Årsregnskap for regnskapsåret 2013

Organisasjonsnr:	996 330 958
Navn/foretaksnavn:	DOLPHIN GEOPHYSICAL AS
Forretningsadresse:	Damsgårdsveien 131
	5160 LAKSEVÅG

Brønnøysundregistrene
20.11.2020

Brønnøysundregistrene
Postadresse: 8910 Brønnøysund
Telefoner: Opplysningstelefonen 75 00 75 00 Telefaks 75 00 75 05
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

2014.131773

Brønnøysundregistrene – Regnskapsregisteret

VEDLEGG TIL ÅRSREGNSKAP 2013

DOLPHIN GEOPHYSICAL AS Damsgårdsveien 131 5160 LAKSEVÅG	Organisasjonsnr. 996 330 958	AS

Registrerte opplysninger per 01.07.2014		Eventuelle endringer dette regnskapsåret	
Startdato 01.01.2013	Avslutningsdato 31.12.2013	Startdato	Avslutningsdato
Konsernforhold Foreninger som følger regler for frivillig virksomhet, kan ikke være morselskap	Morselskap JA	Endret konsernforhold ☐ Morselskap	☐ Ikke morselskap

Kun for aksjeselskap som har meldt fravalg av revisjon

Selskapet har besluttet at årsregnskapet ikke skal revideres ☐ Ja

Årsregnskapet er utarbeidet av ekstern autorisert regnskapsfører ☐ Ja

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

Årsregnskapet er satt opp etter reglene for frivillig virksomhet ☐ Avkrysning er kun aktuelt for foreninger (FLI) som er registrert i Frivillighetsregisteret

Hvis enheten ikke følger norsk regnskapslov eller frivillighetsregisterloven, kryss av ☐ IFRS selskap ☐ IFRS konsern

Hvis enheten velger å avvike fra regnskapsloven § 6-1, kryss av ☐ Funksjon selskap ☐ Funksjon konsern

Følges regnskapsreglene for små foretak? ☐ Ja ☒ Nei

Jeg bekrefter at vedlagte årsregnskap er fastsatt av kompetent organ den — Dato 21/3 - 2014

Sted/dato, Underskrift av representant for enheten

Bergen, 30/6 - 2014

Bare til bruk for Regnskapsregisteret tiv

G ☒ NYVE ☐ Admr ☐ Kregn Ja ☒ Nei ☐ Aktiv. regn ☐

M ☐ Rets ☐ Ant.s 157

ov.b årsb res bal e.bal gj.bal rev i-rev k-res k-bal k-n k-rev i-k-rev n

k-regn kto d.k ik-fv konsf ifrs fr-rev funk u.off brev

BR-1001-11

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jan Hoelstad	04.05.2011	13.05.2011
Telefon	Deres referanse	Vår referanse
22077325	Nina Midtlie	2011/499106

Dolphin Group ASA
Postboks 150, Oppsal
0619 OSLO

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk

Det vises til deres brev av 4. mai 2011 samt e-poster av 13. mai 2011 med supplerende opplysninger i sakens anledning. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for:

- Dolphin Group ASA Org. nr: 984 861 060

samt følgende heleide norske underliggende selskap:

- Dolphin Interconnect Solutions AS Org. nr: 996 330 923
- Dolphin Geophysical AS Org. nr: 996 330 958
- Dolphin Assets I AS Org. nr: 996 480 313

Bakgrunn:
Dolphin Group ASA er et holdingselskap som er konsernspiss i et konsern som driver innen internasjonal seismikk-virksomhet samt utvikling og salg av IT-løsninger til forretningsmarkedet. Det er opplyst at tilnærmet alt salg av IT-løsninger skjer til utenlandske kunder. I tillegg til selskapene nevnt ovenfor har konsernet flere datterselskap i Storbritannia, Singapore og USA. All kommunikasjon med konsernets primære forretningsforbindelser inkludert kunder, skjer derfor på engelsk. Engelsk språk er også arbeidsspråk internt i konsernet. Flere av selskapets ledelse og ansatte er ikke norsk språklige.

Dolphin Group ASA er notert på Oslo Børs, og har der fått dispensasjon fra verdipapirhandelloven § 5-13 vedrørende språk. Pr 29. april 2011 har selskapet 795 aksjonærer hvorav 62 er utenlandske. Selskapets største aksjonær med 19,9 % av selskapet er amerikansk. I tillegg er også to andre av selskapets største aksjonærer utenlandske. Disse tre aksjonærene har til sammen 37 % av selskapet. Rapportering til aksjonærene skjer derfor på engelsk språk.

Selskapet er derfor avhengig av å utarbeide sitt årsregnskap og årsberetning på engelsk språk. I praksis vil en norsk språklig versjon, kun være en oversettelse som utarbeides for å tilfredsstille regnskapslovens krav til norsk språk. Det søkes derfor om dispensasjon.

Skattedirektoratets vurdering og konklusjon
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."*

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

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60

"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 negativt berørt ved en eventuell dispensasjon.

Selskapenes virksomhet er rettet mot et internasjonalt marked som benytter engelsk språk ved kommunikasjon og avtaleinngåelse. Engelsk benyttes også internt som arbeidsspråk i konsernet.
En betydelig andel av selskapet er eid av utenlandske eiere, og morselskapet er av Oslo Børs innvilget dispensasjon fra verdipapirhandelloven § 5-13.

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

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jan Hoelstad

Dolphin Geophysical AS,
Damsgaardsveien 131
N-5160 Laksevaag, Norway
Org.no 996 330 958 MVA

Dolphin geophysical

Annual report 2013

Bergen • Houston • London • Oslo • Singapore • Brazil

Dolphin Geophysical AS,
Damsgaardsveien 131,
5160 Laksevaag
Bergen,
Norway

Org.no 996 330 958 MVA

THE BOARD OF DIRECTORS' REPORT 2013
Dolphin Geophysical AS

Operations and locations

Dolphin Geophysical AS, located in Bergen, will alone or through other companies provide geophysical services within oil and gas industry worldwide, and all activities that are naturally associated with this, including investment in companies doing business as mentioned. The Company is a supplier of marine geophysical services and has in 2013 operated a fleet of new generation high capacity seismic vessels and offered contract seismic surveys, Multi-Client projects and processing services on a worldwide basis.

The chartered seismic fleet consists of the following operated vessels in 2013;

- Polar Duke (3D vessel)
- Polar Duchess (3D vessel)
- Sanco Swift (3D vessel), started operations in August 2013
- Artemis Artic (3D vessel)
- Artemis Atlantic (2D vessel)

All of the vessels are on time-charter agreements; which include maritime operations and maritime crew cost. The charter agreements are from two- to five years lease period, with options for Dolphin to extend. The variable charter commitment periods, provide unique flexibility to meet business cyclicality.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2014 and the company's long-term strategic forecasts. The Company's economic and financial position is healthy.

Future prospects

The Company's strategy is to become a recognised geophysical company with clear seismic market exposure. The strategy is developed through a dedicated business plan for 2014 with strong growth within the Company's targeted areas. In line with Dolphin's strategy of focusing on the high end of the business segment the Company will launch two new high-end 3D vessels during 2014; "Polar Marquis" and "Sanco Sword". The two new vessels, together with the new built 3D vessel "Super Duke" to be delivered in 2015, will add to the ability to operate efficiently and safely in both mature hydrocarbon basins and frontier exploration provinces.

In late July 2013 the Company took delivery of high capacity 3D vessel, "Sanco Swift". The vessel was taken into consistent production with a large 12 streamer configuration less than 10 days after leaving the yard.

To support the Company's growth, both in vessel capacity and business development, the bank loan facility was increased to USD 93 million.

Dolphin Geophysical AS and its subsidiaries will continue to expand the strategically important Multi-Client business activity and expects to invest USD 60-80 million in new Multi-Client seismic data, with an expected amortisation rate in the range of 45-50%.

Dolphin geophysical

The seismic data processing capabilities is strengthened in 2013 with the acquiring of processing assets in Quantum Geoservices PTE Ltd. Dolphin's processing activities have been on all vessels in 2013 along with fully operational processing centers both in UK and Singapore. Dolphin will continue to grow this segment in 2014, senior staff recruited in 2013 to support the 2014 growth target of revenue increase by 50%.

The Group had secured a record contract backlog in excess of USD 220 million as of 15 February 2014.
Total vessel coverage is more than 50% for the final three quarters of 2014 (excl. MCS projects).

Comments related to the financial statements

The Company's revenue in 2013 was USD 170 million compared to USD 148 million in 2012, whilst net income was USD 7.7 million compared to USD 21.7 million in 2012. Total cash flow from operating activities was positive of USD 92.9 million in 2013 compared to positive USD 80.2 million in 2012 and the operating profit constituted USD 18.7 million compared to USD 33.7 million in 2012. The decrease was primarily due to low fleet utilisation in the fourth quarter.

The Company's capital investments during 2013 amounted to USD 121.9 million and USD 87.7 million in 2012, of which USD 106.7 million has been invested in new seismic equipment compared to USD 75.0 million in 2012.
The Company's liquidity reserve as of 31.12.13 amounted to USD 24.2 million and USD 60.9 million in 2012. The Company's ability to self-finance investments is good.

The Company's short-term debt as of 31.12.13 constituted 80.8 % of the Company's total debt compared to 87.4% in 2012. The Company's financial position is sound and adequate to settle short-term debt as of 31.12.13 with the Company's most liquid assets.
Total assets at year end amounted to USD 449.5 million and USD 333.8 million in 2012. The equity ratio was 70.1 % as of 31.12.2013, and 30.0% per 31.12.2012

Financial risk

Overall view on objectives and strategy
The Company is exposed to financial risk in different areas. The goal is to reduce the financial risk as much as possible. The Company's current strategy does not include the use of financial instruments. This is however, continuously being assessed by the Board of Directors.

Interest rate risk
The Company is exposed to interest risk, as some of the Company's liabilities are at floating rates. The Company has, at 31 December 2013, one bank loan facility with floating interest rates. The floating interest is based on market rate/LIBOR + a margin. The company will continue to finance seismic equipment on the new build vessels. The leases are over a five to seven year time period. The company has not entered into any agreement to hedge the interest risk.

Credit risk
The Company's trade receivables are primarily from oil companies with a generally high credit rating. The Board of Directors believes that the exposure to credit risk from the loss of trade receivables is relatively low. Credit evaluations of customers are performed regularly in order to manage potential risk. The maximum risk exposure is represented by the carrying amount of the financial assets in the balance sheet. The Company regards its maximum credit risk exposure to the carrying amount of trade receivables.

Dolphin geophysical

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to strive to always having sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exchange rate risk
As a result of international operations, the entity is exposed to exchange rate fluctuations. The majority of operational cost and financial cost as well as the revenues are in USD. The currency risk for 2013 is related to exposure of NOK and GBP to USD since the majority of the personnel costs are denominated in NOK and GBP. The Company has not entered into any agreements to reduce the risk per 31.12.2013. Functional currency is USD for the Company and its subsidiaries, thus there will be no foreign exchange risk related to the majority of revenues in USD, as well as capital expenditures in USD.

Capital structure and equity
The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years end 31 December 2013 and 31 December 2012.

The strategy is to combine likely future sale and purchase, where possible. There is no immediate plan to enter into any forward/ future contracts as hedging instruments for reduction of foreign exchange rate exposure due to the materiality of the exposure.

The working environment and the employees

The strong growth for the Company in both 2012 and 2013 has been challenging and required hard work from the employees. The three business segments expanded rapidly with highly-qualified employees. The total numbers of employees have increased significantly from 94 employees at the end of December 2012 to 116 employees at the end of December 2013. The existing organisation is with their expertise and capacity capable to handle the further growth of the Company.

The working environment in the Company is considered to be satisfactory and, employees are dedicated and motivated and have made great efforts during this period. Leave of absence due to illness totaled 1349 days for 2013 and 1027 days in 2012. This equaled 3.7% sick leave percentage for 2013, compared to 2.2% in 2012.

There have been no major accidents or injuries to the personnel or equipment during 2013.

Lost time incident frequency (LTIF) was 0.72 in 2013 compared to 1.06 in 2012 and total recordable case frequency (TRCF) was 3.23 in 2013 compared to 2.90 in 2012.

Equal opportunities

The proportion of women employees at the end of 2013 was 16% compared to 14% at the end of 2012. The Company's objective is to have a workplace with equal opportunities for women and men. Guidelines have been introduced to secure equal rights with regard to salaries, promotions and appointments.

The Board of Directors consists of 1 woman and 2 men.

Working time arrangements are determined by the various positions and do not depend on gender. There are no employees working part-time.

Dolphin geophysical

Discrimination
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 color, language, religion and faith. The Company principles are to secure equal rights with regard salary, promotion and appointments with respect to gender, age and culture diversity.

Environmental report
Dolphin Geophysical AS has an obligation to work to ensure that our business does not damage or pollute the external environment. For the year 2013 we are not aware that Dolphin has in any respect polluted the external environment.

The Company interacts with the external environment through the collection of seismic data and operation of vessels. The Company continues to work actively to minimize any impact on the environment. Regular monitoring and controls are carried out in order to limit the risk of pollution. It is the Company's policy to comply with national and international regulations.

The Company is being promoted very actively towards future customers and particular focus is placed on improvements to, and further development of, the company's procedures for quality, health, environment and safety (QHSE), both onshore and, not least, in relation to the marine geophysical operations of the company.

All recordable incidents and high potential incidents were intensively followed-up, investigated and findings were presented both internally and externally to enable the Company and others to learn from these events.

Allocation of net income
The Board of Directors has proposed the net income of Dolphin Geophysical AS to be attributed to:

Retained Earnings	USD 7 674 744
Net income allocated	USD 7 674 744

The proposal reflects the owners' desire to strengthen the equity position of the company.
The company's distributable equity as of 31.12.2013 was:
Distributable equity USD 272 520 634

Bergen, 21 March 2014

Atle Jacobsen
Chairman

Erik Hokholt
Board member

Nina Midtlie
Board member

Peter Allan Hooper
General Manager

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INCOME STATEMENT

01 Jan. 2013 - 31 Dec. 2013

In thousands of USD

	Notes	Year 2013	Year 2012
Net Operating Revenues	3	**169.539**	**147.981**
Operating Expenses			
Cost of sales	4, 5, 15	122.472	96.878
Amortisation and write-down of Multi-Client Data library	10	7.650	3.683
Share-based compensation	6	2.097	1.822
Depreciation and write-down	9	18.606	11.905
Total Operating Expenses		**150.825**	**114.287**
Operating Profit (EBIT)		**18.714**	**33.694**
Total financial income	7	17.549	10.202
Total financial expenses	7	25.161	14.628
Net Financial Items		**-7.612**	**-4.426**
Profit Before Taxes		**11.102**	**29.268**
Tax expense	8	3.427	7.541
Net Income		**7.675**	**21.726**

ASSETS
31. Dec. 2013

In thousands of USD

	Notes	Year 2013	Year 2012
Assets			
Non-Current Assets			
Multi-Client library	10	18.037	10.444
Total Intangible Non-Current Assets		**18.037**	**10.444**
Tangible Non-Current Assets			
Leased and owned seismic equipment	9, 15	197.854	114.271
Total Tangible Non-Current Assets		**197.854**	**114.271**
Financial Non-Current Assets			
Investment in subsidiaries	11	55.382	13.579
Long-term receivables	14	6.783	6.760
Total Financial Non-Current Assets		**62.165**	**20.339**
Current Assets			
Receivables			
Inventories and prepayments		21.087	15.177
Accounts receivables	14	14.994	28.265
Intercompany receivables	13, 14	95.266	61.503
Accrued revenues and other receivables	14	15.923	22.912
Cash and cash equivalents	16	24.192	60.878
Total Current Assets		**171.462**	**188.736**
Total Assets		**449.519**	**333.790**

EQUITY AND LIABILITIES
31 Dec. 2013

In thousands of USD

	Notes	Year 2013	Year 2012
Equity and Liabilities			
Paid-in Capital			
Share capital	17, 18	42 571	42 571
Additional paid-in capital	18	5 225	3 128
Total Paid-in Capital		**47 796**	**45 699**
Retained Earnings			
Other equity	18	267 295	54 404
Total Retained Earnings		**267 295**	**54 404**
Total Equity		**315 092**	**100 102**
Long-Term Liabilities			
Long-term liabilites	14, 15	15 392	26 616
Total Long-Term liabilities		**15 392**	**26 616**
Other Non-Current Liabilities			
Deferred tax liabilities	8	10 424	2 735
Total Non-Current Liabilities		**10 424**	**2 735**
Current Liabilities			
Short-term liability	8, 15	18 839	16 500
Accounts payable	14	26 703	23 770
Intercompany liabilities	13, 14	57 241	156 886
Other short-term liabilities	14	5 827	7 180
Total Current Liabilities		**108 610**	**204 337**
Total Liabilities		**134 427**	**233 687**
Total Equity and Liabilities		**449 519**	**333 790**

Bergen, 21 March 2014

Atle Jakobsen
Chairman

Erik Hokholt
Board member

Nina Midtlie
Board member

Peter Allan Hooper
General manager

CASH FLOW STATEMENT
01 Jan. 2013 - 31 Dec. 2013

In thousands of USD

	Notes	Year 2013	Year 2012
Operating Activities			
Profit before tax		11.102	29.268
Depreciation and write-down	9	18.606	11.905
Amortisation and write-down of Multi-Client library	10	7.650	3.683
Share-based payment expense	6	2.097	1.822
Interest expense		13.469	5.752
Changes in current assets/liabilities		40.021	27.745
Net Cash Flow From Operating Activities		**92.945**	**80.175**
Investing Activities			
Purchase of property, plant and equipment	9	-13.244	-65.708
Prepaid seismic equipment	9	-91.888	-9.230
Investment in Multi-Client		-357	-7.746
Investment through acquisition		-	-11
Net Cash Flow From Investing Activities		**-105.489**	**-82.695**
Financing Activities			
Net proceeds from issue of new equity	18	-	30.898
Proceeds from borrowing		25.500	22.500
Interest paid		-12.875	-4.579
Repayment of interest bearing debt		-36.767	-6.254
Proceeds from lending		-	-6.760
Net Cash Flow From Financing Activities		**-24.142**	**35.804**
Net Change In Cash and Cash Equivalents		**-36.686**	**33.284**
Cash and cash equivalents opening balance		**60.878**	**27.594**
Cash and Cash Equivalents Closing Balance	**16**	**24.192**	**60.878**

Note 1 Accounting Principles

1-1 General corporate information
Dolphin Geophysical AS is a Norwegian company, located in Bergen, Norway. The company is a subsidiary of Dolphin Group ASA, a Norwegian company listed on Oslo Stock Exchange with ticker DOLP.

The parent company prepares consolidated financial statements.

1-2 Basis of preparation of financial statements
The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The company presents its financial statements in USD as that is the company's functional currency.
The financial statement's profit and loss is presented according to functional reporting.

1-3 Use of estimates
The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway. Future events may lead to these estimates being changed. Such changes will be recognised when new estimates can be determined with certainty. Estimates and their underlying assumptions are reviewed on a regular basis. Changes in accounting estimates are recognised during the period when the changes take place.

1-4 Subsidiaries and investment in associates
Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

1-5 Short-term investments
Short-term investments (stocks and shares seen as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognized as other financial income.

1-6 Foreign currency translation
The financial statements are presented in USD, which is the company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss.

Non-monetary assets items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations and translated at the closing rate.

The assets and liabilities with other functional currency than USD are translated into USD at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity.

1-7 Property, Plant and Equipment

Property, plant and equipment acquired by the company are presented at historical cost less accumulated depreciation and impairment changes. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

If an indication of impairment exists, an impairment test is performed. If the recoverable amount of a tangible non-current asset is lower than book value, the asset will be written down to the higher of fair value less cost to sell and value in use. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses on derecognising of the asset calculated as the difference between the net disposal and the carrying amount of the asset is included in the income statement in the year the asset is derecognised.

Depreciation on items of property, plant and equipment are mainly depreciated using the straight-line method to allocate their cost to their residual values. One of the subsidiaries is using depreciation by production.

Asset group	*Useful life*
Office equipment including hardware	3 years
Fixed Seismic equipment onboard vessel	Over time charter agreement period (5 – 7 years)
Seismic equipment, leased and owned	5 - 7 years
Processing equipment	3 - 7 years

The residual values and estimated useful lives of items of property, plant and equipment are reviewed, and adjusted annually as appropriate, at the year-end balance sheet date.

Equipment for vessels under construction/rigging are classified as non-current assets and recognised at the cost, it is not depreciated until the non-current asset is taken into use.

Rigging cost

Expenses directly related to the rigging of new seismic vessels are recognised in the balance sheet as Non-current assets, as a part of seismic equipment. Internal cost associated with the rigging is recognised in the balance sheet if it is directly related to the rigging.
The capitalised costs are direct costs associated with rigging the seismic vessel, including time charter during rigging period, personnel charges, consultants etc. The rigging cost is depreciated over the life of the time charter agreement.

1-8 Intangible assets

Intangible assets acquired separately, except for Multi-Client library

Intangible assets that have been acquired separately are carried at cost. The costs of intangible assets acquired through a business combination are recognised at their fair value in the Group's opening balance sheet. Following initial recognition, intangible assets are recognised at cost less any amortisation and impairment losses. The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortised over their economic life and tested for impairment if there are any indications. The amortisation method and period are assessed at least once a year. Changes to the amortisation method and/or period are accounted for as a change in estimate.
Intangible assets with an indefinite economic life are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. Intangible assets with an indefinite economic life are not amortised. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a definite economic life is made prospectively.

Multi-Client library

Multi-Client library includes both completed seismic data and projects in work which is licensed on a nonexclusive basis to oil and gas search/production companies. Production cost directly related to obtain the seismic data and processing are capitalised. The Multi-Client library contains also the cost price for the seismic data acquired from external parties.

Amortisation is compared with the income for the different projects in proportion to the expected income per project. Minimum amortisation in addition means that the capitalised value of a project a year after completion shall not exceed 80% of the cost price, which is minimum 20% amortisation after 12 months; in addition, all projects shall be entirely expensed within 5 year (20% per year) after completion. In these circumstances some related projects can be seen as a unit and the minimum rules for amortisation will then first be relevant 12 months after completion.

1-9 Accounts receivable and other receivables

Trade receivables are recognised at fair value, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is recognised in the income statement.

