Forretningsadresse:	Damsgårdsveien 131 5160 LAKSEVÅG

Regnskapsår

Årsregnskapets periode:	01.01.2014 - 31.12.2014
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Tone Byholt Rødal
Dato for fastsettelse av årsregnskapet:	13.04.2015

Grunnlag for avgivelse

År 2014: Årsregnskapet er elektronisk innlevert
År 2013: Tall er hentet fra elektronisk innlevert årsregnskap fra 2014

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, 20.11.2020



Resultatregnskap

Beløp i: USD	Note	2014	2013
RESULTATREGNSKAP			
Inntekter			
Net Operating Revenues	3	318 629 000	169 539 000
Sum inntekter	3	318 629 000	169 539 000
Kostnader			
Cost of sales	4,5,15	258 252 000	122 472 000
Amortisation and write-down of Multi-Client Data library	10	562 000	7 650 000
Depreciation and write-down	9	38 736 000	18 606 000
Share-based compensation	6	1 476 000	2 097 000
Sum kostnader		299 026 000	150 825 000
Driftsresultat		19 603 000	18 714 000
Finansinntekter og finanskostnader			
Total financial income	7	38 396 000	17 549 000
Sum finansinntekter	7	38 396 000	17 549 000
Total financial expenses	7	35 644 000	25 161 000
Sum finanskostnader	7	35 644 000	25 161 000
Netto finans		2 752 000	-7 612 000
Ordinært resultat før skattekostnad			
Tax expense	8	17 328 000	3 427 000
Ordinært resultat etter skattekostnad		5 027 000	7 675 000
Årsresultat		5 027 000	7 675 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		5 027 000	7 675 000
Sum overføringer og disponeringer		5 027 000	7 675 000



Balanse

Beløp i: USD	Note	2014	2013
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Multi-Client library	10,14	18 713 000	18 037 000
Sum immaterielle eiendeler	10,14	18 713 000	18 037 000
Varige driftsmidler			
Leased and owned seismic-equipment	9,14,1 5	279 817 000	197 854 000
Sum varige driftsmidler	9,14,1 5	279 817 000	197 854 000
Finansielle anleggsmidler			
Investering i datterselskap	11	73 034 000	55 382 000
Long-term receivables	14	6 076 000	6 783 000
Sum finansielle anleggsmidler		79 110 000	62 165 000
Sum anleggsmidler		377 640 000	278 056 000
Omløpsmidler			
Varer			
Inventories and prepayment		23 996 000	21 087 000
Sum varer		23 996 000	21 087 000
Fordringer			
Accounts receivables	14	51 962 000	14 994 000
Accrued revenues and other receivables	14	30 461 000	15 923 000
avrunding, sum hele tusen, slik at net lik	14		1 000
Konsernfordringer	13,14	170 673 000	95 266 000
Sum fordringer		253 096 000	126 184 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	16	28 432 000	24 192 000
Sum bankinnskudd, kontanter og lignende	16	28 432 000	24 192 000
Sum omløpsmidler		305 524 000	171 463 000



Balanse

Beløp i: USD	Note	2014	2013
SUM EIENDELER		683 164 000	449 519 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	17,18	42 571 000	42 571 000
avrunding, rapp i hele tusen, for total linje	17,18	1 000	
Annen innskutt egenkapital	18	6 701 000	5 225 000
Sum innskutt egenkapital		49 273 000	47 796 000
Opptjent egenkapital			
Other equity	18	270 840 000	267 295 000
avrunding, rapp i hele tusen, for sum EK totalt	18	-1 000	1 000
Sum opptjent egenkapital		270 839 000	267 296 000
Sum egenkapital		320 112 000	315 092 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	8	24 188 000	10 424 000
Sum avsetninger for forpliktelser		24 188 000	10 424 000
Annen langsiktig gjeld			
Long-term liabilities	14,15	46 530 000	15 392 000
Sum annen langsiktig gjeld		46 530 000	15 392 000
Sum langsiktig gjeld		70 718 000	25 816 000
Kortsiktig gjeld			
Short-term liabilities	15	35 483 000	18 839 000
Leverandørgjeld	14	90 502 000	26 703 000
Kortsiktig konserngjeld	13,14	155 437 000	57 241 000
Other short-term liabilities	14	10 912 000	5 827 000
avrunding, for rapp i hele tusen	14		1 000
Sum kortsiktig gjeld		292 334 000	108 611 000



Balanse

Beløp i: USD	Note	2014	2013
Sum gjeld		363 052 000	134 427 000
SUM EGENKAPITAL OG GJELD		683 164 000	449 519 000
POSTER UTENOM BALANSEN			
Garantistillelser	14		
Pantstillelser	14		



Skattedirektoratet

Saksbehandler
Jan Hoelstad

Deres dato
04.05.2011

Vår dato
13.05.2011

Telefon
22077325

Deres referanse
Nina Mittlie

Vår referanse
2011/499106

Dolphin Group ASA
Postboks 150, Oppsal
0619 OSLO

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk

Det vises til deres brev av 4. mai 2011 samt e-poster av 13. mai 2011 med supplerende opplysninger i sakens anledning. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for:

- Dolphin Group ASA Org. nr: 984 861 060
- samt følgende heleide norske underliggende selskap:
 - Dolphin Interconnect Solutions AS Org. nr: 996 330 923
 - Dolphin Geophysical AS Org. nr: 996 330 958
 - Dolphin Assets I AS Org. nr: 996 480 313

Bakgrunn:

Dolphin Group ASA er et holdingselskap som er konsernspiss i et konsern som driver innen internasjonal seismikk-virksomhet samt utvikling og salg av IT-løsninger til forretningsmarkedet. Det er opplyst at tilnærmet alt salg av IT-løsninger skjer til utenlandske kunder. I tillegg til selskapene nevnt ovenfor har konsernet flere datterselskap i Storbritannia, Singapore og USA. All kommunikasjon med konsernets primære forretningsforbindelser inkludert kunder, skjer derfor på engelsk. Engelsk språk er også arbeidsspråk internt i konsernet. Flere av selskapets ledelse og ansatte er ikke norsk språklige.

Dolphin Group ASA er notert på Oslo Børs, og har der fått dispensasjon fra verdipapirhandelloven § 5-13 vedrørende språk. Pr 29. april 2011 har selskapet 795 aksjonærer hvorav 62 er utenlandske. Selskapets største aksjonær med 19,9 % av selskapet er amerikansk. I tillegg er også to andre av selskapets største aksjonærer utenlandske. Disse tre aksjonærene har til sammen 37 % av selskapet. Rapportering til aksjonærene skjer derfor på engelsk språk.

Selskapet er derfor avhengig av å utarbeide sitt årsregnskap og årsberetning på engelsk språk. I praksis vil en norsk språklig versjon, kun være en oversettelse som utarbeides for å tilfredsstille regnskapslovens krav til norsk språk. Det søkes derfor om dispensasjon.

Skattedirektoratets vurdering og konklusjon

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	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks
For elektronisk henvendelse se www.skatteetaten.no		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, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir negativt berørt ved en eventuell dispensasjon.

Selskapenes virksomhet er rettet mot et internasjonalt marked som benytter engelsk språk ved kommunikasjon og avtaleinngåelse. Engelsk benyttes også internt som arbeidsspråk i konsernet. En betydelig andel av selskapet er eid av utenlandske eiere, og morselskapet er av Oslo Børs innvilget dispensasjon fra verdipapirhandelloven § 5-13.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering de ovenfor nevnte selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen



Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet



Jan Hoelstad



Dolphin Geophysical AS,
Damsgaardsveien 131
N-5160 Laksevaag, Norway
Org.no 996 330 958 MVA



Annual report 2014



INCOME STATEMENT

01 Jan. 2014 - 31 Dec. 2014

In thousands of USD			
	Notes	Year 2014	Year 2013
Net Operating Revenues	3	318 629	169 539
<i>Operating Expenses</i>			
Cost of sales	4, 5, 15	258 252	122 472
Amortisation and write-down of Multi-Client Data library	10	562	7 650
Share-based compensation	6	1 476	2 097
Depreciation and write-down	9	38 736	18 606
Total Operating Expenses		299 026	150 825
Operating Profit (EBIT)		19 603	18 714
Total financial income	7	38 396	17 549
Total financial expenses	7	35 644	25 161
Net Financial Items		2 752	-7 612
Profit Before Taxes		22 354	11 102
Tax expense	8	17 328	3 427
Net Income		5 027	7 675



ASSETS 31. Dec. 2014

In thousands of USD	Notes	Year 2014	Year 2013
Assets			
Non-Current Assets			
Multi-Client library	10, 14	18 713	18 037
Total Intangible Non-Current Assets		18 713	18 037
Tangible Non-Current Assets			
Leased and owned seismic equipment	9, 14, 15	279 817	197 854
Total Tangible Non-Current Assets		279 817	197 854
Financial Non-Current Assets			
Investment in subsidiaries	11	73 034	55 382
Long-term receivables	14	6 076	6 783
Total Financial Non-Current Assets		79 110	62 165
Current Assets			
Receivables			
Inventories and prepayments		23 996	21 087
Accounts receivables	14	51 962	14 994
Intercompany receivables	13, 14	170 673	95 266
Accrued revenues and other receivables	14	30 461	15 923
Cash and cash equivalents	16	28 432	24 192
Total Current Assets		305 524	171 462
Total Assets		683 164	449 519



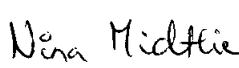
EQUITY AND LIABILITIES 31 Dec. 2014

In thousands of USD	Notes	Year 2014	Year 2013
Equity and Liabilities			
Paid-in Capital			
Share capital	17, 18	42 571	42 571
Additional paid-in capital	18	6 701	5 225
Total Paid-in Capital		49 273	47 796
Retained Earnings			
Other equity	18	270 840	267 295
Total Retained Earnings		270 840	267 295
Total Equity		320 112	315 092
Long-Term Liabilities			
Long-term liabilities	14, 15	46 530	15 392
Total Long-Term liabilities		46 530	15 392
Other Non-Current Liabilities			
Deferred tax liabilities	8	24 188	10 424
Total Non-Current Liabilities		24 188	10 424
Current Liabilities			
Short-term liability	15	35 483	18 839
Accounts payable	14	90 502	26 703
Intercompany liabilities	13, 14	155 437	57 241
Other short-term liabilities	14	10 912	5 827
Total Current Liabilities		292 334	108 610
Total Liabilities		363 052	134 427
Total Equity and Liabilities		683 164	449 519

Bergen, 13 April 2015


Atle Jacobsen
Chairman


Erik Hokholt
Board member


Nina Midtlie
Board member


Peter Allan Hooper
General manager



CASH FLOW STATEMENT 01 Jan. 2014 - 31 Dec. 2014

In thousands of USD

	Notes	Year 2013	Year 2013
Operating Activities			
Profit before tax		22 354	11 102
Depreciation and write-down	9	38 736	18 606
Amortisation and write-down of Multi-Client library	10	562	7 650
Share-based payment expense	6	1 476	2 097
Interest expense		6 596	13 469
Changes in current assets/liabilities		35 381	40 021
Net Cash Flow From Operating Activities		105 106	92 945
Investing Activities			
Purchase of property, plant and equipment	9	-14 784	-13 244
Prepaid seismic equipment	9	-111 501	-91 888
Investment in Multi-Client		-1 238	-357
Investment through acquisition		-15 776	-
Net Cash Flow From Investing Activities		-143 299	-105 489
Financing Activities			
Proceeds from borrowing		75 000	25 500
Interest paid		-3 160	-12 875
Repayment of interest bearing debt		-29 408	-36 767
Proceeds from lending		-	-
Net Cash Flow From Financing Activities		42 432	-24 142
Net Change In Cash and Cash Equivalents		4 240	-36 686
Cash and cash equivalents opening balance		24 192	60 878
Cash and Cash Equivalents Closing Balance	16	28 432	24 192



Dolphin Geophysical AS,
Damsgaardsveien 131,
5160 Laksevaag
Bergen,
Norway

Org.no 996 330 958 MVA

THE BOARD OF DIRECTORS' REPORT 2014 Dolphin Geophysical AS

Operations and locations

Dolphin Geophysical AS, located in Bergen, will alone or through other companies provide geophysical services within oil and gas industry worldwide, and all activities that are naturally associated with this, including investment in companies doing business as mentioned. The Company is a supplier of marine geophysical services and has in 2014 operated a fleet of new generation high capacity seismic vessels and offered contract seismic surveys, Multi-Client projects and processing services on a worldwide basis.

The chartered seismic fleet consists of the following operated vessels in 2014;

- Polar Marquis (3D vessel) – commenced operations in May 2014
- Sanco Sword (3D vessel) – commenced operations in March 2014
- Sanco Swift (3D vessel)
- Polar Duke (3D vessel)
- Polar Duchess (3D vessel)
- Artemis Arctic (3D vessel)
- Artemis Atlantic (2D vessel)

All of the vessels are on time-charter agreements; which include maritime operations and maritime crew cost. The charter agreements are from two to five years lease period, with options for Dolphin to extend. The variable charter commitment periods, provide unique flexibility to meet business cyclicity.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2015 and the Company's long-term strategic forecasts. The Company's economic and financial position is healthy.

Future prospects

The Company's strategy is to become a recognised geophysical company with clear seismic market exposure. The strategy is developed through a dedicated business plan for 2015 with strong growth within the Company's targeted areas. In line with Dolphin's strategy of focusing on the high-end of the business segment the Company will launch one new high-end 3D vessel during 2015; "Polar Empress". The new vessel will add to the ability to operate efficiently and safely in both mature hydrocarbon basins and frontier exploration provinces.

Dolphin Geophysical AS and its subsidiaries will continue to expand the strategically important Multi-Client business activity and expects to invest USD 50-70 million in new Multi-Client seismic data, with an expected amortisation rate in the range of 45-58% in 2015.

In March 2014 the Company took delivery of the high-capacity 3D vessel "Sanco Sword" and in May 2014 the high-capacity 3D vessel "Polar Marquis".

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The seismic data processing capabilities is further strengthened in 2014 with relocation and expansion of our UK Processing & Imaging, strengthening of our Singapore Processing & Imaging in addition that our Houston Processing & Imaging has been operational in the latter part of 2014. Dolphin will continue to grow this segment in 2015.

The Group had secured a record contract backlog in excess of USD 285 million as of 1 February 2015.

Comments related to the financial statements

The Company's revenue in 2014 was USD 319 million compared to USD 170 million in 2013, whilst net income was USD 5.0 million compared to USD 7.7 million in 2013. Total cash flow from operating activities was positive of USD 105.1 million in 2014 compared to positive USD 92.9 million in 2013 and the operating profit constituted USD 19.6 million compared to USD 18.7 million in 2013.

The Company's capital investments during 2014 amounted to USD 143.3 million and USD 105.5 million in 2013, of which USD 126.3 million has been invested in new seismic equipment compared to USD 105.1 million in 2013.

The Company's liquidity reserve as of 31 December 2014 amounted to USD 28.4 million and USD 24.2 million in 2013. The Company's ability to self-finance investments is good.

The Company's short-term debt as of 31.12.14 constituted 80.5 % of the Company's total debt compared to 80.8% in 2013. The Company's financial position is sound and adequate to settle short-term debt as of 31.12.14 with the Company's most liquid assets.

Total assets at year end amounted to USD 683.2 million and USD 449.5 million in 2013. The equity ratio was 46.9 % as of 31.12.2014, and 70.1% per 31.12.2013

Financial risk

Overall view on objectives and strategy

The Company is exposed to financial risk in different areas. The goal is to reduce the financial risk as much as possible. The Company's current strategy does not include the use of financial instruments. This is however, continuously being assessed by the Board of Directors.

Interest rate risk

The Company is exposed to interest risk, as some of the Company's liabilities are at floating rates. The Company has, at 31 December 2014, one bank loan facility with floating interest rates. The floating interest is based on market rate/LIBOR + a margin. The company will continue to finance seismic equipment on the new build vessels. The leases are over a three to five year time period. The company has not entered into any agreement to hedge the interest risk.

Credit risk

The Company's trade receivables are primarily from oil companies with a generally high credit rating. The Board of Directors believes that the exposure to credit risk from the loss of trade receivables is relatively low. Credit evaluations of customers are performed regularly in order to manage potential risk. The maximum risk exposure is represented by the carrying amount of the financial assets in the balance sheet. The Company regards its maximum credit risk exposure to the carrying amount of trade receivables.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to strive to always having sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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Exchange rate risk

As a result of international operations, the entity is exposed to exchange rate fluctuations. The majority of operational cost and financial cost, as well as the revenues, are in USD. The currency risk for 2014 is related to exposure of NOK and GBP to USD since the majority of the personnel costs and rental are denominated in NOK and GBP. The Company has during 2014 entered into agreements to reduce future exchange risk. Functional currency is USD for the Company and its subsidiaries, thus there will be no foreign exchange risk related to the majority of revenues in USD, as well as capital expenditures in USD.

Capital structure and equity

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years end 31 December 2014 and 31 December 2013.

The strategy is to combine likely future sale and purchase, where possible.

In 2014 the company entered into fixed currency rate for the exposure in Russian rubles, the net gain for this transaction was USD 2.8 million.

There is no immediate plan to enter into any forward/ future contracts as hedging instruments for reduction of foreign exchange rate exposure due to the materiality of the exposure in 2015.

The working environment and the employees

The strong growth for the Company in the years 2012, 2013 and 2014 has been challenging and required hard work from the employees. The three business segments expanded rapidly with highly-qualified employees. The total numbers of employees is 107 at the end of December 2014. The existing organisation is with their expertise and capacity capable to handle the further growth of the Company.

The working environment in the Company is considered to be satisfactory and, employees are dedicated and motivated and have made great efforts during this period. Leave of absence due to illness totaled 456 days for 2014 and 1 349 days in 2013. This equaled 2.1% sick leave percentage for 2014, compared to 3.7% in 2013.

There have been no major accidents or injuries to the personnel or equipment during 2014.

Lost time incident frequency (LTIF) was 0.69 in 2014 compared to 0.72 in 2013 and total recordable case frequency (TRCF) was 3.01 in 2014 compared to 3.23 in 2013.

Equal opportunities

The proportion of women employees at the end of 2014 was 18% compared to 16% at the end of 2013. The Company's objective is to have a workplace with equal opportunities for women and men. Guidelines have been introduced to secure equal rights with regard to salaries, promotions and appointments.

The Board of Directors consists of 1 woman and 2 men.

Working time arrangements are determined by the various positions and do not depend on gender. There are no employees working part-time.

Discrimination

The Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin color, language, religion and faith. The Company principles are to secure equal rights with regard salary, promotion and appointments with respect to gender, age and culture diversity.

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Environmental report

Dolphin Geophysical AS has an obligation to work to ensure that our business does not damage or pollute the external environment. For the year 2014 we are not aware that Dolphin has in any respect polluted the external environment.

The Company interacts with the external environment through the collection of seismic data and operation of vessels. The Company continues to work actively to minimise any impact on the environment. Regular monitoring and controls are carried out in order to limit the risk of pollution. It is the Company's policy to comply with national and international regulations.

The Company is being promoted very actively towards future customers and particular focus is placed on improvements to, and further development of, the company's procedures for quality, health, environment and safety (QHSE), both onshore and, not least, in relation to the marine geophysical operations of the company.

All recordable incidents and high potential incidents were intensively followed-up, investigated and findings were presented both internally and externally to enable the Company and others to learn from these events.

Allocation of net income

The Board of Directors has proposed the net income of Dolphin Geophysical AS to be attributed to:

Retained Earnings USD 5 026 664

Net income allocated USD 5 026 664

The proposal reflects the owners' desire to strengthen the equity position of the company.

The company's distributable equity as of 31.12.2014 was:

Distributable equity USD 277 540 806

Atle Jacobsen
Chairman

Bergen, 13 April 2015

Erik Hokholt
Board member

Nina Midtlie
Board member

Peter Allan Hooper
General Manager



Note 1 Accounting Principles

1-1 General corporate information

Dolphin Geophysical AS is a Norwegian company, located in Bergen, Norway. The Company is a subsidiary of Dolphin Group ASA, a Norwegian company listed on Oslo Stock Exchange with ticker DOLP.

The parent company prepares consolidated financial statements.

1-2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The company presents its financial statements in USD as that is the company's functional currency.

The financial statement's profit and loss is presented according to functional reporting.

1-3 Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway. Future events may lead to these estimates being changed. Such changes will be recognised when new estimates can be determined with certainty. Estimates and their underlying assumptions are reviewed on a regular basis. Changes in accounting estimates are recognised during the period when the changes take place.

1-4 Subsidiaries and investment in associates

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

1-5 Foreign currency translation

The financial statements are presented in USD, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss.

Non-monetary assets items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations and translated at the closing rate.

The assets and liabilities with other functional currency than USD are translated into USD at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity.

1-6 Property, Plant and Equipment

Property, plant and equipment acquired by the company are presented at historical cost less accumulated depreciation and impairment changes. Historical cost includes expenditure that is directly attributable to the



acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

If an indication of impairment exists, an impairment test is performed. If the recoverable amount of a tangible non-current asset is lower than book value, the asset will be written down to the higher of fair value less cost to sell and value in use. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses on derecognising of the asset calculated as the difference between the net disposal and the carrying amount of the asset is included in the income statement in the year the asset is derecognised.

Depreciation on items of property, plant and equipment are mainly depreciated using the straight-line method to allocate their cost to their residual values.

<i>Asset group</i>	<i>Useful life</i>
Office equipment including hardware	3 years
Fixed Seismic equipment onboard vessel	Over time charter agreement period (5 – 7 years)
Seismic equipment, leased and owned	5 – 7 years
Processing equipment	3 – 7 years

The residual values and estimated useful lives of items of property, plant and equipment are reviewed, and adjusted annually as appropriate, at the year-end balance sheet date.

Equipment for vessels under construction/rigging are classified as non-current assets and recognised at cost, it is not depreciated until the non-current asset is taken into use.

Rigging cost

Expenses directly related to the rigging of new seismic vessels are recognised in the balance sheet as Non-current assets, as a part of seismic equipment. Internal cost associated with the rigging is recognised in the balance sheet if it is directly related to the rigging.

The capitalised costs are direct costs associated with rigging the seismic vessel, including time charter during rigging period, personnel charges, consultants etc. The rigging cost is depreciated over the life of the time charter agreement.

1-7 Intangible assets

Intangible assets acquired separately, except for Multi-Client library

Intangible assets that have been acquired separately are carried at cost. The costs of intangible assets acquired through a business combination are recognised at their fair value in the Group's opening balance sheet. Following initial recognition, intangible assets are recognised at cost less any amortisation and impairment losses. The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortised over their economic life and tested for impairment if there are any indications. The amortisation method and period are assessed at least once a year. Changes to the amortisation method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. Intangible assets with an indefinite economic life are not amortised. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a definite economic life is made prospectively.

Multi-Client library

Multi-Client library includes both completed seismic data and projects in work which is licensed on a nonexclusive basis to oil and gas search/production companies. Production cost directly related to obtain the seismic data and processing are capitalised. The Multi-Client library contains also the cost price for the seismic data acquired from external parties.



Amortisation is compared with the income for the different projects in proportion to the expected income per project. Minimum amortisation in addition means that the capitalised value of a project a year after completion shall not exceed 80% of the cost price, which is minimum 20% amortisation after 12 months; in addition, all projects shall be entirely expensed within 5 year (20% per year) after completion. In these circumstances some related projects can be seen as a unit and the minimum rules for amortisation will then first be relevant 12 months after completion.

1-8 Accounts receivable and other receivables

Trade receivables are recognised at fair value, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is recognised in the income statement.

1-9 Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

1-10 Equity

Costs of equity transactions

Share issuance costs and other transaction costs that are incremental and directly related to an equity transaction are shown in equity as a deduction, net of tax, from the proceeds.

1-11 Operational and finance Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases

Finance leases are leases under which the Company assumes most of the risk and return associated with the ownership of the asset. Financial leases are recorded as assets and liabilities, and lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The same depreciation period as for the Company's other depreciable assets is used.

Operating leases

Leases for which most of the risk and return associated with the ownership of the asset have not been transferred to the Company are classified as operating leases. Lease payments are classified as operating costs and recognised in the income statement in a straight line during the contract period.

1-12 Income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Income tax expense represents the sum of the current tax expense (or recovery) plus the change in deferred tax liabilities and asset during the period, except for current and deferred income tax relating to items recognised directly in equity, in which case the tax is also recognised directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are calculated using the liability method for all temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and for tax purposes, including tax losses carried forward. Such assets and liabilities are not recognised if the temporary

difference arises from the initial recognition of goodwill.

Deferred income tax is recognised on temporary differences arising on investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

The Company includes deductions/benefits from uncertain tax positions when it is probable that the tax position will be ultimately sustained.

The carrying amount of deferred income tax assets is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each end of the reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The probability assessment is based on Management's judgment and estimates in regards to future taxable income and tax planning opportunities (see separate note describing accounting estimates above).

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. Deferred tax / liability on all temporary differences in the Company are calculated using a tax rate of 27%.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes are related to the same taxable entity and the same taxation authority. Deferred tax is classified as long-term in the consolidated statements of financial position.

1-13 Employee benefits

Pension obligations

The Company has a defined contribution plan and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior period. The Company has no further payment obligations once the contributions have been paid. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity for pension, based on obligatory, agreed on or voluntary basis. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based compensation

The Company takes part in an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Profit-sharing and bonus plans

The Company recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1-14 Revenue recognition

Revenue is recognised when it is probable that the economic benefit from a transaction will flow and revenue



can be reliably measured. The revenue is measured at fair value of the consideration received, net of discounts and sale taxes and duty.

Multi-Client surveys

Multi-Client surveys consist of surveys to be licensed to customers on a non-exclusive basis. All costs directly incurred in acquiring, processing and otherwise completing seismic surveys are capitalised into the Multi-Client surveys. The carrying amount of Multi-Client library on the balance sheet date is shown at costs less accumulated amortisation and accumulated impairments.

Revenues related to Multi-Client surveys generally falls into two categories (1) Multi-Client surveys performed after securing commitments from some customers or (2) Multi-Client surveys performed before securing purchase commitments from customers.

Pre-commitments

Generally, we obtain commitments from customers before a seismic project is started or during the project period. These pre-commitments cover specific areas or license blocks. In return for the commitment, the customer obtains early access to the data, favorable pricing compared to late sales and a degree of influence over the project. Advance payments from customers are deferred and recognised over the project period from the time the project commences based on the ratio of project cost incurred during that period to total estimated project cost.

Late sales

Generally, we grant a license entitling non-exclusive access to a complete and ready for use, specifically defined portion of our Multi-Client data library in exchange for a fixed and determinable payment. We recognise after sales revenue upon the client executing a valid license agreement and having been granted access to the data.

Exclusive contracts

The company performs seismic services for specific customers under exclusive contracts. Sales of services under contracts are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Mobilisation revenue and cost

Mobilisation revenue and the related mobilisation costs relates to moving the seismic vessel or crew from one location to the location specified by the contract. Such cost includes in the Multi-Client survey or exclusive contract with which the costs are associated. The mobilisation costs related to Multi-Client survey are capitalised as a part of the Multi-Client library as mentioned. Steaming costs on exclusive surveys are deferred and charged to expense based upon the percentage of completion of the project. The estimated probable future economic inflows are documented at inception and cover the costs capitalised or deferred. If the projects are not able to cover all of the costs which could be capitalised or deferred then only those costs that are recoverable are capitalised/deferred.

1-15 Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognised at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognised at nominal value.

1-16 Events after the balance sheet date

New information on the Company's financial position on the balance sheet which becomes known after the balance sheet date is recorded in the annual accounts. Events after the balance sheet date that do not affect the Company's financial position on the balance sheet but will affect the Company's financial position in the future are disclosed if significant.



1-17 Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less. The cash flows are divided into operating activities, investing activities and financing activities.



Note 2 Currency

The financial statements are presented in USD as that is the Companys' functional currency



Note 3 Revenue

Geographical segment net operating revenue:

In thousands of USD	2014	2013
Europe, Africa and Middle East - EAME	154 641	151 062
Asia/Pacific - APAC	60 728	-
North & South America - NSA	82 572	3 406
Other segments	20 688	15 071
Total	318 629	169 539

Revenue from major products and services:

In thousands of USD	2014	2013
Marine exclusive contract	292 820	144 145
Multi-Client	860	6 144
Processing	4 285	4 180
Intercompany	20 663	15 071
Total	318 629	169 539



Note 4 Specification of cost of sales

In thousands of USD	2014	2013
Charterhire	83 201	47 058
Maritime running cost	4 520	1 561
Operational costs incl seismic running cost	178 043	52 866
Wages including crew cost 1)	43 662	23 299
Capitalised cost of sales 2)	-60 393	-9 045
Other	9 217	6 733
Total operating expenses	258 252	122 472

1) Includes cost of seismic crew hired through manning services

2) Relates to expenses directly related to the Multi-Client data Library



Note 5 Salary and audit fee

In thousands of USD	2014	2013
Salaries and holiday pay	12 062	9 244
Social Security / National insurance contribution	1 758	2 927
Pension costs defined contribution plans (note 19)	738	719
Share-based compensation (note 6)	1 476	2 097
Other employee related costs	797	729
Crew costs, foreign crew*	30 395	29 379
- Direct salary capitalised	-4 039	-3 820
- Personnel costs capitalised to Multi-Client library	-3 497	-4 702
Total salaries and personnel expense	39 690	36 574

* Includes personnel charges from seismic manning services.

The company had 112 full time employees in 2014

Management remuneration

Year 2014	Number of options					
In thousands of USD	Board remuneration	Salary	Bonus and benefits in kind	Pension cost	Value of options granted	Total remuneration 2014
Management						
Peter Hooper (COO and General Manager)	-	344	20	10	62	437
Bjarne Stavenes (Technical VP)	-	217	18	10	73	318
Mike Hodge (QHSE VP)	-	227	19	10	-	257
Bjoern Henriksen (Operations VP)	-	201	28	10	-	239
Haavard Aasli (Sales VP)	-	176	10	10	24	220
Members of the Board						
Atle Jacobsen	-	-	-	-	-	-
Erik Hokholt	-	-	-	-	-	-
Nina Midtlie	-	-	-	-	-	-
Total remuneration	-	1 165	96	51	158	1 470

Year 2014	Number of options					
	Opening balance	Granted 2014	Exercised	Average exercise price	Ending balance 2014	Average maturity
Management						
Peter Hooper (COO and General Manager)	452 000	-	-152 000	6,25	300 000	28 Feb. 2017
Bjarne Stavenes (Technical VP)	656 000	-	-152 000	4,73	504 000	28 Feb. 2017
Mike Hodge (QHSE VP)	1 000 000	-	-	3,63	1 000 000	28 Feb. 2017
Bjoern Henriksen (Operations VP)	211 667	150 000	-	4,77	361 667	28 Feb. 2018
Haavard Aasli (Sales VP)	290 000	150 000	-50 000	5,37	390 000	28 Feb. 2018
Sum	2 609 667	300 000	-354 000		2 555 667	

Options are regarding shares in the parent company.

Specification of auditor's fee in USD:

In thousands of USD	2014	2013
Statutory audit fee	77	65
Assurance services	2	5
Other services	15	27
Total fee to auditor	93	98

VAT is not included in the fee specified above.



Note 5 Salary and audit fee (cont.)

The company had 104 full time employees in 2013.

Management remuneration

Year 2013

In thousands of USD	Board remuneration	Salary	Bonus and benefits in kind	Pension cost	Value of options granted	Total remuneration 2013
Management						
Peter Hooper (Operations VP and General Manager)	-	271	25	10	125	431
Bjarne Stavenes (Technical VP)	-	232	22	10	82	347
Mike Hodge (QHSE VP)	-	253	24	10	-	287
Members of the Board						
Atle Jacobsen	-	-	-	-	-	-
Erik Høkholt	-	-	-	-	-	-
Nina Midtli	-	-	-	-	-	-
Total remuneration	-	756	71	31	207	1 065

Year 2013

Number of options

	Opening balance	Granted 2013	Exercised	Average exercise price	Ending balance 2013	Average maturity
Management						
Peter Hooper (Operations VP and General Manager)	604 000	-	-152 000	NOK 5.83	452 000	31 Dec. 2016
Bjarne Stavenes (Technical VP)	756 000	-	-100 000	NOK 4.60	656 000	31 Dec. 2016
Mike Hodge (QHSE VP)	1 000 000	-	-	NOK 3.63	1 000 000	31 Dec. 2016
Sum	2 360 000	-	-252 000		2 108 000	

Year 2013

Number of warrants

	Opening balance	Granted 2013	Exercised	Ending balance 2013	Average maturity
Management					
Peter Hooper (Operations VP and General Manager)	1 198 500	-	-1 198 500	-	20 Dec. 2015
Bjarne Stavenes (Technical VP)	1 198 500	-	-1 198 500	-	20 Dec. 2015
Sum	2 397 000	-	-2 397 000	-	

Options and warrants are regarding shares in the parent company. No warrants have been granted for 2013. Half of the warrants can be exercised when share price exceeds NOK 3.75. The other half of the warrants can be exercised when share price exceeds NOK 5.00.



Note 6 Options and Warrants

During the period ended 31 December 2014, the Company has had share-based payment arrangements for employees as described below, which applies to shares in the parent company:

	2010 Share Incentive Programme	2011 Share Incentive Programme	2012 Share Incentive Programme	2013 Share Incentive Programme
Type of arrangement	Equity based	Equity based	Equity based	Equity based
Dates of Grant	25 Jan. 2011	19 Dec. 2011	13 Dec. 2012	17 Mar. 2014
Options granted as of 31.12.2014	12 034 000	3 120 000	8 590 164	3 915 000
Outstanding options as of 31.12.2014	3 730 001	2 056 336	7 650 000	3 915 000
Contractual life	4.10 years	4.20 years	4.22 years	3.95 years
Vesting criteria	1/3 vests after the release of 2011 Q4 figures	1/3 vests after the release of 2012 Q4 figures	1/3 vests after the release of 2013 Q4 figures	1/3 vests after the release of 2014 Q4 figures
	1/3 vests after the release of 2012 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2013 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2014 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2015 Q4 figures conditional on certain performance criteria being met
	1/3 vests after the release of 2013 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2014 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2015 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2016 Q4 figures conditional on certain performance criteria being met
Expiry Date	18 Feb. 2015	28 Feb. 2016	28 Feb. 2017	28 Feb. 2018

The performance criteria for two thirds of the grants are non-market conditions and combinations of internal utilisation and operational criteria
* Vesting date is subject to meeting certain performance conditions

** Options vest after the Q4 results are released, which is estimated to March each year

All performance criteria are expected to be met, and 100% of the granted options are expected to vest as of 31 Dec. 2014

Options granted in 2014:

There are granted 3 915 000 options in the 2013 Share Incentive Programme in March 2014.

Further details of the option plans are as follows:

	2014		2013	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at the beginning of period	18 107 009	4.15	21 706 833	4.05
Granted	3 915 000	5.20	-50 000	6.25
Exercised	-4 640 672	2.54	-2 699 660	2.58
Forfeited	-30 000	3.00	-850 164	6.09
Outstanding at the end of period	17 351 337	4.82	18 107 009	4.15
Vested options	7 372 974	3.87	4 503 991	2.56
Weighted Average Fair Value of Options				
Granted during the period	3 915 000	1.69	-	-
Intrinsic value outstanding options at the end of the period	3 730 001	1 492 000	10 457 009	21 760 752
Intrinsic value vested options at the end of the period	3 730 001	1 492 000	4 503 991	9 637 449

Details concerning outstanding options as of 31 December 2014 are given below:

Exercise price	Outstanding Options			Vested options	
	Outstanding Options 31 Dec. 2014	Weighted average remaining Contractual life	Weighted Average Exercise Price	Vested options 31 Dec. 2014	Weighted Average Exercise Price
2,25 - 2,50	3 730 001	0,13	2,50	3 730 001	2,50
2,50 - 5,00	2 056 336	1,16	3,00	1 092 998	3,00
5,00 - 6,00	3 915 000	3,16	5,20	-	-
6,00 -	7 650 000	2,16	6,25	2 549 975	6,25
Total	17 351 337	1,83	4,82	7 372 974	3,87



Note 7 Financial Income and expenses

In thousands of USD	2014	2013
Interest income	846	830
Interest income on intercompany	5 404	4 247
Exchange gain	13 485	3 327
Inter-company exchange gain	18 662	7 548
Other financial income	-	1 597
Total financial income	38 396	17 549
Interest costs on loans	3 422	1 655
Interest costs on finance leases	175	203
Interest cost on intercompany	2 999	11 611
Exchange loss	15 982	4 828
Intercompany exchange loss	12 625	6 745
Other financial expenses	441	120
Total financial expenses	35 644	25 161
Net financial income + / expenses -	2 752	-7 612



Note 8 Tax

Income tax expense:

In thousands of USD	2014	2013
Tax payable on group contribution	-	-4 262
Tax payable	3 564	
Changes in deferred tax	13 763	7 690
Total income tax expense	17 328	3 427

Tax-base calculation:

Profit before income tax	22 354	11 102
Permanent differences *)	-4 734	-8 571
Group contribution	-	15 223
Use of losses carried forward	-5 624	-
Temporary differences	1 205	-23 378
Tax-base	13 200	-5 624

Temporary differences:

Fixed assets	97 596	45 079
Currency gains and losses	-8 012	-847
Tax losses carried forward	-	-5 624
Total	89 584	38 608

Deferred tax liability (asset)

24 188 10 424

Effective tax rate:

Expected income taxes according to income tax rate in Norway (28 %)	6 036	3 109
Change in tax rate from 28% to 27%	-	162
Tax on Group Contribution	-	-447
Options booked against equity (28 %)	566	587
Other permanent differences (28%)	-1 845	-2 987
Exchange rate effect deferred tax	12 570	3 003
Income tax expense	17 328	3 427

Effective tax rate in % **)

77,5 % 30,9 %

*) Permanent differences consist of non deductible costs and options booked against equity.

