



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 916 689 799
Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: ODFJELL OFFSHORE LTD
Forretningsadresse: c/o Odfjell Drilling AS
Kokstadflaten 35
5257 KOKSTAD

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

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: Tone Marit Coventry
Dato for fastsettelse av årsregnskapet: 17.06.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 29.05.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	3	197 730	65 101
Sum kostnader		197 730	65 101
Driftsresultat		-197 730	-65 101
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	5,8	643 625	1 478 993
Annen renteinntekt		160 388	14 883
Annen finansinntekt	5,9	59 400	55 500
Sum finansinntekter		863 413	1 549 376
Annen rentekostnad		556	
Annen finanskostnad	9	5 305 886	577 976
Sum finanskostnader		5 306 442	577 976
Netto finans		-4 443 029	971 400
Ordinært resultat før skattekostnad		-4 640 759	906 299
Skattekostnad på ordinært resultat	6	-7 628 786	-5 260 125
Ordinært resultat etter skattekostnad		2 988 027	6 166 424
Årsresultat		2 988 027	6 166 424
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	4	2 988 027	6 166 424
Sum overføringer og disponeringer		2 988 027	6 166 424



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Lån til foretak i samme konsern	5	10 744 832	10 101 207
Sum finansielle anleggsmidler		10 744 832	10 101 207
Sum anleggsmidler		10 744 832	10 101 207
Omløpsmidler			
Varer			
Fordringer			
Andre kortsiktige fordringer	7	16 586	16 050
Fordring konsernkontoordning Odfjell Drilling Services Ltd	8	82 069 502	63 397 444
Konsernfordringer	5	34 696 307	23 919 057
Sum fordringer		116 782 395	87 332 551
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	8	0	0
Sum bankinnskudd, kontanter og lignende		0	0
Sum omløpsmidler		116 782 395	87 332 551
SUM EIENDELER		127 527 227	97 433 758
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	4	1 000 000	1 000 000
Annen innskutt egenkapital	4	544 647 818	517 600 303
Sum innskutt egenkapital		545 647 818	518 600 303



Balanse

Beløp i: USD	Note	2020	2019
Opptjent egenkapital			
Annen egenkapital	4	-418 178 974	-421 167 001
Sum opptjent egenkapital		-418 178 974	-421 167 001
Sum egenkapital		127 468 844	97 433 302
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		58 383	456
Betalbar skatt	6	0	0
Kortsiktig konserngjeld	6	0	0
Sum kortsiktig gjeld		58 383	456
Sum gjeld		58 383	456
SUM EGENKAPITAL OG GJELD		127 527 227	97 433 758



Skattedirektoratet

Saksbehandler Jeanette Munkvold Skovholt	Deres dato 28.06.2017	Vår dato 30.06.2017
Telefon 90076012	Deres referanse Tone Marit Coventry	Vår referanse 2017713111

ODFJELL DRILLING AS
Kokstadflaten 35
5257 KOKSTAD



Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Odfjell Offshore Ltd NUF, org.nr. 916 689 799

Vi viser til deres brev av 28. juni 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Odfjell Offshore Ltd NUF.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Odfjell Offshore Ltd NUF 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

Fra søknaden gjengis:

Odfjell Offshore Ltd er datterselskap av Odfjell Drilling Ltd. Det børsnoterte Odfjell Drilling konsernet leverer oljeservicetjenester til offshoreindustrien i store deler av verden, og engelsk er brukt som bransjespråk. Konsernregnskapet til Odfjell Drilling Ltd. er også på engelsk. Odfjell Drilling Ltd har både norske og utenlandske eiere, og det er utenlandske styremedlemmer i Odfjell Drilling Ltd som er ansett som hovedbruker av regnskap til Odfjell Offshore Ltd. Odfjell Offshore Lids investeringer har vært i andre utenlandske selskaper som også er knyttet til oljeservicetjenester.

Odfjell Offshore Ltd er selskapsregistret på Bermuda hvor regnskap også utarbeides og rapporteres på engelsk.

