



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 888 271 392
Organisasjonsform: Aksjeselskap
Foretaksnavn: ISLAND OFFSHORE XII AS
Forretningsadresse: Stålhaugen 9
6065 ULSTEINVIK

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Asbjørn Hasund
Dato for fastsettelse av årsregnskapet: 11.06.2021

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, 31.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Sum inntekter		0	0
Kostnader			
Annen driftskostnad			1 200
Sum kostnader		0	1 200
Driftsresultat		0	-1 200
Finansinntekter og finanskostnader			
Annen renteinntekt		131	443
Annen finansinntekt	4	66 491 363	46
Sum finansinntekter		0	0
Rentekostnad til foretak i samme konsern	8		1 732 115
Annen rentekostnad		8	76
Annen finanskostnad		126	46
Sum finanskostnader		0	0
Netto finans		66 491 360	-1 731 748
Ordinært resultat før skattekostnad		66 491 360	-1 732 948
Ordinært resultat etter skattekostnad		0	0
Årsresultat		66 491 360	-1 732 948
Totalresultat		66 491 360	-1 732 948
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		66 491 360	-1 732 948
Sum overføringer og disponeringer	6	66 491 360	-1 732 948



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Sum immaterielle eiendeler		0	0
Varige driftsmidler			
Sum varige driftsmidler		0	0
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	4	283 848 721	39 848 721
Sum finansielle anleggsmidler		283 848 721	39 848 721
Sum anleggsmidler		283 848 721	39 848 721
Omløpsmidler			
Varer			
Sum varer		0	0
Fordringer			
Sum fordringer		0	0
Investeringer			
Sum investeringer		0	0
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		53 839	53 834
Sum bankinnskudd, kontanter og lignende		53 839	53 834
Sum omløpsmidler		53 839	53 834
SUM EIENDELER		283 902 560	39 902 555

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: NOK	Note	2020	2019
Innskutt egenkapital			
Selskapskapital	7	260 000 000	16 000 000
Annen innskutt egenkapital		0	0
Sum innskutt egenkapital		260 000 000	16 000 000
Opptjent egenkapital			
Annen egenkapital		22 166 095	-44 325 264
Sum opptjent egenkapital		22 166 095	-44 325 264
Sum egenkapital	6	282 166 095	-28 325 264
Gjeld			
Langsiktig gjeld			
Sum avsetninger for forpliktelser		0	0
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	8	1 732 115	66 491 237
Sum annen langsiktig gjeld		1 732 115	66 491 237
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Annen kortsiktig gjeld	8	4 349	1 736 582
Sum kortsiktig gjeld		4 349	1 736 582
Sum gjeld		1 736 464	68 227 819
SUM EGENKAPITAL OG GJELD		283 902 560	39 902 555



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 747839

Enheten

Organisasjonsnummer: 888 271 392
Organisasjonsform: Aksjeselskap
Foretaksnavn: ISLAND OFFSHORE XII AS
Forretningsadresse: Stålhaugen 9
6065 ULSTEINVIK

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av
årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Asbjørn Hasund
Dato for fastsettelse av årsregnskapet: 11.06.2021

Revisjon

Årsregnskapet er utarbeidet av ekstern
autorisert regnskapsfører: Ja
Ekstern autorisert regnskapsfører har i
løpet av regnskapsåret bistått ved den
løpende regnskapsføringen eller utført
andre tjenester for selskapet enn å
utarbeide årsregnskapet: Ja

Grunnlag for avgivelse

År 2020: Årsregnskap 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, 28.09.2021

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673



Organisasjonsnr: 888 271 392
ISLAND OFFSHORE XII AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Sum inntekter		0	0
Kostnader			
Annen driftskostnad			1 200
Sum kostnader		0	1 200
Driftsresultat		0	-1 200
Finansinntekter og finanskostnader			
Annen renteinntekt		131	443
Annen finansinntekt	4	66 491 363	46
Sum finansinntekter		0	0
Rentekostnad til foretak i samme konsern	8		1 732 115
Annen rentekostnad		8	76
Annen finanskostnad		126	46
Sum finanskostnader		0	0
Netto finans		66 491 360	-1 731 748
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Totalresultat		66 491 360	-1 732 948
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		66 491 360	-1 732 948
Sum overføringer og disponeringer	6	66 491 360	-1 732 948