**) Tax expense related to profit before tax.



Note 9 Tangible Assets

In thousands of USD	Office Equipment	Processing Equipment	Leased Processing equipment	Owned seismic equipment	Leased seismic equipment	Asset under construction	Total
Cost:							
Acquisition cost at 01 Jan. 2014	1 627	1 298	1 314	196 966	318	40 089	241 612
Purchase of tangibles	150	240	-	14 394	1 223	111 501	127 509
Disposals	-	-	-	-3 554	-	-	-3 554
Reclass leased equipment	-	-	-	149	-149	-	-
Reclass - asset under construction	87	149	-	140 230	1 748	-142 214	-
Acquisition cost at 31 Dec. 2014	1 865	1 687	1 314	348 186	3 140	9 377	365 568
Accumulated depreciation:							
Balance at 01 Jan. 2014	961	405	316	42 052	25	-	43 759
Depreciation for the period	372	388	438	40 992	445	-	42 635
Reversed depreciation sold/scrapped	-	-	-	-643	-	-	-643
Reclass-leased equipment	-	-	-	-	-	-	-
Accumulated depreciation at 31 Dec. 2014	1 333	793	754	82 401	470	-	85 751
Carrying amount:							
Balance sheet closing value at 31 Dec. 2014	532	894	560	265 785	2 670	9 377	279 817
Depreciation for the year	372	388	438	40 992	445	-	42 635
Depreciation capitalised to Multi-Client library	-	-	-	-4 913	-	-	-4 913
Write-down of equipment	-	-	-	1 014	-	-	1 014
Depreciation charged to expense	372	388	438	37 093	445	-	38 736

Useful life

3 years

3-7 years

3-7 years

3-7 years

In thousands of USD	Office Equipment	Processing Equipment	Owned seismic equipment	Leased seismic equipment	Asset under construction	Total
Cost:						
Acquisition cost at 01 Jan. 2013	1 146	1 101	-	64 350	54 000	136 074
Purchase of tangibles	605	196	1 314	12 443	318	91 888
Disposals	-124	-	-	-1 102	-	-1 226
Reclass leased equipment	-	-	-	54 000	-54 000	-
Reclass - asset under construction	-	-	-	67 276	-67 276	-
Acquisition cost at 31 Dec. 2013	1 627	1 298	1 314	196 966	318	241 612
Accumulated depreciation:						
Balance at 01 Jan. 2013	587	108	-	8 491	12 617	21 803
Depreciation for the period	465	297	316	20 048	1 310	22 437
Reversed depreciation sold/scrapped	-92	-	-	-389	-	-481
Reclass-leased equipment-previous years	-	-	-	12 617	-12 617	-
Reclass-leased equipment	-	-	-	1 285	-1 285	-
Accumulated depreciation at 31 Dec. 2013	961	405	316	42 052	25	43 759
Carrying amount:						
Balance sheet closing value at 31 Dec. 2013	667	893	998	154 914	293	197 854
Depreciation for the year	465	297	316	20 048	1 310	22 437
Depreciation capitalised to Multi-client library	-	-	-	-4 559	-	-4 559
Write-down of equipment	15	-	-	713	-	728
Depreciation and write-down charged to expense	480	297	316	16 203	1 310	18 606

Useful life

3 years

3-7 years

3-7 years

3-7 years



Note 10 Multi-Client library

In USD	2014	2013
Cost:		
Acquisition cost at 01 Jan.	29 370	14 127
Investment in Multi-Client data library	1 238	15 244
Acquisition cost at 31 Dec.	30 608	29 370
Accumulated amortisation:		
Balance at 01 Jan.	6 475	3 683
Amortisation for the year	562	2 792
Accumulated amortisation and write-down at 31 Dec.	7 037	6 475
Write-down of Multi-Client library		
Balance at 01 Jan.	4 858	-
Write-down for the year	-	4 858
Write-down of Multi-Client library	4 858	4 858
Net carrying amount at 31 Dec.	18 713	18 037
In USD	2014	2013
Completed Multi-Client projects		
Completed during 2012	-	-
Completed during 2013	17 511	18 037
Completed during 2014	-	-
Completed Multi-Client projects at 31 Dec.	17 511	18 037
Multi-Client projects in progress	1 202	-
Multi-Client library 31 Dec.	18 713	18 037

As of 31 December 2014 the company has applied minimum amortisation to one of the finalised projects. There were no projects in the position of being evaluated for minimum amortisation in 2013.



Note 11 Investment in subsidiaries

In thousands of USD

Company	Country	Main business	Ownership	Voting power	Net profit	Equity	Book value
Dolphin Geophysical PTE Ltd	Singapore	Geophysical services	100 %	100 %	12 782	16 018	17 787
Dolphin Geophysical Inc	USA	Geophysical services	100 %	100 %	-1 043	-1 543	1
Dolphin Geophysical Ltd	United Kindom	Geophysical services	100 %	100 %	18 153	83 896	39 800
Dolphin Asset 1 AS	Norway	Geophysical services	100 %	100 %	2 661	13 490	15 435
Dolphin Geo do Brazil	Brazil	Geophysical services	99 %	99 %	-3 542	-5 045	11

Concolidated accounts are not prepared as the ultimate parent company produce the consolidated financial statement.

The ultimate parent is Dolphing Group ASA and the concolidated accounts is available at Innspurten 15, Helsefy Atrium, 0663 Oslo, Norway.



Note 12 Financial market risk

The Company's financial liabilities are financial leases, trade payables and other short term liability. The main purpose of these financial liabilities is to raise financing for the Company's operations. The Company has financial assets such as trade receivables and cash, which arise directly from its operations.

The Company does not use financial instruments, including financial derivatives, for trading and hedging purposes.

The most significant financial risks for the company are interest rate risk, liquidity risk and exchange rate risk. Credit risk is not considered being of major significance. Management continuously evaluates these risks and determines policies related to how these risks are to be handled.

(i) Interest-rate risk

The Company is exposed to interest risk, as the lease and loan liabilities are at floating rate. The Company has, at 31 December 2014, two financial leases and two long term loans with floating interest rates. The floating interest is based on market rate/LIBOR + margin. The Company will continue to finance seismic equipment on the new build vessel. The leases are over a three - five year time period. The Company has not entered into any agreement to hedge the interest risk.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to strive to always having sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(iii) Exchange rate risk

As a result of the Company's international operations, the entity is exposed to exchange rate fluctuations. The majority of operational cost and financial cost as well as the revenues are in USD. The Company's currency risk at year-end is related to exposure of NOK and GBP to USD since the majority of the personell costs are denominated in NOK and GBP. The Company has entered into agreements during 2014 to reduce future exchange rate risk. Functional currency is USD, thus there will be no foreign exchange risk related to the majority of revenues in USD, as well as capital expenditures in USD.

(iv) Credit risk

The trade receivables are primarily from oil companies with a generally high credit rating. The Board of Directors believes that the exposure to credit risk from the loss of trade receivables is relatively low. Credit evaluations of customers are performed regularly in order to manage potential risk.

The maximum risk exposure is represented by the carrying amount of the financial assets in the balance sheet. The Company regards its maximum credit risk exposure to the the carrying amount of trade receivables.

(v) Capital structure and equity

The primary objectives of the company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years end 31 December 2014 and 31 December 2013.



Note 13 Intercompany balances

Receivables:

In thousands of USD	2014	2013
Dolphin Group ASA	30 880	17 047
Dolphin Assets 1 AS	17 726	11 132
Dolphin Geophysical Ltd	55 808	2 635
Dolphin Geophysical Pte Ltd	24 252	36 066
Dolphin Geophysical Inc	18 244	12 029
Dolphin Geophysical Do Brazil Ltda	23 529	16 220
Open Geophysical Inc	234	136
Total	170 673	95 266

Liabilities:

In thousands of USD	2014	2013
Dolphin Group ASA	68 500	22 324
Dolphin Assets 1 AS	19 235	8 481
Dolphin Geophysical Ltd	43 264	1 736
Dolphin Geophysical Pte Ltd	14 413	18 768
Dolphin Geophysical Inc	8 154	5 147
Open Geophysical Inc	848	435
Dolphin Interconnect Solutions AS	-	11
Dolphin Geophysical Do Brazil Ltda	1 024	339
Total	155 437	57 241



Note 14 Liabilities and receivables

The Company does not have any liabilities with maturity after five years.
The Company does not have any contingent assets or liabilities per 31 Dec. 2014.

Receivables maturity > 1 year:

In thousands of USD	2014	2013
Long-term interest bearing loan with maturity later than 1 year	6 076	6 783
Total long-term receivables	6 076	6 783

This is a long-term loan to Sanco Holding of NOK 36 millions.

The purpose of the loan is financing building of Sanco Sword, and is given together with four other companies with each different share of loan amount. The loan is not secured. The maturity of the loan is 24 months after delivery of the vessel.

Interest (NIBOR+7,5%) is calculated and booked and will be paid on due date for the loan.

Secured debt:

In thousands of USD	2014	2013
Liabilities to financial institutions	78 991	33 750
Leasing debt	3 022	17 944

...secured in the following assets, book value:

Tangible assets	276 587	98 001
Multi-Client library	18 713	18 037
Shares in subsidiaries	73 034	55 382
Total book value of secured assets	368 334	171 421

Guarantees:

The Company has, as of 31st December 2014 given seven guarantees to clients and one to a supplier.
Four performance guarantees, three bid guarantees and one payment guarantee.

DnB has issued five of the mentioned guarantees, while Euler Hermes has issued three.

During 2014 Dolphin Geophysical has used the USD 93 million credit facility with the bank syndicate to finance the seismic equipment for the vessels Sanco Swift and Polar Marquis.

Dolphin Geophysical AS has given an unconditional and irrevocable guarantee to the banks for loan facility.

The following main securities have been established for the loan facility:

First priority mortgage on the seismic equipment in amount equal to at least 130% of the Facility Amount plus interest

First priority assignment of earnings and first priority assignment of receivables

First priority assignment of relevant guarantees and warranties from the suppliers of the Seismic Equipment (if relevant)

First priority floating charge over all operating bank accounts of the Obligor.

First priority pledge over all shares directly or indirectly owns in subsidiaries that currently are, or become, Material Subsidiaries

First priority assignment of insurances and any requisition compensation related to the Seismic Equipment

First priority pledge over the Multi-Client library, provided however may request limit the amount of such first priority pledge if and when decides to finance further investment in the Multi-Client library.

First priority floating charge of any Inventory

Unconditional and irrevocable on-demand guarantee from the Guarantor



Note 15 Rental agreements and leasing

The company as a lessee – financial leases

The company has two financial leases, which is subject to floating interest rate.

The assets under financial leases are as follows:

In thousands of USD	2014 Seismic Equipment	2013 Seismic Equipment
Seismic equipment and vessel	3 140	1 029
Office/Processing equipment	1 314	2 674
Accumulated depreciation	-1 225	-665
Net carrying amount	3 230	3 038
Current portion of long-term debt	1 028	673
Non-current lease liabilities	1 994	1 568

Overview of future minimum lease payments:

In thousands of USD	2014 Seismic Equipment	2013 Seismic Equipment
Next 1 year	1 145	741
1 to 5 years	2 111	1 609
After 5 years	-	-
Future minimum lease payments	3 256	2 351
Effective interest rate	5,2 %	5,6 %
Interest	5,1 %	5,5 %

Present value of future minimum lease payments:

In thousands of USD	2014 Seismic Equipment	2013 Seismic Equipment
Of which:		
- current liabilities	1 028	673
- long-term liabilities	1 994	1 568
Present value of future minimum	3 022	2 241

The Company as a lessee – operating leases

In thousands of USD	2014	2013
Timecharter agreements	67 059	41 686
Office rents + other lease facilities	630	1 303
Total	67 689	42 989

As of 31 December 2014 the company operates five vessels under time charter agreements. These are the Artemis Atlantic, the Artemis Arctic, the Polar Duke, the Polar Duchess, the Polar Marquis, the Sanco Swift and the Sanco Sword. Sanco Sword is included with five year time charter from 1 April 2014 and Polar Marquis is included with three and a half year from 1 February 2014 and the newbuild Polar Empress is included with five years charter from 15 March 2015.

The future minimum rents related to non-cancellable operating leases fall due as follows:

In thousands of USD	2014	2013
Within 1 year	83 233	67 689
1 to 5 years	187 670	248 642
After 5 years	3 431	23 362
Total	274 334	339 693



Note 16 Cash and cash equivalents

In thousands of USD	2014	2013
Cash and cash equivalents in the balance sheet	28 432	24 192
Restricted portion of cash and cash equivalents	8 999	9 840

Cash and equivalents include cash on hand, deposits with banks or financial institutions and short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments maturing within three months from the date of acquisition qualify.



Note 17 Shareholders

Share capital

Amounts in NOK	Number of shares	Face value	Book value
A - Shares	2 426 010	NOK 100	242 601 000
Total	2 426 010		242 601 000

At 31 December 2014 Dolphin Geophysical AS only had one shareholder, Dolphin Group ASA, which own 100% of the shares.

All shares give equal rights in the Company.



Note 18 Equity

In thousands of USD	Share capital	Share Premium	Additional paid-in capital	Retained earnings Group	Total equity
Equity per 01 Jan. 2014	42 571	-	5 225	267 295	315 092
Issue of new shares	-	-	-	-	-
Share-based compensation	-	-	1 476	-	1 476
Group contribution 2013	-	-	-	-1 483	-1 483
Profit of the year	-	-	-	5 027	5 027
Equity per 31 Dec. 2014	42 571	-	6 701	270 840	320 112



Note 19 Pensions

The Company is obliged by Norwegian pension legislation, to have a pension plan. The Company has a defined contribution plan which is in compliance with legislation.

As of 31 Dec. 2014 there were 112 members in the scheme, compared to 104 members in 2013. The pension scheme is administered by an insurance company, and payments are made in NOK.

The contribution expenses for the company in 2014 was USD 738 thousands, compared to USD 719 thousands in 2013



Note 20 Transactions with connected

All related party transactions have been entered into on terms equivalent to those that prevail in arm's length transactions.

Transactions between group companies

Transfer pricing policy:

Dolphin Group ASA is the parent company in the Group and provides management services to the subsidiaries each month at cost + 5% margin. If required the Parent will provide subsidiaries with funding through internal loans and re-payment will be made according to internal loan agreement and transfer pricing agreements, with an internal Group interest charge.

Dolphin Geophysical AS is the parent company of Dolphin Asset 1 AS, Dolphin Geophysical Pte Ltd, Dolphin Geophysical Ltd, Dolphin Geophysical Inc and Dolphin Geophysical Do Brazil Ltda. The operating seismic vessels, purchase services from its 100% subsidiaries and these services and costs are recharged at cost + 5 % margin. Dolphin Geophysical AS also provides management services to the subsidiaries each month at cost + 5% margin.

If required, Dolphin Geophysical AS will provide subsidiaries with funding through internal loans and re-payment will be made according to transfer pricing agreements and with an internal Group interest charge.

Dolphin Geophysical Ltd is the main owner of the Multi-Client seismic data library and use internal services from other companies in the Group at cost + 5% margin.

The sales and marketing services for Dolphin Geophysical AS is organised and provided by the Dolphin Geophysical Ltd and Dolphin Geophysical Inc and charged with cost + 5 %.

	Dolphin Group	Dolphin	Dolphin	Open	Dolphin	Dolphin	Dolphin Asset 1
In thousands of USD	ASA	Geophysical Ltd	Geophysical Inc	Geophysical Inc	Geophysical do	Geophysical PTE	AS
Relationship	Parent	Daughter	Daughter	Daughter	Daughter	Daughter	Daughter
Revenue	152	2 997	171	97	14 026	1 557	253
Intercompany hire of equipment	-	-1 617	-	-	-	-7 200	7 357
Personell and crew cost	-	-	391	-	-	24 283	-
MCS cost recharge	-	-34 204	-	-	-	-	-
Operational cost recharge	-23	-3 334	2 111	369	685	-9 225	-2 376
Yard cost recharge	-	-	-	-	-	-	-
Consultancy Management	1 921	1 126	955	-	-	558	-
Processing cost	-	1 083	-	-	-	-15	-
Interest income	1 193	491	568	265	1 887	562	438
Interest cost	-2 896	-13	-13	-31	-	-	-45
Total	347	-33 472	4 182	700	16 597	10 520	5 627



Note 21 Earnings per share

Earnings per share are calculated by dividing the result for the year before any minority interests by a weighted average of the outstanding issued shares during the year .

In thousands of USD	2014	2013
Result for the year after tax	5 027	7 675
Weighted average number of issued shares	2 426 010	2 426 010
Earnings after tax per share	2,07	3,16
Total comprehensive result	5 027	7 675
Weighted average number of issued shares	2 426 010	2 426 010
Comprehensive earnings after tax per share	2,07	3,16

The diluted earnings per share are calculated by dividing the annual result by the weighted average number of issued shares and issued options during the year.

In thousands of USD	2014	2013
Result for the year after tax	5 027	7 675
Weighted average number of issued shares and issued options	2 426 010	2 426 010
Diluted earnings after tax per share	2,07	3,16
Total comprehensive result	5 027	7 675
Weighted average number of issued shares and issued options	2 426 010	2 426 010
Diluted comprehensive earnings after tax per share	2,07	3,16



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0121 Oslo

To the Annual Shareholders' Meeting of Dolphin Geophysical AS

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Dolphin Geophysical AS, which comprise the balance sheet as at 31 December 2014, and the income statement, showing a profit of USD 5 026 664 and cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Dolphin Geophysical AS

BDO AS, et norsk aksjeselskap, er deltaker i BDO International Limited, et engelsk selskap med begrenset ansvar, og er en del av det internasjonale BDO-nettverket, som består av uavhengige selskaper i de enkelte land. Foretaksregisteret: NO 993 606 650 MVA.



Independent auditor's report - 2014 -

Dolphin Geophysical AS, page 2

as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

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.

Oslo, 30 April 2015

BDO AS

Børre Skisland
State Authorised Public Accountant (Norway)



ANNUAL REPORT 2014



FINANCIAL CALENDAR

INTERIM REPORT Q1 2015	06 MAY 2015
ANNUAL GENERAL MEETING	27 MAY 2015
INTERIM REPORT Q2 2015	12 AUGUST 2015
INTERIM REPORT Q3 2015	28 OCTOBER 2015

KEY FINANCIAL FIGURES & HIGHLIGHTS 2014

CHAIRMAN'S REPORT

CEO LETTER

THE DOLPHIN WORLD

DOLPHIN FLEET

BUSINESS LINES

OPERATIONS

QHSE

MARINE OPERATIONS

TECHNICAL

MARINE SALES

MULTI-CLIENT

PROCESSING & IMAGING

PRODUCTS & SERVICES

THE SHARE

THE BOND



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DOLPHIN MANAGEMENT

BOARD OF DIRECTORS

BOARD OF DIRECTORS' REPORT

BOD'S RESPONSIBILITY STATEMENT

FINANCIALS

NOTES

AUDITOR'S REPORT

THIS IS DOLPHIN

Dolphin Group ASA (Ticker: DOLP) is the parent company of Dolphin Geophysical AS, a global fullrange, asset light supplier of marine Geophysical services. Dolphin operates a fleet of new generation, high-capacity seismic vessels and offers contract seismic surveys, Multi-Client projects and processing services on a worldwide basis.

Dolphin – delivering powerful solutions.

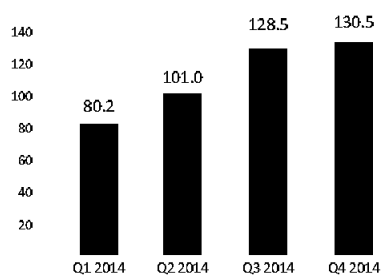


KEY FINANCIAL FIGURES

In millions of USD	Year 2014	Year 2013	Year 2012
Net operating revenues	440.2	246.5	221.3
EBITDA	124.8	76.0	81.0
EBIT	54.6	31.4	40.6
Profit before taxes	34.7	19.8	38.9
Net income	22.0	12.4	32.7
Basic earnings per share (\$ per share)	0.08	0.04	0.11
Diluted earnings per share (\$ per share)	0.08	0.04	0.11
Net cashflow from operating activities	103.7	80.0	43.3
Cash and cash equivalents (period end)	36.7	75.4	77.5
Total Assets (period end)	646.2	492.2	376.1
Total Equity (period end)	260.7	244.6	189.2
Equity ratio	40,3%	49,7%	50,3%

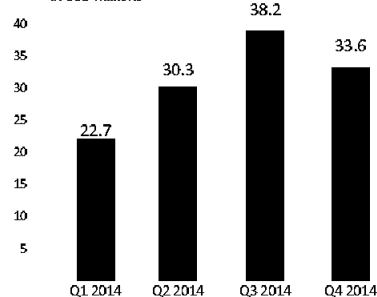
Net operating revenues

In USD millions



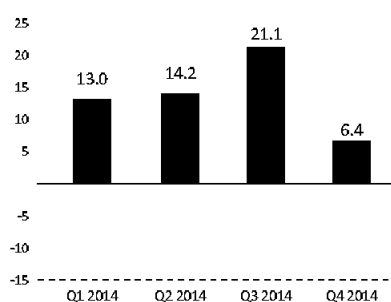
EBITDA

In USD millions



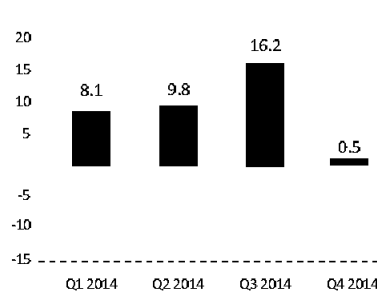
EBIT

In USD millions



Profit Before Taxes

In USD millions





2014 HIGHLIGHTS

NET OPERATING
REVENUES

440

MUSD

EBITDA

125

MUSD

NET CASH FLOW FROM
OPERATING ACTIVITIES

104

MUSD

- Revenues of USD 440.2 million (+78,6%), compared to USD 246.5 million in 2013
- EBITDA of USD 124.8 million (28%), compared to USD 76.0 million in 2013
- EBIT of USD 54.6 million (12%), compared to USD 31.4 million in 2013
- Two high-capacity 3D vessels successfully introduced in the seismic market
- Multi-Client sales exceeded cash investments
- Positioned to utilise new multi-sensor streamer technology



STEADY AS
SHE GOES



IN 2013, DOLPHIN GEOPHYSICAL WAS 'LOOKING AHEAD WITH CONFIDENCE.' IN THE WAKE OF FALLING OIL PRICES AND OPERATOR UNCERTAINTY, CHAIRMAN TIM WELLS CAN STILL SEE AN UPSIDE, BUT THE TAKEAWAY FOR 2014 MIGHT BE SOMETHING MORE LIKE 'KEEPING A STEADY COURSE IN ROUGH SEAS.'

HERE WE GO AGAIN

In 2014 we experienced a typical summertime dip in North Sea activities, but things were still going fairly well until June or July. Virtually no one could have anticipated the drop in oil prices that have been seen since then. We have been through this type of cycle before, as far back as 1986, then 1991, and of course the financial crash of 2008. Basically, it's 'here we go again,' and how long it will last this time, no one really knows.

The cyclical nature of the offshore business requires different and more strategic thinking in down times. You can't just do what you did the last time, because each downturn is different. We lose players in each cycle, and that means coming out of a downturn with fewer players, and going into the next one with different players than last time.

That would seem to hold true this time around as well, with fewer, but larger players, many of whom are laying up vessels rather than unloading assets. This may be an indication of a better industry balance than last time around. Rising US oil production also throws a new element into the mix. We haven't seen significant onshore US production since the 1970s. Now they may be headed for new peak production, already in 2015 or 2016. That is going to shake things up, as the rig count falls and companies start laying off. But this could also serve to establish market equilibrium in the relatively near future.

WE HAVEN'T SEEN SIGNIFICANT ONSHORE US PRODUCTION SINCE THE 1970S. NOW THEY MAY BE HEADED FOR NEW PEAK PRODUCTION.



FOCUSING ON CORE AREAS

One bright spot for Dolphin in 2014 was the agreement with WesternGeco for a lease-purchase of their Q-Marine system. This is a good first step for Dolphin, allowing us to move up to their IsoMetrix system when the market firms up. For now we get the technology we need and still protect our cash balance. It's a good platform for the future and a good partner to have. The agreement also marks the first time that WesternGeco has sold their technology, and their choice of Dolphin as a partner is a feather in our cap. When a large player chooses a partner, the last thing they expect is for that partner to fail. That makes this a big vote of confidence in Dolphin.

Dolphin has three main areas of activity: Marine acquisition, Data processing and Multi-Client surveys. We have sales from every portion of our Multi-Client library. To me, this is proof that we are investing in the right places, where companies themselves want to invest, like Brazil, Norway, West Africa, even the UK. Dolphin's OpenCPS system also performed well in 2014, and our data processing business gained traction in Asia and North America. We are developing a good backlog, and that allows us to protect the balance sheet. In down times, it's all about cash.

BECOMING A GLOBAL PLAYER

Dolphin will continue to expand its global presence, and we have made a concentrated effort to move into Asia Pacific, with three vessels working that region at the end of 2014. Our highest concentration is still in the Atlantic corridor, but becoming a global player has helped us enormously in the present dip. We would be in trouble if we could not access the Asia Pacific market right now. Increasing our global reach has been a priority, and we will continue to evaluate expansion into new areas.

One of those areas is Mexico, as they change their constitution to allow foreign oil companies to invest in the country. The state-owned oil company PEMEX no longer will have a monopoly. To date, upwards of 30 different companies are known to have shown interest in acquiring geo-data from the Mexican sectors in the Gulf. We are presently registering Dolphin in Mexico, and we will be marketing our Multi-Client library for sale there. Dolphin is as keen as anyone to establish in Mexico.

POWERFUL SOLUTIONS – NEW VESSEL

At a point where seismic demand is dropping off, Dolphin has taken delivery of our newest addition to the fleet, the Polar Empress, in April 2015. This is our final vessel on order. Large configurations for deep water are still attractive for the future.

Dolphin's primary emphasis is on plenty of power, the power needed to tow large configuration arrays. We have good assets, and we believe that when the market picks up, we should be in a good position. We don't have any major distractions, as we operate only offshore. Our focus will be on keeping costs down, and backlog up.

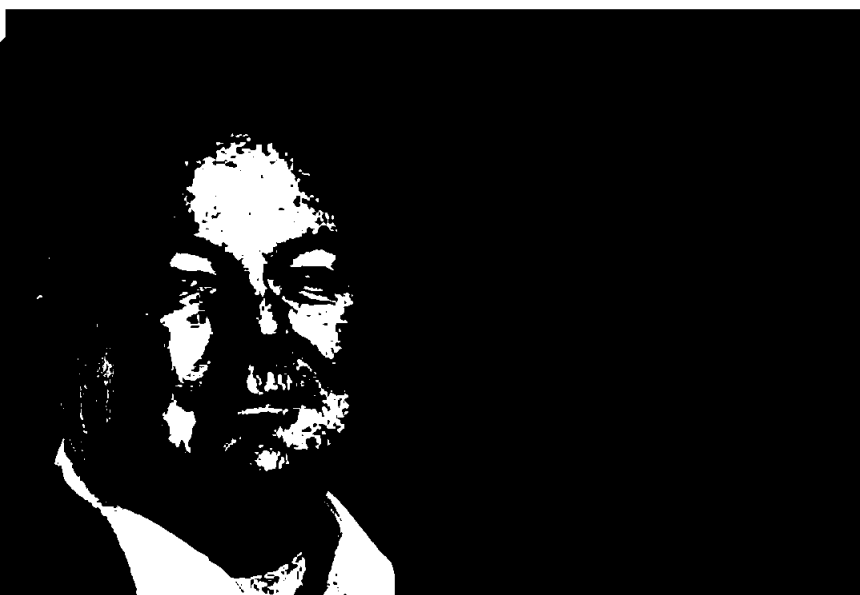
QHSE A HIGH PRIORITY

2013 saw new initiatives in QHSE in Dolphin, and 2014 went to building further on those initiatives. Recent years have seen great changes in offshore operations. Making sure people are safe has climbed to the top of the list. New vessels are much safer, both in design, safety equipment, and handling equipment, and that is where I believe Dolphin has an advantage, in our state-of-the-art equipment.

Our focus for the future will be on involving onshore staff and management in QHSE. Dolphin is performing internal audits to raise awareness levels, and we will step up training for office staff in using our Integrum Risk and Compliance System. All employees have to be linked together in order for us to run a safe company. We all need to think the same way, and company-wide involvement is necessary in order to get everyone lined up. We have a lot of training scheduled to make sure that we 'walk the walk.' We are concerned about every stakeholder in Dolphin, all down the value chain.

WE HAVE GOOD ASSETS, AND WE BELIEVE THAT WHEN THE MARKET PICKS UP, WE SHOULD BE IN A GOOD POSITION.





ATLE JACOBSEN CEO REPORT

MAKING HEADWAY

DOLPHIN HAS MADE A NAME FOR ITSELF IN ITS FIRST FOUR YEARS IN BUSINESS, NOT BECAUSE WE ARE PERFECT, BUT BECAUSE WE ARE COMMITTED TO MAKING HEADWAY.

Headway is about movement; continually advancing, continually improving. Making headway is what motivates Dolphin people. Through a combination of our advanced vessels, people, technology, and seismic acquisition and processing services, Dolphin empowers its clients to make better decisions.

As a leading marine seismic service company, you can expect us to work hard, be competitive, and make the necessary technology investments to be a top tier supplier and deliver on our promises. In other words, you can expect us to make headway, for all our stakeholders, every day.

2014

2014 was the perfect storm; a combination of long-term trends and unforeseen circumstances that impacted heavily on the E&P market.

Towards the end of 2014 we experienced a sharp fall in the oil price. The oil price fell by more than 50% in just six months. This came after nearly five years of stability. The Organization of The Petroleum Exporting Countries (OPEC), which controls





OUR PROCESSING SERVICES GREW BY MORE THAN 50%.

nearly 40% of the world market, failed to reach agreement on production curbs, sending the price tumbling. This again resulted in significant cuts in E&P spending resulting in a sharp drop in demand for seismic services.

The Ukrainian crisis prompted a number of governments to apply sanctions against individuals and businesses from Russia and Ukraine starting from the summer of 2015. The sanctions targeted Russian oil exploration causing a slowdown in demand for seismic services in what is considered a high-demand growth area.

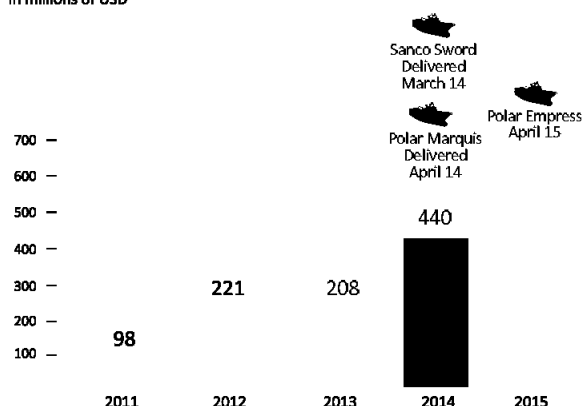
Despite the current turbulent cycle, world demand for oil will continue to grow. The market is shaky and an improved supply demand balance for oil is necessary for the oil price to recover and as a result demand for our services to improve.

Dolphin has successfully weathered this storm and will continue to do so through its unique and flexible business model – a global, full-service, asset-light supplier of marine geophysical services.

Dolphin delivered on its targets for the year in 2014. Our revenue of NOK 440 million was 10% above our forecast. You may ask how this is possible in the midst of a market slowdown. Our answer: “We deliver powerful solutions.”

Revenues are growing with an expanding fleet

In millions of USD



OUR BUSINESS MODEL

By securing the industry's most cutting-edge 3D vessels through strategic charter agreements, we release high-level investment into other aspects of our business: growing a Multi-Client data library, building a full onshore and offshore processing and imaging function, and developing 21st century land and marine seismic processing software.

We made Multi-Client investments of USD 49 million in 2014, while our processing services grew by more than 50%. This is paying off. 2014 was a year of strong growth. We are in and approaching a further harvest mode, and will most likely generate greater returns on the investments we have and will continue to make.

OUR FLEET IS A POWERFUL SOLUTION

Dolphin has had a rapid and successful fleet expansion. The 2014 delivery of two new high-capacity vessels, Sanco Sword and Polar Marquis, brought our fleet of high-end 3D vessels to five. These, plus one mid-size 3D vessel and one ice-class 2D



vessel, were fully operational during 2014. Throughout the year we have worked closely with GC Rieber Shipping on a newbuild 14 – 22 streamer capacity vessel, the new *Polar Empress*. The vessel is on schedule and ready for charter in April 2015. We will continue achieving higher efficiency and increased market share in the 14+ streamer market. Our 3D high-end, wide-tow capacity vessels are powerful, providing an economically efficient solution for an increasing number of cost-focused clients. Proof of the success of our fleet strategy is found in the build up of a significant backlog throughout 2014. By year-end the order backlog had grown to USD 340 million; 35% of this was secured by clients requesting, “powerful solutions.” The backlog for the first part of 2015 looks promising.

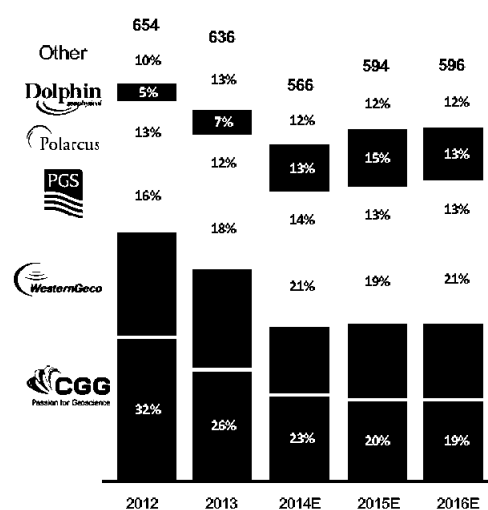
On average, we can do more with our vessels than our competitors. Major players are down-scaling their exposure in the marine part of the business and we decided to fully divest from the marine 2D in 2014 and low-end 3D seismic market in 2015. Our focus is now on market positioning of the six modern high-capacity 3D seismic vessels, seismic processing, and sales from an attractive Multi-Client seismic data library.

OUR TECHNOLOGY

Dolphin is delivering on a long-term strategy of becoming a leading Multi-Client player in the Barents Sea and other focus areas, including North Sea UK, Norway, West Africa and Brazil. We will continue focusing on sales from our existing library, which is well positioned for the Norwegian 23rd round, Brazil

Market share

of practical streamers – 3D fleet





pre-salt round in 2015 and APA 15 round. Also, the recent Isfjell and Wisting discoveries make Dolphin's entire Multi-Client position very attractive.

In 2014, Dolphin allocated 15% of its 3D vessel capacity to Multi-Client investments, representing cash investments of USD 44 million.

Processing and Imaging is another key business focus of Dolphin's. We process the majority of our seismic acquisition in combination with a growing number of external tasks, which demands major resources and hardware. Processing has produced good margins and significant revenues are forthcoming. Dolphin has narrowed the technology gap against our competitors.

OUR PEOPLE

We continue to differentiate ourselves by attracting and retaining outstanding human resources. With further steady progress in 2015, we will cement our strong client relationships and build our reputation as a quality company. Like our vessels and technology, our people ensure high quality results with predictable and repeatable processes. Dolphin professionals work to support the unique and changing demands of all our clients, enabling agile solutions and the rapid turnaround of high quality results.

In this way we can deliver competitive advantage for the market, and ourselves.

OUR RESULTS

Since the start, Dolphin has pursued a consistent strategy for profitable growth. Our objective is to increase shareholder value by continuing to develop our full service marine seismic proposition and engage high-capacity vessels to improve operating margins and profit.

Our revenues are growing as the company expands and we will use our profits to make strategic investments to strengthen existing business areas.

In addition, we have developed highly disciplined business management and QHSE processes, and are strengthening our global presence with offices and vessels in strategic geographical locations. Furthermore, we are fine-tuning all aspects of the company and have formed strong relationships with oil majors, built on a platform of excellent results and repeat business.

Nonetheless, we believe we are just getting started. We will remain steady and pursue the opportunities we see. As we

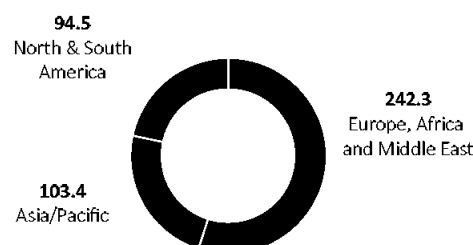
capture these opportunities and further build the "Delivering Powerful Solutions" concept, we will continue to build long-term value for our shareholders.

We are now aiming for significant revenue growth through increased vessel capacity, selective investments in attractive exploration areas and becoming a leading Multi-Client player in the Barents Sea. Additionally, we will actively pursue regional expansion to reduce North Sea exposure and select and prepare for the next generation of multi-sensor streamer technology, new acquisition techniques and joint cooperation models.

Our ambition is to be a leader through "Delivering Power Solutions" and to be the market's stepping-stone to next generation technology and modern, efficient global marine seismic operation.

Geographical segment net operating revenue

In millions of USD

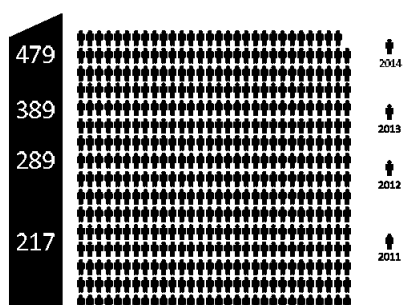




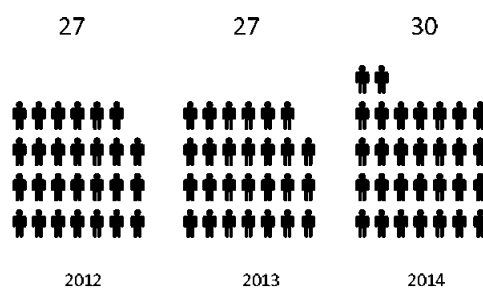
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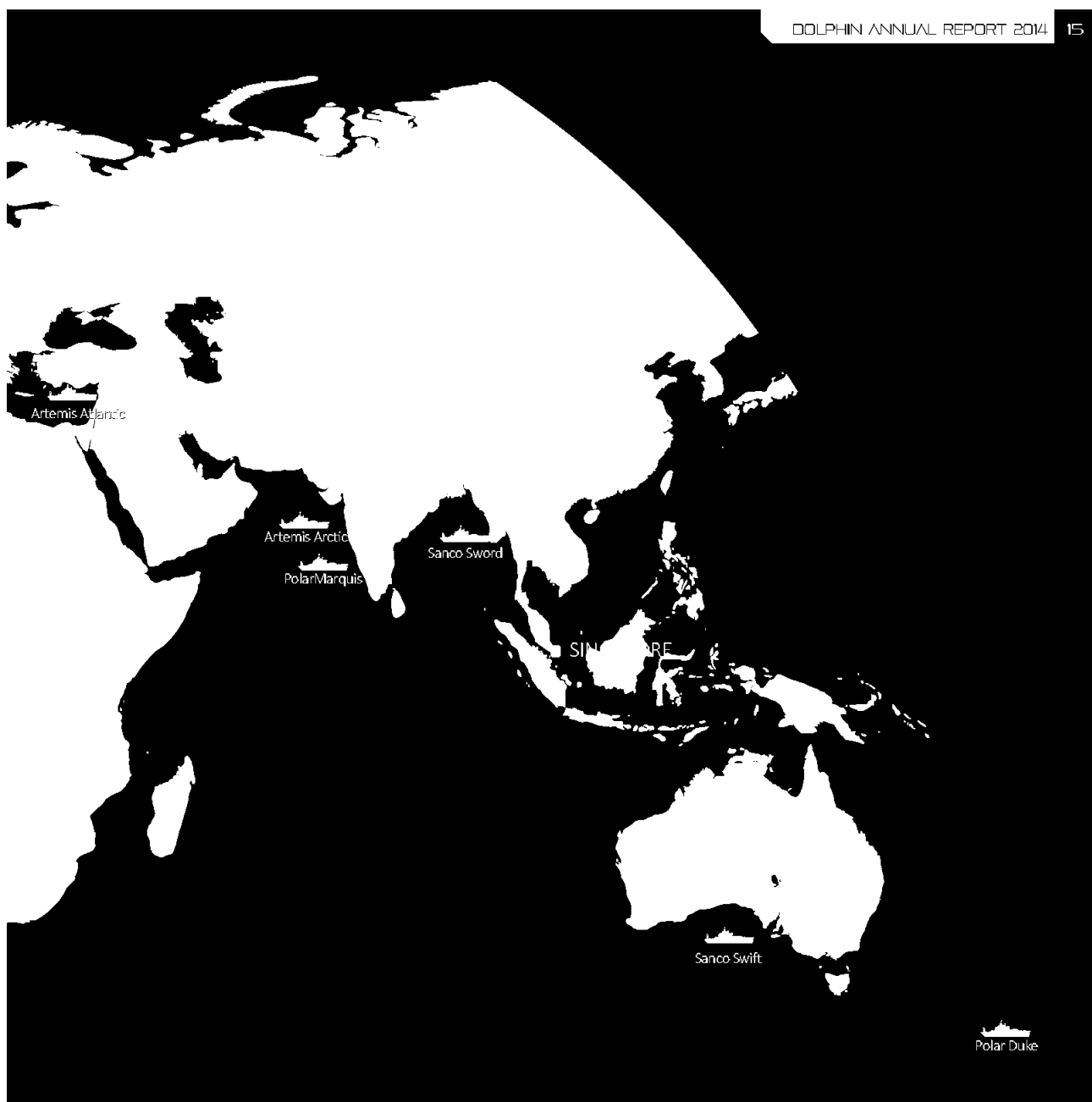


Total number of employees

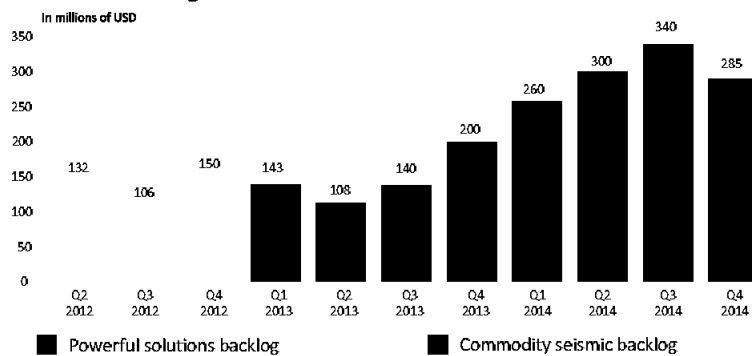


Number of nationalities





Order backlog





THE FLEET

DOLPHIN HAS THE NEWEST AND MOST POWERFUL FLEET IN THE INDUSTRY TODAY.

