



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	988 288 330
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	COSL DRILLING EUROPE AS
Forretningsadresse:	Vestre Svanholmen 4 4313 SANDNES

Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	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:	11.11.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

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, 23.11.2025



Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	227 157 214	201 444 710
Sum inntekter		227 157 214	201 444 710
Kostnader			
Lønnskostnad	3	133 371 513	130 332 990
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	525 227	508 430
Annen driftskostnad	5	86 076 911	59 029 223
Sum kostnader		219 973 651	189 870 643
Driftsresultat		7 183 563	11 574 067
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi	9	182 784 263	17 410 071
Rentekostnad til foretak i samme konsern	6	285 447 878	308 829 190
Annen finanskostnad	8	466 969 057	82 285 542
Sum finanskostnader		935 201 198	408 524 803
Netto finans		-935 201 198	-408 524 803
Resultat før skattekostnad		-928 017 635	-396 950 736
Skattekostnad	8	0	0
Årsresultat		-928 017 635	-396 950 736
Overføringer og disponeringer			
Udekket tap	12	-928 017 635	-396 950 736
Sum overføringer og disponeringer		-928 017 635	-396 950 736



Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	4	1 414 501	1 156 196
Sum varige driftsmidler		1 414 501	1 156 196
Finansielle anleggsmidler			
Investering i datterselskap	9	4 153 144 421	4 335 928 684
Sum finansielle anleggsmidler		4 153 144 421	4 335 928 684
Sum anleggsmidler		4 154 558 922	4 337 084 880
Omløpsmidler			
Varer			
Fordringer			
Fordringer på selskap i samme konsern	10	22 711 708	355 665
Andre fordringer		19 085 920	18 580 423
Sum fordringer		41 797 628	18 936 088
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	11	13 399 639	14 145 287
Sum bankinnskudd, kontanter og lignende		13 399 639	14 145 287
Sum omløpsmidler		55 197 267	33 081 375
SUM EIENDELER		4 209 756 189	4 370 166 255
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	12	12 560 612	12 560 612



Balanse

Beløp i: NOK	Note	2024	2023
Annen innskutt egenkapital	12	56 009 742	55 899 742
Sum innskutt egenkapital		68 570 354	68 460 354
Opptjent egenkapital			
Udekket tap	12	2 874 683 286	1 941 066 187
Sum opptjent egenkapital		-2 874 683 286	-1 941 066 187
Sum egenkapital		-2 806 112 932	-1 872 605 833
Kortsiktig gjeld			
Leverandørgjeld		880 484	3 469 899
kortsiktig konserngjeld som ikke renteberegnes		1 278 038 318	1 089 641 593
Kortsiktig konserngjeld		5 687 535 809	5 082 897 515
skatter og avgifter		13 778 931	15 327 737
annen		35 635 579	51 435 737
Sum kortsiktig gjeld		7 015 869 121	6 242 772 481
Sum gjeld		7 015 869 121	6 242 772 481
SUM EGENKAPITAL OG GJELD		4 209 756 189	4 370 166 648



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Financial Statements

COSL Drilling Europe AS

Org. Nr.: 988.288.330

2024



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COSL Drilling Europe AS

BOARD OF DIRECTORS' REPORT 2024



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Introduction

COSL Drilling Europe AS is a fully owned subsidiary of COSL Norwegian AS. As of the date of this report, COSL Drilling Europe AS have shares in 4 subsidiaries. Three of the subsidiaries are asset companies who own rigs, and the remaining company is manning and operation company that holds the contract with the external clients. The rig owning company COSL Promoter Pte Ltd, bought the semi-submersible drilling rig, COSL Prospector of a related company, COSL Prospector Pte Ltd in 2024.

Offshore Crew AS, a subsidiary was merged into COSL Drilling Europe AS, as a simplified merger, with tax and accounting effect from 01.01.2024.

COSL Drilling Europe AS's office is at Forus in Sandnes, Norway.

Going concern

In accordance with the accounting act §4-5 the board confirm that the financial statements are prepared under the going concern assumption and that the assumption is present.