Organisasjonsnr: 888 271 392
ISLAND OFFSHORE XII AS

BALANSE

Beløp i: NOK Note 2020 2019

BALANSE - EIENDELER

Anleggsmidler			
Immaterielle eiendeler			
Sum immaterielle eiendeler		0	0
Varige driftsmidler			
Sum varige driftsmidler		0	0
Finansielle anleggsmidler			
Investeringer i			
tilknyttet selskap	4	283 848 721	39 848 721
Sum finansielle			
anleggsmidler		283 848 721	39 848 721
Sum anleggsmidler		283 848 721	39 848 721
Omløpsmidler			
Varer			
Sum varer		0	0
Fordringer			
Sum fordringer		0	0
Investeringer			
Sum investeringer		0	0
Bankinnskudd, kontanter			
og lignende			
Bankinnskudd, kontanter			
og lignende		53 839	53 834
Sum bankinnskudd,			
kontanter og lignende		53 839	53 834
Sum omløpsmidler		53 839	53 834
SUM EIENDELER		283 902 560	39 902 555

BALANSE - EGENKAPITAL OG GJELD

Egenkapital			
Innskutt egenkapital			
Selskapskapital	7	260 000 000	16 000 000
Annen innskutt egenkapital		0	0
Sum innskutt egenkapital		260 000 000	16 000 000
Opptjent egenkapital			
Annen egenkapital		22 166 095	-44 325 264



Sum opptjent egenkapital		22 166 095	-44 325 264
Sum egenkapital	6	282 166 095	-28 325 264
Gjeld			
Langsiktig gjeld			
Sum avsetninger for forpliktelser		0	0
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	8	1 732 115	66 491 237
Sum annen langsiktig gjeld		1 732 115	66 491 237
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Annen kortsiktig gjeld	8	4 349	1 736 582
Sum kortsiktig gjeld		4 349	1 736 582
Sum gjeld		1 736 464	68 227 819
SUM EGENKAPITAL OG GJELD		283 902 560	39 902 555



Organisasjonsnr: 888 271 392
ISLAND OFFSHORE XII AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
2

Regnskapsprinsipper

The financial statements are prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles for small businesses (NRS 8) in Norway. Classification criteria Assets to be owned or utilized permanently, and receivables falling due later than one year from the end of the accounting year, are classified as fixed assets. Other assets are classified as current assets. Liabilities due later than one year from the end of the accounting year are classified as long term liabilities. Other debts and liabilities are classified as short term, with the exception of the first installment on secured debt which is serviced by the cash flow from fixed assets. Presentation of subsidiaries and associated companies Associated companies are accounted for by the equity method. Valuation of current assets Receivables are recorded net of expected future losses. Currency Transactions in foreign currency are recorded at the exchange rate at the transaction date. Current assets and liabilities are recorded at the exchange rate at the balance sheet date. Taxes The tax expense in the income statement includes both taxes payable and change in deferred tax. Deferred tax is calculated as 22% of the temporary differences between tax and accounting values, and eventual tax losses carried forward at the end of the accounting year. Tax reducing and tax increasing differences are offset if reversible. Any net deferred tax asset is recorded in the balance sheet if expected future profitability makes utilization probable.

Note
2
Er det usikkerhet om fortsatt drift?: Nei

Note
7

Antall aksjer og aksjeeiere

Aksjeklasse	Ant. aksjer	Pålydende	Bokført verdi
Ordinære	2600000.00	100.00	260000000.00

Aksjeeiere - fritekst	Antall	Eierandel	Aksjeklasse
Torin AS	260000.00	10.00%	
Sneingen AS	254400.00	9.78%	
Dno Chouest	130000.00	5.00%	
Island Offshore	1603000.00	61.65%	
Shipholding L.P.			
Sum	Sum antall	Sum eierandel	



2247400.00 86.43%

Note
3

Lønn og ytelser

Note
3

Ytelser til ledende personer
Er det gitt ytelser til ledende person: Nei

Ytelser til daglig leder

<u>Ytelser</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
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Note
3

Ytelser til andre ledende personer

Note
3

Ytelser til revisjon

Note
3

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
0.00

Note
3

Obligatorisk tjenstepensjon
Er virksomheten pliktig til å ha tjenstepensjonsordning etter lov:
Nei

Oppfyller pensjonsordning lovkravene: Nei



Financial Statements 2020

Island Offshore XII AS



ISLAND OFFSHORE



Income statement

Island Offshore XII AS

Tekst	Note	2020	2019
Other operating expenses		0	1 200
Total operating expenses		0	1 200
Operating profit		0	-1 200
Interest income		131	443
Other financial income	4	66 491 363	46
Interest expenses, intercompany	8	0	1 732 115
Interest expenses		8	76
Other financial expenses		126	46
Total financial income & expenses		66 491 360	-1 731 748
Ordinary result before tax		66 491 360	-1 732 948
Net profit for the year		66 491 360	-1 732 948
Allocated as follows			
Transfer to other equity		66 491 360	-1 732 948
Total transfers	6	66 491 360	-1 732 948



