



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2017 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 981 213 696
Organisasjonsform: Aksjeselskap
Foretaksnavn: CAMERON SYSTEMS AS
Forretningsadresse: Sluppenvegen 12E
7037 TRONDHEIM

Regnskapsår

Årsregnskapets periode: 01.01.2017 - 31.12.2017

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: Helen Nilsen
Dato for fastsettelse av årsregnskapet: 21.06.2018

Grunnlag for avgivelse

År 2017: Årsregnskapet er elektronisk innlevert
År 2016: Tall er hentet fra elektronisk innlevert årsregnskap fra 2017

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, 09.08.2019



Resultatregnskap

Beløp i: NOK	Note	2017	2016
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		17 598 000	45 645 000
Annen driftsinntekt		4 085 000	169 000
Sum inntekter		21 683 000	45 814 000
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		-1 392 000	6 189 000
Varekostnad		8 885 000	21 284 000
Lønnskostnad	2	14 025 000	12 896 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	7	65 000	146 000
Annen driftskostnad	2	1 784 000	4 153 000
Sum kostnader		23 367 000	44 668 000
Driftsresultat		-1 684 000	1 146 000
Finansinntekter og finanskostnader			
Annen renteinntekt		421 000	565 000
Sum finansinntekter		421 000	565 000
Rentekostnad til foretak i samme konsern		8 000	236 000
Annen rentekostnad		369 000	1 614 000
Sum finanskostnader		377 000	1 850 000
Netto finans		44 000	-1 285 000
Ordinært resultat før skattekostnad		-1 640 000	-139 000
Skattekostnad på ordinært resultat	5	-389 000	21 000
Ordinært resultat etter skattekostnad		-1 251 000	-160 000
Årsresultat		-1 251 000	-160 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	9	-1 252 000	-160 000
Sum overføringer og disponeringer		-1 252 000	-160 000



Resultatregnskap

Beløp i: NOK	Note	2017	2016
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Balanse

Beløp i: NOK	Note	2017	2016
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5	57 000	78 000
Sum immaterielle eiendeler		57 000	78 000
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	7	361 000	426 000
Sum varige driftsmidler		361 000	426 000
Sum anleggsmidler		418 000	504 000
Omløpsmidler			
Varer			
Varer	4	4 105 000	2 001 000
Sum varer		4 105 000	2 001 000
Fordringer			
Kundefordringer	6	8 391 000	12 640 000
Andre fordringer	6	32 090 000	28 031 000
Sum fordringer		40 481 000	40 671 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	3	3 727 000	10 023 000
Sum bankinnskudd, kontanter og lignende		3 727 000	10 023 000
Sum omløpsmidler		48 313 000	52 695 000
SUM EIENDELER		48 731 000	53 199 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	8,9	300 000	300 000



Balanse

Beløp i: NOK	Note	2017	2016
Beholdning av egne aksjer	9	100 000	100 000
Overkurs	9	13 583 000	13 583 000
Annen innskutt egenkapital	9	2 830 000	2 785 000
Sum innskutt egenkapital		16 813 000	16 768 000
Sum egenkapital		16 813 000	16 768 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	6	2 606 000	9 736 000
Sum annen langsiktig gjeld		2 606 000	9 736 000
Sum langsiktig gjeld		2 606 000	9 736 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		10 054 000	14 250 000
Leverandørgjeld	6	3 376 000	6 512 000
Skyldige offentlige avgifter		2 447 000	1 377 000
Annen kortsiktig gjeld	6	13 437 000	4 556 000
Sum kortsiktig gjeld		29 314 000	26 695 000
Sum gjeld		31 920 000	36 431 000
SUM EGENKAPITAL OG GJELD		48 733 000	53 199 000



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 04.06.2012	Vår dato 13.06.2012
Telefon 22078139	Deres referanse Helen Øveland Nilsen	Vår referanse 2012/389820

CAMERON NORGE AS
Mekjarvik 1
4070 RANDABERG

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk.

Det vises til deres brev av 4. juni 2012 samt telefonsamtale i sakens anledning. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper.

