



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 990 952 507
Organisasjonsform: Aksjeselskap
Foretaksnavn: OCEANIC SEISMIC VESSELS AS
Forretningsadresse: Damsgårdsveien 135
5160 LAKSEVÅG

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: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Hilde Marie Bjerga
Dato for fastsettelse av årsregnskapet: 30.06.2021

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, 24.07.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Operating revenue	9, 12	21 880 000	18 250 000
Other operating revenue	9, 12		
Sum inntekter		21 880 000	18 250 000
Kostnader			
Depreciation	6	17 031 823	10 088 096
Nedskrivning av varige driftsmidler og immaterielle eiendeler	6		32 837 133
Other operating expenses	4	168 581	65 612
Administration expenses	4		
Sum kostnader		17 200 404	42 990 841
Driftsresultat		4 679 596	-24 740 841
Finansinntekter og finanskostnader			
Annen renteinntekt	8	859	79 368
Sum finansinntekter		859	79 368
Annen rentekostnad	8, 8	5 903 583	6 520 058
Exchange loss (-) /gain (+)	8	2 272	7 429
Sum finanskostnader		5 905 855	6 527 486
Netto finans		-5 904 996	-6 448 118
Ordinært resultat før skattekostnad		-1 225 400	-31 188 959
Tax expenses	5		
Ordinært resultat etter skattekostnad		-1 225 400	-31 188 959
Årsresultat		-1 225 400	-31 188 959
Årsresultat etter minoritetsinteresser		-1 225 400	-31 188 959
Totalresultat		-1 225 400	-31 188 959
Overføringer og disponeringer			



Resultatregnskap

Beløp i: USD	Note	2020	2019
To other equity	2	-1 225 400	-31 188 959
Sum overføringer og disponeringer		-1 225 400	-31 188 959



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5		
Varige driftsmidler			
Vessels and marine equipment	6, 7	109 965 895	119 999 614
Right of use assets	6, 9, 11	27 992 417	
Sum varige driftsmidler		137 958 312	119 999 614
Sum anleggsmidler		137 958 312	119 999 614
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables			124 354
Other short-term receivables		2 442	6 473
Sum fordringer		2 442	130 827
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	7	4 833 534	17 029 751
Sum bankinnskudd, kontanter og lignende		4 833 534	17 029 751
Sum omløpsmidler		4 835 976	17 160 578
SUM EIENDELER		142 794 288	137 160 192
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	2, 3	28 281 886	28 281 886
Beholdning av egne aksjer	2	-2 414 171	-2 414 171



Balanse

Beløp i: USD	Note	2020	2019
Overkurs	2		
Sum innskutt egenkapital		25 867 715	25 867 715
Opptjent egenkapital			
Retained earnings	2	-9 096 036	-7 870 636
Udekket tap	2		
Sum opptjent egenkapital		-9 096 036	-7 870 636
Sum egenkapital		16 771 679	17 997 079
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	7	58 439 477	84 244 346
Langsiktig konserngjeld	7, 9, 9	21 550 000	19 103 394
Other long-term financial lease liabilities	9, 11	18 676 374	
Sum annen langsiktig gjeld		98 665 850	103 347 740
Sum langsiktig gjeld		98 665 850	103 347 740
Kortsiktig gjeld			
Liabilities to financial institutions	7	14 000 000	11 839 492
Leverandørgjeld		125 015	
Borrowings from related parties	7, 9	4 093 071	3 700 000
Other short-term financial lease liabilities	9, 11	8 367 460	
Liabilities to group companies	9	771 213	
Other current liabilities			275 880
Sum kortsiktig gjeld		27 356 759	15 815 372
Sum gjeld		126 022 609	119 163 112
SUM EGENKAPITAL OG GJELD		142 794 288	137 160 192



Oceanic Seismic Vessels AS

Org nr. 990 952 507

Financial Report 2020



Director's report 2020

General information

Oceanic Seismic Vessels AS (the "Company") is a limited liability company, registered in Norway and was founded the 8th of February 2007. The Company's primary activity is to own and charter seismic vessels to entities operating as seismic service providers. Oceanic Seismic Vessel AS and Eidesvik Seismic Vessel AS merged under the name of Oceanic Seismic Vessel AS with effect from January 1st, 2018. As of January 8th, 2020 the company became part of the Shearwater GeoServices group ("Shearwater") and has its corporate office in Bergen. The Company is a fully owned subsidiary of Global Seismic Shipping AS.

The Company owns two seismic 3D vessels "Oceanic Vega" and "Oceanic Sirius". Both vessels have been on bareboat charters with Shearwater GeoServices CharterCo AS and has been managed by Reflection Marine Ltd, UK. Both companies are fully owned subsidiaries of Shearwater.

Financial review

Result before tax in 2020 was negative USD 1.2 mill. (2019: negative USD 31.2 mill.). Net operating profit was positive USD 4.7 mill. in 2020 (2019: negative USD 24.7 mill.). The loss in 2019 was due to impairment of vessels total of USD 32.8 mill. Financial items were negative USD 5.9 mill. in 2020 (2019: negative USD 6.4 mill.) of which the main expense was interest and guarantees on long term loans. In addition, USD 1.0 mill. in 2020 was related to interest on intercompany financial lease.

The Company's liquidity was USD 4.8 mill. as at 31.12.2020 (2019: USD 17.0 mill.). Cash flow from operating activities in 2020 was positive USD 21.7 mill. (2019: positive USD 20.1 mill.). Net cash flow from financing activities was negative USD 33.9 mill. (2019: negative USD 19.5 mill.). In 2020 the Company paid instalments of USD 27.7 mill. which was considerable higher than in 2019. The increase compared to the previous year was a result of the shares in Global Seismic Shipping AS being transferred to the ownership of Shearwater in January 2020, hence the Company subsequently became a subsidiary of Shearwater. The financial institutions behind the financing facilities of the Company continued their existing arrangements under new ownership with an amended instalment plan. The Company made no investments in 2020.

Future prospects

The company's operation is exposed to the development in the markets for oil and gas exploration and -production. Business activity in the Shearwater group in the first half of 2020 reflected improved market rates as demand for seismic data rebounded in 2019 after several years depressed E&P activity following the oil price collapse in 2014. The positive trend was however disrupted by the Covid-19 pandemic and as OPEC and Russia failed to agree on oil production quotas. The corresponding negative impact on commodity markets and subsequent reductions in E&P investments led to a significant decline in demand for Shearwaters' services into the second half of the year.

Despite the challenging market conditions, Shearwater group continued to secure new contracts with E&P clients to a large extent prioritising production related seismic over exploration surveys. Going into 2021, this trend has continued, and market activity has started to recover amid the roll-out of vaccination programs and rebounding oil prices.

Longer-term, the global economic activity will recover from Covid-19 and drive increased demand for oil and gas which together with more focus on enhanced oil recovery will require the E&P sector to resume and increase exploration and development investments. This provides a positive outlook for the seismic market. Still, the seismic market recovery is from historically low levels reflecting years of reduced exploration across the E&P industry.



Going concern

Based on the above report of profit and loss for the Company, the Board of Directors confirms that the financial statements for 2020 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.

Financial risk

The Company's functional currency is USD. The exposure to currency risks are limited as the Company's financing as well as charter income are based in USD. There is limited exposure to other currencies.

The Company's vessels have in 2020 been chartered to Shearwater companies. The charters are guaranteed by Shearwater GeoServices Holding AS, and the credit risk is considered moderate.

The Company has entered into a fixed interest rate agreement with its lenders and has no exposure to changes in interest rates in the next four years.

The Company operates and invests in market segments which are largely dependent on global trends in demand for oil and gas and is hence exposed to market risks. However, long term bareboat charters to Shearwater operating company guaranteed by the Shearwater holding company, reduces this risk to a moderate level.

Employees

The Company has no employees. Shearwater GeoServices Norway AS, a company in the Shearwater GeoServices group, held the function as Company Manager from January 2020.