The Dolphin high capacity vessels deliver ultra-wide tow, deep tow and long offset configurations ideal for today's frontier exploration needs, with full configuration flexibility to service any 2D, 3D and 4D requirements. Dolphin is also able to offer same fleet advantage for undershoot and multi-vessel operations.

Highest levels of operational performance and production since the launch of each vessel, proving the design of the vessels and the experience of the seismic crews.

Industry standard equipment and dedication to the highest levels of QHSE and now Dolphin is fully ISO 9001:2008 certified. Dolphin is now pre-qualified with the majority of E&P companies and has already worked in most of the major exploration provinces across the world.



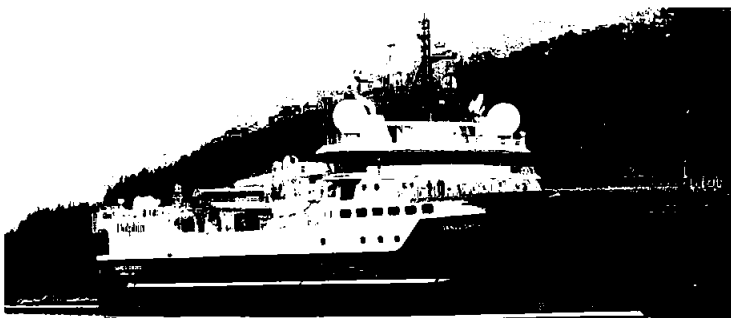
POLAR DUCHESS

(3D, UP TO 14 STR) BUILT 2011
CLASS: 1A1 COM-FV (2) HELDK-SH RP E0 NAUT-AW
VIBR TMON
LENGTH: 106.8M
SPEED: 20 KNOTS
BERTHS: 48 CABINS 60 BUNKS
MAIN ENGINES:
2 X 9L32/40 MAN DIESEL & TURBO SE (4500KW)
2 X 6L32/40 MAN DIESEL & TURBO SE (3000KW)
BOLLARD PULL: 210 TONNES <

POLAR DUKE

(3D, UP TO 14 STR) BUILT 2010
CLASS: 1A1 COM-FV (2) HELDK-SH RP E0 NAUT-AW
VIBR TMON
LENGTH: 106.8M
SPEED: 20 KNOTS
BERTHS: 48 CABINS 60 BUNKS
MAIN ENGINES:
2 X 9L32/40 MAN DIESEL & TURBO SE (4500KW)
2 X 6L32/40 MAN DIESEL & TURBO SE (3000KW)
BOLLARD PULL: 210 TONNES <



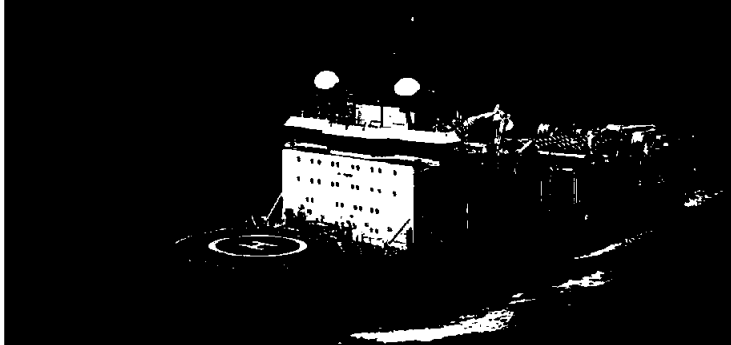


SANCO SWORD

(3D, UP TO 16 STR) DELIVERED 2014
 CLASS: DNV 1A1, ICE-1B, E0, SF, COMF C(3)-V(3),
 HELDK-SH, CLEAN DESIGN, NAUT-AW, TMON, SPS, RP
 LENGTH: 96.15M
 SPEED: 20 KNOTS
 BERTHS: 53 CABINS 60 BUNKS
 MAIN ENGINES:
 4 X MAN 8L 32/40 - 4000KW EACH
 BOLLARD PULL: 216 TONNES <

SANCO SWIFT

(3D, UP TO 16 STR) BUILT 2013
 CLASS: DNV 1A1, ICE-1B, E0, SF, COMF C(3)-V(3),
 HELDK-SH, CLEAN DESIGN, NAUT-AW, TMON, SPS, RP
 LENGTH: 96.15M
 SPEED: 20 KNOTS
 BERTHS: 53 CABINS 60 BUNKS
 MAIN ENGINES:
 4 X MAN 8L 32/40 - 4000KW EACH
 BOLLARD PULL: 216 TONNES <

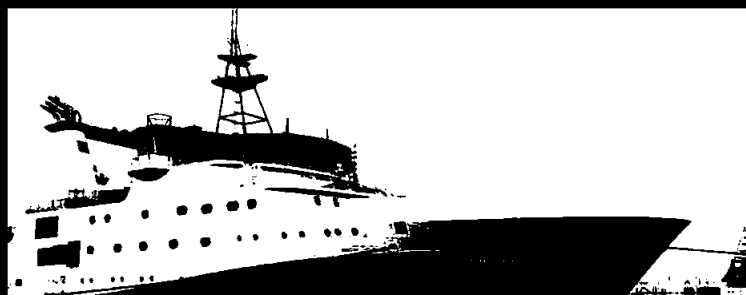


POLAR MARQUIS

(3D, UP TO 14 STR) DELIVERED 2014
 CLASS: DNV +1A1, SEISMIC SURVEY,
 AUTR, RP, E0, W1, HELDK-SH
 LENGTH: 121M
 SPEED: 15 KNOTS
 BERTHS: 70 BUNKS
 MAIN ENGINES:
 2 X MAN 4320 KW
 2 X MAN 2200KW
 2 X TBD 1800KW
 BOLLARD PULL: 200 TONNES <

POLAR EMPRESS

(3D, UP TO 22 STR) DELIVERY APRIL 2015
 LENGTH: 113M
 SPEED: 18 KNOTS
 BERTHS: 70 BUNKS
 MAIN ENGINES:
 4 X TBD 4640 KW
 2 X TBD 1800 KW
 BOLLARD PULL: 275 TONNES <



ARTEMIS ARCTIC

(3D, UP TO 8 STR) BUILT/REBUILT 1999
 CLASS: DNV 1A1 HELDK TMON
 LENGTH: 74.4M
 SPEED: 12.5 KNOTS
 BERTHS: 47 BUNKS
 MAIN ENGINE:
 WARTSILA NSD 4300KW/750RPM
 BOLLARD PULL: 72 TONNES <



BUSINESS LINES MARINE CONTRACT

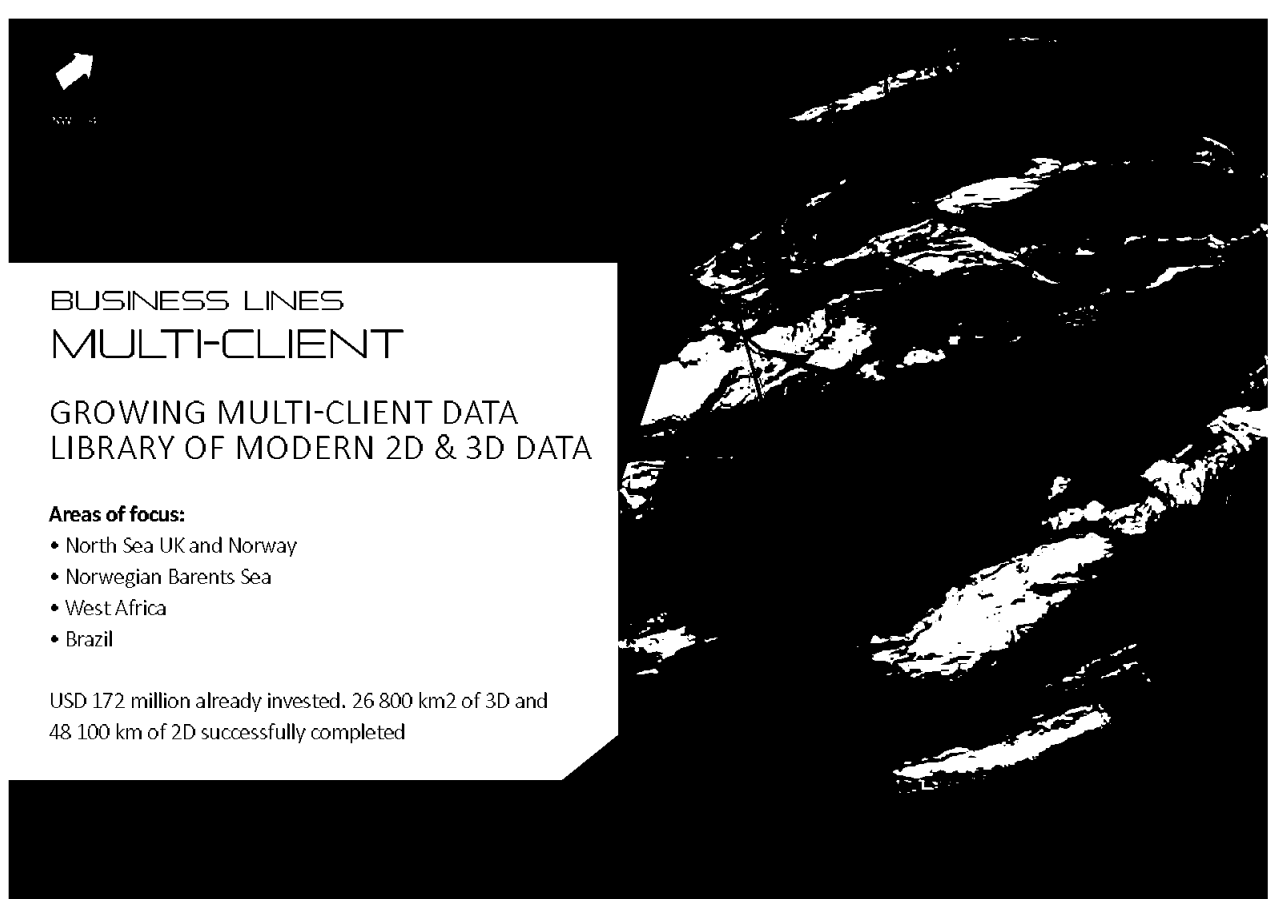
EXPANDING MODERN FLEET

In production

- 5x High-End 3D vessels
- 1x Mid-size 3D vessel

Under construction

- 1x High-End 3D vessel to be delivered in Q2 2015



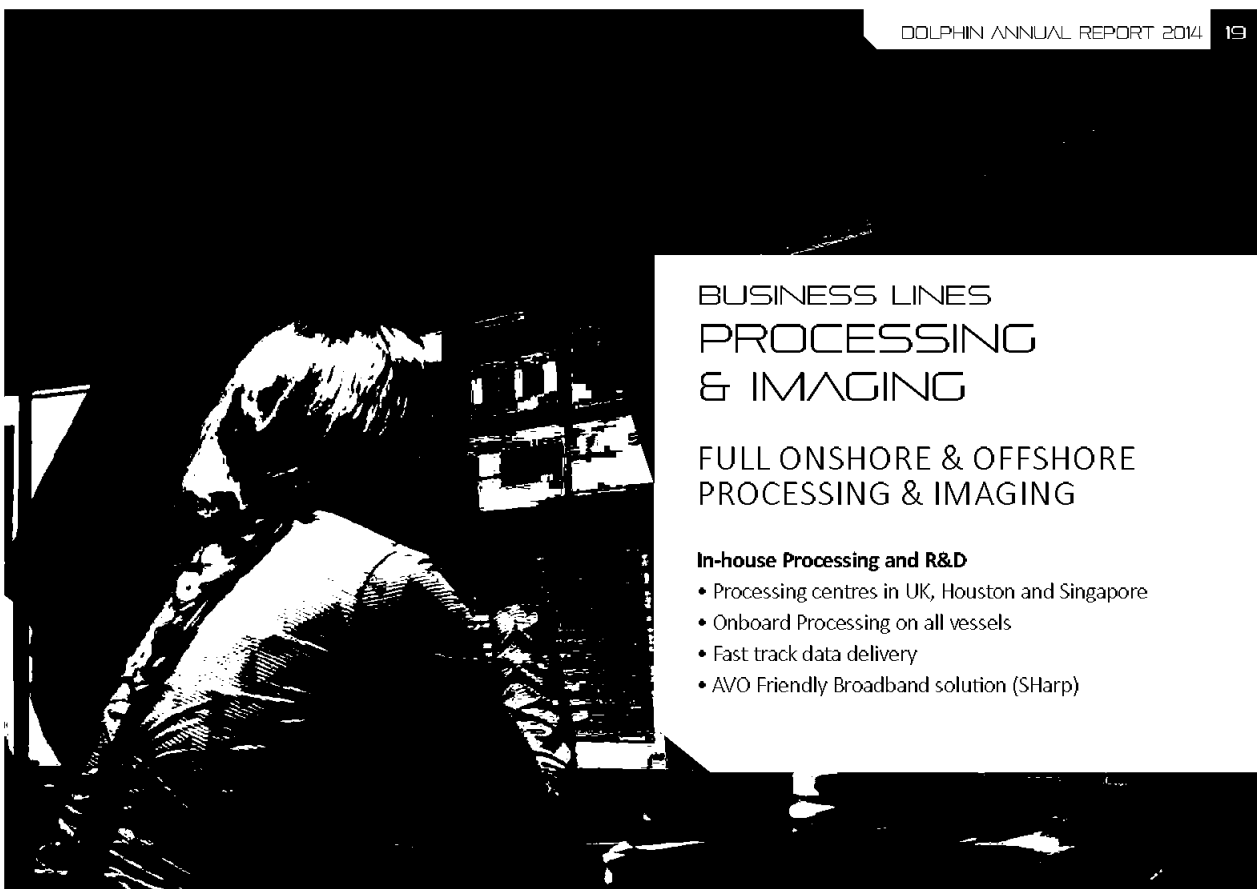
BUSINESS LINES MULTI-CLIENT

GROWING MULTI-CLIENT DATA LIBRARY OF MODERN 2D & 3D DATA

Areas of focus:

- North Sea UK and Norway
- Norwegian Barents Sea
- West Africa
- Brazil

USD 172 million already invested, 26 800 km² of 3D and
48 100 km of 2D successfully completed



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**BUSINESS LINES
PROCESSING
& IMAGING**

**FULL ONSHORE & OFFSHORE
PROCESSING & IMAGING**

In-house Processing and R&D

- Processing centres in UK, Houston and Singapore
- Onboard Processing on all vessels
- Fast track data delivery
- AVO Friendly Broadband solution (SHarp)



**BUSINESS LINES
PROCESSING
SOFTWARE**

**LAND & MARINE SEISMIC
PROCESSING SOFTWARE**

SOFTWARE FOR THE 21ST CENTURY

- QC, Time & Depth Processing
- Interactive user interface
- Advanced 2D and 3D visualisation
- Parallel processing and job management



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PETER HOOPER
COO REPORT

DELIVERING ON THE BUSINESS PLAN

Throughout 2014, we have continued to create value for our clients, shareholders and employees. Our strategy is to further develop and leverage our asset-light business model and cutting-edge technologies to deliver the best seismic solution, at the right place and the right time, worldwide. Being responsive to change whilst delivering according to the business plan is a key element of our profile.

Our flexible fleet and seismic data processing toolbox is central to this proposition. In 2014 we demonstrated our commitment to building one of the industry's most powerful 3D vessel portfolios, optimised to deliver the most powerful solutions for our customers. Dolphin took delivery of two high-specification seismic vessels in the second quarter – the Sanco Sword in April and the Polar Marquis in May.

DOLPHIN IS A LEADING PROVIDER
OF TECHNOLOGY-DRIVEN SEISMIC
SOLUTIONS TO THE GLOBAL OIL
AND GAS INDUSTRY.

The Sword is the sister vessel to the Swift, launched in 2013, and consolidates our strong relationship with Sanco Shipping. With a bollard pull of 216 tons and capacity for 16 streamer operations, it is another Dolphin 3D vessel capable of fast, efficient and safe operations in the most demanding environments.





With both vessels being allocated to the second season of the Great Australian Bight Programme, where they started operations in fourth quarter 2014, the fleet's ability to mobilise quickly and perform above expectations further cements the value of the fleet profile in frontier areas, de-risking our customer's acquisition requirements and commitments within relatively short seasonal windows.

The Polar Marquis - owned by another key Dolphin subcontractor, GC Rieber Shipping - is a significantly upgraded 3D vessel customised to meet Dolphin's powerful solutions fleet profile.

Dolphin has now altogether 479 employees. Our dedicated, motivated, and professional staff remains the core of our successful development.

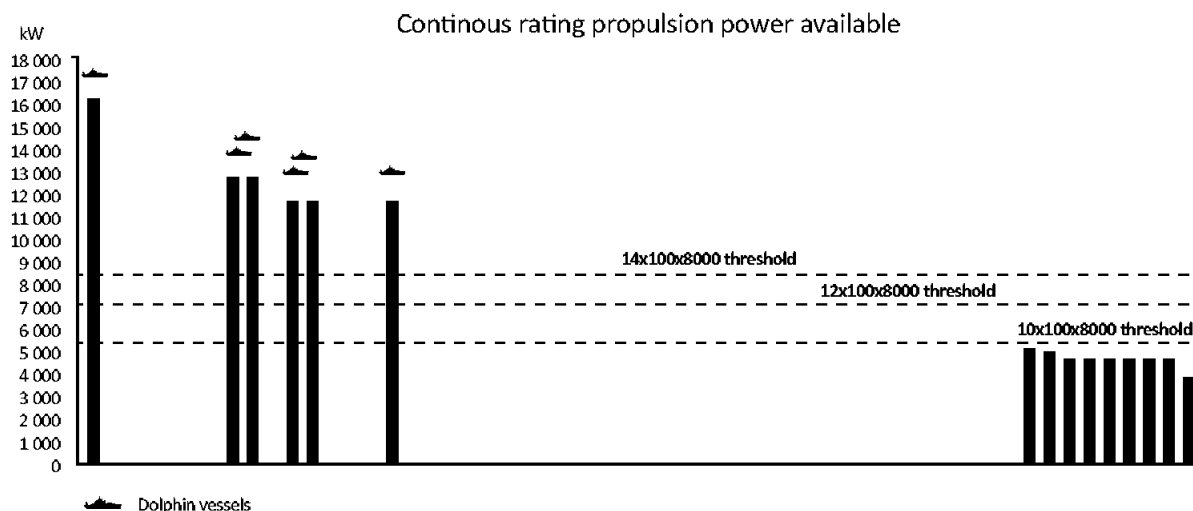
PULLING POWER AND STAMINA

Vessel power and redundancy is crucial to efficient and stable operations. In a market defined by uncertainty and reduced exploration budgets, clients need to acquire valuable, high-quality data in the most advantageous timeframe, often in frontier areas with tight weather windows. Dolphin's vessels are the key to unlocking this potential, boasting the muscle to steam at high speed to meet mobilisation windows, and upon arrival safely tow the very widest industry spreads, covering maximum acreage in minimum time, at efficient speeds.

Another consideration is marine assurance, and safety of operations in harsher environmental conditions. As traditional seasons are stretched and deeper tow broadband solutions become the industry standard, the ability to safely tow larger spreads through significantly increased operational windows and marginal conditions becomes a significant QHSE consideration. Power, seaworthiness, redundancy and headway are crucial to maintaining control of larger towed spreads within good safety margins. Dolphin vessels operate safely and comfortably within this new operational environment, which has been created by deeper towed streamers. Towing streamers deeper is the simple part, operating efficiently through the widened operational window on the sea surface requires the right assets.

The uniform high capacity of the fleet provides huge flexibility to vessel scheduling, ensuring the best possible timing is presented to customers.

DOLPHIN HAS NOW ALTOGETHER 479 EMPLOYEES. OUR DEDICATED, MOTIVATED, AND PROFESSIONAL STAFF REMAINS THE CORE OF OUR SUCCESSFUL DEVELOPMENT.



PROCESSING POWER

Our Processing & Imaging (P&I) division expansion has kept pace with this offshore fleet development, both in supporting onboard services such as Quality Control and Fast Track Processing, and also onshore services - where we have successfully expanded beyond supporting data generated from the Dolphin fleet, and now perform processing services for customers whose data has not necessarily been acquired by the Dolphin fleet.

Supporting our Multi-Client division with timely best-in-class processing services for data sets acquired predominantly with Dolphin's SHarp Broadband solution, often in areas where competitors are simultaneously acquiring data sets 'head to head', has also been a key delivery from the P&I division in 2014.

In 2014 the P&I team grew by over 50% to reach more than 100 geophysicists, while our global footprint expanded with a strengthened regional base in Houston and a move into a larger office and processing facility in Singapore. The main UK P&I base saw new faces and enhanced IT infrastructure, boosting performance and heightening security, while also driving licence sales of our proprietary OpenCPS software. This is now firmly established as a benchmark product within the industry, channelling new revenue streams into the business independent of our acquisition activity.

CLOSE TO OUR CUSTOMERS

Alongside the additions to our P&I team, changes have also been made at a management level to ensure fresh perspectives and an injection of new talent. As the fleet continued to expand, and global footprint increased, Dolphin's

organisation has become more regional with a strong focus on understanding our customer's needs.

Being responsive to change and understanding the marketplace regionally is critical to operating in the current market environment, and in a global service industry. The organisation and executive team was augmented with the abilities of many key individuals in 2014, including the notable internal promotions of Bjorn Henriksen, to VP Operations, and Haavard Aasli to VP Marine Sales. The appointment of Andy Phipps, as President of the Western Hemisphere brings significant experience to the region as Dolphin targets seismic acquisition opportunities in regional markets such as Brazil and Colombia where 2014 operations continued to build on our reputation within these countries as a first-class contractor, and to establish our services into newly emerging marketplaces such as Mexico.

2014 has defined Dolphin's 'powerful solutions' as much more than fleet propulsion, having successfully established strong Multi-Client footholds in key exploration basins, despite tough competition, through the powerful combination of the efficient fleet and ability to produce high quality data sets, in time for licensing rounds to meet customer requirements.

Multi-Client services has also grown in both staff numbers and activity, with a new Norway-based project and sales team and significant investment in 2014. Multi-Client surveys included the Gohta and Maud Basin 3D SHarp Broadband projects acquired in the Norwegian Barents Sea. In both cases Dolphin proved its value to our early participating clients by turning around high quality, fast-track data volumes in tight time-





frames. This allowed our pre-funding partners to submit informed applications for the Norwegian APA 2014 Rounds in September, despite the fact that the acquisition only concluded in early summer.

Dolphin will continue to invest heavily in Multi-Client in 2015, building on strategic footprints now established in exciting new exploration areas where subsequent drilling activities have confirmed the sound geographical placement of Multi-Client investment decisions made to date.

TECHNOLOGY STEPPING STONES

Alongside investment in new vessels and the development of our employees, Dolphin also made the key decision to invest in new technology in 2014. We are committed to remaining at the vanguard of the sector and for this reason chose the WesternGeco Q-Marine Point-Receiver marine seismic system for our latest vessel, launching in 2015, the 22 streamer capacity Polar Empress.

The adoption of WesternGeco field-proven technology will allow Dolphin to offer an alternative technology roadmap to emerging new multi-sensor technologies to those provided by current suppliers, and the sensor technology available on the marketplace today.

The purchase of the Q-Marine system is a first step towards a potential opportunity for transition to a WesternGeco IsoMetrix marine isometric seismic technology. The next generation multi-measurement technology is enabled by a revolutionary streamer design that combines measurements of the total seismic pressure wavefield and its gradient, both vertically and crossline.

The initial Q-Marine system purchase will consist of complete seismic equipment outfitting with sixteen full-length streamers, steering arrangements, and source and control systems. When the Dolphin charter of Polar Empress begins in April 2015, she will carry the highest nominal streamer inventory in the seismic industry.

Compared to a system purchase, the Q-Marine system lease agreement also preserves cash in the short term, improving liquidity during the current challenging marketplace. Q-Marine is fully compatible with Dolphin's broadband offering, SHarp, the chosen application for over 80% of all our surveys in 2014.

CONTINUAL IMPROVEMENT

Dolphin is increasingly known as much for its strong commitment to outstanding Quality and HSE as its powerful seismic solutions.

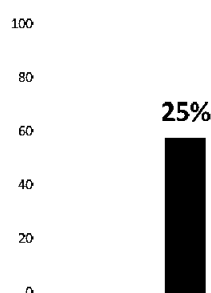
2014 saw us enhance our position, with improved LTIF (lost time injury frequency) and TRCF (total recordable case frequency) results, and strong HSE performance during field activities from our field crews.

The year was also noteworthy for our achievement of ISO9001 certification for the provision of seismic services including marketing, sales, planning, project management, seismic acquisition, quality control, and reporting. This standard provides guidance and tools for companies and organisations dedicated to ensuring that their products and services consistently meet customer requirements, and that quality is consistently improved. At the time of writing, a new audit process is currently ongoing in the UK and US office locations to achieve the same standard for our P&I services.

Once achieved, this will be another large milestone for a young company that, with 2014 revenues exceeding USD 400 million, is now firmly established as a top five global player in the marine seismic acquisition market. We will continue our development in 2015, driven by a dedication to deliver high-quality results, client satisfaction and powerful solutions, in every element of our business.

2015 estimate

Increased market share in 14+ streamer market
-> higher margin



WITH 2014 REVENUES EXCEEDING USD 400 MILLION, DOLPHIN IS NOW FIRMLY ESTABLISHED AS A TOP FIVE GLOBAL PLAYER IN THE MARINE SEISMIC ACQUISITION MARKET



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QHSE

A YEAR OF PROGRESS

DURING 2014, DOLPHIN NOT ONLY SIGNIFICANTLY EXPANDED THE SIZE OF ITS WORKFORCE BUT ALSO GREW GEOGRAPHICALLY, WITH OPERATIONAL CENTRES IN HOUSTON AND SINGAPORE. A CONCERTED EFFORT HAS BEEN REQUIRED TO MAINTAIN A UNIFORM, AND UNIFYING, QHSE CULTURE THROUGHOUT THE ORGANISATION.

In the early summer, Dolphin added two more high-end seismic vessels to its fleet. The extra vessels boosted crew numbers from 220 at the start of the year to 300 by year-end. In terms of exposure to workplace hazards, exposure rose from 250 000 man hours per month during 2013 to almost 450 000 by September 2014. New onshore staff within the two regional offices in Houston and Singapore also contributed to this increase.

Despite the inherent challenges associated with such rapid internal growth, headline QHSE figures actually improved throughout the year. We believe this demonstrates that the standards, structure and procedures to facilitate controlled expansion are now firmly embedded within Dolphin's culture.

ASSIMILATING SUCCESS

Two industry headline safety metrics reflect 2014's positive performance. The annual LTIF (lost time injury frequency) continued its fall, at 0.69 for the year. TRCF (total recordable case frequency) also fell to 3.01.

These modest improvements should be considered in the context of the 'regionalisation' of the company during the year, when operational control was devolved to Houston and Singapore rather than centralised out of Bergen. A structured approach to regional growth, with clear responsibilities and dedicated Regional QHSE Managers, made for an orderly and highly successful transition.





With the launch of two new vessels, growth in the offshore workforce created further challenges. Dolphin's offshore safety induction programme helped to immediately assimilate new recruits into our established QHSE culture.

But more than this, existing employees were also required to review the induction process during the year, to ensure our overall QHSE culture remained consistent throughout the ranks. At the start of 2014, only 23% of crew had completed the full induction programme. But with the drive for all crew to undergo a refresher during the year, compliance had risen to 87% by year-end. This initiative will continue in 2015.

CONTINUAL DEVELOPMENT

Another leading indicator was focussed upon during 2014: hours per safety input (HSI), meaning the average number of hours spent between conducting safety-related activities, such as completing an observation card, attending a toolbox meeting, or taking part in safety training. This indicator was benchmarked during 2013 at 80 hours. For 2014 we set a stretch target of 60 hours. By June 2014 this landmark had been reached, with the HSI continuing to fall throughout third- and fourth quarter. For 2015 a new target of 50 has been set – a figure that, at the time of writing, is consistently within reach. By continuing to reduce the time spent between safety inputs, Dolphin will promote safety awareness through ingrained behaviour patterns of everyone within the organisation.

A large contributor to the HSI metric is the number of hours attending safety-related training. During the year, we encouraged a wider participation in our e-learning programme, which resulted in the number of documented passes almost doubling year-on-year to 5 978, from 3 174 in 2013.

But safety isn't all numbers – there's a practical side too. At the start of 2014, Dolphin hired a roving offshore crane trainer. Much of the initial work was involved with internal course preparation but by third quarter, Dolphin was certified by Sertifisering AS to train our own crane operators, offshore, to Norwegian Standards – a significant achievement within the seismic sector.

SETTING NEW STANDARDS IN 2015

2015 will bring fresh challenges and new opportunities for improvement. Dolphin was ISO9001 certified in first quarter 2014, but our commitment to quality management throughout the global organisation will mean that our regional centres in Houston and Singapore will be audited and the scope of the certificate will be expanded. Furthermore, and at the time of writing, Dolphin's processing and imaging function is being audited, which will expand the scope even further.

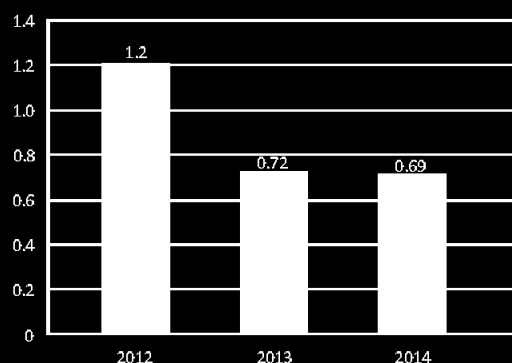
The expanded certification will send a strong message throughout the industry of our commitment to the very highest standards in everything we do.

As we grow globally, each new country we enter into represents new challenges. We prefer to use our own support and our own supply vessels, but this is not always possible, due to local content requirements in many countries. That means that Dolphin has to provide necessary training for sub-contractors, in order for them to adhere to our standards, the same way that Dolphin has to meet the standards of our oil company clients. Our challenge going forward is to adhere to the same high standards everywhere we operate in the world.

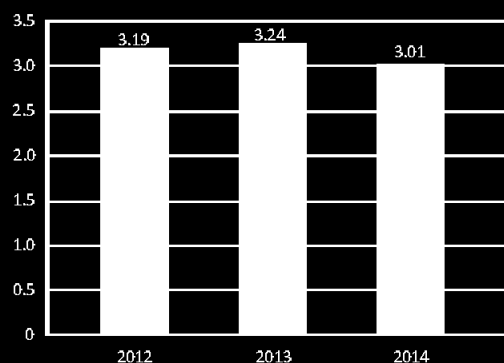
One other notable fresh initiative in 2015 will be the launch of 'Focus on Zero'. Simply put, this is both a value and a mindset – a belief that we can conduct complex operations, under the most demanding conditions, without significant incidents. The clear objective is to "focus our intentions and behaviours on consistently striving towards Zero Harm, Zero Loss and Zero Rework."

This is more about putting an identity on our existing QHSE culture, so there will be very little change to the existing QHSE systems we currently have in place. The initiative already has the full backing of Dolphin's management and throughout 2015, its roll-out will touch upon every element of the organisation.

Lost time incident frequency (LTIF)



Total recordable case frequency (TRCF)





MARINE OPERATIONS

GLOBAL PULLING POWER

IN A CHALLENGING YEAR FOR
THE OIL AND GAS INDUSTRY,
DOLPHIN GOT STRONGER.

The company is committed to providing rapid, high quality and cost-effective services for our contract and Multi-Client customers. Our fleet is the foundation this proposition is built upon. By investing in advanced vessels that lead the market in power, performance and operational ability, we can deliver seismic acquisition services utilising the widest tows in the most limited time frames.

This gives global clients value - in terms of low sq. km rate - reliability and quality results: that's the Dolphin standard, and the key focus for Marine Operations.





NEW LEVELS OF PERFORMANCE

In 2014, the Marine Operations team focused on the seamless integration of two new flagship vessels to the fleet, The Polar Marquis and Sanco Sword, while building the global support structure required to ensure optimal seismic operations.

Both vessels are at the vanguard of the industry in terms of performance, offering bollard pull capacities well in excess of 200 tons, allowing them to tow huge, ultra-wide seismic configurations. Thanks to detailed planning, comprehensive risk management, and the coordination of technical and human resources, both vessels succeeded in proving their abilities straight out of the yard.

The Sanco Sword began production on a demanding 3 270 sq. km 3D SHarp Broadband task in the Barents Sea just 11 days after its delivery in March. This wide-tow Multi-Client survey, on the Gohta North and Gohta East acreage, saw the vessel operating with an array of 12 seismic cables of 7 km length. The acquisition was completed to schedule, with minimum operational downtime and optimal quality results.

The same can also be said for the Polar Marquis' maiden assignment. The vessel, delivered in May, began its operational life in the Black Sea for Rosneft in June, towing a 14-streamer configuration of 100m separation and 6 km length over a 3 500 sq. km prime production area. Despite the size of the array, the Polar Marquis conducted its activity at 5 knots acquisition speed, using only 70% of its available propulsion. And again, thanks to the efficacy of the Marine Operations planning capability, and the skill of the crew, downtime was kept to just 2,5%.

SUPPORTING SUCCESS

These results wouldn't be possible if it wasn't for the efforts of the organisation that facilitates global support and operations. In 2014, we have continued building our international presence, with growing teams based in our three regional activity hubs – Norway, Singapore and Houston, US – and major investments in the support fleet.

Marine Operations has built up lasting and mutually beneficial relationships with a select number of vesselowners that understand Dolphin's industry and unique requirements. Each one of our seismic vessels needs one support vessel and one chase, or guard, vessel to maintain constant operations. Our close ties to owners allow us to cherry-pick the best tonnage for our fleet, agreeing fixed long-term charter deals at favourable rates.

In 2014 we expanded our support fleet with Rederij Groen, taking delivery of four seismic research support vessels (SRSV), the Sunrise G, Moonrise G, 7-Oceans and 7-Waves, with one more '7' vessel to be delivered in 2015. These will provide supply duties and coordinate escort efforts for the safe navigation of third party vessels, and facilitate crew-change operations in remote areas.

Furthermore, we are building two new support vessels in Turkey with Norfield, to be operated by Vestland Offshore AS, completing our build programme to ensure powerful seismic vessels operate with unlimited endurance.

This illustrates our commitment to fleet renewal in support, as well as seismic, tonnage – ensuring that the infrastructure is in place for continuous safe, secure and well-supported acquisition worldwide.

RAISING THE INDUSTRY BAR

2014 was a busy year for Marine Operations, co-ordinating the growth in our offshore staff to 267 experienced crew members, and 26 onshore, while also laying the foundations for a total of 44 surveys across the year. These acquisitions displayed our now established global reach, with important contract and Multi-Client jobs in Europe, the Americas, Africa and the Asia Pacific region. This geographical spread reduces the impact of seasonal effects/shutdowns, while helping us to meet client demand and grow the company backlog.

Entering 2015, Marine Operations is gearing up to welcome another advanced seismic vessel to the fleet – our most powerful yet, the 22 streamer capacity Polar Empress – while continuing support fleet renewal. 3D acquisitions, which are now almost all SHarp Broadband, will be the main focus of activity, as we withdraw from the 2D market with the re-delivery of the Artemis Atlantic in May.

A further display of the team's ability to deliver powerful solutions is scheduled for second quarter 2015, as Dolphin sets out on an industry first – a 16 streamer wide tow configuration, with 100 metres separation, in the Kara Sea. This will enable our client to acquire valuable, high-quality data within the ice-free/summer window, while demonstrating to the market, yet again, that Dolphin keeps getting stronger.



TECHNICAL

MAKING A SPLASH

2014 SAW DOLPHIN'S TECHNICAL DIVISION BREAK NEW GROUND WITHIN THE MARINE SEISMIC INDUSTRY.

The 24-strong team, up from 21 staff at the end of 2013, launched two of the industry's most advanced seismic vessels, on two separate continents, within the space of two months. Both vessels, the Sanco Sword and Polar Marquis, launched on schedule, immediately going on to perform flawlessly on two demanding surveys, in two demanding areas.

It was a textbook performance from the division, but also from the vessels' experienced Dolphin crews, who played vital roles in both seamless mobilisations.

UNIQUE DEMANDS

The Sanco Sword, a state-of-the-art 8 772 ton 16-streamer capacity vessel, launched from Norway in March, commenced activity straight from the yard on the Gotha North and Maud Basin South 3D Multi-Client surveys in the Norwegian Barents Sea.





Every mobilisation provides challenges, but thanks to the Technical team's experience on the sister vessel Sanco Swift, launched in 2013, much of the groundwork – such as logistical support and co-operation with the yard – was effectively in place for the Sword. This meant that the crew, handpicked for their technical as well as their operational proficiency, could assume lead responsibility for the rigging, with remote and when necessary onsite support from the technical team. It was an approach that increased efficiency and further built crew competence, while producing optimal technical results.

This integrated approach to mobilisation will now be repeated, when possible, on future vessel launches.

The Polar Marquis provided a different challenge. The location of the yard, in Singapore, necessitated Technical 'boots on the ground' for on-call expertise, with three members of the team supporting the crew. In addition, this was a vessel conversion rather than a newbuild, creating an exacting set of demands, as the existing vessel layout required significant modification for the unique demands of marine seismic acquisition. The fact that the Polar Marquis' first job was the widest configuration Dolphin had ever towed – a 14 streamer project in the Black Sea – added further pressure on the teams, as well as the equipment that would undertake the project.

Against this background the mobilisation was a complete success. The acquisition, one of only two of this size ever conducted, set a new standard for Dolphin, while the vessel itself performed exactly to plan. Indeed, this could be said for the entire company seismic fleet over 2014, with operational downtime edging even lower than in 2013, when it was already at an industry-leading standard.