En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

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

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

Postadresse
Postboks 9200 Grønland
0134 Oslo

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

Sentralbord
800 80 000
Telefaks
22 17 08 60



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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er del av et konsern, hvor morselskapet og i all hovedsak alle styremedlemmene er utenlandske. 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, og det anses at ingen øvrige brukere av regnskapsinformasjon blir negativt berørt av at årsregnskapet og årsberetningen utarbeides på engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Odfjell Offshore Ltd Annual Report 2020.pdf

Signers:

Name

Alle Saeboe
Gjersdal, Kjetil
Lieungh, Simen

Method

One-Time-Password
BANKID_MOBILE
BANKID_MOBILE

Date

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2021-03-24 12:01 GMT+1
2021-03-24 14:23 GMT+1

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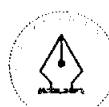
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Odfjell Offshore Ltd.

Annual report 2020



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Odfjell Offshore Ltd.

Board of Directors' report 2020

Business activities

The company was incorporated in 2011 in Bermuda, and wholly owned by the listed company Odfjell Drilling Ltd. The company migrated to Norway primo 2016 and has been managed from Norway since. The company has currently no operating activities, but is available for entering into transit and reactivation agreements for drill ships.

Going concern

The annual report and accounts have been prepared on the basis of the going concern assumption.

Working environment and personnel

The company had no employees in 2020.

Environmental reporting

The company's activities do not pollute the external environment.

Financial risk

The company's finances are overall healthy and there is no major financial risk.

Profit performance, investments, financing and liquidity

Operating revenue in Odfjell Offshore Ltd. in 2020 amounted to USD 0.0 million and the profit for the year was USD 3.0 million. In 2019 the operating revenue was USD 0.0 million and the profit for the year was USD 6.1 million.

At 31 December 2020 Odfjell Offshore Ltd had USD 82.1 million in bank deposits included in the Odfjell Drilling Ltd group cash pool.

In 2020 the company's cash flow from operating activities was negative with USD 5.2 million. Cash flow from investing activities was USD 0.0 million, and cash flow from financing activities was positive with USD 23.9 million from group contributions. Net change in liquid assets for the year was positive USD 18.7 million.

The company's financial position at 31 December 2020 is deemed to be good.

Total assets of Odfjell Offshore Ltd amounted to USD 127.5 million at 31 December 2020 (USD 97.4 million as per 31 December 2019). The equity as per 31 December 2020 amounts to USD 127.5 million (USD 97.4 million as per 31 December 2019). The equity ratio at year-end 2020 was 100 %, compared to 100 % at year-end 2019.

Events after the balance sheet date

The company was registered as a Norwegian Registered Foreign Company (NUF) on 08.03.2016 after migration of the company in January 2016, and is taxable for income to Norway. In 2017, the company filed for a tax deduction, of approximately NOK 2.3 billion, on redemption of shares of shares in Deep Sea Metro Ltd. A total of NOK 1 billion of this loss has been utilised through group contributions received from other Norwegian entities within the Odfjell Drilling Ltd group in the period 2017 to 2020.

In 2018, the Norwegian Tax authorities requested further information regarding the deductibility for these tax losses. In March 2021 the company received a new letter from the Norwegian Tax authorities where they argue that Company is not tax resident in Norway, and if it is, that the losses are not deductible and warn of a potential change in the Company's tax return as a consequence of this. At the same time, further information was requested in the letter and the Company is given until 30 April 2021 to respond. If the Company is not recognised as a tax resident in Norway, the group contributions received in the period 2017 to 2020 will not be deductible for the Norwegian entities that have provided the group contributions. If the losses are not considered to be deductible the Company will have a payable tax equal to approximately NOK 238 million (USD 28 million).

The Company is still of the opinion that the most likely outcome of any further proceedings is that the company is recognised as a tax resident in Norway and maintains the right to utilise the tax losses.



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No other circumstances have arisen after the close of the fiscal year 2020 that is of material importance in evaluating the company's profit performance and position.

Profit/loss for the year and allocations

The board proposes the following allocation of profit for the year in Odfjell Offshore Ltd.:

Transferred to other equity	USD	2,988,027
Group contribution	USD	0
Total transferred	USD	2,988,027

Bergen, 22 March 2021

Simen Lieungh
Director

Kjetil Gjersdal
Director

Atle Sæbø
Director



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Odfjell Offshore Ltd.