1-10 Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

1-11 Equity

Costs of equity transactions

Share issuance costs and other transaction costs that are incremental and directly related to an equity transaction are shown in equity as a deduction, net of tax, from the proceeds.

1-12 Operational and finance Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases

Finance leases are leases under which the company assumes most of the risk and return associated with the ownership of the asset. Financial leases are recorded as assets and liabilities, and lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The same depreciation period as for the company's other depreciable assets is used.

Operating leases

Leases for which most of the risk and return associated with the ownership of the asset have not been transferred to the company are classified as operating leases. Lease payments are classified as operating costs and recognised in the income statement in a straight line during the contract period.

1-13 Income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Income tax expense represents the sum of the current tax expense (or recovery) plus the change in deferred tax liabilities and asset during the period, except for current and deferred income tax relating to items recognised directly in equity, in which case the tax is also recognised directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are calculated using the liability method for all temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and for tax purposes, including tax losses carried forward. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred income tax is recognised on temporary differences arising on investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

The Company includes deductions/benefits from uncertain tax positions when it is probable that the tax position will be ultimately sustained.

The carrying amount of deferred income tax assets is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each end of the reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The probability assessment is based on Management's judgment and estimates in regards to future taxable income and tax planning opportunities (see separate note describing accounting estimates above).

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. It is adopted that the income tax rate in Norway is reduced from 28% to 27% from 1 January 2014. Deferred tax / liability on all temporary differences in the Company is calculated using a tax rate of 27%.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes are related to the same taxable entity and the same taxation authority. Deferred tax is classified as long-term in the consolidated statements of financial position.

1-14 Employee benefits

Pension obligations

The company has a defined contribution plan and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior period. The company has no further payment obligations once the contributions have been paid. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity for pension, based on obligatory, agreed on or voluntary basis. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based compensation

The company takes part in an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Profit-sharing and bonus plans

The company recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1-15 Revenue recognition

Revenue is recognised when it is probable that the economic benefit from a transaction will flow and revenue can be reliable measured. The revenue is measured at fair value of the consideration received, net of discounts and sale taxes and duty.

Multi-Client surveys

Multi-Client surveys consist of surveys to be licensed to customers on a non-exclusive basis. All costs directly incurred in acquiring, processing and otherwise completing seismic surveys are capitalised into the Multi-Client surveys. The carrying amount of Multi-Client library on the balance sheet date is shown at costs less accumulated amortisation and accumulated impairments.

Revenues related to Multi-Client surveys generally falls into two categories (1) Multi-Client surveys performed after securing commitments from some customers or (2) Multi-Client surveys performed before securing purchase commitments from customers.

Pre-commitments

Generally, we obtain commitments from customers before a seismic project is started or during the project period. These pre-commitments cover specific areas or license blocks. In return for the commitment, the customer obtains early access to the data, favorable pricing compared to late sales and a degree of influence over the project. Advance payments from customers are deferred and recognised over the project period from the time the project commences based on the ratio of project cost incurred during that period to total estimated project cost.

Late sales

Generally, we grant a license entitling non-exclusive access to a complete and ready for use, specifically defined portion of our Multi-Client data library in exchange for a fixed and determinable payment. We recognize after sales revenue upon the client executing a valid license agreement and having been granted access to the data.

Processing

The Company performs processing services for specific customers. Sales of services under processing contracts are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Exclusive contracts

The company performs seismic services for specific customers under exclusive contracts. Sales of services under contracts are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Mobilisation revenue and cost

Mobilisation revenue and the related mobilisation costs relates to moving the seismic vessel or crew from one location to the location specified by the contract. Such cost includes in the Multi-Client survey or exclusive contract with which the costs are associated. The mobilisation costs related to Multi-Client survey are capitalised as a part of the Multi-Client library as mentioned. Steaming costs on exclusive surveys are deferred and charged to expense based upon the percentage of completion of the project. The estimated probable future economic inflows are documented at inception and cover the costs capitalised or deferred. If the projects are not able to cover all of the costs which could be capitalised or deferred then only those costs that are recoverable are capitalised/deferred.

1-16 Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of cost and fair value. Short- term liabilities are recognised at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long-term liabilities are recognised at nominal value.

1-17 Events after the balance sheet date

New information on the Company's financial position on the balance sheet which becomes known after the balance sheet date is recorded in the annual accounts. Events after the balance sheet date that do not affect the Company's financial position on the balance sheet but will affect the Company's financial position in the future are disclosed if significant.

1-18 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 placement with original maturities of three months or less. The cash flows are divided into operating activities, investing activities and financing activities.

Note 2 Currency

The financial statements are presented in USD as that is the companys' functional currency

Note 3 Net operating revenue

Geographical segment net operating revenue:

In thousands of USD	2013	2012
Europe, Africa and Middle East	151.062	117.348
Asia/Pacific	-	-
North & South America	3.406	27.492
Other segments	15.071	3.141
Total	**169.539**	**147.981**

Revenue from major products and services:

In thousands of USD	2013	2012
Marine exclusive contract	144.145	136.144
Multi-Client	6.144	7.769
Processing	4.180	927
Intercompany	15.071	3.141
Total	**169.539**	**147.981**

Note 4 - Specification of cost of sales

In thousands of USD	2013	2012
Charterhire	47.058	40.452
Maritime running cost	1.561	1.338
Operational costs incl seismic running cost	52.866	41.209
Wages including crew cost 1)	23.299	18.638
Capitalised cost of sales 2)	-9.045	-7.887
Other	6.733	3.128
Total operating expenses	**122.472**	**96.878**

1) Includes cost of seismic crew hired through manning services

2) Relates to expenses directly related to the Multi-Client data Library

Note 5 Salary and audit fee

In thousands of USD	2013	2012
Salaries and holiday pay	9.244	8.765
Social Security / National insurance contribution	2.927	3.087
Pension costs defined contribution plans (note 19)	719	714
Share-based compensation (note 6)	2.097	1.805
Other employee related costs	729	711
Crew costs, foreign crew*	29.379	19.044
- Direct salary capitalised	-3.820	-1.153
- Personnel costs capitalised to Multi-Client library	-4.702	-1.720
Total salaries and personnel expense	36.574	31.253

* Includes personnel charges from seismic manning services.

The company had 116 full time employees included 12 personnel on-hire in 2013.

Management remuneration

Year 2013 In thousands of USD	Board remuneration	Salary	Bonus and benefits in kind	Pension cost	Value of options granted	Total remuneration 2013
Management						
Peter Hooper (Operations VP and General Manager)	-	271	25	10	125	431
Bjarne Stavenes (Technical VP)	-	232	22	10	82	347
Mike Hodge (QHSE VP)	-	253	24	10	-	287
Members of the Board						
Atle Jacobsen	-	-	-	-	-	
Erik Hokholt	-	-	-	-	-	-
Nina Midtlie	-	-	-	-	-	-
Total remuneration	-	756	71	31	207	1.065

Year 2013	Number of options					
	Opening balance	Granted 2013	Exercised	Average exercise price	Ending balance 2013	Average maturity
Management						
Peter Hooper (Operations VP and General Manager)	604.000	-	-152.000	NOK 5.83	452.000	31 Dec. 2016
Bjarne Stavenes (Technical VP)	756.000	-	-100.000	NOK 4.60	656.000	31 Dec. 2016
Mike Hodge (QHSE VP)	1.000.000	-	-	NOK 3.63	1.000.000	31 Dec. 2016
Sum	2.360.000	-	-252.000		2.108.000	

Year 2013	Number of warrents			
	Opening balance	Granted 2013	Exercised	Ending balance 2013	Average maturity
Management					
Peter Hooper (Operations VP and General Manager)	1.198.500	-	-1.198.500	-	20 Dec. 2015
Bjarne Stavenes (Technical VP)	1.198.500	-	-1.198.500	-	20 Dec. 2015
Sum	2.397.000	-	-2.397.000	-	

Options and warrents are regarding shares in the parent company. No warrants have been granted for 2013. Half of the warrents can be exercised when share price exceeds NOK 3.75. The other half of the warrants can be exercised when share price exceeds NOK 5.00.

Specification of auditor's fee in USD:

In thousands of USD	2013	2012
Statutory audit fee	65	82
Assurance services	5	5
Other services	27	10
Total fee to auditor	98	97

VAT is not included in the fee specified above.

Note 5 Salary and audit fee (cont.)

The companye had 94 full time employees in 2012

Management remuneration

Year 2012 In thousands of USD	Board remuneration	Salary	Bonus and benefits in kind	Pension cost	Value of options granted	Total remuneration 2012
Management						
Peter Hooper (Operations VP and General Manager)	-	272	25	11	119	427
Bjarne Stavenes (Technical VP)	-	237	22	11	119	389
Mike Hodge (QHSE VP)	-	257	24	11	119	411
Members of the Board						
Atle Jacobsen	-	-	-	-	-	-
Erik Hokholt	-	-	-	-	-	-
Nina Midtlie	-	-	-	-	-	-
Total remuneration	-	766	71	32	357	1.227

Year 2012	Number of options					
	Opening balance	Granted 2012	Exercised	Average exercise price	Ending balance 2012	Average maturity
Management						
Peter Hooper (Operations VP and General Manager)	456.000	300.000	-152.000	NOK 4.36	604.000	31 Dec. 2016
Bjarne Stavenes (Technical VP)	456.000	300.000	-	NOK 3.99	756.000	31 Dec. 2016
Mike Hodge (QHSE VP)	700.000	300.000	-	NOK 3.63	1.000.000	31 Dec. 2016
Sum	1.612.000	900.000	-152.000		2.360.000	

Year 2012	Number of warrents				
	Opening balance	Granted 2012	Exercised	Ending balance 2012	Average maturity
Management					
Peter Hooper (Operations VP and General Manager)	1.198.500	-	-	1.198.500	20 Dec. 2015
Bjarne Stavenes (Technical VP)	1.198.500	-	-	1.198.500	20 Dec. 2015
Sum	2.397.000	-	-	2.397.000	

Options and warrents are regarding shares in the parent company. No warrants have been granted for 2012.

Note 6 Options and Warrants

During the period ended 31 December 2013, the Company has had share-based payment arrangements for employees as described below, which applys to shares in the parent company:

	2010 Share Incentive Programme	2011 Share Incentive Programme	2012 Share Incentive Programme
Type of arrangement	Equity based	Equity based	Equity based
Dates of Grant	25 Jan. 2011	19 Dec. 2011	13 Dec. 2012
Options granted as of 31.12.2013	12.034.000	3.120.000	8.590.164
Outstanding options as of 31.12.2013	7.967.673	2.489.336	7.650.000
Contractual life	3.93 years	4.03 years	4.05 years
Vesting criteria	1/3 vests after the release of 2011 Q4 figures 1/3 vests after the release of 2012 Q4 figures conditional on certain performance criteria being met 1/3 vests after the release of 2013 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2012 Q4 figures 1/3 vests after the release of 2013 Q4 figures conditional on certain performance criteria being met 1/3 vests after the release of 2014 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2013 Q4 figures 1/3 vests after the release of 2014 Q4 figures conditional on certain performance criteria being met 1/3 vests after the release of 2015 Q4 figures conditional on certain performance criteria being met
Expiry Date	31 Dec. 2014	31 Dec. 2015	31 Dec. 2016

The performance criteria for two thirds of the grants are non-market conditions and combinations of internal utilisation and operational criteria
* Vesting date is subject to meeting certain performance conditions
** Options vest after the Q4 results are released, which is estimated to March 10th each year

All performance criteria are expected to be met, and 100% of the granted options are expected to vest as of 31 Dec. 2013

Options granted in 2013:
There are no options granted in 2013

Further details of the option plans are as follows:

	2013		2012	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at the beginning of period	21.706.833	4.05	15.139.000	2.60
Granted	-50.000	6.25	8.500.164	6.25
Exercised	-2.699.660	2.58	-1.792.331	2.50
Forfeited	-850.164	6.09	-140.000	3.00
Outstanding at the end of period	18.107.009	4.15	21.706.833	4.05
Vested options	4.503.991	2.56	2.213.993	2.50
Weighted Average Fair Value of Options Granted during the period	-	-	8.500.164	2.31
Intrinsic value outstanding options at the end of the period	10.457.009	21.760.752	21.706.833	62.235.450
Intrinsic value vested options at the end of the period	4.503.991	9.637.449	2.213.993	9.741.569

Details concerning outstanding options as of 31 December 2013 are given below:

Exercise price	Outstanding Options			Vested options	
	Outstanding Options 31 Dec. 2013	Weighted average remaining Contractual Life	Weighted Average Exercise Price	Vested options 31 Dec. 2013	Weighted Average Exercise Price
0,00 - 2,25	-	-	-	-	-
2,25 - 2,50	7.967.673	1,00	2,50	3.961.328	2,50
2,50 - 5,00	2.489.336	2,00	3,00	542.663	3,00
5,00 -	7.650.000	3,00	6,25	-	-
Total	18.107.009	1,98	4,15	4.503.991	2,56

Note 7 Financial Income and expences

In thousands of USD	2013	2012
Interest income	830	1.969
Interest income on intercompany	4.247	1.220
Exchange gain	3.327	3.948
Inter-company exchange gain	7.548	3.065
Other financial income	1.597	-
Total financial income	**17.549**	**10.202**
Interest costs on loans	-1.655	-97
Interest costs on finance leases	-203	-1.076
Interest cost on intercompany	-11.611	-4.579
Exchange loss	-4.828	-2.927
Intercompany exchange loss	-6.745	-3.571
Other financial expenses	-120	-2.377
Total financial expenses	**-25.161**	**-14.628**
Net financial income + / expenses -	**-7.612**	**-4.426**

Note 8 Tax

Income tax expense:

In thousands of USD	2013	2012
Tax payable on group contribution	-4.262	7.314
Changes in deferred tax	7.690	228
Total income tax expense	**3.427**	**7.541**

Tax-base calculation:

Profit before income tax	11.102	29.268
Permanent differences *)	-8.571	3.776
Group contribution	15.223	-26.121
Use of losses carried forward	-	-
Temporary differences	-23.378	-6.924
Tax-base	**-5.624**	**-**

Temporary differences:

Fixed assets	45.079	9.542
Currency gains and losses	-847	224
Tax losses carried forward	-5.624	-
Total	**38.608**	**9.766**
Deferred tax liability (asset)	**10.424**	**2.735**

Effective tax rate

Expected income taxes according to income tax rate in Norway (28 %)	3.109	8.195
Change in tax rate from 28% to 27%	162	-
Tax on Group Contribution	-447	-
Options booked against equity (28 %)	587	412
Other permanent differences (28%)	-2.987	646
Exchange rate effect deffered tax	3.003	-1.711
Income tax expense	**3.427**	**7.541**
Effective tax rate in % **)	**30,9 %**	**25,8 %**

*) Permanent differences consist of non deductible costs and options booked against eqity.
**) Tax expense related to profit before tax.

Note 9 Leased and owned seismic equipment

In thousands of USD	Office Equipment	Processing Equipment	Leased Processing equiment	Owned seismic equipment	Leased seismic equipment	Asset under construction	Total
Cost:							
Acquisition cost at 01 Jan. 2013	1.146	1.101	-	64.350	54.000	15.477	136.074
Purchase of tangibles	605	196	1.314	12.443	318	91.888	106.764
Disposals	-124	-	-	-1.102	-	-	-1.226
Reclass lesed equiment	-	-	-	54.000	-54.000	-	-
Reclass - asset under construction	-	-	-	67.276	-	-67.276	-
Acquisition cost at 31 Dec. 2013	**1.627**	**1.298**	**1.314**	**196.966**	**318**	**40.089**	**241.612**
Accumulated depreciation:							
Balance at 01 Jan. 2013	587	108	-	8.491	12.617	-	21.803
Depreciation for the period	465	297	316	20.048	1.310	-	22.437
Reversed depreciation sold/scrapped	-92	-	-	-389	-	-	-481
Reclass-lesed equipment-previous years	-	-	-	12.617	-12.617	-	-
Reclass-leased equipment	-	-	-	1.285	-1.285	-	-
Accumulated depreciation at 31 Dec. 2013	**961**	**405**	**316**	**42.052**	**25**	**-**	**43.759**
Carrying amount:							
Balance sheet closing value at 31 Dec. 2013	**667**	**893**	**998**	**154.914**	**293**	**40.089**	**197.854**
Deprecation for the year	465	297	316	20.048	1.310	-	22.437
Depreciation capitalised to Multi-client library	-	-	-	-4.559	-	-	-4.559
Sale and loss of equipment	15	-	-	713	-	-	728
Depreciation and write-down charged to expense	**480**	**297**	**316**	**16.203**	**1.310**	**-**	**18.606**
Useful life	*3 years*	*3-7 years*		*3-7 years*	*3-7 years*		

In thousands of USD	Office Equipment	Processing Equipment	Owned seismic equipment	Leased seismic equipment	Asset under construction	Total
Cost:						
Acquisition cost at 01 Jan. 2012	910	-	5.257	54.000	1.071	61.237
Purchase of tangibles	236	1.101	7.893	-	65.708	74.938
Reclass - asset under construction	-	-	51.302	-	-51.302	-
Disposals	-	-	-102	-	-	-102
Acquisition cost at 31 Dec. 2012	**1.146**	**1.101**	**64.350**	**54.000**	**15.477**	**136.074**
Accumulated depreciation:						
Balance at 01 Jan. 2012	229	-	639	4.907	-	5.775
Depreciation for the period	359	108	7.858	7.709	-	16.033
Reversed depreciation sold/scrapped	-	-	-6	-	-	-6
Accumulated depreciation at 31 Dec. 2012	**587**	**108**	**8.491**	**12.617**	**-**	**21.803**
Carrying amount:						
Balance sheet closing value at 31 Dec. 2012	**558**	**994**	**55.858**	**41.383**	**15.477**	**114.271**
Deprecation for the year	359	108	7.852	7.709	-	16.027
Depreciation capitalised to Multi-client library	-	-	-1.175	-3.049	-	-4.225
Sale and loss of equipment	-	-	102	-	-	102
Depreciation charged to expense	**359**	**108**	**6.677**	**4.660**	**-**	**11.905**
Useful life	*3 years*	*3-7 years*	*3-7 years*	*3-7 years*		

Note 10 Multi-Client library

In USD	2013	2012
Cost:		
Acquisition cost at 01 Jan.	14.127	2.157
Investment in Multi-Client data library	15.244	11.970
Acquisition cost at 31 Dec.	**29.370**	**14.127**
Accumulated amortisation:		
Balance at 01 Jan.	3.683	-
Amortisation for the year	2.792	3.683
Accumulated amortisation and write-down at 31 Dec.	**6.475**	**3.683**
Write-down of Multi-Client library	**4.858**	**-**
Net carrying amount at 31 Dec.	**18.037**	**10.444**

In USD	2013	2012
Completed Multi-Client projects		
Completed during 2012	-	-
Completed during 2013	18.037	-
Completed Multi-Client projects at 31 Dec.	**18.037**	**-**
Multi-Client projects in progress	-	10.444
Multi-Client library 31 Dec.	**18.037**	**10.444**

As of 31 December 2013 and 2012 no Multi-Client projects was in the position of beeing evaluated for minimum amortisation.

Note 11 Investmenst in subsidiaries

In thousands of USD

Company	Country	Main business	Ownership	Voting power	Net profit	Equity	Book value
Dolphin Geophysial PTE Ltd	Singapore	Geophysical services	100%	100%	-2.410	-12.516	2.012
Dolphin Geophysial Inc	USA	Geophysical services	100%	100%	-19	-499	1
Dolphin Geophysial Ltd	United Kindom	Geophysical services	100%	100%	8.090	65.743	39.800
Dolphin Asset 1 AS	Norway	Geophysical services	100%	100%	227	13.490	13.558
Dolphin Geo do Brazil	Brazil	Geophysical services	99%	99%	-1.219	-1.503	11

Concolidated accounts are not prepared as the ultimate parent company produce the consolidated financial statement.

The ultimate parent is Dolphing Group ASA and the concolidated accounts is available at Innspurten 15, Helsfyr Atrium, 0663 Oslo, Norway.

Note 12 Financial market risk

The Company's financial liabilities is financial leases, bank loan, trade payables and other short-term liability. The main purpose of these financial liabilities is to raise financing for the Company's operations. The Company has financial assets such as trade receivables and cash, which arise directly from its operations.

The Company does not use financial instruments, including financial derivatives, for trading and hedging purposes.

The most significant financial risks for the company are interest rate risk, liquidity risk and exchange rate risk. Credit risk is not considered being of major significance. Management continuously evaluates these risks and determines policies related to how these risks are to be handled.

(i) Interest-rate risk
The Company is exposed to interest risk, as some of the Company's liabilities are at floating rates. The Company has, at 31 December 2013, one bank loan facility with floating interest rates. The floating interest is based on market rate/LIBOR + a margin. The company will continue to finance seismic equipment on the new build vessels. The leases are over a five to seven year time period. The company has not entered into any agreement to hedge the interest risk.

(ii) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to strive to always having sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(iii) Exchange rate risk

As a result of international operations, the entity is exposed to exchange rate fluctuations. The majority of operational cost and financial cost as well as the revenues are in USD. The currency risk for 2013 is related to exposure of NOK and GBP to USD since the majority of the personnel costs are denominated in NOK and GBP. The Company has not entered into any agreements to reduce the risk per 31.12.2013. Functional currency is USD for the Company and its subsidiaries, thus there will be no foreign exchange risk related to the majority of revenues in USD, as well as capital expenditures in USD.

(iv) Credit risk

The trade receivables are primarily from oil companies with a generally high credit rating. The Board of Directors believes that the exposure to credit risk from the loss of trade receivables is relatively low. Credit evaluations of customers are performed regularly in order to manage potential risk.

The maximum risk exposure is represented by the carrying amount of the financial assets in the balance sheet. The Company regards its maximum credit risk exposure to the the carrying amount of trade receivables.

(v) Capital structure and equity

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years end 31 December 2013 and 31 December 2012.

The strategy is to combine likely future sale and purchase, where possible. There is no immediate plan to enter into any forward/ future contracts as hedging instruments for reduction of foreign exchange rate exposure due to the materiality of the exposure.