Such standards are not achieved by accident. The performance is an indication of the planning, preparation and maintenance ability of the technical team, in conjunction with the ever-growing expertise of operations and all our crew. It's a team effort, and one we're proud of.

FRESH CHALLENGES, NEW OPPORTUNITY

Onshore, the technical team was heavily involved in the creation of an enhanced IT infrastructure to support the continued growth of Dolphin's Processing and Imaging function. This required a co-ordinated effort across the globe, as new hardware was sourced, purchased and installed in offices in the UK, Singapore and Houston, US. In total, there was a significant expenditure on IT throughout the year.

The team's focus in 2015 will be the arrival of Dolphin's most advanced and powerful vessel yet, the Polar Empress in the second quarter. This mobilisation provides a new set of challenges for the technical team, as it will be the first vessel in the fleet to receive next generation streamer technology from WesternGeco.

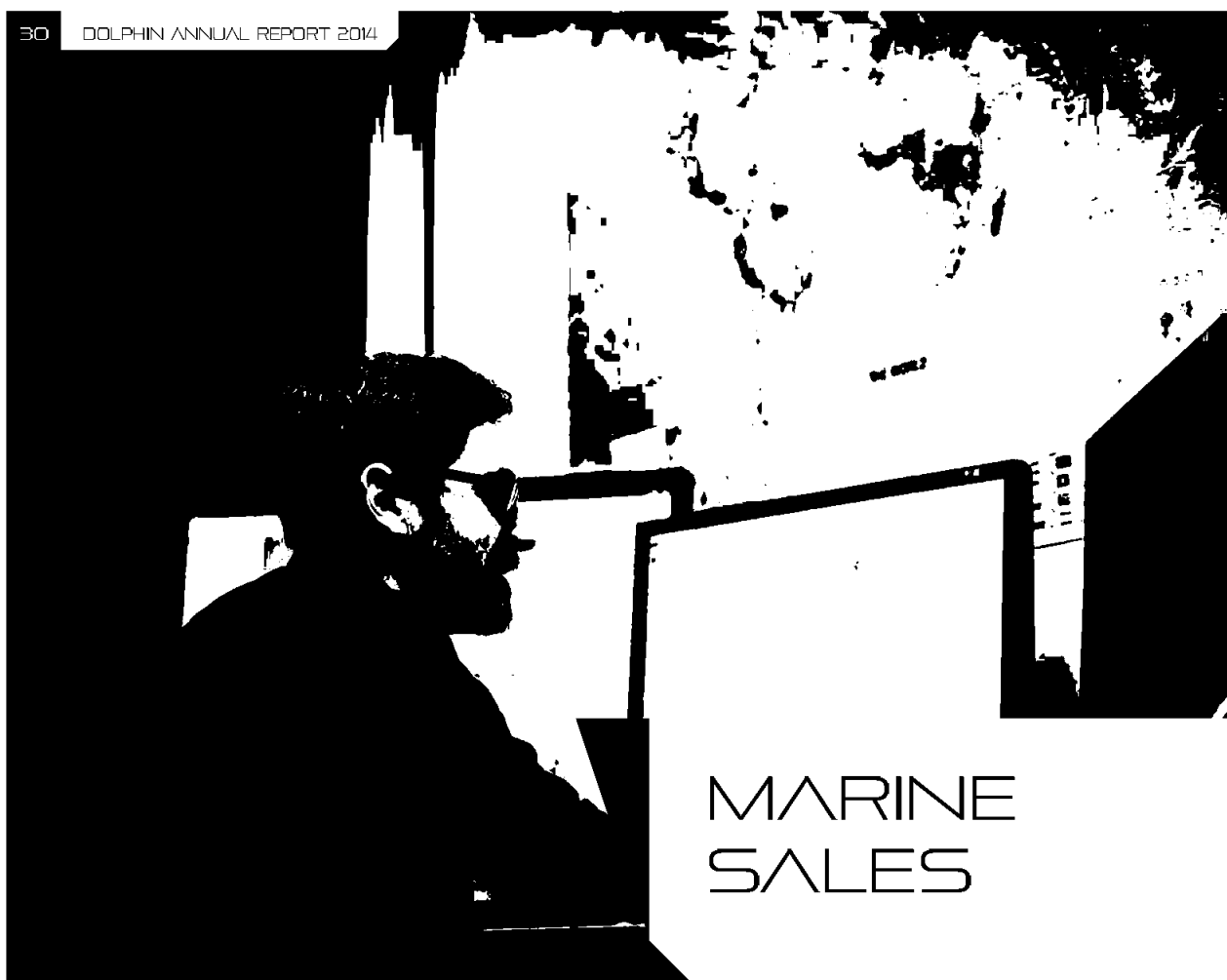
The WesternGeco Q-Marine point-receiver marine seismic system is market proven and provides our clients with the most advanced and efficient seismic acquisition technology available. The main challenge for the technical team lies in combining the sixteen new full-length streamers, steering arrangements, and source and control systems, with our current towing technology. It necessitates a new way of working, but another opportunity for Dolphin to differentiate itself in the market and demonstrate its unique power to perform.

The technical team is fully focused on providing the perfect platform for this new proposition, and the rest of our advanced fleet, to realise its full operational potential in the year ahead.

THE TEAM'S FOCUS IN 2015 WILL BE
THE ARRIVAL OF DOLPHIN'S MOST
ADVANCED AND POWERFUL VESSEL
YET, THE POLAR EMPRESS.



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EXPANDING OUR REACH

INCREASED OVERALL REVENUES IN 2014 REFLECT DOLPHIN'S STRATEGY OF EXPANDING ITS SALES TEAM, FURTHER PENETRATING NEW TARGET REGIONS, AND SOLIDIFYING ITS POSITION AS A HIGH-QUALITY SEISMIC IMAGING SERVICES COMPANY TO THE GLOBAL OIL AND GAS INDUSTRY.

Dolphin engaged in a satisfactory number of tenders during the first and second quarter, but in line with its peers, registered a decline during the third and fourth quarter as oil majors postponed or halted some of their E&P activities due to falling oil prices.

Dolphin participated in 80 tenders during 2014 in addition to direct quotes and general queries. This represents an increase of 25% over the first and second quarter in 2014 and a 35% decrease year-on-year due to the market decline. Sales activity focused mainly on the major, established hydrocarbon-producing regions of the world, as well as key frontier areas, which suit our high-performance fleet's ability to operate large conventional 3D streamer surveys.

The number of bids and tenders in Asia Pacific increased significantly, resulting in a solid backlog of seismic acquisition contracts.





Throughout 2014, Dolphin continued to expand its sales reach, accelerate fleet development and build brand awareness, which management believes will contribute to further revenue growth.

The amount of tenders and new partnerships formed with some of the world's largest oil companies since 2011, mirror Dolphin's emergence as a professional player. We are no longer considered to be a young company and now compete on all major markets globally for a larger percentage of business.

The market clearly remains an intriguing arena for the deployment of new seismic technologies as they emerge and we are continually challenged by intense industry pressure to operate at low margins.

Through close collaboration with our 16-strong sales team, which combines the competence of our regional sales managers, sales managers and sales coordinators, Dolphin provides the best possible service and price structure. We continuously consider our sales strategy, current projects and sales pipeline to keep our proposals flexible and maintain a healthy backlog for the fleet.

Our main sales focus is to understand the market and to establish the right market rates and which sustain the quality service and fleet we provide. Striking a balance between investment into people and asset-light flexible time charter commitments and net sales is imperative to our business model.

Competing on price alone can drive discounts and reduce margins, while focusing on "Delivering Powerful Solutions" compels prospective clients to make feature-only comparisons. The Dolphin fleet, among the most powerful in the industry, is a major differentiator. The power of our fleet translates into a number of operational drivers that we market and which ultimately convert to efficiency and become reflected in our pricing.

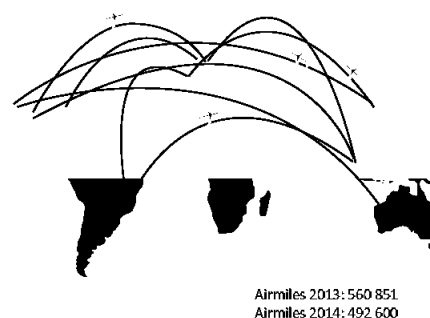
Our services are conducted in accordance to state-of-the-art technical standards and the highest specifications with regard to health and safety, as well as with a minimum impact on the sensitive ocean environment.

We have proven ourselves operationally with oil and seismic companies. Our clients have given us a stamp of quality and we have a reputable name in the market. Despite being technology driven, we are in a relationship business. We focus on effective sales. The procurement of a Dolphin service should be a streamlined and pleasant professional experience.

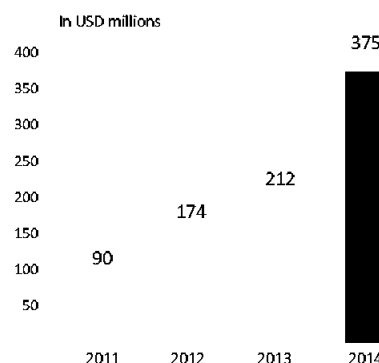
Our bids and tenders shall present the client with the solution they need, any questions and clarifications shall be answered timely and to the point, and the closing of the contracts shall ensure predictability in services for both clients and Dolphin.

Despite the combination of our clients being more prudent in managing their cash flow and a sharp drop in oil price, a strong Dolphin backlog is keeping us steady as we enter 2015. We are very confident in what we deliver and are well prepared for higher workloads when the market turns.

Airmiles



Revenue Marine



WE ARE NO LONGER CONSIDERED TO BE A YOUNG COMPANY AND NOW COMPETE ON ALL MAJOR MARKETS GLOBALLY FOR A LARGER PERCENTAGE OF BUSINESS.



MULTI-CLIENT

SUCCESS IN A CHALLENGING MARKET

ALTHOUGH THE INDUSTRY EXPERIENCED OBVIOUS CHALLENGES DURING 2014, WHICH ARE NOW CONTINUING INTO 2015, DOLPHIN'S MULTI-CLIENT DEPARTMENT PROSPERED.

We secured meaningful pre-funding for new surveys and succeeded in delivering rapid, high-quality imaging, giving our clients a strong competitive advantage in key licensing rounds.

2014 was a year that saw expansion of both staff numbers and our Multi-Client data library - the headcount, which was boosted by a new sales team in Norway, grew to 21, while our 3D and 2D data coverage increased to almost 26 800 km² and about 48 100 km respectively – Dolphin invested USD 49 million in Multi-Client, generating net sales of USD 50 million in 2014. Total sales to date have now reached more than USD 147 million.

We believe the long-term return on this investment, which now totals USD 172 million for the life of the company, will be substantial. Through in-house reprocessing and re-licensing Dolphin can create an ongoing revenue stream, while giving oil





companies outstanding quality data at a fraction of the cost of conducting proprietary surveys.

In an environment where capital expenditure belts are tightening, this proposition is a compelling one.

THE POWER TO DELIVER

Two Multi-Client surveys defined the department's performance in 2014: The Gohta and Maud Basin 3D SHarp Broadband projects acquired in the Norwegian Barents Sea.

Gohta, covering 4 000 km², and Maud, spanning 1 850 km², saw the company explore prioritised APA and 23rd round blocks with the newly delivered Sanco Sword in the second and third quarters. The vessel utilised its powerful 216-ton bollard pull capacity to tow a 12 streamer configuration, with 75 metre separation and 7 km and 6 km offsets respectively, across a variety of promising geological targets, ranging from Jurassic to Permian Carbonate plays.

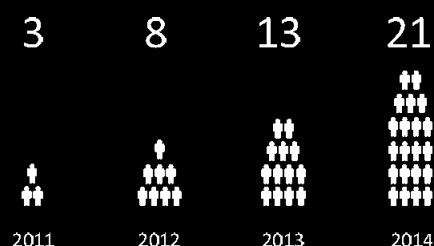
Both operations saw Dolphin working closely with industry and Early Participating clients to set clearly defined project parameters, while achieving excellent levels of pre-funding. The assignments were operationally smooth and, thanks to the SHarp Broadband and alignment between our on and offshore processing teams, produced high quality PostSTM fast-track and PSTM volumes.

In the case of the Gohta survey, the acquisition was completed by the end of June, with the fast-track data volumes delivered just four weeks later. The speed of turnaround, and quality of imaging, allowed Dolphin clients to use these data for submissions to the APA 2014 round in September. In addition, the completed PSTM data was delivered in December, giving clients a considerable window for technical evaluations prior to bidding for the covered 23rd round blocks.

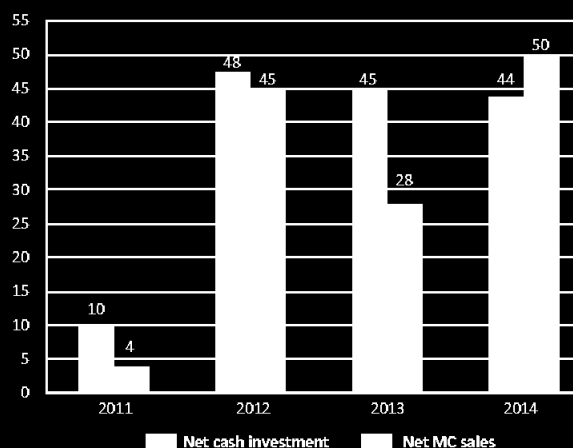
DISCOVERING POTENTIAL

In addition to Gohta and Maud, the Multi-Client team continued to benefit from its existing database, with the established library of 2D and 3D datasets demonstrating its value. In particular, the 30 000 km² of 2D North West Africa Atlantic Margin survey continues to perform well with additional clients. Its worth was proven in the final quarter of 2014, as Cairn Energy announced two significant discoveries (FAN-1 and SNE-1) within this attractive region.

Accumulated number of employees



Net cash investment vs. MC net sales





The quality of the UtStord 3D survey, shot in 2013 but interpreted by the Multi-Client G&G team in 2014, was also acknowledged by industry, with several leads for new prospects revealed in open acreage. Lundin Petroleum became the first oil company to drill within the data coverage area, testing out the Zulu Prospect in the Utsira High Area, approximately 112 km offshore Stavanger. The gas discovery made by this Lundin well, announced in early February 2015, adds further credibility to Dolphin's Multi-Client new ventures work in determining prospective areas over which to perform such surveys.

INVESTING IN THE FUTURE

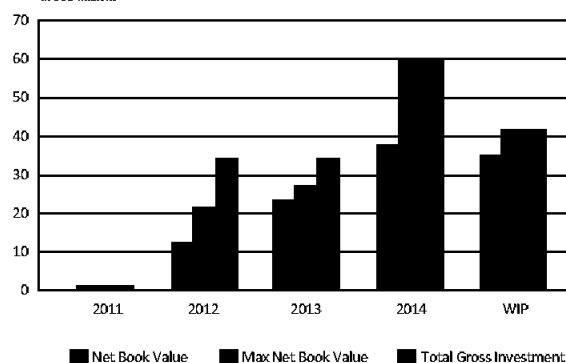
2015 is likely to present industry with the same, challenging business environment as the end half of 2014. However, there are clear opportunities for Dolphin and its Multi-Client team to grow from their existing database, as well as new regions.

We will continue to invest in growing our premium quality Multi-Client data library, while seeking to boost the proportion of Multi-Client surveys. Geographically, North West Europe will remain in our focus, but Asia Pacific, Brazil and West Africa are all growth markets where we'll be looking to build our position and data coverage.

With the combination of our advanced high capacity and powerful vessels, expanding processing facilities, and industry-proven SHarp Broadband techniques, the Multi-Client team can continue to deliver fast and high-quality results to industry worldwide. We believe this creates real differentiation in the market, paving the way for further growth, success and discoveries in the year ahead.

Multi-Client per vintage

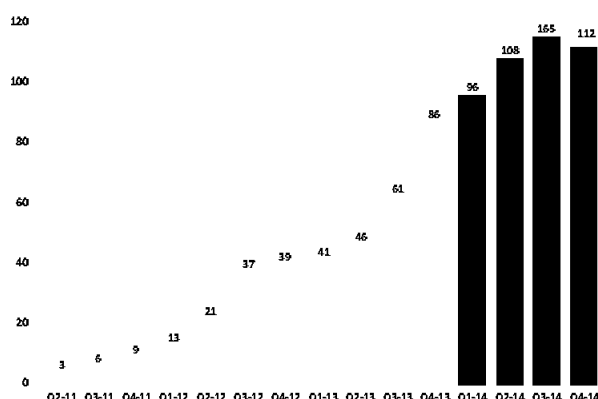
In USD millions

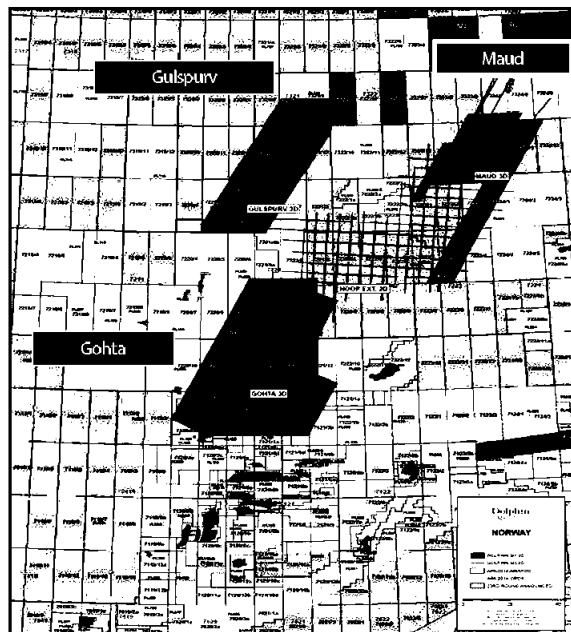


- Performed detailed review of all MC library vintages at year-end each year
- Average amortisation rate of 46% used in 2014
- All vintages below max Net Book Value

Net Book Value

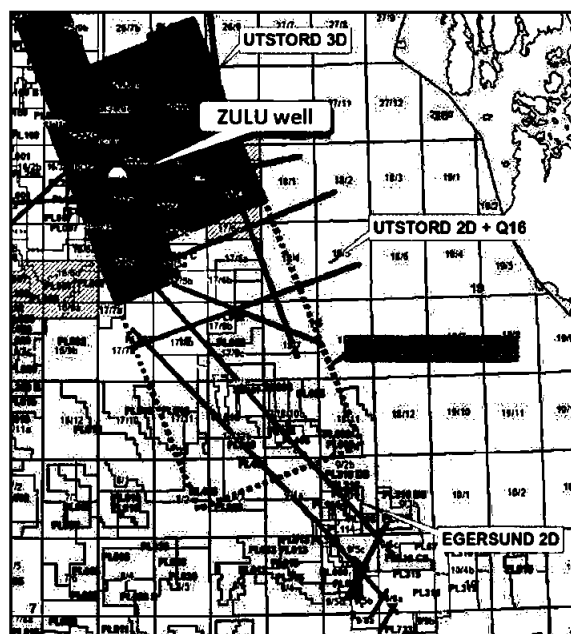
In USD millions





STRONG POSITION IN THE BARENTS SEA

Dolphin is delivering on a long-term strategy of becoming a leading Multi-Client player in the Barents Sea. The Gotha and recent Alta discovery have triggered extensive interest for the upcoming 23rd and APA Round. Also the recent Isfjell and Wisting discoveries make Dolphin's entire Multi-Client position attractive. With the recent Hoop South 2D grid, which combines the 3D data sets, Dolphin will continue to build presence around existing data.



THE UTSTORD SURVEY COVERS LARGER AREAS WHERE NO 3D SURVEYS CURRENTLY EXIST

The Utstord 3D Multi-Client survey includes coverage to the new Zulu gas discovery, which is close to the giant Johan Sverdrup discovery. The survey is located partly over the highly prospective Utsira High extending into the Stord Basin to the East. The discovery by Lundin highlights the hydrocarbon potential in the Miocene Utsira Formation sand and uncovers a new exciting play type in the area. Interpretation of the final 3D volume has revealed several promising leads at numerous stratigraphic intervals including the potential for spill migration from proven fields further west.



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PROCESSING AND IMAGING

ADDED GROWTH, ADDED VALUE

IT WAS A YEAR OF LANDMARKS FOR
DOLPHIN'S PROCESSING & IMAGING
(P&I) DEPARTMENT.

In 2014, P&I established its third regional base, in Houston, increased its number of geophysicists by over 50% to more than 100, completed its first 3D depth-imaging project for an external client, and also amassed a backlog of external P&I projects and software sales exceeding USD 10 million for the first time ever. This backlog, reached in August, was in addition to our internal Multi-Client projects.

The market has obviously been challenging, but Dolphin's P&I department has prospered by consistently demonstrating its speed, high-quality results and the added value it delivers for all our clients.

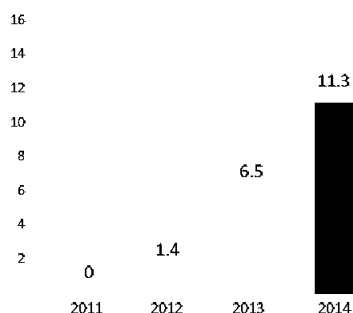
LOCAL SERVICE, GLOBALLY

Dolphin opened its Houston P&I facility in November, giving the company an important foothold in North & South America. Together with the existing Singapore and UK offices, both of which have been expanded and relocated in 2014, Dolphin now has bases in all three key global regions and activity hubs. This allows us to meet demand in local markets with regional expertise and optimum service levels.

All of our centres offer a combination of the best brains, experience and technology in the marine seismic sector, as demonstrated by our programme of updating IT solutions throughout the year. With plans to continue upgrades across 2015, this investment is yielding increased computing power, simplified management and augmented data security.

Revenue External Processing

In USD millions





RAPID RESULTS

Dolphin's P&I power has grown at sea, as well as on land, with dedicated processing crews installed on the fleet's newest arrivals - the Sanco Sword and Polar Marquis. Each 3D vessel now has an average of four geophysicists on board for fast-track processing which, combined with a fast ship-to-shore connection, enables quicker data turnaround, with high-quality results. Both our on and offshore teams utilise our proprietary OpenCPS software to ensure consistent and outstanding imaging.

In 2014, our abilities were demonstrated on the Gohta Multi-Client 3D SHarp Broadband survey in Norway. Acquisition for the assignment was completed in June, with the fast-track P&I data delivered to clients less than a month later. This rapid turnaround of high-quality imaging allowed our pre-funding clients to use the results in applications for the APA round in September - providing a huge boost to their ambitions of exploiting the recent Lundin Alta discovery. The final PSTM data was delivered in December.

EXTERNAL EXPANSION

Dolphin's P&I capability has clear advantages in terms of maximising value and returns from both contract and Multi-Client acquisitions, but 2014 also demonstrated its ability to draw in fresh revenue streams from external projects not tied to our acquisition services.

After experiencing the quality and service provided behind our vessels, an increasing number of clients are now turning to Dolphin to re-process existing data sets; making this a key growth market, despite the current difficult business climate. This can be conventional or SHarp Broadband PSTM processing, but we can also enhance potential resource insight through advanced 3D PSDM imaging - as we did in 2014 for a Brazilian energy business with a data set from West Africa. This 3D depth imaging project was a follow on from a conventional PSTM re-processing contract a year earlier, providing a clear example of client satisfaction leading directly to further work.

The combination of our speed, value for money and quality of results has led to P&I's qualification with a host of major oil companies, alongside a growing workflow of assignments.

Dolphin's proprietary OpenCPS software is also making waves externally, with licensing revenues almost doubling year-on-year, as oil companies and other seismic contractors take advantage of its modern graphical user interface, ease of use and interactivity. Over 100 licences have now been sold. 2014

also saw the first USD 1 million plus contract for the package, with an undisclosed national oil company purchasing both soft- and hardware from our wholly owned subsidiary Open Geophysical Inc.

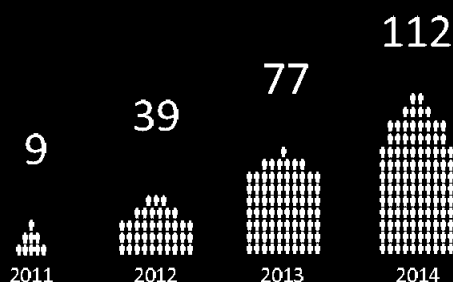
MAINTAINING COURSE

2015 promises to be another challenging year for the industry, but one of on-going opportunity for Dolphin P&I. P&I will continue to expand onshore as it looks to add more external re-processing projects, market its first-class depth imaging ability, and increase the penetration of OpenCPS software in the industry. Over 60% of P&I staff are now office-based and this is set to grow further in 2015; the UK office now employs more staff than any other office in Dolphin.

The computer power of our bases in both Singapore and the UK will be upgraded early in 2015, while our Houston office will focus on establishing itself in the competitive American marketplace; introducing Dolphin's unique P&I competency to a wealth of potential, new customers.

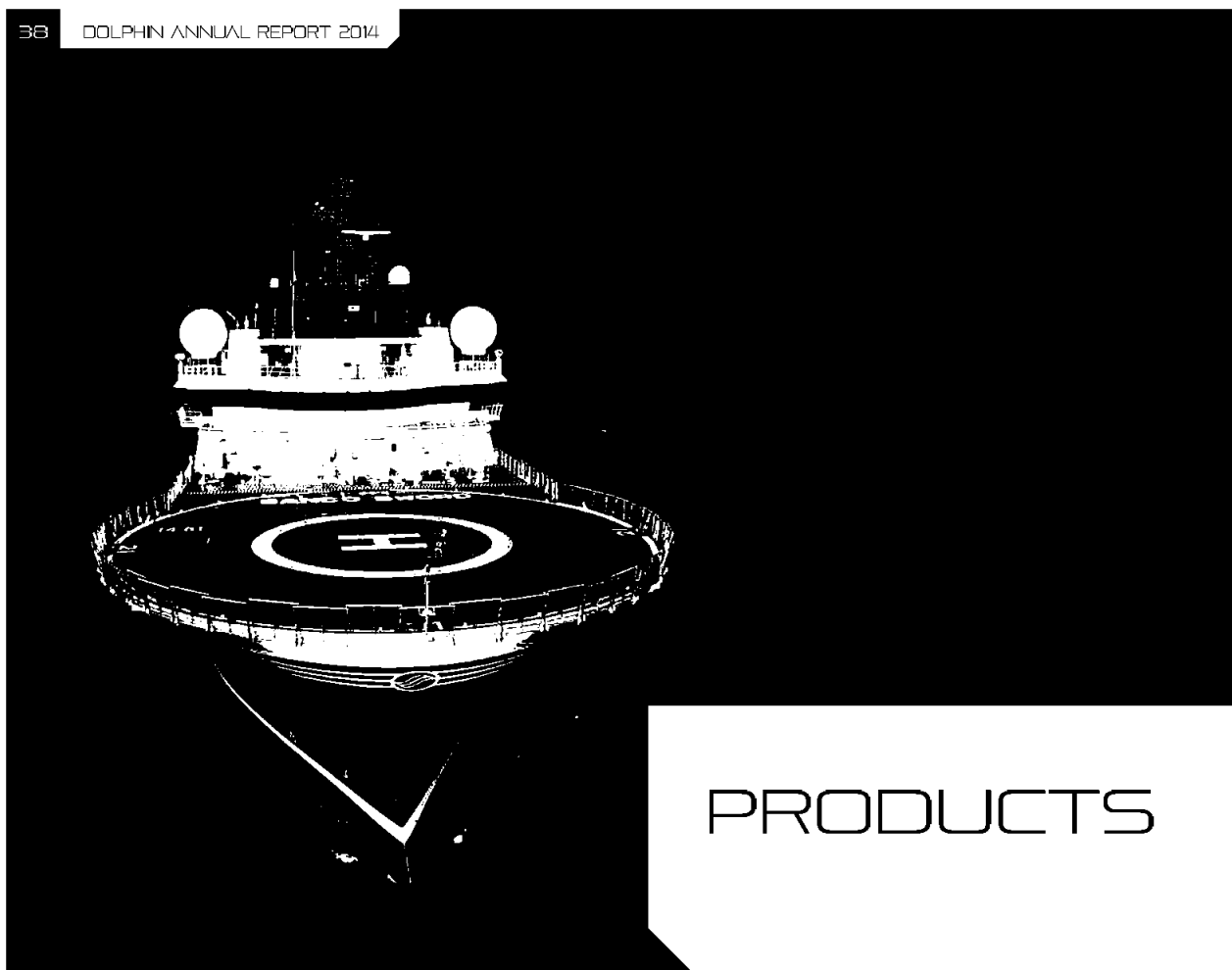
Our commitment to delivering added value has been a foundation for our success so far and, we believe, will continue to pay off in 2015. In an environment of increasing cost discipline and restricted capex, many oil companies, including majors, are looking to achieve efficiencies without compromising on the quality of results. This provides an opportunity for Dolphin P&I to demonstrate its market-leading ability - re-processing existing data to unlock potential, while maximising the value of our own fleet's acquisition assignments. We're expecting another landmark year ahead.

Accumulated number of employees





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PRODUCTS

DELIVERING POWERFUL SOLUTIONS

DOLPHIN'S MARKET POSITION IS BUILT ON MORE THAN ITS FLEET OF POWERFUL MARINE SEISMIC ACQUISITION VESSELS. WE ALSO OFFER A RANGE OF PRODUCTS AND SERVICES THAT ARE TAILOR-MADE TO DELIVER ADDED VALUE, SPEED AND HIGH QUALITY RESULTS TO OUR WORLDWIDE CLIENTS.

SHARP BROADBAND

SHarp Broadband utilises deep, flat or nearly flat cables to perform more accurate amplitude analysis (AVO), pre-stack inversion, and reservoir characterisation on higher resolution images. The extended low and high frequency bandwidth provides excellent penetration abilities and higher resolution imaging.

SHarp provides a better understanding of subsea rock types and the fluids they contain, delivering a competitive edge for Dolphin clients.

OPENCPS

OpenCPS is the only seismic processing software designed and developed in the 21st century. This user-friendly product delivers greater integrity, operational efficiency and a better graphical user interface (GUI) than any competing package, with the GUI optimised for all RTQC, PSTM, PSDM and interactive data analysis.





The software, which includes a full suite of marine and land processing modules, features advanced 2D/3D/ND visualisation and database crossplots, alongside time and depth imaging. It is installed in Dolphin's processing centres in the UK, US and Singapore, and on all company seismic vessels, ensuring excellent communication and the delivery of quality data to clients in the most competitive possible timeframes.

OpenCPS is now established as the seismic software of choice for leading oil companies and oil service companies across the globe.

ONBOARD PROCESSING

Dolphin puts its geophysical teams at the heart of the action. Each of our vessels has three to four onboard processing experts, all of whom boast geophysical degrees and valuable industry experience. These teams, utilising OpenCPS, provide a rapid, high-quality data product, delivering fast-track results within a typical timeframe of four to six weeks after shooting. This allows our clients to gain quick insights on prospective areas of interest, informing crucial business decisions ahead of full processing results.

Dolphin's high-end, 3D fast track volumes include 2DSRME and Kirchhoff PoSTM. Onboard real time, offline and SHarp Broadband QC Full Kirchhoff PSTM is available on all Dolphin vessels.

PROCESSING AND IMAGING (P&I)

Dolphin now has over 100 expert geophysicists strategically located worldwide, with key bases in the UK, US and Singapore. Providing premium quality P&I services both internally and on external client projects, the division is a key component of Dolphin's drive to become the marine geophysical partner of choice.

The teams offer expertise in: 2D/3D SHarp Broadband and conventional processing; advanced demultiple algorithms, including 3DSRME and Shallow Water Multiple Elimination; full 2D/3D Anisotropic Kirchhoff Pre-Stack Time Migration; and full 2D/3D depth imaging and model building, including TTI Kirchhoff and TTI RTM.

DOLPHIN NOW HAS OVER
100 EXPERT GEOPHYSICISTS
STRATEGICALLY LOCATED
WORLDWIDE.



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DOLPHIN ANNUAL REPORT 2014



THE SHARE

SHARE FACTS

As of 31 December 2014 Dolphin Group ASA had 345 378 489 shares outstanding.

All Dolphin Group ASA shares are of the same class with equal voting and dividend rights. Each share has a par value of NOK 2.00.

SHARE PRICE DEVELOPMENT

Since the share-listing on 20 April 2006, the shares have been publicly traded on the Oslo Stock Exchange under the ticker "DOLP". There is no other public trading market for the shares outside Norway.

The closing price for the Dolphin Group ASA share on the first day of trading in 2014 was NOK 4.90 and on the last day of trading NOK 2.90. The closing price on 16 April 2015 was NOK 2.15.

INFORMATION POLICY

All company information considered material to the shareholders is published on the Oslo Stock Exchange news web and is available on the company's website www.dolphingeo.com. As well as the quarterly and annual reports, Dolphin Group ASA also provides interim information of significance through press releases. The Dolphin financial reporting calendar is published on the website.

Members of the management of Dolphin Group ASA are available for meetings with investors during the year with the exception of the closed periods immediately prior to the announcement of quarterly and annual reports. Members of management also participate in roadshows and investor conferences.

ANALYST COVERAGE

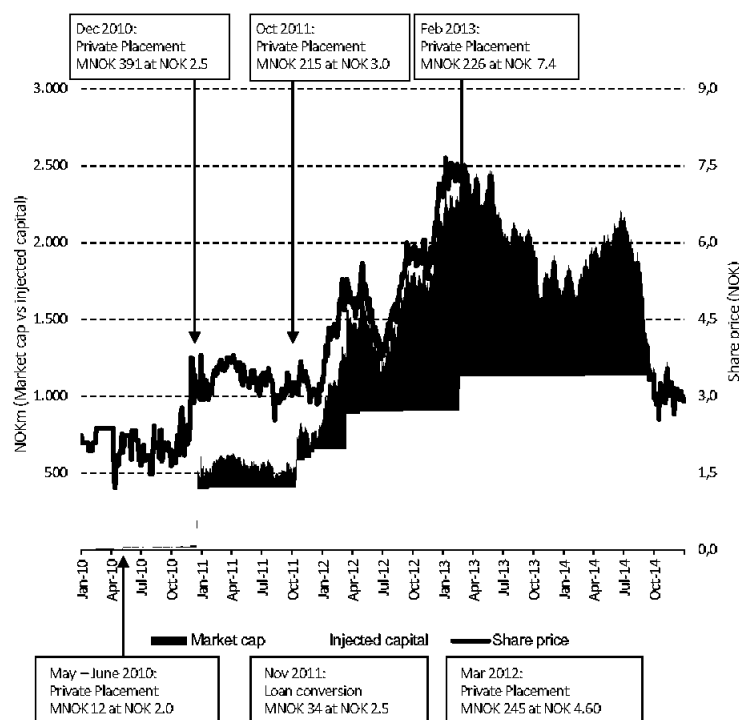
As of April 2015 there were 14 sales side analysts covering Dolphin Group ASA on a regular basis. They are as follows:

Analyst	Name
ABG Sundal Collier	John Olaisen
Arctic Securities	Christian Yggeseeth
Carnegie	Ole Martin Westgaard
Danske Bank Markets	Iver Christian Båtvik
DNB Markets	Jon Masdal
Fearnley Fonds	Kim André Uggedal
Fondsfinans	Knut Erik Løvstad
Nordea Markets	Morten Nystrøm
Pareto Securities	Kristian Diesen
RS Platou	Jørgen Andreas Lande
SEB Enskilda	Terje Fatnes
Sparebank 1 Markets	Christopher Møllerløkken
Swedbank	Eivind Tønnesen
Norne Securities	Imantas Vaskela





Share value creation



ANNUAL GENERAL MEETING

Dolphin Group ASA's 2015 Annual General Meeting will be held in Oslo on 27 May 2015 and all shareholders are invited to attend. Shareholders wishing to attend should give notice to the company no later than 26 May 2015. The notice convening the meeting will be sent to the shareholder's registered address and published on the company's website at least 14 days prior to the Annual General Meeting together with relevant documents. To vote at the Annual General Meeting shareholders needs to be registered as a holder of the title to the shares to be voted no later than 26 May 2015.

CONTACT INFO

Erik Hokholt, CFO;
erik.hokholt@dolphingeo.com

or

Nina Midtlie, Group Financial Director;
nina.midtlie@dolphingeo.com

20 LARGEST SHAREHOLDERS

16 April 2015	Number of shares	Ownership share
1 Ramoo Investment Partners	37 761 700	10,9%
2 Varma Mutual Pension Insurance	23 287 285	6,7%
3 DnB NOR Bank ASA	15 996 903	4,6%
4 Nordstjernen AB	15 920 000	4,6%
5 Verdpapirfondet DNB SMB	10 380 551	3,0%
6 Pictet & Cie (Europe) S.A - Nominee	8 497 206	2,5%
7 Verdpapirfondet DNB Norge (IV)	7 808 178	2,3%
8 Morgan Stanley & Co Internat. PLC - Nominee	7 008 109	2,0%
9 Invesco Perp EUR Opportun Fund	6 916 662	2,0%
10 Invesco Perp EUR Small Comp FD	6 775 874	2,0%
11 Verdpapirfondet DNB Norge Selektiv	6 628 119	1,9%
12 Skandinaviska Enskilda Banken AB - Nominee	6 617 514	1,9%
13 Verdpapirfondet Alfred Berg Norge	6 556 523	1,9%
14 UBS AG - Nominee	6 544 734	1,9%
15 The Bank of New York Mellon SA/NV - Nominee	6 253 544	1,8%
16 VPF Nordea Kapital	6 009 641	1,7%
17 UBS AG, London branch - Nominee	5 592 000	1,6%
18 Verdpapirfondet Alfred Berg Gambak	5 296 445	1,5%
19 Goldman Sachs & Co Equity Segregat - Nominee	5 232 643	1,5%
20 Storebrand Norge I	4 908 246	1,4%
Total 20 largest shareholders	199 991 877	57,9%
Other shareholders	145 386 612	42,1%
Total outstanding shares	345 378 489	100,0%

Dolphin Group ASA has 1 926 shareholders in total.

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BOND INFO

DOLPHIN GROUP ASA 12/16 FRN ("DOLP01")

Dolphin Group ASA issued a 4 year NOK 400 million senior unsecured FRN bond 14 November 2012. Net proceeds from the bond issue were used for seismic equipment, Multi-Client investments and general corporate purposes.

ISIN	NO 001 0662901
Ticker Oslo Stock Exchange	DOLP01
Maturity date	14 Nov 2016
Amount	NOK 400 000 000
Coupon	Nibor 3m + 7,75%
Coupon type	FRN
Coupon frequency	Quarterly
Trustee	Norsk Tillitsmann ASA

COVENANTS

Equity ratio

- Definition: Total Equity/Total Assets
- Maintain a ratio of minimum 35%

Interest cover ratio

- Definition: EBITDA/Net Interest Cost
- Maintain a ratio not less than 2.5

Liquidity

- Definition: Group's unrestricted cash and cash equivalents
- Maintain minimum of USD 10 million

DOLPHIN GROUP ASA 13/17 FRN ("DOLP02")

Dolphin Group ASA issued a 4 year NOK 500 million senior unsecured FRN bond 5 December 2013. Net proceeds from the bond issue were used for seismic equipment, Multi-Client investments and general corporate purposes.

ISIN	NO 001 0697220
Ticker Oslo Stock Exchange	DOLP02
Maturity date	05 Dec 2017
Amount	NOK 500 000 000
Coupon	Nibor 3m + 7,50%
Coupon type	FRN
Coupon frequency	Quarterly
Trustee	Norsk Tillitsmann ASA

Other covenants see Note 25.







