



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	997 713 168
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	POLAR SHIP INVEST IV AS
Forretningsadresse:	Damsgårdsveien 135 5160 LAKSEVÅG

Regnskapsår

Årsregnskapets periode:	01.01.2018 - 31.12.2018
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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:	Hilde Marie Bjerga
Dato for fastsettelse av årsregnskapet:	28.06.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

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, 31.10.2020



Resultatregnskap

Beløp i: USD	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	10, 12	42 604 402	43 246 362
Annen driftsinntekt	10	4 090 407	33 685
Sum inntekter		46 694 809	43 280 047
Kostnader			
Avskrivning på varige driftsmidler og immaterielle eiendeler	3	18 151 010	16 440 191
Nedskrivning av varige driftsmidler og immaterielle eiendeler	3		
Annen driftskostnad	2, 12, 3	29 904 651	32 837 485
Sum kostnader		48 055 661	49 277 676
Driftsresultat		-1 360 853	-5 997 629
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		1 542 520	424 761
Annen renteinntekt		91 928	41 395
Sum finansinntekter		1 634 448	466 156
Rentekostnad til foretak i samme konsern	5	2 233 635	1 124 946
Annen rentekostnad	11	3 893 274	3 144 658
Annen finanskostnad		280 164	163 699
Sum finanskostnader		6 407 073	4 433 303
Netto finans		-4 772 626	-3 967 148
Ordinært resultat før skattekostnad		-6 133 478	-9 964 776
Skattekostnad på ordinært resultat	9		
Ordinært resultat etter skattekostnad		-6 133 478	-9 964 776
Årsresultat		-6 133 478	-9 964 776
Årsresultat etter minoritetsinteresser		-6 133 478	-9 964 776
Totalresultat		-6 133 478	-9 964 776



Resultatregnskap

Beløp i: USD	Note	2018	2017
Overføringer og disponeringer			
Konsernbidrag	6		
Udekket tap	6		
Overføringer til/fra annen egenkapital	6, 6	-6 133 478	-9 964 776
Sum overføringer og disponeringer		-6 133 478	-9 964 776



Balanse

Beløp i: USD	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	9		
Varige driftsmidler			
Skip, rigger, fly og lignende	3, 3	99 171 028	113 723 567
Sum varige driftsmidler		99 171 028	113 723 567
Finansielle anleggsmidler			
Investering i datterselskap	4	5 310 270	5 310 270
Sum finansielle anleggsmidler		5 310 270	5 310 270
Sum anleggsmidler		104 481 298	119 033 837
Omløpsmidler			
Varer			
Varer		429 131	181 065
Sum varer		429 131	181 065
Fordringer			
Andre fordringer	5	7 424 657	28 559 640
Sum fordringer		7 424 657	28 559 640
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	8	19 152 283	16 475 276
Sum bankinnskudd, kontanter og lignende		19 152 283	16 475 276
Sum omløpsmidler		27 006 071	45 215 981
SUM EIENDELER		131 487 369	164 249 818

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: USD	Note	2018	2017
Innskutt egenkapital			
Selskapskapital	7	37 313	37 313
Overkurs		271 451	271 451
Sum innskutt egenkapital		308 764	308 764
Opptjent egenkapital			
Annen egenkapital		11 028 247	17 161 725
Sum opptjent egenkapital		11 028 247	17 161 725
Sum egenkapital	6	11 337 011	17 470 489
Gjeld			
Langsiktig gjeld			
Utsatt skatt	9		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	11	74 536 251	91 525 372
Sum annen langsiktig gjeld		74 536 251	91 525 372
Sum langsiktig gjeld		74 536 251	91 525 372
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	11	17 022 153	5 600 000
Leverandørgjeld		5 616 808	1 899 672
Betalbar skatt	9		
Annen kortsiktig gjeld	5	22 975 146	47 754 285
Sum kortsiktig gjeld		45 614 107	55 253 957
Sum gjeld		120 150 358	146 779 329
SUM EGENKAPITAL OG GJELD		131 487 369	164 249 818



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 05.12.2017	Vår dato 11.12.2017
Telefon 22078139	Deres referanse Kristian Rådal	Vår referanse 2017/1254065

SHEARWATER GEOSERVICES AS
Postboks 1243 , Sentrum
5811 BERGEN

MOTTA

13 DES. 2017

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Polar Ship Invest IV AS, org.nr. 997 713 168

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

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

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

Bakgrunn

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

Skattedirektoratets vurdering

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

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

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som

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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Jeanette Munkvold Skovholt
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



ANNUAL REPORT 2018

Polar Ship Invest IV AS

Damsgårdsveien 135
5160 Laksevåg

Business reg. no 997 713 168 MVA

Content:

Report of the Board of directors
Financial Statement
Auditor's report



Polar Ship Invest IV AS Annual Report 2018

Polar Ship Invest IV AS was founded by demerger 8. July 2011 and its business is ownership in specialised vessels and investment in similar corporations. The company's corporate office is in Bergen and part of the Shearwater GeoServices group from 22. December 2016.

Future prospects

The company's operation is exposed to the development in the markets for oil and gas exploration and -production. This market has been depressed for several years, and with a very volatile oil price through 2018, the demand for geophysical data and services remains relatively low.

In a continued challenging market, Shearwater group has been successful in booking most of the capacity for its active fleet during the first three quarters of 2018. The group has a competitive cost base, which will be important both to get through the current market conditions as well as positioning the company for an anticipated market recovery.

