



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2015 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 914 439 639
Organisasjonsform: Aksjeselskap
Foretaksnavn: DEEP SEA SUPPLY SHIPOWNING I AS
Forretningsadresse: Storgaten 4
4876 GRIMSTAD

Regnskapsår

Årsregnskapets periode: 01.01.2015 - 31.12.2015

Konsern

Morselskap i konsern: 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: Anders Hall Jomaas
Dato for fastsettelse av årsregnskapet: 05.08.2016

Grunnlag for avgivelse

År 2015: Årsregnskapet er elektronisk innlevert
År 2014: Tall er hentet fra elektronisk innlevert årsregnskap fra 2015

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, 26.09.2019



Resultatregnskap

Beløp i: USD	Note	2015	2014
RESULTATREGNSKAP			
Inntekter			
Revenue	8	28 820 000	47 568 000
Other operating income		8 489 000	9 623 000
Sum inntekter		37 309 000	57 191 000
Kostnader			
Depreciation	2	17 965 000	17 581 000
Impairment	2,13	103 471 000	16 840 000
Operating expenses vessels	11	20 030 000	26 846 000
Other operating expenses	10	225 000	251 000
Sum kostnader		141 691 000	61 518 000
Driftsresultat		-104 382 000	-4 327 000
Finansinntekter og finanskostnader			
Annen renteinntekt		2 000	0
Other financial income		3 332 000	452 000
Sum finansinntekter		3 334 000	452 000
Write-down of financial assets		106 000	683 000
Annen rentekostnad		4 047 000	4 338 000
Sum finanskostnader		4 153 000	5 021 000
Netto finans		-819 000	-4 569 000
Ordinært resultat før skattekostnad		-105 201 000	-8 896 000
Income tax expense	8	6 000	4 000
Ordinært resultat etter skattekostnad		-105 207 000	-8 900 000
Årsresultat		-105 207 000	-8 900 000



Balanse

Beløp i: USD	Note	2015	2014
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Goodwill	13		29 370 000
Sum immaterielle eiendeler			29 370 000
Varige driftsmidler			
Vessels and newbuilding contracts	2	135 894 000	227 322 000
Sum varige driftsmidler		135 894 000	227 322 000
Sum anleggsmidler		135 894 000	256 692 000
Omløpsmidler			
Varer			
Inventories	3	1 508 000	1 504 000
Sum varer		1 508 000	1 504 000
Fordringer			
Trade receivables		2 294 000	4 485 000
Other receivables		453 000	485 000
Konsernfordringer	5	24 677 000	17 507 000
Sum fordringer		27 424 000	22 477 000
Bankinnskudd, kontanter og lignende			
Cash and bank deposits		1 907 000	2 438 000
Sum bankinnskudd, kontanter og lignende		1 907 000	2 438 000
Sum omløpsmidler		30 839 000	26 419 000
SUM EIENDELER		166 733 000	283 111 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Balanse

Beløp i: USD	Note	2015	2014
Share capital	6	114 000	23 000
Overkurs		114 295 000	178 850 000
Sum innskutt egenkapital		114 409 000	178 873 000
Opptjent egenkapital			
Other equity	7	-45 833 000	-5 091 000
Sum opptjent egenkapital		-45 833 000	-5 091 000
Sum egenkapital	7,12,1 4	68 576 000	173 782 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	4	92 855 000	105 246 000
Langsiktig konserngjeld	5	1 349 000	301 000
Other long term liabilities	5	515 000	2 059 000
Sum annen langsiktig gjeld		94 719 000	107 606 000
Sum langsiktig gjeld		94 719 000	107 606 000
Kortsiktig gjeld			
Other short term liabilities		3 437 000	1 725 000
Sum kortsiktig gjeld		3 437 000	1 725 000
Sum gjeld		98 156 000	109 331 000
SUM EGENKAPITAL OG GJELD		166 732 000	283 113 000



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 18.03.2016	Vår dato 29.03.2016
Telefon 22078139	Deres referanse Peter R. Elleson	Vår referanse 2016/247372

ADVOKATFIRMAET PRICEWATERHOUSECOOPERS AS
Postboks 447
4664 KRISTIANSAND S

PRICEWATERHOUSECOOPERS
INNKOMMET 31 MAR 2016

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 18. mars 2016 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Deep Sea Supply Management AS	org.nr. 990 397 090
Deep Sea Supply Shipowning AS	org.nr. 986 847 839
Deep Sea Supply BTG AS	org.nr. 914 274 133
Deep Sea Supply Shipowning I AS	org.nr. 914 439 639
Deep Sea Supply Shipowning II AS	org.nr. 914 439 736
Deep Sea Supply Shipowning III AS	org.nr. 914 441 277