Cameron Holding (Norway) AS	org. nr. 985 277 893
Cameron Norge AS	org. nr. 971 644 281
Cameron Norge Holding AS	org. nr. 996 687 880
TS-Technology AS	org. nr. 893 229 922
Cameron AS	org. nr. 991 851 631
Cameron Systems AS	org. nr. 981 213 696

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte 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.

Bakgrunn

Selskapene er 100 % eide datterselskap i Cameron International Corporation konsernet som er hjemmehørende i USA. Konsernet er en av lederne i det globale markedet for leveranser av petroleum produksjonsutstyr. I Norge består dets virksomhet hovedsakelig av å selge utstyr benyttet til å kontrollere trykk og dirigere olje- og gasstrømmer. I tillegg utføres vedlikehold og drift av slikt utstyr, både onshore og offshore. Konsernet har også datterselskaper og betydelige virksomheter lokalisert i Tyskland, Frankrike, Italia, Romania, Storbritannia og USA. Selskapene opererer i en bransje av sterk internasjonal karakter. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Selskapene benytter engelsk som arbeidsspråk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

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

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

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

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

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, 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 særlig vekt på at selskapene er 100 % eiet fra USA og inngår i et internasjonalt konsern. Selskapets arbeidsspråk er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland



REPORT BY THE BOARD OF DIRECTORS

CAMERON SYSTEMS AS

2017

Cameron Systems AS is 100 % owned by Cameron Norge Holding AS, with an ultimate Parent Company, Schlumberger Limited, who is world's leading provider of technology for reservoir characterization, drilling, production, and processing to the oil and gas industry. The office is located in Trondheim.

The Company's business is in the separation services and products for the International oil and gas market. Secondly Cameron Systems AS delivers services and products to the land based industries in order to solve separation- and fluid related challenges. Cameron Systems does not have its own production facility, hence all required manufacturing is carried out by suitable subcontractors.

The Board of Directors confirms that the annual accounts are based on a going concern assumption.

The 2017 revenue totalled NOK 21,682,618. Net profit for the year was NOK -1,252,154

In the Board of Director's view, the presented income statement, balance sheet and cash flow statement give complementary information about the operation and the year-end financial position. No changes of significance are expected in market demand and pricing levels in the current year.

The Company employed 11 persons by the end of the year.

The Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion and faith. The Group is working actively, determined and systematically to encourage the act's purpose within our business. Included in the activities are recruiting, salary and working conditions, promotion, development opportunities and protection against harassment.

One of the goals of the Company is to ensure equality of status for men and women in the working place. The number of females working in the Company is 9 %. The Company employs persons with small children, and are making an effort to make the parenthood easier by introducing flexible working hours and partial positions wherever practical.

In the Board of Directors' opinion the working environment in the Company is satisfactory. The Company has given Health, Safety and Environment high priority. Systematic and continuous work throughout Cameron International Corporation is being pursued in our strive to achieve the vision of zero accidents. The sick leave level was at 0,27 %. There was no lost time accident for the year.

Schlumberger-Private



The Company's operations do not pollute the external environment.

The Board of Directors proposes that the 2017 result should be allocated as follows:

From Earnings NOK -1,252,154

The Company's equity by the end of the year is satisfactory.

Randaberg, June 21, 2018

Grace B Holmes
Chairman

Helen Ø. Nilsen
Board Member

Torjer Halle
Board Member

Lars Harald
General Manager

Schlumberger-Private



Cameron Systems AS

Annual report 2017

Annual accounts

- Income statement
- Balance sheet
- Notes

Auditors' report



Cameron Systems AS

Income statement

	Note	2017	2016
Revenue			
Sales revenue		17 597 926	45 644 876
Other operating income		4 084 692	169 405
Total revenue		<u>21 682 618</u>	<u>45 814 281</u>
Operating expenses			
Changes in stocks of work in progress		-1 392 256	6 189 231
Cost of stocks		8 884 971	21 284 049
Payroll expenses	2	14 025 161	12 896 276
Depreciation of tangible and intangible fixed assets	7	65 267	146 054
Other operating expenses	2	1 784 196	4 153 072
Total operating expenses		<u>23 367 339</u>	<u>44 668 682</u>
Operating result		<u>-1 684 721</u>	<u>1 145 599</u>
Financial income and expenses			
Other financial income		420 692	564 924
Interest paid to group companies		7 652	236 238
Other financial expenses		369 058	1 613 691
Net financial items		<u>43 982</u>	<u>-1 285 005</u>
Ordinary result before tax		<u>-1 640 739</u>	<u>-139 406</u>
Tax on ordinary result	5	<u>-388 585</u>	<u>20 702</u>
Net profit or loss for the year		<u>-1 252 154</u>	<u>-160 108</u>
Allocated as follows			
Transferred to other equity	9	<u>-1 252 154</u>	<u>-160 108</u>