HÅVARD
ÅSLI
VP
MARINE SALES

BJARNE
STAVENES
VP TECHNICAL

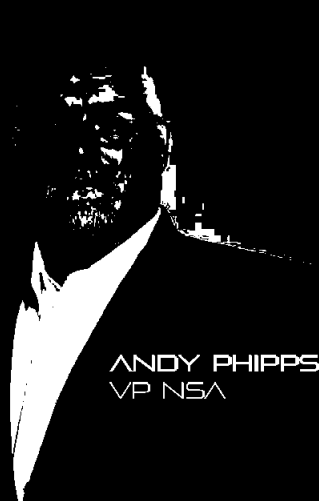
BJØRN
HENRIKSEN
VP
OPERATIONS

MIKE
HODGE
VP QHSE

PHIL
SUTER
VP MARKETING
& BUSINESS
DEVELOPMENT

PETER
HOOPER
COO

DOLPHIN GROUP MANAGEMENT TEAM



ANDY PHIPPS
VP NSA



SAMI KHAN
VP ACQUISITION &
PROCESSING APAC



IAN T.
EDWARDS
VP
MULTI-CLIENT



DR. GARETH
WILLIAMS
CHIEF
GEOPHYSICIST



ATLE
JACOBSEN
CEO



ERIK
HØKHOLT
CFO



OLAV
VINSAND
EMPLOYEE
REPRESENTATIVE

EVA
KRISTENSEN
BOARD
MEMBER

TIM
WELLS
CHAIRMAN
OF THE
BOARD

DOLPHIN GROUP BOARD OF DIRECTORS



TORIL
NAG
BOARD
MEMBER

JOHN
PICKARD
BOARD
MEMBER

TERJE
ROGNE
DEPUTY CHAIR
PERSON



BOARD OF DIRECTORS



DOLPHIN GROUP ASA

Dolphin Group ASA ("the parent company") is a Norwegian company, with offices in Oslo and Bergen, Norway; Houston, US; London, UK; Singapore and Rio de Janeiro, Brazil.

The parent company is listed on Oslo Stock Exchange under the ticker DOLP.

Dolphin Group "the Group" is a global full-range, asset light supplier of marine geophysical services. The Group operates a fleet of new generation, high-capacity seismic vessels and offers exclusive contract seismic, Multi-Client projects and processing services on a worldwide basis.

SEISMIC FLEET AND GEOPHYSICAL BUSINESS AREA

The chartered seismic fleet consists of the following vessels:

- Polar Marquis (3D vessel)
– commenced operations in May 2014
- Sanco Sword (3D vessel)
– commenced operations in March 2014
- Sanco Swift (3D vessel)
- Polar Duke (3D vessel)
- Polar Duchess (3D vessel)
- Artemis Arctic (3D vessel)
- Artemis Atlantic (2D vessel)

All vessels are on time charter rental agreements, which include maritime operations and maritime crew costs. The charter agreements are committed for an initial period of one- to five-years, with further flexible options to extend. The limited charter periods with options to extend provide the Group with a unique flexibility to adjust the operating fleet as a response to rapid market changes.

The Group has, in accordance with our long-term strategy, successfully established a Multi-Client organisation and during 2014 continued to develop attractive 2D and 3D Multi-Client projects in various regions, which will enhance the robustness of our business model. The experienced Multi-Client team and dynamic management are well positioned for further expansion and create attractive new projects fully utilising our vessels competitive operating capabilities and new geophysical techniques.

We are working with partners on various Multi-Client projects to secure market penetration in new areas, but also to de-risk company exposure on large projects.

With Dolphin's SHarp Broadband processing software, the Group performs quality control processing onboard all our vessels and aims to process all seismic data acquired by our operated vessels. We have during 2014 significantly strengthened our geophysical competence and have performed in-house processing for several high profiled external clients. In addition, we perform all processing of our Multi-Client projects.

FINANCIAL REVIEW

The Group's financial result for 2014 has been positively affected by the geophysical operative expansion within seismic data acquisition, processing and Multi-Client project investments and sales.

Revenue

Total revenue for 2014 was USD 440.2 million compared with USD 246.5 million for 2013. The improvement was related to introduction of new high-capacity 3D vessels resulting in a total of seven seismic vessels in operation and efficient seismic data acquisition. The overall seismic market was increasingly difficult in the last quarter of 2014 as a result of the reduced oil price.

Financial figures

Revenues

In millions of USD	Q4 2014 Unaudited	Q4 2013 Unaudited	Year 2014 Unaudited	Year 2013 Audited
Geophysical				
Marine Exclusive contracts	98.4	29.3	375.7	209.4
Multi-Client prefunding	5.0	3.8	26.0	19.7
Multi-Client late sales	22.3	3.8	23.8	8.0
Processing	4.1	1.3	11.3	6.5
Other	-	-	0.2	-
Other (interconnect):				
Contract	0.6	0.5	3.2	2.8
Net Operating Revenues	130.5	38.8	440.2	246.5
Multi-Client cash investment	7.9	16.2	43.9	44.7
Prefunding % *	63,3%	23,7%	59,3%	44,0%

* Prefunding revenues as percentage of Multi-Client cash investment

Operational costs

The Group's cost of sales was USD 292.5 million in 2014 and USD 150.1 million for 2013. The increase was primarily caused by additional 3D vessels in operation and relocations of more vessels in 2014. The parent company figures were USD 0.0 million in both 2014 and 2013.



As Dolphin moves forward with new high capacity 3D vessels and more advanced 12-16 streamer operations, the requirement for higher capacity chase and support vessels to protect, assist and fuel the mother vessels will increase. The additional third party costs reflected in our accounts will be partly re-charged to clients, though the uncharged portion will increase our overall cost of sales.

Cost of sales consists of time charter (TC) from the vessel owners, including their depreciation, finance, marine crew and management costs of the vessels. Cost of sales also includes fuel and lube oil, personnel costs, subcontractors' costs, insurance and other operational costs. Time charter costs, fuel and personnel costs are the main components of our operational costs. Cost of sales also includes activities such as third-party costs for external chase and support vessels, fuel, navigation services and processing, which for a 3D vessel typically represents 6-8% of vessel costs. However, with operations in countries like Australia, India, Colombia and Brazil in addition to West Africa and the Middle East, these costs are higher and partially compensated for through either higher rates or directly cost reimbursed by clients.

In addition to our high-capacity and modern 3D vessels, we also operate the 2D vessel, Artemis Atlantic. The vessel was an important part of our strategy when gradually building up our Multi-Client data library. She was also used as a shooting vessel in connection with platform undershoots. It has also proven to be a high-performing vessel in arctic waters operating for the Norwegian government. However, despite operating one of the best 2D vessels in the world, the 2D market is small and barriers of entry are low, which make it difficult to secure sufficient utilisation for the vessel to generate acceptable operating margins. Unfortunately, the Artemis Atlantic has not been on contracts enabling her to deliver positive margins for 2014 and she has been pre-stacked during the fourth quarter 2014. Consequently, our 2D seismic business is diluting the overall consolidated margins coming from the 3D seismic business, and the vessel will therefore be redelivered at the end of the charter in April 2015.

Amortisation and write-down of Multi-Client projects was USD 23.0 million for 2014, of which USD 2.3 million was minimum amortisation and USD 1.3 million was write-down. Amortisation, including minimum amortisation, of Multi-Client was USD 21.7 million in 2014, compared to USD 12.9 million in 2013, with an amortisation rate of 46% being used for 2014, respectively 46% for 2013. The parent company figures were USD 0.0 million in both 2014 and 2013.

Sales, general and administrative costs (SG&A) were USD 21.3 million in 2014 compared with USD 18.1 million for 2013. The SG&A cost reflects the expansion and build-up of our new processing and Multi-Client project capabilities, as well as gradually strengthening the administrative support functions to efficiently introduce the new high-end 3D vessel Polar Empress in 2015. The parent company costs were USD 3.4 million in 2014 and USD 2.8 million for 2013, respectively.

A share-based compensation cost of USD 1.6 million is mainly related to the employee option programme introduced in 2011, 2012 and 2013, compared with USD 2.3 million in 2013. The parent company option costs of USD 0.4 million in 2014 compared with USD 0.5 million for 2013.

Seismic equipment depreciation increased to USD 47.2 million in 2014 compared to USD 26.8 million in 2013 due to capital expenditures on the two new vessels in operation.

The seismic equipment for the vessels Artemis Arctic and Artemis Atlantic is classified as a financial lease asset and depreciated over five years. The Polar Marquis equipment is also depreciated over five years. The seismic equipment on Polar Duke, Polar Duchess, Sanco Swift and Sanco Sword is depreciated over an estimated lifetime of seven years.

In 2014 USD 5.1 million of depreciation was capitalised to Multi-Client library, when the vessels were working on the Multi-Client projects, compared to USD 5.0 million in 2013.

The parent company had a depreciation of USD 0.015 million in 2014 compared to USD 0.014 million in 2013.

EBIT and EBITDA

EBIT for the Group for 2014 was positive with USD 54.6 million (12%) and EBITDA was positive with USD 124.8 million (28%), compared to EBIT of USD 31.4 million (13%) and EBITDA of USD 76.0 million (31%) in 2013.

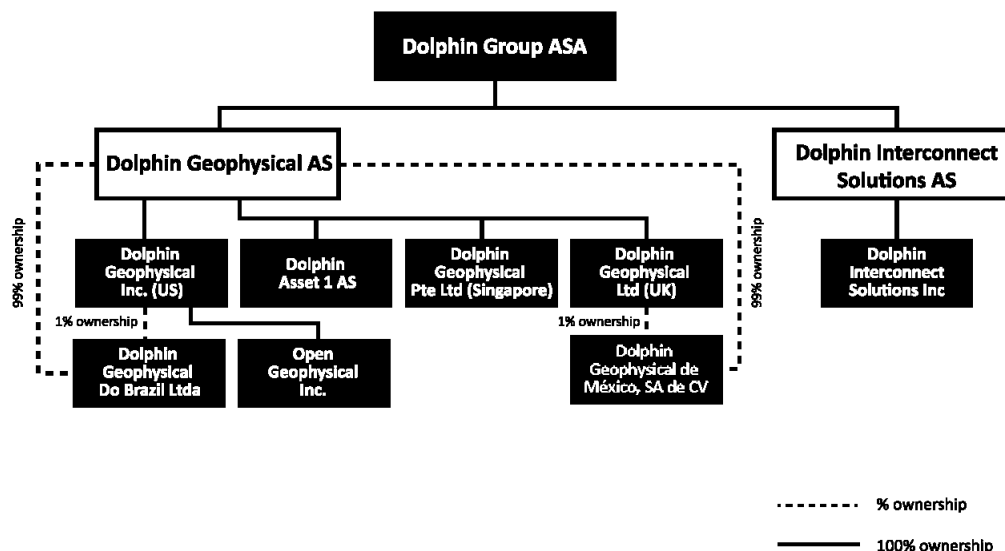
The parent company's EBIT for 2014 was negative with USD 1.4 million compared to negative with USD 1.5 million for 2013. EBITDA for 2014 was negative with USD 1.4 million compared to negative with USD 1.5 million in 2013.

Financial items

Net financial costs for the Group were USD 20.0 million for 2014, compared to net financial cost of 11.6 million for 2013. The net financial items include ordinary interest costs, interest income and foreign exchange losses or gains. The financial items include the interest charges from the two bond loans DOLP01 and DOLP02 and finance cost on our ordinary bank debt.



Legal chart of Dolphin Group



The parent company had a net financial expense for 2014 of USD 18.3 million compared to financial income of USD 2.4 million for 2013.

Tax

For 2014 the Group reported tax changes in accordance with IAS 12. Tax changes are computed based on the USD value relating to the appropriate tax provisions according to local tax regulation and currencies in each jurisdiction. The tax changes are influenced not only by the local result, but also from fluctuations in exchange rate between the local currencies and USD.

Furthermore, the Group is exposed to taxation in several jurisdictions through mobile employee taxes and withholding taxes, which are both classified as operational expenses.

Most of Dolphin's taxable income is taxed in Norway where the taxes are calculated on an annual basis and paid in NOK. Tax expense for 2014 is negatively impacted by foreign exchange recalculation of our NOK tax base of assets and their carrying amounts of USD in the financial statement. These losses are required by IFRS even though the revalued tax basis of the relevant assets will not result in any obligation for tax purposes in the future periods.

The tax expense for 2014 was USD 12.7 million, compared to USD 7.3 million in 2013, where the currency effect in changes of deferred tax represents USD 4.5 million for 2014.

The change of deferred tax assets decreased by USD 4.3 million and deferred tax liability increased by USD 4.7 million.

The consolidated tax rate for 2014 was 36,5%.

We reiterate our normal tax guidance at 24-26% for 2015. The special foreign exchange revaluation of fixed asset NOK tax positions, will also apply in 2015, whereby a stronger NOK versus USD will partly reverse the non-cash tax expense booked in 2014, while a further strengthened USD versus NOK will further increase the foreign exchange tax valuation element in 2015.

The parent company had a negative tax expense of USD 13.4 in 2014 related to change in deferred tax asset and tax on group contribution. Tax expense for 2013 was USD 5.2 million related to change in deferred tax.

Net income

Net income for the Group in 2014 was USD 22.0 million compared to USD 12.4 million for 2013.

The parent company had a net loss in 2014 of USD 6.3 million compared to a net loss of USD 4.2 million in 2013.

Multi-Client investment and library

In thousands of USD	Q4 2014 Unaudited	Q4 2013 Unaudited	Year 2014 Unaudited	Year 2013 Audited
Beginning net book value	115 458	61 491	85 708	38 864
Multi-Client investment*	8 860	32 734	49 011	64 597
Amortisation	-11 330	-3 660	-21 731	-12 895
Write-down	-1 259	-4 858	-1 259	-4 858
Amortisation %	46%	46%	46%	46%
Ending net book value	111 729	85 708	111 729	85 708

* Interest and financial items are not capitalised

The Group invested USD 49.0 million in Multi-Client projects in 2014, primarily related to 3D projects in the Barents Sea, North Sea and Brazil. The investment also includes reprocessing of existing projects and the processing on Multi-Client projects currently in progress.

Multi-Client revenues were USD 49.8 million in 2014 compared to USD 27.7 million in 2013. An amortisation rate of 46,2% per net sales was applied in 2014 and for 2013 the amortisation rate was 45,9%. This was a blended rate of our 2D and 3D Multi-Client projects based on a total sales-to-costs expected ratio for the Multi-Client projects acquired to date. Multi-Client amortisation and write-down includes minimum amortisation of USD 2.3 million and special year-end write-down of USD 1.3 million in 2014 after detailed evaluation of the sales potential for each Multi-Client project.

Net Multi-Client book value as of December 2014 was USD 111.7 million after amortisation of USD 21.7 million and write-down of USD 1.3 million, compared to USD 85.7 million after amortisation of USD 12.9 million and write-down of USD 4.9 million in 2013.

The parent company does not invest in Multi-Client projects.

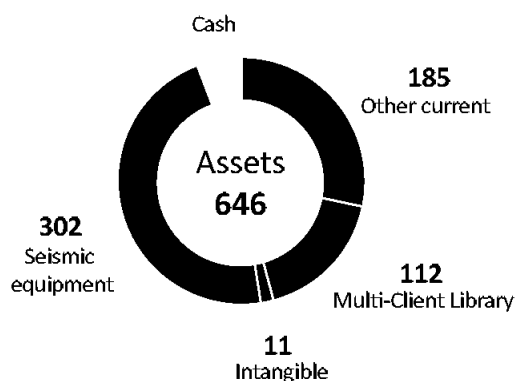
Balance sheet

The Group continues to grow rapidly in line with its long-term business plan. The growth requires significant capital expenditures, particularly related to seismic equipment onboard new chartered vessels, investment in Multi-Client projects and build-up of our internal G&G and seismic processing services. Our financial strategy is to continuously secure a strong balance sheet in terms of debt-to-equity ratio and secure additional equity capital prior to committing to new large investments.

At the end of 2014, the Group had a good financial position with equity of USD 260.7 million and total assets of USD 646.2 million, representing an equity ratio of 40,3%. Furthermore, the Group had bank deposits of USD 36.7 million at the end of 2014.

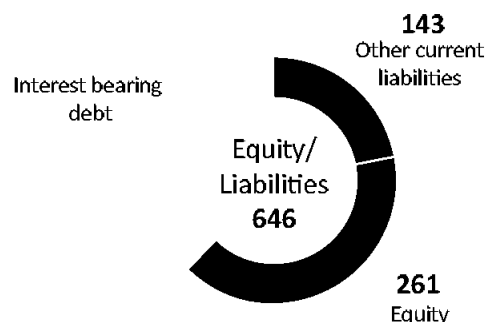
Assets

In millions of USD



Equity/Liabilities

In millions of USD





Interest bearing debt consists of financial lease debt of USD 8.0 million, bank loan of USD 79.0 million and bond loan of USD 155.7 million per December 2014.

The deferred tax asset in the parent company increased to USD 12.2 million in 2014, and deferred tax liability in the Group increased to USD 17.6 million.

The increase in seismic equipment was USD 81.3 million to USD 301.7 million in 2014 mainly due to the two new vessels, Sanco Sword and Polar Marquis, which commenced in operation from March and May 2014, as well as prepayments of seismic equipment for the new vessel Polar Empress.

Investment in shares for the parent company has increased by USD 1.1 million to USD 307.6 million in 2014, mainly due to increased market based investment.

At the end of 2014, the parent company had a solid financial position, with equity of USD 205.1 million and total assets of USD 396.1 million, representing an equity ratio of 51,8%.

Cash flow

With the increased number of vessels in efficient operation, the accumulated cash flow from operations for 2014 was USD 103.7 million compared to USD 80.0 million in 2013. Working capital decreased from 2013 to 2014.

The Group is committed to take one additional new vessel on charter, which is expected to improve the operating cash flow; however each new vessel in operation will also require additional working capital in the start-up phase. Capital expenditures for 2014 were related to additional investments in seismic equipment of USD 16.1 million, prepayment of seismic equipment with USD 116.2 million, compared to investments in seismic equipment of USD 22.5 million and prepayment of seismic equipment with USD 91.8 in 2013. Prepayments were related to the seismic equipment for Polar Marquis and Sanco Sword. Net investment in Multi-Client projects with USD 43.9 million in 2014 compared to USD 44.7 million in 2013.

The decreased cash flow from financing activities in 2014 was primarily related to net proceeds from new equity issue of USD 1.4 million compared to USD 42.1 million in 2013. Interest paid in 2014 was USD 15.7 million compared to USD 8.6 million in 2013. In addition the Group made repayments of financial leases and interest bearing debt of USD 33.2 million during 2014 compared to USD 44.4 million in 2013.

The Group had bank deposits of USD 36.7 million at the end of December 2014.

For the parent company the accumulated cash flow from operations for 2014 was negative with minus USD 40.5 million compared to a positive cash flow of USD 152.9 million in 2013.

Cash flow from investing activities for the parent company in 2014 was minus USD 207.6 million compared to minus USD 1.1 million in 2013.

Cash flow from financing activities in the parent company in 2014 was USD 1.0 million compared to USD 96.6 million in 2013. Proceeds from borrowing were USD 12.4 million in 2014 compared to USD 65.3 million in 2013 and interest paid was USD 10.1 million compared to USD 7.8 million last year. In addition the parent company made repayments of interest bearing debt of USD 1.0 million during 2014 compared to USD 3.1 million in 2013.

The parent company had bank deposits of USD 2.0 million.

In the board's view the annual accounts provide a true and fair view of the Group's and the parent company's results for the year and financial position as of 31 December 2014.

OPERATIONAL AND FINANCIAL MARKET RISK

Oil and gas prices

The profitability and cash flow of the Group's operations will depend upon the market price for oil and gas, which in turn is affected by numerous factors beyond the Group's control, including economic and political conditions, levels of supply and demand, the policies of the Organisation of Petroleum Exporting Countries (OPEC), currency exchange rates and the availability of alternate fuel sources. Oil and gas commodity prices have been falling and have therefore decreased the cost of oilfield goods and services worldwide and in the countries in which the Group operates. During the year the oil price has been falling in the second half of 2014, from a top in June of USD 114 down to USD 58 per barrel in the end of December, and such a fall in the oil price is challenging for a predictable Oil Company E&P spending.

Significant oil price fluctuations might have a substantial impact on the Group's business and cause project postponements and reduced operational activity. In any event, higher or lower commodity demand and price does not necessarily translate into increased or decreased activity as the customers' project development time, reserve replacement needs, as well as expectations of future commodity demand and prices, all combined, drive demand for the Group's services. Each of these factors could have material adverse effect on the Group's results on operations and profitability.

Oversupply of seismic vessels in the industry

The supply of seismic vessels in the industry is affected by; inter alia, assessments of the demand by oil and seismic companies. Any over-estimation of demand for seismic vessels may result in an excess supply of new seismic vessels. During prior periods of high utilisation and day rates, industry participants have increased the supply of vessels by ordering the construction of new vessels. This has often created an oversupply of vessels and has caused a decline in utilisation and day rates when the vessels enter the market, sometimes for extended periods of time, as vessels have been absorbed into the active fleet. The seismic market had a slow-down in late 2014 and we have seen more vessel decommissioning during the latter part of 2014 and early part of 2015.

Risk related to competition and rapid technology change

The industry is highly competitive. New products may be developed by other companies that can be more competitive than the Group's, e.g. other companies may develop products with functionality, price and performance that will compete with new products from the Group. The Group's future business prospects are dependent on its ability to meet changing customer preferences, to anticipate and respond to technological changes and to develop effective and competitive relationships with its customers.

The Group's goal is to deliver top-quality products that are competitively priced. To be able to fulfil those ambitions, the Group needs to combine its awareness of the latest technology trends with its understanding of the customers' business challenges. Factors such as technological change, increasing customer requirements, short product lifecycles and evolving industry standards, could reduce the demand for the Group's products or require substantial resources and expenditures for research, design and development of new products and technologies to avoid technological or market obsolescence.

Geopolitical risks

There are inherent risks in doing business internationally. These include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding liability and enforcement, and changes in local laws and controls on the repatriation of capital or profits. Any of these risks could materially affect the Group's overseas operations and, consequently, the financial position and profit of the Group.

Risk of war, other armed conflicts and terrorist attacks

War, military tension and terrorist attacks have among other things caused instability in the world's financial and commercial markets. This has in turn significantly increased political and economic instability in some of the geographic regions in which the Group operates (or may operate in the future), and has contributed to high levels of volatility in prices for, among other things, oil and gas. Continuous instability may cause further disruption to financial and commercial markets and contribute to even higher level of volatility in prices. In addition, acts of terrorism and threats of armed conflicts in or around various areas in which the Group operates (or may operate in the future), and piracy or assaults on property or personnel, kidnapping of personnel and changing political conditions could limit or disrupt the Group's markets and operations, including causing disruptions of oil exploration and production activities, loss, arrest or requisitioning of the fleet, loss or evacuation of personnel, cancellation of contracts, restriction of movements and exchange of funds or limitation of the Group's access to markets for periods of time. Armed conflicts, terrorism and their effects on the Group or its markets may have a significant adverse effect on the Group's business and results of operations in the future.

Dependence of proprietary rights and intellectual property

The Group will maintain trade secrets protection, obtain patents and operate without infringement of the proprietary rights of third parties or having third parties circumvent its rights. There can be no assurance that there would not be any infringement of proprietary rights, that the Group would have adequate remedies for any such infringement, or that the Group's trade secrets or proprietary know-how will not otherwise become known to, or independently developed by, competitors.

The Group may institute or otherwise be involved in such litigation to enforce its patents, protect its trade secrets or know-how, challenge the validity of proprietary rights of others or invalidation of patents, expose the Group to significant





liabilities to third parties, require the Group to seek licenses from third parties or prevent the Group from manufacturing and selling its products. Any of the above could have a material adverse effect on the Group's business, financial condition and results of operation.

Attraction and retention of key personnel

The Group's ability to continue to attract, retain and motivate key personnel, and other senior members of the management team and experienced personnel will have an impact on the Group's operations. The competition for such employees is intense, and the loss of the services of one or more of these individuals without adequate replacements or the inability to attract new qualified personnel at a reasonable cost, could have a material adverse effect.

The Group is dependent on key individuals in the organisation. If such key individuals were to end their employment with the Group, this could bring about negative consequences for the future development of the Group. There is no assurance that the Group will be able to attract and retain such personnel, consultants and contractors on acceptable terms, given the demand for such qualifications in the market. The failure to retain such personnel or consultants, or to develop or otherwise acquire the expertise, could adversely affect prospects for the Group's success.

Charter risks

The Group provides its services on the basis of seismic services contracts that are awarded through competitive bidding or to a lesser extent through direct negotiations with oil companies. The Group's financial condition, operating results and cash flows could be materially adversely affected by early termination of contracts, contract renegotiations or cessation of day rates under any of the foregoing circumstances.

Risks related to Multi-Client investments

The Group has moved and envisages moving further toward a mix of 70/30 of contract seismic services and Multi-Client business in the long-term. In connection with the Multi-Client business, the Group expects to continue to invest a gradually increasing amount in acquiring and processing seismic data that the Group owns ("Multi-Client data"). The Group intends to license Multi-Client data to third parties for non-exclusive use in oil and gas exploration, development and production activities. However, the Group does not know with certainty how much of the Multi-Client data it will be able to license or at what price. There can be no assurance that the Group will be able to recover all costs and investments associated with acquiring and proces-

sing Multi-Client data. If there is a material adverse change in the general prospects for oil and gas exploration, development and production activities in areas where the Group acquires Multi-Client data, the value of such Multi-Client data could be subject to impairment and the Group could be required to take a charge against its earnings. The value of Multi-Client data could also be impaired due to technological or regulatory changes and other industry or general economic developments. In general, the Group's future sales of Multi-Client data licenses are uncertain and depend on a variety of factors, many of which will be beyond the Group's control.

Vessel operation

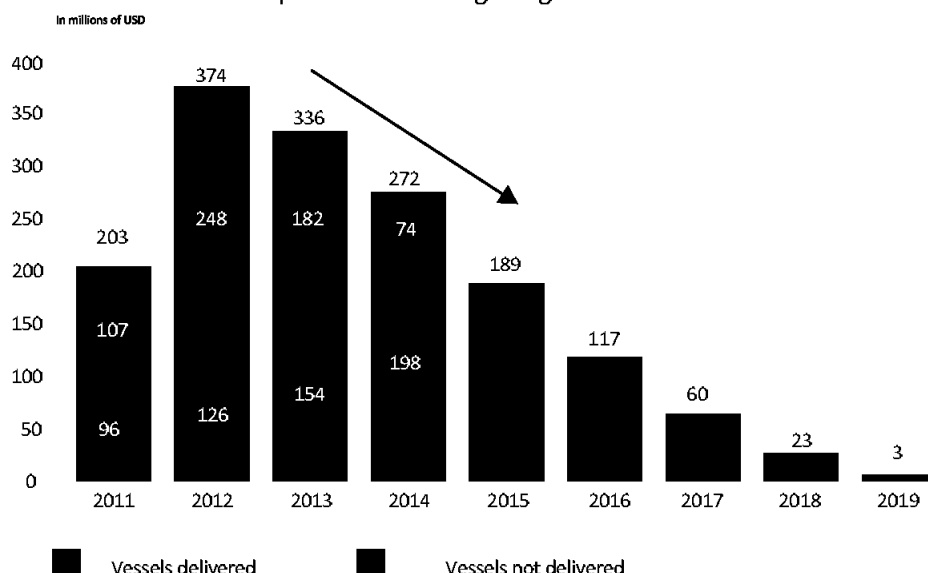
The Group's fleet will be exposed to operational risks associated with offshore operations such as breakdown, bad weather, technical problems, force majeure situations (e.g. nationwide strikes), collisions, grounding and similar events. If any of these risks materialises, the Group's business could be interrupted and the Group could incur significant liabilities. In addition, many similar risks may result in curtailment or cancellation of, or delays in, exploration and production activities of the customers, which could in turn adversely impact the Group's operations. This may in turn have a material adverse effect on the earnings and value of the Group.

Revenues may fluctuate significantly from period to period

The Group's future revenues may fluctuate significantly from quarter to quarter and from year to year as a result of various factors including the following:

- increases and decreases in industry-wide capacity to acquire seismic data;
- fluctuating oil and natural gas prices, which may impact customer demand for the Group's services;
- different levels of activity planned by the customers;
- the timing of offshore lease sales and licensing rounds and the effect of such timing on the demand for seismic data and Geophysical services;
- the timing of award and commencement of significant contracts for geophysical data acquisition services;
- weather and other seasonal factors;
- seasonality and other variations in the licensing of geophysical data from the Group's Multi-Client data library; and
- reduced vessel utilisation due to longer than scheduled yard stays and delays in obtaining necessary permits.

Annual minimum operational leasing obligations



Graph shows total minimum operational leasing obligations according to IAS 17

Financial risk

Foreign exchange risk

The Group's significant operations in foreign countries expose it to risks related to foreign currency movements. The Group will attempt to minimise these risks by implementing hedging arrangements as appropriate, but will not be able to fully avoid these risks. Currency exchange rates are determined by forces of supply and demand in the currency exchange markets. These forces are affected by the international balance of payments, economic and financial conditions, government intervention, speculation and other factors. Changes in currency exchange rates relative to the USD may affect the USD value of the Group's assets and thereby impact the Group's total return on such assets. Changes in currency may also affect the Group's costs, e.g. related to salaries paid in local currency. The Group's expenses are primarily in USD, GBP and NOK. As such, the Group's earnings are exposed to fluctuations in the foreign currency market. Currency fluctuations of an investor's currency of reference relative to the USD may adversely affect the value of an investor's investments. The Group entered into a cross-currency interest rate swap agreement (CCIRS) with purpose to hedge interest rate risk and currency risk related to the NOK 400 million bond loan DOLP01 issued simultaneously. The CCIRS is accounted for as a cash flow hedge. Dolphin Group ASA entered into a currency swap agreement with purpose to hedge currency risk related to 100% of the NOK 500 million bond loan DOLP02 issued simultaneously. The currency swap is accounted for as a cash flow hedge.

Credit risk

Lack of payments from customers/clients may significantly and adversely impair the Group's liquidity. The concentration of the Group's customers in the energy industry may impact the Group's overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic- and industry conditions as well as by the general constraints on liquidity resulting from the recent decrease in the oil prices. Those countries that rely heavily upon income from hydrocarbon exports will be hit particularly hard as oil prices decrease. Further, laws in some jurisdictions in which the Group operates could make collection difficult or time consuming. The Group undertakes due consideration to the credit quality of its potential clients during contract negotiations to minimise the risk of payment delinquency, but no assurance can be given that the Group will be able to avoid this risk.

Interest rate risk

A major part of the Group's interest costs on its bank and bond loans are subject to floating interest rate (NIBOR/LIBOR) plus a margin. Consequently, the Group is exposed to fluctuation in interest rates. The Group entered into a cross-currency interest rate swap agreement (CCIRS) with purpose to hedge interest rate risk and currency risk related to the MNOK 400 bond loan DOLP01 issued simultaneously. The CCIRS is accounted for as a cash flow hedge.





Dolphin is asset-light with flexible Time-Charter commitments

Vessel	Firm initial period/Options	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Artemis Atlantic	TC firm 4 years from May '11 Option of 2+2 years					April											
						Redelivery											
Polar Duke	TC firm 5 years from May '11 Option of 6 years						May										
Artemis Arctic	TC firm 5 years from May '11 Option of 2+2 years						May										
Polar Duchess	TC firm 5 years from March '12 Option of 4+2 years							March									
Polar Marquis	TC firm 3.5 years from May '14 Option of 2+2 years								Nov								
Sanco Swift	TC firm 5 years from June '13 Option of 2+2+2 years									June							
Sanco Sword	TC firm 5 years from March '14 Option of 2+2+2 years										March						
Polar Empress	TC firm 5 years from April '15 Option of 3+3 years											April					

Comments:

- Artemis Atlantic will be redelivered in Q2 2015
- Artemis Arctic planned redelivered end 2015
- Variable options to extend at a pre-agreed rates
- Control high-end vessels in 11 years, only small index adjustment of the terms in option period

Liquidity risk

The Group is dependent on having access to long-term funding. There can be no assurance that the Group may not experience net cash flow shortfalls exceeding the Group's available funding sources nor can there be any assurance that the Group will be able to raise new equity, or arrange new borrowing facilities, on favourable terms and in amounts necessary to conduct its on-going and future operations, should this be required. The Group may not be able to secure new sources of liquidity or funding, should projected or actual liquidity fall below levels the Group requires. The factors giving rise to the Group's liquidity needs could also constrain the ability to replenish the liquidity of the Group. To the extent that current market conditions get worse, and the related constraints on the availability of funding from banks and other lenders, continue, the Group may not have access to funding from banks and other lenders in the amounts or on the terms it may be seeking.

These same factors could also impact the ability of the Group's shareholders to provide it with liquidity, and there can be no assurance that the Group will be able to obtain additional shareholder funding. Failure to access necessary liquidity could require the Group to scale back its operations or could have other materially adverse consequences for its business and its ability to meet its obligations.

Capital structure and equity

The primary objectives of the Group's capital management are to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and its strategic goals. Based on the strong organic growth, significant working capital requirements and large investment programmes, the Group's financial strategy has been to maintain a solid equity ratio, focus on increasing cash flow from operations and hire seismic vessels rather than to purchase and finance seismic vessels onto the Group's balance. No changes were made in the objectives, policies or processes during 2014.

The Group constantly monitors its capital financing structure with its financial covenant requirements in loan and time charter agreements. The Group's policy is to have an equity ratio in excess of 35%.

The Group is fully compliant with financial covenants as of 31 December 2014.



ORGANISATION AND WORKING ENVIRONMENT

The Group is growing fast, which is a challenge to any organisation. With an experienced management team and dedicated employees the Group has created a sound business culture, characterised by low bureaucracy and fast decision capabilities. This has also proven to be attractive for hiring new highly qualified staff. The working environment in the Group is considered to be satisfactory; employees are dedicated and motivated and have made great efforts to ensure the successful growth of the Group. The Group had a 1,5% sick leave ratio in 2014, compared to 2,8% in 2013. One person was on long-term sick leave in 2013, while there were none in 2014.

There were no major accidents or injuries to the Group personnel or equipment during 2014 or 2013.

Lost time incident frequency (LTIF) was 0.69 in 2014 compared to 0.72 in 2013. Total recordable case frequency (TRCF) was 3.01 in 2014 compared to 3.23 in 2013.

The total number of the Group's employees increased from 389 employees at the end of December 2013 to 479 employees by December 2014, which is in line with our growth plan for new vessels and the strategy for the Group of being a full service provider marine seismic company. The established organisation is structured to handle the further growth of the Group, both within vessel operations, data seismic processing and Multi-Client project activities.

The parent company had six employees as of December 2014 against five in 2013.

The proportion of women employees at the end of 2014 was 15% compared to 14% at the end of 2013. The Board of Directors has three male and two female directors. In addition there is one male employee representative.

The Group's objective is to have a workplace with equal opportunities for women and men.

As an employer, the Group strives for balance and equality with respect to gender, age, and cultural diversity among staff. As of 31 December 2014, employees represented 30 nationalities, compared to 27 last year.

The Group consciously strives to improve the nationality and gender diversity of staff. Long-standing practices include ensuring that offshore crews are culturally diverse and balanced.

The Group's principles are to secure equal rights with regard to salaries, promotions and appointments with respect to gender, age and cultural diversity.

QUALITY, HEALTH, ENVIRONMENT, SAFETY

The Group has an obligation to work to ensure that its business does not damage or pollute the external environment. For 2014 the Group is not aware that it in any respect polluted the external environment.

The Group interacts with the external environment through the collection of seismic data and operation of vessels. The Group continues to work actively to minimise any impact on the environment. Regular monitoring and controls are carried out in order to limit the risk of pollution. It is the Group's policy to comply with all national and international regulations.

The Group is being promoted very actively towards future customers and particular focus is placed on improvements to, and further development of, the Group's procedures for quality, health, environment and safety (QHSE). An open QHSE culture lies at the heart of its development as a new seismic operator. An unwavering commitment to developing better systems is targeted and required to constantly improve our QHSE performance. Indeed, a common Dolphin QHSE culture is emerging.

All recordable incidents and high potential incidents were intensively followed-up, investigated and findings were presented both internally and externally to enable the Group and others to learn from these events.

A new initiative in 2015 will be the launch of 'Focus on Zero'. Simply put, this is both a value and a mind-set; a belief that we can conduct complex operations, under the most demanding conditions, without significant incidents. The clear objective is to "focus our intentions and behaviours on consistently striving towards Zero Harm, Zero Loss and Zero Rework."





DOLPHIN GROUP ASA'S CORPORATE GOVERNANCE, ETHICAL AND SOCIAL RESPONSIBILITY AND RULES FOR DIRECTORS, EXECUTIVE CHAIRMAN AND GENERAL MANAGER

Dolphin Group ASA is registered in Norway and is a public limited company. Its governance and corporate management is based upon Norwegian legislation and the objective is to comply with the relevant principles in the "Norwegian Code of Practice for Corporate Governance" of 30 October 2014.

It is the Group's view that effective corporate governance is fundamental to success, and a framework for successful services to customers and value creation for owners. Good corporate governance is characterised by open, responsible communication and cooperation among the owners, its board, and management, in the context of both short-term and long-term value creation perspectives. Our shareholders, employees, customers, suppliers, financial associates, and governmental bodies, as well as society in general, must be confident and trust that the Group is governed in a satisfactory fashion, and its board is sufficiently independent in the execution of its duties.

The Group's principles and implementation of corporate governance are reviewed periodically and most recently approved by the board on 27 April 2015. The applicable principles, guidelines, as well as articles, board instructions and ethical guidelines including corporate social responsibility are available on the Group's websites:

www.dolphingeo.com/about/corporate-governance/

Compensation to executive management is described in note 6.

SHAREHOLDER MATTERS

The parent company's share capital was NOK 690 756 978, divided on 345 378 489 shares, each with a nominal value of NOK 2.00, as of December 2014.

There is one class of shares. The Shares are equal in all respects, and each share carries one vote at the parent company's general meeting.

Below is the development of issuing of shares for 2012 to 2014;

Date	Type of change	Change in share capital (NOK)	Nominal value per share (NOK)	Total share capital (NOK)	Total number of shares	Subscription price per share
15 Mar. 2012	Issues of shares	100 000 000	2.00	600 036 323	300 018 161	4.60
22 Mar. 2012	Issues of shares	2 655 662	2.00	602 691 985	301 345 992	2.50
26 Apr. 2012	Issues of shares	6 400 000	2.00	609 091 985	304 545 992	4.60
05 Jun. 2012	Issues of shares	400 000	2.00	609 491 985	304 745 992	3.00
04 Sep. 2012	Issues of shares	654 666	2.00	610 146 651	305 073 325	3.00
27 Nov. 2012	Issues of shares	554 000	2.00	610 700 651	305 350 325	3.00
20 Feb. 2013	Issues of shares	61 069 999	2.00	671 770 650	335 885 325	7.40
13 Mar. 2013	Issues of shares	4 028 988	2.00	675 799 638	337 899 819	2.58
11 Jun. 2013	Issues of shares	5 403 332	2.00	681 202 970	340 601 485	2.50
06 Sep. 2013	Issues of shares	1 775 332	2.00	682 978 302	341 489 151	2.54
05 Mar. 2014	Issues of shares	3 648 008	2.00	686 626 310	343 313 155	2.55
27 May 2014	Issues of shares	4 130 668	2.00	690 756 978	345 378 489	2.52

FUTURE PROSPECTS

Market fundamentals have become increasingly more difficult with the rapid and significant drop in the oil price. This is clearly visible with lower tender activity, resulting in pressures on seismic rates and vessel utilisation.