Note 13 Intercompany balances

Receivables:

In thousands of USD	2013	2012
Dolphin Group ASA	17.047	-
Dolphin Assets 1 AS	11.132	-
Dolphin Geophysical Ltd	2.635	43.534
Dolphin Geophysical Pte Ltd	36.066	9.661
Dolphin Geophysical Inc	12.029	7.518
Dolphin Geophysical Do Brazil Ltda	16.220	739
Open Geophysical Inc	136	51
Total	**95.266**	**61.503**

Liabilities

In thousands of USD	2013	2012
Dolphin Group ASA	-22.324	-149.567
Dolphin Assets 1 AS	-8.481	-2.209
Dolphin Geophysical Ltd	-1.736	-
Dolphin Geophysical Pte Ltd	-18.768	-
Dolphin Geophysical Inc	-5.147	-2.373
Open Geophysical Inc	-435	-154
Dolphin Interconnect Solutions AS	-11	-2.244
Dolphin Geophysical Do Brazil Ltda	-339	-339
Total	**-57.241**	**-156.886**

Note 14 Receivables, secured debt and guarentees

The company does not have any liabilites with maturity after five years.
The company does not have any contingent assets or liabilites per 31 Dec. 2013.

Receivables maturity > 1 year:

In thousands of USD	2013	2012
Lont-term interest bearing loan with maturity later than 1 year	6.783	6.760
Total long-term receivables	**6.783**	**6.760**

This is a long-term loan to Sanco Holding of NOK 36 millions.

The purpose of the loan is financing building of Sanco Swift, and is given together with four other companies with each different share of loan amount. The loan is not secured. The maturity of the loan is 24 months after the vessel is delivered.

Interest (NIBOR+7,5%) is calculated and booked and will be paid on due date for the loan.

Secured debt:

In thousands of USD	2013	2012
Liabilities to financial institutions	33.750	22.500
Leasing debt	17.944	20.616
...secured in the following assets, book value:		
Tangible assets	98.001	114.271
Multi-Client library	18.037	10.444
Shares in subsidiaries	55.382	13.579
Total book value of secured assets	**171.421**	**138.293**

Guarentees:

There is given one performance guarantees as of 31 December 2013 to Oil India Ltd. This is a guarantee given by DnB for USD 70 thousand which expire 30 June 2014.

In addition there is also given two performance guarantees as of 31 December 2013 to Oil & Natural Gas Corporation Ltd. This guarantees are given by Euler Hermes for USD 4 631 thousand which expire 30 September 2014 and USD 45 thousand which expire 15 May 2014.

The Company signed in May 2013 an increase in a credit facility from USD 30 million and in November further increased with USD 20 million to USD 93 million. The purpose of the facility is to partly finance the seismic equipment for the vessel Sanco Swift, Sanco Sword and Polar Marquis. The facility amount is split in three tranches and limited to 55% of cost price of the seismic equipment. The loan has an interest rate of 3 months LIBOR plus a margin of 400 bascedule repayment for each trance.
The Company has given an unconditional and irrevocable guarantee to the banks for loan facility.
The following main securities have been established for the loan facility:
First priority mortgage on the seismic equipment in amount equal to at least 130% of the facility amount plus interest
First priority assignment of earnings and first priority assignment of receivables
First priority assignement of relevant guarentees and warranties from the suppliers of the seismic equipment (if relevant).
First priority floating charge over all operating bank accounts of the obligors.
First priority pledge over all shares directly or inderectly owns in subsidaries that currently are, or become, material subsidaries.
First priority assignment of insurances and any requistion compensation related to the seimic equipment.
Frist priority pledge over the Mult-Client library, provided however may reguest limit the amount of such first priority pledge if and when decides to finance further investment in the Multi-Client library.
First priority floating charge of any Inventory. Unconditional and irrevocable on-demand guarentee from the guarentor

Note 15 Operating and financial leases

The company as a lessee – financial leases

The company has two financial leases, which is subject to floating interest rate.

The assets under financial leases are as follows:

In thousands of USD	2013 Seismic Equipment	2012 Seismic Equipment
Seismic equipment and vessel	1.029	54.000
Office/Processing equipment	2.674	-
Accumulated depreciation	-665	-12.617
Net carrying amount	**3.038**	**41.383**
Current portion of long-term debt	673	6.500
Non-current lease liabilities	1.568	14.116

Overview of future minimum lease payments:

In thousands of USD	2013 Seismic Equipment	2012 Seismic Equipment
Next 1 year	741	7.335
1 to 5 years	1.609	15.442
After 5 years	-	-
Future minimum lease payments	**2.351**	**22.777**
Effective interest rate	5,6 %	4,5 %
Interest	5,5 %	4,5 %

Present value of future minimum lease payments:

In thousands of USD	2013 Seismic Equipment	2012 Seismic Equipment
Of which:		
- current liabilities	673	6.500
- long-term liabilities	1.568	14.116
Present value of future minimum	**2.241**	**20.616**

The Company as a lessee – operating leases

In thousands of USD	2013	2012
Timecharter agreements	335.702	374.181
Office rents + other lease facilities	3.990	4.664
Total	**339.693**	**378.845**

As of 31 December 2013 the company operates five vessels under time charter agreements. These are the Sanco Swift, the Polar Duke, the Polar Duchess , the Artemis Atlantic and the Artemis Arctic. Sanco Sword is included with five year time charter from 1 April 2014. In addition Polar Marquis is included with three and a half year from 1 February 2014 and the newbuild "Super Duke" is included with five years charter from 15 March 2015.

The future minimum rents related to non-cancellable operating leases fall due as follows:

In thousands of USD	2013	2012
Within 1 year	67.689	42.458
1 to 5 years	248.642	277.376
After 5 years	23.362	59.012
Total	**339.693**	**378.845**

Note 16 Bank deposits

In thousands of USD	2013	2012
Cash and cash equivalents in the balance sheet	24.192	60.878
Restriced portion of cash and cash equivalents	9.840	10.526

Cash and equivalents include cash on hand, deposits with banks or financial institutions and short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments maturing within three months from the date of acquisition qualify.

Note 17 Shareholders

Share capital

Amounts in NOK	Number of shares	Face value	Book value
A - Shares	2.426.010	NOK 100	242.601.000
Total	2.426.010		242.601.000

At 31 December 2013 Dolphin Geophysical AS only had one shareholder, Dolphin Group ASA, which own 100% of the shares.

All shares give equal rights in the Company.

Note 18 Equity

In thousands of USD	Share capital	Share Premium	Additional paid-in capital	Retained earnings Group	Total equity
Equity per 01 Jan. 2013	42.571	-	3.128	54.404	100.102
Issue of new shares 11.12.2013*	-	-	-	194.257	194.257
Share-based compensation	-	-	2.097	-	2.097
Group contribution	-	-	-	10.960	10.960
Profit of the year	-	-	-	7.675	7.675
Equity per 31 Dec. 2013	**42.571**	**-**	**5.225**	**267.295**	**315.092**

*) The increase in share capital is NOK 1 000 (USD 163)

Note 19 Pensions

The company is obliged by Norwegian pension legislation, to have a pension plan. The company has a defined contribution plan which is in compliance with legislation.

As of 31 Dec. 2013 there were 104 members in the scheme, compared to 94 members in 2012. The pension scheme is administered by an insurance company, and payments are

The contribution expenses for the company in 2013 was USD 719 thousands, compared to USD 714 thousands in 2012.

Note 20 Transactions with related parties

All related party transactions have been entered into on terms equivalent to those that prevail in arm's length transactions.

Transactions between group companies
Transfer pricing policy:
Dolphin Group ASA is the parent company in the Group and provides management services to the subsidiaries each month at cost + 5% margin. If required the Parent will provide subsidiaries with funding through internal loans and re-payment will be made according to internal loan agreement and transfer pricing agreements, with an internal Group interest charge.

Dolphin Geophysical AS is the parent company of Dolphin Asset 1 AS, Dolphin Geophysical Pte Ltd, Dolphin Geophysical Ltd, Dolphin Geophysical Inc and Dolphin Geohysical Do Brazil Ltda. The operating seismic vessels , purchase services from its 100% subsidiaries and these services and costs are recharged at cost + 5 % margin. Dolphin Geophysical AS also provides management services to the subsidiaries each month at cost + 5% margin.

If required, Dolphin Geophysical AS will provide subsidiaries with funding through internal loans and re-payment will be made according to transfer pricing agreements and with an internal Group interest charge.

Dolphin Geophysical Ltd is the main owner of the Multi-Client seismic data library and use internal services from other companies in the Group at cost + 5% margin.

The sales and marketing services for Dolphin Geophysical AS is organised and provided by the Dolphin Geophysical Ltd and Dolphin Geophysical Inc and charged with cost + 5 %.

In thousands of USD	Dolphin Group ASA	Dolphin Interconect Solution AS	Dolphin Geophysial Ltd	Dolphin Geophysial Inc	Open Geophysical Inc	Dolphin Geophysical do Brasil Ltda	Dolphin Geophysial PTE Ltd	Dolphin Asset 1 AS
Relationship	Parent	Sister	Daughter	Daugther	Daugther	Daugther	Daughter	Daughter
Revenue	104	-	526	119	69	10.545	225	144
Intercompany hire of equipment	-	-	3.516	-	-	-	-	-7.134
Personell and crew cost	-	-	-73	-254	-	-	-17.871	-
MCS cost recharge	-	-	36.317	-	-	-	-	-
Operational cost recharge	3	-11	15.021	-1.400	-263	-	4.561	2.448
Yard cost recharge	-	-	-	-	-	-	-	300
Consultancy Management	-1.586	-	-943	-1.026	12	-	65	26
Processing cost	-	-	-1.291	-	-	-	-	-
Interest income	-	-	2.195	485	-	391	1.119	58
Interest cost	-11.498	-	-	-6	-10	-	-	-96
Total	-12.977	-11	55.268	-2.083	-193	10.936	-11.901	-4.253

Note 21 Earnings per share

Earnings per share are calculated by dividing the result for the year before any minority interests by a weighted average of the outstanding issued shares during the year .

In thousands of USD	2013	2012
Result for the year after tax	7.675	21.726
Weighted average number of issued shares	2.426.010	2.426.000
Earnings after tax per share	**3,16**	**8,96**
Total comprehensive result	7.675	21.726
Weighted average number of issued shares	2.426.010	2.426.000
Comprehensive earnings after tax per share	**3,16**	**8,96**

The diluted earnings per share are calculated by dividing the annual result by the weighted average number of issued shares and issued options during the year.

In thousands of USD	2013	2012
Result for the year after tax	7.675	21.726
Weighted average number of issued shares and issued options	2.426.010	2.426.000
Diluted earnings after tax per share	**3,16**	**8,96**
Total comprehensive result	7.675	21.726
Weighted average number of issued shares and issued options	2.426.010	2.426.000
Diluted comprehensive earnings after tax per share	**3,16**	**8,96**

BDO

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NO-0121 Oslo

To the Annual Shareholders' Meeting of Dolphin Geophysical AS

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Dolphin Geophysical AS, which comprise the balance sheet as at 31 December 2013, and the income statement, showing a profit of USD 7 674 744 and cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Dolphin Geophysical AS as at 31 December 2013, 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.

BDO

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

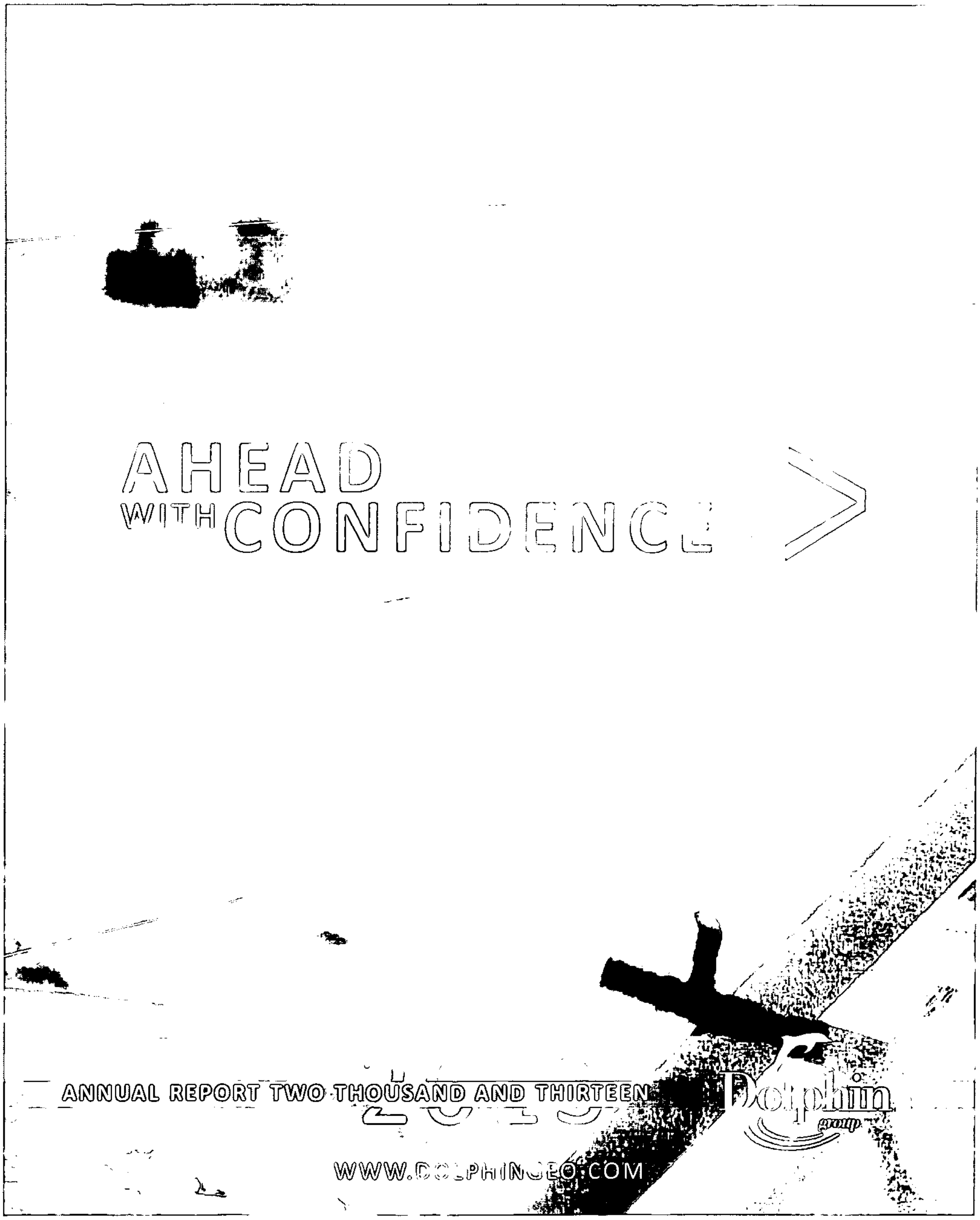
Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

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.

Oslo, 8 April 2014
BDO AS

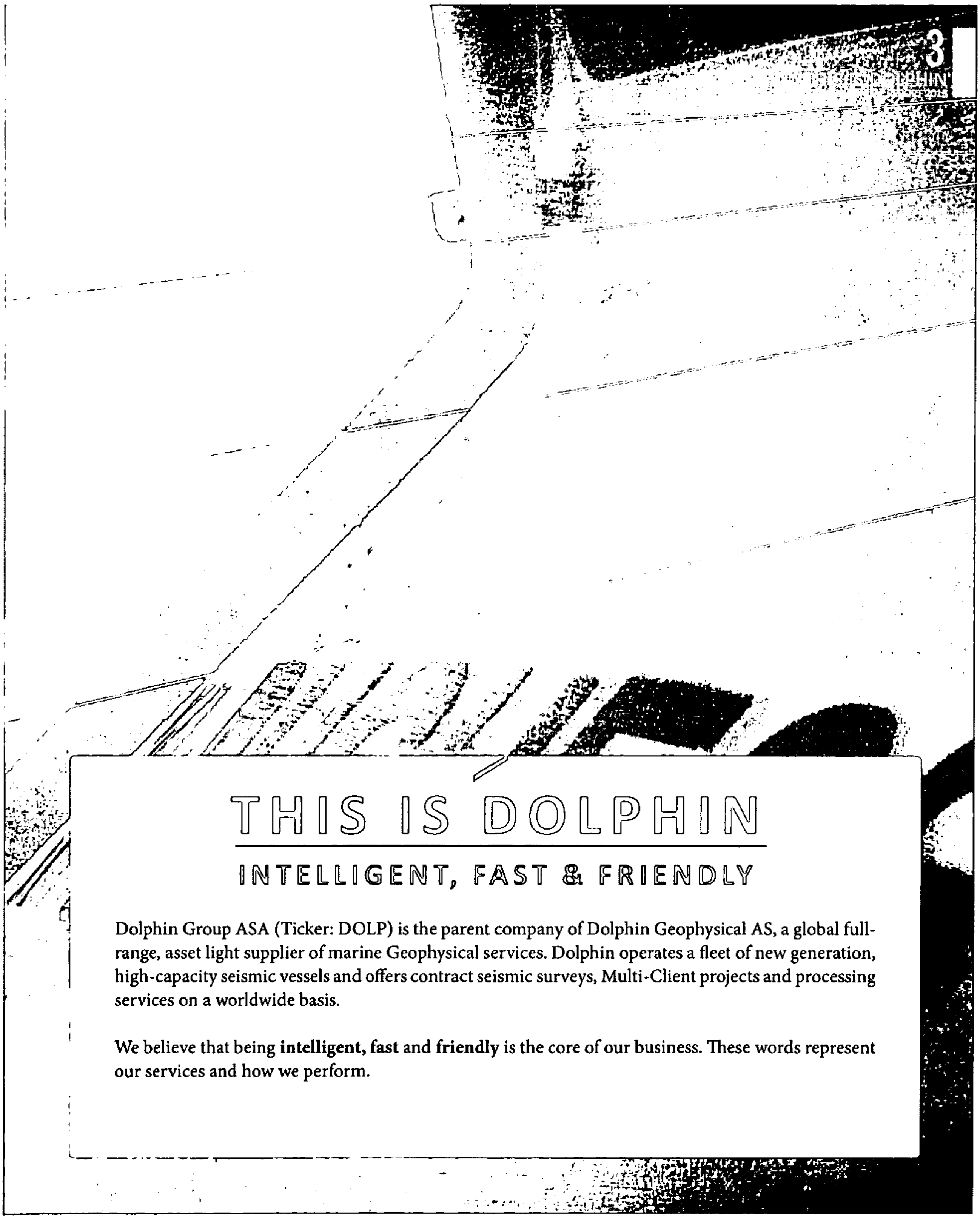
Børre Skisland
State Authorised Public Accountant (Norway)


AHEAD
WITH CONFIDENCE
ANNUAL REPORT TWO THOUSAND AND THIRTEEN
Dolphin
group

CONTENTS

FINANCIAL CALENDAR 2014

4TH QUARTER 2013 / PRELIMINARY RESULTS 2013	19 FEB 2014
1ST QUARTER 2014	14 MAY 2014
2ND QUARTER 2014	20 AUG 2014
3RD QUARTER 2014	5 NOV 2014
ANNUAL GENERAL MEETING	28 MAY 2014



THIS IS DOLPHIN

INTELLIGENT, FAST & FRIENDLY

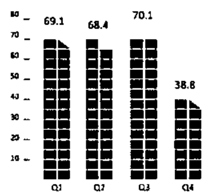
Dolphin Group ASA (Ticker: DOLP) is the parent company of Dolphin Geophysical AS, a global full-range, asset light supplier of marine Geophysical services. Dolphin operates a fleet of new generation, high-capacity seismic vessels and offers contract seismic surveys, Multi-Client projects and processing services on a worldwide basis.

We believe that being **intelligent, fast** and **friendly** is the core of our business. These words represent our services and how we perform.

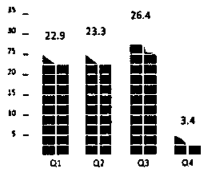
KEY FINANCIAL FIGURES

2013

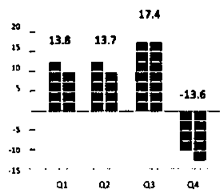
In millions of USD	Year 2013	Year 2012	Year 2011
Net operating revenues	246.5	221.3	97.6
EBITDA	76.0	81.0	13.6
EBIT	31.4	40.6	3.0
Profit before taxes	19.8	38.9	1.1
Net income	12.4	32.7	-0.9
Basic earings per share ($ per share)	0.04	0.11	0.00
Diluted earnings per share ($ per share)	0.04	0.11	0.00
Net cashflow from operating activities	80.0	43.3	-1.8
Cash and cash equivalents (period end)	75.4	77.5	57.2
Total Assets (period end)	**492.2**	**376.1**	**189.9**
Total Equity (period end)	**244.6**	**189.2**	**115.7**
Equity ratio	49,7%	50,3%	60,9%



Net operating revenues
In USD millions



EBITDA
In USD millions



EBIT
In USD millions

HIGHLIGHTS

2013

- Revenues of USD 246.5 million (+11,4%), compared to USD 221.3 million in 2012
- EBITDA of USD 76.0 million (30,8%), compared to USD 81.0 million (36,6%) in 2012, EBIT of USD 31.4 million (12,7%), compared to USD 40.6 million (18,4%) in 2012 and Net Income of USD 12.4 million, compared with USD 32.7 in 2012
- Diluted earnings per share (EPS) of 0.04 cent for 2013, compared with 0.11 in 2012
- Sanco Swift taken successfully into production in August 2013, less than 10 days after leaving the yard
- Successfully raised NOK 500 million (USD 82 million) senior unsecured bond loan in addition to an increased loan facility to USD 93 million to support Dolphin growth strategy
- Increased Multi-Client investments in 2013 of USD 64.6 million compared to USD 52.6 million in 2012. Primarily related to projects in Barents Sea, North Sea and Brazil

SUBSEQUENT EVENTS:

- **Successful delivery of Sanco Sword**
  The newly built high-capacity seismic vessel Sanco Sword was successfully delivered 27 March 2014. The vessel is taken on an initial 5-year Time-Charter agreement with the Norwegian vessel owner Sanco Shipping AS
- **Updated backlog**
  Secured a total backlog of approximately USD 270 million as per 1 April 2014

DOLPHIN GROUP CEO

LOOKING AHEAD – WITH CONFIDENCE

When you are on the right course you don't change direction. You may alter your speed, you might adjust your cargo, but you never lose focus on reaching your final destination.

For Dolphin, when we first set sail in 2010, that destination was always the creation of a market leading and sustainable Geophysical business capable of achieving long-term success - for us, our clients, and all of our valued shareholders. After three full years in business, we have come a long way.

