



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 991 006 494  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: COSL OFFSHORE MANAGEMENT AS  
Forretningsadresse: Vestre Svanholmen 4  
4313 SANDNES

### Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

### 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: Randi Skailand  
Dato for fastsettelse av årsregnskapet: 17.06.2024

### Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert  
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

*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, 08.10.2025



## Resultatregnskap

Beløp i: NOK	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	2	2 200 819 187	1 341 228 292
<b>Sum inntekter</b>		<b>2 200 819 187</b>	<b>1 341 228 292</b>
<b>Kostnader</b>			
Lønnskostnad	3	628 257 197	472 709 635
Avskrivning på varige driftsmidler og immaterielle eiendeler	9	15 097 600	12 714 409
Annen driftskostnad	4	1 599 929 164	759 348 880
<b>Sum kostnader</b>		<b>2 243 283 961</b>	<b>1 244 772 924</b>
<b>Driftsresultat</b>		<b>-42 464 774</b>	<b>96 455 368</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern	5	65 302 534	15 745 127
Annen finansinntekt	6	59 936 113	164 910 572
<b>Sum finansinntekter</b>		<b>125 238 647</b>	<b>180 655 699</b>
Annen finanskostnad	7	708 171	446 184
<b>Sum finanskostnader</b>		<b>708 171</b>	<b>446 184</b>
<b>Netto finans</b>		<b>124 530 476</b>	<b>180 209 515</b>
<b>Ordinært resultat før skattekostnad</b>		<b>82 065 702</b>	<b>276 664 883</b>
Skattekostnad på ordinært resultat		3 479 819	
<b>Ordinært resultat etter skattekostnad</b>		<b>78 585 883</b>	<b>276 664 883</b>
<b>Årsresultat</b>		<b>78 585 883</b>	<b>276 664 883</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		78 585 883	276 664 883
<b>Sum overføringer og disponeringer</b>		<b>78 585 883</b>	<b>276 664 883</b>



## Balanse

Beløp i: NOK	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Maskiner og anlegg	9	217 748 452	152 480 808
<b>Sum varige driftsmidler</b>		<b>217 748 452</b>	<b>152 480 808</b>
<b>Finansielle anleggsmidler</b>			
Andre fordringer	10	75 194 106	
<b>Sum finansielle anleggsmidler</b>		<b>75 194 106</b>	
<b>Sum anleggsmidler</b>		<b>292 942 558</b>	<b>152 480 808</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer	11	213 884 192	186 430 246
<b>Sum varer</b>		<b>213 884 192</b>	<b>186 430 246</b>
<b>Fordringer</b>			
Kundefordringer		180 213 813	147 593 002
Andre fordringer	12	178 058 721	86 929 928
Konsernfordringer	13	1 327 062 655	1 418 373 199
<b>Sum fordringer</b>		<b>1 685 335 189</b>	<b>1 652 896 129</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	14	14 273 180	18 031 439
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>14 273 180</b>	<b>18 031 439</b>
<b>Sum omløpsmidler</b>		<b>1 913 492 561</b>	<b>1 857 357 814</b>
<b>SUM EIENDELER</b>		<b>2 206 435 119</b>	<b>2 009 838 622</b>

## BALANSE - EGENKAPITAL OG GJELD



## Balanse

Beløp i: NOK	Note	2023	2022
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	15	100 000	100 000
<b>Sum innskutt egenkapital</b>		<b>100 000</b>	<b>100 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	15	1 893 293 589	1 814 707 706
<b>Sum opptjent egenkapital</b>		<b>1 893 293 589</b>	<b>1 814 707 706</b>
<b>Sum egenkapital</b>		<b>1 893 393 589</b>	<b>1 814 807 706</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Andre avsetninger for forpliktelser	16	45 735 750	
<b>Sum avsetninger for forpliktelser</b>		<b>45 735 750</b>	
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>45 735 750</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		24 858 738	15 249 217
Betalbar skatt	8	3 417 179	
Skyldige offentlige avgifter		10 702 672	13 049 468
Kortsiktig konserngjeld	17	30 109 740	53 955 899
Annen kortsiktig gjeld	18	198 217 450	112 776 326
<b>Sum kortsiktig gjeld</b>		<b>267 305 779</b>	<b>195 030 910</b>
<b>Sum gjeld</b>		<b>313 041 529</b>	<b>195 030 910</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>2 206 435 118</b>	<b>2 009 838 616</b>



## Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helletand	17.12.2009	05.01.2010
Telefon	Deres referanse	Vår referanse
22078139	Marianne Åsheim	2009/999914

ERNST & YOUNG AS  
Vassbotnen 11 Forus  
4313 Sandnes

## Søknad om tillatelse til å utarbeide årregnskap og årsberetning på engelsk språk for COSL Norwegian AS inklusive datterselskaper

Det vises til Deres brev av 17. desember 2009. De søker på vegne av COSL Norwegian AS inklusive datterselskaper om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk.