Current tendering activity provides hope that the activity level in the industry could be higher in the coming winter compared to the previous winter. Although the market outlook seems better in 2019 than it did in 2018, the seismic market still needs to see higher utilisation and project profitability to be a fully functional and sustainable market to operate within over time. As the group acquired a total of 12 vessels mid November 2018 as part of the business transaction with Schlumberger, a reintroduction of "Polar Duke" to the market will not be realistic in the near future.

Aspects of 2018

The company owns two seismic 3D vessels, "Polar Marquis" and "Polar Duke". In addition to these vessels, the company has hired "Polar Empress" on bareboat charter terms during the year from a sister company, as well as "Polar Duchess" on bareboat terms from its subsidiary. Aside from "Polar Duke" which is cold stacked, the active fleet has seen utilisation, in operation or in transit, of 98 % during 2018. The vessels have been hired on time charter terms to group companies and have been working on projects in India, Myanmar, Great Britain, Equatorial Guinea, Malaysia and Morocco, at the end of 2018 all three vessels were either at work or in transit to commence work.

Profit before tax in 2018 is USD -6,1 mill. compared with USD -10,0 mill. in 2017. Net operating income in 2018 totals to USD -1,4 mill. compared with USD -6,0 mill. in 2017. The positive change in operating income is mainly due to higher utilisation compared to previous year.

There is a positive change in net operating income of USD 4,6 mill. In 2018 financial items are negative by USD -4,8 mill. compared to USD -4,0 mill. previous year.

The company's liquidity is USD 19,2 mill. as at 31.12.2018 (2017: USD 16,5 mill.). Cash flow from operating activities in 2018 was positive USD 11,9 mill. (2017: positive USD 14,9 mill.). Cash flow from investment activities was negative USD -3,6 mill. (2017: negative USD -11,3 mill.). Both in 2018 and 2017 the company invested in streamers. Net cash flow from financing activities was negative USD -5,6 mill. (2017: negative USD -1,5 mill.) In 2018 the company has paid instalments of USD 5,6 mill.

Financial risk

The majority of the company's revenue is in USD. The company's expenses are mainly in USD, GBP and NOK. The company will attempt to minimise risks by implementing hedging arrangements when appropriate, but will not be able to fully avoid these risks. To reduce the currency exposure, the company's long term liabilities are held in USD.

Credit risks: The company's owned and hired vessels have in 2018 been let to the group companies Shearwater GeoServices Ltd and Shearwater GeoServices Norway AS. Historically, counterparty risk has been satisfactory.

Interest rate risk is related to the company's long term debt (USD 91,7 mill. as at 31.12.2018). The long term loan is mainly exposed to the development in USD interest rates. The lenders are renowned Norwegian and international shippingbanks.

The company has bank deposits in NOK and USD. The company considers liquidity risk as limited.

The company has not participated in research and development activities in 2018.

Based on the above report of profit and loss for the company, the Board of Directors confirms that the financial statements for 2018 are prepared on the principle of going concern and that there is basis for adopting this principle in accordance with section 3-3 of the Norwegian



Accountancy Act.

Employees

The company has no employees. The administration of the company is taken care of by Shearwater GeoServices Norway AS which is a company in the Shearwater GeoServices group.

Environment

Shearwater group's and therein the company's 'Focus on Zero' initiative of 2016 was further developed in 2017 with the broader "Focus" campaign and will continue to develop with the organisation going forward. The "safe" component of the new campaign remains the same: to "focus our intentions and behaviours on consistently striving towards Zero Harm, Zero Loss and Zero Rework." This includes, but is not limited to, focus on zero uncontrolled release of harmful substances to the natural environment.

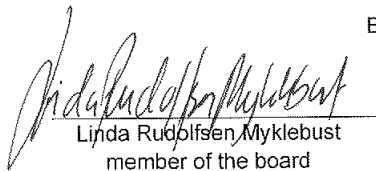
Together with the maritime ship managers, GC Rieber Shipping, targets are established and monitored in order to minimise the vessel fuel consumption and environmental footprint.

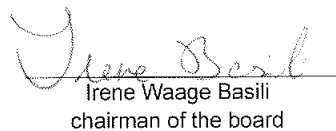
The company has obtained a modern fleet with high technical quality. During 2018 operations were accomplished with limited technical downtime.

Allocation of net income

The financial statement shows a negative net income of USD -6 133 478,- which is proposed covered by retained earnings.

Bergen, 28.06.2019
Board of Directors in Polar Ship Invest IV AS


Linda Rudolfsen Myklebust
member of the board


Irene Waage Basili
chairman of the board


Andreas Hveding Aubert
member of the board


Peter Hooper
managing director



Polar Ship Invest IV AS
Profit and Loss account (in USD)

OPERATING REVENUE AND EXPENSES	NOTE	2018	2017
Operating revenue	10, 12	42 604 402	43 246 362
Other operating revenue	10	4 090 407	33 685
		46 694 809	43 280 047
Cost of sales		29 892 718	32 798 052
Administration expenses	2, 12	11 933	39 432
Depreciation	3	18 151 010	16 440 191
Total operating expenses		48 055 661	49 277 676
Net operating income		-1 360 853	-5 997 629
FINANCIAL ITEMS			
Interest income from group entities		1 542 520	424 761
Other interest income		91 928	41 395
Interest expenses to group entities	5	2 233 635	1 124 946
Interest expenses	11	3 893 274	3 144 658
Other financial expenses		138 908	133 491
Exchange loss (-) /gain (+)		-141 256	-30 208
Net financial income and expenses		-4 772 626	-3 967 148
Operating result before tax		-6 133 478	-9 964 776
Net income		-6 133 478	-9 964 776
ALLOCATION OF NET INCOME			
From other equity	6	6 133 478	9 964 776
Total allocation		-6 133 478	-9 964 776