Financial Statements

2020



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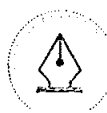
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Odfjell Offshore Ltd.
(all amounts are in USD unless otherwise stated)

Income Statement for the year ended 31 December

	Note	2020	2019
Operating revenue		-	-
Total operating income		-	-
Other operating expenses	3	(197,730)	(65,101)
Total operating expenses		(197,730)	(65,101)
Operating profit (EBIT)		(197,730)	(65,101)
Interest income		160,388	14,883
Interest income from group companies	5, 8	643,625	1,478,993
Other financial income	5, 9	59,400	55,500
Interest expenses		(556)	-
Other financial expenses	9	(5,305,886)	(577,976)
Financial income / (costs)		(4,443,029)	971,400
Net profit before tax		(4,640,759)	906,299
Income tax (expense) income	6	7,628,786	5,260,126
Net profit for the period		2,988,027	6,166,424
Net profit for the period	4	2,988,027	6,166,424
Group contribution / Capital distribution		-	-
Total transferred		2,988,027	6,166,424



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Odfjell Offshore Ltd.
(all amounts are in USD unless otherwise stated)

Statement of Financial Position

	Note	31.12.2020	31.12.2019
Assets			
Non-current loan to group companies	5	10,744,832	10,101,207
Total non-current assets		10,744,832	10,101,207
Current receivables group companies	5	34,696,307	23,919,057
Other current receivables	7	16,586	16,050
Cash and cash equivalents	8	-	-
Receivables Cash Pool Odfjell Drilling Services Ltd	8	82,069,502	63,397,444
Total current assets		116,782,395	87,332,551
Total assets		127,527,227	97,433,758
Equity and liabilities			
Share capital	4	1,000,000	1,000,000
Other contributed capital	4	544,647,818	517,600,303
Other equity	4	-418,178,974	(421,167,001)
Total equity		127,468,844	97,433,303
Tax payable	6	-	-
Current liabilities group companies	6	-	-
Trade payables		58,383	456
Total current liabilities		58,383	456
Total equity and liabilities		127,527,227	97,433,758

The Board of Odfjell Offshore Ltd
Bergen, 22 March 2021

Simen Lieungh
Director

Kjetil Gjersdal
Director

Atle Sæbø
Director



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Odfjell Offshore Ltd.
(all amounts are in USD unless otherwise stated)

Statement of Cash Flows for the year ended 31 December

	2020	2019
Cash flows from operating activities:		
Profit before income tax	(4,640,759)	906,299
<i>Adjustments for:</i>		
Interest expense / (income) net	(804,013)	(1,493,877)
Guarantee provision (income)	(59,400)	(55,500)
Taxes paid	(8,780)	(7,180)
<i>Changes in working capital:</i>		
Change in trade receivables and other receivables	8,244	(90)
Change in trade payables and other current liabilities	57,927	(5)
Change in receivables and payables from intercompany and related parties	39,394	46,104
Cash generated from operations	(5,407,387)	(604,249)
Interest received / (paid) - net	160,388	750,665
Net cash generated from operating activities	(5,246,999)	146,417
Cash flows from investing activities:		
Payment to group companies - increased non-current receivables	-	-
Net cash used in investing activities	-	-
Cash flows from financing activities:		
Proceeds group contributions	23,919,057	36,494,965
Net cash used in financing activities	23,919,057	36,494,965
Net change in cash and cash equivalents	18,672,058	36,641,381
Cash and cash equivalents 01.01	63,397,444	26,756,063
Exchange gains/(losses) on cash and cash equivalents	-	-
Cash and cash equivalents at 31.12	82,069,502	63,397,444
(*) Where of amount that is part of the group cash pool scheme	82,069,502	63,397,444



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Odfjell Offshore Ltd.
Notes to the Financial Statements
(All amounts are in USD unless otherwise stated)

Note 1 Accounting Principles

Odfjell Offshore Ltd. is a private limited liability company incorporated under the laws of Bermuda on the 25th of March 2011 having its statutory seat in Hamilton, Bermuda with business address Kokstadflaten 35, 5257 Kokstad, Norway.

