



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 947 362 089
Organisasjonsform: Aksjeselskap
Foretaksnavn: COSL OIL & GAS AS
Forretningsadresse: Vestre Svanholmen 4
4313 SANDNES

Regnskapsår

Årsregnskapets periode: 01.01.2018 - 31.12.2018

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Randi Skailand
Dato for fastsettelse av årsregnskapet: 12.04.2019

Grunnlag for avgivelse

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

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 13.08.2020



Resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3		24 582 859
Sum inntekter			24 582 859
Kostnader			
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	72 212 450	72 042 092
Annen driftskostnad	3	34 409 904	36 326 675
Sum kostnader		106 622 354	108 368 767
Driftsresultat		-106 622 354	-83 785 908
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	3	1 207 872	2 844 370
Sum finansinntekter		1 207 872	2 844 370
Rentekostnad til foretak i samme konsern	3	9 090	2 251 519
Annen finanskostnad	5	34 778 008	22 038 294
Sum finanskostnader		34 787 098	24 289 813
Netto finans		-33 579 226	-21 445 443
Ordinært resultat før skattekostnad		-140 201 580	-105 231 351
Skattekostnad på ordinært resultat	6	-7 444 883	-4 245 960
Ordinært resultat etter skattekostnad		-132 756 697	-100 985 391
Årsresultat		-132 756 697	-100 985 391
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	8	-132 756 697	-100 985 391
Sum overføringer og disponeringer		-132 756 697	-100 985 391



Balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip, rigger, fly og lignende	4	249 765 468	321 977 918
Sum varige driftsmidler		249 765 468	321 977 918
Sum anleggsmidler		249 765 468	321 977 918
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	3		357 853 205
Sum fordringer			357 853 205
Sum omløpsmidler		0	357 853 205
SUM EIENDELER		249 765 468	679 831 123
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	7,8	1 400 000	1 400 000
Annen innskutt egenkapital	8	55 000 000	55 000 000
Sum innskutt egenkapital		56 400 000	56 400 000
Opptjent egenkapital			
Annen egenkapital	8	-160 357 760	-27 601 064
Sum opptjent egenkapital		-160 357 760	-27 601 064
Sum egenkapital		-103 957 760	28 798 936



Balanse

Beløp i: NOK	Note	2018	2017
Gjeld			
Langsiktig gjeld			
Utsatt skatt	6	870 428	8 315 311
Sum avsetninger for forpliktelser		870 428	8 315 311
Annen langsiktig gjeld			
Sum langsiktig gjeld		870 428	8 315 311
Kortsiktig gjeld			
Kortsiktig konserngjeld	3	352 852 801	642 716 876
Sum kortsiktig gjeld		352 852 801	642 716 876
Sum gjeld		353 723 229	651 032 187
SUM EGENKAPITAL OG GJELD		249 765 469	679 831 123



Financial Statements

COSL Oil & Gas AS

Org. Nr.: 947.362.089

2018



BOARD OF DIRECTORS' REPORT 2018 COSL OIL & GAS AS

Principle activities and place of business

COSL Oil & Gas AS (the Company) was founded 11. September 1987. The company owns the accommodation rig COSL Rival. The Company is fully owned by COSL Norwegian AS. The company's activities are being administered from Forus, Stavanger.

Company's history

COSLRival is a moored semi-submersible accommodation unit with a bed capacity of 360. The unit was converted to accommodation in 2004.

The rig operated for Conoco Phillips UK till 15th March 2017. The rig has been stacked in Kristiansand after this contract.

Going concern

In accordance with Norwegian accounting law § 3-3 it is confirmed that the assumptions of a going concern are in place and form the basis of the preparation of the annual accounts. The equity is lost, but NOK 52 million of the liability is to the owner and can be directly converted into equity. The remaining liability is to the sister company, COSL Offshore Management AS, and this can be transferred to the owner and converted into equity. The board and management consider opportunities for sale or rent the rig.

Working environment

The Company has no employees. Necessary commercial and administrative services are provided by the sister company COSL Drilling Europe AS which is located at Forus, Stavanger.

Environment

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

Annual Accounts

The Company's accounts show zero operating revenue compared to NOK 24.6 million in 2017. The operating expenses amounted to NOK 106.6 million, compared to NOK 108.4 million the previous year. The operating loss for 2018 was NOK 106.6 million, compared to a loss of NOK 83 million in 2017. Financial items amounted to a loss of NOK 33.6 million in 2018, compared to a loss of NOK 21.4 million in 2017. Loss before tax for 2018 was NOK 140.2 million. Loss before tax was NOK 105.2 million in 2017. Loss after tax for 2018 was NOK 132.8 million compared to a loss of NOK 101.0 million in 2017. The Company has total assets of NOK 249.8 million at the year end. The Company's equity is lost by NOK 104.0 million compared to NOK 28.8 million in 2017.