Cameron Systems AS

Balance sheet as of December 31

	Note	2017	2016
Fixed assets			
<i>Intangible assets</i>			
Deferred tax asset	5	57 486	78 374
Total intangible assets		57 486	78 374
<i>Tangible assets</i>			
Fixtures and fittings, tools, office machinery etc.	7	361 134	426 401
Total tangible assets		361 134	426 401
Total fixed assets		418 620	504 775
Current assets			
Inventories	4	4 104 561	2 000 946
<i>Receivables</i>			
Trade receivables	6	8 390 531	12 639 695
Other receivables	6	32 090 404	28 030 992
Total accounts receivable		40 480 935	40 670 687
Cash and cash equivalents	3	3 727 076	10 022 755
Total current assets		48 312 572	52 694 388
Total assets		48 731 192	53 199 163

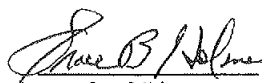


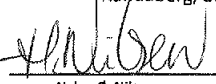
Cameron Systems AS

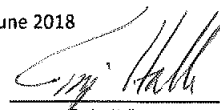
Balance sheet as of December 31

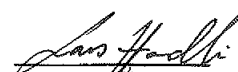
	Note	2017	2016
Equity			
<i>Paid-in capital</i>			
Share capital	8, 9	300 000	300 000
Share premium reserve	9	100 000	100 000
Other paid-in capital	9	<u>13 582 712</u>	<u>13 582 712</u>
Total paid-in capital		<u>13 982 712</u>	<u>13 982 712</u>
<i>Retained earnings</i>			
Other equity	9	<u>2 829 972</u>	<u>2 785 460</u>
Total retained earnings		<u>2 829 972</u>	<u>2 785 460</u>
Total equity		<u>16 812 684</u>	<u>16 768 172</u>
Liabilities			
<i>Other long-term liabilities</i>			
Other long-term liabilities	6	<u>2 605 500</u>	<u>9 736 237</u>
Total other long term liabilities		<u>2 605 500</u>	<u>9 736 237</u>
<i>Current liabilities</i>			
Liabilities to financial institutions		10 053 940	14 249 803
Trade creditors	6	3 375 720	6 511 967
Public duties payable		2 446 562	1 377 315
Other short-term liabilities	6	<u>13 436 786</u>	<u>4 555 668</u>
Total current liabilities		<u>29 313 008</u>	<u>26 694 753</u>
Total liabilities		<u>31 918 508</u>	<u>36 430 990</u>
Total equity and liabilities		<u>48 731 192</u>	<u>53 199 162</u>

Randaberg, 21 June 2018


Grace B. Holmes
Chairman


Helen Ø. Nilsen
Board member


Torjer Halle
Board member


Lars Hæbbli
General Manager



Cameron Systems AS

Notes to the accounts for 2017

Note 1 - Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles for small companies.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time of execution.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 24 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

Group contribution is from another subsidiary in the group.

The tax effect of group contribution is therefore posted directly in the balancesheet.

Inventories

Inventories are valued at the lower of cost or market value. Cost is estimated using the FIFO-method. Finished goods and work in progress are valued at full production cost. Write-downs are carried out for foreseeable obsolescence.



Cameron Systems AS

Notes to the accounts for 2017

Note 2 - Wage costs, number of employees, remuneration, loans to employees and auditor's fee

<i>Wage costs</i>	2017	2016
Salaries	8 178 761	8 936 558
Payroll tax	1 475 609	2 185 041
Pension costs	709 728	894 809
Other payments	<u>3 661 063</u>	<u>879 868</u>
Total	<u>14 025 161</u>	<u>12 896 276</u>

Total number of employees in the company during the year: 11 2017, 17 2016

Management remuneration

General Manager is not employed in Cameron Systems AS.
The members of the Board received no compensation this year.