Odfjell Offshore Ltd. is a subsidiary of the listed company Odfjell Drilling Ltd. Group financial statement is published and can be retrieved from www.odfjelldrilling.com or at main office in Aberdeen (Crawpeel Road), United Kingdom.

Basis of presentation

The financial statements have been prepared on the basis of the going concern assumption. The financial statements are presented in USD.

Statement of compliance

The financial statements of the company have been prepared in accordance with Norwegian General Accepted Accounting Practices ("NGAAP").

The accounting information includes profit and loss statement, balance sheet statement, notes and cashflow statement.

Description of material accounting policies

Based on the economic substance of the underlying events and circumstances relevant to the company, the functional currency of the company has been determined to be the United States dollar (USD).

The principal accounting policies adopted in preparing the financial statements of the company are as follows:

Classification of balance sheet items

Assets and liabilities that fall due within 12 months of the balance sheet date are classified as current assets and liabilities. Assets for long-term use are classified as non-current assets.

Revenue

Revenue will be recognised to the extent that it is probable that the financial benefits will accrue to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and other sales taxes or duty. Revenues are recognised as they are earned.

Receivables and prepayments

Receivables and prepayments are valued at the lower of historical cost and market value.

Dividends and group contributions are recognised in the same year as they are recognised in the subsidiary. If dividends exceed retained earnings after acquisition, the exceeding amount is regarded as reimbursement of invested capital and the distribution will reduce the recorded value of the acquisition in the balance sheet.

Foreign currency

Transactions in foreign currencies are recorded at monthly currency rates. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate on the balance sheet date. Foreign currency gains and losses are recorded as financial items when incurred.

Cash and cash equivalents

Cash represents cash in hand and deposits with banks that are repayable on demand.

Cash equivalents represent short-term, highly liquid investments which are readily convertible into known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

Costs of equity transactions

Transaction costs relating to an equity transaction are recognised directly in equity. Only transaction costs directly linked to the equity transaction are recognised directly in equity.

Current and deferred income tax

Odfjell Offshore Ltd is migrated to Norway and registered as a Norwegian Registered Foreign Company (NUF). The company is taxable for income taxes to Norway.

Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity.



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Odfjell Offshore Ltd.
Notes to the Financial Statements
(All amounts are in USD unless otherwise stated)

Note 2 General information

Odfjell Offshore Ltd ("the Company") was incorporated on March 25, 2011 in Bermuda, for the purpose of continuing the investments in rig activities of its parent company, Odfjell Drilling Ltd. In May 2011, the Company received shares in subsidiaries and associated companies and interest bearing loan as a contribution from Odfjell Drilling Ltd.

In December 2015, the Odfjell Drilling Ltd. Group was re-structured, and as a part of the re-structuring Odfjell Offshore Ltd. changed its main purpose to be only the holding company for the joint venture investment (40%) in Deep Sea Metro Ltd. All other rig investments were transferred to Odfjell Rig Owning Ltd. as a part of the re-structuring of the Odfjell Drilling Ltd. Group. On 20.12.2017 the shares in Deep Sea Metro Ltd. was repurchased by Deep Sea Metro Ltd.

The company is in advanced discussions of entering into transit and reactivation agreement for drillship.

Note 3 Operating expenses and remuneration of the board of directors

The are no employees in the Company. No remuneration were paid to the Board of Directors during the year.

	2020	2019
Fee to the auditor(ex. VAT):		
Audit	2,105	2,464
Total	2,105	2,464
Other operating expenses:		
Financial and legal assistance	184,925	62,477
Other expenses	10,701	161
Total	195,626	62,638
Total operating expenses	197,730	65,101



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Odfjell Offshore Ltd.
Notes to the Financial Statements
(All amounts are in USD unless otherwise stated)

Note 4 Shareholder's equity

	Share capital	Other contributed capital	Retained earnings	Total
Shareholders' equity as per 31 December 2019	1,000,000	517,600,303	(421,167,001)	97,433,303
Group contributions received		27,047,514		27,047,514
Net profit for the year			2,988,027	2,988,027
Shareholders' equity as per 31 December 2020	1,000,000	544,647,818	(418,178,974)	127,468,844

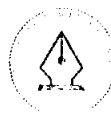
Group contribution of gross MNOK 296 received from group companies to Odfjell Offshore Ltd. The net effect after taxes equals MUSD 27. Overview of group contributions received per company listed in Note 5.