Dolphin is no longer an ambitious start-up, but rather a highly regarded player at the vanguard of the seismic sector. Our contract seismic, Multi-Client and processing activity is defined by quality of service and market leading technology, allowing us to build client relationships that, like our business philosophy, endure from project to project, season to season.

That business philosophy has kept us on course from day one. We stay true to it because it delivers, even when, as towards the end of 2013, the industry waters are challenging.

THE STRATEGY OF SUCCESS

At the core of our strategy is a principle as simple as it is innovative: Other marine seismic operators invest in steel, we invest in people.

People are the key to unlocking business potential, realising the power of technology and steering the firm to mitigate against the slowdowns that affect every cyclical industry. The best minds deliver the best results, as shown by our rapid development since 2010.

Chartering rather than owning vessels is a cornerstone of Dolphin. This flexibility gives Dolphin, and our clients, access to a modern, high-end seismic fleet. We are able to employ vessels with the latest, state-of-the-art technology and offload conventional, outdated assets, keeping us at the forefront of the sector and optimising fleet utilisation. We have zero residual value risk and, undoubtedly, the best return of capital employed in the industry.

Return on capital is fundamentally important for the investment community. It is difficult for most companies to advance when two-thirds of capital is tied up in vessel ownership. Our asset light structure empowers our success, underpinning a model now envied by our competitors.

Chartering rather then owning vessels also allows us to allocate significant amounts of capital to key growth areas. Throughout 2013 we continued to expand and enhance our high-end seismic fleet, raising USD 41 million to support our vessel capacity growth and allocating further investments for robust streamer systems and technology.

Since December 2010, Dolphin has raised new equity of NOK 1 123 million to support our ambitious business plan.

We have accelerated growth in vessel and land based processing, investing in both on- and offshore staff and expanding office capacity. Our Multi-Client library has also been boosted with large quantities of high volume seismic data from prospective areas, such as the North Sea, Barents Sea, North West Africa and Brazil. Dolphin's Multi-Client investments peaked just short of USD 70 million in 2013, a year producing a total backlog, including Multi-Client prefunding, of more than USD 270 million as per April 2014.

"Dolphin is the fastest growing Geophysical company in the world"

ATLE JACOBSEN, CEO

Despite challenging market conditions we have made bold, yet well structured, strategic decisions that provide a solid platform for continued, aggressive business development.

REPEAT BUSINESS

Combining our advances in deep water data and 4D surveys with on time, on budget delivery and speedy response to client requests, has paved the way for a steady flow of repeat business. This has consolidated both our position within the industry and our relationships with leading energy businesses from around the world.

Dolphin's professional and complex 3D and 4D surveys on producing fields like Gullfaks, Troll, Grane and Greater York, have been recognised by oil majors, particularly Statoil and Shell, resulting in new contracts and global opportunities. A majority of our major clients during 2013 gave us repeat business, with on-going and planned projects for Shell, NPD and ONGC.

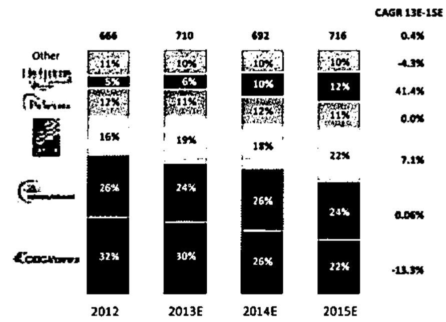
Market expectations of Dolphin have increased in tandem with our proven track record and maturity. Dolphin is the fastest growing Geophysical company in the world and by 2015 should be the fourth largest marine seismic player.

THE MARKET

We are confident of significant progress in 2014 and 2015, and acknowledge the lessons learnt in 2013. The dip in the seismic market during the third and fourth quarters was deeper than expected, further magnified by Dolphin having its entire fleet in the North Sea and our reliance on the typical 'North Sea – Africa' market.

This unexpected challenge forced us to step up our global activities through strengthened sales activities and office representation in Singapore and Houston. Increasing our global footprint has delivered tangible results, especially following our entry into South America and Australia. Developing a major presence in the Western Hemisphere and the Asia Pacific region will further offset seasonal business.

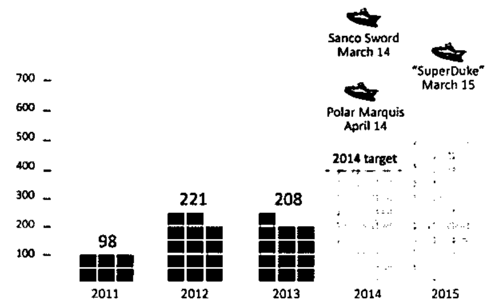
Throughout the second half of 2013 the seismic slowdown affected vessel utilisation, rates, Multi-Client sales and pre-



Market shares

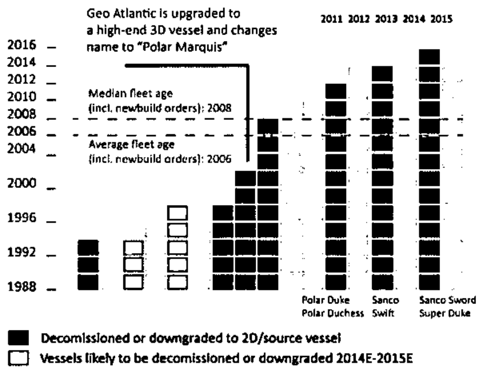
# of practical streamers – 3D fleet

Dolphin estimate



Revenues are growing with an expanding fleet

In millions of USD



Age distribution of marine seismic 3D fleet

funding. However, slowdowns create future demand, as planned activity is postponed, and Dolphin is better positioned than ever before to take advantage of this potential and seize a larger market share. Our fleet is the key to this ambition.

This industry demands quality assets, and we have them. Our large, high-tech deep water designed vessels, powered to pull up to 22 streamers and equipped with vanguard processing and long distance fuel capabilities, provide segment-leading alternatives for the oil majors.

Furthermore, industry acceptance of our high-end, proprietary SHarp broadband acquisition and processing techniques grew tremendously during 2013. Unlike some other broadband offers, SHarp is AVO friendly and also allows us to provide onboard, fast track products within weeks of completing acquisition. Additionally, our acquisition of OpenCPS gives Dolphin the most advanced, 21st century land and marine seismic processing software able to solve QC, time and depth processing challenges.

Dolphin's ability to transform data into knowledge accelerates E&P decision-making, making us a partner of choice.

AHEAD WITH CONFIDENCE

Despite soft market conditions in the second half of 2013, Dolphin has continued our development. We are now tendering shoulder to shoulder with major competitors, we have capitalised on critical business opportunities and we have gained industry-wide acceptance as a professional, trustworthy marine Geophysical partner delivering quality results, on time and on budget.

Adding three high-end 3D vessels and next generation multi-sensor streamer technology to our fleet in 2014 and 2015 will increase revenue and give clients a wider and more integrated offering. Already home to one of the most modern fleets in the seismic industry, Dolphin will add extra value by building its Multi-Client asset portfolio and meeting market demands for new and modern data to support a continued high focus on reserve replacement amongst our clients.

Higher efficiency, increased project reliability, cost effective data acquisition and shorter cycle times have combined to position Dolphin with a sizeable backlog of more than USD 270 million as per April 2014.

INTELLIGENT, FAST AND FRIENDLY

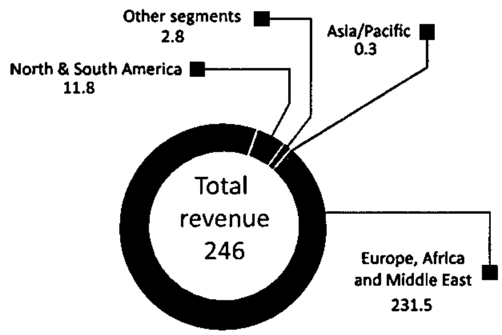
We intend to stay true to our business strategy and accelerate growth through people, asset management and improved productivity and scale.

A smartly designed, well executed business strategy is indispensable to Dolphin's long-term success and buoyancy when the industry waters get rough and the demands get great. We believe the depth, quality and flexibility of our proven business strategy is the reason for our emergence as a recognised player in a very competitive seismic landscape in a very short time. It is also the key to us remaining a mainstay partner and player for the years ahead.

With global E&P spending estimated to reach a new record of USD 723 billion in 2014, we are confident of increased margins in 2014. Overall Dolphin revenues are expected to exceed USD 400 million as we deliver on our ambitious business plan and secure growth through the introduction of new high-capacity vessels, increased exclusive contracts, Multi-Client and processing business, and further improved operational efficiency.

We intend to remain intelligent, fast and friendly, delivering the highest standards of advanced marine acquisition technologies for enhanced reservoir delineation, characterisation and monitoring.

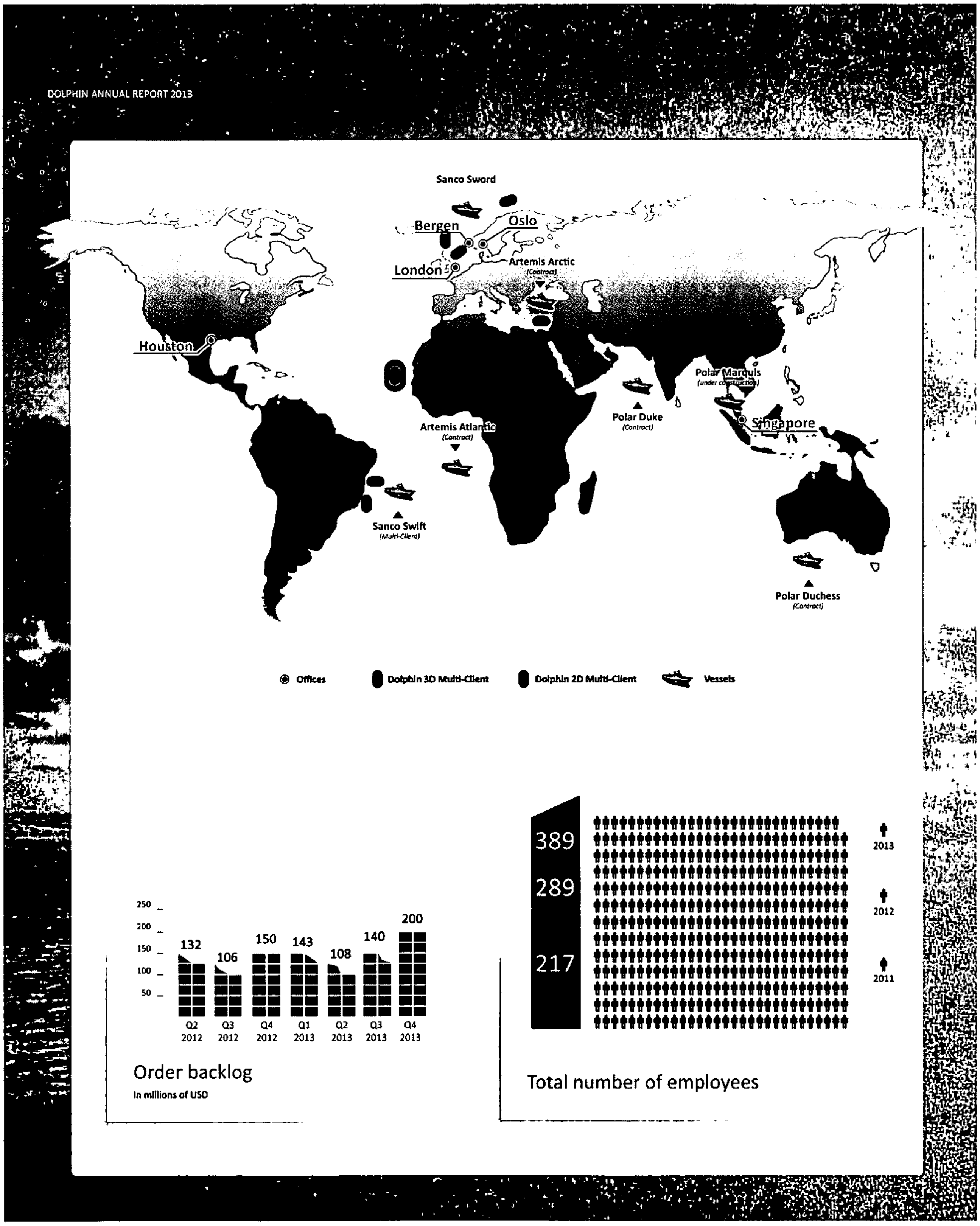
Dolphin is firmly established on the right course, and it will be full steam ahead in the coming years.

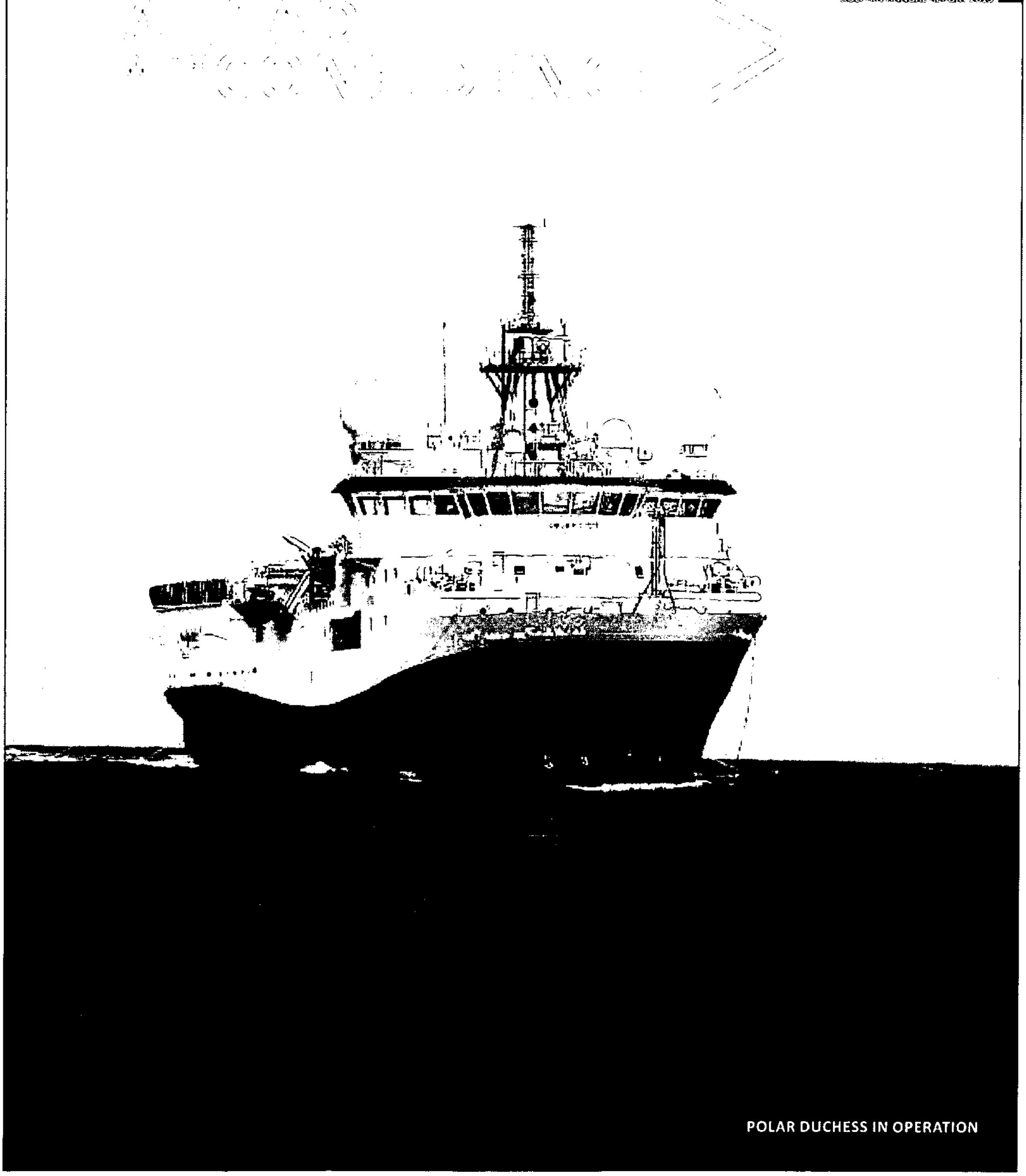


Geographical segment
net operating revenue

In millions of USD

"We are confident of increased margins in 2014"


DOLPHIN ANNUAL REPORT 2013
Sanco Sword
Bergen
Oslo
London
Artemis Arctic
(Contract)
Houston
Polar Marquis
Polar Duke
(Contract)
Artemis Atlantic
(Contract)
Singapore
Sanco Swift
(Multi-Client)
Polar Duchess
(Contract)
Offices
Dolphin 3D Multi-Client
Dolphin 2D Multi-Client
Vessels
250
200
150
100
50
132
106
150
143
108
140
200
Q2 2012
Q3 2012
Q4 2012
Q1 2013
Q2 2013
Q3 2013
Q4 2013
Order backlog
In millions of USD
389
289
217
2013
2012
2011
Total number of employees



POLAR DUCHESS IN OPERATION

PETER HOOPER

MARINE OPERATIONS

EVERYDAY EXCELLENCE

Marine Operations focuses on day-to-day operational excellence: From the moment that a vessel launches, through every day of its operational life, the department's international team dedicates itself to ensuring that all operational, technical and human resources are in place to facilitate complete success.

2013 saw an expansion of that team, with a greater geographical spread of staff as new personnel were taken on in London, Singapore and Houston. This enables us to ensure strengthened regional support, and shorter lines of communication, for Dolphin's increasingly global fleet.

The department has, since the Group's inception, prided itself on having the right people in place, at the right time, to fully exploit high potential market opportunities. In 2013, 4D provided one such market opportunity for Dolphin to capitalise upon.

NEW PERSPECTIVES AND MILESTONES

Dolphin's high specification, powerful fleet of modern seismic vessels is well suited to the demands of 4D and undershoot assignments.

Conducted close to platforms, often with drilling and other industry activity and infrastructure close by, these surveys are technically and operationally challenging for seismic vessels and crew. 2013 marked Dolphin's first entry into this market and, by the end of the year, we had built a solid reputation and position, with repeat business in from the likes of super-majors.

Our ability to provide a complete solution with multi-vessel operations performed exclusively by Dolphin assets, demonstrating the benefits of the Artemis Atlantic's source vessel capabilities, was recognised, with repeat 2014 work programs for similar undershoot activities already scheduled.

In April and May the Artemis Atlantic and Artemis Arctic conducted Dolphin's first 4D undershoot operation - involving the streamer and source vessels acquiring data in unison on both sides of multiple producing platforms, for Centrica in the North Sea. The successful completion of this project opened doors for Dolphin, emphasising our position as a Geophysical company that has 'come of age' and now operates at the top end of the industry in terms of technical and operational ability offshore.

The ability of our vessels is well acknowledged within the industry. Throughout 2013 we have continued to consolidate our reputation as a supplier of powerful assets and solutions, capable of safely operating and towing huge streamer configurations in remote frontier areas characterised by tough weather conditions, whilst delivering high data quality.

The Polar Duchess provided a case in point in 2013, impeccably executing a sizable and demanding 8 000 sq. km 3D wide tow project for Shell offshore South Africa, with eight streamers towed at 200 metre separation. She is now further capitalising on this success, currently acquiring data on contract to TGS on the 8 400 sq. km season phase1, of a 22 000 sq. km total 3D shoot in the Great Australian Bight.

As with the Shell project, this is a demanding offshore environment, with a large 12-streamer spread towed at 120 metre separations, resulting in historic production figures for

Dolphin. Project production is significantly ahead of schedule, thanks to the Polar Duchess and her crew applying their experience and capabilities, alongside one other essential element: planning, planning, and more planning.

The execution of such projects is not only a result of the vessels' and crews' efforts, but extensive planning and forward thinking risk management onshore, typically carried out in close cooperation with our clients. In this way our interests are fully aligned, while safe and efficient operations are good business for everyone.

SUPPORT YOU CAN RELY ON

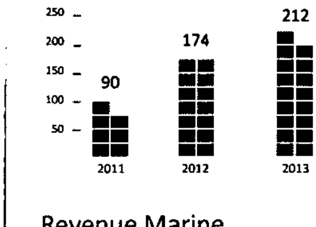
In addition to our 2013 achievements on 3D and 4D projects, the Marine Operations department has also provided the building blocks for Dolphin's geographical expansion, with NSA successfully mobilising the Sanco Swift for what has been a great survey in Brazil, and APAC starting our first project in Australia.

Our robust operational performance is also supported through a first class support vessel fleet. A new addition of note is the Rig Andromeda, a high specification converted fuel tanker that can carry 3 000 tons of fuel, providing a vital supply link, and fuel quality continuity, for vessels surveying in remote or difficult areas of operation.

We plan thoroughly in the long-term, adding competitive advantage and providing the best assets for our clients, minimising risk and enhancing results. With two new ice-class support vessels, and several new chase vessels under construction, Dolphin continues to strengthen key contractors that supply our support needs for the future, as we 'raise the bar' with regard to support and chase tonnage standards.

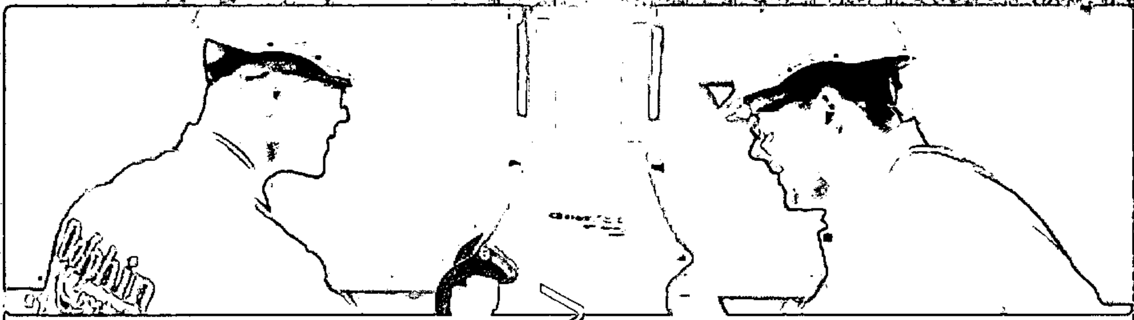
2014 will see more of the same bold thinking, as we provide proven quality, technical innovation and a focus on continual efficiency improvements to keep our vessels ahead of the competing seismic players. Our headcount will increase in line with these ambitions, with a drive for quality staff to support the seven vessels and 300 seismic crew members Dolphin will have in place by the end of the second quarter of 2014.