Søknaden gjelder for følgende selskaper;

COSL Norwegian AS	992 831 510
COSL Drilling Europe AS	987 861 894
COSL Oil & Gas AS	947 362 089
COSL Rigmar AS	884 358 582
COSL Sea Beds AS	960 254 635
COSL Sea Beds II AS	985 876 185
COSL Drilling Semi AS	988 288 330
COSL Offshore Management AS	991 006 494
Wilrig AS	989 850 105
COSL Rig Holding AS	990 405 034
COSL Rig Ltd	991 594 019
COSL Power AS	987 861 916
COSL Power Ltd	991 594 027
COSL Craft AS	987 862 932
COSL Craft Ltd	991 594 035
COSL Strike Ltd	991 594 043
Premium Drilling AS	988 294 187

COSL Norwegian AS er morselskap til det norske underkonsernet. Selskapet er et heleid datterselskap av China Oilfield Services Limited ("COSL"), som er hjemmehørende i Kina og er registrert på hovedlisten på børsen i Shanghai (SSE) og på børsen i Hong Kong (HKSE). Selskapene er i det vesentlige finansiert av morselskapet i Kina. I søknaden er det nevnt at arbeidsspråket i selskapet er engelsk da flere av styremedlemmene og flere av de ansatte i selskapet er kinesiske eller innleide utenlandske konsulenter. I hovedsak skjer all internrapportering, inkludert månedlig rapportering til morselskapet i Kina, på engelsk.

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."

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Fredrik Selmers vei 4	800 80 000
0134 Oslo	Org. nr: 974761076	Telefaks
skattedirektoratet@skatteetaten.no		22 17 08 60



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. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som sentrale verktøy i sin kontrollvirksomhet.

Det er etter Skattedirektoratets vurdering derfor avgjørende at spørsmål om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, ikke på vesentlige områder fraviker fra hensynet til brukere av regnskapsinformasjon. Søkeren må som et utgangspunkt for vurderingen ha en særlig interesse for kun å utarbeide årsregnskap og/eller årsberetning på et annet språk enn norsk.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Selskapet er et heleid datterselskap av China Oilfield Services Limited ("COSL"), som er hjemmehørende i Kina og er registrert på hovedlisten på børsen i Shanghai (SSE) og på børsen i Hong Kong (HKSE). Selskapene er i det vesentlige finansiert av morselskapet i Kina. Arbeidsspråket i selskapet er engelsk da flere av styremedlemmene og flere av de ansatte i selskapet er kinesiske eller innleide utenlandske konsulenter. I hovedsak skjer all internrapportering, inkludert månedlig rapportering til morselskapet i Kina, på engelsk. Skattedirektoratet legger derfor til grunn at det i dette tilfellet ikke syntes å være brukere av selskapenes regnskapsinformasjon som har en særlig interesse i å få dette på norsk språk.

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


Dispensasjonen er gitt under den forutsetning at de ovennevnte opplysninger som vedtaket baserer seg på ikke endres vesentlig.



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Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

  
Jan Hoelstad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

  
Torstein Helleland  
Torstein Kinden Helleland





# Financial Statements

## **COSL Offshore Management AS**

*Org.nr 991.006.494*

**2023**



## **COSL OFFSHORE MANAGEMENT AS**

### **BOARD OF DIRECTORS' REPORT 2023**

The company's main office is located at Forus, Sandnes. The company was established in 2006 and is a wholly owned subsidiary of COSL Drilling Europe AS.

The company aims to market and operate rigs for well intervention, drilling and other work associated with the oil industry. In 2023 the company operated three semi-submersible drilling rigs, COSLPioneer, COSLInnovator and COSLPromoter. In addition, the company secured a new long-term contract for COSLProspector with Vår Energi planned to commence approx. 1 August 2024. COSLPioneer operated for Ithaca Energy from March 2023 through the year after completion of the Special Periodic Survey (SPS). COSLPromoter commenced a contract with Equinor in April 2023 which is planned to continue through already declared options through 2024. COSLInnovator continued to operate for CNOOC UK until Dec. 2023 when the SPS commenced.