Pension

The company is required to have an occupational pension scheme in accordance with the Norwegian law on mandatory occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of the law.

Auditor fee has been divided as follows

	2017
Audit fee	115 000
Other services	<u>44 226</u>
Total	<u>159 226</u>

VAT is not included in the auditor's fee.

Note 3 - Bank deposit

The restricted cash amount relating to employees withholding taxes amounts to NOK 3 727 076.

Note 4 - Inventories

	2017	2016
Work in progress	1 730 999	338 743
Finished goods	<u>2 373 562</u>	<u>1 662 203</u>
Total	<u>4 104 561</u>	<u>2 000 946</u>



Cameron Systems AS

Notes to the accounts for 2017

Note 5 - Income taxes

<i>Income tax expenses</i>	2017	2016
Change in deferred tax	-20 888	0
Tax effect of Group contribution	409 473	-1 137 000
Total income tax expense	<u>388 585</u>	<u>-1 137 000</u>
<i>Tax base estimation</i>	2017	2016
Ordinary result before tax	-1 640 739	-139 406
Permanent differences	11 220	19 723
Change in temporary differences	-76 837	-310 190
Taxable profit/loss	<u>-1 706 356</u>	<u>-429 873</u>
Used carry forward loss	0	-4 305 863
Group contribution	<u>1 706 356</u>	<u>4 735 736</u>
Tax base	<u>0</u>	<u>0</u>
<i>Temporary differences outlined</i>	2017	2016
Fixed assets	-140 345	-232 451
Inventory	-109 375	-94 105
Temporary differences	<u>-249 720</u>	<u>-326 556</u>
Deferred income tax liability (23% this year, 24% last year)	-57 436	-78 373
<i>Effective tax rate</i>	2017	
Expected income taxes, statutory tax rate 24%	-393 777	
Permanent differences, statutory tax rate 24%	2 693	
This years tax effect of change in tax rate	<u>2 499</u>	
Income tax expense	<u>-388 585</u>	
Effective tax rate	-22,6 %	



Cameron Systems AS

Notes to the accounts for 2017

Note 6 - Intercompany balance group company and associate

<i>Receivables</i>	2017	2016
Trade receivables	1 939 070	9 043 995
Other short-term receivables	31 670 499	26 709 248
Total	33 609 569	35 753 243

<i>Liabilities</i>	2017	2016
Long-term liability, Cameron Lux NOK Sarl	0	-9 736 237
Trade creditors	-244 208	-815 487
Other short-term liabilities	-11 640 891	-824 316
Total	-11 885 099	-11 376 040

Note 7 - Tangible and intangible assets

	Tangible assets
	Capitalized hardware
Acquisition cost 01.01.	942 609
Disposals	-50 000
Acquisition cost 31.12.	892 609
Acc.depreciation 31.12.	-531 475
Net carrying amount at 31.12.	361 134

Depreciation for the year	-65 267
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Note 8 - Share capital and shareholder information

Share capital:

	Number of shares	Face value	Book value
Ordinary shares	6 000	50 NOK	300 000

The company is 100 % owned by Cameron Norge Holding AS.



Cameron Systems AS

Notes to the accounts for 2017

Note 9 - Owners equity

	Share capital	Share premium reserve	Other paid-in capital	Other equity	Total
Owners equity 31.12.	300 000	100 000	13 582 712	2 785 460	16 768 172
Owners equity 01.01.	300 000	100 000	13 582 712	2 785 460	16 768 172
Profit for the year	0	0	0	-1 252 154	-1 252 154
Received group contribution	0	0	0	1 296 666	1 296 666
Owners equity 31.12.	300 000	100 000	13 582 712	2 829 972	16 812 684



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Cameron Systems AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Cameron Systems AS, which comprise the balance sheet as at 31 December 2017, 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 2017 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.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of 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 management for the financial statements

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.



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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 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 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.



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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.

Stavanger, 3 July 2018
ERNST & YOUNG AS

Tor Inge Skjellevik
State Authorised Public Accountant (Norway)