PETER HOOPER, New Dolphin position as COO from 2014



Revenue Marine

In millions of USD



MIKE HODGE

QHSE

CONTROLLED GROWTH

Dolphin's ongoing success creates ongoing challenges. The growing fleet requires additions to our offshore workforce, leading to an increasing number of man hours worked per month. During fourth quarter 2013, Dolphin's monthly exposure was running at 250 000 man hours, compared to nearer 210 000 at the beginning of the year, and to just 150 000 during fourth quarter 2011.

An expanding workforce puts stress on existing business processes, and this is particularly true with our QHSE Management System. New staff must be assimilated into the Dolphin safety culture, trained to adopt our working practices and sometimes, in the case of mid-career hires, encouraged to discard some of their established routines that are not aligned to our methods.

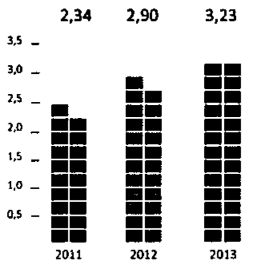
It's a challenge but, as our headline figures for 2013 demonstrate, one that can be effectively managed by a consistent approach and a robust QHSE culture.

FOCUSED ON PERFORMANCE

Our headline safety metrics show a satisfactory performance over the last year. Our annual LTIF (lost time injury frequency) was at its lowest rate since Dolphin commenced operations, at 0.72, whilst our TRCF (total recordable case frequency) was at a similar level to 2012's figure, ending the year marginally up at 3.23.

Such performance is achieved through the consistent application of our QHSE processes: risk assessments, toolbox meetings and interventions, supported with training and personal development. Both proactive and reactive measures are required to address potential problem areas. A good example of the latter is a fleet-wide publication of a 'Safety Alert', which is produced after any recordable injury or high-potential incident.

Lost time incident frequency (LTIF)



Total recordable case frequency (TRCF)

AUDITING EXCELLENCE

Audits are integral to effective QHSE performance and 2013 was a busy period in this regard. Dolphin underwent a total of four super major audits from key clients, with no significant findings being brought to light. In addition, our qualification process for ISO9001 required two office audits, in Bergen and London, and two vessel audits, of the Artemis Atlantic and Polar Duke, all carried out by DNV.

Dolphin achieved certification for ISO9001 in March 2014, demonstrating to the outside world what our internal teams already know – that Dolphin is committed to the highest standards with an ongoing focus on continual improvement.

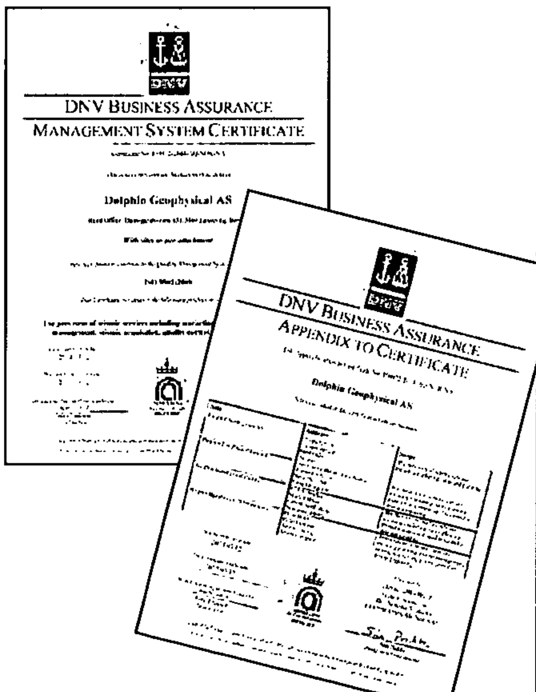
This will remain our focus during 2014, and beyond.

These alerts summarise individual incidents in order to promote learning; listing immediate causes, root causes and preventative actions that all crews can take to avoid a reoccurrence of the incident on their own vessel. An example of an incident giving rise to a Safety Alert occurred in November 2013, when a mechanic slipped on one of the Artemis Atlantic's internal stairways fracturing a shoulder blade. This kind of transparent follow-up helps promote the continuous reinforcement of Dolphin's QHSE culture.

INVESTING IN TRAINING

2013 saw an expansion of our bespoke training packages. Dolphin's new hire induction programme is now well established, with a further 42 individuals completing the course during the year. The programme starts with an online assessment and safety induction video, prior to even stepping foot on one of our vessels, and progresses with a mentored introduction to the QHSE aspects of our daily offshore work during the first three trips. Once a new hire has completed their induction, they can swap their green 'training' hard hat for a white 'graduate' version.

In addition, Dolphin has grown its e-learning library of QHSE topics available to the fleet. They have been well received by crews, with a total of 3 174 documented passes during the year. Such an effort helps maintain the excellent QHSE standards that Dolphin is now known for within the seismic sector.



ISO9001 CERTIFICATE

"We believe that this double deployment will be a unique achievement, a world first, for a marine Geophysical company."

BJARNE STAVENES

TECHNICAL REPORT

PEOPLE POWER

Without competence you cannot unlock the true potential of technology. Technical Vice President, Bjarne Stavenes is adamant that he has "the best people, with the most talented technical minds" in the marine seismic surveying sector. His department's performance across 2013 gives credence to this belief.

Technical downtime across the fleet, one of the principal measures of the department's efficiency, was reduced even further from the industry leading lows of 2012, ensuring minimal lost project time and revenue. In addition, the technical team of 20 managed the purchasing, installation/rigging and testing of in excess of USD 50 million of seismic equipment for the launch of the latest Dolphin flagship, the Sanco Swift.

SWIFT BY NAME...

Its launch provided a true highlight of the year. The 16 streamer, 8 772 ton high-end 3D vessel was completed at Norway's Myklebust yard on Friday 27 July, setting sail the next day to commence operations on its first shoot, for TGS off the West coast of the Shetland Islands. The vessel has quickly established itself as another successful Dolphin performer, using its 2 x 7 500 kW propulsion power to tow demanding 12 streamer arrays in hostile marine environments. The Swift was joined by sister vessel the Sanco Sword in March 2014.

Alongside the Swift's rapid and smooth mobilisation, and minimising fleet downtime, the department was also heavily involved in Dolphin's first 4D assignments for Statoil and Shell. These projects involved technically challenging 'undershoots', whereby two vessels straddle producing platforms (one on each side) acquiring data simultaneously, with relevant systems communicating between the vessels. The technical team set up the vessels to operate "immediately and flawlessly" on these exacting tasks, positioning Dolphin as a credible, proficient 4D industry player from the very outset.

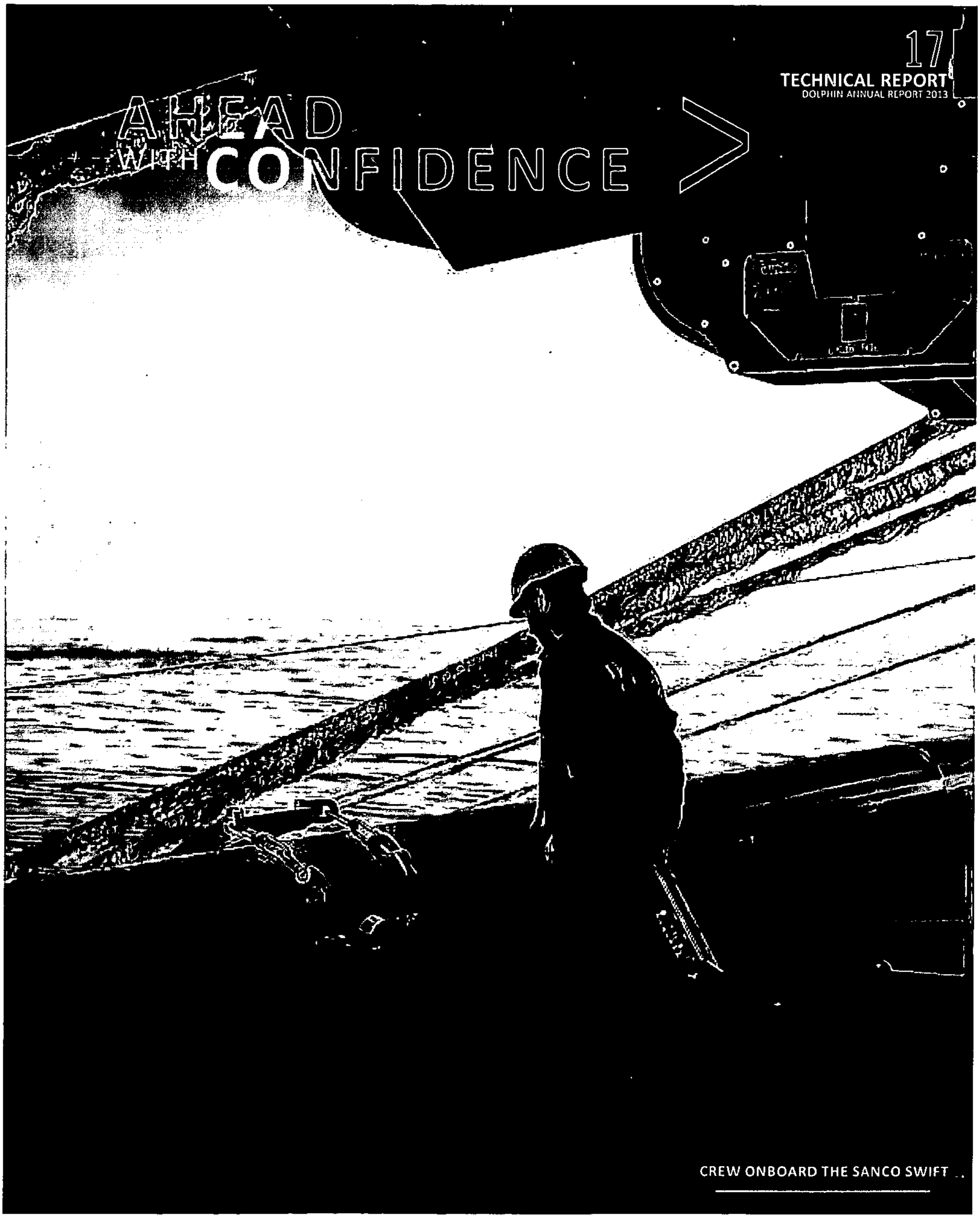
CLEAR FOCUS FOR 2014

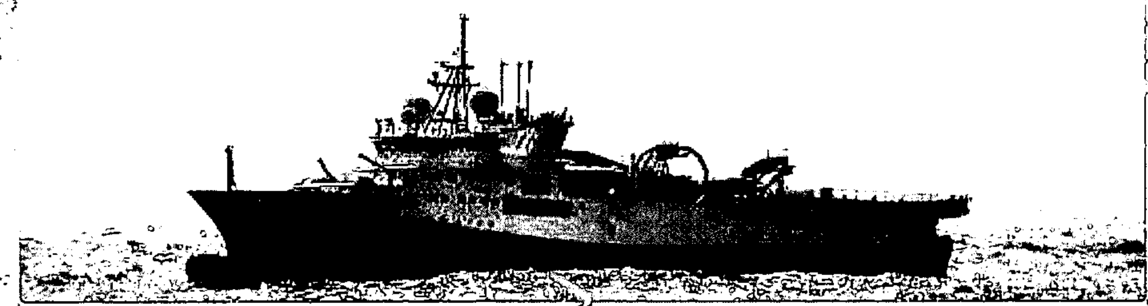
The year ahead has distinct, yet exciting, challenges. The team will oversee the outfitting and rigging of two new additions to Dolphin's cutting edge fleet, the Polar Marquis and the Sanco Sword. Both of these vessels, each demanding the installation of the same USD 50 million plus of equipment, will be mobilised within around a month of each other. This creates a huge demand on the department's resources in itself, and, furthermore, both will be completed on different continents. The Polar Marquis will set sail from Singapore, while the Sword sets out to slice through Norwegian waters.

We believe that this double deployment will be a unique achievement, a world first, for a marine Geophysical company.

In addition, both vessels will tow BARO 412 vanes; 12m long 'doors' used to drag massive arrays of seismic streamers (the Sword has the capacity to carry 150 km/16 streamers). There are only four seismic vessels in the world prepared and outfitted with the massive 412 vanes and, from April 2014, Dolphin will have two of them.

This is another achievement, that not only shows the ability of Dolphin's cutting edge fleet, but also the commitment and ambition of the people who channel that power to create continuing competitive advantage.


17
TECHNICAL REPORT
DOLPHIN ANNUAL REPORT 2013
AHEAD
WITH CONFIDENCE
CREW ONBOARD THE SANCO SWIFT



PHIL SUTER

MARKETING AND SALES

BUILDING ON SOLID FOUNDATIONS

Dolphin's Marketing and Sales division is reaping the rewards of three years of hard work. Initially, the team's focus was fixed on building relationships and pre-qualifying for tenders with multi national majors and super-majors – ensuring that a young business got its 'foot in the door' alongside more established marine seismic players.

In 2013, thanks to those efforts, it became clear that Dolphin 'had arrived'.

SUCCESS BREEDS SUCCESS

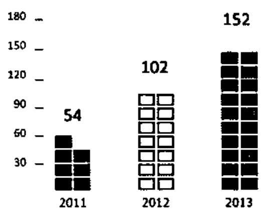
Last year Dolphin was invited to participate in 152 full tenders (a 50% year-on-year increase, amounting to a total value of 1.68 billion USD) and now, according to the division's estimates, it is active in around 90% of all world-wide seismic tendering processes. In our first years in business this figure was closer to 10%.

As such the division's focus has evolved in line with its impact, allowing Dolphin to switch its attention to maintaining relationships and brand awareness, rather than building them from scratch. Through open lines of communication, and by delivering on agreed promises, the team of 12 (up from nine in 2012) has forged enduring relationships with major companies including Statoil, Chariot, E.ON, Shell, ENI, Cairn, DONG, NPD and Repsol, to name but a few.

This success breeds further success, as the agreed completion of contracts and high service quality lead to repeat business and an enhanced market position. Dolphin has also taken advantage of the fact that oil companies favour competition in their supplier base, challenging some of the more established industry names and increasing its own market share.

HARSH ENVIRONMENT, NEW PERSPECTIVES

Despite the achievements of last year, 2013 was as challenging for Dolphin's Marketing and Sales division as it was for the rest of the seismic sector. The slowdown experienced in the third and fourth quarters impacted upon rates and suppressed the



Number of tenders

2D segment, while the 3D market experienced an increased pressure upon pricing.

However, the difficult conditions allowed the division an opportunity to consider fresh global horizons, as it began building influence beyond Dolphin's traditional 'Atlantic corridor' operational area. New contracts were secured in Australia – an 8 400 sq. km, six-month long 3D survey with TGS, assigned to the Polar Duchess – and Columbia, where the Sanco Swift will be conducting a 3D assignment on behalf of Shell.

In addition, the power of our vessels and experience from difficult working environments now gives Dolphin excellent references for acquiring data in other challenging areas, as we have proof of the successes of past projects.

The emphasis going forwards will be on consolidating these footholds in new market areas, while enhancing physical presences in bases such as Houston and Singapore. This latter development will enable the team to cement client relationships and access tender opportunities in both the Americas and the promising Asia Pacific region.

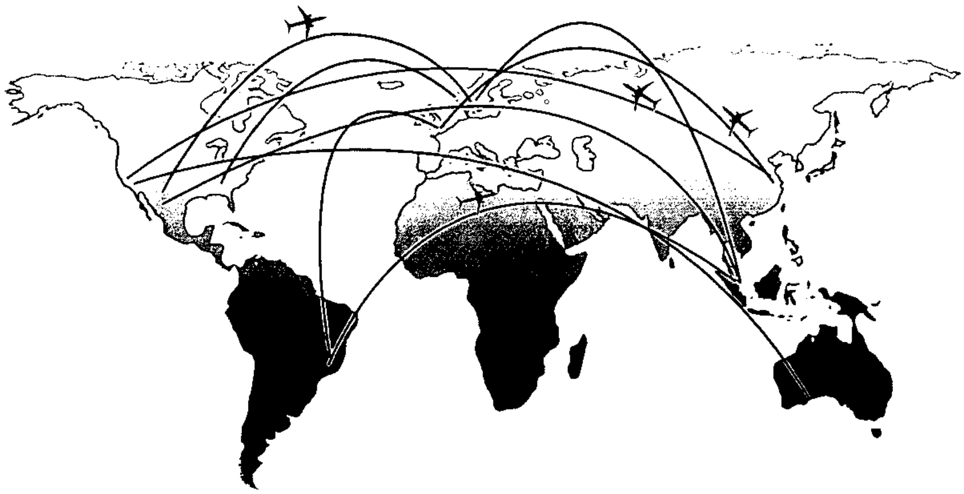
ADVANTAGE THROUGH INNOVATION

Back in Dolphin's traditional hunting ground of the North Sea, 4D proved to be an important innovation for capturing fresh contracts with clients such as Shell and Statoil in 2013.

4D provides a stable revenue stream for the business, with the market (being centred on production rather than potential fields) proving more resilient to wider industry/ macroeconomic conditions. In addition, the need to manage production to exploit the optimum value of reserves means that contracts are less price dependent and more technology sensitive. This is a definite plus for Dolphin's portfolio of cutting edge, high-end and operationally excellent vessels.

4D will be as much of a focus for the division in 2014 as it was in 2013, but the main emphasis will continue to be on providing excellent levels of service, seismic success in all environments and maintaining our valued, established relationships with clients around the world.

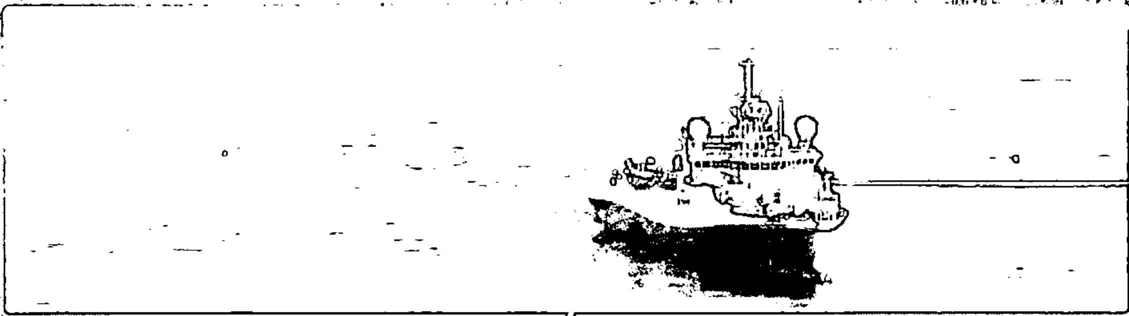
Dolphin may have arrived, but the Marketing and Sales division will keep on moving forwards.



Airmiles

Airmiles 2012: 320.615
Airmiles 2013: 560.851

"The best imaged data of its kind ever acquired from this geologically difficult region"



IAN EDWARDS

MULTI-CLIENT

PRIMED FOR GROWTH

Dolphin made significant steps forward in its Multi-Client activity over the course of 2013, despite challenging market conditions.

The department, which only commenced operations in 2012, grew from 8 team members at the close of 2012 to 19 by year end 2013. In addition, several landmark projects were undertaken, showcasing not only Dolphin's Multi-Client expertise, but also its operational excellence and on and offshore processing proficiency.

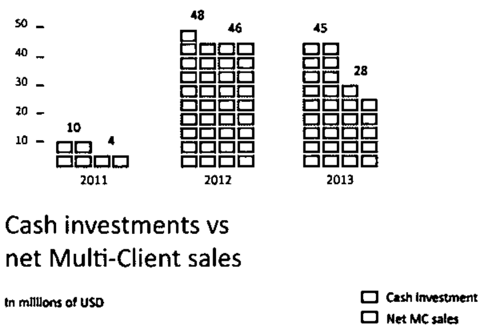
All marine Multi-Client operators felt the pinch in 2013, as mainly due to increased available seismic vessel capacity and an escalation in permit applications to shoot Multi-Client surveys over similar or overlapping areas, clients showed a reluctance to pre-commit to projects. This had an obvious detrimental effect on the levels of available pre-funding.

ASSET BUILDING

However, Dolphin worked hard to grow our Multi-Client library, a valuable long-term business asset, increasing the 2D database to about 46 000 sq. km. and 3D to almost 18 000 sq. km. Amongst several key projects (see following pages), the latest assignment in the North Sea is a benchmark project.

Utilising the Artemis Atlantic in a month-long shoot, Dolphin acquired its first SHarp Broadband 2D regional well-tie survey in the West of the Shetland/Faeroe Basin. This 2 000 sq. km. survey, conducted in late 2013, produced, according to early client feedback, some of the best imaged data of its kind ever acquired from this geologically difficult region.

The combination of Dolphin's processing capabilities and the greater imaging, higher resolution and increased frequency content offered by SHarp Broadband enabled key insights into sub- and intra-basalt events, offering clients real value. It was, in many ways, a breakthrough project for the team.



AHEAD WITH CONFIDENCE

FUTURE FOCUS

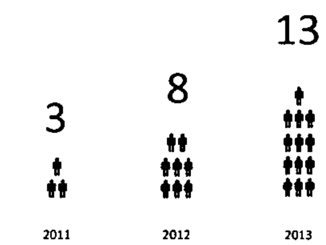
Although the market has been challenging, Dolphin continues to see real potential in Multi-Client. It is an approach that not only offers oil and gas companies quality data at a fraction of the cost of conducting proprietary seismic surveys, but through in-house reprocessing and re-licensing, the activity builds a rewarding long-term revenue stream for our company.

For these reasons we are determined to build on our early successes and, over the course of 2014 Dolphin is looking to add to the USD 64 million already invested with an additional USD 60-80 million. It is a huge amount, but there is huge opportunity on the horizon.

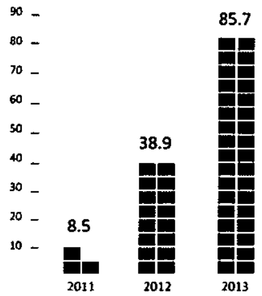
The next year will see the opening of the 2014 Norwegian 23rd licensing round and another Norwegian APA round, while the UK 28th round is now in progress. In addition, Brazilian activity continues to grow, whilst North West Africa remains promising.