These rigs were hired into the Company on bareboat agreements from the rig owner back-to-back with the external operation. To be able to maintain staff COSL Offshore Management AS hire out offshore personnel to other rig companies.

#### **Going concern**

In accordance with the Accounting Act § 3-3a the Board confirms that the Financial Statements have been prepared under the assumption of a going concern. The equity margin is 86 % compared to 90% in 2022.

#### **Profit and loss account**

Net operating loss in 2023 was NOK 42.5 million compared to a profit of NOK 96.5 million in 2022. The revenue relates from operation of the semi-submersible drilling rigs. All rigs are rented from their owning companies on bareboat contracts.

The financial items are positive by NOK 124.5 million and is mainly related to agio from Balance items such as intercompany receivables and liabilities, in 2022 the financial items were net positive by NOK 180.2 million.

Profit before tax was NOK 82.1 million in 2023, compared to a profit of NOK 276.7 million in 2022.

The tax cost in 2023 is related to paid tax for the department operating in UK (PE) of NOK 3.5 million in 2023, there was no tax cost in 2022, because the Norwegian tax is offset by utilizing the loss carry forward. Profit after tax is NOK 78.6 million, compared to a profit of NOK 276.7 million in 2022.

#### **Balance**

As of December 31, 2023, total assets were NOK 2,206.4 million compared to NOK 2,009.8 million at the end of 2022.

The board believes that COSL Offshore Management AS is well positioned to meet its future commitments through internal funds, cash flow and debt financing.

There has been no change in the number of shares during 2023. At the date of this report, the number of outstanding shares of the Company is 100 000, the same as of December 31, 2022.



## **Cashflow**

The cash flow from operations presented in the financial statement mainly relates to result before tax, increase in group cash pool, outflow due to purchase of fixed assets and change in intercompany receivables and liabilities.

## **Liquidity and financing**

December 31, 2023, COSL Offshore Management AS had NOK 14.3 million in cash and cash equivalents. At the end of 2022, the same figure was NOK 18.0 million.

## **Market outlook**

Oil and gas companies are continuing their focus developing fields that are located in deeper, colder and more remote areas to infield drilling where they can get access to oil at a low investment cost by using existing infrastructure. Both major oil companies and other smaller participants have a similar strategy, and they are focusing on short pay back on their investment and are all focusing on such investment opportunities. We also see in the UK sector that most oil companies are awaiting the outcome of the governmental election this autumn, to see if the existing "windfall" tax will continue or if improved tax incentive schemes will be presented from the new government. As per today, the rig market is planning lower activity for new development/ exploration programs to be executed from 2023 and onwards due to the windfall tax.

## Harsh environment forecast

In Norway 13 floaters are working and 2 floaters are stacked as per December 2023. In addition, 6 floaters have left Norway, to perform new contracts in UK, Canada, Australia and West Africa. In the UK sector 9 semi-submersible drilling units are on charter plus 4 units are stacked/ at yard.

Today the UK market depend on the election/ windfall tax for future exploration/ development drilling programs, and the general market rates needs to improve if this market shall be sustainable in the medium to long term. However, within the P&A market we see a possible increased activity since several Operators may need to commence long term programs from 2025/ 2026. This may have a positive influence on the overall rig fleet/ day rate development.

## Fleet Status

As described above, the harsh environment fleet consists of units with a higher specification than the "standard" rig fleet; hence, these units are also attractive in the general standard international market. The fleet consists of both deep-water units and midwater units.

There is currently not enough demand to utilize the whole harsh environment fleet in the harsh environment market alone, which will force contractors to offer the units in the improving global standard market at better day rates.

## **Organization**

The company had 205 full-time equivalent positions per end of 2023 compared to 165 in 2022. Of the 205 only 7 women worked with the company as of year-end, compared to 4 in 2022. The female and male employees are employed on tariffed based salary. There are no differences based on gender, nationality, or religion in the tariff agreement.

The company had 1 part time position in 2023. The company had 0 part time position that was not voluntary. 0 men had paternity leave and 0 women had maternity leave in 2023.

The company had 0 part time position that was not voluntary.

Management is working actively to increase the number of female employees. The company has an objective to hire qualified female employees as part of the company's further development. When



hiring new employees, the Company is evaluated based upon skills and objective measurements for the relevant position. No cultural, gender, religious, political or nationality considerations influence the decision. The company has internal procedures to ensure and maintain equality. Salary is based on the tariff agreement and there are no differences due to gender.

Long term sick leave amounted to 4,2 %. Short term leave amounted to 3,9 % in 2023.