The equity of the Company is lost with an amount of NOK 2 806.1 million per end of 2024. This is mainly due to impairment of the shares in subsidiaries. The Company is financed by parent company and related party loans ("COSL Shareholder loans"), which may be converted by COSL to equity. Per 31 December 2024, the Group's equity including COSL Shareholder loans amounts to NOK 2 881.4 million, which implies an adjusted equity ratio of 68.4%. This has been assessed by the Board as sufficient to continue business operations.

We have obtained updated support letter to the COSL Norwegian Group companies if required to enable them to operate as a going concern and to meet their obligations, for at least 12 months from the date of directors' report, and that such financial support include to provide necessary funding to the companies as well as not calling for payments of the amounts that the Companies owe to COSL. This has been formalized through a signed supporting letter.

The Company furthermore had a positive bank balance per 31 December 2024 of NOK 13.4 million.

Based on the above, the Company's ability to continue to carry out its objectives and commitments in the 12 months from the date of the directors' report is supported and the financial statements have been prepared under the assumption of the Company's ability to continue as a going concern.

Profit and loss account

In 2024 total revenues amounted to NOK 227.2 million. The corresponding amount for 2023 was NOK 201.4 million. The revenue for both years relates to recharge of salary and overhead expenses to subsidiaries, mainly subsidiary COSL Offshore Management AS. Personnel costs was NOK 133.4 million compared to NOK 130.3 million in 2023. General and administrative expenses were NOK 86.1 million, compared to NOK 59.0 million in 2023.

Net financial loss was NOK 935.2 million, compared to a net financial loss of NOK 408.5 million in 2023. The financial items were interest to the Parent company, impairment of subsidiaries and exchange loss. Loss before tax was NOK 928.0 million, compared to a loss before tax of NOK 397.0 million in 2023. In 2024, net loss after tax was NOK 928.0 million compared to a net loss after tax of NOK 397.0 million in 2023.

Balance

As of December 31, 2024, total assets were NOK 4 209.8 million compared to NOK 4 370.2 million at the end of 2023.

The board believes that COSL Drilling Europe AS is well positioned to meet its future commitments through internal funds, cash flow and debt financing.



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There has been no change in the number of shares during 2024. At the date of this report, the number of outstanding shares of the Company is 50.242.448, the same as December 31, 2023.

Cashflow

The Cashflow from operations presented in the financial statement mainly related to profit before tax, adjusted for non-cash items which includes impairments on investments in COSL Pioneer and COSL Promoter, interest expenses on loans taken from COSL Norwegian AS, and interest on the cash pool, foreign exchange losses mainly arising from intercompany loans. Additionally increases in intercompany receivables and payables.

Liquidity and financing

December 31, 2024, COSL Drilling Europe AS had NOK 13.4 million in cash and cash equivalents. At the end of 2023, the same figure was NOK 14.1 million. The Company's investments in its subsidiaries are mainly financed through intercompany interest-bearing debt. Intercompany interest-bearing debt was NOK 5 687.5 million at the end of the year. In 2023 this amount was NOK 5 082.9 million. The increase is due to exchange loss on the USD-denominated loan, and interest not paid.

Market

COSL Drilling Europe AS is a management and holding company and will continue its investment in its subsidiaries. The market view is dependent on the investments made by its subsidiaries.

Working environment

The company had 77 full time equivalent positions as of December 31, 2024. At the end of 2024 the number was 59.35% of the staff was female.

The company aims for equality between genders. The working environment is considered good, and management will continue to work to maintain a good work environment. There are no differences in salary based on gender. The company had 0 involuntary part time workers in 2024.

There were no employee related accidents in 2024.

When hiring new employees, they are evaluated based upon skills and objective measurements for the relevant position. No cultural, gender, religious, political or nationality considerations influence the decision. The company has internal procedures to ensure and maintain equality.

The company's operation does not pollute the environment.

Company risks

COSL Drilling Europe AS and its subsidiaries are exposed to market risks, geographical risks, political risks, construction risks, operational risks, financial risks, and strategic risks. The risk for COSL Drilling Europe AS is indirectly through ownership of asset companies for the different rigs. The Board and management manage these risks through ensuring a close relationship with the external management providers and through continuous reporting and monitoring. Strict safety management system has been implemented to ensure a safe and efficient operation and working environment in the rig operations. Major factors in determining market risks are future oil and gas prices.