Dolphin is also negotiating to open up some two to four 'frontier' territories, staking an early claim in the markets to establish a leading position, aided by the advantages offered by our SHarp Broadband acquisition and processing.

The department is now established with an excellent track record, a proven team and an obvious ambition to ensure that Multi-Client is a central pillar of Dolphin's on-going success.



Accumulated number of employees



Multi-Client Library net book value

In millions of USD

GOHTA NORTH AND EAST

BARENTS SEA 3D SURVEY

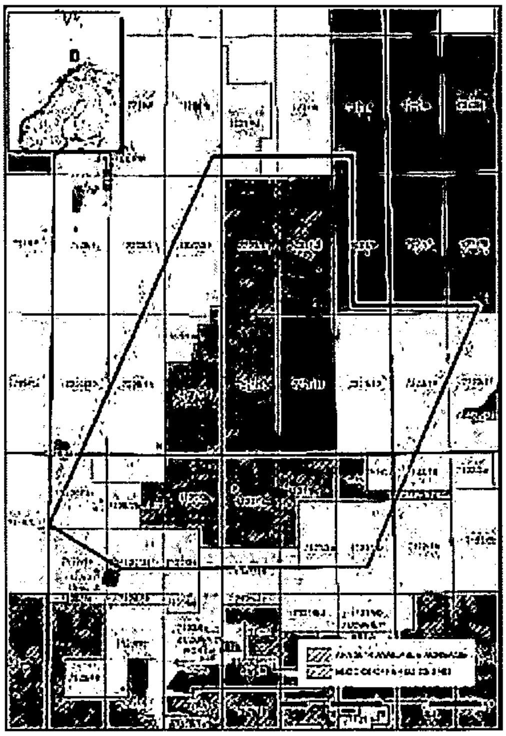
Dolphin Geophysical's newest vessel, the Sanco Sword, has mobilised and has commenced acquisition of a new SHarp BroadBand 3D Multi-Client survey over Gohta North and East area (see map) totalling around 4 500 sq.km covering both Norwegian APA 2014 and 23rd Licensing Round acreage.

The recent Gohta discovery (Well 7120/1-3) encountered oil and gas in the Permian (karstified carbonate), and the presently mapped extent of the accumulation lies in the southernmost area of the survey. The south-western part of the survey also lies adjacent to the Salina discovery.

The vessel is deploying 12 streamers with 75 metres separations and 7 000 metres offsets over Gohta North and Gohta East using its SHarp BroadBand techniques.

A high end Fast-Track volume from the area will be available within four weeks of the last acquired shots. The Fast-Track PostSTM volume will include 2D SRME and is scheduled for delivery to Early Participating clients only late June to early July prior to APA applications in September.

The final PSTM datasets are currently scheduled for delivery late September to early October after being processed in our UK centre with 3D SRME. Pre-Committed clients will be participating throughout the entire processing phase.



MAUD BASIN

BARENTS SEA 3D SURVEY

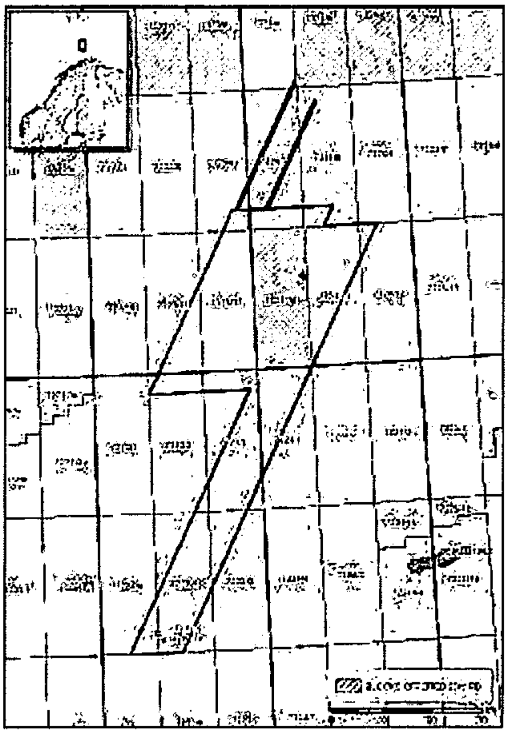
Dolphin initiated its first SHarp Broadband 3D survey in Norwegian waters in October 2013, utilising the Polar Duchess to commence shooting a tranche of data over prioritised, mostly open acreage in the Maud Basin, Barents Sea area.

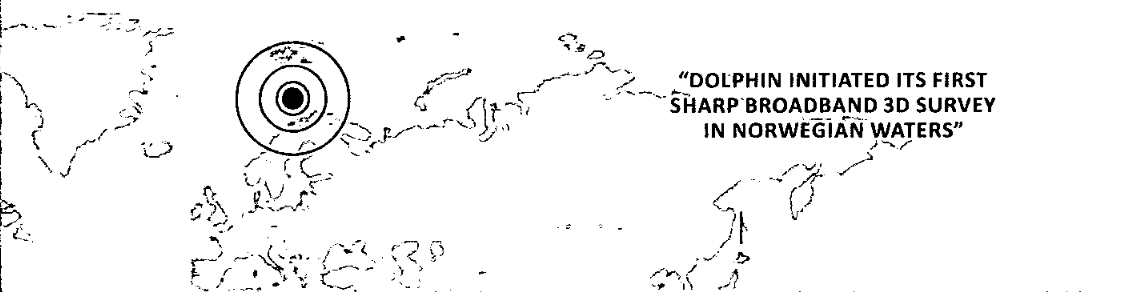
This under-explored region, which is expected to be included with the Norwegian 23rd licensing round, offers huge potential. This has been highlighted by the recent Wisting discovery, a shallow Jurassic reservoir, which has estimated recoverable reserves of between 60 mbbls to 160 mbbls of light oil.

Dolphin's new 3D data, totalling some 1 650 sq. km, will help map and evaluate the potential existence of interesting, similar structures and features, as well as deeper geological targets and plays.

The project will be completed in 2014 with a solid level of pre-funding. The first phase succeeded in covering about 750 sq. km, with test processing well underway at the time of writing.

Polar Duchess' onboard team are assigned to producing high-end PostSTM fast track data, with full PSTM processing being completed in Dolphin's dedicated UK-based onshore processing centre.





"DOLPHIN INITIATED ITS FIRST SHARP BROADBAND 3D SURVEY IN NORWEGIAN WATERS"

UTSTORD

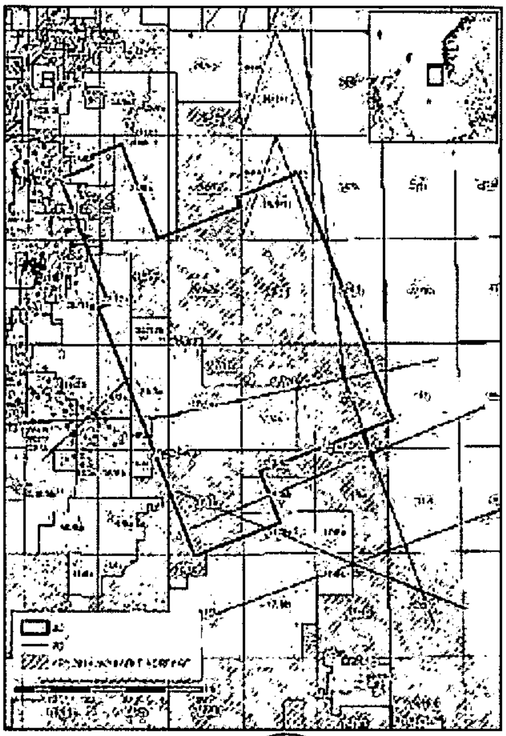
NORTH SEA 3D SURVEY

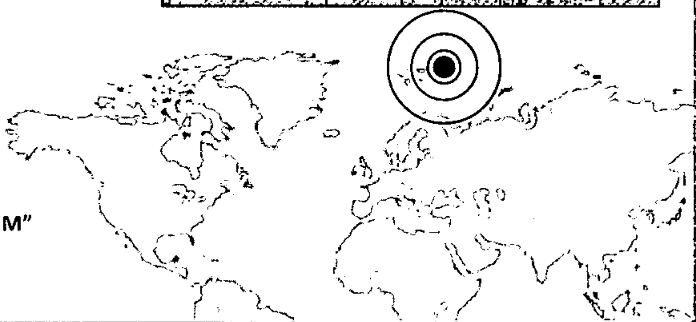
A high level of industry pre-funding was achieved for the UtStord Multi-Client survey, encompassing approximately 5 000 sq. km of prioritised APA acreage in the Norwegian North Sea.

Dolphin's vessel the Polar Duchess aquired the data, which is close to the giant Lundin/Statoil Johan Sverdrup discovery. The vessel's onboard processing team produced a high-end fast track dataset, while full PSTM processing was completed at Dolphin's UK processing centre. All fast track data was delivered to clients before year end.

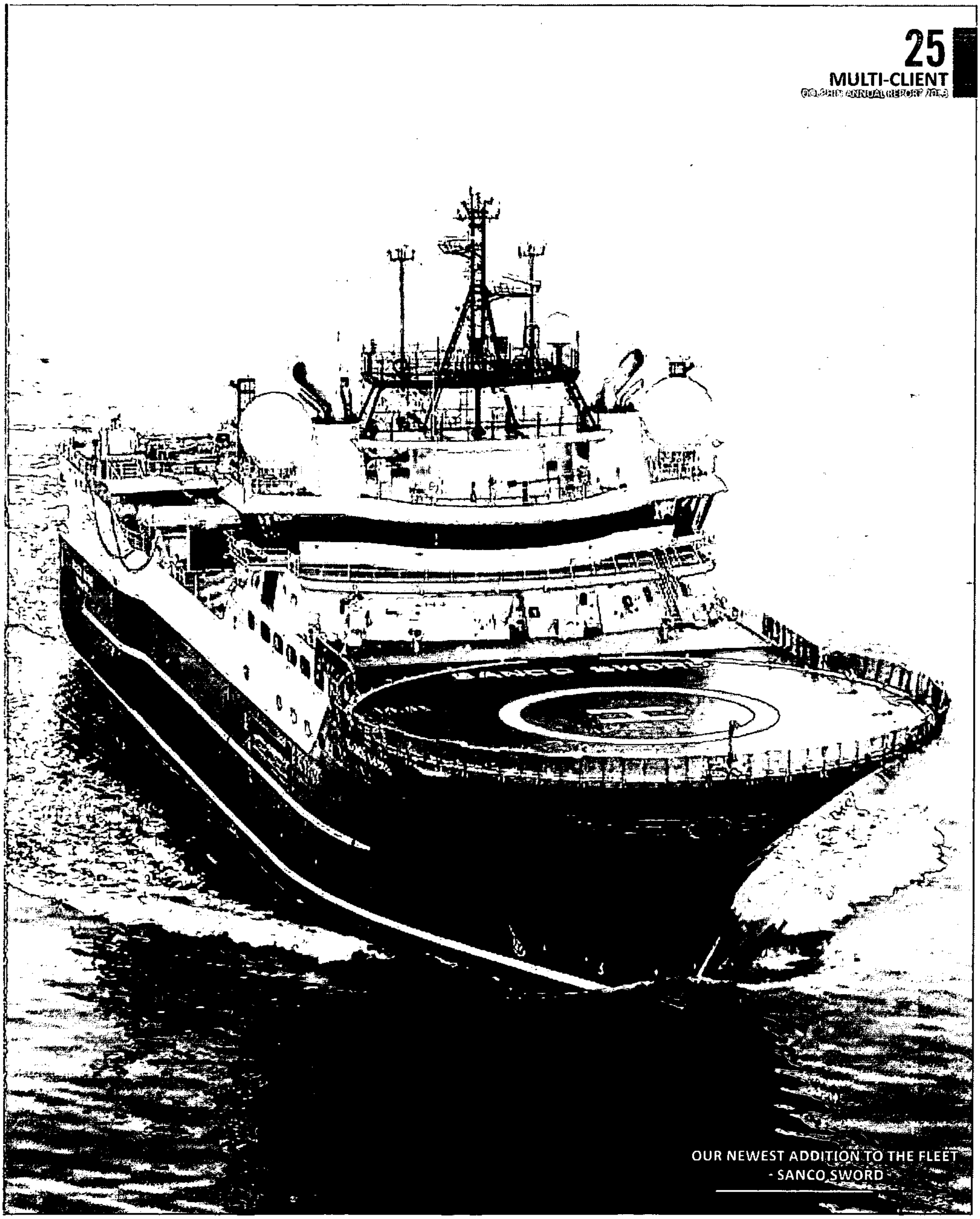
Following on from the completion of the 3D acquisition, Dolphin dispatched the Artemis Atlantic to the region to acquire SHarp Broadband 2D well-tie data for comparison.

Interest in the project was considerable, with existing discoveries showcasing the potential of the area's remaining unlicensed acreage. Dolphin liaised closely with participating clients to ensure that all project parameters met their expectations. The UtStord survey was conducted in association with Searcher Seismic.

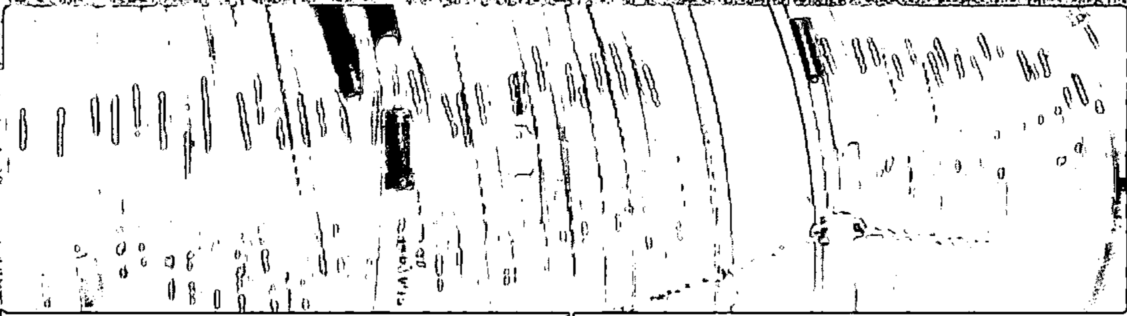




"ENCOMPASSING APPROXIMATELY 5 000 SQ. KM"



OUR NEWEST ADDITION TO THE FLEET
- SANCO SWORD



DR. GARETH WILLIAMS

PROCESSING AND IMAGING

PROVIDING THE FULL PICTURE

Dolphin's processing and imaging capability is an essential part of the Group's full-service Geophysical proposition. By offering processing and imaging Dolphin can realise the optimum value of each acquisition contract, maximise the returns from our Multi-Client surveys, bid on tenders where both acquisition and processing are required, and offer processing and imaging on surveys where we have not been involved in acquisition. Our in-house expertise and systems allow us to closely control the quality and timing of all deliverables, ensuring only the best results, and the most satisfied clients, time after time.

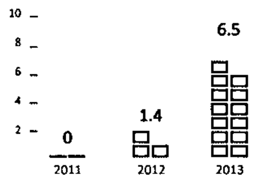
The processing and imaging function has helped elevate Dolphin's standing in the marketplace, ensuring repeat business while helping our department attract and retain the best talent. With the growth we have experienced, that 'pulling power' is something you would usually associate with our vessels. This has been invaluable.

STRATEGIC GROWTH

In 2013 Dolphin doubled its processing and imaging headcount to around 75 people. We now have processing centres in London, Houston, Singapore and experts integrated into every single seismic vessel team. This vessel-to-shore connection provides clients with faster data turnaround, while the fact that our market leading, proprietary OpenCPS software is used both onboard and in the office gives us significant efficiency advantages compared to our competitors.

Although we are a young company, we have hired experienced processing and imaging experts and our software, OpenCPS, is outstanding, it is the only seismic processing package designed and written in the 21st century. It allows our people to perform data analysis, run interactive tests and batch production jobs using parallel computer systems within a single, modern Graphical User Interface.

In addition, SHarp Broadband is now acknowledged as a leading technology, and it's reputation has been cemented not only by its enhanced low and high frequencies but also its improved inversion and reservoir characterization and AVO-friendliness compared to some other methods, thus further reducing drilling risks for our clients.



Revenue External Processing

In millions of USD

This combination creates competitive advantage and, even though the market was slow in the second half of 2013, the department performed well. Projects of note in 2013 include the completion of large 3D assignments for Shell and Statoil in Africa, concluding our first SHarp 3D project in North Sea Quad 29, and a SHarp 2D Multi-Client survey West of Shetland, where the quality of the imaging was extremely well received by clients. Significantly, the team was also awarded its first 3D processing task on a survey Dolphin did not shoot, working alongside a Brazilian company on a data parcel acquired off West Africa. Processing and re-processing data that Dolphin did not acquire is a new market for us and is one that we see growing rapidly in 2014.

SOFTWARE SUCCESS

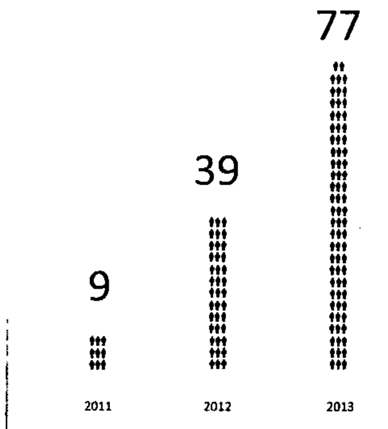
Not only do we use OpenCPS internally for service work but we also licence it to external customers. Our existing clients for this include both land and marine seismic contractors and oil companies. Several of these increased the number of licences they have during 2013, while we also added a number of new users. This is an expanding part of our business and revenues exceeded USD 1 million for the first time in 2013.

We foresee further strong growth for this segment in 2014 as we increase the functionality of the software. For example, at the annual SEG conference in September, we demonstrated our Pre-Stack depth migration software for the first time and expect to see external sales for this product develop significantly during 2014.

FURTHER, FASTER, FRIENDLIER

The year ahead will see continued evolution for the processing function. In the UK, we anticipate a further growth of the headcount in the range of 25-30%, while our new Singaporean base will also experience rapid expansion. This latter office is the key to our plans for the dynamic Asia Pacific territory, where we plan to position one vessel permanently as we look to retain close contact and good relationships with the regional industry, accessing business opportunities that may have previously eluded us. It's an exciting development and 'one to watch' in the near future.

Increased activity from our fleet in an improving industry climate will lead to more processing and imaging work, but as mentioned, we will also be marketing our services 'independently' as a third party supplier. Coupled with our entry into the depth imaging market and further software licensing, we are looking forward confidently to a year of rapid growth during 2014.



Accumulated number of employees

ONSHORE PROCESSING

NEW HEIGHTS FROM NEW DEPTHS

Dolphin's onshore processing proposition experienced a watershed 12 months in 2013. The Group's dedicated onshore processing centre in Tunbridge Wells, UK doubled in size and turnover, while the acquisition of the processing centre in Singapore provided solid foundations for building a new team, to service a new and exciting geographical market.

The waters may have been challenging within the wider industry, but it was steady, considered growth for a division that is now an essential part of Dolphin's comprehensive marine seismic service offer.

SUSTAINABLE GROWTH

Tunbridge Wells is Dolphin's processing nerve centre. It is here the majority of our expert geophysicists operate, now a total of 16, up from 8 at the beginning of 2013. They liaise with our offshore processing teams and produce first class results from contract surveys, Multi-Client projects and external, proprietary clients. This latter area has been a key focal point for our development over the last year.

External processing assignments, where Dolphin has not been involved in the acquisition, are attractive for a variety of reasons. They provide fresh revenue streams and increased stability given the sometimes volatile nature of acquisition demand. In addition, there is a genuine desire for standalone processing expertise in a segment where clients appreciate the value of a broad, competitive supplier base.

Dolphin's strategy over 2013, and into 2014, is to capitalise on this potential through a concerted marketing effort. To facilitate this, we employed a processing sales manager in 2013 to push our capabilities to clients, showcasing our skills in presentations and countless face-to-face meetings. As a result, by the end of the year our teams were working on four individual proprietary projects, with more in the pipeline for 2014.

DEEPER UNDERSTANDING

Depth imaging is another pillar of business growth that Dolphin has worked hard to put in place in 2013. Dolphin recruited a senior geophysicist with a track record of industry success as Depth Imaging Manager and secured our first 2D depth imaging project. To support this, OpenCPS has been augmented with added Pre-Stack Data Processing Imaging and Modelling (PSDM) capability. This includes high-end Kirchhoff and RTM migration algorithms with support for isotropic, VTI and TTI imaging.

Our outstanding software, in conjunction with the now industry accepted SHarp Broadband technology, creates real standout in the competitive processing marketplace.

A REPUTATION BUILT ON RESULTS

Cutting edge technology in combination with experienced and excellent geophysicists, working in a dynamic, supportive and friendly environment, is a recipe for exceptional results. The team now monitors client satisfaction with feedback forms for each project, another new development in 2013, and the results so far have been very positive.

A typical example is provided by the processing of the 3D wide-tow survey conducted for Shell in 2012/13 in the Orange Basin, South Africa. Here our on and offshore teams worked as one to complete around 8 000 sq. km of fast track data just four weeks after the completion of the shoot.

That is the principal focus of our team. We endeavour to produce optimum results for our clients, to build the reputation of Dolphin's Processing and Imaging department, and by extension, of the Group itself. Dolphin is still young, but we have an industry standing beyond our years, built on a philosophy of treating every client and every project, with the individual care, quality and attention to detail they deserve.

This approach will continue to define Processing and Imaging at Dolphin as we continue to grow, enjoying many more watershed years in the future.

ONBOARD PROCESSING

SPEED, QUALITY, CONTROL

Every vessel in the Dolphin fleet 'comes as standard' with an exceptional specification. Alongside the power of the vessels' engines, their market leading streamer capacity and cutting edge seismic equipment, they also boast very distinctive additions to the crew. Namely, highly-qualified geophysicists committed to delivering rapid results, of the optimum quality, to our growing global client base. These are Dolphin's onboard processors. They add tangible value to our proposition, giving us, and our customers, a genuine competitive edge.

FAST TRACK TO SUCCESS

Dolphin completed the roll out of onboard processing experts, three to four per vessel, throughout the fleet in 2012, adding to this in 2013 with the arrival of the Sanco Swift. Each individual, all of whom boast geophysical degrees and industry experience, is focused on delivering a service that helps the business consolidate its standing as a leader in the marine seismic segment.