The work environment is good, and management will continue to work to maintain a good work environment.

Operation of rigs is a business which is associated with risk of negative environmental impact, particularly with accidents. The company's rig satisfies the international requirements of limiting and reducing the risk of pollution to the environment. Onboard there is a proactive approach to the use of environmentally friendly products such as chemicals and waste treatment. The company attempts to be at the leading edge in respect of developments regarding safe and secure operations. Please refer to the consolidated annual report for COSL Norwegian AS for more information of the Group's environmental impact.

The board members are covered through a corporate insurance, the D&O limit is 200 million Chinese Yuan and this policy is Globally for all directors of China Oilfield Services Ltd and subsidiaries.

The Board of COSL Offshore Management AS

Sandnes, June 17<sup>th</sup> 2024

Frank Tollefsen  
Chairman of the Board and  
CEO

Zhou Bingwen  
Member of the Board



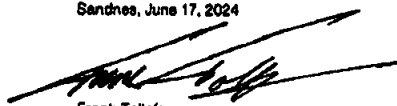
**COSL Offshore Management AS**  
**Profit and loss statement**

NOTE	OPERATING REVENUE AND OPERATING EXPENSES	2023	2022
2	Revenue	<u>2 200 819 187</u>	<u>1 341 228 292</u>
	<b>Total operating revenue</b>	<b><u>2 200 819 187</u></b>	<b><u>1 341 228 292</u></b>
3	Payroll and related costs	628 257 197	472 709 635
9	Depreciation and amortisation	15 097 600	12 714 409
4	Operating, general and administrative expenses	<u>1 599 929 164</u>	<u>759 348 880</u>
	<b>Total operating expenses</b>	<b><u>2 243 283 961</u></b>	<b><u>1 244 772 923</u></b>
	<b>Operating profit/(loss)</b>	<b><u>-42 464 774</u></b>	<b><u>96 455 369</u></b>
	<b>FINANCIAL INCOME AND FINANCIAL EXPENSES</b>		
5	Interest received from group companies	65 302 534	15 745 127
6	Other financial income	59 936 113	164 910 572
7	Other financial expenses	<u>-708 171</u>	<u>-446 184</u>
	<b>Financial items, net</b>	<b><u>124 530 475</u></b>	<b><u>180 209 515</u></b>
	<b>Profit/(loss) before taxation</b>	<b><u>82 065 701</u></b>	<b><u>276 664 883</u></b>
8	Income tax (expense)/income	<u>-3 479 819</u>	<u>-</u>
	<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	<b><u>78 585 883</u></b>	<b><u>276 664 883</u></b>
	<b>ALLOCATION OF NET PROFIT/(LOSS) AND EQUITY TRANSFERS</b>		
	Transferred to retained earnings	<u>78 585 883</u>	<u>276 664 883</u>
	<b>Total allocations and equity transfers</b>	<b><u>78 585 883</u></b>	<b><u>276 664 883</u></b>

**COSL Offshore Management AS**  
**Balance sheet at 31 December**

NOTE	ASSETS	2023	2022
	<b>Non-current assets</b>		
	<b>Tangible fixed assets</b>		
9	Property, plant and equipment	217 748 452	152 480 808
10	Other assets	75 194 106	-
	<b>Total financial non-current assets</b>	<b>75 194 105,95</b>	<b>-</b>
	<b>Total non-current assets</b>	<b>292 942 558</b>	<b>152 480 808</b>
	<b>Current assets</b>		
11	Inventories	213 884 192	166 430 245
	<b>Receivables</b>		
	Accounts receivable	180 213 813	147 593 002
12	Other receivables	176 058 721	88 928 928
13	Intercompany receivables	1 327 082 655	1 418 373 189
	<b>Total receivables</b>	<b>1 683 355 189</b>	<b>1 652 895 119</b>
14	Cash and cash equivalents	14 273 180	18 031 439
	<b>Total current assets</b>	<b>1 913 492 561</b>	<b>1 887 387 811</b>
	<b>TOTAL ASSETS</b>	<b>2 206 435 119</b>	<b>2 009 830 619</b>
	<b>NOTE SHAREHOLDERS EQUITY AND LIABILITIES</b>	<b>2023</b>	<b>2022</b>
	<b>Shareholders equity</b>		
	<b>Paid-in capital</b>		
15	Share capital	100 000	100 000
	<b>Total paid-in capital</b>	<b>100 000</b>	<b>100 000</b>
	<b>Retained earnings</b>		
15	Retained earnings	1 893 293 589	1 814 707 706
	<b>Total retained earnings</b>	<b>1 893 293 589</b>	<b>1 814 707 706</b>
	<b>Total shareholders equity</b>	<b>1 893 393 589</b>	<b>1 814 807 706</b>
16	Other non-current liabilities	45 735 750	-
	<b>Total non-current liabilities</b>	<b>45 735 750</b>	<b>-</b>
	<b>Current liabilities</b>		
17	Intercompany liabilities	30 109 740	53 955 899
	Accounts payable	24 858 736	16 249 217
8	Current income taxes payable	3 417 178	-
	Other taxes and withholdings	10 702 872	13 049 468
18	Other current liabilities	188 217 450	112 778 326
	<b>Total current liabilities</b>	<b>287 305 776</b>	<b>185 030 910</b>
	<b>Total liabilities</b>	<b>313 041 526</b>	<b>185 030 910</b>
	<b>TOTAL SHAREHOLDERS EQUITY AND LIABILITIES</b>	<b>2 206 435 119</b>	<b>2 009 830 619</b>