Balance sheet

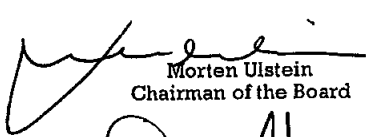
Island Offshore XII AS

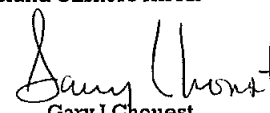
Tekst	Note	2020	2019
Assets			
Fixed assets			
Intangible fixed assets			
Financial fixed assets			
Investments associated companies	4	283 848 721	39 848 721
Total financial fixed assets		283 848 721	39 848 721
Total fixed assets		283 848 721	39 848 721
Current assets			
Cash and bank deposits		53 839	53 834
Total current assets		53 839	53 834
Total assets		283 902 560	39 902 555

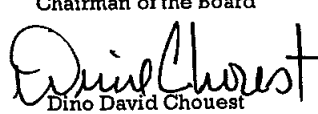
**Balance sheet****Island Offshore XII AS**

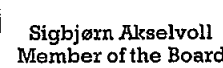
Tekst	Note	2020	2019
Liabilities and equity			
Equity			
Paid in equity			
Share capital	7	260 000 000	16 000 000
Total paid in equity		260 000 000	16 000 000
Retained earnings			
Other equity		22 166 095	-44 325 264
Total retained earnings		22 166 095	-44 325 264
Total equity	6	282 166 095	-28 325 264
Liabilities			
Provision for liabilities			
Other long term debt	8	1 732 115	66 491 237
Other longterm debt		1 732 115	66 491 237
Current liabilities			
Other short term liabilities	8	4 349	1 736 582
Total current liabilities		4 349	1 736 582
Total liabilities		1 736 464	68 227 819
Total equity and liabilities		283 902 560	39 902 555

Ulsteinvik,, 31.12.2020 / 29.04.2021
The Board of Directors Island Offshore XII AS


Morten Ulstein
Chairman of the Board


Gary J Chouest
Member of the Board


Dino David Chouest
Member of the Board


Sigbjørn Akselvoll
Member of the Board

Island Offshore XII AS Org.nr. 888271392

**Balance sheet****Island Offshore XII AS**

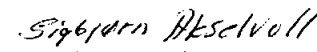
Tekst	Note	2020	2019
Liabilities and equity			
Equity			
Paid in equity			
Share capital	7	260 000 000	16 000 000
Total paid in equity		260 000 000	16 000 000
Retained earnings			
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Provision for liabilities			
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Total current liabilities		4 349	1 736 582
Total liabilities		1 736 464	68 227 819
Total equity and liabilities		283 902 560	39 902 555

Ulsteinvik,, 31.12.2020 / 29.04.2021
The Board of Directors Island Offshore XII AS


Morten Ulstein
Chairman of the Board

Gary J Chouest
Member of the Board

Dino David Chouest
Member of the Board


Sigbjørn Akselvoll
Member of the Board



Notes to the Financial Statements 2020

Island Offshore XII AS

NOTE 1 GENERAL

Island Offshore XII AS is included in the consolidated financial statements for Island Offshore Shipholding LP, c/o Borgstein AS. P.O. Box 370, N-6067 Ulsteinvik.

NOTE 2 ACCOUNTING PRINCIPLES

The financial statements are prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles for small businesses (NRS 8) in Norway.

The Company has shareholdings in one ship-owning company. The business is operated from Ulsteinvik. The investments are accounted for by the cost method.

Classification criteria

Assets to be owned or utilized permanently, and receivables falling due later than one year from the end of the accounting year, are classified as fixed assets. Other assets are classified as current assets.

Liabilities due later than one year from the end of the accounting year are classified as long term liabilities. Other debts and liabilities are classified as short term, with the exception of the first installment on secured debt which is serviced by the cash flow from fixed assets.

Presentation of subsidiaries and associated companies

Associated companies are accounted for by the cost method.

Valuation of current assets

Receivables are recorded net of expected future losses.

Currency

Transactions in foreign currency are recorded at the exchange rate at the transaction date. Current assets and liabilities are recorded at the exchange rate at the balance sheet date.

Taxes

The tax expense in the income statement includes both taxes payable and change in deferred tax. Deferred tax is calculated as 22% of the temporary differences between tax and accounting values, and eventual tax losses carried forward at the end of the accounting year. Tax reducing and tax increasing differences are offset if reversible. Any net deferred tax asset is recorded in the balance sheet if expected future profitability makes utilization probable.