Both genders are equally represented in the Board of Directors. The Board of Directors has not considered it necessary to implement specific actions in accordance with equality.

Environment

Safe behaviour in this industry is paramount. The Company's vessels are sophisticated and modern with high technical standard. The vessels are developed for optimal use of energy and low fuel consumption to lower the emission of NOx and CO2. Operational routines are optimized with the technical concepts to prevent damage and accidents on personnel, environment and equipment. Operation of seismic vessels will always have some emission and the risk of unfortunate incidents cannot be eliminated.

Allocation of net loss

The financial statement shows a loss of USD 1,225,400 which is proposed transferred to other equity.

Bergen, 30.06.2021

Board of Directors in Oceanic Seismic Vessels AS

Irene Waage Basili
chairman of the board/
managing director

Andreas Hveding Aubert
member of the board



Oceanic Seismic Vessels AS

All figures in USD

BALANCE SHEET

ASSETS	Note	2020	2019
Non-current assets			
Fixed assets			
Vessel	6.7	109,965,895	119,999,614
Right of use asset - streamers	6, 9, 11	27,992,417	-
Total fixed assets		137,958,312	119,999,614
Total non-current assets		137,958,312	119,999,614
Current assets			
Receivables			
Trade debtors		-	124,354
Other current assets		2,443	6,473
Total receivables		2,443	130,827
Cash and cash equivalents	7	4,833,534	17,029,751
Total current assets		4,835,977	17,160,578
TOTAL ASSETS		142,794,289	137,160,192



Oceanic Seismic Vessels AS

All figures in USD

Profit and Loss

	Note	2,020	2019
Revenue	9, 12	21,880,000	18,250,000
Other revenue	9	-	-
Total revenue		21,880,000	18,250,000
Salary and personnel costs			
Other operating expenses	4	168,581	65,612
Depreciation	6	17,031,823	10,088,096
Impairment	6	-	32,837,133
Total operating cost		17,200,404	42,990,841
Operating profit		4,679,596	-24,740,841
Finance income	8	859	79,368
Write-down on financial fixed assets	8	-	-
Finance expenses	8	-4,900,271	-6,520,058
Interest on financial lease	8	-1,003,312	0
Net currency gain/ losses	8	-2,272	-7,429
Net financial items		-5,904,996	-6,448,119
Profit before tax		-1,225,400	-31,188,960
Income tax expense	5	-	-
Profit for the year from total operations		-1,225,400	-31,188,960
Comprehensive income			
Profit		-1,225,400	-31,188,960
Items not recognized in profit and loss			
Total comprehensive income		-1,225,400	-31,188,960
Total comprehensive income attributable to:			
From premium capital			
Other equity		-1,225,400	-31,188,960
To/From loss carried forward			
		-1,225,400	-31,188,960



Oceanic Seismic Vessels AS

All figures in USD

BALANCE SHEET

EQUITY AND LIABILITIES	Note	2020	2019
EQUITY			
<i>Paid in capital</i>			
Share capital	2,3	28,281,886	28,281,886
Own shares	2	-2,414,171	-2,414,171
Total paid in capital		25,867,715	25,867,715
<i>Other equity</i>			
Other equity	2	-9,096,036	-7,870,637
Total other equity		-9,096,036	-7,870,637
Total equity		16,771,679	17,997,079
LIABILITIES			
Non current liabilities			
Borrowings from financial institution	7	58,439,477	84,244,346
Borrowings from related parties	7, 9	12,600,000	19,103,394
Long-term financial lease liabilities	9, 11	18,676,374	-
Other long-term liabilities to holding company	9	8,950,000	-
Total non current liabilities		98,665,850	103,347,740
Current liabilities			
Borrowings from financial institution	7	14,000,000	11,839,492
Borrowings from related parties	7, 9	4,093,071	3,700,000
Other short-term financial lease liabilities	9, 11	8,367,460	-
Debt to suppliers		125,015	-
Liabilities to group companies	9	771,213	-
Other current liabilities		-	275,880
Total current liabilities		27,356,759	15,815,373
Total Liabilities		126,022,609	119,163,113
TOTAL EQUITY AND LIABILITIES		142,794,289	137,160,192

Bergen 30.06.2021

Irene Waage Basili
chairman/managing director

Andreas Hveding Aubert
board member



Oceanic Seismic Vessels AS

All figures in USD

CASH FLOW STATEMENT

	2,020	2019
Cash flow from operating activities		
Receipts from customers	21,880,000	19,818,269
Payments to suppliers	-319,447	183,884
Interest received	859	79,368
Payments of taxes	0	-2,566
Change in other accruals	128,993	-8,114
Net cash flow from operating activities	21,690,405	20,070,841
Cash flow from financing activities		
Paid interests and funding costs on borrowings	-4,218,907	-4,578,605
Repayment of borrowings	-27,700,000	-12,879,492
Payment on financial lease	-8,950,000	0
Guarantee comission	-2,736,050	-2,078,174
Change in group receivables/payables	9,721,213	0
Net cash flow from financing activities	-33,883,743	-19,536,271
Net increase/ decrease in cash and cash equivalents	-12,193,338	534,570
Net currency translation effects	-2,879	-7,429
Cash and cash equivalents at beginning of period	17,029,751	16,502,611
Cash and cash equivalents at end of period	4,833,534	17,029,751



Oceanic Seismic Vessels AS

Notes to the financial statements 2020

Note 1 - BASIS FOR PREPARATION OF THE ANNUAL ACCOUNTS

Oceanic Seismic Vessels AS is a Norwegian registered company with corporate office in Bergen. The Company owns modern purpose built seismic vessels. All issued shares of the Company is held by the Norwegian registered Global Seismic Shipping AS, Bergen. The Company charters vessels on long term charters to related vessel operating companies.

As of 8th of January 2020 the Company is part of the Shearwater GeoServices group. The Group's consolidated financial statement is available at the corporate head office in Damsgårdsveien 135, Bergen, Norway.

The financial statements have been prepared in accordance with the Norwegian accounting act § 3-9 and "Forskrift om forenklet IFRS fastsatt av Finansdepartementet 21. januar 2008" (hereafter "Simplified IFRS"). This implies that recognition and measurement are mainly in accordance with International Financial Reporting Standards (IFRS) and that presentation and disclosures are in accordance with the Norwegian accounting act and good accounting practice.

ACCOUNTING CURRENCY

Both functional currency and presented currency is USD hence the annual accounts are presented in USD.

BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis.

USE OF ESTIMATES

The management uses estimates and assumptions that effects assets, liabilities, revenue, expenses and informs of potential obligations.

The main sources of uncertainties when using estimates for the company are related to:

Fixed assets including depreciations

Depreciation model is based on expected economical life of the asset. Remaining value as basis for depreciation is based on estimates.

Income Taxes

Income tax expenses are a year-end estimate. Tax calculation is based on the annual accounts and includes estimates on normal price and other permanent differences which is final first after tax return is filed for the accounting year. There are still uncertainties related to tax expenses if the taxation office concludes differently then the company.

CONVERSION OF FOREIGN CURRENCY AND CURRENCY TRANSACTIONS

Transactions in foreign currency is converted to USD based on the exchange rate at date of transaction. Current assets in foreign currency is retranslated to the USD rate of exchange ruling at the balance sheet date. Currency exchange gains or losses at conversion is presented in the Profit and Loss statement as a financial- income/ expense or as a operating income/ expense. The classification of the currency gains or losses depends on the basis for the calculation.

SEISMIC VESSELS

Acquired and developed properties in use are depreciated using straight-line method. For newbuilding contracts the paid milestone are capitalized together with direct cost related to project management and interest on loans related to the building.

Depreciation of assets are calculated on a straight-line basis rates and adjusted for impairment charges and residual value, if any.

Expected useful lives of long-lived assets are reviewed at each balance sheet date and, where they differ significantly from previous estimates, depreciation periods are changed accordingly. Any change is accounted for prospectively.

The residual value of an asset is the estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Ordinary repairs and maintenance costs, defined as day-to-day servicing costs, are charged to the income statement during the financial period in which they are incurred. The cost of major overhauls is included in the asset's carrying amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in other operating expenses.

BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction or production of a qualifying asset, are capitalized as part of the cost of that asset. Other borrowing costs are recognised as amortized cost on long-term debt.



IMPAIRMENT OF LONG-LIVED ASSETS

Seismic vessels and equipment as well as intangible assets with finite useful life are reviewed for potential impairment indicators annually, and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Management has estimated both fair value less cost of disposal and value in use. Fair value less cost of disposal is based on the average of two valuations from reputable brokers, adjusted for expected sales commissions. The values in the broker valuations are quoted as a range. The mid-point in the range is used, since this is considered to best reflect all possible outcomes of a potential transaction. In the current market, the valuations from brokers only to a limited extent represents results of transactions of similar assets. This reduces the reliability of the valuation, and management has sought to substantiate the broker valuations, inter alia with value in use calculations or tests of reasonableness of implicit rates derived from the valuations.

Implicit rates have been derived from a discounted cash flow model. Estimating future cash flows requires management to make judgments regarding long-term forecasts of future revenues and costs related to the assets subject to review. These forecasts are subject to uncertainty as they require assumptions about demand for our products and services, future market conditions and technological developments. Significant and unanticipated changes in these assumptions could result in impairments in a future period

The Group applied a pre-tax discount rate of 10.0% in determining discounted cash flows in connection with the impairment evaluations of seismic vessels and equipment at year end. The rates reflect the estimated weighted average cost of capital for Group activities.

When estimating value in use, management has used the same assumption and discount rate as in the evaluation of the broker valuations. In estimating future cash flows for the seismic fleet, management has based the assessment on awarded projects as well as estimates about future rates. Future rates are based on expectations of improved oil price, that oil and gas demand is recovering and will be further supported by lifting Covid-19 related economic lock downs, and deferred 2020 projects coming back to the market. Even as the global energy transition evolves towards a higher share of renewable sources, Shearwater believes that oil and gas will remain a vital part of the energy mix also in the future.

Due to the inherent volatile nature of macro-economic factors such as future oil price, discount rate and changes to rules and regulations for seismic exploration, there is always a risk of change to the assumptions used.

LEASING

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

The Company as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises the liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease term

The lease term is determined on the commencement date of the lease, and corresponds to the term of the lease contract, unless the Company is reasonably certain that it will exercise contractual extensions or termination options.

Measurement of lease liabilities

At the commencement date of the lease, the Company recognises a lease liability measured at the present value of lease payments due under the contract, less any lease incentives receivable, plus the costs of purchase or termination options if reasonably certain to be exercised. Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Company's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Subsequently, the carrying amount of the lease liability is increased to reflect the accumulation of interest on the liability balance and reduced as the lease payments are charged to the liability. In addition, the carrying amount of the lease liability is remeasured to reflect contractual modifications, changes to lease payments or changes in the assessment of the lease term.

Measurement of right-of-use asset

Right-of-use assets are measured at cost, comprising the initial measurement of lease liability, lease payments made at the commencement date, initial direct costs and estimated restoration costs, less any lease incentives received. Subsequently, the right-of-use asset is measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of long-lived assets.

Short term leases and low value leases

The Company has no short-term leases or leases of low-value assets.



TRADE RECEIVABLES

Trade receivables are recognised and carried at their anticipated realisable value, which is the original invoice amount less an estimated valuation allowance for any uncollectible amounts.

A provision is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are expensed when identified.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company's financial assets are: trade receivables and cash and cash equivalents. The Company measures these assets at amortized cost. The Company's Financial assets at amortized cost are subsequently subject to impairment. Gains and losses are recognized in profit or loss when the asset is impaired.

Trade receivables that do not contain a significant financing component are measured at the transaction price, and impaired based on estimated credit loss (ECL). For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

Financial liabilities

The Company's financial liabilities are classified, at initial recognition, as loans and borrowings, payables or as derivatives with fair value through profit and loss. The Company does not have derivatives designated as hedging instruments in effective hedges. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Loans, borrowings and payables

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss

CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the balance sheet comprise cash at banks and short-term deposits with an original maturity of three months or less.

REVENUE RECOGNITION

Revenue related to day rates are recognized according to straight line.

TAXATION

The Company's operational result is subject to Norwegian tonnage tax legislation. Tonnage tax is recognised as other operating expenses. The Company's financial result is subject to Norwegian income tax. Income taxes are recognised in the same period as the revenue and the expenses to which these relate.

PROVISIONS

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the carrying amount of the provision increases in each period to reflect the unwinding of the discount by the passage of time. This increase is recognised as an interest expense.

CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities are not recognised in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent



liabilities that are unlikely to be incurred.

Contingent assets are not recognised in the annual accounts but are disclosed if there is a certain probability that a benefit will be added to the Company.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue.

Events that provide evidence of conditions that existed at the balance sheet date are recognised in the financial statements.

Events that are indicative of conditions that arose after the balance sheet date are disclosed when they are significant.

COMPARATIVES

Comparative figures have been adjusted to conform to changes in presentation in the current year, where necessary.

CHANGE IN ACCOUNTING POLICIES IN 2020

The accounting principles applied are consistent with the principles used in previous periods. There are no standards or interpretations that are not yet effective that would be expected to have a material impact on the Company's financial statements.

Note 2 Equity

	Share capital	Own shares	Other equity	Total
Equity 01.01.2020	28,281,887	-2,414,171	-7,870,636	17,997,079
Profit for year			-1,225,400	-1,225,400
Equity 31.12.2020	28,281,887	-2,414,171	-9,096,036	16,771,680

The Board of Directors is of the opinion that the company is a going concern and the annual accounts are prepared under this assumption.

Note 3 Share capital and owners

The share capital contains of 1.760.314 shares à NOK 110. All shares have the same rights.

Ownership 31.12.20:

Global Seismic Shipping AS	1,633,458	93%
Own shares	126,856	7%
Total	1,760,314	100%

Note 4 Employees and auditor

The company has no employees, company management was handled by Eidesvik AS until 8th of January 2020 when it was taken over by Shearwater. The company's vessels are rented out on bareboat contract and the charterer is responsible for the vessel operation. As the company do not have any employees there are no liabilities related to pension plan, surplus or other employer related obligations.

Audit fee	2020	2019
Audit decreed by law	16,679	9,621
Total	16,679	9,621

All amounts in USD excl. of VAT. Of total audit fee in 2020, USD 7 788 is related to the previously appointed auditor.

There is no fee to the members of the Board of directors in 2020 or in 2019.

Note 5 - Taxes



<u>Tax payable</u>	2020	2019
Taxable finance income	780	79,368
Deductable finance cost	-3,240,209	-3,184,300
Deferred interest cost	0	311,965
Taxable loss (-)/profit (+)	-3,239,429	-2,792,968
Tax payable = Yearly tax cost	0	0
Interst loss carried forward	220,078	213,870
Taxable loss carried forward	21,389,424	17,317,799

Deferred tax benefit from loss carried forward is not recognised as an asset.



Note 6 - Tangible assets

	Right of use asset		Total
	Vessel	Streamers	
Historical cost			
Balance at 01.01.2019	269,483,936	0	269,483,936
Capital expenditure	0	0	0
Balance at 31.12.2019	269,483,936	0	269,483,936
Capital expenditure	0	34,990,522	34,990,522
Balance at 31.12.2020	269,483,936	34,990,522	304,474,457
Accumulated depreciation			
Balance at 01.01.2019	106,559,093		106,559,093
Depreciation	10,088,096	0	10,088,096
Impairment	32,837,133	0	32,837,133
Balance at 31.12.2019	149,484,322	0	149,484,322
Depreciation	10,033,719	6,998,104	17,031,823
Balance at 31.12.2020	159,518,041	6,998,104	166,516,145
Carrying amount 31.12.			
2019	119,999,614	0	119,999,614
2020	109,965,895	27,992,417	137,958,312

The Company entered into a five-year rental agreement for streamers with Global Seismic Shipping AS 8th of January 2020. As this is considered a financial lease it is also presented as a right of use asset in the financial statement.