Financial risk

COSL Drilling Europe AS is exposed to several different financial market risks arising from the normal business activities. Financial market risk is the possibility that fluctuations in currency exchange rates or interest rates will affect the value of our assets, liabilities, or future cash flows. To reduce and manage these risks, management periodically reviews and assesses its primary financial market risks.



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The company's exposure to the risk of changes in the market interest rates relates primarily to the Group Cash pool arrangement with floating interest rates.

Receivable balances are monitored on an ongoing basis.

Shareholders and equity

COSL Drilling Europe AS only shareholder is COSL Norwegian AS. COSL Norwegian AS is a fully owned subsidiary of China Oilfield Services Limited.

The Board members are covered through a corporate insurance, the D&O limit is 250 million Chinese Yuan and this policy is globally for all directors of China Oilfield Services Limited and subsidiaries.

Subsequent event

On September 17, 2025, the subsidiary COSL Promoter Pte Ltd issued a letter to request COSL Singapore Ltd to reduce the sales price of the drilling rig COSLProspector by USD 31 Million. The request was based on the rig arriving at yard stay in a condition that did not meet sufficient working condition for scheduled special periodic survey and upgrade work. If the claim is accepted by COSL Singapore Ltd it will decrease the book value of the rig and the payables towards COSL Singapore Ltd with the same amount.

Sandnes, November 11, 2025

The Board of Directors of COSL Drilling Europe AS

Zhang Shaoying
Chairman of the Board

Frank Tollefsen
CEO and Board member

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Kine Surdal Nilsen
Member of the Board

Signed by:

220296F250504C8...

Jia Fenglei
Member of the Board

Signed by:

3622B73DF6144DC...

Wu Lingling
Member of the Board

簽署人:

25AA092E27D2405...



Statsautoriserte revisorer
Ernst & Young AS

Vassbotnen 11a Forus, 4313 Sandnes
Postboks 8015, 4068 Stavanger

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

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Medlemmer av Den norske Revisorforening

To the General Meeting in COSL Drilling Europe AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of COSL Drilling Europe AS (the Company), which comprise the balance sheet as at 31 December 2024, 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 financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance and 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 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 requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code), 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.

Emphasis of matter

We draw attention to note 16 Subsequent events of the financial statements, which describes the request that has been issued to former owner of the rig COSL Prospector regarding reduction of acquisition cost. As the outcome of the matter remains uncertain and recovery cannot be considered virtually certain, no related amount has been recognized in the financial statements. Our opinion is not modified in respect of this matter.

Other matters

The Company's financial statements have been submitted after the legal deadline for submission of financial statements.

Other information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report otherwise appears to be materially



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misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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.

Independent auditor's report - COSL Drilling Europe AS 2024

A member firm of Ernst & Young Global Limited

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- 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 the board of directors 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.

Stavanger, 13 November 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Jan Kvalvik
State Authorised Public Accountant (Norway)

Penn eo Dokumentnøkkel: E8DHT-4VH28-SKZCC-X7SVP-EIWGM-TYH50



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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Jan Kvalvik

State Authorised Public Accountant

On behalf of: Ernst & Young AS

Serial number: bankid.no no_bankid:9578-5994-4-497669

IP: 147.161.xxx.xxx

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COSL Drilling Europe AS Profit and loss statement