The marine seismic industry has been affected by lower demand for seismic services during 2014. Major supply-side reductions have already been made by the largest seismic operators during 2014 in an attempt to balance the market. Primarily, older vessels and vessels with limited streamer towing capacity have been removed from the market.

Dolphin will take on charter our final high-end 3D vessel, Polar Empress, which will be in production in May 2015. The plan is to return the 2D vessel Artemis Atlantic and the low-end 3D vessel Artemis Arctic to the owner during 2015. This will leave Dolphin with a fleet of six modern high-end 3D vessels, all with favourable cost structures and the ability to carry out surveys in the 12+ streamer category. Dolphin's charter structure also allows us to carry out further fleet reductions or charter renegotiations in 2016 if the supply/demand balance does not improve. These redeliveries and negotiations would provide significant cost reductions for Dolphin.

A healthy backlog with several high-profile clients and our ability to carry out cost efficient "powerful solutions" surveys will contribute to soften the negative market effects for Dolphin in 2015.

Dolphin has been investing in building up a modern Multi-Client library offshore Norway, UK, Brazil and West Africa over the last four years. Licensing rounds have been announced or they are expected to be announced in several of the areas where Dolphin is well positioned with new Multi-Client seismic data. Dolphin believes these licensing rounds will generate substantial late sales during 2015. The well positioned seismic data in prospective areas combined with good G&G understanding and good relationships with active clients in these areas also creates a good foundation for further library expansions during 2015.



Processing & Imaging is the common integrator of our business segments and ensures a holistic geophysical offering to our clients. Our focus in 2015 will be to leverage the value of being a fully integrated marine seismic company, with the goal of capturing more of our clients' business.

In a challenging market environment, the Group will focus on market positioning of the six modern high-capacity 3D seismic vessels, seismic processing and sales from an attractive Multi-Client seismic data library.

Dolphin will continue to deliver on its long-term business plan and create shareholder value through vessel capacity increase, strengthened internal seismic processing and G&G competence and through successful expansion of Multi-Client business whilst maintaining efficient operations fleet-wide.

The Group's fleet expansion plan is progressing as planned and the Group has taken delivery of the Polar Empress in the end of April. As fleet size increases, strategic placement of vessels and resultant reduced mobilisation time is expected to become more viable in relation to changes in market and tendering activity globally.

The Multi-Client cash investment target for 2015 is estimated at USD 50-70 million and we are concentrating our investments in prospective areas in Brazil, Norway and UK. To improve Multi-Client competitiveness, the Group will continue to secure new dedicated financing and enter into strategic partnership agreements to reduce our various projects' risks and exposures.

The Group's high capacity and highly attractive 3D vessels have a solid production track record and are deployed with large

independent clients, which also positions us well for potential repetitive contract work.

The Group will continue to focus on the high end of the marine 3D seismic market as well as rapidly expanding our geophysical services with dedicated Multi-Client products and major proprietary seismic processing and broadband technologies. The Group will fully divest from the 2D and low-end 3D seismic market in 2015.

During 2015, the Group will prepare for the next generation of multi-sensor streamer technology, new acquisition techniques and joint cooperation models both on an exclusive and non-exclusive basis.

APPLICATION OF THE PARENT COMPANY'S NET INCOME FOR 2014

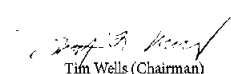
The accounts of the parent company, Dolphin Group ASA, and associated note disclosure have been prepared in accordance with International Financial Reporting Standards (IFRS). The board confirms that the parent company's accounts have been prepared on a going concern basis in accordance with §3-3 of the Norwegian Accounting Act.

The annual net income after tax for 2014 was a loss of USD 6 274 482 compared with a loss of USD 4 230 105 in 2013. The board has proposed that the parent company's total comprehensive loss for the year of USD 6 274 482 to be attributed to other equity.

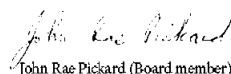
Total equity as of 31 December 2014 was USD 205 095 891 and the parent company distributable reserves USD 85 512 812 at the end of 2014.

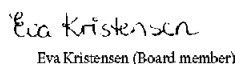
Oslo, 27 April 2015

Board of Directors
Dolphin Group ASA

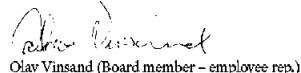

Tim Wells (Chairman)

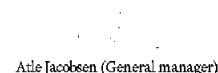

Terje Rogné (Deputy Chairman)


John Rae Pickard (Board member)


Eva Kristensen (Board member)


Toril Nag (Board member)


Olav Vinsand (Board member – employee rep.)


Atle Jacobsen (General manager)





RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS AND CEO

The Board of Directors and the CEO have today discussed and approved the annual report and financial statements for the Dolphin Group ASA (the parent company) and the Group, the consolidated accounts, for both the calendar year 2014 and at the end of 31 December 2014. The consolidated financial statements have been prepared in accordance with the EU-approved IFRS standards and interpretations, together with the additional disclosure requirements in the Norwegian Accounting Act to be applied per 31 December 2014. The financial statements for the parent company are prepared in accordance with EU-approved IFRS standards and the provisions on simplified IFRS in the financial statements contained in the Norwegian Accounting Act § 3-9, 5 paragraph.

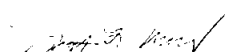
The annual report for the Group and the parent company is in compliance with the Accounting Act.

To the best of our knowledge;

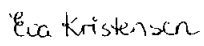
- 2014 financial statements for the Group and the parent company are prepared in accordance with applicable accounting standards
- providing information in the financial statements gives a true and fair view of the Group and the parent company's assets, liabilities, financial position and results of operations as of 31 December 2014
- the board of directors report provides the Group and the parent company a fair review of
 - development, performance and position of the Group and the parent company
 - the most important risks and uncertainties the Group and the parent company faces

Oslo, 27 April 2015

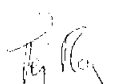
Board of Directors
Dolphin Group ASA



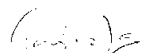
Tim Wells (Chairman)



Eva Kristensen (Board member)



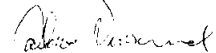
Terje Rognie (Deputy Chairman)



Toril Nag (Board member)



John Rae-Pickard (Board member)



Olav Vinsand (Board member – employee rep.)



Atle Jacobsen (General manager)

COMPREHENSIVE INCOME STATEMENT

31.12.2014

IN THOUSANDS OF USD

Parent Company			Consolidated Accounts		
Year 2013	Year 2014		Notes	Year 2014	Year 2013
1 813	2 171	Net Operating Revenues	4	440 218	246 464
		Operating Expenses			
-	-	Cost of sales	4, 5, 6, 7, 26	292 514	150 106
-	-	Amortisation and write-down of Multi-Client library	4, 13	22 989	17 753
2 802	3 444	Selling, general and administrative cost	4, 5	21 325	18 100
464	103	Share-based compensation	4, 6, 23	1 580	2 307
14	15	Depreciation, amortisation and write-down	4, 11, 14, 26	47 165	26 801
3 280	3 563	Total Operating Expenses		385 573	215 067
-1 467	-1 391	Operating Profit (EBIT)		54 645	31 397
11 624	6 921	Total financial income	8, 16	1 478	1 041
-9 189	-25 242	Total financial expenses	8, 16	-21 439	-12 685
2 435	-18 321	Net Financial Items		-19 961	-11 644
968	-19 712	Profit Before Taxes		34 683	19 753
5 198	-13 438	Tax expense	9	12 654	7 319
-4 230	-6 274	Net Income		22 029	12 434
		Basic earnings per share	10	0.06	0.04
		Diluted earnings per share	10	0.06	0.04
		Other Comprehensive Income			
		Items that may be subsequently reclassified to profit or loss			
-	-	Revaluation of cash flow hedge	8	-7 227	-1 535
-4 230	-6 274	Total Comprehensive Income		14 802	10 899
		Average share outstanding	10	343 681 325	335 349 588
		Average share outstanding diluted	10	348 524 023	345 227 931



BALANCE SHEET ASSETS

31.12.2014

IN THOUSANDS OF USD

Parent Company		Notes	Consolidated Accounts	
Year 2013	Year 2014		Year 2014	Year 2013

BALANCE SHEET EQUITY & LIABILITY

31.12.2014

IN THOUSANDS OF USD

Parent Company				Consolidated Accounts	
Year 2013	Year 2014		Notes	Year 2014	Year 2013
		Equity and Liabilities			
		Paid-in Capital			
119 257	120 496	Share capital	22	120 496	119 257
-	-1 138	Own shares		-1 138	-
39 666	39 884	Share premium		39 884	39 666
5 872	225	Additional paid-in capital		263	5 911
164 795	159 467	Total Paid-in Capital		159 505	164 834
		Retained Earnings			
52 503	45 629	Other equity		101 181	79 752
52 503	45 629	Total Retained Earnings		101 181	79 752
217 299	205 096	Total Equity		260 686	244 585
		Long-Term Liabilities			
134 732	155 730	Long-term liabilities	16, 17, 25, 26, 28	204 201	154 175
134 732	155 730	Total Long-Term Liabilities		204 201	154 175
		Other Non-Current Liabilities			
-	-	Provisions	29	735	1 872
-	-	Deferred tax liabilities	9	17 592	12 890
-	-	Total Non-Current Liabilities		18 327	14 762
		Current Liabilities			
1 333	-	Short-term liabilities	16, 24, 25, 26, 28	38 519	23 032
91	98	Accounts payable	16, 24	107 903	40 809
21 010	33 619	Intercompany payable	15, 23	-	-
-	-	Taxes payable	9	-	-
1 640	1 597	Other short-term liabilities	16, 24	16 538	14 818
24 074	35 313	Total Current Liabilities		162 960	78 658
158 807	191 043	Total Liabilities		385 488	247 596
376 105	396 139	Total Equity and Liabilities		646 175	492 181

Oslo, 27 April 2015

Board of Directors, Dolphin Group ASA


Tim Wells (Chairman)

Eva Kristensen (Board member)

Terie Roene (Deputy Chairman)

Toril Nag (Board member)

John Rae Pickard (Board member)

Olay Vinsand (Board member - employee rep.)

Ale Jacobsen (General manager)



STATEMENT OF CHANGE IN EQUITY

31.12.2014

IN THOUSANDS OF USD

Consolidated Accounts	Share Capital	Own Shares	Share Premium	Additional Paid-in-Capital	Other Equity	Total Equity
Equity Per Opening Balance	119 257	-	39 666	5 911	79 752	244 585
Total comprehensive income	-	-	-	-	14 802	14 802
Revaluation of cash flow hedge	-	-	-	-7 227	7 227	-
Issue of shares	1 239	-	332	-	-	1 572
Cost related to share issue after tax effect	-	-	-114	-	-	-114
Purchase of treasury shares	-	-1 138	-	-	-600	-1 738
Share-based compensation	-	-	-	1 580	-	1 580
Equity Per Closing Balance	120 496	-1 138	39 884	263	101 181	260 686

Parent Company	Share Capital	Own Shares	Share Premium	Additional Paid-in-Capital	Other Equity	Total Equity
Equity Per Opening Balance	119 257	-	39 666	5 873	52 503	217 299
Net income	-	-	-	-	-6 274	-6 274
Revaluation of cash flow hedge	-	-	-	-7 227	-	-7 227
Issue of shares	1 239	-	332	-	-	1 572
Cost related to share issue after tax effect	-	-	-114	-	-	-114
Purchase of treasury shares	-	-1 138	-	-	-600	-1 738
Share-based compensation	-	-	-	1 580	-	1 580
Equity Per Closing Balance	120 496	-1 138	39 884	225	45 629	205 096

SUMMARISED CASH FLOW

31.12.2014

IN THOUSANDS OF USD

Parent Company		Consolidated Accounts		
Year 2013	Year 2014	Notes	Year 2014	Year 2013
		Operating Activities		
968	-19 712	Profit before tax	34 683	19 753
14	15	Depreciation and write-down	47 165	26 801
-	-	Amortisation of Multi-Client library	22 989	17 753
464	103	Share-based payment expense	1 580	2 307
8 258	14 395	Interest expense	17 304	10 890
143 170	-35 261	Changes in current assets/liabilities	-19 838	2 545
152 874	-40 460	Net Cash Flow From Operating Activities	103 884	80 049
		Investing Activities		
-	-3	Purchase of property, plant and equipment	-16 091	-22 539
-	-	Prepaid seismic equipment	-116 175	-91 788
-	-	Net investment in Multi-Client	-44 033	-44 700
-	-1 099	Investment in intangible asset and operating equipment	-3 534	-1 707
-207 644	-	Investment through acquisition	-980	-1 349
-207 644	-1 102	Net Cash Flow From Investing Activities	-180 812	-162 084
		Financing Activities		
42 133	1 458	Net proceeds from issue of new equity	1 458	42 149
-	-1 738	Purchase of treasury shares	-1 738	-
65 265	12 374	Proceeds from borrowing	87 374	90 765
-7 753	-10 077	Interest paid	-15 723	-8 605
-3 057	-1 000	Repayment of interest bearing debt	-33 216	-44 366
-	-	Proceeds from lending	-	-
96 588	1 017	Net Cash Flow From Financing Activities	38 154	79 942
41 818	-40 545	Net Change In Cash and Cash Equivalents	-38 774	-2 092
723	42 541	Cash and cash equivalents opening balance	75 444	77 536
42 541	1 997	Cash and Cash Equivalents Closing Balance	36 670	75 444





NOTES TO THE FINANCIAL STATEMENT

NOTE 1: GENERAL INFORMATION

Dolphin Group ASA "the parent company" is a Norwegian company, with office locations in Oslo, Bergen, Houston, London, Singapore and Rio de Janeiro.

The parent company is listed at Oslo Stock Exchange with ticker DOLP.

Dolphin Group "the Group" is a global full-range, asset light supplier of marine geophysical services. The Group operates a fleet of new generation, high-capacity seismic vessels and offers contract seismic surveys, Multi-Client projects and processing services on a worldwide basis.

These financial statements have been approved for issue by the Board of Directors on 27 April 2015 and will be finally approved in the ordinary general meeting 27 May 2015.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). The consolidated financial statements are presented in US Dollars ("USD"), which is defined as the presentation currency. The financial statement's profit and loss is presented according to functional reporting.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies.

The separate financial statements of the parent company have been prepared in accordance with simplified IFRS pursuant to the Norwegian Accounting Act § 3-9 and regulations regarding simplified application of IFRS issued by the Ministry of Finance on 21 January 2008.

2.1 Changes in accounting policy and disclosures

a) New and amended standards and interpretations adopted by the Group

The accounting principles adopted in these financial statements are consistent with those adopted in the financial statements of the previous year, except for the following new and amended IFRSs and IFRIC interpretations effective as of 1 January 2014:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interest in other Entities

IFRS 10 Consolidated Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. In accordance with IFRS 10, an investor controls another entity when it is exposed, or has rights, to variable returns from its involvement with the other entity, and has the ability to affect those returns through its power over the entity. Adopting IFRS 10 had no impact on the consolidation of investments held by the Group.



IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venture's. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. All entities meeting the definition of a joint venture must be accounted for using the equity method. Adopting IFRS 11 had no impact on the financial statements of the Group.

IFRS 12 Disclosure of Interest in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. IFRS 12 replaces the disclosure requirements that were previously included in IAS 27 Consolidated and Separate Financial Statements, IAS 28 Investments in Associates and IAS 31 Interest in Joint Ventures. Among several new disclosure requirements in IFRS 12 a significant change is that an entity is required to disclose the judgments made to determine whether it controls another entity.

b) New standards and interpretations issued, but not yet adopted by the Group

The IASB has issued the following new standards and amendments to the following standards that are not yet effective:

- | | |
|---|---------------------------------|
| - IFRS 9 Financial Instruments | (effective date 1 January 2018) |
| - IFRS 15 Revenue from Contracts with Customers | (effective date 1 January 2017) |
| - IAS 16 and IAS 38 – amendments | |
| - Clarification of Acceptable Methods of depreciation | (effective date 1 January 2016) |

The impact of IFRS 15 is currently uncertain.

An issue discussed is whether revenue recognition of prefunding on Multi-Client surveys using the percentage of completion method will not be allowed in IFRS 15. If percentage of completion method is not allowed, some prefunded revenues may be deferred and recognised when data is delivered. The Group is currently assessing the impact of IFRS 15 and will adopt the new standard on the required effective date.

The Group is currently assessing how IFRS 9 and amendments to IAS 16 and IAS 38 will impact the financial statements.

Other issued standards and interpretations, that are not yet effective, are not expected to have any material impact on the consolidated financial statements of the Group.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of Dolphin Group ASA and entities controlled (subsidiaries) by Dolphin Group ASA. Control is achieved when the Group is exposed, or has rights, to variable returns from involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three following elements of control:

- Power over investee
- Exposure, or rights, to variable returns from its involvement with the investee
- Ability to use its power over the investee to affect its returns

Consolidation of subsidiaries begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are eliminated but also considered as impairment indicator of the asset transferred. Accounting policies of subsidiaries will be changed when it is necessary to ensure consistency with the policies adopted by the Group.

2.3 Business combinations

The purchase method is applied when accounting for business combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Cost directly attributable to the acquisition is expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of



acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

The preliminary purchase price allocation in a business combination is changed if new information on the fair value becomes available and is applicable on the date when control is assumed. The allocation may be altered prior to the expiry of a 12-month period.

Business combinations that are common control transactions are presented in accordance with the pooling of interest method.

2.4 The use of estimates when preparing the annual accounts

The annual financial statements have been prepared in accordance with IFRS. Financial reporting under IFRS requires the management to use estimates and assumptions that have affected assets, liabilities, revenues, expenses and information on potential liabilities. Future events may lead to these estimates being changed. Such changes will be recognised when new estimates can be determined with certainty. Estimates and their underlying assumptions are reviewed on a regular basis. Changes in accounting estimates are recognised during the period when the changes take place. If the changes also apply to future periods, the effect is divided among the present and future periods, see reference to note 3.

2.5 Foreign currency

The consolidated financial statements are presented in USD, which is the Group's presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. The parent and all the subsidiaries have USD as their functional currency.

Non-monetary assets items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations and translated at the closing rate.

The assets and liabilities of entities with other functional currency than USD are translated into USD at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of an entity, the deferred cumulative amount recognised in the equity relating to that particular entity is recognised in profit or loss.

2.6 Property, plant and equipment (PPE)

Property, plant and equipment acquired by the Group are presented at historical cost less accumulated depreciation and impairment changes. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

If an indication of impairment exists, an impairment test is performed. If the recoverable amount of a tangible non-current asset is lower than book value, the asset will be written down to the higher of fair value less cost to sell and value in use. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses on derecognising of the asset calculated as the difference between the net disposal and the carrying amount of the asset is included in the income statement in the year the asset is derecognised.

Depreciation on items of property, plant and equipment are mainly depreciated using the straight-line method to allocate their cost to their residual values. One of the subsidiaries is using depreciation by production.



<i>Asset group</i>	<i>Useful life</i>
Office equipment including hardware	3 years
Fixed seismic equipment onboard vessel	Over time charter agreement period (5 - 7 years)
Seismic equipment, leased and owned	5-7 years
Processing equipment	3-7 years

The residual values and estimated useful lives of items of property, plant and equipment are reviewed, and adjusted annually as appropriate, at the year-end balance sheet date.

Equipment for vessels under construction/rigging are classified as non-current assets and recognised at the cost, it is not depreciated until the non-current asset is taken into use.

Rigging cost

Expenses directly related to the rigging of new seismic vessels are recognised in the balance sheet as Non-current assets, as a part of seismic equipment. Internal cost associated with the rigging is recognised in the balance sheet if it is directly related to the rigging.

The capitalised costs are direct costs associated with rigging the seismic vessel, including time charter during rigging period, personnel charges, consultants etc. The rigging cost is depreciated over the life of the time charter agreement.

2.7 Intangible assets

Intangible assets acquired separately, except for Multi-Client library

Intangible assets that have been acquired separately are carried at cost. The costs of intangible assets acquired through a business combination are recognised at their fair value in the Group's opening balance sheet.

Following initial recognition, intangible assets are recognised at cost less any amortisation and impairment losses. The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortised over their economic life and tested for impairment if there are any indications. The amortisation method and period are assessed at least once a year. Changes to the amortisation method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. Intangible assets with an indefinite economic life are not amortised. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a definite economic life is made prospectively.

Research and development, patents and licenses

Expenses relating to research activities are recognised in the income statement as they incur. Expenses relating to development activities are capitalised to the extent that the product or process is technically and commercially viable and the Group has sufficient resources to complete the development work. Expenses that are capitalised include the costs of materials, direct wage costs and a share of the directly attributable common expenses. Capitalised development costs are recognised at their cost minus accumulated amortisation and impairment losses. Capitalised development costs are amortised on a straight-line basis over the estimated useful life of the asset.

Multi-Client library

Multi-Client library includes both completed seismic data and projects in work which are licensed on a non-exclusive basis to oil and gas search/production companies. Costs directly incurred during acquiring, imaging and otherwise completing seismic surveys are capitalised to the Multi-Client library. Costs incurred while mobilisation of a vessel from one location to another and imaging phases of the survey are also capitalised to the Multi-Client library. The Multi-Client library contains also the cost price for the seismic data acquired from external parties.

A project remains in surveys-in-progress until imaging is complete, at which point it is transferred to finished library.

Amortisation is compared with the income for the different projects in proportion to the expected income based on the ratio of survey cost to expected sales per project. The guided ratio for 2014 was in the range 1.8 to 2.4. Minimum amortisation in addition means that the capitalised value of a project a year after completion shall not exceed 80% of the cost price, which is minimum 20% amortisation



after 12 months; in addition all projects shall be entirely expensed within 5 years (20% per year) after completion. In these circumstances some related projects can be seen as a unit and the minimum rules for amortisation will then first be relevant 12 months after completion.

The specified percentages used to determine the maximum book value of the Multi-Client surveys are presented below:

Year after project completion	Maximum net book value
Year 0	100%
Year 1	80%
Year 2	60%
Year 3	40%
Year 4	20%
Year 5	0%

Year 0 represents the year which the project is classified as completed.

The Company expects additional, non-sales related, amortisation expense to occur regularly because each individual survey is evaluated at least annually for impairment or when specific indicators exist. Also see impairment of intangible assets above.

Goodwill

The difference between the cost of an acquisition and the fair value of net identifiable assets on the acquisition date is recognised as goodwill. For investment in associates, goodwill is included in the investment's carrying amount.

Goodwill is not amortised but is tested at least once a year for impairment. Goodwill is tested for impairment annually or more frequently if there are indications that the value should be impaired. The impairment test involves determining the recoverable amount of the cash-generating units, which corresponds to the highest of fair value less costs to sell or the value in use.

2.8 Financial instruments, including hedge accounting

The Group classifies its investments in the category loans and receivables and its financial liabilities as other liabilities.

Borrowings are recognised initially at fair value, net of transaction costs incurred. After initial recognition, borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

After initial measurement loans and receivables are carried at amortised cost using the effective interest method less any impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Temporary repurchase of bonds are recognised initially at fair value, net of transaction cost incurred. The temporary repurchased bonds are presented net as long-term liabilities.

Financial assets valued at amortised cost are written down when it is probable, based on objective evidence, that the instrument's cash flows have been negatively affected by one or more events occurring after the initial recognition of the instrument. The impairment loss is recognised in the income statement. If the reason for the impairment loss disappears in a later period and this disappearance can be objectively linked to an event which takes place after the impairment loss has been recognised, the previous write-down is reversed. The reversal must not result in the carrying amount of the financial asset exceeding the amount that the amortised cost would have been if the impairment loss had not been recognised on the date when the write-down was reversed. The reversal of a previous impairment loss is presented as income.

Fixed interest rate swap agreement are booked as cash flow hedge at fair value and recognised in other comprehensive income and presented in equity. Any ineffective portion of changes in fair value of the derivative is recognised immediately in profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.



2.9 Subsidiaries and investment in associates

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

2.10 Inventories

Inventories are stated at the lowest of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11 Trade receivables

Trade receivables are recognised at fair value, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is recognised in the income statement.

2.12 Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

2.13 Equity

Costs of equity transactions

Share issuance costs and other transaction costs that are incremental and directly related to an equity transaction are shown in equity as a deduction, net of tax, from the proceeds. Translation differences see 2.6 above.

2.14 Own shares

Own equity instruments are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on purchase or sale of own shares. Any difference between the face value and cost is recognised in other equity.

2.15 Operational and finance leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases

Finance leases are leases under which the Group assumes most of the risk and return associated with the ownership of the asset. Financial leases are recorded as assets and liabilities, and lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The same depreciation period as for the Group other depreciable assets is used.

Operating leases

Leases for which most of the risk and return associated with the ownership of the asset have not been transferred to the Group are classified as operating leases. Lease payments are classified as operating costs and recognised in the income statement in a straight line during the contract period.



2.16 Income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Income tax expense represents the sum of the current tax expense (or recovery) plus the change in deferred tax liabilities and asset during the period, except for current and deferred income tax relating to items recognised directly in equity, in which case the tax is also recognised directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are calculated using the liability method for all temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and for tax purposes, including tax losses carried forward. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred income tax is recognised on temporary differences arising on investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled by Group and it is probable that the temporary differences will not reverse in the foreseeable future.

The Group includes deductions/benefits from uncertain tax positions when it is probable that the tax position will be ultimately sustained.

The carrying amount of deferred income tax assets is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each end of the reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The probability assessment is based on Management's judgement and estimates in regards to future taxable income and tax planning opportunities (see separate note describing accounting estimates below, cf 3).

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. It is adopted that the income tax rate in Norway is reduced from 28% to 27% from 1 January 2014. Deferred tax / liability on all temporary differences in the Norwegian Group Companies are calculated using a tax rate of 27%.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes are related to the same taxable entity and the same taxation authority. Deferred tax is classified as long-term in the consolidated statements of financial position.

2.17 Employee benefits

(a) Pension obligations

The companies in the Group have a defined contribution plan. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior period. The Group has no further payment obligations once the contributions have been paid. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity for pension, based on obligatory, agreed on or voluntary basis. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.



The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(c) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Group shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the corporate management.

2.19 Revenue recognition

Revenue is recognised when it is probable that the economic benefit from a transaction will flow to the Group and revenue can be reliably measured. The revenue is measured at fair value of the consideration received, net of discounts and sale taxes and duty.

Multi-Client surveys

Multi-Client surveys consist of surveys to be licensed to customers on a non-exclusive basis. All costs directly incurred in acquiring, processing and otherwise completing seismic surveys are capitalised into the Multi-Client surveys. The carrying amount of Multi-Client library on the balance sheet date is shown at costs less accumulated amortisation and accumulated impairments.

Revenues related to Multi-Client surveys generally falls into two categories (1) Multi-Client surveys performed after securing commitments from some customers or (2) Multi-Client surveys performed before securing purchase commitments from customers.

Pre-commitments

Generally, we obtain commitments from customers before a seismic project is started or during the project period. These pre-commitments cover specific areas or license blocks. In return for the commitment, the customer obtains early access to the data, favourable pricing compared to late sales and a degree of influence over the project. Advance payments from customers are deferred and recognised over the project period from the time the project commences based on the ratio of project cost incurred during that period to total estimated project cost.

Late sales

Generally, we grant a license entitling non-exclusive access to a complete and ready for use, specifically defined portion of our Multi-Client data library in exchange for a fixed and determinable payment. We recognise after sales revenue upon the client executing a valid license agreement and having been granted access to the data.

Processing

The Group performs processing services for specific customers. Sales of services under processing contracts are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Exclusive contracts

The Group performs seismic services for specific customers under exclusive contracts. Sales of services under contracts are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Mobilisation revenue and cost

Mobilisation revenue and the related mobilisation costs relates to moving the seismic vessel and its crew from one location to the location specified by the contract. Such cost includes in the Multi-Client survey or exclusive contract with which the costs are associated. The mobilisation costs related to Multi-Client surveys are capitalised as a part of the Multi-Client library as mentioned. Steaming costs on exclusive surveys are deferred and charged to expense based upon the percentage of completion of the project. The estimated probable future economic inflows are documented at inception and cover the costs capitalised or deferred. If the projects are not able to cover all of the costs which could be capitalised or deferred then only those costs that are recoverable are capitalised/deferred.



2.20 Borrowing cost

Borrowing costs are capitalised to the extent that they are directly related to the purchase, construction or production of a non-current asset. Borrowing costs are capitalised until the date when the non-current asset is ready for its intended use. If the cost price exceeds the non-current asset's fair value, an impairment loss is recognised.

2.21 Provisions

A provision is recognised when the Group has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

2.22 Classification

Assets related to normal operating cycles or fall due within 12 months are classified as current assets. Other assets are classified as non-current. Similarly, liabilities related to normal operating cycles or fall due within 12 months are classified as current liabilities. Other liabilities are classified as non-current.

2.23 Earnings per share

The Group present its ordinary earnings per share and earnings per share after dilution. Ordinary earnings per share are calculated as the ratio between the net profit/(loss) for the year that accrues to the ordinary shareholders and the weighted average number of shares outstanding. The figure for diluted earnings per share is the result that accrues to the ordinary shareholders, and the number of weighted average number of shares outstanding has been adjusted for all diluting effects related to share options.

2.24 Events after the balance sheet date

New information on the Group's financial position on the balance sheet which becomes known after the balance sheet date is recorded in the annual accounts. Events after the balance sheet date that do not affect the Group's financial position on the balance sheet but will affect the Group's financial position in the future are disclosed if significant.

2.25 Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less. The cash flows are divided into operating activities, investing activities and financing activities.

NOTE 3: ESTIMATE UNCERTAINTY

Financial reporting under IFRS requires management to make estimates, judgments and assumptions that affect reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected within the next financial year.

The following represents a summary of the critical accounting judgments management has made in the process of applying the Group's accounting policies:

Amortisation of Multi-Client library

The management forecasts future sales on each Multi-Client library for the purpose of determining the amortisation rate and the amount of impairment, if any. In forecasting future sales management considers past experience, market developments, geographical prospects, political risk and timing of licensing rounds. Amortisation rates could deviate significantly from year to year due to inherent uncertainty about future sales. Furthermore, future sales of Multi-Client library may not be sufficient to cover the carrying amount. In the case that actual revenue is less than forecasted revenue the future reporting periods will reflect lower profit due to increased amortisation rate and/or impairment of Multi-Client library. The Group applies a minimum amortisation policy to reduce the risk of an increase of future amortisation rate or impairment caused by deviations in sales forecast compared to actual sales. The minimum amortisation policy is described in note 2.7.

Useful life, depreciation and amortisation of property, plant and equipment

The management estimates the future economic benefits and useful life of property, plant and equipment which depreciation and impairment are based on. These estimates could change significantly as a result of changes in market conditions and technological development.



Impairment of property, plant and equipment

The management regularly evaluates indications of impairment to assets of property, plant and equipment. Whenever there is an indication that the carrying amount of an asset will not be recoverable the management will estimate the recoverable amount. Estimating the recoverable amount requires management to make judgments about future cash flows relating to the reviewed assets. These forecasts are subject to uncertainty as they require assumptions about demand for the Group's products and services. Significant and unanticipated changes in these assumptions could result in provisions for impairment in future periods.

Deferred tax asset

Deferred tax assets are recognised for all unused tax losses to the extent it is probable that future taxable profit will be available against which the tax losses can be utilised. Significant management judgment is required to estimate the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profit.

Revenue recognition

The Group renders seismic services for customers on marine exclusive contracts. Revenue from these services is recognised by use of the percentage of completion method. This method requires the Group to estimate the services performed to date as a proportion of the total contractual services to be performed.

NOTE 4A: SEGMENT INFORMATION

In thousands of USD	2014	2013
<i>Geophysical revenues by service line:</i>		
Marine exclusive contracts	375 734	209 448
Multi-Client prefunding	26 038	19 652
Multi-Client late sales	23 833	8 044
Processing	11 286	6 503
Other	163	-
Geophysical revenues	437 055	243 647
Other, non-Geophysical	3 163	2 817
Total Revenues	440 218	246 464
<i>Geophysical:</i>		
EBITDA	124 075	75 892
Depreciation and write-down	46 969	26 216
Amortisation and write-down of Multi-Client library	22 989	17 753
Operating Profit (EBIT), Geophysical	54 116	31 924
<i>Other:</i>		
EBITDA	724	58
Depreciation and write-down	196	585
Operating Profit (EBIT), Other	528	-526
<i>Total Operating profit:</i>		
EBITDA	124 799	75 951
Depreciation and write-down	47 165	26 801
Amortisation of Multi-Client library	22 989	17 753
Total Operating Profit (EBIT)	54 645	31 397

The Group's segment reporting is prepared in accordance with IFRS 8, segment.

The Group has one segment, Geophysical, which comprise of three service lines; Marine contract, Multi-Client and Processing.

For management purposes, the Group is organised into business units based on the area of activity, and has two reportable operating units:



Geophysical had during 2014 six 3D vessels and one 2D vessel in production on both exclusive contracts and Multi-Client contracts, compared to four 3D vessels and one 2D vessel in operation during 2013.

Segment information is not given for the parent company as it is only a holding company with shares in subsidiaries.

NOTE 4B: SEGMENT INFORMATION

Consolidated accounts

Geographical segment net operating revenue:

In thousands of USD	2014	2013
Europe, Africa and Middle East - EAME	242 318	234 359
Asia/Pacific - APAC	103 421	300
North & South America - NSA	94 479	11 805
Total	440 218	246 464

Revenue from major products and service lines:

In thousands of USD	2014	2013
Marine exclusive contracts	375 734	209 448
Multi-Client	49 872	27 696
Processing	11 286	6 503
Other	3 326	2 817
Total	440 218	246 464

Information about major customers:

Included in the revenues for 2014 are revenues of respectively USD 73.7 million (17%), USD 59.4 million (14%), USD 40.5 million (9%) and USD 37.2 million (8%) from the four major customers, which all originates from the geophysical segment. In 2013 there were four major customers with respectively USD 44.7 million (19%), USD 32.9 million (14%), USD 22.1 million (9%) and USD 17.2 million (7%) all originating from the geophysical segment.

Parent company

Geographical segment net operating revenue:

In thousands of USD	2014	2013
Europe, Africa and Middle East - EAME	2 171	1 813
Total	2 171	1 813

Revenue from major products and service lines:

In thousands of USD	2014	2013
Other	2 171	1 813
Total	2 171	1 813



NOTE 5: SPECIFICATION OF COST OF SALES

Consolidated accounts

Cost of sales consist of the following:

In thousands of USD	2014	2013
Charter hire	103 547	62 459
Maritime running cost	5 663	2 784
Operational costs including seismic running cost	274 726	103 032
Wages including crew cost 1)	69 562	49 854
Capitalised cost of sales 2)	-161 756	-68 967
Other	771	944
Total cost of sales	292 514	150 106

1) Includes cost of seismic crew hired through manning services

2) Relates to expenses directly related to the Multi-Client data library

Selling, general and administrative cost consist of the following:

In thousands of USD	2014	2013
Wages and remunerations	15 910	9 277
Marketing expenses	1 850	3 046
Professional fees	1 869	2 716
Office operational cost	1 697	3 062
Total selling, general and administrative cost	21 325	18 100

Parent company

Cost of sales consist of the following:

In thousands of USD	2014	2013
Other	-	-
Total cost of sales	-	-

Selling, general and administrative cost consist of the following:

In thousands of USD	2014	2013
Wages and remunerations	2 287	2 382
Marketing expenses	30	96
Office operational cost	1 128	324
Total selling, general and administrative cost	3 444	2 802



NOTE 6: SALARY AND PERSONNEL EXPENSE

Consolidated accounts

Cost of sales consist of the following:

In thousands of USD	2014	2013
Salaries and holiday pay	52 360	38 914
Social Security / National insurance contribution	4 901	4 568
Pension costs defined contribution plans (note 27)	4 857	3 402
Share-based compensation (note 23)	1 580	2 307
Other employee related costs	782	1 565
Crew costs, foreign crew*	6 481	11 674
- Direct salary capitalised	-4 039	-3 820
- Personnel costs capitalised to Multi-Client library	-4 599	-5 617
Total salaries and personnel expense	62 324	52 994

* Includes personnel charges from seismic manning services.

The following table presents information about the number of employees as per year end for the last two years:

Location	2014	2013
Norway Offshore	55	63
Norway Office	70	58
Singapore Offshore	221	171
Singapore Office	21	10
Subcontractors Offshore	20	20
United Kingdom	73	49
North and South America	19	18
Total employees	479	389

Parent company

Cost of sales consist of the following:

In thousands of USD	2014	2013
Salaries and holiday pay	1 902	1 804
Social Security / National insurance contribution	262	213
Pension costs defined contribution plans (note 27)	50	38
Share-based compensation (note 23)	103	210
Other employee related costs	14	28
Total salaries and personnel expense	2 332	2 293

The following table presents information about the number of employees as per year end for the last two years:

Location	2014	2013
Norway Office	6	5
Total employees	6	5



Management remuneration

The Group Management consists of the following Group Directors; CEO, CFO and the Vice Presidents being the management team.

Year 2014

In thousands of USD	Board remuneration	Salary	Bonus and benefits in kind	Pension cost	Value of options granted	Total remuneration 2014
Management						
Atle Jacobsen (CEO)	-	473	38	10	61	583
Erik Hokholt (CFO)	-	381	32	10	62	485
Peter Hooper (COO)	-	344	20	10	62	437
Bjarne Stavenes (VP Technical)	-	217	18	10	73	318
Mike Hodge (VP QHSE)	-	227	19	10	-	257
Bjørn Henriksen (VP Operations)	-	201	28	10	-	239
Phil Suter (VP Marketing & Business Development)	-	334	26	20	77	458
Haavard Aasli (VP Marine Sales)	-	176	10	10	24	220
Ian T. Edwards (VP Multi-Client)	-	239	216	19	50	524
Gareth Williams (Chief Geophysicist)	-	360	26	-	102	488
Sami Khan (VP Acquisition & Processing APAC)	-	286	-	17	-	303
Andy Phipps (VP NSA)	-	174	2	10	-	187
Total remuneration	-	3 413	436	- 138	510	4 498

In thousands of USD	Board remuneration	Salary	Bonus	Benefits in kind	Pension cost	Value of options granted	Total remuneration 2014
Members of the board							
Tim Wells (Working Chairman)	65	324	19	6	19	-	433
Terje Rogne (Deputy Chairman and Chairman of Audit Committee)	67	-	-	-	-	-	67
Eva Kristensen	47	-	-	-	-	-	47
John R. Pickard	23	-	-	-	-	-	23
Toril Nag (Member of Audit Committee)	50	-	-	-	-	-	50
Olav Vinsand (Employee representative)	-	-	-	-	-	-	-
Nomination Committee							
Christian Selmer	5	-	-	-	-	-	5
Kjell Ursin-Smith	5	-	-	-	-	-	5
Preben Willoch	5	-	-	-	-	-	5
Total remuneration	268	324	19	6	19	-	636

Year 2014

	Opening balance	Granted 2014	Number of options Exercised	Average exercise price	Ending balance 2014	Average maturity
Management						
Atle Jacobsen (CEO)	527 334	-	-150 000	NOK 6.25	377 334	28 Feb. 2017
Erik Hokholt (CFO)	452 000	-	-152 000	NOK 6.25	300 000	28 Feb. 2017
Peter Hooper (COO)	452 000	-	-152 000	NOK 6.25	300 000	28 Feb. 2017
Bjarne Stavenes (VP Technical)	656 000	-	-152 000	NOK 4.73	504 000	28 Feb. 2017
Mike Hodge (VP QHSE)	1 000 000	-	-	NOK 3.63	1 000 000	28 Feb. 2017
Bjørn Henriksen (VP Operations)	211 667	150 000	-	NOK 4.77	361 667	28 Feb. 2018
Phil Suter (VP Marketing & Business Development)	452 000	-	-152 000	NOK 6.25	300 000	28 Feb. 2017
Haavard Aasli (VP Marine Sales)	290 000	150 000	-50 000	NOK 5.37	390 000	28 Feb. 2018
Ian T. Edwards (VP Multi-Client)	900 000	-	-600 000	NOK 6.25	300 000	28 Feb. 2017
Gareth Williams (Chief Geophysicist)	550 000	-	-200 000	NOK 6.25	350 000	28 Feb. 2017
Sami Khan (VP Acquisition & Processing APAC)	-	250 000	-	NOK 5.20	250 000	28 Feb. 2018
Andy Phipps (VP NSA)	-	500 000	-	NOK 5.20	500 000	28 Feb. 2018
Tim Wells (Working Chairman)	456 000	-	-	NOK 2.50	456 000	28 Feb. 2016
Total	5 947 001	1 050 000	-1 608 000		5 389 001	



Year 2014	Number of warrants			Ending balance 2014	Average maturity
	Opening balance	Granted 2014	Exercised		
Management					
Atle Jacobsen (CEO)	1 598 000	-	-	1 598 000	20 Dec. 2015
Erik Høkholt (CFO)	1 598 000	-	-	1 598 000	20 Dec. 2015
Phil Suter (VP Marketing & Business Development)	1 198 500	-	-599 250	599 250	20 Dec. 2015
Tim Wells (Working Chairman)	1 198 500	-	-	1 198 500	20 Dec. 2015
Total	5 593 000	-	-599 250	4 993 750	

No warrants have been granted for 2014. Half of the warrants can be exercised when share price exceeds NOK 3.75. The other half of the warrants can be exercised when share price exceeds NOK 5.00.