Sandnes, June 17, 2024

  
Frank Tollefsen  
Chairman of the Board  
Zhou Bingwen  
Board member



## COSL Offshore Management AS

### Cash flow statement

	2023	2022
<b>CASH FLOW FROM OPERATIONS:</b>		
Profit/(loss) before taxation	82 065 701	276 664 883
Taxes paid for the period	-3 479 819	-
Depreciation	15 097 600	12 714 409
Change in inventory	-27 453 948	-5 889 536
Change in group cashpool	-37 711 028	493 598 908
Change in trade and other receivables	-198 943 712	214 441 088
Change in trade and other payables	9 609 521	-4 331 887
Change in intercompany receivables	129 021 572	-1 021 180 358
Change in intercompany short term liabilities	-23 846 159	35 540 074
Change in short term liabilities	132 247 256	35 132 049
Net cash flow from operations	<u>76 606 985</u>	<u>36 689 631</u>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES:</b>		
Inflows due to sales of fixed assets		
Outflows due to purchases of fixed assets	<u>-80 365 244</u>	<u>-26 880 396</u>
Net cash flow from investment activities	<u>-80 365 244</u>	<u>-26 880 396</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Net change in bank deposits, cash and equivalents	-3 758 259	9 809 234
Bank deposits, cash and equivalents at 1 January	<u>18 031 439</u>	<u>8 222 205</u>
Bank deposits, cash and equivalents at 31 December	<u>14 273 180</u>	<u>18 031 439</u>



## COSL Offshore Management AS

Notes to the accounts, year ended 31 December 2023

### Note 1 Accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

The company has received approval from the Register of Business Enterprises in Norway to prepare the financial statements in English.

All amounts are in NOK unless otherwise stated.

#### Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule.

Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

#### Foreign currency

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date.

#### Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to use estimates and assumptions, which affect the value of the assets and liabilities, and disclosure notes. Such estimates and assumptions may have significant impact on the reported revenues and costs for a specific reporting period. The actual amounts may deviate from the estimates.

#### Tangible fixed assets

Tangible fixed assets are capitalized and classified as fixed assets. Tangible fixed assets are recorded at their historical cost less depreciation. Fixed assets are depreciated on a straight-line basis over their estimated economic life.

#### Inventories

Inventories are recognised at the lower of cost in accordance with the FIFO method and net realisable value.

#### Revenue

##### *Sale of services:*

Revenue is recognised when it is earned, i.e. when the claim to remuneration arises. This occurs when the service is performed, as the work is being done. The revenue is recognised with the value of the remuneration at the time of transaction.

#### Receivables

Trade receivables and other receivables are recognised at nominal value, less the accrual for expected losses of receivables. The accrual for losses is based on an individual assessment of each receivable.

#### Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

#### Cash pool

The Company is part of the Group cash pool arrangement with Sparebanken 1 SR Bank, for which COSL Norwegian AS is the main account holder. Balances due from and due to the cash pool arrangement are presented as balances due from or due to intercompany.

#### Income taxes

Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognised directly in equity.

Tax expense consists of current income tax expense and change in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.



## Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less. Group cashpool accounts are presented as part of cash and cash equivalents in the cash flow statement.

## Pensions

COSL Offshore Management AS provides certain post employment transitional pension and a defined contribution plan.

## Note 2 Operating revenue

COSL Offshore Management AS risks and rates of return are affected predominantly by the differences in rig business segments. The business segments are therefore the primary segment reporting format. Each business segment comprises of a rig or other activity. Secondary information is reported geographically. Each segment representing a strategic business unit.