The cash flow from operations presented in the cash flow statement mainly relates to operating cost and net change in short term intercompany receivables and payables.

For additional information regarding the annual accounts, please refer to the accounts and corresponding notes. It is the Board of Director's opinion that the annual accounts show a correct picture of the result from the operations during the year and the financial situation by year-end.



Financial situation

The Company's liabilities consist mainly of debt to the owners. Beyond this the Company has no external debt to financial institutions. In general, the Company's operations, assets, liabilities and ownership structure indicate a low financial risk.

Market view

The market for North Sea type accommodation units has declined during the past years.

The demand side of the market has changed dramatically and many accommodation units will not be employed for a shorter or a longer period in 2019.

At the same time the supply side has increased as our competitors have taken delivery of several new builds in 2015 and 2016. All in all this has led to a lower utilization of the fleet in 2018 which is expected to continue as long as the oil price is lower than 50 - 60 USD/barrel.

The accommodation market will be challenging throughout 2019 and the low demand for this service will put pressure on the day rates and utilization of the fleet.

Sandnes, April 12th 2019
Board of Director's of COSL Oil & Gas AS

Zhou Bingwen
Chairman of the Board

Magnar Fagerbakke
Director of the Board

Li Baozhong
Director of the Board



COSL Oil & Gas AS Profit and loss statement

NOTE	OPERATING REVENUE AND OPERATING EXPENSES	2018	2017
3	Revenue	-	24.582.859
	Total operating revenue	-	24.582.859
3	Stacking cost	34.409.904	36.326.675
4	Depreciation and amortisation of fixed and intangible assets	72.212.450	72.042.092
	Total operating expenses	106.622.354	108.368.767
	Operating profit/(loss)	-106.622.354	-83.785.908
	FINANCIAL INCOME AND FINANCIAL EXPENSES		
3	Interest received from group companies	1.207.872	2.844.370
3	Interest paid to group companies	-9.090	-2.251.519
5	Other financial expenses	-34.778.008	-22.038.294
	Financial items, net	-33.579.225	-21.445.442
	Profit/(loss)before taxation	-140.201.580	-105.231.350
6	Income tax	7.444.883	4.245.960
	PROFIT/(LOSS) FOR THE FINANCIAL YEAR	-132.756.696	-100.985.391
	ALLOCATION OF NET PROFIT/(LOSS) AND EQUITY TRANSFERS		
8	Transferred from / (to) retained earnings	-132.756.696	-100.985.391
	Total allocations and equity transfers	132.756.696	100.985.391



COSL Oil & Gas AS
Balance sheet at 31 December

NOTE	ASSETS	2018	2017
	Non-current assets		
	Tangible fixed assets		
4	Fixed assets	<u>249.765.468</u>	<u>321.977.918</u>
	Total tangible fixed assets	<u>249.765.468</u>	<u>321.977.918</u>
	Financial non-current assets		
	Total non-current assets	<u>249.765.468</u>	<u>321.977.918</u>
	Current assets		
	Receivables		
3	Intercompany receivables	<u>-</u>	<u>357.853.205</u>
	Total receivables	<u>-</u>	<u>357.853.205</u>
	Current investments		
	Total current assets	<u>-</u>	<u>357.853.205</u>
	TOTAL ASSETS	<u>249.765.468</u>	<u>679.831.123</u>



COSL Oil & Gas AS

Balance sheet at 31 December

NOTE	SHAREHOLDERS EQUITY AND LIABILITIES	2018	2017
	Shareholders equity		
	Paid-in capital		
7,8	Share capital	1.400.000	1.400.000
8	Other paid-in capital	<u>55.000.000</u>	<u>55.000.000</u>
	Total paid-in capital	<u>56.400.000</u>	<u>56.400.000</u>
	Retained earnings		
8	Retained earnings	<u>-160.357.760</u>	<u>-27.601.064</u>
	Total retained earnings	<u>-160.357.760</u>	<u>-27.601.064</u>
	Total shareholders equity	<u>-103.957.760</u>	<u>28.798.936</u>
	Liabilities		
	Provisions for liabilities and charges		
6	Deferred tax	<u>870.428</u>	<u>8.315.311</u>
	Total provisions for liabilities and charges	<u>870.428</u>	<u>8.315.311</u>
	Other non-current liabilities		
	Current liabilities		
3	Intercompany liabilities	<u>352.852.801</u>	<u>642.716.876</u>
	Total current liabilities	<u>352.852.801</u>	<u>642.716.876</u>
	Total liabilities	<u>353.723.229</u>	<u>651.032.187</u>
	TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	<u>249.765.469</u>	<u>679.831.123</u>