Principles for determining compensation to executive management:

In accordance with §6–16 A of the Norwegian Public Companies Act the board has prepared a declaration relating to the determination of the salary and other remuneration of the Chief Executive and senior management. The guidelines below for the Chief Executive's and senior management's salary and other remuneration for the coming financial year, will be presented to shareholders for an advisory vote at the Annual General Meeting in May 2015.

Dolphin Group ASA is an international Group that operates within the global geophysical markets. A fundamental principle is that remuneration and other benefits to senior management should be competitive so that the Group is an attractive place to work and is able to attract and retain the right employees – people who perform, develop and learn. The aggregate salary package must therefore reflect both the national and international framework in which the Group operates.

The compensation to senior management includes both fixed and variable elements. The fixed element consists of a base salary and other remuneration. Other remuneration includes newspaper subscriptions, mobile telephone, broadband and similar benefits. The fixed element also includes a mandatory defined contribution pension scheme that covers all employees in the Group.

The variable elements consist of a bonus scheme and participation in a share option programme. Further details on main terms are set out in note 23.

Vesting requires the achievement of specifically defined result targets by the business. No upper limit of share price has been established in relation to the option scheme, but the award of options to each of the senior management members is such that the development in the Parent Company's share price should be to the advantage of the value of the options over the programme's lifetime so that their value exceeds the aggregate base salary in the option period.

The background for the option scheme is that the Group has wished to establish long-term incentive arrangements for key personnel as the long-term commitment of managers and key personnel is regarded vitally important to the further development of the Group.

In addition the Dolphin Geophysical Performance and Incentive Plan (DPIP) that is based on recognised international incentive and bonus principles, with flexibility to set the performance targets and bonus achievement percentages that was implemented in 2013.

Our existing subjective process will then be replaced with a more fair formulated approach and provide clarity on the business performance to achieve incentives, as well as provide competitive incentive terms to attract skilled employees.

The parent company's Chief Executive Officer and Chief Financial Officer have contractual post-termination salary arrangements if they are asked by the board to resign from their positions. The arrangements are the same and allow post-termination salary for 15 months after the expiration of the 3 months notice period. The arrangement has provisions to shorten the post-termination salary after 12 months from the date of resignation to the extent the relevant person takes up a new position during the remaining post-termination salary period. In addition they have the right to corresponding post-termination salary in cases where there are changes on the ownership side ("change of control") that mean that the nature and character of the job is changed to the extent that they wish to resign from their positions.

It is the board's view that the senior management salary policy reported and explained at the company's Annual General Meeting in 2014 has been observed during the year.



Management remuneration 2013

The Group Management consists of the following Group Directors; CEO, CFO and the Vice Presidents being the management team. There was a change of the members of the board at the annual general meeting in May 2013.

Year 2013

In thousands of USD	Board remuneration	Salary	Bonus and benefits in kind	Pension cost	Value of options granted	Total remuneration 2013
Management						
Atle Jacobsen (CEO)	-	535	47	10	97	690
Erik Hokholt (CFO)	-	478	39	10	167	694
Bjarne Stavenes (Technical VP)	-	232	22	10	82	347
Mike Hodge (QHSE VP)	-	253	24	10	-	287
Peter Hooper (Operations VP)	-	271	25	10	125	431
Phil Suter (Marketing and Sales VP)	-	287	23	-	81	392
Ian T. Edwards (Multi-Client VP)	-	215	187	-	-	401
Gareth Williams (Chief Geophysicist)	-	262	21	6	-	289
Total remuneration	-	2 533	388	58	552	3 531

In thousands of USD	Board remuneration	Salary	Bonus	Benefits in kind	Pension cost	Value of options granted	Total remuneration 2013
Members of the Board							
Tim Wells (Working Chairman)	67	267	22	35	18	-	408
Terje Rogne (Deputy Chairman and Chairman of Audit Committee)	67	-	-	-	-	-	67
Eva Kristensen	49	-	-	-	-	-	49
John R. Pickard	49	-	-	-	-	-	49
Toril Nag (Member of Audit Committee)	53	-	-	-	-	-	53
Olav Vinsand (Employee representative)	-	-	-	-	-	-	-
Nomination Committee							
Christian Selmer	5	-	-	-	-	-	5
Kjell Ursin-Smith	5	-	-	-	-	-	5
Preben Willoch	5	-	-	-	-	-	5
Total remuneration	301	267	22	35	18	-	642

Year 2013

	Opening balance	Granted 2013	Exercised	Average exercise price	Ending balance 2013	Average maturity
Management						
Atle Jacobsen (CEO)	704 667	-	-177 333	NOK 4.99	527 334	31 Dec. 2016
Erik Hokholt (CFO)	756 000	-	-304 000	NOK 4.99	452 000	31 Dec. 2016
Bjarne Stavenes (Technical VP)	756 000	-	-100 000	NOK 4.21	656 000	31 Dec. 2016
Mike Hodge (QHSE VP)	1 000 000	-	-	NOK 3.63	1 000 000	31 Dec. 2016
Peter Hooper (Operations VP)	604 000	-	-152 000	NOK 4.99	452 000	31 Dec. 2016
Phil Suter (Marketing and Sales VP)	604 000	-	-152 000	NOK 4.99	452 000	31 Dec. 2016
Ian T. Edwards (Multi-Client VP)	900 000	-	-	NOK 3.75	900 000	31 Dec. 2016
Gareth Williams (Chief Geophysicist)	550 000	-	-	NOK 4.89	550 000	31 Dec. 2016
Tim Wells (Working Chairman)	456 000	-	-	NOK 2.50	456 000	31 Dec. 2016
Total	6 330 667	-	-885 333		5 445 334	



Year 2013	Number of warrants			Ending balance 2013	Average maturity
	Opening balance	Granted 2013	Exercised		
Management					
Atle Jacobsen (CEO)	1 598 000	-	-	1 598 000	20 Dec. 2015
Erik Høkholt (CFO)	1 598 000	-	-	1 598 000	20 Dec. 2015
Bjarne Stavenes (Technical VP)	1 198 500	-	-1 198 500	-	20 Dec. 2015
Peter Hooper (Operations VP)	1 198 500	-	-1 198 500	-	20 Dec. 2015
Phil Suter (Marketing and Sales VP)	1 198 500	-	-	1 198 500	20 Dec. 2015
Tim Wells (Working Chairman)	1 198 500	-	-	1 198 500	20 Dec. 2015
Total	7 990 000	-	-2 397 000	5 593 000	

No warrants have been granted for 2013. Half of the warrants can be exercised when share price exceeds NOK 3.75. The other half of the warrants can be exercised when share price exceeds NOK 5.00.

NOTE 7: AUDITOR'S FEE

Consolidated accounts

In thousands of USD	2014	2013
Statutory audit	225	183
Other attestation services, merger and IPO	27	30
Statutory audit required by law	252	213
Other services outside the auditscope	23	46
Tax advice	-	-
Other services	23	46
Total auditor's fee	275	259

VAT is not included in the auditor's fee.

Parent company

In thousands of USD	2014	2013
Statutory audit	73	86
Other attestation services, merger and IPO	15	25
Statutory audit required by law	88	111
Other services outside the auditscope	-	11
Tax advice	-	-
Other services	-	11
Total auditor's fee	88	121

VAT is not included in the auditor's fee.



NOTE 8: FINANCIAL INCOME AND EXPENSES

Consolidated accounts

In thousands of USD	2014	2013
Interest income	1 078	939
Other financial income	400	102
Total financial income	1 478	1 041
Interest costs on loans	-3 440	-1 662
Interest costs on bonds	-12 439	-5 894
Interest costs on finance leases	-1 423	-2 514
Other financial expenses	-1 198	-939
Exchange loss	-2 939	-1 676
Total financial expenses	-21 439	-12 685
Net financial income + / expenses -	-19 961	-11 644

Parent company

In thousands of USD	2014	2013
Interest income	228	108
Intercompany financial income	2 995	11 516
Group contribution	3 298	-
Other financial income	400	-
Total financial income	6 921	11 624
Interest costs on loans	-14	-1 844
Interest costs on bonds	-12 439	-5 894
Intercompany financial expense	-1 010	-17
Other financial expenses	-1 486	-503
Exchange loss	-1 171	-883
Exchange loss Intercompany	-9 123	-48
Total financial expenses	-25 242	-9 189
Net financial income + / expenses -	-18 321	2 435



NOTE 9: INCOME TAX

Consolidated accounts

Income tax expense:

In thousands of USD	2014	2013
Tax payable	3 563	33
Changes in deferred tax	-4 025	3 811
Changes in deferred tax, currency effect	13 117	3 474
Income tax expense	12 654	7 319

In thousands of USD	2014	2013
Tax payable for the year	-	-
Tax payable on transactions recorded directly to equity	-	-
Total tax payable	-	-

Explanation of the relationship between reported tax expense and expected income tax at tax rate of 27%:

In thousands of USD	2014	2013
Profit before tax	34 683	19 753
Expected income taxes according to income tax rate in Norway (27%)	9 365	5 531
Tax rate outside Norway other than 27%	-2 937	- 170
Change in deferred tax asset not recognised	-215	-115
Non-taxable income	-	-1 086
Non-deductible expenses	-2 456	-316
Currency effects	8 898	3 474
Income tax expense	12 654	7 319

Effective tax rate in %:	36%	37%
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Deferred tax liabilities and deferred tax assets:

In thousands of USD	Asset	2014	Liability	2014
	Accounting value	Tax value	Accounting value	Tax value
Fixed assets	-	-	388 732	215 040
Stock	129	138	-	-
Currency loan	-44 536	-36 524	-	-
Receivables	-15	-	-	-
Accrued accountingwise	-	38 310	-	-
Losses carried forward	-	61 604	-	-
Gain/loss account	-	-	-	-210
Total	-44 422	63 528	388 732	214 830



In thousands of USD	Asset 2013 Accounting value	2013 Tax value	Liability 2013 Accounting value	2013 Tax value
Fixed assets	33	63	306 853	202 896
Stock	-	-	103	246
Currency loan	-	-	-13 824	-12 978
Receivables	-	-	-15	-
Accrued accountingwise	-	-	-16	-
Losses carried forward	-	16 531	-	52 671
Gain/loss account	-	-321	-	-
Total	33	16 273	293 100	242 835

In thousands of USD	2014	2013
Calculated deferred tax assets	-29 146	-4 385
Calculated deferred tax liabilities	46 954	13 572
Net deferred tax (assets)	17 807	9 187

Not booked tax asset	215	115
Deferred tax assets in balance sheet	-	4 270
Deferred tax liability in balance sheet	17 592	12 890

Deferred tax asset and liability is presented net in the financial statement as of 31 December 2014.

Parent company

Income tax expense:

In thousands of USD	2014	2013
Tax payable	-1 759	4 390
Changes in deferred tax	-11 679	808
Income tax expense	-13 438	5 198

In thousands of USD	2014	2013
Tax payable for the year	-	-
Tax payable on transactions recorded directly to equity	-	-
Total tax payable	-	-

Explanation of the relationship between reported tax expense and expected income tax at tax rate of 27%:

In thousands of USD	2014	2013
Profit before tax	-19 712	968
Expected income taxes according to income tax rate in Norway (27%)	-6 213	349
Change in tax rate from 28% to 27%	-	18
Non-deductible expenses	-7 246	4 840
Currency effects	21	-8
Income tax expense	-13 438	5 198

Effective tax rate in %:	N/A	N/A
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**Deferred tax liabilities and deferred tax assets:**

	Asset		Liability	
	2014	2014	2014	2014
In thousands of USD	Accounting value	Tax value	Accounting value	Tax value
Fixed asset	21	38	-	-
Accrued accountingwise	-	38 310	-	-
Losses carried forward	-	6 907	-	-
Gain/loss account	-	-	-	-210
Total	21	45 255	-	-210

	Asset		Liability	
	2013	2013	2013	2013
In thousands of USD	Accounting value	Tax value	Accounting value	Tax value
Fixed asset	33	63	-	-
Accrued accountingwise	-	-	-	-
Losses carried forward	-	2 059	-	-
Gain/loss account	-	-	-	-321
Total	33	2 122	-	-321

	2014	2013
In thousands of USD		
Calculated deferred tax assets	-12 213	-564
Calculated deferred tax liabilities	57	87
Net deferred tax (assets)	-12 156	-478

Not booked tax asset	-	-
Net tax asset in balance sheet	12 156	478



NOTE 10: EARNINGS PER SHARE

Consolidated accounts

Earnings per share are calculated by dividing the result for the year before any minority interests by a weighted average of the outstanding issued shares during the year. Weighted average number of outstanding shares is calculated by dividing the numbers of shares during the year after changes done in each quarter with corresponding numbers of days a year.

In thousands of USD	2014	2013
Result for the year after tax	22 029	12 434
Weighted average number of issued shares*	343 681 325	345 227 931
Earnings after tax per share	0.06	0.04
Total comprehensive result	14 802	10 899
Weighted average number of issued shares*	343 681 325	345 227 931
Comprehensive earnings after tax per share	0.04	0.03

The diluted earnings per share are calculated by dividing the annual result by the weighted average number of issued shares and issued options during the year.

In thousands of USD	2014	2013
Result for the year after tax	22 029	12 434
Weighted average number of issued shares and issued options*	348 524 023	345 227 931
Diluted earnings after tax per share	0.06	0.04
Total comprehensive result	14 802	10 899
Weighted average number of issued shares and issued options*	348 524 023	345 227 931
Comprehensive earnings after tax per share	0.04	0.03

* The weighted average number of shares and options take into account the weighted average effect of changes in treasury share transactions during the year.

Specification of effect of dilution:	2014	2013
Weighted average number of issued shares	343 681 325	335 349 588
Share options	4 842 698	9 878 344
Weighted average number of issued shares and issued options	348 524 023	345 227 931



NOTE 11: TANGIBLE NON-CURRENT ASSETS

Consolidated accounts 2014

In thousands of USD	Office equipment	Owned processing equipment	Leased processing equipment	Owned seismic equipment	Leased seismic equipment	Assets under construction	Total
Cost:							
Acquisition cost at 01 Jan. 2014	2 332	2 882	1 314	215 329	18 991	40 208	281 055
Purchase of tangibles	653	586	1 717	14 853	1 235	116 175	135 219
Disposals	-	-55	-	-3 554	-	-	-3 609
Reclass- asset leased equipment	-	-	-	149	-149	-	-
Reclass- asset under construction	580	746	-	140 407	1 748	-143 480	-
Acquisition cost at 31 Dec. 2014	3 564	4 158	3 032	367 184	21 825	12 902	412 665
Accumulated depreciation:							
Balance at 01 Jan. 2014	1 284	852	316	47 357	10 843	-	60 651
Depreciation for the period	744	949	532	44 842	3 871	-	50 937
Reversed depreciation sold/scrapped	-	-6	-	-643	-	-	-649
Reclass- leased equipment	-	-	-	-	-	-	-
Accumulated depreciations at 31 Dec. 2014	2 028	1 795	848	91 556	14 714	-	110 940
Carrying amount:							
Balance sheet closing value at 31 Dec. 2014	1 536	2 363	2 184	275 628	7 112	12 902	301 725
Depreciation of the year	744	949	532	44 842	3 871	-	50 937
Write-down of equipment	-	50	-	1 014	-	-	1 063
Depreciation capitalised to Multi-Client library	-	-	-	-5 116	-	-	-5 116
Depreciation and write-down charged to expense	744	999	532	40 740	3 871	-	46 885
Useful life	3 years	3-7 years	3-7 years	3-7 years	3-7 years		
Amortisation intangible asset at 31 Dec. 2014							280

Consolidated accounts 2013

In thousands of USD	Office equipment	Owned processing equipment	Leased processing equipment	Owned seismic equipment	Leased seismic equipment	Assets under construction	Total
Cost:							
Acquisition cost at 01 Jan. 2013	1 648	1 745	-	75 891	73 251	15 696	168 231
Purchase of tangibles	807	1 136	1 314	19 046	345	92 006	114 655
Disposals	-124	-	-	-1 102	-605	-	-1 830
Reclass- asset leased equipment	-	-	-	54 000	-54 000	-	-
Reclass- asset under construction	-	-	-	67 494	-	-67 494	-
Acquisition cost at 31 Dec. 2013	2 332	2 882	1 314	215 329	18 991	40 208	281 055
Accumulated depreciation:							
Balance at 01 Jan. 2013	696	196	-	10 751	19 584	-	31 227
Depreciation for the period	680	656	316	23 093	5 652	-	30 397
Reversed depreciation sold/scrapped	-92	-	-	-389	-491	-	-972
Reclass- leased equipment	-	-	-	13 901	-13 901	-	-
Accumulated depreciations at 31 Dec. 2013	1 284	852	316	47 357	10 843	-	60 651
Carrying amount:							
Balance sheet closing value at 31 Dec. 2013	1 048	2 030	998	167 972	8 149	40 208	220 404
Depreciation of the year	680	656	316	23 093	5 652	-	30 397
Write-down of equipment	15	-	-	714	113	-	842
Depreciation capitalised to Multi-Client library	-	-	-	-5 021	-	-	-5 021
Depreciation and write-down charged to expense	695	656	316	18 785	5 766	-	26 218
Useful life	3 years	3-7 years	3-7 years	3-7 years	3-7 years		
Amortisation intangible asset at 31 Dec. 2013							583

**Parent company 2014**

In thousands of USD	Office equipment	Total
Cost:		
Acquisition cost at 01. Jan. 2014	70	70
Purchase of tangibles	3	3
Sales of tangibles	-	-
Acquisition cost at 31 Dec. 2014	73	73
Accumulated depreciation:		
Balance at 01. Jan. 2014	37	37
Depreciation for the period	15	15
Accumulated depreciations at 31 Dec. 2014	52	52
Carrying amount:		
Balance sheet closing value of 31 Dec. 2014	21	21
Deprecation of the year	15	15
Depreciation charged to expense	15	15
Useful life	3 years	

Parent company 2013

In thousands of USD	Office equipment	Total
Cost:		
Acquisition cost at 01. Jan. 2013	70	70
Purchase of tangibles	-	-
Sales of tangibles	-	-
Acquisition cost at 31 Dec. 2013	70	70
Accumulated depreciation:		
Balance at 01. Jan. 2013	23	23
Depreciation for the period	14	14
Accumulated depreciations at 31 Dec. 2013	37	37
Carrying amount:		
Balance sheet closing value of 31 Dec. 2013	33	33
Deprecation of the year	14	14
Depreciation charged to expense	14	14
Useful life	3 years	



NOTE 12: GOODWILL

Consolidated accounts

In thousands of USD	2014	2013
Acquisition cost at 01 Jan.	6 764	5 776
Business combinations	-	-
Acquisition of assets	-	988
Adjustments	-22	-
Disposals	-	-
Acquisition cost at 31 Dec.	6 742	6 764
Amortisation and impairment		
Accumulated impairment at 01 Jan.	-	-
Impairment for the year	-	-
Accumulated impairments at 31 Dec.	-	-
Carrying amount		
Net book value at 31 Dec.	6 742	6 764

The carrying amount of goodwill relates to the acquisition of Quantum Geoservices PTE Ltd in 2013 (USD 0.9 million) and the acquisition of Open Geophysical Inc in 2012 (USD 5.8 million).

In 2013 Dolphin Geophysical PTE Ltd a wholly owned subsidiary of Dolphin Group acquired the net assets of Quantum Geoservices PTE Ltd. Goodwill identified in the purchase price allocation is fully incorporated in the financial statements of Dolphin Geophysical PTE Ltd as well as the consolidated financial statements of Dolphin Group. In accordance with IFRS 3.45 a final purchase price allocation was carried out within 12 months from the acquisition date which resulted in a minor adjustment in the carrying amount of goodwill in 2014.

Impairment test of goodwill

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate potential impairment. The Group tested impairment of goodwill as at 31 December 2014.

Goodwill has not been allocated since there is only one cash generating unit (CGU) in the Group. The recoverable amount of goodwill was estimated based on value in use and after tax cash flow projections approved by executive management. The key assumptions used include revenue, operating profit, capital expenditures, growth rates and discount rate. The Group has used an after tax discount rate of 10,3% for 2014 and a nominal growth rate 2,0% was used to extrapolate cash flows beyond the initial five years projection period as of 31 December 2014.

As a result of this impairment test management has not identified any impairment of goodwill as at 31 December 2014.

Parent company

There are no goodwill in the parent company.



NOTE 13: MULTI-CLIENT DATA LIBRARY

Consolidated accounts

In thousands of USD	2014	2013
Cost:		
Acquisition cost at 01 Jan.	122 769	63 031
Investment in Multi-Client data library	49 011	64 597
Acquisition cost at 31 Dec.	171 780	127 627
Accumulated amortisation:		
Balance at 01 Jan.	37 061	24 167
Amortisation for the period	21 731	12 895
Accumulated amortisation at 31 Dec.	58 792	37 061
Write-down for the period	1 259	4 858
Net carrying amount 31 Dec.	111 729	85 708

In thousands of USD	2014	2013
Completed Multi-Client projects		
Completed during 2012	13 200	14 705
Completed during 2013	24 313	26 481
Completed during 2014	38 180	-
Completed Multi-Client projects at 31 Dec.	75 693	41 185
Multi-Client projects in progress	36 036	44 522
Multi-Client library 31 Dec.	111 729	85 708

As of 31 December 2014 the Multi-Client projects fully processed in 2012 have been evaluated for minimum amortisation. All projects have approximately USD 2-3 millions excess amortisation limit of 60% of net book value by 31. December 2014 and minimum amortisation is not-applicable for 2014.

All the Multi-Client projects fully processed in 2013 has also been evaluated for minimum amortisation as of 31 December 2014. Based on the evaluation three projects have been subject for minimum amortisation of USD 2 199 254 in total.

After a detailed evaluation of the sales potential for the Multi-Client projects as of 31 December 2014 a write-down of USD 1 258 849 is recognised.

Parent company

The parent company has no Multi-Client library.



NOTE 14: INTANGIBLE ASSETS

Consolidated accounts

In thousands of USD	2014	2013
Acquisition cost at 01 Jan.	12 594	10 887
Additions	2 435	1 707
Translation differences	-	-
Acquisition cost at 31 Dec.	15 029	12 594
Amortisation and impairment		
Accumulated depreciation and impairment at 01 Jan.	10 163	9 580
Depreciation and write-down for the year	280	583
Accumulated amortisation and impairments at 31 Dec.	10 443	10 163
Carrying amount		
Net book value at 31 Dec.	4 586	2 431
Useful life	3-10 years	3-10 years

The intangible assets is mainly related to development from processing activities.
The amount from 2014 and 2013 is related to own development of technical solutions.

Parent company

The parent company has no intangible assets.

NOTE 15: FOREIGN EXCHANGE RATES

The following exchange rates have been used in the consolidated financial statements:

Currency	31 Dec. 2014	31 Dec. 2013	Average 2014	Average 2013
NOK/USD	7.433	6.084	6.302	5.877
GBP/USD	1.557	1.652	1.645	1.565
EUR/USD	1.216	1.378	1.326	1.329

NOTE 16: FINANCIAL RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:

- * Credit risk
- * Market risk
 - Interest rate risk
 - Foreign exchange risk
- * Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- * Trade receivables
- * Cash and cash equivalents
- * Investments in unquoted equity securities
- * Trade and other payables
- * Floating-rate bank loans
- * Senior unsecured bond loan
- * Cross-currency Interest rate swap
- * Currency swap

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensures the effective implementation of the objectives and policies to the Group's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy to assess the credit risk of new customers before entering contracts.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

The Group does not enter into derivatives to manage credit risk, although in certain isolated cases may take steps to mitigate such risks if it is sufficiently concentrated.

Lack of payments from customers/clients may significantly and adversely impair the Group's liquidity. The concentration of the Group's customers in the energy industry may impact the Group's overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic- and industry conditions as well as by the general constraints on liquidity resulting from the recent turmoil in the financial markets. Countries that rely heavily upon income from hydrocarbon exports will be hit particularly hard if oil prices decrease. Further, laws in some jurisdictions in which the Group operates could make collection difficult or time consuming. The Group undertakes due consideration to the credit quality of its potential clients during contract negotiations to minimise the risk of payment delinquency, but no assurance can be given that the Group will be able to avoid this risk.



The maximum risk exposure is represented by the carrying amount of the financial assets in the balance sheet. The Group regards its maximum credit risk exposure to the carrying amount of trade receivables, cf. note 24.

Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

(i) Interest rate risk

The Group is exposed to cash flow interest rate risk from long-term borrowings at variable rate. During 2014 and 2013, the Group's borrowings at variable rate were denominated in NOK and USD.

In November 2012 Dolphin Group ASA issued a senior unsecured bond loan of NOK 400 million, DOLP01. The bond was listed on Oslo Stock Exchange at 1 February 2013. The bond loan has a floating interest rate of three months NIBOR plus 775 basis points and interest is payable on the par value of the bonds quarterly in arrears. The bonds mature in full on maturity date 16 November 2016 at par (100%). When issuing Dolp02 in December 2013 the Group agreed to repurchase NOK 100 million of Dolp01 at marked rate. During 2014 the Group has resold part of the repurchased bonds back to the market, and per 31 December 2014 the Group holds NOK 22 million of Dolp01.

In December 2013 Dolphin Group ASA issued a senior unsecured bond loan of NOK 500 million, DOLP02. The bond was listed on Oslo Stock Exchange at 13 December 2013. The bond loan has a floating interest rate of three months NIBOR plus 750 basis points and shall pay interest on the par value of the bonds quarterly in arrears. The bonds shall mature in full on maturity date 5 December 2017 at par (100%).

The functional currency of Dolphin Group ASA is USD and the floating rate bond loan is denominated in NOK. Consequently, the company is exposed to both interest rate risk and currency risk on the future interest payments and currency risk on the notional amount.

The bond loan is presented as other financial liabilities and measured at amortised cost using the effective interest method (note 8, 17).

Hedging interest rate and currency risk

In November 2012 Dolphin Group ASA entered into a cross-currency interest rate swap agreement (CCIRS) with purpose to hedge interest rate risk and currency risk related to the MNOK 400 bond loan DOLP01 issued simultaneously. The CCIRS is accounted for as a cash flow hedge.

Dolphin manages the currency risk and interest rate risk by entering into the cross-currency interest rate swap (CCIRS) agreement. The notional amount of the CCIRS is USD 70.5 million and has a fixed interest rate of 8,86 percent per annum. The critical terms of the swap match those of the bond loan (exchange of principal at maturity and quarterly interest payments).

Under the CCIRS agreement Dolphin receives floating interest payments in NOK and pays fixed interest in USD. In addition, the CCIRS secures a fixed principal payment in USD at maturity.

Because the currency, notional, coupons, and interest payment dates match on both the CCIRS and the debt, the hedge relationship is expected to be highly effective. Consequently, the hedge relationship would qualify for cash flow hedge accounting in accordance with IAS 39.

In December 2013 Dolphin Group ASA entered into a currency swap agreement with purpose to hedge currency risk related to 50% of the MNOK 500 bond loan DOLP02 issued simultaneously. The last 50% of Dolp02 was hedged in June 2014. Both currency swaps are accounted for as a cash flow hedge.



Consolidated accounts

Dolphin use the cross-currency interest swap agreement with DnB and the currency swap agreement with SR-Bank as hedge accounting. Dolphin's bond loans are booked as amortised cost and the interest swap agreement of fixed USD rate is booked as follows:

In thousands of USD	2014	2013
Book value at beginning of year	-6 535	-42
Fair value change through statement of comprehensive income	7 227	1 535
Recycling of fair value through statement of profit&loss	-39 002	-8 028
Book value at end of year	-38 310	-6 535

Fair value changes of hedged items

In thousands of USD	2014	2013
Book value at beginning of year	94 773	69 251
Changes during the year	41 641	30 228
Amortisation	1 391	542
Revaluation of hedged items	-20 384	-5 248
Book value at end of year	117 420	94 773

Parent company

Dolphin use the cross-currency interest swap agreement with DnB and the currency swap agreement with SR-Bank as hedge accounting. Dolphin's bond loans are booked as amortised cost and the interest swap agreement of fixed USD rate is booked as follows:

In thousands of USD	2014	2013
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Fair value changes of hedged items

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Amortisation	1 391	542
Revaluation of hedged items	-20 384	-5 248
Book value at end of year	117 420	94 773

The following tables show the Group's and parents' sensitivity for fluctuations in interest rates. The calculation includes the financial leases.

Consolidated accounts

In thousands of USD	Adjustments in interest rate level in basis	Effect on profit before tax	Effect on equity
2014	+50	-439	665
2014	-50	439	-674
2013	+50	-264	981
2013	-50	264	-974



Parent company

In thousands of USD	Adjustments in interest rate level in basis	Effect on profit before tax	Effect on equity
2014	+50	-154	665
2014	-50	154	-674
2013	+50	-115	981
2013	-50	115	-974

The weighted average interest rate on financial instruments was as follows, cf. notes 24 and 25:

Consolidated accounts

	2014	2013
Loan	6,04%	4,26%
Finance leases	5,31%	5,13%

Parent company

	2014	2013
Loan	7,79%	4,47%

(ii) Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's significant operations in foreign countries expose it to risks related to foreign currency movements. The Group will attempt to minimise these risks by implementing hedging arrangements as appropriate, but will not be able to fully avoid these risks. Currency exchange rates are determined by forces of supply and demand in the currency exchange markets. These forces are affected by the international balance of payments, economic and financial conditions, government intervention, speculation and other factors. Changes in currency exchange rates relative to the USD may affect the USD value of the Group's assets and thereby impact the Group's total return on such assets. Changes in currency may also affect the Group's costs, e.g. related to salaries paid in local currency. The Group's expenses are primarily in USD, NOK and GBP. As such, the Group's earnings are exposed to fluctuations in the foreign currency market.

The following tables sets the Group's sensitivity for potential adjustments in USD exchange rate towards NOK, GBP, EURO and SGD, with all the other variables kept constant. The calculation is based on equal adjustments towards all relevant currency.

Consolidated accounts

In thousands of USD	Adjustment in exchange rate, NOK, GBP and SGD	Effect on profit before tax	Effect on equity
2014	+5%	-6 554	-6 879
2014	-5%	6 554	7 604
2013	+5%	-2 048	-6 341
2013	-5%	2 048	7 008

Parent company

In thousands of USD	Adjustment in exchange rate, NOK and GBP	Effect on profit before tax	Effect on equity
2014	+5%	-2 143	-6 879
2014	-5%	2 143	7 604
2013	+5%	-7 882	-6 341
2013	-5%	7 882	7 008



Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to strive to always having sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below sets out the maturity profile of the Group's financial liabilities based on contractual undiscounted payments. When a counterparty has a choice to determine the due date of the payment, the liability is included on the basis of the earliest date on which the entity can be required to pay. Financial liabilities that are subject to repayment on demand, are included in the "within 1 month" column.

Consolidated accounts

Year ended 2014

In thousands of USD	Within 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Short-term debt and interest-bearing loans	2 744	8 773	26 478	47 411	-	85 406
Financial leases	429	2 049	3 286	4 120	-	9 883
Trade and other payables	96 488	9 100	2 315	-	-	107 903
Long-term debt and interest-bearing bond	-	3 183	9 727	172 440	-	185 351
Total	99 661	23 105	41 806	223 971	-	388 544

Year ended 2013

In thousands of USD	Within 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Short-term debt and interest-bearing loans	-	2 999	8 808	3 897	-	15 704
Financial leases	327	916	2 676	5 867	-	9 786
Trade and other payables	5 705	35 100	7 625	-	-	48 429
Long-term debt and interest-bearing bond	-	2 813	8 526	156 018	-	167 358
Total	6 031	41 827	27 636	165 782	-	241 276

Liabilities under finance leases are discussed in further detail in note 26.

Parent company

Year ended 2014

In thousands of USD	Within 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Short-term debt and interest-bearing loans	-	-	-	-	-	-
Trade and other payables	33 632	59	26	-	-	33 716
Long-term debt and interest-bearing bond	-	3 183	9 727	172 440	-	185 351
Total	33 632	3 242	9 753	172 440	-	219 067

Year ended 2013

In thousands of USD	Within 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Short-term debt and interest-bearing loans	-	363	1 067	1 370	-	2 800
Trade and other payables	82	8	1 640	-	-	1 730
Long-term debt and interest-bearing bond	-	2 813	8 526	156 018	-	167 358
Total	82	3 184	11 233	157 388	-	171 888

Liabilities under finance leases are discussed in further detail in note 26.



Capital structure and equity

The primary objectives of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity and net debt. The Group's policy is to have a gearing ratio lower than 65% and equity ratio in excess of 35%. As of 31 December 2014, the book debt ratio was 54,6% (in 2013 the net debt was 36,8%). Based on the strong organic growth, significant working capital requirement and large investment programs, the Group's financial strategy has been to maintain a solid equity ratio, focus on increasing cash flow from operations and hire seismic vessels rather than purchase and finance seismic vessels onto the Group's balance.

The gearing ratio is calculated as net debt divided by total equity and net debt as follows:

Consolidated accounts

In thousands of USD	2014	2013
Interest-bearing debt	242 720	177 207
Accounts payable	107 903	40 809
Less cash	-36 670	-75 444
Net debt	313 953	142 572
Total equity	260 686	244 585
Total equity and net debt	574 640	387 157
Debt ratio	54,6%	36,8%

Parent company

In thousands of USD	2014	2013
Interest-bearing debt	155 730	136 066
Accounts payable	33 716	21 101
Less cash	-1 997	-42 541
Net debt	187 450	114 626
Total equity	205 096	217 299
Total equity and net debt	392 546	331 924
Debt ratio	47,8%	34,5%



NOTE 17: FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

This note summarises each class of financial instruments and gives an overview of carrying amount and fair value of the Group's financial instruments and the accounting treatment of these instruments. In addition the note presents the levels of fair value measurement in the fair value hierarchy applied for financial instruments.

Consolidated accounts

Overview of financial instruments in statement of financial position:

In thousands of USD	Note	2014	2013
<i>Financial assets measured at fair value</i>			
Cash and cash equivalents	21	36 670	75 444
Available for sale investments		1 337	372
Total financial assets measured at fair value		38 007	75 816
<i>Financial assets measured at amortised cost</i>			
Accounts receivable	18	64 118	27 867
Other receivables		150	927
Long-term receivables	19	6 076	6 783
Total financial assets measured at amortised cost		70 344	35 577
Total financial assets		108 351	111 393
<i>Financial liabilities measured at fair value</i>			
Derivative liabilities (qualifying hedge)	16	38 310	6 535
Total financial liabilities measured at fair value		38 310	6 535
<i>Financial liabilities measured at amortised cost</i>			
Senior unsecured bonds due 2016/2017	16	117 420	128 198
Bank loan	16	78 991	33 319
Finance lease liabilities	26	7 999	9 155
Accounts payable	24	107 903	40 809
Other short-term liabilities	24	16 538	14 818
Total financial liabilities measured at amortised cost		328 852	226 299
Total financial liabilities		367 162	232 834

Fair value of financial instruments:

The fair value of cash and cash equivalents, accounts receivable, other current financial assets, and accounts payable approximates the carrying amount because of the short maturity on these financial instruments.

The fair value of finance lease liabilities and other long-term debt approximates the carrying amount because of no significant changes in the market rates for similar debt financing between the date of securing the debt financing and year-end.

The carrying amount and estimated fair value of senior secured bond is presented on next page:



In thousands of USD	2014		2013	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>Loans and borrowings measured at amortised cost</i>				
Senior unsecured bond loan	155 730	105 345	134 732	132 555

Fair value hierarchy:

The financial instruments that are measured at fair value in the statement of financial position require disclosure of fair value measurement by level of the following fair value hierarchy:

Level 1: Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value based on inputs other than quoted prices included in level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Fair value based on inputs that are not observable market data.

In thousands of USD	Carrying amount	2014			Carrying amount	2013		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<i>Assets measured at fair value</i>								
<i>Available for sale financial assets</i>								
Investment in shares	1 337	965	-	372	372	-	-	372
<i>Liabilities measured at fair value</i>								
<i>Financial liabilities at fair value through profit & loss</i>								
Cross-currency interest rate swap (hedge)	-38 310	-	-38 310	-	-6 535	-	-6 535	-

Parent company

Overview of financial instruments in statement of financial position:

In thousands of USD	Note	2014	2013
<i>Financial assets measured at fair value</i>			
Cash and cash equivalents	21	626	42 541
Available for sale investments		1 337	372
Total financial assets measured at fair value		1 963	42 914
<i>Financial assets measured at amortised cost</i>			
Other receivables		-	-
Total financial assets measured at amortised cost		-	-
Total financial assets		1 963	42 914
<i>Financial liabilities measured at fair value</i>			
Derivative liabilities (qualifying hedge)	16	38 310	6 535
Total financial liabilities measured at fair value		38 310	6 535
<i>Financial liabilities measured at amortised cost</i>			
Senior unsecured bonds due 2016/2017	16	117 420	128 198
Bank loan		-	1 333
Accounts payable		33 716	91
Other short-term liabilities		1 597	22 650
Total financial liabilities measured at amortised cost		152 733	152 272
Total financial liabilities		191 043	158 807



Fair value of financial instruments:

The fair value of cash and cash equivalents, accounts receivable, other current financial assets, and accounts payable approximates the carrying amount because of the short maturity on these financial instruments.

The fair value of finance lease liabilities and other long-term debt approximates the carrying amount because of no significant changes in the market rates for similar debt financing between the date of securing the debt financing and year-end.