NOTE 3 PAYROLL, EMPLOYEES

The company has no employees, and no fees or remuneration has been paid to the Board of Directors. Administrative expenses and audit fees are paid by the partnership.

Auditor

Audit expenses are 0 in 2020.



Notes to the Financial Statements 2020

Island Offshore XII AS

NOTE 4 INVESTMENT IN SHARES

On 21 January 2020, the Company purchased 100% of the shares in Island Offshore XII Ship AS. The purchase of shares was settled by way of existing shareholders transferring all of their shares in Island Offshore XII Ship AS to the Company as contribution in kind of which share capital for the Company was increased with NOK 244 mill. On 31 January 2020, Island Offshore XII Ship AS distributed NOK 66.4 mill as dividend whereby the receivable towards its parent company was repaid of paid in capital (share premium) on the shares.

As per 31.12.20, the Company owns 64.3% of the shares in Island Offshore XII Ship AS.

The 260.000 shares are recorded at cost price adjusted for repayment of capital.

Summary of investment:

Company name	Island Offshore XII Ship AS
Business office	Ulstein
Time of acquisition	2009 with additional purchase of shares in 2020
Acquisition cost	285.848.721
Net book value	283.848.721
Ownership	64.3 %
Net result 2020 (100%)	-15.997.936
Equity 31.12.2020 (100%)	971.993.398

NOTE 5 TAXES

Deferred tax is calculated on the basis of temporary differences between accounting and tax values existing at the end of the accounting period.

Negative temporary differences and positive temporary differences that are reversible in the same period are offset and recorded net.



Notes to the Financial Statements 2020

Island Offshore XII AS

A specification of the differences between accounting profit before tax and taxable profit is presented below:

	2020	2019
Deferred tax losses	-9 537 423	-9 537 546
Basis for deferred tax	-9 537 423	-9 537 546
Deferred tax asset	-2 098 233	-2 098 260
Tax rate	22 %	22 %
	2020	2019
Profit before tax	66 491 360	-1 732 918
Dividend received	-66 491 237	-
Tax basis	123	-1 732 918
Use of deferred tax losses previous years	-123	-
Payable tax basis	-	-

On 31 January 2020, Island Offshore XII Ship AS distributed NOK 66.4 mill as dividend whereby the receivable towards its parent company was repaid of paid in capital (share premium) on the shares, hence no taxation on dividend received.

Deferred tax assets has not been capitalized in balance sheet, hence no taxes accrued in profit and loss accounts.

NOTE 6 EQUITY

	Share capital	Other equity	Total
Equity 1.1	16 000 000	-44 325 264	-28 325 264
Share issue	244 000 000	-	244 000 000
Net result	-	66 491 360	66 491 360
Equity 31.12	260 000 000	22 166 095	282 166 095



Notes to the Financial Statements 2020

Island Offshore XII AS

NOTE 7 SHARE CAPITAL AND SHAREHOLDERS

The share capital consist of 2.600.000 Shares at NOK 100.

Ownership

Shareholders at 31.12. :

	Number of shares	Percentage shareholding
Island Offshore Shipholding, L.P.	1 603 000	61,65 %
Island Offshore Invest AS	64 000	2,46 %
Sneingen AS	254 400	9,78 %
Dino Chouest	130 000	5,00 %
Axel AS	117 000	4,50 %
Steinshamn Formjølffabrikk AS	104 000	4,00 %
Torino AS	260 000	10,00 %
Beeline AS	38 000	1,46 %
Lojal AS	6 000	0,23 %
Ingus AS	22 000	0,85 %
Vikerud Verdi AS	1 600	0,06 %
Total	2 600 000	100,00 %

NOTE 8 RELATED PARTIES

Transactions with related parties:

	2020	2019
Long term loan from Island Offshore XII Ship AS	1 732 115	66 491 237
Accrued interests due to related parties	-	1 732 115

In January 2020, Island Offshore XII Ship AS repaid paid in capital to its owner.



Notes to the Financial Statements 2020

Island Offshore XII AS

NOTE 9 GOING CONCERN

The financial results of the Company are dependent on the investment in Island Offshore XII Ship AS. Due to the continued state of the market and the implications for earnings and cash flow, the Island Offshore Group, including Island Offshore XII Ship AS, concluded a restructuring agreement with secured and unsecured lenders effective April 12th 2018. Effective April 12th 2018, the refinancing was closed and effective with all parties. The term of the restructuring agreement is until end of 2020 and includes modified amortization schedules for each vessel, in addition to lifting of certain financial covenants. Negotiations with stakeholders for agreements effective post 2020 has been conducted throughout 2020 and continues in 2021.