Polar Ship Invest IV AS

Side 4



Polar Ship Invest IV AS
Statement of Financial position (in USD)

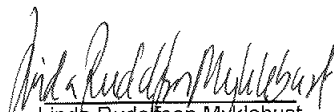
ASSETS	NOTE	2018	2017
FIXED ASSETS			
TANGIBLE ASSETS			
Vessels and marine equipment	3	78 738 125	85 500 881
Seismic equipment	3	20 432 902	28 222 685
Total tangible assets		99 171 028	113 723 567
FINANCIAL FIXED ASSETS			
Investments in subsidiaries	4	5 310 270	5 310 270
Total financial fixed assets		5 310 270	5 310 270
Total fixed assets		104 481 298	119 033 837
CURRENT ASSETS			
Inventories		429 131	181 065
DEBTORS			
Other short-term receivables		7 420 789	1 811 214
Receivables to group companies	5	3 867	26 748 427
Total receivables		7 424 657	28 559 640
Cash and cash equivalents	8	19 152 283	16 475 276
Total current assets		27 006 071	45 215 981
Total assets		131 487 369	164 249 818




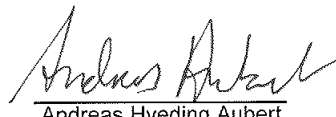
Polar Ship Invest IV AS
Statement of Financial position (in USD)

EQUITY AND LIABILITIES	NOTE	2018	2017
PAID-UP EQUITY			
Share capital	7	37 313	37 313
Share premium reserve		271 451	271 451
Total paid-up equity		308 764	308 764
RETAINED EARNINGS			
Retained earnings		11 028 247	17 161 725
Total retained earnings		11 028 247	17 161 725
Total equity	6	11 337 011	17 470 489
LIABILITIES			
OTHER LONG-TERM LIABILITIES			
Liabilities to financial institutions	11	74 536 251	91 525 372
Total other long term liabilities		74 536 251	91 525 372
CURRENT DEBT			
Liabilities to financial institutions	11	17 022 153	5 600 000
Trade creditors		5 616 808	1 899 672
Liabilities to group companies	5	22 958 372	47 495 092
Other current debt		16 774	259 193
Total current debt		45 614 107	55 253 957
Total liabilities		120 150 358	146 779 329
Total equity and liabilities		131 487 369	164 249 818

Bergen, 28.06.2019


Linda Rudolfson Myklebust
member of the board


Irene Waage Basili
chairman of the board


Andreas Hveding Aubert
member of the board


Peter Allan Hooper
managing director



Polar Ship Invest IV AS

Cash Flow Statement

	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/loss(-) before tax	-6 133 478	-9 964 776
Depreciation	18 151 010	16 440 191
Change in accounts payables	3 717 136	495 197
Change in intercompany receivables and liabilities	2 207 840	8 061 790
Change in stores	-248 066	299 984
Change in other current assets and other liabilities	-5 818 963	-392 071
Net cash flow from operating activities	11 875 479	14 940 315
CASH FLOW FROM INVESTING ACTIVITIES:		
Payments for investments in fixed assets	-3 598 471	-11 313 944
Net cash flow from investment activities	-3 598 471	-11 313 944
CASH FLOW FROM FINANCING ACTIVITIES		
Change long term receivables	0	2 561 125
Repayment of long-term debts	-5 600 000	-5 600 000
Cash from new long-term debts	0	1 500 000
Net cash flow from financing activities	-5 600 000	-1 538 875
Net change cash and cash equivalents	2 677 007	2 087 495
Cash and cash equivalents at 01.01.	16 475 276	14 387 781
Cash and cash equivalents at 31.12.	19 152 283	16 475 276



Note 1

Polar Ship Invest IV AS is a Norwegian registered company with corporate office in Bergen. The company owns modern purpose built seismic vessels.

As of 22. December 2016 the company is part of the Shearwater GeoServices Group. The Group's consolidated financial statement is available at the corporate head office in Solheimsgaten 15, Bergen.

Accounting principles

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

Use of functional currency

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

Policies for revenue recognition

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

Classification of assets and liabilities in the financial statement

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

Transactions in foreign currency

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

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

Stores on the vessels

Stores on vessels are valued at the lower of cost and net realisable value. Costs incurred are accounted for using the FIFO (first in-first out) method and include costs accrued in acquiring the stores and bringing the stores to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated sales cost.

Receivables and liabilities in foreign currency

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

Fixed assets

For fixed assets, the straight line method for ordinary depreciation is applied, based on an economic life of 25 years for vessels. Improvements and upgrading are capitalised and depreciated over the remaining economic life of the vessel. The straight line method for ordinary depreciation based on a period of 2.5 to 5 years is applied for periodic maintenance. The straight line method for ordinary depreciation based on a life of 3 to 10 years is applied for other depreciable assets.