The carrying amount and estimated fair value of senior secured bond is presented below:

In thousands of USD	2014		2013	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>Loans and borrowings measured at amortised cost</i>				
Senior unsecured bond loan	155 730	105 345	134 732	132 555

Fair value hierarchy

The financial instruments that are measured at fair value in the statement of financial position require disclosure of fair value measurement by level of the following fair value hierarchy:

- Level 1: Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value based on inputs other than quoted prices included in level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: Fair value based on inputs that are not observable market data.

In thousands of USD	Carrying amount	2014			Carrying amount	2013		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Assets measured at fair value								
<i>Available for sale financial assets</i>								
Investment in shares	1 337	965	-	372	372	-	-	372
Liabilities measured at fair value								
<i>Financial liabilities at fair value through profit & loss</i>								
Cross-currency interest rate swap (hedge)	-38 310	-	-38 310	-	-6 535	-	-6 535	-



NOTE 18: ACCOUNTS RECEIVABLE, PREPAYMENTS AND OTHER RECEIVABLES

Consolidated accounts

In thousands of USD	2014	2013
Accounts receivable	64 118	27 867
Impairment of receivables	-	-
Accounts receivable net	64 118	27 867
Deferred mobilisation cost and inventory	37 866	28 664
Prepaid costs	4 833	4 874
Inventory and prepayments	42 699	33 537
Prepaid seismic equipment	-	-
Other receivables	70 493	28 602
Other receivables	70 493	28 602
Total receivables	177 310	90 006

Aging of accounts receivable was as follows for the last two years:

In thousands of USD	Total	Not due	Less than 30 days	30-60 days	Overdue 60-90 days	More than 90 days
2014	64 118	31 906	21 906	7 897	1 125	1 284
2013	27 867	18 861	1 005	2 028	438	5 534

Parent company

In thousands of USD	2014	2013
Intercompany accounts receivables	74 249	26 516
Impairment of receivables	-	-
Accounts receivable net	74 249	26 516
Prepaid costs	36	18
Inventory and prepayments	36	18
Other receivables	82	-
Total receivables	74 368	26 535

Aging of accounts receivable was as follows for the last two years:

In thousands of USD	Total	Not due	Less than 30 days	30-60 days	Overdue 60-90 days	More than 90 days
2014	74 249	74 249	-	-	-	-
2013	26 516	21 940	4 576	-	-	-

In thousands of USD	2014	2013
Dolphin Geophysical AS	68 106	22 324
Dolphin Interconnect Solution AS	32	32
Dolphin Assets IAS	5 842	672
Dolphin Geophysical Ltd	269	3 487
Dolphin Geophysical PTE Ltd	1	-
Total	74 249	26 516



NOTE 19: LONG-TERM RECEIVABLES

Consolidated accounts

In thousands of USD	2014	2013
Long-term interest bearing loan with maturity later than 1 year	6 076	6 783
Total long-term receivables	6 076	6 783

This is a long-term loan to Sanco Holding of NOK 36 millions.

The purpose of the loan is financing building of Sanco Swift, and is given together with four other companies with each different share of loan amount. The loan is not secured. The maturity of the loan is 24 months after the vessel is delivered.

Interest (NIBOR+7,5%) is calculated and booked and will be paid on due date for the loan.

Parent company

The parent company has no long-term receivables.

NOTE 20: INVENTORY

Consolidated accounts

In thousands of USD	2014	2013
Inventory	1 195	1 390
Written down for obsolescence	-	-166
Net book value as of 31 Dec.	1 195	1 224

Parent company

The parent company has no inventory.

NOTE 21: CASH AND SHORT-TERM DEPOSITS

Consolidated accounts

In thousands of USD	2014	2013
Cash and cash equivalents in the balance sheet	36 670	75 444
Restricted portion of cash and cash equivalents	9 163	10 439

Parent company

In thousands of USD	2014	2013
Cash and cash equivalents in the balance sheet	1 997	42 541
Restricted portion of cash and cash equivalents	32	141



NOTE 22: SHARE CAPITAL AND SHAREHOLDERS

As of 31. December 2014 the Dolphin Group ASA's share capital amounts to NOK 690 756 978 divided into 345 378 489 shares at the par value of NOK 2.00 per share.

Shareholder	Number of shares	Ownership share
1 Ramoo Investment Partners	37 761 700	10,9%
2 Varma Mutual Pension Insurance	25 477 738	7,4%
3 Everest Capital	24 731 546	7,2%
4 Verdipapirfondet DNB SMB	14 500 000	4,2%
5 Skandinaviska Enskilda Banken AB - Nominee	10 957 834	3,2%
6 Pictet & Cie (Europe) S.A - Nominee	8 497 206	2,5%
7 Invesco Perp EUR Opportunity Fund	7 820 853	2,3%
8 Verdipapirfondet DNB Norge (IV)	7 808 178	2,3%
9 Ferd AS	7 425 000	2,1%
10 Verdipapirfondet DNB Norge Selektiv	7 040 962	2,0%
11 Morgan Stanley & Co. International - Nominee	6 945 049	2,0%
12 Invesco Perp EUR Small Comp FD	6 830 472	2,0%
13 VPF Nordea Kapital	6 009 641	1,7%
14 The Bank of New York Mellon SA/NV - Nominee	5 045 204	1,5%
15 Goldman Sachs & Co Equity Segregate - Nominee	4 909 510	1,4%
16 MP Pensjon PK	4 907 667	1,4%
17 Verdipapirfondet Alfred Berg Norge	4 868 698	1,4%
18 Storebrand Norge I	4 454 918	1,3%
19 Mathias Holding AS	4 000 000	1,2%
20 Dolphin Group ASA	3 907 401	1,1%
Total 20 largest shareholders	203 899 577	59,0%
Other shareholders	141 478 912	41,0%
Total outstanding shares	345 378 489	100,0%

Dolphin has 1 882 shareholders in total.

The General meeting in May 2014 did authorise following possibility changes in equity for 2014;

a) Authorisation to increase the share capital

In accordance with the proposal from the board of directors the general meeting passed the following resolution:

1. The Board of Directors is granted a power of attorney to increase the share capital by up to NOK 68 662 631.
2. This authorisation is valid until the annual general meeting in 2015, but under no circumstances longer than until 30 June 2015.
3. The shareholders' preferential right pursuant to § 10-4 of the Public Limited Liability Companies Act may be waived.
4. The power of attorney comprises capital increase by non-monetary contribution and with a right to incur special obligations on behalf of the company, as well as a resolution on merger and demerger, cf. § 13-5 and § 14-6 (2) of the Public Limited Liability Companies Act.

b) Authorisation to acquire own shares;

In accordance with the proposal from the board of directors the general meeting passed the following resolution:

1. The Board of Directors is authorised to acquire and pledge own shares with an aggregate nominal value of up to NOK 68 662 631, although limited to a nominal value equal to 10% of the share capital of the company at any time.
2. The authorisation is valid until the annual general meeting in 2015, but under no circumstances longer than until 30 June 2015.
3. Acquisition of own shares should only occur against a consideration of minimum of NOK 0 and a maximum of NOK 30 for each share.
4. Acquisition and transfer of own shares can only take place;
 - (a) in order to fulfil option schemes for the company's employees,
 - (b) in connection with buy-back programmes or market making for the company's shares, or
 - (c) mergers, demergers or acquisitions of other companies or businesses/assets.



c) Authorisation to grant new options to employees;

On 20 December 2010 the general meeting approved an option programme for the employees of the Group. As of today, the company has issued options which give the employees right to acquire less than 7% of the shares in the company. The general meeting approved that the option programme is extended, so the employees can be granted options which give the employees right to less than 8% of the shares in the company after the options have been exercised. Within this limit, the board of directors may authorise new options which replace exercised options. The options shall be issued on the terms set out in the prevailing option program, provided that the exercise price shall correspond to an amount considered by the Board of Directors to be a fair market price for the shares at the allotment date.

d) Authorisation to increase the share capital in order to fulfil the option scheme for the employees ;

In accordance with the proposal from the board of directors the general meeting passed the following resolution:

1. The Board of Directors shall be granted authorisation to increase the share capital by up to NOK 32 924 572, which constitutes 16 462 286 shares.
2. This authorisation is valid until the annual general meeting in 2015, but under no circumstances longer than until 30 June 2015.
3. The shareholders' pre-emptive right pursuant to § 10-4 of the Public Limited Liability Companies Act may be waived.
4. The power of attorney only encompasses a capital increase by cash contribution.
5. This power of attorney may solely be applied in order to fulfil the company's obligations in connection with the company's option scheme for the employees of the group.

e) Authorisation to distribute dividend

In accordance with the proposal from the board of directors the general meeting passed the following resolution:

The Board of Directors is authorised to resolve distribution of dividend on the basis of the company's annual report for 2013. This power of attorney is valid until the annual general meeting in 2015, but under no circumstances longer than until 30 June.

Shares owned by board members as of 31 Dec. 2014:

	Personal ownership	Owned by connected persons / companies	Total shares	Options
Tim Wells (Working Chairman)	635 135	-	635 135	456 000
Terje Rogne (Deputy Chairman)	-	2 050 000	2 050 000	-
Eva Kristensen	-	-	-	-
John Rae Pickard	-	32 500	32 500	-
Toril Nag	-	-	-	-
Olav Vinsand (Employee representative)	-	400 000	400 000	570 000
Total	635 135	2 482 500	3 117 635	1 026 000

Shares owned by senior management as of 31 Dec. 2014:

	Personal ownership	Owned by connected persons / companies	Total shares
Atle Jacobsen (CEO)	-	4 862 641	4 862 641
Erik Hokholt (CFO)	-	4 020 468	4 020 468
Peter Hooper (COO)	-	1 680 607	1 680 607
Bjarne Stavenes (VP Technical)	-	991 212	991 212
Mike Hodge (VP QHSE)	-	454 545	454 545
Bjørn Henriksen (VP Operations)	-	-	-
Phil Suter (VP Marketing & Business Development)	417 272	-	417 272
Haavard Aasli (VP Marine Sales)	50 000	121 000	171 000
Ian T. Edwards (VP Multi-Client)	300 000	-	300 000
Gareth Williams (Chief Geophysicist)	766 667	-	766 667
Total	1 533 939	12 130 473	13 664 412

NOTE 23: OPTIONS AND WARRANTS

Consolidated accounts

During the period which ended December 31 2014, the Group has had share-based payment arrangements for employees as described below.

	2010 Share Incentive Programme Geophysical	2011 Share Incentive Programme Geophysical	2012 Share Incentive Programme Geophysical	2013 Share Incentive Programme Geophysical
Type of arrangement	Equity based	Equity based	Equity based	Equity based
Dates of Grant	25 Jan. 2011	19 Dec. 2011	13 Dec. 2012	17 Mar. 2014
Options granted as of 31 Dec. 2014	13 628 000	3 120 000	9 430 164	3 915 000
Outstanding options as of 31 Dec. 2014	3 757 335	2 056 336	8 490 000	3 915 000
Contractual life	4.10 years	4.20 years	4.22 years	3.95 years
	1/3 vests after the release of 2011 Q4 figures	1/3 vests after the release of 2012 Q4 figures	1/3 vests after the release of 2013 Q4 figures	1/3 vests after the release of 2014 Q4 figures
Vesting conditions	1/3 vests after the release of 2012 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2013 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2014 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2015 Q4 figures conditional on certain performance criteria being met
	1/3 vests after the release of 2013 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2014 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2015 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2016 Q4 figures conditional on certain performance criteria being met
Expiry date	18 Feb. 2015	28 Feb. 2016	28 Feb. 2017	28 Feb. 2018
Other	All options are vested as of 31 Dec. 2014			

According to guidelines in IFRS 2 all of these performance conditions are non-market conditions and the Group will report the expected quantity to vest or the expected vesting date at each reporting period.

The performance criteria for two thirds of the grants are non-market conditions and combinations of internal utilisation and operational criteria. All performance criteria are met, and 100% of the granted options are vested as of 31 December 2014.

Options granted in 2014:

There are granted 3 915 000 options in the 2013 Share Incentive Programme in March 2014.

2014 Share Incentive Programme assumptions and features:

Risk free interest rates used are interest rate from Norges Bank on the Grant date (bond, certificates and bills retrieved from Norges Bank). The term of the rates is equal to the expected term of the option being valued. Where there is no exact match between the term of the interest rates and the term of the options, interpolation is used to estimate a comparable term.

Expected volatility is based on historical volatilities of similar entities in the seismic industry. The guidelines in IFRS 2, B29 are used to estimate expected volatility.

All of the Group's option plans are equity-settled which entails accounting for the option grants as a personnel expense in the Group's financial statements with a corresponding increase in equity in the Group's balance sheet. Accruals are made for the Group's social security contributions in connection with the option grants.



Further details of the option programme is as follows:

Group Grant	2014		2013	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at the beginning of period	19 841 343	4.16	24 000 000	4.03
Granted	3 915 000	5.20	-	6.25
Exercised	-5 492 672	2.53	-3 233 493	2.56
Forfeited	-30 000	3.00	-925 164	6.09
Expired	-15 000	2.25	-	-
Outstanding at the end of period	18 218 671	4.88	19 841 343	4.16
Vested options	7 680 307	3.95	4 968 991	2.54
Weighted average fair value of options granted during the period	3 915 000	1.69	-	-
Intrinsic value outstanding options at the end of the period	3 757 335	1 502 934	11 351 343	23 794 537
Intrinsic value vested options at the end of the period	3 757 335	1 502 934	4 968 991	10 726 699

Details concerning outstanding options as of 31 December 2014 are given below.

Exercise price	Outstanding Options		Weighted Average Exercise Price	Vested options	
	Outstanding Options Per 31 Dec. 2014	Weighted average remaining Contractual Life		Vested options 31 Dec. 2014	Weighted Average Exercise Price
2.25 - 2.50	3 757 335	0.13	2.50	3 757 335	2.50
2.50 - 5.00	2 056 336	1.16	3.00	1 092 998	3.00
5.00 - 6.00	3 915 000	3.16	5.20	-	-
6.00 -	8 490 000	2.16	6.25	2 829 974	6.25
Total	18 218 671	1.85	4.16	7 680 307	3.95

Warrants

The imitative takers for the geophysical startup was granted 7 990 000 warrants in December 2010. In 2014 the total of 599 250 warrants are exercised, giving an ending balance at 31 December 2014 of 4 993 750 warrants.

Each warrant gives the holder the right to subscribe one share in Dolphin Group ASA of NOK 2.00 par value against the payment of NOK 2.50 (the warrant's exercise price). The warrant's exercise price corresponds to the subscription price in the placing.

Half of the warrants may be exercised when the weighted average price of the shares for the last 30 trading days prior to exercise exceeds NOK 3.75. The other half of the warrants may be exercised if the weighted average price of the shares for the last 30 trading days prior to exercise exceeds NOK 5.00. The deadline for exercise of the warrants expires on 20 December 2015.

The fair value of the warrants was estimated to NOK 15 025 000 based on a Monte Carlo simulation where the following assumptions had been used:

- The warrants are calculated as European with a lifetime equal to the contract time
- The risk-free interest rate is 3,0398%, which is based on Norges Bank's government bond yield on the issue date
- Volatility is set at 60% based on historic volatility of comparable businesses as the Group's historical share price does not reflect future volatility due to a significant change in the Group's business
- No payment of dividends is expected in the period prior to the deadline for exercise of the warrants

The warrants have been accounted for in accordance with IFRS 2, Share-based payment. Based on the fact that the warrants have been finally awarded the estimated value of the warrants was expensed in 2010 against Other paid-in equity.



Parent Company

During the period which ended 31 December 2014, the parent company has had share-based payment arrangements for employees as described below.

	2010 Share Incentive Programme Geophysical	2012 Share Incentive Programme Geophysical
Type of arrangement	Equity based	Equity based
Dates of Grant	25 Jan. 2011	13 Dec. 2012
Options granted as of 31 Dec. 2014	1 594 000	840 000
Outstanding options as of 31 Dec. 2014	27 334	840 000
Contractual life	4.10 years	4.22 years
	1/3 vests after the release of 2011 Q4 figures	1/3 vests after the release of 2013 Q4 figures
	1/3 vests after the release of 2012 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2014 Q4 figures conditional on certain performance criteria being met
Vesting conditions	1/3 vests after the release of 2013 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2015 Q4 figures conditional on certain performance criteria being met
Expiry date	18 Feb. 2015	28 Feb. 2017
Other	All options are vested as of 31 Dec. 2014	

According to guidelines in IFRS 2 all of these performance conditions are non-market conditions and the Group will report the expected quantity to vest or the expected vesting date at each reporting period.

The performance criteria for two thirds of the grants are non-market conditions and combinations of internal utilisation and operational criteria

All performance criteria are met, and 100% of the granted options are vested as of 31 December 2014.

Options granted in 2014:

No options are granted in 2014

Fair values of options under the 2012 Share Incentive Plan are calculated using the Black & Scholes - Merton option pricing model

The weighted average inputs and assumptions for 2012-grants are described below:

	2012 Share Incentive Programme Geophysical
Grant Date	13 Dec. 2012
Underlying shares	865 000
Exercise Price	NOK 6.25
Stock Price	NOK 6.6
Expected lifetime	2.74 years
Volatility	50,00%
Risk free interest rate	1,53%
Dividend	-
Fair value per option	NOK 2.31



2014 Share Incentive Programme assumptions and features:

Risk free interest rates used are interest rate from Norges Bank on the Grant date (bond, certificates and bills retrieved from Norges Bank). The term of the rates is equal to the expected term of the option being valued. Where there is no exact match between the term of the interest rates and the term of the options, interpolation is used to estimate a comparable term.

Expected volatility is based on historical volatilities of similar entities in the seismic industry. The guidelines in IFRS 2, B29 are used to estimate expected volatility.

Total expense related to share based payment exclusive of social security recognised in 2014 is USD 103 thousands.
Total amount recognised in equity in 2014 is USD 1 580 thousands.

Further details of the option programme is as follows:

Group Grant	2014		2013	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at the beginning of period	1 469 334	4.64	1 975 667	4.11
Granted	-	-	-	-
Exercised	-602 000	2.50	-481 333	2.50
Forfeited	-	-	-25 000	-
Expired	-	-	-	-
Outstanding at the end of period	867 334	4.64	1 469 334	4.64
Vested options	307 333	2.50	200 000	2.50
Weighted average fair value of options granted during the period	-	-	-	-
Intrinsic value outstanding options at the end of the period	27 334	10 934	629 334	1 384 535
Intrinsic value vested options at the end of the period	27 334	10 934	200 000	440 000

Details concerning outstanding options as of 31 December 2014 are given below.

Exercise price	Outstanding Options		Weighted Average Exercise Price	Vested options	
	Outstanding Options Per 31 Dec. 2014	Weighted average remaining Contractual Life		Vested options 31 Dec. 2014	Weighted Average Exercise Price
2.25 - 2.50	27 334	0.13	2.50	27 334	2.50
6.00 -	840 000	2.16	6.25	279 999	6.25
Total	867 334	2.10	4.64	307 333	5.92



NOTE 24: TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Consolidated accounts

In thousands of USD	2014	2013
Current portion of financial lease obligation	4 064	3 532
Short-term debt	34 455	19 500
Short-term debt and current portion of long-term debt	38 519	23 032
Accounts payable	107 903	40 809
Prepaid revenue	3 085	7 193
National insurance contribution, payroll taxes and VAT	9 326	850
Accrued interest	1 429	1 430
Accrued holiday allowance, bonus and other personnel charges	1 121	753
Other current liabilities	1 577	4 591
Other short-term liabilities	16 538	14 818
Total	162 960	78 658

Financial liabilities are as follows:

In thousands of USD	2014	2013
Non-current lease liabilities	3 935	5 619
Current portion of financial lease obligation	4 064	3 532
Interest bearing loan	234 721	168 056
Total interest bearing financial liabilities	242 720	177 207
Accounts payable	107 903	40 809
Prepaid revenue	3 085	7 193
Other non-interest bearing financial liabilities	13 454	7 625
Total non-interest bearing financial liabilities	124 441	55 627

Aging of accounts payables was as follows for the last two years:

In thousands of USD	Total	Not due	Less than 30 days	30-60 days	Overdue 60-90 days	More than 90 days
2014	107 903	96 488	9 100	2 077	238	-
2013	40 809	35 104	4 670	795	240	-



Parent company

In thousands of USD	2014	2013
Short-term debt	-	1 333
Short-term debt and current portion of long-term debt	-	1 333
Accounts payable	98	91
National insurance contribution, payroll taxes and VAT	184	116
Accrued interest	1 237	1 220
Accrued holiday allowance, bonus and other personnel charges	176	153
Other current liabilities	-	151
Other short-term liabilities	1 597	1 640
Total	1 695	3 064

Financial liabilities are as follows:

In thousands of USD	2014	2013
Interest bearing loan	155 730	136 066
Total interest bearing financial liabilities	155 730	136 066
Accounts payable	98	91
Inter-company accounts payables	33 619	21 010
Other non-interest bearing financial liabilities	1 597	1 640
Total non-interest bearing financial liabilities	35 313	22 741

Aging of accounts payables was as follows for the last two years:

In thousands of USD	Total	Not due	Less than 30 days	30-60 days	Overdue 60-90 days	More than 90 days
2014	33 716	33 632	59	26	-	-
2013	21 101	15 700	388	1 617	7	3 389

Specification of Intercompany payables	2014	2013
Dolphin Geophysical AS	36 632	17 042
Dolphin Interconnect Solution AS	401	466
Dolphin Geophysical Ltd	273	3 484
Dolphin Geophysical PTE Ltd	294	-
Dolphin Assets 1 AS	18	18
Total	37 619	21 010



NOTE 25: COLLATERAL AND GUARANTEES

Consolidated accounts

Guarantees:

As a part of its operations the Group may from time to time be required to have a financial institution to issue bid-, performance or other type of guarantees to some of its counterparts. In these circumstances the Group will normally be required to issue an unconditionally and irrevocably counter guarantee to the financial institution. As of 31 December 2014 the Group has given such counter guarantees for a total amount of about USD 12.2 million, and in 2013 about USD 5.1 million.

Pledges:

As a part of its operations the Group will from time to time be required to set up a restricted bank deposit as security for its contractual commitments with its counterparts. As of 31 December 2014 the Group has pledged restricted bank deposits for a total amount of about USD 9.2 million, and in 2013 for USD 10.4 million.

The Group has entered lease agreements with several counterparties for leasing of seismic equipment onboard the two Artemis vessels and leasing of office and processing equipment. In the consolidated financial statements these lease agreements are accounted for as financial leases with the value of the assets on the balance sheet and the leasing commitment as a financial liability. All of these assets are formally owned by the lease counter parts.

Covenants:

As a part of the time Group's obligation under the time-charter for the seismic vessel Polar Duchess both Dolphin Geophysical AS (as charterer) and Dolphin Group ASA have undertaken certain financial covenants.

The charterer (Dolphin Geophysical AS) has undertaken the following financial covenants (calculated on statutory financial statements for the Group):

The charterers' current assets to current liabilities (less the next six months instalments on long-term debt) are required to be positive. Requirement to have an equity ratio of minimum 30%.

In connection with Dolphin Group ASA's unconditionally and irrevocably guarantee for Dolphin Geophysical AS' (as charterers) full and timely performance of under the time-charter the following financial covenants (calculated on consolidated financial statements) have been undertaken by Dolphin Group ASA:

- Cash and cash equivalents shall at least be equal to the next six months payment of interest and instalments excluding any balloon payments.
- The ratio of the current assets to current liabilities shall be positive.
- Requirement to have an equity ratio of minimum 30%.

The Group has also entered into a loan facility Sparebanken Vest in addition to agreement with DNB Bank ASA and Sparebank 1 SR-Bank ASA.

During 2014 Dolphin Geophysical has used the USD 93 million credit facility with the bank syndicate to finance the seismic equipment for the vessels Sanco Swift and Polar Marquis.

Dolphin Geophysical AS has given an unconditional and irrevocable guarantee to the banks for loan facility.

The following main securities have been established for the loan facility:

- First priority mortgage on the seismic equipment in amount equal to at least 130% of the Facility Amount plus interest
- First priority assignment of earnings and first priority assignment of receivables
- First priority assignment of relevant guarantees and warranties from the suppliers of the Seismic Equipment (if relevant)
- First priority floating charge over all operating bank accounts of the obligors.
- First priority pledge over all shares directly or indirectly owns in subsidiaries that currently are, or become, Material Subsidiaries
- First priority assignment of insurances and any requisition compensation related to the Seismic Equipment
- First priority pledge over the Multi-Client library, provided however may request limit the amount of such first priority pledge if and when decides to finance further investment in the Multi-Client library.
- First priority floating charge of any Inventory

Unconditional and irrevocable on-demand guarantee from the Guarantor.



As a guarantor for the loan facility Dolphin Group ASA has undertaken the following financial covenants for the Group (calculated on the consolidated financial statement for the Group):

- Free cash and cash equivalents of minimum USD 10 million until 1 May 2014 and thereafter USD 15 million.
- Requirement to have a book equity ratio of minimum 35%.
- Working capital excluding current portion of long-term debt to be positive at all time
- Gearing ratio total interest-bearing debt (including leasing) divided by EBITDA to be maximum 2.0.
- Any new debt not already approved by the lenders shall be included in the calculation by 1/4 in the subsequent quarter of incurring the debt and to be increased by 1/4 of the debt in each of the following three quarters.

Dolphin Group ASA financial covenants require at all times during the term of the Bond Issue, maintain (on a consolidated basis for the Group):

- Liquidity of minimum USD 10 million
- Equity Ratio of minimum 35% (excl. Multi-Client),
- Interest Coverage Ratio of no less than 2.5:1

All the financial covenants was met as of year-end 2014.

Parent company

Guarantees:

As a part of financing and funding the operations of its subsidiaries, Dolphin Group ASA has given guarantees to counterparties or financial institutions. As of 31 December 2014 Dolphin Group ASA has given the following guarantees:

- Unconditionally and irrevocably guarantees for Dolphin Geophysical AS' (as charterers) full and timely performance of each and every obligation under time-charter that Dolphin Geophysical AS has entered for the seismic vessels Polar Duchess.
- Unconditionally and irrevocably guarantees for a leasing commitment that Dolphin Assets IAS has entered. The guarantee is limited to NOK 84 million.
- Unconditionally and irrevocably guarantees for a leasing commitment that Dolphin Geophysical AS has entered regarding processing equipment.
- Unconditionally and irrevocably counter guarantees for performance and bid guarantees issued by financial institutions for a total amount of about USD 12.2 million in 2014 and USD 5.1 million in 2013

Pledges:

As a part of financing and funding the operations of its subsidiaries, Dolphin Group ASA has pledged some bank deposits to financial institutions as a security for performance and bid guarantees issued by the financial institutions. As of 31 December 2014 a total of USD 32 thousand in bank deposits were pledged in this respect, and USD 141 thousand in 2013.

Covenants:

In connection with Dolphin Group ASA's unconditionally and irrevocably guarantee for Dolphin Geophysical AS' (as charterers) full and timely performance of under the time-charter for the vessel Polar Duchess, the parent company has undertaken certain financial covenants (calculated on consolidated financial statements). The detailed covenants undertaken are outlined under the covenant section description for the Group accounts above.

The parent company has entered into a loan facility with Sparebanken Vest in addition to agreement with DNB Bank ASA and Sparebank 1 SR-Bank ASA. These guarantees, pledged assets and financial covenants are outlined above under the consolidation amount.

All the financial covenants was met as of year-end 2014.



NOTE 26: LEASES

The Group as a lessee – financial leases

The Group has three financial leases, where all are subject to floating interest rate.

There are no adjustments to the rates in the leasing periods.

The assets under financial leases are as follows:

In thousands of USD	2014 Seismic Equipment	2013 Seismic Equipment
Seismic equipment and vessel	21 825	19 702
Office/Processing equipment	1 314	2 674
Accumulated depreciation	-15 468	-11 483
Net carrying amount	7 672	10 893
Current portion of long-term debt	3 493	3 532
Non-current lease liabilities	2 844	5 619

Overview of future minimum lease payments:

In thousands of USD	2014 Seismic Equipment	2013 Seismic Equipment
Next 1 year	3 725	3 893
1 to 5 years	2 970	5 811
After 5 years	-	-
Future minimum lease payments	6 695	9 704
Effective interest rate	5,3%	5,5%
Interest	5,2%	5,3%

Present value of future minimum lease payments:

In thousands of USD	2014 Seismic Equipment	2013 Seismic Equipment
Of which:		
- current liabilities	3 493	3 532
- long-term liabilities	2 844	5 619
Present value of future minimum	6 337	9 151

The Group as a lessee – operating leases

In thousands of USD	2014	2013
Timecharter agreements	67 059	41 686
Office rents + other lease facilities	1 437	1 303
Total	68 496	42 989

As of 31 December 2014 the Group operates seven vessels under time charter agreements. These are the Sanco Sword, the Sanco Swift, the Polar Marquis, the Polar Duke, the Polar Duchess, the Artemis Atlantic and the Artemis Arctic.



Sanco Sword is included with five year time charter from 1 April 2014 and Polar Marquis is included with three and a half year from 1 February 2014 and the newbuild Polar Empress is included with five years from 15 March 2015.

The future minimum rents related to non-cancellable leases fall due as follows:

In thousands of USD	2014	2013
Within 1 year	83 754	68 496
1 to 5 years	188 852	250 437
After 5 years	4 618	24 713
Total	277 224	343 646

The Parent as a lessee – operating leases

In thousands of USD	2014	2013
Timecharter agreements	-	-
Office rents + other lease facilities	209	217
Total	209	217

The future minimum rents related to non-cancellable leases fall due as follows:

In thousands of USD	2014	2013
Within 1 year	171	209
1 to 5 years	43	261
After 5 years	-	-
Total	213	469

NOTE 27: PENSIONS

Some of the companies in the Group are obliged by Norwegian pension legislation, to have a pension plan. The companies in the Group have a defined contribution plan which is in compliance with legislation, and was valid in both 2014 and 2013.

The legal entity in UK, introduced a defined contribution plan in August 2013, and the plan is governed by the law of England.

As of 31 December 2014 there were 396 members in the scheme compared to 305 members in 2013. All pension schemes are administered by a life insurance company.

The contribution expenses for the consolidated accounts in 2014 was USD 4 857 thousands and USD 3 402 thousands in 2013.

The contribution expenses for the parent company in 2014 was USD 50 thousands and USD 38 thousands in 2013.



NOTE 28: NET INTEREST BEARING DEBT

Consolidated accounts

In thousands of USD	2014	2013
Cash and cash equivalents	36 670	75 444
Interest bearing receivables	6 076	6 783
Short-term debt and current portion of long-term debt	-38 519	-23 032
Long-term debt	-204 201	-154 175
Adjust for deferred loan cost (offset in long-term debt)	-4 043	-5 650
Total net interest bearing debt	-204 017	-100 629

Parent company

In thousands of USD	2014	2013
Cash and cash equivalents	1 997	42 541
Short-term debt and current portion of long-term debt	-	-1 333
Long-term debt	-155 730	-134 732
Adjust for deferred loan cost (offset in long-term debt)	-2 280	-3 769
Total net interest bearing debt	-156 013	-97 294

NOTE 29: PROVISIONS FOR CONTINGENT LIABILITIES AND ASSETS

Consolidated accounts

The Group has contingent liabilities as of 31 December 2014 of USD 0.74 million. This is related to the acquiring of the shares in Open Geophysical Inc in the US, done in April 2012. The amount is related to certain performance criteria to be met during the next year. The management of Dolphin finds it more than likely that it will be achieved.

There are no contingent assets.

Parent company

There are no contingent liabilities or assets in the parent company.



NOTE 30: OVERVIEW OF INVESTMENTS IN GROUP COMPANIES AND OTHER COMPANIES

The Dolphin Group consists of:

Company	Country	Main business	Ownership	Voting power
Dolphin Geophysical AS	Norway	Geophysical services	100%	100%
Dolphin Geophysical PTE Ltd	Singapore	Geophysical services	100%	100%
Dolphin Geophysical Inc	USA	Geophysical services	100%	100%
Dolphin Geophysical Ltd	United Kingdom	Geophysical services	100%	100%
Dolphin Asset 1 AS	Norway	Geophysical services	100%	100%
Dolphin Geophysical Do Brazil Ltda	Brazil	Geophysical services	100%	100%
Dolphin Geophysical de México, SA de CV	Mexico	Geophysical services	100%	100%
Open Geophysical Inc	USA	Geophysical services	100%	100%
Delphis Ltd	Bermuda	Geophysical services	100%	100%
Dolphin Interconnect Solutions AS	Norway	Product development and sales IT	100%	100%
Dolphin Interconnect Solutions NA Inc	USA	Product development and sales IT	100%	100%

Parent company

Company	Country	Main business	Ownership	Voting power	In thousands of USD			Net profit 2014
					Cost price	Equity		
Dolphin Geophysical AS	Norway	Geophysical services	100%	100%	303 010 173	337 702 442		22 617
Dolphin Interconnect Solutions AS	Norway	Product development and sales IT	100%	100%	3 129 961	3 610 293		444
Delphis Ltd	Bermuda	Geophysical services	100%	100%	120 000	-25 938		-146
Company	Country	Net book value						
Other market based investments	Norway	1 337						

NOTE 31: ENVIRONMENTAL CONDITIONS

The Group interacts with the external environment through the collection of seismic data and operation of vessels. The Group continues to work actively to minimise any impact on the environment. Regular monitoring and controls are carried out in order to limit the risk of pollution. It is the Group's policy to comply with national and international regulations.



NOTE 32: TRANSACTIONS WITH RELATED PARTIES

All related party transactions have been entered into on terms equivalent to those that prevail in arm's length transactions.

Transactions between group companies

Transfer pricing policy:

Dolphin Group ASA is the parent company in the Group and provides management services to the subsidiaries, Dolphin Geophysical AS, for cost + 5% margin each month. If required the parent company will provide subsidiaries with funding through internal loans and re-payment will be made according to internal loan agreements or transfer pricing agreement and with an internal Group interest charge.

Dolphin Geophysical AS is the parent company of Dolphin Asset 1 AS, Dolphin Geophysical Pte Ltd, Dolphin Geophysical Ltd and Dolphin Geophysical Inc. The operating seismic vessels purchase services from its 100% subsidiaries and these services and costs are recharged at cost + 5% margin.

Further, the parent company provides accounting, salary, IT-support and other management services to the subsidiaries for cost + 5% margin each month.

If required, Dolphin Geophysical AS will provide subsidiaries with funding through internal loans and re-payment will be made according to transfer pricing agreements and with an internal group interest charge.

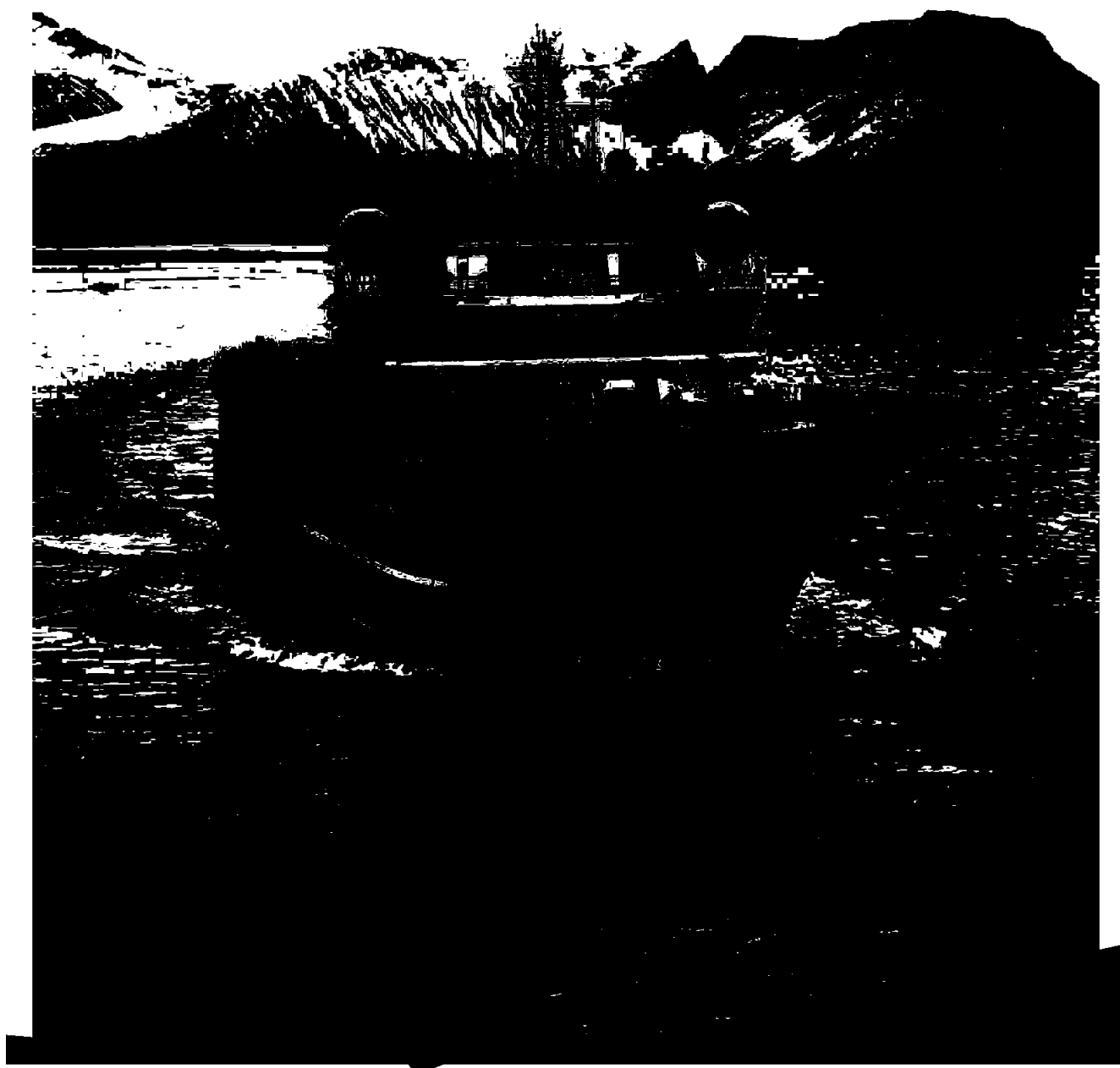
Dolphin Geophysical Ltd is the owner of the Multi-Client seismic data library and use internal services from other companies in the Group at cost + 5% margin.

The sales and marketing services for Dolphin Geophysical AS is organised and provided by the Dolphin UK and US subsidiaries based on cost + % margin each month.

The processing segment in the Group has its centre in Dolphin UK and provides management services to US and Singapore for cost + 5% margin.

NOTE 33: POST BALANCE SHEET EVENTS

To strengthen the Groups financial position and extend debt maturities Dolphin Group ASA accomplished the proposed amendment of terms of the Company's two bond loan, DOLP01 and DOLP02 as published 21 April 2015.





AUDITOR'S REPORT



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To the Annual Shareholders' Meeting of Dolphin Group ASA

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Dolphin Group ASA, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2014, income statement, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet as at 31 December 2014, statement of comprehensive income, changes in equity, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Chief Executive Officer's Responsibility for the Financial Statements

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with simplified IFRS pursuant to § 3-9 of the Norwegian Accounting Act and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors determines and the Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BDO AS is a limited liability company, a member of BDO International Limited, a UK company, limited by guarantee and part of the international BDO network of member firms. The Register of BDOs Limited is 592 626 650 000.



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Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of Dolphin Group ASA as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with simplified IFRS pursuant to § 3-9 of the Norwegian Accounting Act.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the group Dolphin Group ASA as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements*Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

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.

Oslo, 27 April 2015
BDO AS

Børre Skisland
State Authorised Public Accountant (Norway)

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