NOTE	OPERATING REVENUE AND OPERATING EXPENSES	2024	2023
2	Revenue	227 157 214	201 444 710
	Total operating revenue	227 157 214	201 444 710
3	Payroll and related costs	133 371 513	130 332 990
4	Depreciation and amortisation	525 227	508 430
5	Operating, general and administrative expenses	86 076 911	59 029 223
	Total operating expenses	219 973 652	189 870 643
	Operating profit/(loss)	7 183 563	11 574 067
	FINANCIAL INCOME AND FINANCIAL EXPENSES		
9	Impairment of financial assets	(182 784 263)	(17 410 071)
6	Interest expense group companies	(285 447 878)	(308 829 190)
7	Other financial expenses	(466 969 057)	(82 285 542)
	Financial items, net	(935 201 198)	(408 524 803)
	Profit/(loss) before taxation	(928 017 635)	(396 950 736)
8	Tax on ordinary income	-	-
	PROFIT/(LOSS) FOR THE FINANCIAL YEAR	(928 017 635)	(396 950 736)
	ALLOCATION OF NET PROFIT/(LOSS) AND EQUITY TRANSFERS		
12	Transferred to retained earnings	928 017 635	396 950 736
	Total allocations and equity transfers	928 017 635	396 950 736



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COSL Drilling Europe AS Balance sheet at 31 December

NOTE	ASSETS	2024	2023
	Non-current assets		
4	Property, plant and equipment	1 414 501	1 156 196
9	Investments in subsidiary companies	4 153 144 421	4 335 928 684
	Total non-current assets	4 154 558 922	4 337 084 880
	Current assets		
	Other receivables	19 085 920	18 580 423
10	Intercompany receivables	22 711 708	355 665
11	Cash and cash equivalents	13 399 639	14 145 287
	Total current assets	55 197 266	33 081 375
	TOTAL ASSETS	4 209 756 190	4 370 166 255
NOTE	SHAREHOLDERS EQUITY AND LIABILITIES	2024	2023
	Shareholders equity		
	Paid-in capital		
12	Share capital	12 560 612	12 560 612
12	Other paid-in capital	56 009 742	55 899 742
	Total paid-in capital	68 570 354	68 460 354
	Retained earnings		
12	Retained earnings	(2 874 683 286)	(1 941 066 187)
	Total retained earnings	(2 874 683 286)	(1 941 066 187)
	Total shareholders equity	(2 806 112 931)	(1 872 605 833)
	Current liabilities		
13	Loans from group companies*	5 687 535 809	5 082 897 515
14	Intercompany liabilities	1 278 038 318	1 089 641 593
	Accounts payable	880 484	3 469 899
	Other taxes and withholdings	13 778 931	15 327 345
	Other current liabilities	35 635 579	51 435 737
	Total current liabilities	7 015 869 122	6 242 772 088
	Total liabilities	7 015 869 122	6 242 772 088
	TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	4 209 756 190	4 370 166 255

*The Loan from intermediate holding company has been reclassified to short term loan to reflect the loan agreement and hence 2023 has been changed retrospective.

Sandnes, November 11, 2025

Zhang Shaoying
Chairman of the Board

Kine Surdal Nilsen
Member of the Board

Signed by:

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Wu Lingling
Member of the Board

Signed by:

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Frank Tollefsen
CEO and Member of the Board

DocuSigned by:

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Jia Fenglei

Member of the Board

Signed by:

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COSL Drilling Europe AS

Cash flow statement

	2024	2023
CASH FLOW FROM OPERATIONS:		
Profit/(loss) before taxation	(926 017 635)	(396 950 736)
Depreciation and amortisation	525 227	508 430
Net Impairment of fixed and intangible assets	182 784 263	17 410 071
Effect of merger with COSL Offshore Crew AS	(5 489 464)	-
Interest expense Group companies	235 447 878	308 829 190
Effect of currency rate changes	466 715 119	82 128 913
Change in trade payables	(2 589 415)	(2 396 931)
Changes in inter-company balances	206 853 298	(21 759 069)
Changes in other current assets and other liabilities	(17 854 068)	16 483 779
Changes in group cashpool	(188 337 317)	(1 066 057)
Net cash flow from operations	37 885	3 187 590
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Outflows due to purchases of fixed assets	(783 533)	(132 259)
Net cash flow from investment activities	(783 533)	(132 259)
CASH FLOW FROM FINANCING ACTIVITIES:		
Net cash flow from financing activities	-	-
Net change in bank deposits, cash and equivalents	(745 647)	3 055 331
Bank deposits, cash and equivalents at 1 January	14 145 287	11 089 956
Bank deposits, cash and equivalents at 31 December	13 399 639	14 145 287



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COSL Drilling Europe AS

Notes to the accounts, year ended 31 December 2024

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.