Impairment of fixed assets

The depreciation period and method are assessed annually to ensure that the method and period used are in accordance with the financial realities of the fixed asset. The same applies to the scrap value. The scrap value of the vessels is calculated by multiplying the steel weight of the vessel by the prevailing market price for steel 1.1. in the current year.

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

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

Periodical maintenance

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

Investments in subsidiaries

Investments in subsidiaries are valued in accordance with the cost method. If fair value is lower than cost, and the fall in value is not considered to be temporary, the investment will be valued at fair value.

Receivables

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

Cash and bank deposits

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

Taxes

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

A tax percentage of 23% is used on taxable financial income. Temporary differences related to financial assets/debts are offset when estimating deferred tax/- tax assets, which is 22% (23% in 2017) of net temporary differences. The accounting follow the general rules of valuation for recognition.

Cash flow statement

The company's cash flow statement shows the company's consolidated cash flows distributed between operating activities, investment activities and financing activities. The statement shows the impact of the different activities on the company's cash and cash equivalents. The cash flow statement is presented based on the indirect method.

Contingencies

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

Note 2 - Payroll expenses, number of employees, remunerations

The company has no employees and therefore no legal or constructive obligations to hold a pension scheme as defined in the pension law. There has been no remuneration to general manager or directors of the board. The company has expensed USD 11 933 excl VAT as remuneration for the auditor this financial year. No tax advisory or other services outside the audit scope have been charged from the auditor in 2018.



Polar Ship Invest IV AS

Notes to the financial statement 2018

Note 3 - Tangible fixed assets

	Vessels
Acquisition cost as at 1.1.	170 129 128
+ Additions during the year	0
+ Additions during the year for periodical maintenance	0
- Disposals during the year	0
Acquisition cost as at 31.12.	170 129 128
Accumulated depreciation at 1.1.	54 476 587
Accumulated impairment at 1.1.	30 151 660
+ Depreciation for the year	6 568 332
+ Depreciation of periodical maintenance for the year	194 424
+ Impairment	0
Accumulated depreciation and impairment at 31.12.	91 391 003
Carrying amount as at 31.12.	78 738 125
Depreciation rate periodical maintenance	20 - 40 %
Depreciation rate vessels	4 %

At the end of the year, the company's vessels are "Polar Duke" and "Polar Marquis".

Other equipment:

	Seismic equipment
Acquisition cost as at 1.1.	37 813 944
+ Additions during the year	3 598 471
- Disposals during the year	0
= Acquisition costs as at 31.12.	41 412 415
Accumulated depreciation at 1.1.	9 591 259
+ Depreciation for the year	11 388 254
= Accumulated depreciation at 31.12.	20 979 513
Carrying amount as at 31.12.	20 432 902

The company invested in four set of streamers in 2016 and 2017. The streamers are depreciated over 3.5 years.



Polar Ship Invest IV AS

Notes to the financial statement 2018

Note 4 - Investments in subsidiaries

The company holds 100% of the shares in Armada Seismic Invest II AS. Carrying amount of the investment is USD 5 310 270, after a write-down of USD 2 924 850 in 2016.

Armada Seismic Invest II AS has registered address in Bergen and has a loss in 2018 of USD 95 676 and an equity at 31.12.2018 of USD 5 354 590.

Armada Seismic Invest II AS is not consolidated in the financial statement of Polar Ship Invest IV AS as both of these companies are consolidated under Shearwater GeoServices Holding AS.

Note 5 - Intercompany balances

Short term receivables to group companies totals USD 0,0 mill. In 2017 the group receivables was USD 26,7 mill. and consisted mainly of ordinary trade receivables.

Short term liabilities to group companies totals USD 23,0 mill. (USD 47,5 mill. i 2017). The liabilities in 2018 are mainly ordinary trade payables to companies inside the tonnage tax regime of USD 8,4 mill. and towards companies outside the tonnage tax regime USD 14,5 mill.

All intercompany balances from 2018 onwards are subject to interest calculation. The group uses its highest external interest rate in the calculation. Intercompany balances are due on demand.

Note 6 - Equity

	Share capital	Share premium reserve	Retained earnings	Total equity
Equity as at 01.01.	37 313	271 451	17 161 725	17 470 489
Net income for the year			-6 133 478	-6 133 478
Equity as at 31.12.	37 313	271 451	11 028 248	11 337 011

Note 7 - Share capital

The share capital consists of 227 000 shares at NOK 1. Carrying amount of the share capital in the financial statement is USD 37 313.

Shearwater GeoServices AS owns 100 % of the shares.

Note 8 - Bank deposits, cash etc.

The company has no restricted tax withholdings.



Polar Ship Invest IV AS

Notes to the financial statement 2018

Note 9 - Taxes

	2018	2017
Tax over profit and loss:		
Change in tax payable previous periods	0	0
Change in deferred taxes	0	0
Tax expense/-income	0	0
Deferred tax/-tax asset:		
Temporary differences long term loan	- 1 415 189	-124 314
Tax loss carried forward	-8 135 063	-8 930 512
Deferred tax assets not recognised in the balance sheet	9 550 252	9 054 826
Basis for calculation of deferred tax 31.12.	0	0
Tax rate	22 %	23 %
Deferred tax/deferred tax asset in the balance sheet (-)	0	0

The company does not recognise net deferred tax assets on currency items in the balance sheet. From a short term perspective there is uncertainty whether or not taxes carried forward can be utilised, as such the company has chosen not to capitalise deferred tax assets related to tax loss carried forward.