Depreciation profile has been changed from 30 years to 25 years in 2020 as the Company has applied Shearwater Group's policy for estimating economic life expectancy for seismic vessels. The increase totalled to USD 1.3 million.

Impairment

Three of four vessels in the Company are on long-term contracts with a related company, ensuring steady revenue and cash for the Company throughout 2024. As of 31 December 2020, the Company via Shearwater Group, obtained vessel market values from two reputable brokers for the Company's fleet. Impairment testing has been performed in order to calculate the recoverable amount for the fleet. Each vessel constitutes a separate cash-generating unit, which is tested separately for impairment. The recoverable amount is tested against each vessels' book value. When the calculated recoverable amount is lower than book value of the vessel, the vessel is written down to its recoverable amount. In accordance with IAS 36 the recoverable amount is defined as the highest of the assumed fair value less cost of disposal (net sales value) and value in use.

The Shearwater Group has been affected by drop in demand due to Covid-19 in 2020, but does see an increase in activity at the end of the year, working its way up towards pre-covid levels which gives confidence that the impairment testing and conclusions are correct. Due to the often short-term nature of seismic contracts the Company believes that net sales value based on independent broker estimates gives a reasonable indicator of the recoverable amount. The Company compared an average of the valuations with a reduction of sales commission, against book value. As fair values are subject to uncertainty, the Company via Shearwater Group sought to substantiate the broker valuations, inter alia with tests of reasonableness of implicit rates derived from the valuations.

Based on the above, no impairment of vessels or right of use assets have been made as at 31 December 2020.

As of 31 December 2019 the Company was able to compare book value of the vessels with values assigned the vessels by the purchaser in the transaction agreement between CGG and the Shearwater group, finalised 8th of January 2020. As this was a transaction between independent parties, the Company was of the opinion that these values were the fair values as at year end, resulting in a total impairment of USD 32.8

Note 7 - Loan

	2020	2019
Loan		
Related parties	16,677,190	22,803,394
Exportfinans	72,566,667	94,566,667
Financial lease liabilities	27,043,833	0
Amortized cost	-127,190	-172,320
Short-term - to be paid next 12 months	-26,317,460	-10,150,000
Total long-term loan	89,843,040	107,047,741



Short term loan

1st year down payment	26,317,460	10,150,000
Accumulated interest costs	143,071	1,689,492
Total short-term loan to financial institution	26,460,531	11,839,492

The Company has a facility with Exportfinans and a facility with Eidesvik. On January 8th 2020, the shares in Global Seismic Shipping AS was transferred to the ownership of Shearwater Geoservices Holding AS (Shearwater) through a subsidiary, Shearwater GeoAssets AS. The Company subsequently became a subsidiary of Shearwater. The financial institutions and related parties behind the financing facilities of the Company continued their current arrangements with an amended instalment profile. The Exportfinans facility has final maturity in December 2024 while facility with Eidesvik has final maturity in March 2025.

The financial covenants for the Exportfinans facility are minimum liquidity (cash and cash equivalent) of USD 3 million and positive working capital. The facilities are secured by the Company's vessels with book value of USD 110.0 million.

Financial lease liabilities related to the right of use asset (see note 6 and note 11) has final maturity in January 2025.

Instalment profile on long term loan including lease liabilities:

	Year ending 31/12/20	Year ending 31/12/19
2020	-	17,850,000
2021	27,075,000	14,850,000
2022	29,275,000	15,800,000
2023	31,125,000	15,650,000
2024	29,111,667	15,100,000
2025	1,020,000	
More than five years	-	39,566,667
Total	117,606,667	118,816,667

Book value of the assets pledged as security

Vessel	109,965,895	119,999,614
Bank deposits	4,833,534	17,029,751
Receivables	2,443	130,827
Total book value of pledged assets	114,801,872	137,160,192

Note 8 - Financial Items

	2020	2019
Financial income		
Interest from bank deposits and others	859	79,368
Total financial income	859	79,368
Financial expenses		
Interest cost from loans	2,452,402	4,315,247
Interest cost from financial leasing	1,003,312	0
Other financial cost	2,447,869	2,204,811
Total financial expenses	5,903,583	6,520,058
Total net currency gain/loss	-2,272	-7,429
Total financial items	-5,904,996	-6,448,119

Note 9 - Transactions with related parties

Other companies in the Global Seismic Shipping AS group, and group companies in the Shearwater GeoServices Holding AS group are classified as related parties. The Company enters into transactions with related parties as part of the ordinary business.

The Company's vessels are hired on five-year bareboat charters to Shearwater GeoServices CharterCo AS, revenue totalling to



MUSD 21,5 in 2020.

The Company has entered into a five-year lease agreement with its holding company Global Seismic Shipping AS for streamer sets for the vessels on bareboat charter. This has been defined as a financial lease and presented as right of use asset and lease liabilities in the financial statement, see note 6, 7 and 11.

Liabilities to group companies consists mainly of liabilities to the holding company Global Seismic Shipping AS. Requirements in the loan facility agreements state that these liabilities are not to be settled in cash. As these are considered ordinary payables, and no signed resolution for conversion of debt is available at the date of sign off, the liabilities MUSD 9.0 are presented as long-term.



Borrowings from related parties:

Eidesvik Shipping AS	6,550,000	8,136,357
Eidesvik MPSV AS	10,143,071	14,667,037
Total	16,693,071	22,803,394

Eidesvik Shipping AS and Eidesvik MPSV AS are companies part of the Eidesvik Offshore ASA group. Eidesvik Offshore ASA is a shareholder in Shearwater GeoServices Holding AS.

Note 10 - Financial risk

General

During the normal course of business, the Company uses various financial instruments that expose the Company to credit, interest rate, liquidity, exchange rate and fair value risks. These relate to financial instruments that are reported in the statements of financial position. If the counterparty fails to meet its payment obligations to the Company, the resulting losses are limited to the fair value of the instruments in question. The contract value or principal amount of the financial instruments serve only as an indication of the extent to which such financial instruments are used, and not of the value of the credit or market risks.

Credit risk

The Company's vessels have in 2020 been chartered to Shearwater GeoServices CharterCo AS, a Shearwater group company. As the bareboat charters are guaranteed by Shearwater GeoServices Holding AS, the counterparty risk is considered low.

Interest rate risk

Interest rate risk is related to the Company's long term debt. The long term loan is mainly exposed to the development in USD interest rates. The lenders are renowned Norwegian and international shippingbanks. Interest rate risk is considered moderate.

Liquidity risk

The risk of not being able to meet the Company's obligations when due, is mitigated by the long term amended facility significantly reduces the short term liquidity exposure.

Exchange rate risk

The Company's financing as well as revenues are denominated in the Company's functional currency USD. The Company does not expect

Note 11 Leases

To determine whether a contract contains a lease, it is considered whether the contract conveys the right to control the use of an identified asset. This is for the Company considered to be the case for streamer hire. For the Company, these lease commitments resulted in the recognition of an asset (right-of-use) and a lease liability. The rental period is calculated based on the duration of the agreement. The future payments under each lease arrangement have been discounted using the incremental borrowing rate applicable to the leased assets in order to calculate the lease liability recognised on the date of adoption.

The Company has non-cancellable lease commitments related to streamers. The lease payments have been discounted at 3.3% which the Company considered to be its incremental borrowing rate at the initial measuring.

Lease payments for right of use assets will be included under depreciation and financial cost in the Company's income statement (see note 6).