The segments for semi-submersible rigs comprises of COSLPioneer, COSLInnovator and COSLPromoter. COSLPioneer commenced a contract with Repsol Sinopec till mid-March 2022 and then the rig went straight into operation with Ithaca. The rig is still operating for Ithaca.

COSLInnovator commenced a contract with CNOOC mid-May 2022 and was operating till end January 2024, then the rig undertook the 10 years survey at CCB, Norway.

COSLPromoter commenced a contract with Equinor in February 2023 and is still operating for Equinor.

Parts of 2022 all rigs have been stacked for a period and the company had to lay off staff both temporarily and permanent. To maintain crew the company has been able to rent out some of the laid off staff to other rig companies, this has been reported as a separate segment, as all rigs were in operation in 2023 this segment is no longer active.

Segment information 2023	Semi submersible drilling	
	rigs	Total
Contract revenue	2 064 909 494	2 064 909 494
Intercompany revenue	94 618 271	94 618 271
Related party revenue	39 095 192	39 095 192
NOX refund	2 196 230	2 196 230
<b>Total revenues</b>	<b>2 200 819 187</b>	<b>2 200 819 187</b>
Norway	926 672 285	926 672 285
Singapore	133 713 463	133 713 463
UK	1 140 433 439	1 140 433 439
<b>Total revenues</b>	<b>2 200 819 187</b>	<b>2 200 819 187</b>

Segment information 2022	Rented	Semi submersible drilling	Total
	personnel	rigs	
Contract revenue	499 339	873 177 350	873 676 689
Intercompany revenue	-	459 943 691	459 943 691
Related party revenue	-	7 607 912	7 607 912
<b>Total revenues</b>	<b>499 339</b>	<b>1 340 728 953</b>	<b>1 341 228 292</b>
Norway	499 339	102 559 424	103 058 763
Singapore	-	475 159 515	475 159 515
UK	-	763 010 013	763 010 013
<b>Total revenues</b>	<b>499 339</b>	<b>1 340 728 953</b>	<b>1 341 228 292</b>

The Semi-Submersible drilling rigs operated in Norway and UK in 2023 and 2022. The Semi-Submersible rig owning companies are registered in Singapore and COSL Offshore Management AS maintain the rigs when they were held ready for operation on behalf of the rig owning companies.



## Note 3 Payroll costs, Number of employees, Remuneration to Directors, Auditors remuneration etc.

Payroll costs	2023	2022
Wages and salaries	493 675 984	361 323 368
Social security tax	37 094 644	28 112 377
Pension costs	22 016 969	25 651 935
Other employee related costs	35 066 379	3 183 276
Hired personnel	40 403 221	54 438 678
<b>Total</b>	<b>628 257 197</b>	<b>472 709 635</b>

Average number of employees during the year 183 171

### Board of Directors and Management remuneration

No remuneration is paid or expensed and no loans or guarantees are provided to the Board of Directors or Management.

### Auditor's remuneration

Remuneration to the Company's auditor (Ernst and Young AS) is invoiced to group company COSL Drilling Europe AS and no remuneration is paid or expensed by the Company (2022: NOK 0).

### Pension

The company's pension scheme meets the requirements under Norwegian laws to provide an occupational pension scheme. The pension scheme is classified as a defined contribution scheme and is arranged through an agreement with an external pension insurance company.

## Note 4 Operating, general and administrative expenses

Operating, general and administrative expenses	2023	2022
Bareboat lease cost to rig owning companies within the Group	498 065 387	24 788 805
Catering Services	66 258 561	54 841 658
Maintenance	733 512 224	489 841 173
Insurance	17 960 075	12 793 679
Other	36 949 673	-188 919
Distributed common cost from COSL Drilling Europe AS	247 183 243	177 272 484
<b>Total bareboat fee and other operating expenses</b>	<b>1 599 929 164</b>	<b>759 348 660</b>

## Note 5 Related party transactions and balances

### Related party transactions, profit and loss

In the normal course of business, the Company enters into several types of transactions with related parties. All transactions are performed at an arms' length principle. The most significant transactions with related parties are specified as follows:

Transaction type	Note	2023	2022
Intercompany interest income/(cost)	(1)	65 302 534	15 745 127
Management and back-office costs allocated by COSL Drilling Europe AS	(2)	247 183 243	177 272 484
Bareboat lease cost	(3)	498 065 387	24 788 805

(1): Intercompany interest income/(expense) comprises interest related to the group cashpool arrangement and loans with group companies.