Onboard teams create a quick, high quality data product, providing clients with fast track results within a typical timeframe of four to six weeks after shooting. By contrast, full processing takes anywhere between six and 12 months, project dependent. Onboard processing gives clients an extremely valuable 'snap shot' of prospective areas of interest, allowing them to make rapid and informed decisions that empower their E&P strategies.

A typical case study is provided by the Polar Duchess' recent contract win with TGS in the Great Australian Bight. The task, secured in 2013 and currently on-going, is an 8 400 sq. km 3D acquisition in a challenging environment. Despite the demands, the Duchess' team is committed to delivering processing results, of superior quality, in just six weeks. This kind of speed keeps us at the forefront of our industry.

QUALITY TO THE CORE

But speed is nothing if the data isn't defined by quality. The teams, supported and enabled by Dolphin's proprietary technology, are committed to excellence, on every project, on every day.

SHarp Broadband is central to their efforts. This in-house offer, with enhanced low and extended high frequencies (2 to 100Hz) providing greater penetration abilities and higher resolution, provides a more accurate prediction of rock properties and fluid content. In short, it gives a SHarp picture of hydrocarbon potential, thus reducing drilling risks for oil companies.

In tandem with SHarp Broadband, all onboard processing staff uses OpenCPS software. OpenCPS is the most up-to-date seismic software on the market, custom-made for the demands of the modern energy sector, with the best GUI (graphical user interface) in the industry.

As OpenCPS' owner, Dolphin controls the evolution of the product and can quickly add additional functionality for the needs of specific vessels and specific projects. The onboard teams can order modifications to the package and receive them back on the ships within 24 hours, a response that none of our competitors can match. In 2013, real-time QC functionality has been improved, alongside a host of other enhancements, including, Shallow Water Multiple Elimination.

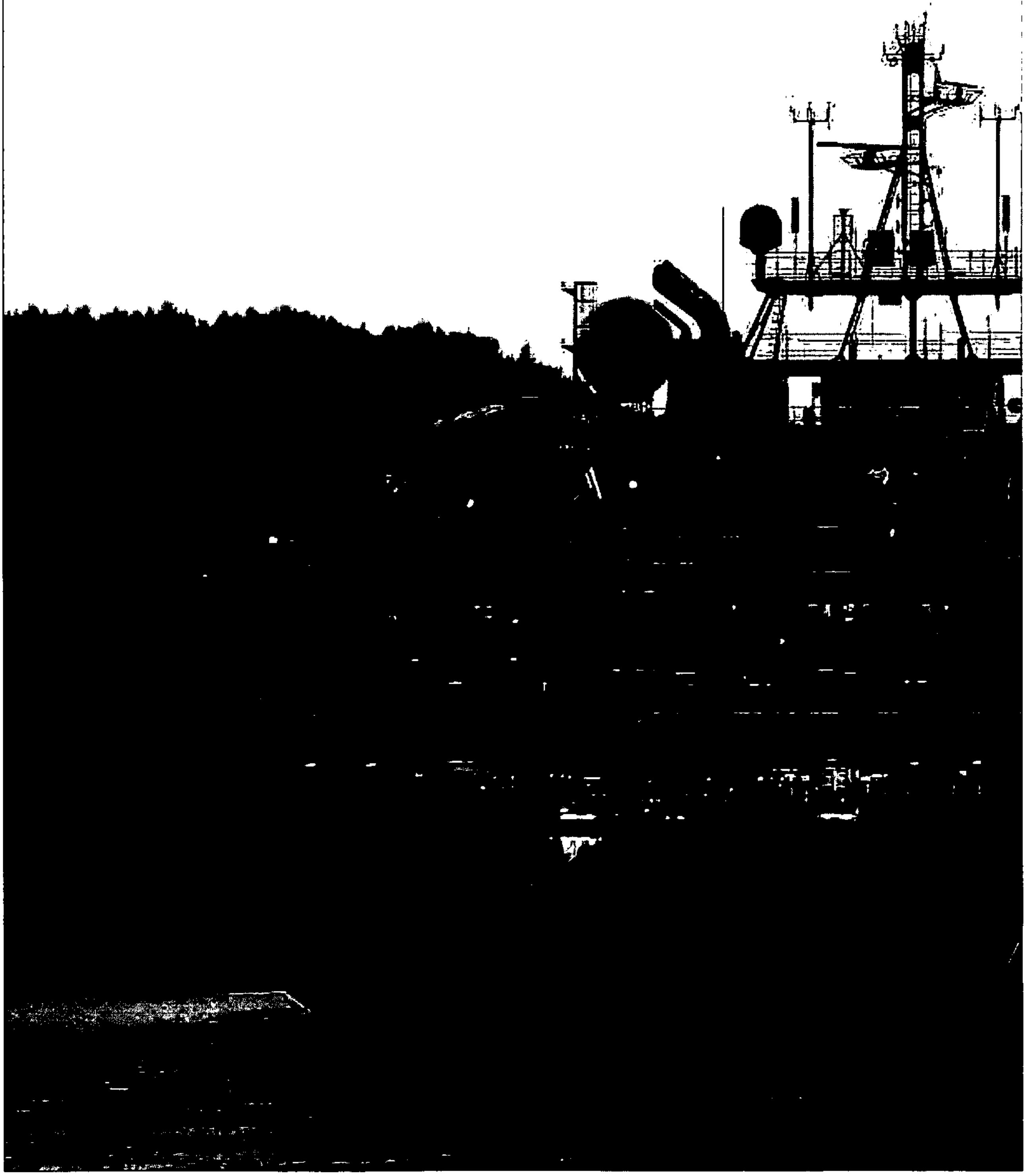
Both our onboard and onshore teams use OpenCPS, ensuring full understanding and optimum efficiency when working together to produce high quality results.

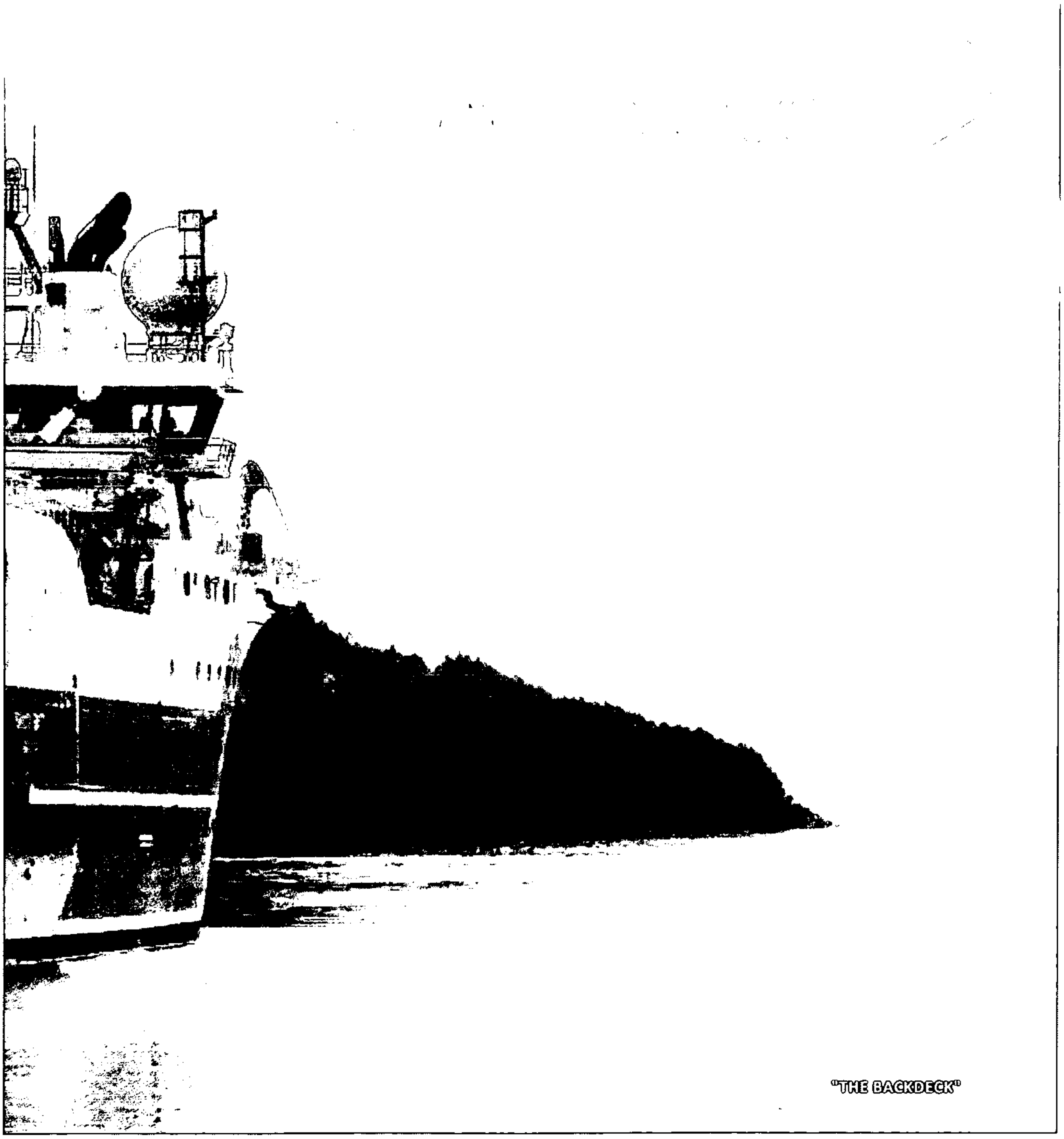
COMPLETE CONTROL

Dolphin is committed to delivering the best results, in the most advantageous timeframe for our customer base. Our onboard processing teams are a key facilitator in this regard, delivering reliably, responsibly and rapidly to help build this business' impressive reputation in the market.

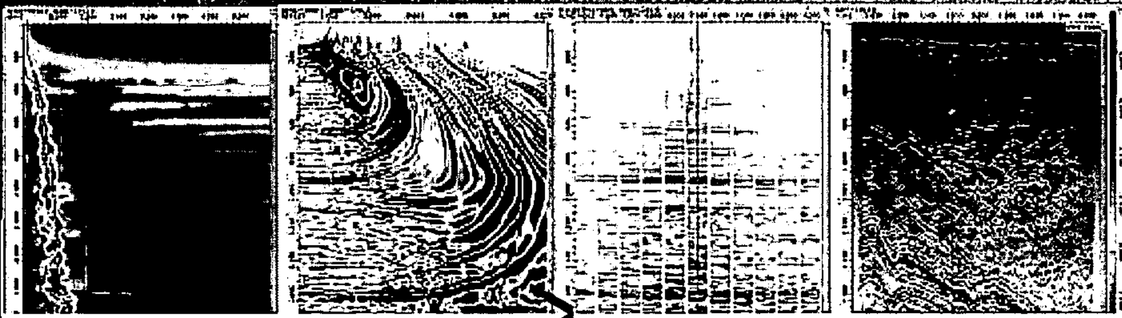
The ambitious expansion of the onboard teams seen in 2012 and 2013 will continue in the year ahead, as we focus on employing the best candidates to satisfy the fresh capacity that the Sanco Sword and Polar Marquis will require.

Dolphin's onboard processing staff help us exert complete control over our contract acquisition and Multi-Client surveys. That, in turn, helps our clients control both potential resources and market performance.





"THE BACKDECK"



OPEN CPS

UNIQUE SOFTWARE FOR DEMANDING CHALLENGES

OpenCPS is an established leader in the seismic software market, developed and controlled by a team that intimately understands the challenges that the marine and land seismic segments face on a daily basis.

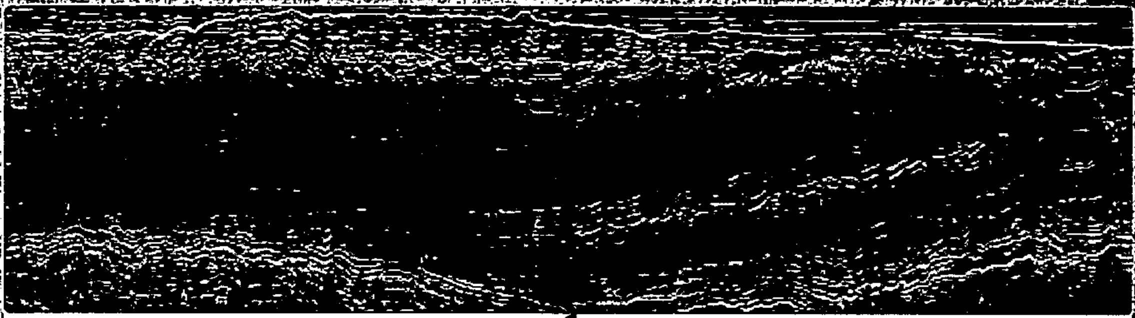
THE ONLY INDUSTRY SOFTWARE DESIGNED IN THE 21ST CENTURY
Since acquiring Open Geophysical Inc. in April 2012, Dolphin has more than doubled its software R&D staff. Dolphin continues to invest in and accelerate the evolution of a user-friendly product that delivers greater integrity, operational efficiency and a better graphical interface than its more dated counterparts. OpenCPS is the only industry software designed in the 21st century. Our programmers and developers tailor the package for our in-house processors and external clients, responding to industry demands and constantly refining it to ensure optimum performance on every project.

OPEN CPS 3.0
In 2013, the greatest development was the release of OpenCPS 3.0, an updated version offering the ability to handle the largest and most complex datasets, with capabilities spanning from real-time field QC through to outstanding PSTM. The release built on OpenCPS's already leading visualisation and interactivity standards with enhanced infrastructure and new workflows. These include 3D SRME and Fourier-domain regularisation on the marine side, and crooked line support and FXY de-convolution for cross-spread gathers on land surveys. In addition, anisotropic depth imaging was announced at the 2013 SEG conference.

OpenCPS 3.0 is installed in Dolphin's processing centres in the UK and Singapore and on all its vessels, ensuring that quality data is delivered to clients in the most competitive possible timeframes. SHarp Broadband processing tools within OpenCPS are also used on both the vessels and in the processing centres.

SIGNIFICANTLY INCREASED NUMBER OF LICENCES
The software has also been, and will continue to be, licenced to leading oil companies and oil service companies across the globe. This provides Dolphin with additional revenues, while providing customers with an advanced solution to the most demanding QC, time and depth processing challenges facing the market today, and tomorrow. It is gratifying that existing users of OpenCPS significantly increased their number of licences during 2013, while new clients also licenced the software. This continues to be a growing business for Dolphin.

"The only industry software designed in the 21st century"



SHarp BROADBAND

VALUE ADDED INNOVATION

Dolphin differentiates from its competitors through investment. Investment in the best minds and the most advanced, powerful fleet in the market, but also in innovation and new technological solutions to today's demanding marine seismic challenges.

WE INNOVATE TO CREATE ADVANTAGE

SHarp Broadband, the Group's proprietary broadband technology, is indicative of how we innovate to create advantage. Now used in close to 50% of all Dolphin contract and Multi-Client surveys, SHarp has proven its ability in the field, delivering outstanding 3D and 4D results across the globe for a range of clients.

EXCELLENT PENETRATION ABILITIES

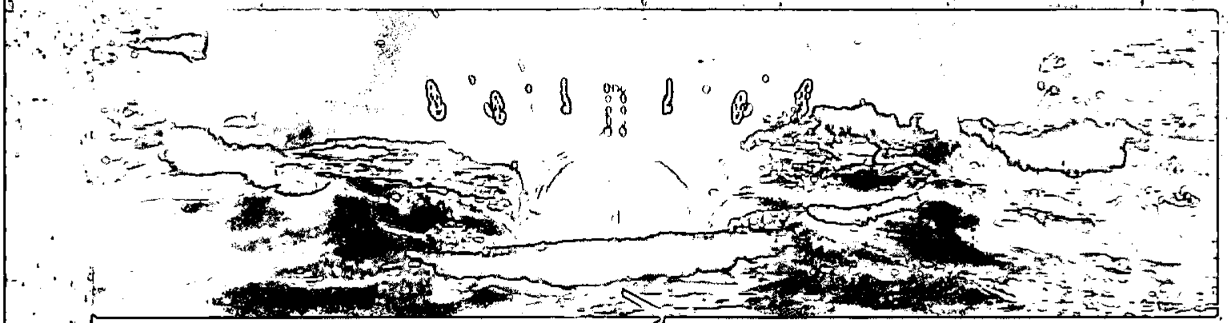
By utilising deep, flat or nearly flat cables SHarp Broadband allows oil company clients to perform more accurate amplitude analysis (AVO), Pre-Stack inversion, and reservoir characterisation on higher resolution images. The extended low and high frequency bandwidth provides excellent penetration abilities and higher resolution imaging.

The results can provide clearer understandings of subsea rock types and the fluids they contain, allowing clients to make the most informed decisions before they begin drilling for hydrocarbons.

KNOWLEDGE IS POWER

Knowledge is power in the energy industry, and SHarp Broadband unlocks market leading levels of insight.

In combination with Dolphin's onboard processing teams, available on every vessel, SHarp delivers fast track, quality results that allow our customers to quickly capitalise on their E&P investments.



THE DOLPHIN FLEET

THE POWER TO PERFORM

The marine seismic sector is evolving: new frontier acreage is opening up for exploration, larger configurations of equipment are required, smaller weather windows must be negotiated, and fresh operational challenges have to be mastered to effectively manage existing resources (4D).

Only the Geophysical companies with the most modern and capable fleets are equipped to meet such demands.

That is why an increasing number of the world's leading energy businesses are choosing Dolphin. Throughout 2013 the Group demonstrated that we can deliver safe and efficient operations consistently; should it be 3D acquisition with record-breaking tows, acquisition in tough climates, like the Barents Sea in winter, or 4D assignments involving dual vessel and close pass operations.

Our cutting edge, powerful and flexible fleet, manned by experienced crews with industry leading QHSE standards, are equipped to succeed in such operationally and technically challenging tasks.

A COMMITMENT TO EXCELLENCE

Dolphin charters its vessels on long-term, flexible and financially prudent contracts, freeing up operational capital whilst ensuring that we can pick and choose modern vessels that are custom-made for the rigours of seismic acquisition. We partner with established shipping companies that understand our needs and provide the best assets – vessels that are highly manoeuvrable, offer sector-leading bollard pull capacity, and deliver efficiency and technical standards that ensure maximum utilisation and minimum downtime.

In 2013 our fleet was bolstered by the high-end Sanco Swift: an 8 772 ton, 16 streamer capacity vessel that went straight from on schedule mobilisation from its Bergen yard to faultless operation on a demanding Multi-Client survey with TGS in Brazil. Its sister vessel, the Sanco Sword, will join it in the fleet in March 2014 – a hectic period that will also see the arrival of GC Reiber's Polar Marquis.

GLOBAL VISION

The Polar Marquis will be Dolphin's first vessel based in the Asia Pacific region. This will help Dolphin capture fresh market share and revenue, utilising its high specification, pulling power (bollard pull will be in the region of 200 tons) and ability to tow 14 streamer seismic arrays to satisfy client demand.

The addition of the new vessels – the fleet will be increased again in 2015 by the arrival of the cutting-edge, 22 streamer newbuild "Super Duke", also from GC Reiber – gives Dolphin a critical mass and global footprint that chimes perfectly with our ambitions.

In 2011, Dolphin set out to be a world leader in marine seismic and now, in 2014, we believe we are in a position to service contracts on every continent, for every client, with the segment's best vessels, crews, QHSE standards, and operational results.

MARKET DEMANDS

Dolphin is perfectly positioned to meet the demands of the E&P market. Our 3D activity is well established and performs at the top end of the seismic sector. For example, in 2013 the Polar Duchess towed a seismic array that, at the time, was the largest moving object on Earth, with a spread covering approximately 11 sq. km. In addition, our 4D capability is now recognised and proven, with many clients returning for additional surveys due to the quality of our acquisition activity and data.

4D will become an increasingly important part of our proposition moving forwards. These repeat, time-lapse seismic data series provide valuable insight into producing fields. They have the ability to shed light on how reserves migrate over time, help identify bypassed hydrocarbons, determine where to position infill drilling wells and, in general, can model reservoir activity over time to optimise overall production strategy.

Together with advanced broadband technology, such as SHarp, and cutting-edge processing techniques, facilitated by OpenCPS, we can also visualise the sub-surface in a manner unheard of some years ago. This aids the process of understanding and interpreting complex sub-surface structures and their change over time.

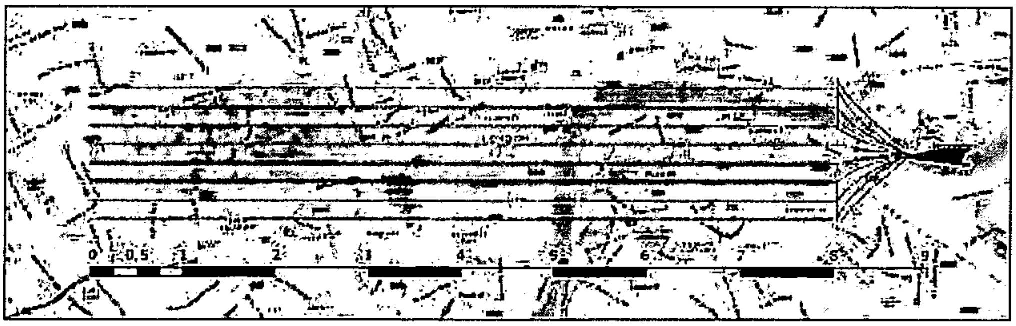
As such, 4D is emerging as a powerful business and resource management tool for leading energy companies across the globe.

CAREFUL EXPANSION

Increasing demand creates increasing opportunity, something that can be exploited by adding new vessels to the fleet. But our expansion philosophy is underpinned by a careful approach. Naturally we want to enhance revenues, delivering added value for our shareholders, but it is vessel quality rather than quantity that defines our fleet building strategy.

By committing only to the best assets we can maintain and enhance our reputation in the market, consolidating existing and making new relationships with clients. Our vessels are powerful enough to tow ultra-wide, deep and long offset seismic configurations, while being manoeuvrable enough to meet the challenges of 4D tasks/undershoots in close proximity to active oil and industry infrastructure.

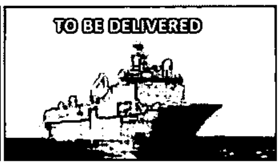
We stay ahead by investing for the future. Our vessels are a testimony to Dolphin's long-term commitment to meet the market's most exacting demands.