The Company has the following lease commitments related to right of use assets at the end of 2020:

<i>Thousand USD</i>	2020
Net carrying amount of right of use assets (see note 6)	27,992,417
Current portion of long-term leasing debt	8,367,460
Non-current lease liability	18,676,374
Total lease liability as of 31 December	27,043,833

Future minimum lease instalments related to non-cancellable lease agreements are due as follows:

Total lease liability	2020
Within 1 year	9,125,000
From 1 to 5 years	19,365,000
More than 5 years	-
Future minimum lease instalments	28,490,000



Skatteetaten

Vår dato 17.12.2020	Din/Deres dato 15.11.2020	Saksbehandler Nazish Fatima Mohammad
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 901 51 930
Org.nr 974761076	Vår referanse 2020/6150709	Postadresse Postboks 9200 Grønland 0134 OSLO

U.off. offl. § 13, sktfv. § 3-1

Shearwater GoServices AS
Damsgårdsveien 135
5160 Laksevåg
v/ Hilde Marie Bjerga

Dispensasjon fra kravet om å utarbeide årsregnskap på norsk

Vi viser til deres søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk, på vegne av:

- Shearwater GoAssets AS, org.nr. 923 032 789
- Global Seismic Shipping AS, org.nr. 918 591 664
- Oceanic Seismic Shipping AS, org.nr. 990 952 507
- Geo Vessels AS, org.nr. 995 354 829

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

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 siteres:

"Shearwater GeoServices Holding AS, med datterselskaper tilbyr tjenester innen Seismikkvirksomhet internasjonalt. Konsernet operer hvor engelsk klart er det dominerende arbeidspråket. All kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Konsernets arbeidsspråk er også engelsk. For mer informasjon om vår bransje/ virksomhet henvises til selskapets internettside: www.shearwatergeo.com.

Det er heller ingen forhold rundt konsernets finansiering som skulle tilsi behov for regnskap på norsk (bankforbindelser etterspør kun informasjon på engelsk).

Selskapets eiere er RASMUSSENGRUPPEN AS, GC Rieber Shipping ASA, Schlumberger and Eidesvik Offshore. RASMUSSENGRUPPEN AS er et profesjonelt investeringsselskap som arbeider mot både det norske og internasjonale markedet. GC Rieber Shipping ASA og Eidesvik Offshore er veletablerte rederi med fokus på internasjonale markeder. Schlumberger er et stort



internasjonalt konsern. Det foreligger derfor ingen behov blandt eierne å utarbeide regnskapet på norsk"

Skattekontorets 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 mv., 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, kunder og lokalsamfunnet.

Det er etter skattekontorets 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.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I søknaden informeres det om at all kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk. Alle sentrale aktører og samarbeidspartnere innen bransjen behersker og benytter engelsk. Konsernets arbeidsspråk er også engelsk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen



Inger Mette Dahler
underdirektør
Innsats, storbedrift
Skatteetaten

Nazish Fatima Mohammad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Oceanic Seismic Vessels AS

Org nr. 990 952 507

Financial Report 2020



Director's report 2020

General information

Oceanic Seismic Vessels AS (the "Company") is a limited liability company, registered in Norway and was founded the 8th of February 2007. The Company's primary activity is to own and charter seismic vessels to entities operating as seismic service providers. Oceanic Seismic Vessel AS and Eidesvik Seismic Vessel AS merged under the name of Oceanic Seismic Vessel AS with effect from January 1st, 2018. As of January 8th, 2020 the company became part of the Shearwater GeoServices group ("Shearwater") and has its corporate office in Bergen. The Company is a fully owned subsidiary of Global Seismic Shipping AS.

The Company owns two seismic 3D vessels "Oceanic Vega" and "Oceanic Sirius". Both vessels have been on bareboat charters with Shearwater GeoServices CharterCo AS and has been managed by Reflection Marine Ltd, UK. Both companies are fully owned subsidiaries of Shearwater.

Financial review

Result before tax in 2020 was negative USD 1.2 mill. (2019: negative USD 31.2 mill.). Net operating profit was positive USD 4.7 mill. in 2020 (2019: negative USD 24.7 mill.). The loss in 2019 was due to impairment of vessels total of USD 32.8 mill. Financial items were negative USD 5.9 mill. in 2020 (2019: negative USD 6.4 mill.) of which the main expense was interest and guarantees on long term loans. In addition, USD 1.0 mill. in 2020 was related to interest on intercompany financial lease.

The Company's liquidity was USD 4.8 mill. as at 31.12.2020 (2019: USD 17.0 mill.). Cash flow from operating activities in 2020 was positive USD 21.7 mill. (2019: positive USD 20.1 mill.). Net cash flow from financing activities was negative USD 33.9 mill. (2019: negative USD 19.5 mill.). In 2020 the Company paid instalments of USD 27.7 mill. which was considerable higher than in 2019. The increase compared to the previous year was a result of the shares in Global Seismic Shipping AS being transferred to the ownership of Shearwater in January 2020, hence the Company subsequently became a subsidiary of Shearwater. The financial institutions behind the financing facilities of the Company continued their existing arrangements under new ownership with an amended instalment plan. The Company made no investments in 2020.

Future prospects

The company's operation is exposed to the development in the markets for oil and gas exploration and -production. Business activity in the Shearwater group in the first half of 2020 reflected improved market rates as demand for seismic data rebounded in 2019 after several years depressed E&P activity following the oil price collapse in 2014. The positive trend was however disrupted by the Covid-19 pandemic and as OPEC and Russia failed to agree on oil production quotas. The corresponding negative impact on commodity markets and subsequent reductions in E&P investments led to a significant decline in demand for Shearwaters' services into the second half of the year.

Despite the challenging market conditions, Shearwater group continued to secure new contracts with E&P clients to a large extent prioritising production related seismic over exploration surveys. Going into 2021, this trend has continued, and market activity has started to recover amid the roll-out of vaccination programs and rebounding oil prices.

Longer-term, the global economic activity will recover from Covid-19 and drive increased demand for oil and gas which together with more focus on enhanced oil recovery will require the E&P sector to resume and increase exploration and development investments. This provides a positive outlook for the seismic market. Still, the seismic market recovery is from historically low levels reflecting years of reduced exploration across the E&P industry.



Going concern

Based on the above report of profit and loss for the Company, the Board of Directors confirms that the financial statements for 2020 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.

Financial risk

The Company's functional currency is USD. The exposure to currency risks are limited as the Company's financing as well as charter income are based in USD. There is limited exposure to other currencies.

The Company's vessels have in 2020 been chartered to Shearwater companies. The charters are guaranteed by Shearwater GeoServices Holding AS, and the credit risk is considered moderate.

The Company has entered into a fixed interest rate agreement with its lenders and has no exposure to changes in interest rates in the next four years.

The Company operates and invests in market segments which are largely dependent on global trends in demand for oil and gas and is hence exposed to market risks. However, long term bareboat charters to Shearwater operating company guaranteed by the Shearwater holding company, reduces this risk to a moderate level.

Employees

The Company has no employees. Shearwater GeoServices Norway AS, a company in the Shearwater GeoServices group, held the function as Company Manager from January 2020.

Both genders are equally represented in the Board of Directors. The Board of Directors has not considered it necessary to implement specific actions in accordance with equality.

Environment

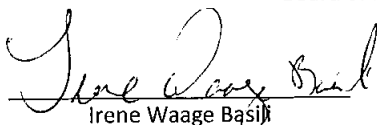
Safe behaviour in this industry is paramount. The Company's vessels are sophisticated and modern with high technical standard. The vessels are developed for optimal use of energy and low fuel consumption to lower the emission of NOx and CO2. Operational routines are optimized with the technical concepts to prevent damage and accidents on personnel, environment and equipment. Operation of seismic vessels will always have some emission and the risk of unfortunate incidents cannot be eliminated.

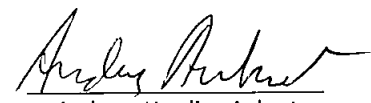
Allocation of net loss

The financial statement shows a loss of USD 1,225,400 which is proposed transferred to other equity.