(2): Cost of management, back-office and other indirect overhead costs are incurred by COSL Drilling Europe AS and allocated to group companies in Norway on a pro rata basis including a mark-up.

(3): Bareboat lease costs are charged to the Company by the rig owning entities COSL Pioneer Pte Ltd, COSL Innovator Pte Ltd and COSL Promoter Pte Ltd.



## Note 6 Other financial income

Other financial income	2023	2022
Interest income bank deposits	-	726
Net agio	59 421 590	164 832 990
Interest income overdue payments	514 523	76 857
<b>Total other financial income</b>	<b>59 936 113</b>	<b>164 910 572</b>

## Note 7 Other financial expenses

Other financial expenses	2023	2022
Bank charges	560 758	446 123
Other	9 866	61
Interest overdue payments	137 547	-
<b>Total other financial expenses</b>	<b>708 171</b>	<b>446 184</b>

## Note 8 Income tax expense

Payable tax	2023	2022
Profit/(loss) before tax	82 065 701	276 664 883
Permanent differences	-3 479 819	-12 536
Change in temporary differences	-72 090 837	4 758 846
Change in tax loss carry forward	-6 495 045	-281 411 194
Taxable income / (loss)	-	-

Payable tax on profit (22%)	-	-
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### Payable tax in balance sheet

Payable tax UK	3 417 179	-
Total net receivable / (payable) tax	3 417 179	-

Temporary differences	2023	2022
Fixed assets	93 768 781	93 778 161
Inventory	-18 132 710	-
Deferred expenses	90 232 927	-
Tax loss carry forward	-793 850 876	-800 345 921
Total temporary differences	-627 981 878	-706 567 760

Calculated net deferred tax asset / (liability) (22%)	138 156 013	155 444 907
Valuation allowance	-138 156 013	-155 444 907
Total deferred tax asset / (liability) recognized (22%)	-	-

### Total tax (expense) / income

Payable and paid tax cost in UK	3 479 819	-
Total tax (expense) / income	3 479 819	-

Deferred tax assets are not recognized to the extent where future recoverability is uncertain.



## Note 9 Property, plant and equipment

	Construction in progress	Rig equipment & spare parts	Total
Cost at 1 January 2023	26 880 396	239 902 095	266 782 492
Additions, purchased	36 746 395	43 618 849	80 365 244
Cost at 31 Desember 2023	63 626 792	283 520 944	347 147 735
Including capitalised interest cost on manufactured additions		-	-
Acc. depreciation at 1 January 2023	-	114 301 684	114 301 684
Depreciation	-	15 097 600	15 097 600
Accumulated depreciation at 31 Dec. 2023	-	129 399 284	129 399 284
<b>Balance at 31 December 2023</b>	<b>63 626 792</b>	<b>154 121 660</b>	<b>217 748 452</b>

Economic life 15-20 years  
Depreciation method Linear depreciation

Capitalised leasing agreements included.

The Company acquired spare parts, machinery and equipment components relating to the semi-submersible drilling rigs which commenced

## Note 10 Other assets

The deferred cost relates to mobilization cost for the semi submersible rig COSLProspector. This cost relates to personnel cost, catering and fuel for the transit period of the rig from the yard in China to Norway. This cost is accumulated in the balance up to commencement date of the contract, then it is amortized over the contract period. The deferred cost also includes drilling equipment ordered on behalf of client with COSL ownership. This is kept in the balance and is amortized over the remaining contract period.

Deferred expenses that are amortized within one year after balance sheet date are presented as current assets.

The movements in deferred expenses are specified as follows:

	Long term deferred expenses
Deferred expenses 31.12.2022	-
Reclass between long term and short term	75 194 106
Deferred expenses 31.12.2023	75 194 106

## Note 11 Inventories

	2023	2022
Inventory	183 232 933	168 303 378
Fuel on board the rigs	30 651 259	18 126 866
<b>Total</b>	<b>213 884 192</b>	<b>186 430 245</b>

Inventory comprises spare parts and equipment tools relating to the semi-submersible drilling rigs. A part of the inventory items are maintained at the onshore logistics facility in Mongstad and a part is maintained on the rigs.