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

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

Bakgrunn

Deep Sea Supply Plc er et børsnotert selskap hjemmehørende på Kypros. Selskapet er morselskap i en konsernstruktur med datterselskaper i en rekke land (Kypros, Brasil, Malaysia, Singapore og Norge). I tillegg eier selskapet 50 % i et joint venture med den brasilianske investeringsbanken BTG Pactual. Joint venture er etablert i Norge med et felles holdingselskap og underliggende skipseiende selskaper. Konsernets hovedaktivitet er å eie og drive ankerhåndterings- og supplyfartøyer. Driften består av utleie av fartøyene på bareboat eller time charter. Konsernets virksomhet er verdensomspennende, med særlig fokus på Brasil, Nordsjøen, Sør-Øst-Asia og Afrika.

Deep Sea Supply Management AS og Deep Sea Supply Shipowning AS er heleid av Deep Sea Supply Plc. Joint venture med BTG Pactual består av holdingselskapet Deep Sea Supply BTG AS, som er eid 50/50 av Deep Sea Supply Plc og BTG. Dette selskapet har tre underliggende

Postadresse
Postboks 9200 Grønland
0134 Oslo

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

Sentralbord
800 80 000
Telefaks
22 17 08 60



heleide skipseiende datterselskaper; Deep Sea Supply Shipowning I AS, Deep Sea Supply Shipowning II AS og Deep Sea Supply Shipowning III AS.

Bransjen selskapene tilhører er internasjonal og arbeidsspråket på verdensbasis er engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

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

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

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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene er eid av utenlandsk selskaper. Eierkretsen er begrenset. Videre er det vektlagt at selskapene driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk språk.



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Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer





Directors' report 2015

Background and activities

Deep Sea Supply Shipowning I AS ("the Company") was established in 28th of October 2014. The company was merged with Deep Sea Supply Shipowning I B.V. 23rd of September 2015.

The company is domiciled in Storgaten 4 in Grimstad, Norway. The Company owned per 31.12.2015 six Anchor Handling Tug and Supply Vessels (AHTS) and three Platform Supply Vessels (PSV). The vessels have been operating in Brazil during 2015. Due to the changes in the market situation, "Sea Bass" was laid-up in November 2015.

Financial status

Below is a summary of the financial position of the company.

Revenues and Profit

The Company's total revenues were MUSD 37.3 of which MUSD 28.8 were Freight revenues, all from Brazil.

The vessels' operating expenses were MUSD 141.7. The company's EBIT was a loss of MUSD 104.4, while total financial cost was MUSD 0.8.

Net loss before and after tax was MUSD 105.2 mill.

Equity

The company's total equity at the end of 2015 was MUSD 68.6. The Board considers the equity size as satisfactory.

Currency

The company's net cash flow for 2015 was negative by MUSD 0.5.

Going concern

The financial statements are prepared on a going concern basis.

Financial risk

Below, we will explain some key risk factors:

Assessment of the company's assets

The value of the company's ships could change, due long-term changes in the market (earnings) for this type of vessel, the cost of newbuilding of vessels etc. This may affect the Company's equity.



Felipe Maroni Picchetto

Edwyn Neves

Daniel Pegorini

Jon Are Gunnedal

Anders Hall Jomaaas

Harald Lauritz Thorstein
Chairman

Grimstad, 5th August 2016

No material events occurred after the balance sheet date.

Events after the balance sheet date

Loss after tax is of MUSD 105.2 and proposed transferred to other equity.

Allocation of profit – Deep Sea Supply Shipping I AS

well as the financial position of Company.

The Annual report gives a fair review of the developments and the performance of the business as

and rate levels are low.

Shipowning I AS is currently pursuing several term opportunities, however the competition is fierce term. The contract coverage for 2016 for the Company is not satisfactory. Deep Sea Supply

situation remains difficult with reduced activity and foreign flagged vessels being blocked by vessels with local flag. No improvement in the market situation for OSVs is expected in the short to medium

During 2015 the Company saw a continued weakening of the global OSV markets. In Brazil, the

Future outlook

The company has no employees. The Board consists of men. The Board strives to gender equality.

Equality

The company has no employees. The company does not pollute the environment.