Standnes, April 12 2019

Bingwen Zhou
ChairmanMagnar Fagerbakke
Board memberLi Baozhong
Board member



COSL Oil & Gas AS

Cash flow statement

	2018	2017
CASH FLOW FROM OPERATIONS:		
Profit/(loss) before taxation	-140.201.580	-105.231.350
Depreciation and amortisation	72.212.450	72.042.092
Changes in inter-company balances	-303.866.576	364.022.623
Changes in group cashpool	371.855.705	-328.801.791
Net cash flow from operations	-	2.031.573
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Outflows due to purchases of fixed assets	-	-427.048
Net cash flow from investment activities	-	-427.048
CASH FLOW FROM FINANCING ACTIVITIES:		
Inflow due to new non-current liabilities	-	-1.604.525
Net cash flow from financing activities	-	-1.604.525
Net change in bank deposits, cash and equivalents	-	-
Bank deposits, cash and equivalents at 1 January	-	-
Bank deposits, cash and equivalents at 31 December	-	-



COSL Oil & Gas AS

Notes to the accounts, year ended 31 December 2018

Note 1 Accounting policies

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

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

All amounts are in NOK unless otherwise stated.

Valuation and classification of assets and liabilities

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

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

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

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

Foreign currency

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date. Currency forward contracts are valued in the balance sheet at fair value on the balance sheet date.

Use of estimates

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

Revenue

Revenue is recognised when it is earned, i.e. when both the risk and control have been mainly transferred to the customer. This will normally be the case when the goods are delivered to the customer. The revenue is recognised with the value of the remuneration at the time of transaction.

Receivables

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

Cash and cash equivalents

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

Cash pool

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

Income taxes

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

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

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

Comparative figures

The presentation of the comparative figures has been updated to reflect a like-to-like comparison with current year figures.

Cash flow statement

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



Note 2 Number of employees, Remuneration to Directors, Auditor's remuneration etc.

Employees

The Company did not have a Managing Director or employees during 2018 (2017: 0).

Board of Directors and Management remuneration

The Board members are employed in other COSL companies. No remuneration is paid or expensed and no loans or guarantees are provided to the Board of Directors or Management.

Auditor's remuneration

Remuneration to the Company's auditor (Deloitte AS) is invoiced to group company COSL Drilling Europe AS and no remuneration is paid or expensed by the Company (2017: kr. 0).

Note 3 Related party transactions and balances

Related party transactions, profit and loss

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

Transaction type	Note	2018	2017
Intercompany interest income	(1)	1.207.872	2.844.370
Intercompany interest expense	(1)	-9.090	-2.251.519
Bareboat lease income	(2)	-	24.582.859
Laid up cost	(3)	-34.409.904	-36.326.675

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

(2): Bareboat lease income relates to the rig owned by the Company (COSLRival) and is charged to the operating company, COSL Offshore Management AS. The rig has been stacked the whole year.

(3): Cost of maintaining the rig when it is stacked, are incurred by COSL Offshore Management AS and allocated to COSL Oil and Gas AS including a mark-up.

Intercompany receivables consist of:

Counterpart	Relationship to the counterpart	2018	2017
COSL Offshore Management AS	Other group companies	-	-
COSL Norwegian AS (Group cashpool)	Parent company	-	357.853.205
Total		-	357.853.205

Intercompany payables consist of:

Counterpart	Relationship to the counterpart	2018	2017
COSL Offshore Management AS	Other group companies	300.141.672	269.971.843
COSL Norwegian AS	Parent company	52.711.130	372.745.033
Total		352.852.801	642.716.876

Group cashpool balance:

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



Note 4 Fixed assets

The Company owns the accommodation rig, COSL Rival. The rig was constructed in 1976 as a drilling unit and converted to accommodation unit in 2004. The rig has a linear depreciation over the economic lifetime of 35 years.

Based on experience and knowledge, COSL expects the rig to have a longer estimated lifetime, from 6 - 8 to 10 -12 years. COSL has therefore decided to change the estimated useful life of the rigs from the beginning of 2012.