Note 10 - Operating revenue

The company owns vessels and the entirety of the operating revenue relates to the seismic segment both in 2018 and 2017.

Operating revenue in 2018 is related to one intercompany customer from Norway (43%, 2017: 79%) and one intercompany customer from Great Britain (57%, 2017: 21%).

Other operating revenue of USD 4,1 mill. is estimated insurance claim for streamer incidents in 2018.

Note 11 - Debt to credit institutions

The company has the following long-term liabilities in USD:

	USD
Total interest bearing debt	91 558 404

The company's interest bearing debt including first year's instalments totals to USD 91,7 mill. Carrying amount of pledged assets (vessels and streamers) totals to USD 99,2 mill.

First year installment is USD 17,0 mill. and is presented as short term liabilities to financial institutions. USD 74,7 mill. is due within five years after the end of 2019.

Loan from credit institutions for vessels is part of a joint loan facility with the subsidiary Armada Seismic Invest II AS (ASI) for the sister vessel "Polar Duchess" and sister company Shearwater GeoServices Assets II AS (Assets II) for the vessel "Polar Empress". ASI's and Assets II's debt related to this facility totals USD 48,5 mill. and USD 75,8 mill. respectively. The vessels are posed as security for the facility.



Note 12 - Transactions with related parties

The company hired "Polar Duchess" and "Polar Empress" on a bareboat charter throughout 2018 from its daughter company Armada Seismic Invest II AS and its sister company Shearwater GeoServices Assets II AS respectively.

The company timechartered the vessels "Polar Marquis", "Polar Duchess" and "Polar Empress" to the two sistercompanies Shearwater GeoServices Norway AS and Shearwater GeoServices Ltd in 2018. "Polar Duke" has been cold stacked throughout 2018.

Intercompany timecharter hire this year totals USD 42,6 mill. (2017: USD 37,4 mill.), bareboat hire totals USD 0,0 mill. (2017: USD 4,6 mill.). The transactions are part of the ordinary business.

Accounting and other administrative services is purchased from Shearwater GeoServices Norway AS, a total of USD 37 563 in 2018.

Note 13 - Financial risks

The majority of the company's revenue is in USD. The company's expenses are mainly in USD, GBP and NOK. The company will attempt to minimise risks by implementing hedging arrangements when appropriate, but will not be able to fully avoid these risks. To reduce the currency exposure, the company's long term liabilities are held in USD.

Credit risks: The company's owned and hired vessels have in 2018 been let to the group companies Shearwater GeoServices Ltd and Shearwater GeoServices Norway AS. Historically, counterparty risk has been satisfactory.

Interest rate risk is related to the company's long term debt (USD 91,7 mill. pr. 31.12.2018). The long term loan is mainly exposed to the development in USD interest rates. The lenders are renowned Norwegian and international shippingbanks.

The company has bank deposits in NOK and USD. The company considers liquidity risk as limited.



To the General Meeting of Polar Ship Invest IV AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Polar Ship Invest IV AS, which comprise the Statement of Financial Position as at 31 December 2018, the Profit and Loss Account and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2018, 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.

Basis for Opinion

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

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm*



Independent Auditor's Report - Polar Ship Invest IV AS

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

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 proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

(2)



Independent Auditor's Report - Polar Ship Invest IV AS

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Bergen, 28 June 2019
PricewaterhouseCoopers AS

Jon Haugervåg
State Authorised Public Accountant



ANNUAL REPORT 2018

Polar Ship Invest IV AS

Damsgårdsveien 135
5160 Laksevåg

Business reg. no 997 713 168 MVA

Content:

Report of the Board of directors
Financial Statement
Auditor's report



Polar Ship Invest IV AS Annual Report 2018

Polar Ship Invest IV AS was founded by demerger 8. July 2011 and its business is ownership in specialised vessels and investment in similar corporations. The company's corporate office is in Bergen and part of the Shearwater GeoServices group from 22. December 2016.

Future prospects

The company's operation is exposed to the development in the markets for oil and gas exploration and -production. This market has been depressed for several years, and with a very volatile oil price through 2018, the demand for geophysical data and services remains relatively low.

In a continued challenging market, Shearwater group has been successful in booking most of the capacity for its active fleet during the first three quarters of 2018. The group has a competitive cost base, which will be important both to get through the current market conditions as well as positioning the company for an anticipated market recovery.

Current tendering activity provides hope that the activity level in the industry could be higher in the coming winter compared to the previous winter. Although the market outlook seems better in 2019 than it did in 2018, the seismic market still needs to see higher utilisation and project profitability to be a fully functional and sustainable market to operate within over time. As the group acquired a total of 12 vessels mid November 2018 as part of the business transaction with Schlumberger, a reintroduction of "Polar Duke" to the market will not be realistic in the near future.

Aspects of 2018

The company owns two seismic 3D vessels, "Polar Marquis" and "Polar Duke". In addition to these vessels, the company has hired "Polar Empress" on bareboat charter terms during the year from a sister company, as well as "Polar Duchess" on bareboat terms from its subsidiary. Aside from "Polar Duke" which is cold stacked, the active fleet has seen utilisation, in operation or in transit, of 98 % during 2018. The vessels have been hired on time charter terms to group companies and have been working on projects in India, Myanmar, Great Britain, Equatorial Guinea, Malaysia and Morocco, at the end of 2018 all three vessels were either at work or in transit to commence work.