Health, safety and environment

The Company has and will have its fleet on long term contracts and in the spot market which means uncertainty about future rate levels and thus the company's revenues and profits. The market was weak throughout 2015 and future development depends on the activity level for the oil companies.

Market risk



Directors' report 2015

Background and activities

Deep Sea Supply Shipowning AS ("the Company") was established in 28th of October 2014. The company was merged with Deep Sea Supply Shipowning I B.V. 23rd of September 2015.

The company is domiciled in Storgaten 4 in Grimstad, Norway. The Company owned per 31.12.2015 six Anchor Handling Tug and Supply Vessels (AHTS) and three Platform Supply Vessels (PSV). The vessels have been operating in Brazil during 2015. Due to the changes in the market situation, "Sea Base" was laid-up in November 2015.

Financial status

Below is a summary of the financial position of the company.

Revenues and Profit

The Company's total revenues were MUS\$ 37.3 of which MUS\$ 28.8 were freight revenues, all from Brazil.

The vessels' operating expenses were MUS\$ 141.7. The company's EBIT was a loss of MUS\$ 104.4, while the total financial cost was MUS\$ 0.8.

Net loss before and after tax was MUS\$ 105.2 mill.

Equity

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The value of the company's ships could change, due long-term changes in the market (earnings) for this type of vessel, the cost of newbuilding of vessels etc. This may affect the Company's equity.



Market risk

The Company has and will have its fleet on long term contracts and in the spot market which means uncertainty about future rate levels and thus the company's revenues and profits. The market was weak throughout 2015 and future development depends on the activity level for the oil companies.

Health, safety and environment

The company has no employees. The company does not pollute the environment.

Equality

The company has no employees. The Board consists of men. The Board strives to gender equality.

future outlook

During 2015 the Company saw a continued weakening of the global OSV markets. In Brazil, the situation remains difficult with reduced activity and foreign flagged vessels being blocked by vessels with local flag. No improvement in the market situation for OSVs is expected in the short to medium term. The contract coverage for 2016 for the Company is not satisfactory. Deep Sea Supply Shipping I AS is currently pursuing several term opportunities, however the competition is fierce and rate levels are low.

The Annual report gives a fair review of the developments and the performance of the business as well as the financial position of Company.

Allocation of profit – Deep Sea Supply Shipping I AS

Loss after tax is of MUSD 105.2 and proposed transferred to other equity.

Events after the balance sheet date

No material events occurred after the balance sheet date.

Grimstad, 5th August 2016

Harald Lauritz Thorstein Chairman	Jon Are Gummedal	Daniel Pegorini	Anders Hall Jomaas
Edwyn Neves			Felipe Maroni Picchetto



Deep Sea Supply Shipowning I AS

INCOME STATEMENT

(Amounts in USD 1000)

	Note	2015	2014
Revenue	9	28 820	47 568
Other operating income		8 489	9 623
Total revenue		37 309	57 191
Operating expenses vessels	11	-20 030	-26 846
Depreciation	2	-17 965	-17 581
Impairment changes	2, 13	-103 471	-16 840
Other operating expenses	10	-225	-251
Total operating expenses		-141 692	-61 517
Operating profit		-104 384	-4 326
Write - down of financial assets		-106	-683
(Other) interest income		2	-
Other financial income		3 332	452
(Other) interest expenses		-4 047	-4 338
Profit before tax		-105 203	-8 895
Income tax expense	8	-6	-4
Net profit or loss for the year		-105 209	-8 899
Appropriation of profit can be shown here			
Dividend			
Equity		-105 209	-8 899
Total		-105 209	-8 899



Deep Sea Supply Shipowning I AS

BALANCE SHEET AT 31.12.

(Amounts in USD 1000)

ASSETS	Note	2015	2014
Vessels and newbuilding contracts	2	135 894	227 322
Goodwill	13	-	29 370
Total tangible assets		135 894	256 692
TOTAL FIXED ASSETS		135 894	256 692
Inventories	3	1 508	1 504
Trade receivables		2 294	4 485
Receivables group companies	5	24 677	17 507
Other receivables		453	485
Total receivables		27 423	22 477
Cash and bank deposits		1 907	2 438
TOTAL CURRENT ASSETS		30 838	26 419
TOTAL ASSETS		166 732	283 112



Deep Sea Supply Shipping I AS
BALANCE SHEET AT 31.12.