## Note 12 Other receivables

Other receivables	2023	2022
Deferred expenses	15 038 821	-
Revenue accruals	157 079 327	73 178 376
Prepayments/Reimbursables	5 668 606	13 501 213
Deposits	271 967	250 337
<b>Total</b>	<b>178 058 721</b>	<b>86 929 926</b>



## Note 13 Intercompany receivables

Intercompany receivables consist of:

Counterpart	Relationship to the counterpart	2023	2022
COSL Craft Ltd	Other group company	546 321	231 274
COSL Rig Ltd	Other group company	785 987	353 474
COSL Offshore Crew AS	Other group company	167 797	-
COSL Innovator Pte Ltd	Other group company	-	54 514 873
Group cashpool	Other group company	1 325 562 550	1 363 273 578
<b>Total</b>		<b>1 327 062 655</b>	<b>1 418 373 200</b>

### Group cashpool balance:

The Company is part of a cashpool arrangement with the intermediate holding company COSL Norwegian AS as main account holder. Interest based on floating bank deposit rates are earned or paid based on the Company's cashpool balance. A net deposit/withdrawn on the group cashpool is presented respectively as part of current assets/current liabilities.

## Note 14 Cash and cash equivalents

	2023	2022
Employee withheld taxes (restricted bank account)	14 188 846	8 989 663
Bank accounts in UK and New Zealand	84 334	9 061 776
<b>Total</b>	<b>14 273 180</b>	<b>18 031 439</b>

The company is part of a cash pool arrangement.

## Note 15 Share capital and shareholder information

	Share capital	Retained earnings	Total equity
<b>Equity at 1 January 2023</b>	<b>100 000</b>	<b>1 814 707 706</b>	<b>1 814 807 706</b>
<i>This year's change in equity:</i>			
Profit/(loss) of the year		78 585 883	78 585 883
<b>Equity at 31 December 2023</b>	<b>100 000</b>	<b>1 893 293 589</b>	<b>1 893 393 589</b>

The share capital in the company at 31 December 2023 consists of the following classes:

	Number	Nominal amount	Carrying value
Share capital by foundation	100 000 kr	1,00 kr	100 000
<b>Total</b>	<b>100 000</b>		<b>100 000</b>

### Ownership structure

Largest shareholders as of 31 December 2023:

	Shares	Total	Ownership share	Voting share
<i>COSL Drilling Europe AS</i>	100 000	100 000	100 %	100 %
<b>Total number of shares</b>	<b>100 000</b>	<b>100 000</b>	<b>100 %</b>	<b>100 %</b>

The company's accounts are included in the consolidated financial statement of COSL Norwegian AS, with office at Vestre Svanholmen 4, 4313 Sandnes.

## Note 16 Other non-current liabilities

Other Non current liabilities is the deferred income and relates to mobilization fees. The mobilization fees relates to the semi submersible drilling rig COSLProspector. This income has been received from the client at commencement date of the contract and is amortized over the contract

Deferred income that is amortized within one year after balance sheet date are presented as current liability.

The movements in deferred expenses are specified as follows:

	Long term deferred income
Deferred income 31.12.2022	-
Reclass between long term and short term	45 735 750
Deferred income 31.12.2023	45 735 750



## Note 17 Intercompany payables

Intercompany payables consist of:

Counterpart	Relationship to the counterpart	2023	2022
COSL Drilling Europe AS	Parent company	355 665	29 872 928
COSL Offshore Crew AS	Other group company	-	23 053 198
COSL Pioneer Pte Ltd	Other group company	-	121 817
COSL Promoter Pte Ltd	Other group company	-	907 957
COSL UK Ltd	Other related company	29 754 075	-
<b>Total</b>		<b>30 109 740</b>	<b>53 955 899</b>

## Note 18 Other current liabilities

Other current liabilities	2023	2022
Accruals for new pension plan incl AFP (note 15)	397 617	410 888
Current deferred income	9 147 150	-
Other salary accruals	18 242 347	12 539 437
Current cost accruals	170 430 335	99 826 000
<b>Total</b>	<b>198 217 450</b>	<b>112 776 326</b>



Statsautoriserte revisorer  
Ernst & Young AS

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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of COSL Offshore Management AS

### Opinion

We have audited the financial statements of COSL Offshore Management AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and 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 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 in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), 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

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. 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 board of directors' report contains the information required by legal requirements and 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 or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

### Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view 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 and using the

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going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

Stavanger, 26 June 2024  
ERNST & YOUNG AS

*The auditor's report is signed electronically.*

Erik Søreng  
State Authorised Public Accountant (Norway)

Independent auditor's report - COSL Offshore Management AS 2023

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"By my signature I confirm all dates and content in this document."

### Søreng, Erik

State Authorised Public Accountant (Norway)

On behalf of: Ernst & Young AS

Serial number: no\_bankid:9578-5999-4-1529830

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