The objective is to conclude the process as soon as possible, but additional time is required due to the complexity of the restructuring. The discussions are constructive and progressing; however, no assurances can be given as to when a conclusion is attainable involving all companies and stakeholders. The IOSH Group is in a challenging financial position, and the viability of the IOSH Group will require a long-term agreement with secured and unsecured creditors to strengthen the financial situation.

Further, market state in 2020 has been significantly impaired by the COVID-19 pandemic and the immediate effect on market activity and cost of operations. The assessment is that the Island Offshore Group has the resources, organization, competence, assets and customer base to continue being a going concern.

In accordance with the Norwegian Accounting Act § 3-3a the Board of Directors thus confirms that the financial statements are prepared on the basis of a going concern assumption. The basis for this assumption is the financial position of the Company at 31.12.2020, and the condition that a new restructuring agreement is agreed and made effective with secured and unsecured lenders before or short after 29.4.2021.

Due to the COVID-19 pandemic and outcome of the financial restructuring process, there is uncertainty for the Company to continue as a going concern over the next 12 months.

NOTE 10 COVID-19

The COVID-19 pandemic is causing operational disruptions to vessel activity and increases the overall risk of activity deferrals and cancellations. Accordingly, the demand for OSV vessels has also declined across markets and there is increased risk of negative future financial implications for the Company. This could impact the long-term market outlook and future assessments of recoverable amounts of Island Offshore Group's assets.

The Board of Directors continue to monitor the financial situation of the Company closely and will assess the need for capital contributions going forward.



Statsautoriserte revisorer
Ernst & Young AS

Thormøhlens gate 53 D, NO-5006 Bergen
Postboks 6163, NO-5892 Bergen

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

Fax:
www.ey.no
Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Island Offshore XII AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Island Offshore XII AS, which comprise the balance sheet as at 31 December 2020, the income statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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.

Material uncertainty related to going concern

We draw attention to note 9 and note 10 in the financial statements, which describes that the Company is dependent on an agreement with its creditors for an acceptable and sustainable restructuring to continue as going concern. These events or conditions, along with other matters as set forth in note 9 and note 10, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The financial statements do not reflect impairment charges or provisions that might be required if the Company was liquidated or the assets sold in a distressed situation

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern 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 International Standards on Auditing (ISAs) will always detect a material

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misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

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

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

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 ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Bergen, 3 May 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Jørn Knutsen
State Authorised Public Accountant (Norway)

Independent auditor's report - Island Offshore XII AS

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Jørn Knutsen

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5992-4-3012515

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Skattedirektoratet

Saksbehandler
Geir Johannessen

Deres dato
11.10.2013

Vår dato
29.10.2013

Telefon
22 66 11 14

Deres referanse
Tommy Walaunet

Vår referanse
2013/779184

ISLAND OFFSHORE MANAGEMENT AS
Postboks 370
6067 ULSTEINVIK

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Det vises til deres brev av 11. oktober 2013, samt telefonsamtale i sakens anledning, der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Island Offshore Management AS	org nr 984 285 310
Island Offshore Crewing AS	org nr 995 955 881
Island Offshore XI AS	org nr 987 845 325
Island Offshore III KS	org nr 982 411 408
Island Offshore VIII AS	org nr 987 156 783
Island Offshore VIII KS	org nr 987 156 805
Island Offshore X AS	org nr 887 254 982
Island Offshore X KS	org nr 987 255 188
Island Offshore LNG AS	org nr 996 393 844
Island Offshore LNG KS	org nr 996 393 739
Island Offshore LNG Invest AS	org nr 996 357 813
Island Offshore LNG Invest KS	org nr 996 357 848
Island Offshore XII AS	org nr 888 271 392
Island Offshore XII Ship AS	org nr 994 289 764
Island Pioneer AS	org nr 992 611 634
Istand Pioneer KS	org nr 992 611 588

For Island Offshore Management AS omfatter søknaden også konsernregnskapet, der Island Offshore Crewing inngår med 100 %.

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

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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0134 Oslo
skatteetaten.no/sendepost

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318

Sentralbord
800 80 000
Telefaks
22 17 08 60



Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene har klar overvekt av utenlandske eierinteresser og for øvrig en begrenset eierkrets. Selskapenes forretningspråk er engelsk. Videre er det vektlagt at selskapene driver virksomhet i en bransje der aktørene forutsettes å beherske engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

Seniorrådgiver

Rettsavdelingen, foretaksskatt
Skattedirektoratet

Geir Johannessen