(Amounts in USD 1000)

EQUITY AND LIABILITIES	Note	2015	2014
Share capital	6	114	23
Share premium		114 295	178 850
Total paid-in equity		114 409	178 873
Other equity	7	-45 833	-5 091
Total retained earnings		-45 833	-5 091
TOTAL EQUITY	7, 12, 14	68 576	173 782
Liabilities to financial institutions	4	92 855	105 246
Liabilities to group companies	5	1 349	301
Other long term liabilities	5	515	2 059
Total long term liabilities		94 718	107 605
Other short-term liabilities		3 437	1 725
Total short term liabilities		3 437	1 725
TOTAL LIABILITIES		98 156	109 330
TOTAL EQUITY AND LIABILITIES		166 732	283 112

Grimstad, August 5 th 2016

Chairman of the Board
Harald Lauritz Thorstein

Member of the Board
Daniel Pegorini

Member of the Board
Edwyn Neves

Member of the Board
Jon Aré Gummedal

Member of the Board
Anders Hall Jomaas

Member of the Board
Felipe M Picchetto



Deep Sea Supply Shipowning I AS

BALANCE SHEET AT 31.12.

(Amounts in USD 1000)

EQUITY AND LIABILITIES	Note	2015	2014
Share capital	6	114	23
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Gmestad, August 5 th 2016

Harald Lauritz Thorstein
Chairman of the Board

Daniel Pedgini
Member of the Board

Felipe M Picchetto
Member of the Board

Anders Hall Jomaaas
Member of the Board

Edwyn Neves
Member of the Board

Jon Are Gummedal
Member of the Board



Cash flow statement Deep Sea Supply Shipowning I AS

	2015	2014
Cash flow from operations		
Profit before income taxes	-105 203	-8 895
Taxes paid in the period	-	-4
Depreciation	17 965	17 581
Impairment of fixed assets	103 471	16 840
Change in inventory	-4	33
Change in trade debtors	2 191	3 100
Change in other provisions	-6 973	-14 094
Net cash flow from operations	11 447	14 561
Cash flow from investments		
Purchase of fixed assets	-638	-1 377
Proceeds from sale of shares and investments in other companies	3	-
Net cash flow from investments	-635	-1 377
Cash flow from financing		
Proceeds from long term loans from group companies	1 048	-772
Proceeds from other borrowings (short.t/long.t)	-12 391	-12 391
Net cash flow from financing	-11 343	-13 163
Net cash flow for the period	-531	21
Cash and cash equivalents at the beginning of the period	2 438	2 417
Cash and cash equivalents at the end of the period	1 907	2 438
This consist of:		
Bank deposits etc:	1 907	2 438



Deep Sea Supply Shipowning I AS

Notes to the accounts for 2015

Note 1 Accounting principles

Basis of preparation

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

Functional and presentation currency

The company uses USD as functional currency and presentation currency.

All amounts in these financial statements are in USD 1 000 unless otherwise stated.

Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Freight revenues

Revenue derived from the charter of vessels is recognized over the charter period on a straight line basis. Charter contracts are classified as operating leases, revenue derived from charter contracts is recognized in the period over the lease term on a straight line basis. Related services are recognized as revenue in accordance with the services being rendered.

Some charter contracts include mobilization fee, which is paid at the beginning of the charter period. If the fee is to cover upgrades or equipment, the fee is booked as revenue and the relevant capital expenditure is capitalized and depreciated over the charter period on a straight line basis.

Vessels without signed contract in place at discharge have no revenue before a new contract is signed. Charter related expenses incurred for vessels in the idle time are expensed. Revenues from time charters and bareboat charters accounted for as operating leases are recognized over the rental periods of such charters, as service is performed on a straight line basis.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.



Deep Sea Supply Shipowning I AS

Notes to the accounts for 2015

Non-current assets and maintenance costs

Property, plant and equipment are stated at historical cost, less subsequent depreciation and impairment. For vessels purchased, these costs include expenditures that are directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis, taking residual values into consideration, and adjusted for impairment charges, if any. The carrying value of the fixed assets on the balance sheet represents the cost less accumulated depreciation and any impairment charges.

Subsequent costs are included in the asset's carrying amount or recognized 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 profit or loss during the financial period in which they are incurred.

Day-to-day maintenance costs are charged to the profit or loss during the financial period in which they are incurred. The cost of major renovations and periodic maintenance of vessels are capitalized and depreciated over the useful lifetime of the parts replaced. The useful lifetime of regular vessels docking expenses will normally be the period until next docking which if it is an intermediate survey is after 30 months and if it is a special survey is after 60 months. When ships are acquired, a proportion of the acquisition cost is separated to periodic maintenance.