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.

Shares in subsidiaries and associates

Subsidiaries and investments in associates are carried at cost. A write-down to fair value will be performed if the impairment is not considered to be temporary, and an impairment charge is deemed necessary according to generally accepted accounting principles. Received dividends and group contributions are recognised as other financial income. The same applies for investments in associates.

Merger

COSL Offshore Crew AS, a subsidiary was merged into COSL Drilling Europe AS, as a simplified merger, with tax and accounting effect from 01.01.2024.

Revenue

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



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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 Sparebanken 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.

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 intercompany in the cash flow statement.



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Note 2 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	2024	2023
Intercompany interest expense	(1)	(285 447 878)	(308 829 190)
Reimbursable income	(2)	227 157 214	201 444 710

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

(2): Cost of management, back-office and other indirect overhead costs are incurred by COSL Drilling Europe AS and allocated to group companies in Norway on a pro rata basis including a mark-up (mainly to COSL Offshore Management AS).

Note 3 Payroll costs, number of employees, benefits, loans to employees etc.

Payroll costs	2024	2023
Wages and salaries	96 777 233	108 387 769
Pension costs	5 122 594	3 835 150
Other personnel costs	31 471 686	18 110 071
Total	133 371 513	130 332 990

Average number of employees during the year 65 50

Pensions

The company's pension scheme meets the requirements under Norwegian laws to provide an occupational pension scheme. The pension scheme is classified as a defined contribution scheme and is arranged through an agreement with an external pension insurance company.

Remuneration to Board of Directors and CEO

The board members receive normal salary in the company for their positions, they are not compensated with a board fee.

The company did not provide any loans or securities to the Board of Directors or members of Management in 2024 or in 2023. The company has a contractual obligation to pay 6 months' salary to the top management in the case of employment termination.

Auditor

Remuneration to Ernst and Young AS and their associates is as follows:

	2024	2023
Statutory audit	1 857 454	1 892 800
Total costs for Auditor	1 857 454	1 892 800



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Note 4 Fixed assets

	Machinery and equipment	Total
Net cost at 31 December 2023	1 156 196	1 156 196
Additions, purchased	783 533	783 533
Disposals	-	-
Cost at 31 Desember 2024	1 939 729	1 939 729
Depreciation	525 227	525 227
Accumulated depreciation on disposed assets	-	-
Accumulated depreciation 31 December 2024	525 227	525 227
Balance at 31 December 2024,	1 414 501	1 414 501

Economic life	3-8 year
Depreciation method	Linear

COSL Drilling Europe AS has tangible fixed assets in the form of office equipment, art, hardware, software and warehouse equipment (Mongstad).

Note 5 Operating, general and administrative expenses

Operating, general and administrative expenses	2024	2023
Office, warehouse and equipment costs	23 725 451	20 715 638
Travel expenses	267 487	225 758
Consultancy and legal fees	26 404 203	19 418 900
IT costs	35 679 770	18 668 927
Total operating, general and administrative expenses	86 076 911	59 029 223

Note 6 Interest expense Group companies

Transaction type	2024	2023
Interest expense related to cash pool	63 331 226	(46 140 765)
Interest expense related to loan from COSL Norwegian AS	222 116 652	(262 688 426)
Total interest expenses	285 447 878	(308 829 190)

Note 7 Other financial income and expenses

Other financial expenses	2024	2023
Realized and unrealized exchange losses	466 715 119	82 128 913
Bank charges	57 310	55 730
Other financial expenses	196 628	100 898
Net other financial expenses	466 969 057	82 285 542