Bergen, 30.06.2021

Board of Directors in Oceanic Seismic Vessels AS


Irene Waage Basili
chairman of the board/
managing director


Andreas Hveding Aubert
member of the board



Oceanic Seismic Vessels AS

All figures in USD

Profit and Loss

	Note	2 020	2019
Revenue	9, 12	21 880 000	18 250 000
Other revenue	9	-	-
Total revenue		21 880 000	18 250 000
Salary and personnel costs			
Other operating expenses	4	168 581	65 612
Depreciation	6	17 031 823	10 088 096
Impairment	6	-	32 837 133
Total operating cost		17 200 404	42 990 841
Operating profit		4 679 596	-24 740 841
Finance income	8	859	79 368
Write-down on financial fixed assets	8	-	-
Finance expenses	8	-4 900 271	-6 520 058
Interest on financial lease	8	-1 003 312	0
Net currency gain/ losses	8	-2 272	-7 429
Net financial items		-5 904 996	-6 448 119
Profit before tax		-1 225 400	-31 188 960
Income tax expense	5	-	-
Profit for the year from total operations		-1 225 400	-31 188 960
Comprehensive income			
Profit		-1 225 400	-31 188 960
Items not recognized in profit and loss			
Total comprehensive income		-1 225 400	-31 188 960
Total comprehensive income attributable to:			
From premium capital			
Other equity		-1 225 400	-31 188 960
To/From loss carried forward			
		-1 225 400	-31 188 960



Oceanic Seismic Vessels AS

All figures in USD

BALANCE SHEET

ASSETS	Note	2020	2019
<i>Non-current assets</i>			
<i>Fixed assets</i>			
Vessel	6,7	109 965 895	119 999 614
Right of use asset - streamers	6, 9, 11	27 992 417	-
Total fixed assets		137 958 312	119 999 614
Total non-current assets		137 958 312	119 999 614
<i>Current assets</i>			
<i>Receivables</i>			
Trade debtors		-	124 354
Other current assets		2 443	6 473
Total receivables		2 443	130 827
Cash and cash equivalents	7	4 833 534	17 029 751
Total current assets		4 835 977	17 160 578
TOTAL ASSETS		142 794 289	137 160 192




Oceanic Seismic Vessels AS


All figures in USD

BALANCE SHEET

EQUITY AND LIABILITIES	Note	2020	2019
EQUITY			
<i>Paid in capital</i>			
Share capital	2,3	28 281 886	28 281 886
Own shares	2	-2 414 171	-2 414 171
Total paid in capital		25 867 715	25 867 715
<i>Other equity</i>			
Other equity	2	-9 096 036	-7 870 637
Total other equity		-9 096 036	-7 870 637
Total equity		16 771 679	17 997 079
LIABILITIES			
Non current liabilities			
Borrowings from financial institution	7	58 439 477	84 244 346
Borrowings from related parties	7, 9	12 600 000	19 103 394
Long-term financial lease liabilities	9, 11	18 676 374	-
Other long-term liabilities to holding company	9	8 950 000	-
Total non current liabilities		98 665 850	103 347 740
Current liabilities			
Borrowings from financial institution	7	14 000 000	11 839 492
Borrowings from related parties	7, 9	4 093 071	3 700 000
Other short-term financial lease liabilities	9, 11	8 367 460	-
Debt to suppliers		125 015	-
Liabilities to group companies	9	771 213	-
Other current liabilities		-	275 880
Total current liabilities		27 356 759	15 815 373
Total Liabilities		126 022 609	119 163 113
TOTAL EQUITY AND LIABILITIES		142 794 289	137 160 192

Bergen 30.06.2021


Irene Waage Basili
chairman/managing director


Andreas Hveding Aubert
board member



Oceanic Seismic Vessels AS

All figures in USD

CASH FLOW STATEMENT

	2 020	2019
Cash flow from operating activities		
Receipts from customers	21 880 000	19 818 269
Payments to suppliers	-319 447	183 884
Interest received	859	79 368
Payments of taxes	0	-2 566
Change in other accruals	128 993	-8 114
Net cash flow from operating activities	21 690 405	20 070 841
Cash flow from financing activities		
Paid interests and funding costs on borrowings	-4 218 907	-4 578 605
Repayment of borrowings	-27 700 000	-12 879 492
Payment on financial lease	-8 950 000	0
Guarantee comission	-2 736 050	-2 078 174
Change in group receivables/payables	9 721 213	0
Net cash flow from financing activities	-33 883 743	-19 536 271
Net increase/ decrease in cash and cash equivalents	-12 193 338	534 570
Net currency translation effects	-2 879	-7 429
Cash and cash equivalents at beginning of period	17 029 751	16 502 611
Cash and cash equivalents at end of period	4 833 534	17 029 751



Oceanic Seismic Vessels AS

Notes to the financial statements 2020

Note 1 - BASIS FOR PREPARATION OF THE ANNUAL ACCOUNTS

Oceanic Seismic Vessels AS is a Norwegian registered company with corporate office in Bergen. The Company owns modern purpose built seismic vessels. All issued shares of the Company is held by the Norwegian registered Global Seismic Shipping AS, Bergen. The Company charters vessels on long term charters to related vessel operating companies.

As of 8th of January 2020 the Company is part of the Shearwater GeoServices group. The Group's consolidated financial statement is available at the corporate head office in Damsgårdsveien 135, Bergen, Norway.

The financial statements have been prepared in accordance with the Norwegian accounting act § 3-9 and "Forskrift om forenklet IFRS fastsatt av Finansdepartementet 21. januar 2008" (hereafter "Simplified IFRS"). This implies that recognition and measurement are mainly in accordance with International Financial Reporting Standards (IFRS) and that presentation and disclosures are in accordance with the Norwegian accounting act and good accounting practice.

ACCOUNTING CURRENCY

Both functional currency and presented currency is USD hence the annual accounts are presented in USD.

BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis.

USE OF ESTIMATES

The management uses estimates and assumptions that effects assets, liabilities, revenue, expenses and informs of potential obligations.

The main sources of uncertainties when using estimates for the company are related to:

Fixed assets including depreciations

Depreciation model is based on expected economical life of the asset. Remaining value as basis for depreciation is based on estimates.

Income Taxes

Income tax expenses are a year-end estimate. Tax calculation is based on the annual accounts and includes estimates on normal price and other permanent differences which is final first after tax return is filed for the accounting year. There are still uncertainties related to tax expenses if the taxation office concludes differently then the company.

CONVERSION OF FOREIGN CURRENCY AND CURRENCY TRANSACTIONS

Transactions in foreign currency is converted to USD based on the exchange rate at date of transaction. Current assets in foreign currency is retranslated to the USD rate of exchange ruling at the balance sheet date. Currency exchange gains or losses at conversion is presented in the Profit and Loss statement as a financial-income/ expense or as a operating income/ expense. The classification of the currency gains or losses depends on the basis for the calculation.

SEISMIC VESSELS

Acquired and developed properties in use are depreciated using straight-line method. For newbuilding contracts the paid milestone are capitalized together with direct cost related to project management and interest on loans related to the building. Depreciation of assets are calculated on a straight-line basis rates and adjusted for impairment charges and residual value, if any.

Expected useful lives of long-lived assets are reviewed at each balance sheet date and, where they differ significantly from previous estimates, depreciation periods are changed accordingly. Any change is accounted for prospectively.

The residual value of an asset is the estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Ordinary repairs and maintenance costs, defined as day-to-day servicing costs, are charged to the income statement during the financial period in which they are incurred. The cost of major overhauls is included in the asset's carrying amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in other operating expenses.

BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction or production of a qualifying asset, are capitalized as part of the cost of that asset. Other borrowing costs are recognised as amortized cost on long-term debt.

IMPAIRMENT OF LONG-LIVED ASSETS

Seismic vessels and equipment as well as intangible assets with finite useful life are reviewed for potential impairment indicators annually, and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Management has estimated both fair value less cost of disposal and value in use. Fair value less cost of disposal is based on the average of two valuations from reputable brokers, adjusted for expected sales commissions. The values in the broker valuations are quoted as a range. The mid-point in the range is used, since this is considered to best reflect all possible outcomes of a potential transaction. In the current market, the valuations from brokers only to a limited extent represents results of transactions of similar assets. This reduces the reliability of the valuation,



and management has sought to substantiate the broker valuations, inter alia with value in use calculations or tests of reasonableness of implicit rates derived from the valuations.

Implicit rates have been derived from a discounted cash flow model. Estimating future cash flows requires management to make judgments regarding long-term forecasts of future revenues and costs related to the assets subject to review. These forecasts are subject to uncertainty as they require assumptions about demand for our products and services, future market conditions and technological developments. Significant and unanticipated changes in these assumptions could result in impairments in a future period

The Group applied a pre-tax discount rate of 10.0% in determining discounted cash flows in connection with the impairment evaluations of seismic vessels and equipment at year end. The rates reflect the estimated weighted average cost of capital for Group activities.

When estimating value in use, management has used the same assumption and discount rate as in the evaluation of the broker valuations. In estimating future cash flows for the seismic fleet, management has based the assessment on awarded projects as well as estimates about future rates. Future rates are based on expectations of improved oil price, that oil and gas demand is recovering and will be further supported by lifting Covid-19 related economic lock downs, and deferred 2020 projects coming back to the market. Even as the global energy transition evolves towards a higher share of renewable sources, Shearwater believes that oil and gas will remain a vital part of the energy mix also in the future.

Due to the inherent volatile nature of macro-economic factors such as future oil price, discount rate and changes to rules and regulations for seismic exploration, there is always a risk of change to the assumptions used.

LEASING

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

The Company as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises the liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease term

The lease term is determined on the commencement date of the lease, and corresponds to the term of the lease contract, unless the Company is reasonably certain that it will exercise contractual extensions or termination options.

Measurement of lease liabilities

At the commencement date of the lease, the Company recognises a lease liability measured at the present value of lease payments due under the contract, less any lease incentives receivable, plus the costs of purchase or termination options if reasonably certain to be exercised. Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Company's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Subsequently, the carrying amount of the lease liability is increased to reflect the accumulation of interest on the liability balance and reduced as the lease payments are charged to the liability. In addition, the carrying amount of the lease liability is remeasured to reflect contractual modifications, changes to lease payments or changes in the assessment of the lease term.

Measurement of right-of-use asset

Right-of-use assets are measured at cost, comprising the initial measurement of lease liability, lease payments made at the commencement date, initial direct costs and estimated restoration costs, less any lease incentives received. Subsequently, the right-of-use asset is measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of long-lived assets.

Short term leases and low value leases

The Company has no short-term leases or leases of low-value assets.

TRADE RECEIVABLES

Trade receivables are recognised and carried at their anticipated realisable value, which is the original invoice amount less an estimated valuation allowance for any uncollectible amounts.

A provision is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are expensed when identified.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company's financial assets are: trade receivables and cash and cash equivalents. The Company measures these assets at amortized cost. The Company's Financial assets at amortized cost are subsequently subject to impairment. Gains and losses are recognized in profit or loss when the asset is impaired.



Trade receivables that do not contain a significant financing component are measured at the transaction price, and impaired based on estimated credit loss (ECL). For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

Financial liabilities

The Company's financial liabilities are classified, at initial recognition, as loans and borrowings, payables or as derivatives with fair value through profit and loss. The Company does not have derivatives designated as hedging instruments in effective hedges. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Loans, borrowings and payables

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss

CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the balance sheet comprise cash at banks and short-term deposits with an original maturity of three months or less.

REVENUE RECOGNITION

Revenue related to day rates are recognized according to straight line.

TAXATION

The Company's operational result is subject to Norwegian tonnage tax legislation. Tonnage tax is recognised as other operating expenses. The Company's financial result is subject to Norwegian income tax. Income taxes are recognised in the same period as the revenue and the expenses to which these relate.

PROVISIONS

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the carrying amount of the provision increases in each period to reflect the unwinding of the discount by the passage of time. This increase is recognised as an interest expense.

CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities are not recognised in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred.

Contingent assets are not recognised in the annual accounts but are disclosed if there is a certain probability that a benefit will be added to the Company.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue.

Events that provide evidence of conditions that existed at the balance sheet date are recognised in the financial statements.

Events that are indicative of conditions that arose after the balance sheet date are disclosed when they are significant.

COMPARATIVES

Comparative figures have been adjusted to conform to changes in presentation in the current year, where necessary.

CHANGE IN ACCOUNTING POLICIES IN 2020

The accounting principles applied are consistent with the principles used in previous periods. There are no standards or interpretations that are not yet effective that would be expected to have a material impact on the Company's financial statements.



Note 2 Equity

	Share capital	Own shares	Other equity	Total
Equity 01.01.2020	28 281 887	-2 414 171	-7 870 636	17 997 079
Profit for year			-1 225 400	-1 225 400
Equity 31.12.2020	28 281 887	-2 414 171	-9 096 036	16 771 680

The Board of Directors is of the opinion that the company is a going concern and the annual accounts are prepared under this assumption.

Note 3 Share capital and owners

The share capital contains of 1.760.314 shares à NOK 110. All shares have the same rights.

Ownership 31.12.20:

Global Seismic Shipping AS	1 633 458	93%
Own shares	126 856	7%
Total	1 760 314	100%

Note 4 Employees and auditor

The company has no employees, company management was handled by Eidesvik AS until 8th of January 2020 when it was taken over by Shearwater. The company's vessels are rented out on bareboat contract and the charterer is responsible for the vessel operation. As the company do not have any employees there are no liabilities related to pension plan, surplus or other employer related obligations.

Audit fee	2020	2019
Audit decreed by law	16 679	9 621
Total	16 679	9 621

All amounts in USD excl. of VAT. Of total audit fee in 2020, USD 7 788 is related to the previously appointed auditor.

There is no fee to the members of the Board of directors in 2020 or in 2019.

Note 5 - Taxes

Tax payable	2020	2019
Taxable finance income	780	79 368
Deductable finance cost	-3 240 209	-3 184 300
Deferred interest cost	0	311 965
Taxable loss (-)/profit (+)	-3 239 429	-2 792 968
Tax payable = Yearly tax cost	0	0
Interst loss carried forward	220 078	213 870
Taxable loss carried forward	21 389 424	17 317 799

Deferred tax benefit from loss carried forward is not recognised as an asset.



Note 6 - Tangible assets

	Right of use asset		Total
	Vessel	Streamers	
Historical cost			
Balance at 01.01.2019	269 483 936	0	269 483 936
Capital expenditure	0	0	0
Balance at 31.12.2019	269 483 936	0	269 483 936
Capital expenditure	0	34 990 522	34 990 522
Balance at 31.12.2020	269 483 936	34 990 522	304 474 457
Accumulated depreciation			
Balance at 01.01.2019	106 559 093		106 559 093
Depreciation	10 088 096	0	10 088 096
Impairment	32 837 133	0	32 837 133
Balance at 31.12.2019	149 484 322	0	149 484 322
Depreciation	10 033 719	6 998 104	17 031 823
Balance at 31.12.2020	159 518 041	6 998 104	166 516 145
Carrying amount 31.12.			
2019	119 999 614	0	119 999 614
2020	109 965 895	27 992 417	137 958 312

The Company entered into a five-year rental agreement for streamers with Global Seismic Shipping AS 8th of January 2020. As this is considered a financial lease It is also presented as a right of use asset in the financial statement.

Depreciation profile has been changed from 30 years to 25 years in 2020 as the Company has applied Shearwater Group's policy for estimating economic life expectancy for seismic vessels. The increase totalled to USD 1.3 million.

Impairment

Three of four vessels in the Company are on long-term contracts with a related company, ensuring steady revenue and cash for the Company throughout 2024. As of 31 December 2020, the Company via Shearwater Group, obtained vessel market values from two reputable brokers for the Company's fleet. Impairment testing has been performed in order to calculate the recoverable amount for the fleet. Each vessel constitutes a separate cash-generating unit, which is tested separately for impairment. The recoverable amount is tested against each vessels' book value. When the calculated recoverable amount is lower than book value of the vessel, the vessel is written down to its recoverable amount. In accordance with IAS 36 the recoverable amount is defined as the highest of the assumed fair value less cost of disposal (net sales value) and value in use.

The Shearwater Group has been affected by drop in demand due to Covid-19 in 2020, but does see an increase in activity at the end of the year, working its way up towards pre-covid levels which gives confidence that the impairment testing and conclusions are correct. Due to the often short-term nature of seismic contracts the Company believes that net sales value based on independent broker estimates gives a reasonable indicator of the recoverable amount. The Company compared an average of the valuations with a reduction of sales commission, against book value. As fair values are subject to uncertainty, the Company via Shearwater Group sought to substantiate the broker valuations, inter alia with tests of reasonableness of implicit rates derived from the valuations.

Based on the above, no impairment of vessels or right of use assets have been made as at 31 December 2020.

As of 31 December 2019 the Company was able to compare book value of the vessels with values assigned the vessels by the purchaser in the transaction agreement between CGG and the Shearwater group, finalised 8th of January 2020. As this was a transaction between independent parties, the Company was of the opinion that these values were the fair values as at year end, resulting in a total impairment of USD 32.8

Note 7 - Loan

	2020	2019
Loan		
Related parties	16 677 190	22 803 394
Exportfinans	72 566 667	94 566 667
Financial lease liabilities	27 043 833	0
Amortized cost	-127 190	-172 320
Short-term - to be paid next 12 months	-26 317 460	-10 150 000
Total long-term loan	89 843 040	107 047 741
Short term loan		
1st year down payment	26 317 460	10 150 000
Accumulated interest costs	143 071	1 689 492
Total short-term loan to financial institution	26 460 531	11 839 492



The Company has a facility with Exportfinans and a facility with Eidesvik. On January 8th 2020, the shares in Global Seismic Shipping AS was transferred to the ownership of Shearwater Geoservices Holding AS (Shearwater) through a subsidiary, Shearwater GeoAssets AS. The Company subsequently became a subsidiary of Shearwater. The financial institutions and related parties behind the financing facilities of the Company continued their current arrangements with an amended instalment profile. The Exportfinans facility has final maturity in December 2024 while facility with Eidesvik has final maturity in March 2025.

The financial covenants for the Exportfinans facility are minimum liquidity (cash and cash equivalent) of USD 3 million and positive working capital. The facilities are secured by the Company's vessels with book value of USD 110.0 million.

Financial lease liabilities related to the right of use asset (see note 6 and note 11) has final maturity in January 2025.

Instalment profile on long term loan including lease liabilities:

	Year ending 31/12/20	Year ending 31/12/19
2020	-	17 850 000
2021	27 075 000	14 850 000
2022	29 275 000	15 800 000
2023	31 125 000	15 650 000
2024	29 111 667	15 100 000
2025	1 020 000	
More than five years	-	39 566 667
Total	117 606 667	118 816 667

Book value of the assets pledged as security

Vessel	109 965 895	119 999 614
Bank deposits	4 833 534	17 029 751
Receivables	2 443	130 827
Total book value of pledged assets	114 801 872	137 160 192

Note 8 - Financial Items

	2020	2019
Financial income		
Interest from bank deposits and others	859	79 368
Total financial income	859	79 368
Financial expenses		
Interest cost from loans	2 452 402	4 315 247
Interest cost from financial leasing	1 003 312	0
Other financial cost	2 447 869	2 204 811
Total financial expenses	5 903 583	6 520 058
Total net currency gain/loss	-2 272	-7 429
Total financial items	-5 904 996	-6 448 119

Note 9 - Transactions with related parties

Other companies in the Global Seismic Shipping AS group, and group companies in the Shearwater GeoServices Holding AS group are classified as related parties. The Company enters into transactions with related parties as part of the ordinary business.

The Company's vessels are hired on five-year bareboat charters to Shearwater GeoServices CharterCo AS, revenue totalling to MUSD 21,5 in 2020.

The Company has entered into a five-year lease agreement with its holding company Global Seismic Shipping AS for streamer sets for the vessels on bareboat charter. This has been defined as a financial lease and presented as right of use asset and lease liabilities in the financial statement, see note 6, 7 and 11.

Liabilities to group companies consists mainly of liabilities to the holding company Global Seismic Shipping AS. Requirements in the loan facility agreements state that these liabilities are not to be settled in cash. As these are considered ordinary payables, and no signed resolution for conversion of debt is available at the date of sign off, the liabilities MUSD 9.0 are presented as long-term.



Borrowings from related parties:

Eidesvik Shipping AS	6 550 000	8 136 357
Eidesvik MPSV AS	10 143 071	14 667 037
Total	16 693 071	22 803 394

Eidesvik Shipping AS and Eidesvik MPSV AS are companies part of the Eidesvik Offshore ASA group. Eidesvik Offshore ASA is a shareholder in Shearwater GeoServices Holding AS.

Note 10 - Financial risk

General

During the normal course of business, the Company uses various financial instruments that expose the Company to credit, interest rate, liquidity, exchange rate and fair value risks. These relate to financial instruments that are reported in the statements of financial position. If the counterparty fails to meet its payment obligations to the Company, the resulting losses are limited to the fair value of the instruments in question. The contract value or principal amount of the financial instruments serve only as an indication of the extent to which such financial instruments are used, and not of the value of the credit or market risks.

Credit risk

The Company's vessels have in 2020 been chartered to Shearwater GeoServices CharterCo AS, a Shearwater group company. As the bareboat charters are guaranteed by Shearwater GeoServices Holding AS, the counterparty risk is considered low.

Interest rate risk

Interest rate risk is related to the Company's long term debt. The long term loan is mainly exposed to the development in USD interest rates. The lenders are renowned Norwegian and international shippingbanks. Interest rate risk is considered moderate.

Liquidity risk

The risk of not being able to meet the Company's obligations when due, is mitigated by the long term amended facility significantly reduces the short term liquidity exposure.

Exchange rate risk

The Company's financing as well as revenues are denominated in the Company's functional currency USD. The Company does not expect

Note 11 Leases

To determine whether a contract contains a lease, it is considered whether the contract conveys the right to control the use of an identified asset. This is for the Company considered to be the case for streamer hire. For the Company, these lease commitments resulted in the recognition of an asset (right-of-use) and a lease liability. The rental period is calculated based on the duration of the agreement. The future payments under each lease arrangement have been discounted using the incremental borrowing rate applicable to the leased assets in order to calculate the lease liability recognised on the date of adoption.

The Company has non-cancellable lease commitments related to streamers. The lease payments have been discounted at 3.3% which the Company considered to be its incremental borrowing rate at the initial measuring.

Lease payments for right of use assets will be included under depreciation and financial cost in the Company's income statement (see note 6).

The Company has the following lease commitments related to right of use assets at the end of 2020:

Thousand USD	2020
Net carrying amount of right of use assets (see note 6)	27 992 417
Current portion of long-term leasing debt	8 367 460
Non-current lease liability	18 676 374
Total lease liability as of 31 December	27 043 833

Future minimum lease instalments related to non-cancellable lease agreements are due as follows:

Total lease liability	2020
Within 1 year	9 125 000
From 1 to 5 years	19 365 000
More than 5 years	-
Future minimum lease instalments	28 490 000

Note 12 Charter revenues

The Company has chartered vessels on long term rolling charters to related vessel operating companies. The operating companies are related to the Company via the shareholders of Global Seismic Shipping AS.



To the General Meeting of Oceanic Seismic Vessels AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Oceanic Seismic Vessels AS, which comprise the balance sheet as at 31 December 2020, the income statement, statement of comprehensive income 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 simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

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.

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authorised accounting firm*



Independent Auditor's Report - Oceanic Seismic Vessels AS



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.

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 and a true and fair view of the financial statements in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, 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 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 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 and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

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

(2)



Independent Auditor's Report - Oceanic Seismic Vessels AS



Bergen, 30 June 2021
PricewaterhouseCoopers AS

Jon Haugervåg
State Authorised Public Accountant

(This document is signed electronically)

(3)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
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