Profit before tax in 2018 is USD -6,1 mill. compared with USD -10,0 mill. in 2017. Net operating income in 2018 totals to USD -1,4 mill. compared with USD -6,0 mill. in 2017. The positive change in operating income is mainly due to higher utilisation compared to previous year.

There is a positive change in net operating income of USD 4,6 mill. In 2018 financial items are negative by USD -4,8 mill. compared to USD -4,0 mill. previous year.

The company's liquidity is USD 19,2 mill. as at 31.12.2018 (2017: USD 16,5 mill.). Cash flow from operating activities in 2018 was positive USD 11,9 mill. (2017: positive USD 14,9 mill.). Cash flow from investment activities was negative USD -3,6 mill. (2017: negative USD -11,3 mill.). Both in 2018 and 2017 the company invested in streamers. Net cash flow from financing activities was negative USD -5,6 mill. (2017: negative USD -1,5 mill.) in 2018 the company has paid instalments of USD 5,6 mill.

Financial risk

The majority of the company's revenue is in USD. The company's expenses are mainly in USD, GBP and NOK. The company will attempt to minimise risks by implementing hedging arrangements when appropriate, but will not be able to fully avoid these risks. To reduce the currency exposure, the company's long term liabilities are held in USD.

Credit risks: The company's owned and hired vessels have in 2018 been let to the group companies Shearwater GeoServices Ltd and Shearwater GeoServices Norway AS. Historically, counterparty risk has been satisfactory.

Interest rate risk is related to the company's long term debt (USD 91,7 mill. as at 31.12.2018). The long term loan is mainly exposed to the development in USD interest rates. The lenders are renowned Norwegian and international shippingbanks.

The company has bank deposits in NOK and USD. The company considers liquidity risk as limited.

The company has not participated in research and development activities in 2018.

Based on the above report of profit and loss for the company, the Board of Directors confirms that the financial statements for 2018 are prepared on the principle of going concern and that there is basis for adopting this principle in accordance with section 3-3 of the Norwegian



Accountancy Act.

Employees

The company has no employees. The administration of the company is taken care of by Shearwater GeoServices Norway AS which is a company in the Shearwater GeoServices group.

Environment

Shearwater group's and therein the company's 'Focus on Zero' initiative of 2016 was further developed in 2017 with the broader "Focus" campaign and will continue to develop with the organisation going forward. The "safe" component of the new campaign remains the same: to "focus our intentions and behaviours on consistently striving towards Zero Harm, Zero Loss and Zero Rework." This includes, but is not limited to, focus on zero uncontrolled release of harmful substances to the natural environment.

Together with the maritime ship managers, GC Rieber Shipping, targets are established and monitored in order to minimise the vessel fuel consumption and environmental footprint.

The company has obtained a modern fleet with high technical quality. During 2018 operations were accomplished with limited technical downtime.

Allocation of net income

The financial statement shows a negative net income of USD -6 133 478,- which is proposed covered by retained earnings.

Bergen, 28.06.2019
Board of Directors in Polar Ship Invest IV AS

Linda Rudolfson Myklebust
member of the board

Irene Waage Basili
chairman of the board

Andreas Hveding Aubert
member of the board

Peter Hooper
managing director



Polar Ship Invest IV AS
Profit and Loss account (in USD)

OPERATING REVENUE AND EXPENSES	NOTE	2018	2017
Operating revenue	10, 12	42 604 402	43 246 362
Other operating revenue	10	4 090 407	33 685
		46 694 809	43 280 047
Cost of sales		29 892 718	32 798 052
Administration expenses	2, 12	11 933	39 432
Depreciation	3	18 151 010	16 440 191
Total operating expenses		48 055 661	49 277 676
Net operating income		-1 360 853	-5 997 629
FINANCIAL ITEMS			
Interest income from group entities		1 542 520	424 761
Other interest income		91 928	41 395
Interest expenses to group entities	5	2 233 635	1 124 946
Interest expenses	11	3 893 274	3 144 658
Other financial expenses		138 908	133 491
Exchange loss (-) /gain (+)		-141 256	-30 208
Net financial income and expenses		-4 772 626	-3 967 148
Operating result before tax		-6 133 478	-9 964 776
Net income		-6 133 478	-9 964 776
ALLOCATION OF NET INCOME			
From other equity	6	6 133 478	9 964 776
Total allocation		-6 133 478	-9 964 776



Polar Ship Invest IV AS
Statement of Financial position (in USD)

ASSETS	NOTE	2018	2017
FIXED ASSETS			
TANGIBLE ASSETS			
Vessels and marine equipment	3	78 738 125	85 500 881
Seismic equipment	3	20 432 902	28 222 685
Total tangible assets		99 171 028	113 723 567
FINANCIAL FIXED ASSETS			
Investments in subsidiaries	4	5 310 270	5 310 270
Total financial fixed assets		5 310 270	5 310 270
Total fixed assets		104 481 298	119 033 837
CURRENT ASSETS			
Inventories		429 131	181 065
DEBTORS			
Other short-term receivables		7 420 789	1 811 214
Receivables to group companies	5	3 867	26 748 427
Total receivables		7 424 657	28 559 640
Cash and cash equivalents	8	19 152 283	16 475 276
Total current assets		27 006 071	45 215 981
Total assets		131 487 369	164 249 818