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Note 8 Income tax expense

Payable tax	2024	2023
Profit/(loss) before tax	(928 017 635)	(396 950 736)
Permanent differences/offset of interest	285 501 254	308 976 554
Change in temporary differences	(358 387)	(625 916)
Impairment of subsidiary	182 784 263	17 410 071
Change in tax loss carry forward	460 090 506	71 190 026
Taxable income / (loss)	-	-
Payable tax on profit (22%)		
Temporary differences	2024	2023
Fixed assets	(1 567 900)	(1 926 287)
Interest limitation rule carry forward	(276 075 851)	(276 075 851)
Tax loss carry forward*	(959 074 447)	(489 932 228)
Total temporary differences	(1 236 718 198)	(767 934 366)
Calculated net deferred tax asset / (liability) (22%)	272 078 004	168 945 561
Total deferred tax asset / (liability) recognized (22%)	272 078 004	168 945 561
Deferred tax		
Deferred tax - ending balance	-	-
Deferred tax - opening balance	-	-
Total deferred tax (expense) / income	-	-
Total tax (expense) / income		
- Tax effect of group contribution	-	-
Deferred tax	-	-
Total tax (expense) / income	-	-

*Due to the merger with COSL Offshore Crew AS, COSL Drilling Europe AS has increased its loss carry forward with NOK 9 051 714.

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



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Note 9 Investments in subsidiaries and associated companies

Company	Date of acquisition	Registered office	Voting share	Ownership share
COSL Pioneer Pte Ltd	2008	Singapore	100 %	100 %
COSL Promoter Pte Ltd	2008	Singapore	100 %	100 %
COSL Innovator Pte Ltd	2008	Singapore	100 %	100 %
COSL Offshore Management AS	2008	Norway	100 %	100 %

Company	Net bookvalue	Net bookvalue	Equity	Profit/(loss)
	in NOK 31.12.2024	in NOK 31.12.2023	latest financial statements	latest financial statements
COSL Pioneer Pte Ltd	1 321 701 296	1 453 933 546	USD 116 147 572	USD -28 529 845
COSL Promoter Pte Ltd	1 469 834 969	1 520 386 982	USD 129 165 162	USD -20 427 692
COSL Innovator Pte Ltd	869 839 656	869 839 656	USD 86 525 000	USD -696 257
COSL Offshore Crew AS	-	-	-	-
COSL Offshore Management AS	491 768 500	491 768 500	2 076 576 895	183 283 306
Total investment in subsidiary companies	4 153 144 421	4 335 928 684		

COSL Offshore Crew AS has been merged into COSL Drilling Europe AS, retrospective from 01.01.2024.

Company	Reversal of Impairment NOK	Impairment NOK	Impairment / Reversal NOK
	31.12.2024	31.12.2024	31.12.2023
COSL Pioneer Pte Ltd	-	(132 232 250)	-
COSL Promoter Pte Ltd	-	(50 552 013)	(17 310 071)
COSL Innovator Pte Ltd	-	-	-
COSL Offshore Crew AS	-	-	(100 000)
COSL Offshore Management AS	-	-	-
Total investment in subsidiary companies	-	(182 784 263)	(17 410 071)

COSL Pioneer Pte Ltd, COSL Promoter Pte Ltd and COSL Innovator Pte Ltd have USD as functional currency.

COSL Innovator Pte Ltd show favorable exchange when it comes to measure the balance value, however the subsidiaries shows losses and therefore the company has chosen not to reverse prior years impairments.

COSL Promoter Pte Ltd and COSL Pioneer Pte Ltd have significant losses in 2024 and the impairment indicators deemed a necessary impairment.

Note 10 Intercompany receivables

Intercompany receivables consist of:

Counterpart	Relationship to the counterpart	2024	2023
COSL Norwegian AS	Parent company	380	-
COSL Innovator Pte Ltd	Subsidiary	4 504	-
COSL Promoter Pte Ltd	Subsidiary	572 239	-
COSL Offshore Management AS	Subsidiary	21 980 834	315 895
Unrealized agio		153 751	39 969
Total		22 711 708	355 665



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Note 11 Cash and cash equivalents

	2024	2023
Employee withheld taxes (restricted bank account)	8 300 230	9 433 179
Restricted cash for pensions	5 033 114	4 580 760
Other cash and cash equivalents	66 295	131 348
Total	13 399 639	14 145 287

Note 12 Equity

	Share capital	Other paid-in capital	Retained earnings	Total shareholders equity
Equity at 1 January 2024	12 560 612	55 899 742	(1 941 066 187)	(1 872 605 833)
<u>This year's change in equity:</u>				
Effect of merging COSL Offshore Crew AS		110 000	(5 599 464)	(5 489 463)
Profit/(loss) of the year	-	-	(928 017 635)	(928 017 635)
Equity at 31 December 2024	12 560 612	56 009 742	(2 874 683 285)	(2 806 112 931)

The share capital in the company at 31 December 2024 consists of the following classes:

	Number	Nominal amount	Carrying value
Share capital by foundation	50 242 448	0,25	12 560 612
Total	50 242 448		12 560 612

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

Ownership structure

Largest shareholders as of 31 December 2024:

	Number of Shares	Number of shares Total	Ownership share	Voting share
<i>COSL Norwegian AS</i>	50 242 448	50 242 448	100 %	100 %
Total number of shares	50 242 448	50 242 448	100 %	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 13 Loans from Group Companies

Counterpart / description	Relationship to the counterpart	Interest rate	2024	2023
COSL Norwegian AS	Parent company		(5 687 535 809)	(5 082 897 515)
Total			(5 687 535 809)	(5 082 897 515)
Maturity				
Current within one year			(5 687 535 809)	(5 082 897 515)
Total			(5 687 535 809)	(5 082 897 515)

*The Loan from intermediate holding company has been reclassified to short term loan to reflect the loan agreement and hence 2023 has been changed retrospective.

COSL Drilling Europe AS has an unsecured loan towards parent company COSL Norwegian AS. The total amount of the loan facility is USD 1.3 billion. The purpose of the loan is to finance the ongoing working capital requirements and the shares in subsidiaries. Subject to the terms of the loan agreement, advances may be drawn by the borrower at any time until the termination date. Interest is accrued yearly upon the aggregate principal amount of outstanding advances.



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Note 14 Intercompany payables

Intercompany payables consist of:

Counterpart	Relationship to the counterpart	2024	2023
COSL Norwegian AS, included cash pool	Parent company	1 277 978 910	1 089 641 593
COSL Offshore Management AS	Subsidiary	59 408	-
Total		1 278 038 318	1 089 641 593

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 15 Going Concern

In accordance with the accounting act §4-5 the board confirm that the financial statements are prepared under the going concern assumption and that the assumption is present.

The equity of the Company is lost with an amount of NOK 2 806.1 million per end of 2024. This is mainly due to impairment of the shares in subsidiaries. The Company is financed by parent company and related party loans ("COSL Shareholder loans"), which may be converted by COSL to equity. Per 31 December 2024, the Group's equity including COSL Shareholder loans amounts to NOK 2 881.4 million, which implies an adjusted equity ratio of 68.4%. This has been assessed by the Board as sufficient to continue business operations.

We have obtained updated support letter to the COSL Norwegian Group companies if required to enable them to operate as a going concern and to meet their obligations, for at least 12 months from the date of directors' report, and that such financial support include to provide necessary funding to the companies as well as not calling for payments of the amounts that the Companies owe to COSL. This has been formalized through a signed supporting letter.

The Company furthermore had a positive bank balance per 31 December 2024 of NOK 13.4 million.

Based on the above, the Company's ability to continue to carry out its objectives and commitments in the 12 months from the date of the directors' report is supported and the financial statements have been prepared under the assumption of the Company's ability to continue as a going concern.

Note 16 Subsequent event

On September 17, 2025, the subsidiary COSL Promoter Pte Ltd issued a letter to request COSL Singapore Ltd to reduce the sales price of the drilling rig COSLProspector by USD 31 Million. The request was based on the rig arriving at yard stay in a condition that did not meet sufficient working condition for scheduled special periodic survey and upgrade work. If the claim is accepted by COSL Singapore Ltd it will decrease the book value of the rig and the payables towards COSL Singapore Ltd with the same amount.



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helletand	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 ovennevnte 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 ovennevnte opplysninger som vedtaket baserer seg på ikke endres vesentlig.

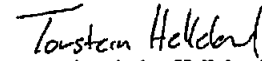


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Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen


Jan Hoelstad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Torstein Helleland
Torstein Kinden Helleland