Issued share capital is MUSD 1, 100 000 000 shares at par value USD 0,01. The authorized number of shares are 300 000 000.

The share capital and information about shareholders:	Number	Nominal value	Book value
Shares	100,000,000	USD 0.01	1,000,000
Total	100,000,000	USD 0.01	1,000,000

All shares carry equal voting rights.

Overview of shareholders as per 31 December 2020	Shares	Participating interests/ share
Odfjell Drilling Ltd.	100,000,000	100.00 %
Total number of shares	100,000,000	100.00 %



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Odfjell Offshore Ltd.
Notes to the Financial Statements
(All amounts are in USD unless otherwise stated)

Note 5 Transactions, receivables and liabilities group companies

Non-current receivables:	Interest conditions	Maturity date	Interest income		
			2020	2020	2019
Odfjell Drilling Ltd	3 mnt LIBOR + 5.16% margin	28.08.2022	643,625	10,744,832	10,101,207
Total non-current			643,625	10,744,832	10,101,207

The company entered into a loan agreement with Odfjell Drilling Ltd. (parent company), in August 2017. The maximum aggregated loan amount is USD 8.5 million plus interest added to the principal. The loan and interest shall be repaid in full at maturity date at the latest. No impairment indicators identified as at 31.12.2020.

Current receivables group companies

Type of transaction	Related party		2020	2019
Receivables related to operations	Odfjell Drilling AS	Group company	20,006	9,396
Group contribution	Odfjell Drilling AS	Group company	18,875,372	12,327,483
Group contribution	Odfjell Global Business Services AS	Group company	782,997	-
Group contribution	Odfjell Drilling Technology AS	Group company	5,052,036	3,419,701
Group contribution	Odfjell Platform Drilling AS	Group company	-	491,213
Group contribution	Odfjell Drilling Management AS	Group company	4,265,171	3,977,541
Group contribution	Odfjell Well Services AS	Group company	252,678	54,098
Group contribution	Odfjell Well Services Norway AS	Group company	4,999,531	3,639,625
Group contribution	Deep Sea Drilling Company AS	Group company	448,515	-
Total current receivables group companies			34,696,307	23,919,057

Income from group companies

Type of transaction	Related party	Relation	2020	2019
Interest income - Loan	Odfjell Drilling Ltd	Parent	643,625	743,211
Interest income - Cash Pool	Odfjell Drilling Services Ltd	Group company	160,388	735,782
Guarantee settlement/provision	Odfjell Rig III Ltd	Group company	59,400	55,500
Total			863,413	1,534,493

Expenses from group companies

Type of transaction	Related party	Relation	2020	2019
Management fee	Odfjell Global Business Service AS	Group company	(10,421)	(11,385)
Total			(10,421)	(11,694)



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Odfjell Offshore Ltd.
Notes to the Financial Statements
(All amounts are in USD unless otherwise stated)

Note 6 Taxation

Odfjell Offshore Ltd is registered in Bermuda. There is no Bermuda income, corporation, or profit tax, withholding tax, capital gains, capital transfer tax, estate duty or inheritance tax payable by the company or its shareholders not ordinarily resident in Bermuda. The company is not subject to Bermudan stamp duty on the issue, transfer or redemption of its shares.

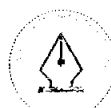
The Company has received from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1996 an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not until 2035 be applicable to the company or to any of its operations, or to the shares, debentures or other obligations of the company except insofar as such tax applies to persons ordinarily resident in Bermuda and holding such shares, debentures or other obligations of the company or any land leased or let to the company.

As an exempted entity, the Company is liable to pay a registration fee in Bermuda at a rate presently amounting to USD 8 780 per annum.