Depreciation on vessels and other assets (equipment) is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Vessels 30 years
- Vehicles 5 years
- Dry docking costs
 - Intermediate survey 2.5 Years
 - Special survey 5 Years
- Furniture, fittings and equipment 3 years

The assets' residual values and useful lifetime assumptions of fixed-assets are reviewed at each balance sheet date, and where they differ significantly from previous estimates, depreciation charges are changed accordingly.

Relocation costs

Relocation costs, for moving a vessel from one geographical location to another when entering a new charter agreement, are capitalized as a separate component for the vessel. The component is depreciated over the charter period on a straight line basis.

Asset impairments

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount.

Previous impairment charges, except writedown of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present. Reversal of previously recognized impairment is limited to the amount the carrying value of the asset would have been, had the initial impairment charge not taken place.

Inventories

Inventories are valued at the lower of purchase cost (according to the FIFO principle) and fair value.



Deep Sea Supply Shipowning I AS

Notes to the accounts for 2015

Debtors

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognised at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments. When the effect of a writedown is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognised as operating income and cost of goods sold.

Liabilities

Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.



Deep Sea Supply Shipowning I AS

Notes to the accounts for 2015

Note 2 Fixed assets

	Vessels and equipment	2015
Purchase cost 01.01.		227 322
Additions		638
Disposals		-
Purchase cost 31.12.		227 960
Accumulated depreciation 31.12.		17 965
Accumulated impairment 31.12.		74 101
Net book value 31.12.		135 894
Depreciation in the year		17 965
Impairment in the year		74 101

Note 3 Inventories

	2015	2014
Bunkers	1 484	1 504
Spare parts	24	-
Total	1 508	1 504

Note 4 Borrowings

Falling due between	2015	2014
0 - 1 year	92 855	12 712
1 - 2 years	-	92 534
2 - 5 years	-	-
More than 5 years	-	-
Total	92 855	105 246

Liabilities secured by mortgage	2015	2014
	92 855	105 246

Balance sheet value of assets placed as security:

	2015	2014
Vessels	135 894	256 692
Total	135 894	256 692



Deep Sea Supply Shipowning I AS

Notes to the accounts for 2015

Note 5 Balance with group companies, etc.

	Other debtors	
	2015	2014
Group companies	140	4 317
Joint ventures	24 537	13 189
Total	24 677	17 507

	Other long term liabilities	
	2015	2014
Group companies	-1 349	-301
Joint ventures	-515	-2 059
Total	-1 863	-2 359

Transactions with related parties, etc.

Related parties are members of the board, management and other companies within the group.

Deep Sea Supply Servicos Maritimos Ltda has charged management fee of kUSD 141 (2014: kUSD 227) to Deep Sea Supply Shipowning I AS during 2015.

During 2015, the company has not hired any vessels from the group companies.

Intercompany balances are charged with an interest of Nibor/EURIBOR or Libor + 2 % margin.

The calculations are prepared in arrears, quarterly, based on the average balance for the quarter passed.

Note 6 Shareholders' equity

Equity changes in the year	Share capital	Share premium	Other paid-in equity	Other equity	Total
Equity 01.01.	23	178 850	-	-5 091	173 782
Profit for the year	-	-	-	-105 209	-105 209
Dividend	-	-	-	-	-
Merger and equity adjustments	91	-64 555	-	64 467	3
Equity 31.12.	114	114 295	-	-45 833	68 576



Deep Sea Supply Shipowning I AS

Notes to the accounts for 2015

Note 7 Share capital and shareholder information

The share capital consists of 30 shares, each with a nominal value of NOK 32 044,5 each.
All shares issued are fully paid in.

Deep Sea Supply Shipowning I AS is owned 96,7 % by Deep Sea Supply BTG AS and 3,33 % by Deep Sea Supply Shipowning II AS.

Deep Sea Supply BTG AS and Deep Sea Supply Shipowning II AS is located in Storgaten 4, 4876 Grimstad.

Note 8 Taxes

The company entered into the Norwegian shipping tax system as of 23.9.2015.

The company does not pay tonnage tax because of the size of the vessels.

Loss from financial activities equaling kNOK 5 129 was not booked when the company entered the

Note 9 Freight revenue vessels

Geographical distribution	2015	2014
North South America	29 100	47 568
Asia	-280	-
Total	28 820	47 568

Note 10 Payroll expenses, number of employees, remunerations, loans to employees, etc.