Polar Ship Invest IV AS
Statement of Financial position (in USD)

EQUITY AND LIABILITIES	NOTE	2018	2017
PAID-UP EQUITY			
Share capital	7	37 313	37 313
Share premium reserve		271 451	271 451
Total paid-up equity		308 764	308 764
RETAINED EARNINGS			
Retained earnings		11 028 247	17 161 725
Total retained earnings		11 028 247	17 161 725
Total equity	6	11 337 011	17 470 489
LIABILITIES			
OTHER LONG-TERM LIABILITIES			
Liabilities to financial institutions	11	74 536 251	91 525 372
Total other long term liabilities		74 536 251	91 525 372
CURRENT DEBT			
Liabilities to financial institutions	11	17 022 153	5 600 000
Trade creditors		5 616 808	1 899 672
Liabilities to group companies	5	22 958 372	47 495 092
Other current debt		16 774	259 193
Total current debt		45 614 107	55 253 957
Total liabilities		120 150 358	146 779 329
Total equity and liabilities		131 487 369	164 249 818

Bergen, 28.06.2019

Linda Rudolfson Myklebust
member of the board

Irene Waage Basili
chairman of the board

Andreas Hveding Aubert
member of the board

Peter Allan Hooper
managing director



Note 1

Polar Ship Invest IV AS is a Norwegian registered company with corporate office in Bergen. The company owns modern purpose built seismic vessels.

As of 22. December 2016 the company is part of the Shearwater GeoServices Group. The Group's consolidated financial statement is available at the corporate head office in Solheimsgaten 15, Bergen.

Accounting principles

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

Use of functional currency

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

Policies for revenue recognition

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

Classification of assets and liabilities in the financial statement

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

Transactions in foreign currency

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

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

Stores on the vessels

Stores on vessels are valued at the lower of cost and net realisable value. Costs incurred are accounted for using the FIFO (first in-first out) method and include costs accrued in acquiring the stores and bringing the stores to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated sales cost.

Receivables and liabilities in foreign currency

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

Fixed assets

For fixed assets, the straight line method for ordinary depreciation is applied, based on an economic life of 25 years for vessels. Improvements and upgrading are capitalised and depreciated over the remaining economic life of the vessel. The straight line method for ordinary depreciation based on a period of 2.5 to 5 years is applied for periodic maintenance. The straight line method for ordinary depreciation based on a life of 3 to 10 years is applied for other depreciable assets.



Impairment of fixed assets

The depreciation period and method are assessed annually to ensure that the method and period used are in accordance with the financial realities of the fixed asset. The same applies to the scrap value. The scrap value of the vessels is calculated by multiplying the steel weight of the vessel by the prevailing market price for steel 1.1. in the current year.

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

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

Periodical maintenance

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

Investments in subsidiaries

Investments in subsidiaries are valued in accordance with the cost method. If fair value is lower than cost, and the fall in value is not considered to be temporary, the investment will be valued at fair value.

Receivables

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

Cash and bank deposits

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

Taxes

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

A tax percentage of 23% is used on taxable financial income. Temporary differences related to financial assets/debts are offset when estimating deferred tax/- tax assets, which is 22% (23% in 2017) of net temporary differences. The accounting follow the general rules of valuation for recognition.

Cash flow statement

The company's cash flow statement shows the company's consolidated cash flows distributed between operating activities, investment activities and financing activities. The statement shows the impact of the different activities on the company's cash and cash equivalents. The cash flow statement is presented based on the indirect method.

Contingencies

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

Note 2 - Payroll expenses, number of employees, remunerations

The company has no employees and therefore no legal or constructive obligations to hold a pension scheme as defined in the pension law. There has been no remuneration to general manager or directors of the board. The company has expensed USD 11 933 excl VAT as remuneration for the auditor this financial year. No tax advisory or other services outside the audit scope have been charged from the auditor in 2018.



Polar Ship Invest IV AS

Notes to the financial statement 2018

Note 3 - Tangibel fixed assets

	Vessels
Acquisition cost as at 1.1.	170 129 128
+ Additions during the year	0
+ Additions during the year for periodical maintenance	0
- Disposals during the year	0
Acquisition cost as at 31.12.	170 129 128
Accumulated depreciation at 1.1.	54 476 587
Accumulated impairment at 1.1.	30 151 660
+ Depreciation for the year	6 568 332
+ Depreciation of periodical maintenance for the year	194 424
+ Impairment	0
Accumulated depreciation and impairment at 31.12.	91 391 003
Carrying amount as at 31.12.	78 738 125
Depreciation rate periodical maintenance	20 - 40 %
Depreciation rate vessels	4 %

At the end of the year, the company's vessels are "Polar Duke" and "Polar Marquis".

Other equipment:

	Seismic equipment
Acquisition cost as at 1.1.	37 813 944
+ Additions during the year	3 598 471
- Disposals during the year	0
= Acquisition costs as at 31.12.	41 412 415
Accumulated depreciation at 1.1.	9 591 259
+ Depreciation for the year	11 388 254
= Accumulated depreciation at 31.12.	20 979 513
Carrying amount as at 31.12.	20 432 902

The company invested in four set of streamers in 2016 and 2017. The streamers are depreciated over 3.5 years.



Note 4 - Investments in subsidiaries

The company holds 100% of the shares in Armada Seismic Invest II AS. Carrying amount of the investment is USD 5 310 270, after a write-down of USD 2 924 850 in 2016.