Odfjell Offshore Ltd was registered as a Norwegian Registered Foreign Company (NUF) on 08.03.2016, and is taxable for income to Norway.

In 2017, Odfjell Offshore Ltd, filed for a tax deduction for losses on redemption of shares in Deep Sea Metro Ltd. The Norwegian tax authorities have requested further information, and are investigating whether the tax losses are deductible. Odfjell Offshore Ltd is of the opinion that the most likely outcome of any further proceedings is that the company maintains the right to tax loss deduction.

	USD	USD/NOK	2020 NOK	2019 NOK
Total tax expense				
Tax payable			-	-
Change in deferred tax			13,925,021	(3,217,247)
Change in deferred tax estimate due to changed tax rate			-	-
Change in deferred tax not capitalized			51,168,359	49,402,727
Reported tax (expense) / income	7,628,786	8,5326	65,093,380	46,185,480
Tax payable is calculated as follow				
Net profit before tax	(4,640,759)		-56,992,156	13,026,102
Non-tax deductible (costs) / income (Currency translation difference in tax calculation)			-6,303,395	1,597,747
Group contribution received, netted against tax loss carry forward	34,676,300		295,879,000	209,934,000
Utilization of unrecognized tax loss carried forward			-232,583,449	(224,557,848)
Taxable profit (loss) to Norway			-	-
Tax rate (Norway)			22%	22%
Taxes payable			-	-
Specification of deferred tax basis				
Loss carry forward	-145,810,269		(1,244,140,693)	(1,476,724,142)
Basis for deferred tax	(145,810,269)		(1,244,140,693)	(1,476,724,142)
Nominal tax rate			22%	22%
Deferred tax (+) / Deferred tax asset (-)	-32,078,259		(273,710,952)	(324,879,311)
Deferred tax asset not capitalized	32,078,259		273,710,952	324,879,311
Deferred tax asset recognized in balance as per 31.12	-		-	-
Reconciliation from nominal to actual tax rate				
Net profit before tax	(4,640,759)		(56,992,156)	13,026,102
Nominal tax rate			22%	22%
Expected tax (expense) / income at nominal tax rate	1,020,967		12,538,274	(2,865,742)
Tax effect of the following items:				
Non-tax deductible (costs) / income (Currency translation difference in tax calculation)	611,011		1,386,747	(351,504)
Change in deferred tax not capitalized	5,996,808		51,168,359	49,402,727
Reported tax (expense) / income	7,628,786		65,093,380	46,185,480



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Odfjell Offshore Ltd.
Notes to the Financial Statements
(All amounts are in USD unless otherwise stated)

Note 7 Other current receivables and liabilities

	2020	2019
Other prepayments	16,586	16,050
Total Other current receivables	16,586	16,050

Note 8 Cash and bank deposits

The company's bank deposits are part of the cash pool scheme where Odfjell Drilling Services Ltd. is the account owner and thus the owner of the bank funds. The cash pool has been created to help optimize liquidity management in Odfjell Drilling Ltd. Group. The company has joint and several liability for deposits in the cash pool arrangement. Net deposits/over drafts in the cash pool arrangement are classified as current assets/liabilities in the balance sheet.

Note 9 Financial income and expenses

Other financial income:	Note	2020	2019
Guarantee provision	5	59,400	55,500
Total other finance income		59,400	55,500

Other financial expenses:	2020	2019
Net currency loss	(5,305,886)	(577,976)
Total other finance expenses	(5,305,886)	(577,976)



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To the General Meeting of Odfjell Offshore Ltd

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Odfjell Offshore Ltd, which comprise the statement of financial position at 31 December 2020, 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 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 2020, 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 - Odfjell Offshore Ltd



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 a true and fair view 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 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, 22 March 2021
PricewaterhouseCoopers AS

Marius Kaland Olsen
State Authorised Public Accountant

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Independent Auditor's Report - Odfjell Offshore Ltd



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Auditor's report

Signers:

Name	Method	Date
Olsen, Marius Kaland	BANKID_MOBILE	2021-03-22 16:27

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