	Fixed assets
Cost at 31 December 2017	1.037.617.396
Additions, purchased	-
Disposals	-
Cost at 31 December 2018	1.037.617.396
Acc. depreciation at 31 December 2017	715.639.478
Depreciation	72.212.450
Accumulated depreciation 31 December 2018	787.851.929
Balance at 31 December 2018	249.765.467
Current year amortisation charge	72.212.450
Economic life	35-39 years
Depreciation method	Linear

Note 5 Other financial income and expenses

	2018	2017
Other financial income		
Net agio	-	-22.038.294
Net other financial income	-	-22.038.294
Other financial expenses		
Bank charges	-358	-1
Net Agio	-34.777.650	-
Net other financial expenses	-34.778.008	-1

Note 6 Income tax expense

	2018	2017
Payable tax		
Profit/(loss) before tax	-140.201.580	-105.231.350
Change in temporary differences	32.197.036,00	25.512.541
Tax loss carry forward	108.004.544	79.718.811
Taxable income / (loss)	-	-
Payable tax on profit (23%/24%)	-	-
Payable tax in balance sheet		
Payable tax	-	-
Effect on payable tax of group contribution	-	-
Total net receivable / (payable) tax	-	-
Temporary differences		
Fixed assets	3.956.491	36.153.527
Tax loss carry forward	-197.050.795	-89.048.251
Total temporary differences	-193.094.304	-52.892.724
Calculated net deferred tax asset / (liability) (22%/23%)	42.480.747	12.165.327
Valuation allowance	-43.351.175	-20.480.638
Total deferred tax asset / (liability) recognized (22%/23%)	-870.428	-8.315.311
Deferred tax		
Deferred tax - ending balance	-870.428	-8.315.311
Deferred tax - opening balance	-8.315.311	-12.561.271
Total deferred tax (expense) / income	7.444.883	4.245.960
Total tax (expense) / Income		
Payable tax	-	-
Deferred tax	7.444.883	4.245.960
Total tax (expense) / income	7.444.883	4.245.960

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



Note 7 Share capital and shareholder information

The share capital in the company at 31 December 2018 consists of the following classes:

	Number	Nominal amount
Share capital by foundation	700	kr 2.000
Total	700	

All shares give equal owner benefits and voting rights in the company.

Ownership structure

Largest shareholders as of 31 December 2018:

	Shares	Total	Ownership share
<i>COSL Norwegian AS</i>	700	700	100 %
Total number of shares	700	700	100 %

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

Note 8 Equity

	Share capital	Other paid in equity	Other equity	Total Equity
Equity at 1 January 2018	1.400.000	55.000.000	-27.601.064	28.798.936
<u>This year's change in equity:</u>				
Profit/(loss) of the year		-	-132.756.696	-132.756.696
Equity at 31 December 2018	1.400.000	55.000.000	-160.357.760	-103.957.760



Deloitte AS
Strandsvingen 14 A
Postboks 287 Forus
NO-4066 Stavanger
Norway

Tel: +47 51 81 56 00
Fax: +47 51 81 56 01
www.deloitte.no

To the General Meeting of COSL Oil & Gas AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of COSL Oil & Gas AS showing a loss of NOK 132 756 696. The financial statements comprise the balance sheet as at 31 December 2018, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other information

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

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

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

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

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such

Deloitte AS and Deloitte Advokatfirma AS are the Norwegian affiliates of Deloitte NWE LLP, a member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.no for a more detailed description of DTTL and its member firms.

© Deloitte AS

Registrert i Foretaksregisteret
Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282



Deloitte

side 2
Auditors Report
COSL Oil & Gas AS

internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted 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. We 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



Deloitte

side 3
Auditors Report
COSL Oil & Gas AS

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.

Stavanger, 26 April 2019
Deloitte AS

Arnstein Antonsen
State Authorised Public Accountant (Norway)



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	14.08.2017	16.08.2017
Telefon	Deres referanse	Vår referanse
90076012	Randi Skailand	2017/853788

COSL Drilling Europe AS
Postboks 34
4064 STAVANGER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres e-post av 14. august 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for

- COSL Promoter Pte Ltd, org.nr. 916 969 767
- COSL Innovator Pte Ltd, org.nr. 916 969 546
- COSL Pioneer Pte Ltd, org.nr. 816 970 342

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering ovenstående 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.

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

I søknaden opplyses det om at forholdene i dispensasjonssøknad for øvrige konsernselskap fra 2009 med saksnummer 2009/999914 fortsatt gjelder, og det henvises dit for informasjon. Søknaden ble invilget, og selskapene det nå søkes dispensasjon for er filialer av utenlandske selskap i konsernet hjemmehørende i Singapore.

Fra søknad av 17. desember 2009 gjengis:

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

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

Skattedirektoratets vurdering

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

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post:	22 17 08 60
	skatteetaten.no/sendepost	



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 og lokalsamfunnet.

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er del av et konsern, hvor øvrige konsernselskap allerede har fått innvilget dispensasjon fra språkkravet i regnskapsloven. Videre er det vektlagt at to av styremedlemmene er utenlandske, og selskapenes ultimate morselskap er situert i Kina. Selskapene opererer i en internasjonal bransje. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk, og det anses at ingen øvrige brukere av regnskapsinformasjon blir negativt berørt av at årsregnskapet og årsberetningen utarbeides på engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer