



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2017 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2017 - 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: Randi Skailand
Dato for fastsettelse av årsregnskapet: 23.03.2018

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, 17.08.2019



Resultatregnskap

Beløp i: NOK	Note	2017	2016
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3	24 582 859	60 657 632
Sum inntekter		24 582 859	60 657 632
Kostnader			
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	72 042 092	71 525 372
Annen driftskostnad		36 326 675	
Sum kostnader		108 368 767	71 525 372
Driftsresultat		-83 785 908	-10 867 740
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	3	2 844 370	2 418 005
Sum finansinntekter		2 844 370	2 418 005
Rentekostnad til foretak i samme konsern	3	2 251 519	5 808 396
Annen finanskostnad	5	22 038 294	12 908 018
Sum finanskostnader		24 289 813	18 716 414
Netto finans		-21 445 443	-16 298 409
Ordinært resultat før skattekostnad		-105 231 351	-27 166 149
Skattekostnad på ordinært resultat	6	-4 245 960	-7 314 924
Ordinært resultat etter skattekostnad		-100 985 391	-19 851 225
Årsresultat		-100 985 391	-19 851 225
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	8	-100 985 391	-19 851 226
Sum overføringer og disponeringer		-100 985 391	-19 851 226



Balanse

Beløp i: NOK	Note	2017	2016
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip, rigger, fly og lignende	4	321 977 918	393 592 962
Sum varige driftsmidler		321 977 918	393 592 962
Sum anleggsmidler		321 977 918	393 592 962
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer	3	357 853 205	123 102 194
Sum fordringer		357 853 205	123 102 194
Sum omløpsmidler		357 853 205	123 102 194
SUM EIENDELER		679 831 123	516 695 156
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	-27 601 064	73 384 327
Sum opptjent egenkapital		-27 601 064	73 384 327
Sum egenkapital		28 798 936	129 784 327



Balanse

Beløp i: NOK	Note	2017	2016
Gjeld			
Langsiktig gjeld			
Utsatt skatt	6	8 315 311	12 561 271
Sum avsetninger for forpliktelser		8 315 311	12 561 271
Annen langsiktig gjeld			
Sum langsiktig gjeld		8 315 311	12 561 271
Kortsiktig gjeld			
Kortsiktig konserngjeld	3	642 716 876	372 745 034
Annen kortsiktig gjeld			1 604 525
Sum kortsiktig gjeld		642 716 876	374 349 559
Sum gjeld		651 032 187	386 910 830
SUM EGENKAPITAL OG GJELD		679 831 123	516 695 157



Financial Statements

COSL Oil & Gas AS

Org. Nr.: 947.362.089

2017



BOARD OF DIRECTORS' REPORT 2017 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 from 22nd April 2016 until 15th March 2017. The rig has been smart stacked in Kristiansand after this contract.

The Company had a bareboat contract with COSL Offshore Management AS back to back with the contract with Conoco Phillips UK.

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.

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 an operating revenue of NOK 24.6 million compared to NOK 60.7 million in 2016. The operating expenses amounted to NOK 108.4 million, compared to NOK 71.5 million the previous year. The operating loss for 2017 was NOK 83.8 million, compared to a loss of NOK 10.9 million in 2016. Financial items amounted to a loss of NOK 21.4 million in 2017, compared to a loss of NOK 16.3 million in 2016. Loss before tax for 2017 was NOK 105.2 million. Loss before tax was NOK 27.2 million in 2016. Loss after tax for 2017 was NOK 101.0 million compared to a loss of NOK 19.9 million in 2016. The Company has total assets of NOK 679.8 million at the year end. The Company's equity is NOK 28.8 million compared to NOK 129.8 million in 2016.

The cash flow from operations presented in the cash flow statement mainly relates to operating income, investment in the rig, 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 2017.

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 2018.

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 2017 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 2018 and the low demand for this service will put pressure on the day rates and utilization of the fleet.

Stavanger, March 23rd 2018
Board of Director's of COSL Oil & Gas AS

Zhou Bingwen
Chairman of the Board

Magnar Fagerbakke
Director of the Board

Jørgen Arnesen
Director of the Board

Li Baozhong
Director of the Board



COSL Oil & Gas AS
Profit and loss statement

NOTE	OPERATING REVENUE AND OPERATING EXPENSES	2017	2016
3	Revenue	24.582.859	60.657.632
	Total operating revenue	24.582.859	60.657.632
	Stacking cost	36.326.675	-
4	Depreciation and amortisation of fixed and intangible assets	72.042.092	71.525.372
	Total operating expenses	108.368.767	71.525.372
	Operating profit/(loss)	-83.785.908	-10.867.741
	FINANCIAL INCOME AND FINANCIAL EXPENSES		
3	Interest received from group companies	2.844.370	2.418.005
3	Interest paid to group companies	-2.251.519	-5.808.396
5	Other financial expenses	-22.038.294	-12.908.018
	Financial items, net	-21.445.442	-16.298.409
	Profit/(loss)before taxation	-105.231.350	-27.166.149
6	Income tax	4.245.960	7.314.924
	PROFIT/(LOSS) FOR THE FINANCIAL YEAR	-100.985.391	-19.851.226
	ALLOCATION OF NET PROFIT/(LOSS) AND EQUITY TRANSFERS		
8	Transferred from / (to) retained earnings	-100.985.391	-19.851.226
	Total allocations and equity transfers	100.985.391	19.851.226



COSL Oil & Gas AS
Balance sheet at 31 December

NOTE	ASSETS	2017	2016
	Non-current assets		
	Tangible fixed assets		
4	Fixed assets	<u>321.977.918</u>	<u>393.592.962</u>
	Total tangible fixed assets	<u>321.977.918</u>	<u>393.592.962</u>
	Financial non-current assets		
	Total non-current assets	<u>321.977.918</u>	<u>393.592.962</u>
	Current assets		
	Receivables		
3	Intercompany receivables	<u>357.853.205</u>	<u>123.102.194</u>
	Total receivables	<u>357.853.205</u>	<u>123.102.194</u>
	Current investments		
	Total current assets	<u>357.853.205</u>	<u>123.102.194</u>
	TOTAL ASSETS	<u>679.831.123</u>	<u>516.695.157</u>




COSL Oil & Gas AS
Balance sheet at 31 December

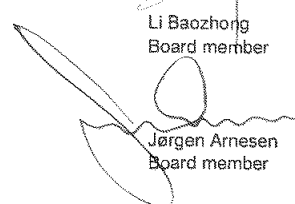
NOTE	SHAREHOLDERS EQUITY AND LIABILITIES	2017	2016
	Shareholders equity		
	Paid-in capital		
7,8	Share capital	1.400.000	1.400.000
8	Other paid-in capital	55.000.000	55.000.000
	Total paid-in capital	<u>56.400.000</u>	<u>56.400.000</u>
	Retained earnings		
8	Retained earnings	-27.601.064	73.384.327
	Total retained earnings	<u>-27.601.064</u>	<u>73.384.327</u>
	Total shareholders equity	<u>28.798.936</u>	<u>129.784.327</u>
	Liabilities		
	Provisions for liabilities and charges		
6	Deferred tax	8.315.311	12.561.271
	Total provisions for liabilities and charges	<u>8.315.311</u>	<u>12.561.271</u>
	Other non-current liabilities		
	Current liabilities		
3	Intercompany liabilities	642.716.876	372.745.034
	Other current liabilities	-	1.604.525
	Total current liabilities	<u>642.716.876</u>	<u>374.349.559</u>
	Total liabilities	<u>651.032.187</u>	<u>386.910.830</u>
	TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	<u>679.831.123</u>	<u>516.695.157</u>

Stavanger, March 23rd 2018


Bingwen Zhou
Chairman


Magnar Fagerbakke
Board member


Li Baozhong
Board member


Jørgen Arnesen
Board member



COSL Oil & Gas AS

Cash flow statement

	2017	2016
CASH FLOW FROM OPERATIONS:		
Profit/(loss) before taxation	-105.231.350	-27.166.149
Depreciation and amortisation	72.042.092	71.525.372
Changes in inter-company balances	364.022.623	-59.746.770
Changes in group cashpool	-328.801.791	19.085.804
Net cash flow from operations	2.031.573	3.698.258
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Outflows due to purchases of fixed assets	-427.048	-5.260.408
Net cash flow from investment activities	-427.048	-5.260.408
CASH FLOW FROM FINANCING ACTIVITIES:		
Inflow due to new non-current liabilities	-1.604.525	1.562.150
Net cash flow from financing activities	-1.604.525	1.562.150
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 2017

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 Nordea, 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 2017 (2016: 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 (2016: 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	2017	2016
Intercompany interest income	(1)	2.844.370	2.418.005
Intercompany interest expense	(1)	-2.251.519	-5.808.396
Bareboat lease income	(2)	24.582.859	60.657.632

(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.

Intercompany receivables consist of:

Counterpart	Relationship to the counterpart	2017	2016
COSL Offshore Management AS	Other group companies	-	94.050.781
COSL Norwegian AS (Group cashpool)	Parent company	357.853.205	29.051.413
Total		357.853.205	123.102.194

Intercompany payables consist of:

Counterpart	Relationship to the counterpart	2017	2016
COSL Offshore Management AS	Other group companies	269.971.843	-
COSL Norwegian AS	Parent company	372.745.033	372.745.034
Total		642.716.876	372.745.034

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 2016	1.037.190.348
Additions, purchased	427.048
Disposals	-
Cost at 31 December 2017	1.037.617.396
Acc. depreciation at 31 December 2016	643.597.386
Depreciation	72.042.092
Accumulated depreciation 31 December 2017	715.639.478
Balance at 31 December 2017	321.977.918
Current year amortisation charge	71.525.372
Economic life	35-39 years
Depreciation method	Linear

Note 5 Other financial income and expenses

Other financial income	2017	2016
Net agio	-22.038.294	-12.908.014
Net other financial income	-22.038.294	-12.908.014
Other financial expenses	2017	2016
Bank charges	-1	-5
Net other financial expenses	-1	-5

Note 6 Income tax expense

Payable tax	2017	2016
Profit/(loss) before tax	-105.231.350	-27.166.149
Change in temporary differences	25.512.541	17.838.709
Tax loss carry forward	79.718.811	9.327.440
Taxable income / (loss)	-	-
Payable tax on profit (24%/25%)	-	-
Payable tax in balance sheet		
Payable tax	-	-
Effect on payable tax of group contribution	-	-
Total net receivable / (payable) tax	-	-
Temporary differences	2017	2016
Fixed assets	36.153.527	61.666.068
Tax loss carry forward	-89.046.251	-9.327.440
Total temporary differences	-52.892.724	52.338.628
Calculated net deferred tax asset / (liability) (23% / 24%)	12.165.327	-12.561.271
Valuation allowance	-20.480.638	-
Total deferred tax asset / (liability) recognized (23% / 24%)	-8.315.311	-12.561.271
Deferred tax		
Deferred tax - ending balance	-8.315.311	-12.561.271
Deferred tax - opening balance	-12.561.271	-19.876.194
Total deferred tax (expense) / income	4.245.960	7.314.924
Total tax (expense) / income		
Payable tax	-	-
Deferred tax	4.245.960	7.314.924
Total tax (expense) / income	4.245.960	7.314.924

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 2017 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 2017:

	Shares	Total	Ownership share
<i>COSL Holding 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
Equity at 1 January 2017	1.400.000	55.000.000	73.384.327
<u>This year's change in equity:</u>			
Profit/(loss) of the year		-	-100.985.391
Equity at 31 December 2017	1.400.000	55.000.000	-27.601.064



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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 100 985 391. The financial statements comprise the balance sheet as at 31 December 2017, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2017, 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 board of directors' report 2017, but does not include 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

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Den norske Revisorføring
Organisasjonsnummer 980 211 282



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.



Deloitte

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Report on Other Legal and Regulatory Requirements

Opinion on Registration and Documentation

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

Stavanger, 18 April 2018
Deloitte AS

Arnstein Antonsen
State Authorised Public Accountant



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	17.12.2009	05.01.2010
Telefon	Deres referanse	Vår referanse
22078139	Marianne Åsheim	2009/999914

ERNST & YOUNG AS
Vassbotnen 11 Forus
4313 Sandnes

Søknad om tillatelse til å utarbeide årregnskap og årsberetning på engelsk språk for COSL Norwegian AS inklusive datterselskaper

Det vises til Deres brev av 17. desember 2009. De søker på vegne av COSL Norwegian AS inklusive datterselskaper om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk.

Søknaden gjelder for følgende selskaper;

COSL Norwegian AS	992 831 510
COSL Drilling Europe AS	987 861 894
COSL Oil & Gas AS	947 362 089
COSL Rigmar AS	884 358 582
COSL Sea Beds AS	960 254 635
COSL Sea Beds II AS	985 876 185
COSL Drilling Semi AS	988 288 330
COSL Offshore Management AS	991 006 494
Wilrig AS	989 850 105
COSL Rig Holding AS	990 405 034
COSL Rig Ltd	991 594 019
COSL Power AS	987 861 916
COSL Power Ltd	991 594 027
COSL Craft AS	987 862 932
COSL Craft Ltd	991 594 035
COSL Strike Ltd	991 594 043
Premium Drilling AS	988 294 187

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.

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."

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Fredrik Selmers vei 4	800 80 000
0134 Oslo	Org. nr: 974761076	Telefaks
skattedirektoratet@skatteetaten.no		22 17 08 60



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. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som sentrale verktøy i sin kontrollvirksomhet.

Det er etter Skattedirektoratets vurdering derfor avgjørende at spørsmål om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, ikke på vesentlige områder fraviker fra hensynet til brukere av regnskapsinformasjon. Søkeren må som et utgangspunkt for vurderingen ha en særlig interesse for kun å utarbeide årsregnskap og/eller årsberetning på et annet språk enn norsk.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. 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. 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. Skattedirektoratet legger derfor til grunn at det i dette tilfellet ikke syntes å være brukere av selskapenes regnskapsinformasjon som har en særlig interesse i å få dette på norsk språk.

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


Dispensasjonen er gitt under den forutsetning at de overnevnte opplysninger som vedtaket baserer seg på ikke endres vesentlig.



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Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen


Jan Hoelstad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Torstein Kinden Helleland