Armada Seismic Invest II AS has registered address in Bergen and has a loss in 2018 of USD 95 676 and an equity at 31.12.2018 of USD 5 354 590.

Armada Seismic Invest II AS is not consolidated in the financial statement of Polar Ship Invest IV AS as both of these companies are consolidated under Shearwater GeoServices Holding AS.

Note 5 - Intercompany balances

Short term receivables to group companies totals USD 0,0 mill. In 2017 the group receivables was USD 26,7 mill. and consisted mainly of ordinary trade receivables.

Short term liabilities to group companies totals USD 23,0 mill. (USD 47,5 mill. i 2017). The liabilities in 2018 are mainly ordinary trade payables to companies inside the tonnage tax regime of USD 8,4 mill. and towards companies outside the tonnage tax regime USD 14,5 mill.

All intercompany balances from 2018 onwards are subject to interest calculation. The group uses its highest external interest rate in the calculation. Intercompany balances are due on demand.

Note 6 - Equity

	Share capital	Share premium reserve	Retained earnings	Total equity
Equity as at 01.01.	37 313	271 451	17 161 725	17 470 489
Net income for the year			-6 133 478	-6 133 478
Equity as at 31.12.	37 313	271 451	11 028 248	11 337 011

Note 7 - Share capital

The share capital consists of 227 000 shares at NOK 1. Carrying amount of the share capital in the financial statement is USD 37 313.

Shearwater GeoServices AS owns 100 % of the shares.

Note 8 - Bank deposits, cash etc.

The company has no restricted tax withholdings.



Polar Ship Invest IV AS

Notes to the financial statement 2018

Note 9 - Taxes

	2018	2017
Tax over profit and loss:		
Change in tax payable previous periods	0	0
Change in deferred taxes	0	0
Tax expense/-income	0	0
Deferred tax/-tax asset:		
Temporary differences long term loan	- 1 415 189	-124 314
Tax loss carried forward	-8 135 063	-8 930 512
Deferred tax assets not recognised in the balance sheet	9 550 252	9 054 826
Basis for calculation of deferred tax 31.12.	0	0
Tax rate	22 %	23 %
Deferred tax/deferred tax asset in the balance sheet (-)	0	0

The company does not recognise net deferred tax assets on currency items in the balance sheet. From a short term perspective there is uncertainty whether or not taxes carried forward can be utilised, as such the company has chosen not to capitalise deferred tax assets related to tax loss carried forward.

Note 10 - Operating revenue

The company owns vessels and the entirety of the operating revenue relates to the seismic segment both in 2018 and 2017.

Operating revenue in 2018 is related to one intercompany customer from Norway (43%, 2017: 79%) and one intercompany customer from Great Britain (57%, 2017: 21%).

Other operating revenue of USD 4,1 mill. is estimated insurance claim for streamer incidents in 2018.

Note 11 - Debt to credit institutions

The company has the following long-term liabilities in USD:

	USD
Total interest bearing debt	91 558 404

The company's interest bearing debt including first year's instalments totals to USD 91,7 mill. Carrying amount of pledged assets (vessels and streamers) totals to USD 99,2 mill.

First year installment is USD 17,0 mill. and is presented as short term liabilities to financial institutions. USD 74,7 mill. is due within five years after the end of 2019.

Loan from credit institutions for vessels is part of a joint loan facility with the subsidiary Armada Seismic Invest II AS (ASI) for the sister vessel "Polar Duchess" and sister company Shearwater GeoServices Assets II AS (Assets II) for the vessel "Polar Empress". ASI's and Assets II's debt related to this facility totals USD 48,5 mill. and USD 75,8 mill. respectively. The vessels are posed as security for the facility.



Note 12 - Transactions with related parties

The company hired "Polar Duchess" and "Polar Empress" on a bareboat charter throughout 2018 from its daughter company Armada Seismic Invest II AS and its sister company Shearwater GeoServices Assets II AS respectively.

The company timechartered the vessels "Polar Marquis", "Polar Duchess" and "Polar Empress" to the two sistercompanies Shearwater GeoServices Norway AS and Shearwater GeoServices Ltd in 2018. "Polar Duke" has been cold stacked throughout 2018.

Intercompany timecharter hire this year totals USD 42,6 mill. (2017: USD 37,4 mill.), bareboat hire totals USD 0,0 mill. (2017: USD 4,6 mill.). The transactions are part of the ordinary business.

Accounting and other administrative services is purchased from Shearwater GeoServices Norway AS, a total of USD 37 563 in 2018.

Note 13 - Financial risks

The majority of the company's revenue is in USD. The company's expenses are mainly in USD, GBP and NOK. The company will attempt to minimise risks by implementing hedging arrangements when appropriate, but will not be able to fully avoid these risks. To reduce the currency exposure, the company's long term liabilities are held in USD.

Credit risks: The company's owned and hired vessels have in 2018 been let to the group companies Shearwater GeoServices Ltd and Shearwater GeoServices Norway AS. Historically, counterparty risk has been satisfactory.

Interest rate risk is related to the company's long term debt (USD 91,7 mill. pr. 31.12.2018). The long term loan is mainly exposed to the development in USD interest rates. The lenders are renowned Norwegian and international shippingbanks.

The company has bank deposits in NOK and USD. The company considers liquidity risk as limited.