There have been no employees in the company throughout the year.

No remuneration has been paid to Board of Directors during 2015.

No loans/sureties have been granted to the general manager, Board chairman or other related parties.

Expensed audit fee

	2015
Statutory audit (incl. technical assistance with financial statements)	3
Other assurance services	-
Tax advisory fee (incl. technical assistance with tax return)	-
Other assistance (to be specified)	-
Total audit fees	3



Deep Sea Supply Shipowning I AS

Notes to the accounts for 2015

Note 11 Operating expenses vessels

	2015	2014
Crew expenses	12 092	15 839
Insurance	1 460	1 641
Repairs and maintenance, lubrication oil, stores, supplies and miscellaneous	4 000	6 494
Administration expenses	2 479	2 873
Total	20 030	26 846

Note 12 Transboundary merger

The Dutch company Deep Sea Supply I B.V. was merged into the company by a transboundary merger effective from 1.1.2015.

The merger was conducted in accordance with the rules regarding tax-free transboundary mergers according to the Norwegian Private Limited Liability Companies Act § 13-25. All of the transferor companies assets and liabilities were transferred to Deep Sea Supply Shipowning I AS at the effective date of the merger.

The financial statements for the transferor company for 2014 were presented according to Dutch GAAP. There are no material variances between Dutch GAAP and NGAAP influencing the corresponding figures for 2014. Since there are no material GAAP variances between NGAAP and Dutch GAAP and there are no changes in accounting principles.

As there are no differences in GAAP, no corresponding figures are presented in this note.

Note 13 Intangible assets

	Goodwill
	2015
Purchase cost 01.01.	29 370
Additions	-
Disposals	-
Purchase cost 31.12.	29 370
Accumulated depreciation 31.12.	-
Accumulated impairment 31.12.	29 370
Net book value 31.12.	-
Depreciation in the year	-
Impairment in the year	29 370



Note 14 Events after the balance sheet date

During July/August the following events have taken place in the DESS BTG group:

On 22.07.2016 extensive amendments to the loan facilities were agreed with the banks in combination with a roll-up of the company's 50% share capital of DPC Serviços de Óleo eGás ("DPC") to Deep Sea Supply PLC group.

This will make Deep Sea Supply PLC group, 100% owner of the DESS BTG AS holding company (and thus its subsidiaries). In regards to the extension of the loan facilities, the terms will be the following:

The BTG group will not pay scheduled amortizations, starting 31 May 2016 and until 31 March 2018. During this period, the banks have agreed to remove the minimum value adjusted equity ratio and value adjusted equity covenants.

The minimum consolidated free cash is now set to USD 20 million and the minimum value covenant is set to 100%

The principal margins on the loans are unchanged, however the BTG group will pay a margin of 4.25% for the deferred amount of the loan facilities.

The loan facilities maturing in October 2016, will be extended until October 2018.

Ship Finance International has agreed to reduce the bareboat hire rate from June 2016 to May 2018.

The roll-up of the shares of DPC and the refinancing are both subject to standard closing conditions, including approval by the Deep Sea Supply PLC shareholders of the of the issuance of the warrants at an extraordinary general meeting and anti-trust approval. An extraordinary general meeting has been called for at 8th August 2016, and closing of the transaction (including issue of the consideration shares and warrants) is expected to take place during Q3 2016. An information memorandum with further details on the transaction will be prepared and published in accordance with the Norwegian Securities Trading Act and the Oslo Stock Exchange's Continuing Obligations."



To the Annual Shareholders' Meeting of Deep Sea Supply Shipowning I AS

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Deep Sea Supply Shipowning I AS, which comprise the balance sheet as at 31 December 2015, and the income statement, showing a loss of USD 105 208 783 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 Deep Sea Supply Shipowning I AS as at 31 December 2015, 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.

PricewaterhouseCoopers AS, Gravane 26, Postboks 447, NO-4664 Kristiansand

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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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 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.

Other Matter

This audit report replaces our previous audit report as of July 1st 2016, which was issued at the statutory deadline for holding the annual shareholders meeting. Complete annual financial statements and Board of Directors report were at this point in time not submitted by the Board of Directors and Managing Director.

Kristiansand, 8 August 2016
PricewaterhouseCoopers AS

Svein Andresen
State Authorised Public Accountant (Norway)