In 2013 the Polar Duchess towed a seismic array that, at the time, was the largest moving object on Earth.

"SUPER DUKE" (3D, UP TO 22 STR)
DELIVERY MARCH 2015

LENGTH: 113M
SPEED: 18 KNOTS
BERTHS: 70 BUNKS
MAIN ENGINES:
4 X TBD 4640 KW
2 X TBD 1800 KW
BOLLARD PULL: 200 TONNES <



POLAR MARQUIS (3D, UP TO 14 STR)
DELIVERY Q2 2014

CLASS: DNV +1A1, SEISMIC SURVEY,
AUTR, RP, E0, W1, HELDK-SH
LENGTH: 121M
SPEED: 15 KNOTS
BERTHS: 70 BUNKS
MAIN ENGINES:
2 X MAN 4320 KW
2 X MAN 2200KW
2 X TBD 1800KW
BOLLARD PULL: 200 TONNES <

SANCO SWORD (3D, UP TO 16 STR)
DELIVERED MARCH 2014

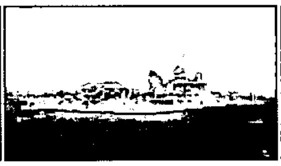
CLASS: DNV 1A1, ICE-1B, E0, SF,
COMF C(3)-V(3), HELDK-SH,
CLEAN DESIGN, NAUT-AW, TMON,
SPS, RP
LENGTH: 96.15M
SPEED: 20 KNOTS
BERTHS: 53 CABINS 60 BUNKS
MAIN ENGINES:
4 x MAN 8L 32/40 - 4000kW EACH
BOLLARD PULL: 216 TONNES <

SANCO SWIFT (3D, UP TO 16 STR)
BUILT 2013

CLASS: DNV 1A1, ICE-1B, E0, SF,
COMF C(3)-V(3), HELDK-SH,
CLEAN DESIGN, NAUT-AW, TMON,
SPS, RP
LENGTH: 96.15M
SPEED: 20 KNOTS
BERTHS: 53 CABINS 60 BUNKS
MAIN ENGINES:
4 x MAN 8L 32/40 - 4000kW EACH
BOLLARD PULL: 216 TONNES <

POLAR DUCHESS (3D, UP TO 14 STR)
BUILT 2011

CLASS: 1A1 COM-FV (2) HELDK-SH
RP E0 NAUT-AW VIBR TMON
LENGTH: 106.8M
SPEED: 20 KNOTS
BERTHS: 48 CABINS 60 BUNKS
MAIN ENGINES:
2 X 9L32/40 MAN DIESEL & TURBO SE (4500KW)
2 X 6L32/40 MAN DIESEL & TURBO SE (3000KW)
BOLLARD PULL: 210 TONNES <

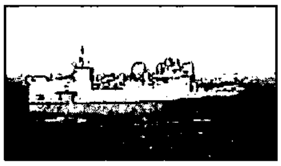


POLAR DUKE (3D, UP TO 14 STR)
BUILT 2010

CLASS: 1A1 COM-FV (2) HELDK-SH
RP E0 NAUT-AW VIBR TMON
LENGTH: 106.8M
SPEED: 20 KNOTS
BERTHS: 48 CABINS 60 BUNKS
MAIN ENGINES:
2 X 9L32/40 MAN DIESEL & TURBO SE (4500KW)
2 X 6L32/40 MAN DIESEL & TURBO SE (3000KW)
BOLLARD PULL: 210 TONNES <

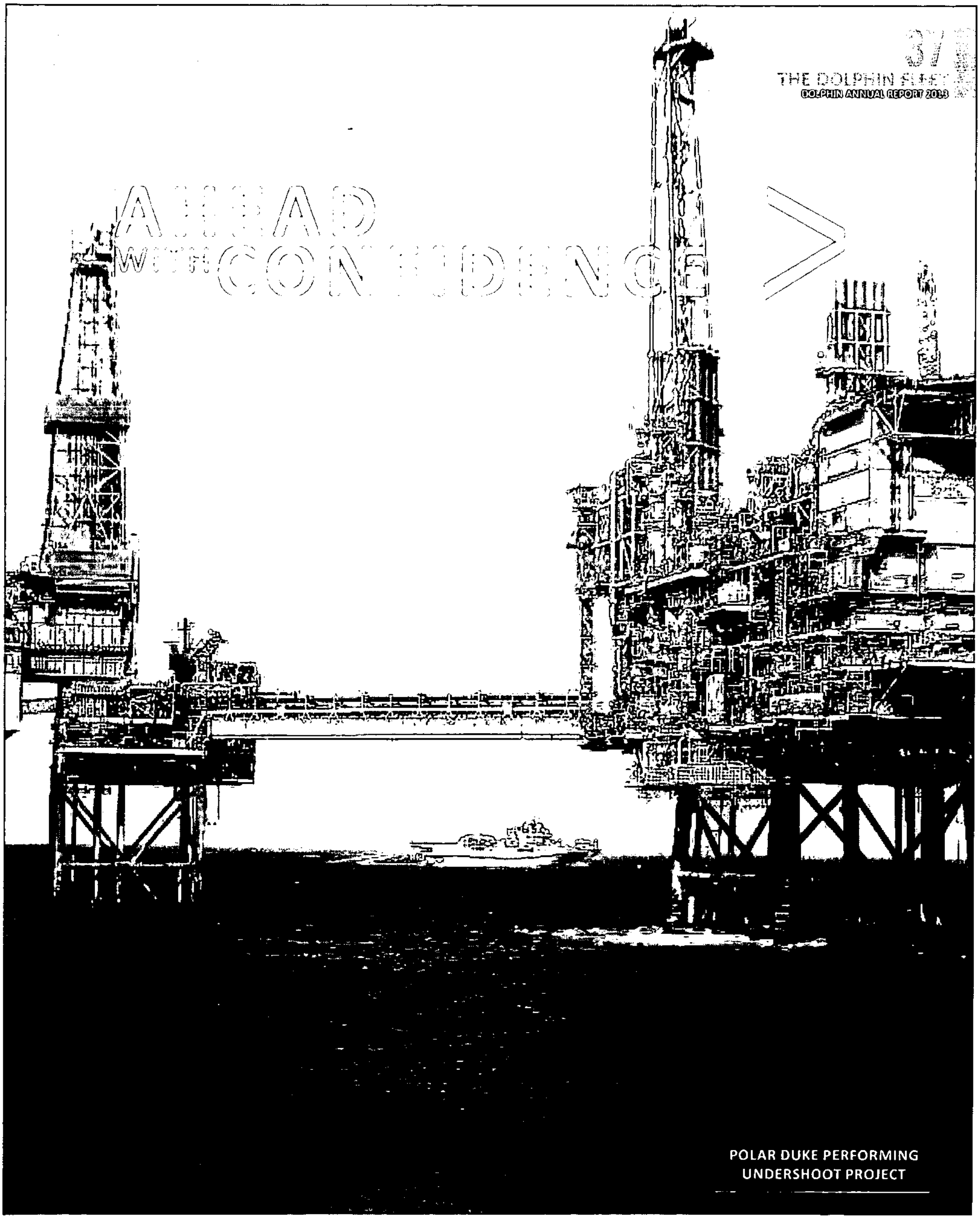
ARTEMIS ARCTIC (3D, UP TO 8 STR)
BUILT/REBUILT 1999

CLASS: DNV 1A1 HELDK TMON
LENGTH: 74.4M
SPEED: 12.5 KNOTS
BERTHS: 47 BUNKS
MAIN ENGINE:
WARTSILA NSD
4300KW/750RPM
BOLLARD PULL: 72 TONNES <



ARTEMIS ATLANTIC (2D, 1 X 12000M)
BUILT/REBUILT 1986/2008

CLASS: DNV 1A1 ICE 1A
LENGTH: 67.8M
SPEED: 12 KNOTS
BERTHS: 41 BUNKS
MAIN ENGINE:
WICKMAN 3000KW/600RPM
BOLLARD PULL: 36 TONNES <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THE DOLPHIN FLEET
DOLPHIN ANNUAL REPORT 2013
AHEAD WITH CONFIDENCE
POLAR DUKE PERFORMING
UNDERSHOOT PROJECT

THE SHARE

DOLPHIN HAS A HISTORY OF STRONG VALUE CREATION

As of 31 December 2013, Dolphin had 341 489 151 shares outstanding. The figure as of 1 January 2013 was 305 350 325 shares.

Between 1 January 2014 and 25 April 2014, an additional 1 824 004 shares have been issued pursuant to the exercise of options by employees in March 2014. As a result 343 313 155 shares are outstanding as of 25 April 2014.

All Dolphin Group ASA shares are of the same class with equal voting and dividend rights. Each share has a nominal value of NOK 2.00.

SHARE PRICE DEVELOPMENT

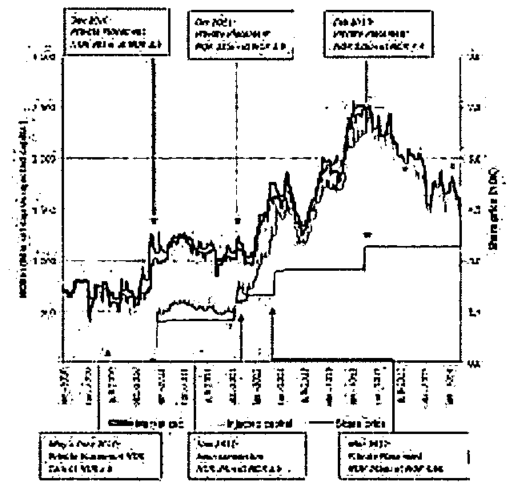
Since the share listing on 20 April 2006, the shares have been publicly traded on the Oslo Stock Exchange under the ticker "DOLP". There is no other public trading market for the shares outside Norway.

At launch of the seismic business plan in December 2010 the share traded at 2.50. The closing price for the Dolphin share on the first day of trading in 2013 was NOK 7.04 and on the last day of trading NOK 4.70. The closing price on 22 April 2014 was NOK 5.67.

INFORMATION POLICY

All company information considered material to the shareholders is published on the Oslo Stock Exchange news web and is available on the Company's website www.dolphingeo.com. As well as the quarterly and annual reports, Dolphin also provides interim information of significance through press releases. Dolphin's financial reporting calendar is also published on the website.

Members of the senior management of Dolphin are available for meetings with investors during the year with the exception of the closed periods immediately prior to the announcement of quarterly and annual reports. Members of management also participate in roadshows and investor conferences.



Share Value creation

2014 ANNUAL GENERAL MEETING

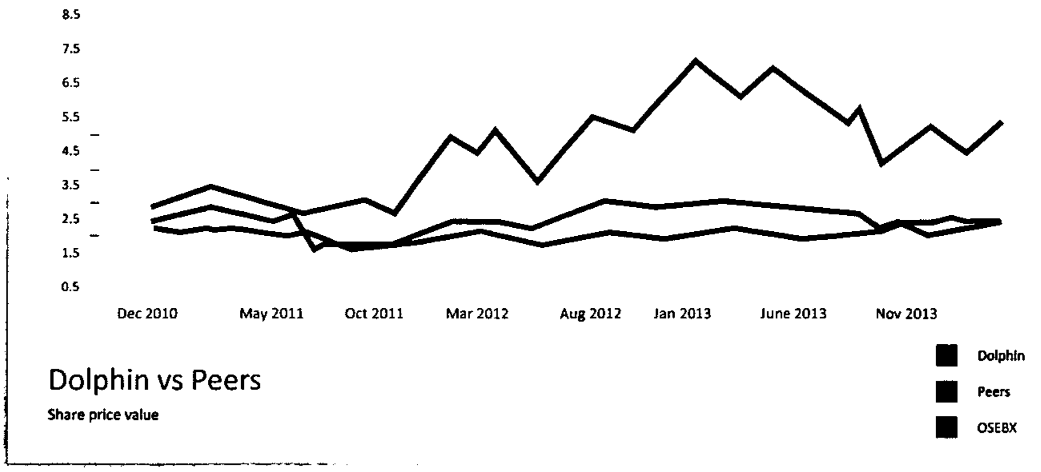
Dolphin Group ASA's 2014 Annual General Meeting will be held in Oslo on 28 May 2014 and all shareholders are invited to attend. Shareholders wishing to attend should give notice to the Company no later than 27 May 2014. The notice convening the meeting will be sent to a shareholder's registered address and published on the Company's website at least 14 days prior to the Annual General Meeting together with relevant documents. To vote at the Annual General Meeting, shareholders need to be registered as a holder of the title to the shares to be voted no later than 27 May 2014.

CONTACT INFO

Erik Hokholt, CFO;
erik.hokholt@dolphingeo.com
or
Nina Midtlie, Group Financial Director;
nina.midtlie@dolphingeo.com

20 largest shareholders as of 22 April 2014

	Shareholder	Shares	Holding
1	Ramoo Investment Partners	38 283 090	11,2%
2	Varma Mutual Pension Insurance	31 622 800	9,2%
3	Everest Capital	25 352 647	7,4%
4	Skandinaviska Enskilda Banken AB - Nominee	10 304 097	3,0%
5	Morgan Stanley & Co Internat. PLC - Nominee	8 210 004	2,4%
6	Pictet & Cie (Europe) S.A - Nominee	8 000 000	2,3%
7	Skandinaviska Enskilda Banken AB - Nominee	7 964 060	2,3%
8	Verdipapirfondet DNB SMB	7 625 000	2,2%
9	Ferd AS	7 425 000	2,2%
10	RBC Investor Services Bank S.A - Nominee	6 687 310	1,9%
11	Verdipapirfondet Eika Norge	6 081 558	1,8%
12	MP Pensjon PK	4 907 667	1,4%
13	Goldman Sachs & Co Equity Segregat - Nominee	4 241 262	1,2%
14	Polar Ship Invest IV AS	3 722 853	1,1%
15	VPF Nordea Kapital	3 712 404	1,1%
16	Three M AS	3 659 460	1,1%
17	Skandinaviska Enskilda Banken AB	3 600 000	1,0%
18	Perestroika AS	3 600 000	1,0%
19	Pactum AS	3 450 000	1,0%
20	Økonomi og Regnskapsbistand AS	3 368 468	1,0%
	Total 20 largest shareholders	**191 817 680**	**55,9%**
	Other shareholders	151 495 475	44,1%
	Total outstanding shares	**343 313 155**	**100,0%**



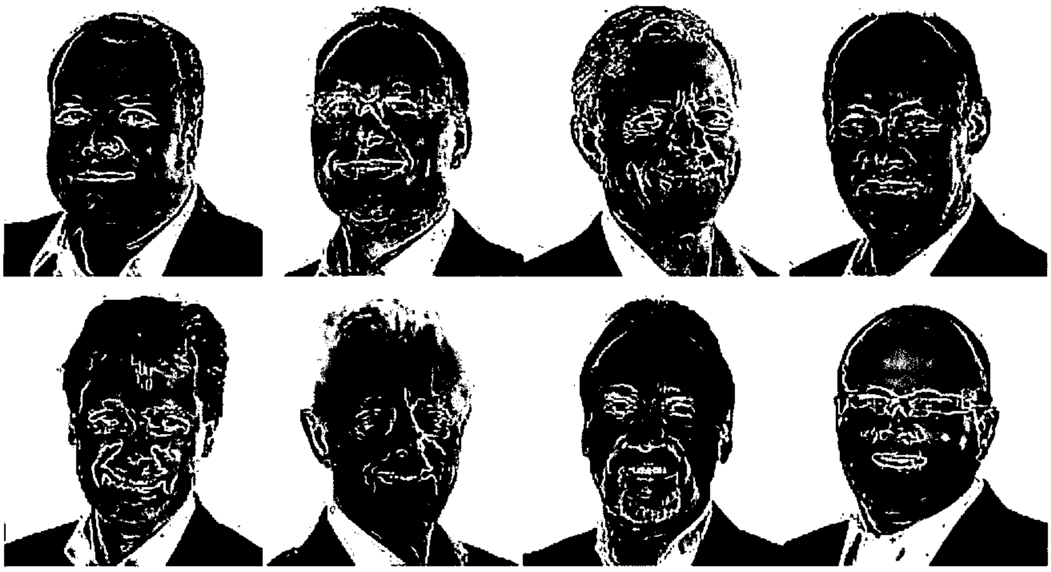
THE DOLPHIN MANAGEMENT TEAM

ATLE JACOBSEN
CEO

MIKE HODGE
VP QHSE

DR. GARETH WILLIAMS
CHIEF GEOPHYSICIST

BJARNE STAVENES
VP TECHNICAL



ERIK HOKHOLT
CFO

PHIL SUTER
VP MARKETING & SALES

IAN T. EDWARDS
VP MULTI-CLIENT

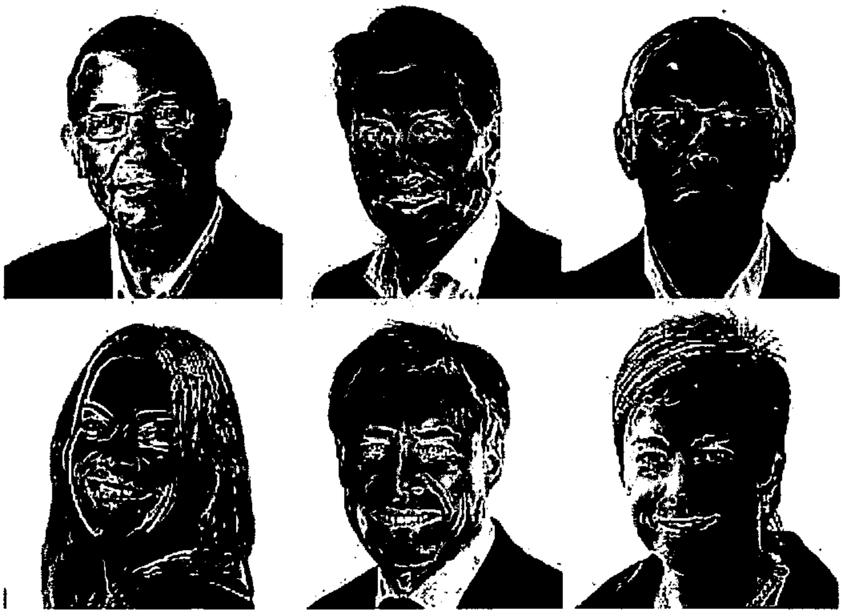
PETER HOOPER
VP OPERATIONS

DOLPHIN GROUP ASA'S BOARD OF DIRECTORS

TIM WELLS
CHAIRMAN OF THE BOARD

TERJE ROGNE
DEPUTY CHAIR PERSON

OLAV VINSAND
EMPLOYEE REPRESENTATIVE



TORIL NAG

JOHN PICKARD

EVA KRISTENSEN

CHAIRMAN'S REPORT

MAINTAINING GROWTH – BOLD DECISIONS IN A CHALLENGING ENVIRONMENT

Growing a business is difficult at the best of times. But when your industry segment is facing a slowdown it becomes, if not impossible, then extremely challenging.

In the summer of 2013 the marine seismic sector hit a 'bump in the road'. Exploration expenditure went down, seismic fleet availability went up and client investment levels in Multi-Client surveys stalled. It was a short-term concern for every industry player.

However, here at Dolphin both the board, and the executive management team, are committed to focusing on the long-term.

We have a strong strategy in place, anchored in maintaining a high-end, low-cost fleet, a world class team, and providing added value through outstanding acquisition, processing and Multi-Client activities. It is a model that has delivered exceptional results since our inception in 2011. This is a course that we maintained in 2013, despite the headwinds, and we believe Dolphin has emerged from this period of uncertainty primed for continued growth in 2014, 2015 and the years beyond.

GLOBAL REACH

The board provides strategic assistance to the executive management team while acting as a valuable sounding board to test their ideas. Our flexibility and collective industry knowledge allows us to act quickly and decisively when required, ensuring that we help the management make the most of business opportunities, as and when they become apparent. Such was the case in 2013.

Initially Dolphin chose to limit its operations to the Atlantic corridor, focusing our efforts on an area where our advanced fleet could profit from high industry demand. However, the ambition has always been to enhance its global reach and cater for the needs of our multi-national client base, wherever they may be. In early 2013 the board made a decision to facilitate this.

GC Rieber, which owns our cutting-edge 3D vessels Polar Duke and Polar Duchess, approached Dolphin with the option to take on a new vessel, now renamed the Polar Marquis. They agreed to invest in refurbishing the asset to augment its power and specifications, increasing its bollard pull to 200 tons and giving it the capability to tow 16 streamer configurations. This ensured that it complimented our fleet profile. In return we agreed to enter into a 3.5 year plus options time charter agreement with the ship owner.

Taking on the new vessel arguably disrupted our cautious fleet growth model: we had planned to add one new vessel per year in 2013, 2014 and 2015, whereas now both the Polar Marquis and Sanco Sword would be arriving in the first half of 2014. However, it provided an earlier than expected gateway into the attractive Asia Pacific market. This had always been a goal and, with the Polar Marquis based out of Singapore, it will now become a reality. In addition, the global growth of our operational footprint will help counter the seasonal nature of our current seismic activity.

In tandem with this, the Board also agreed the acquisition of a Singaporean processing centre in September. This gives Dolphin an established physical presence in this new region: a base to market our services from, local knowledge, and an

AHEAD WITH CONFIDENCE

"We are pleased to be looking AHEAD ... with Confidence"

TIM WELLS

insight into tender opportunities. It is a solid platform for a new wave of business expansion.

TEAM TALK

The key to Dolphin's success so far is our people. From the moment that the top management team were recruited to build the business, we have retained our focus on recruiting the best minds in the seismic sector.

2013 saw a continuation of this drive, particularly with regard to processing, which is a key piece of our full-service offering. Processing allows us to capture the optimum value of our own surveys, offer external services, and works to complement our continuing Multi-Client ambitions. Our in-house OpenCPS software frees us from the legacy issues our competitors experience with their ageing packages, while allowing us to control its evolution and innovate to provide solutions for the seismic challenges that we know exist. We will continue to recruit talented programmers, developers and interpreters to ensure this division thrives.

The Multi-Client side will also expand in 2014, as we invest in assets that offer long-term value to Dolphin, while taking on new faces to sell our growing data library. The addition of two new vessels this year will inevitably create its own obvious demands with regards to crewing, operations and technical outfitting.

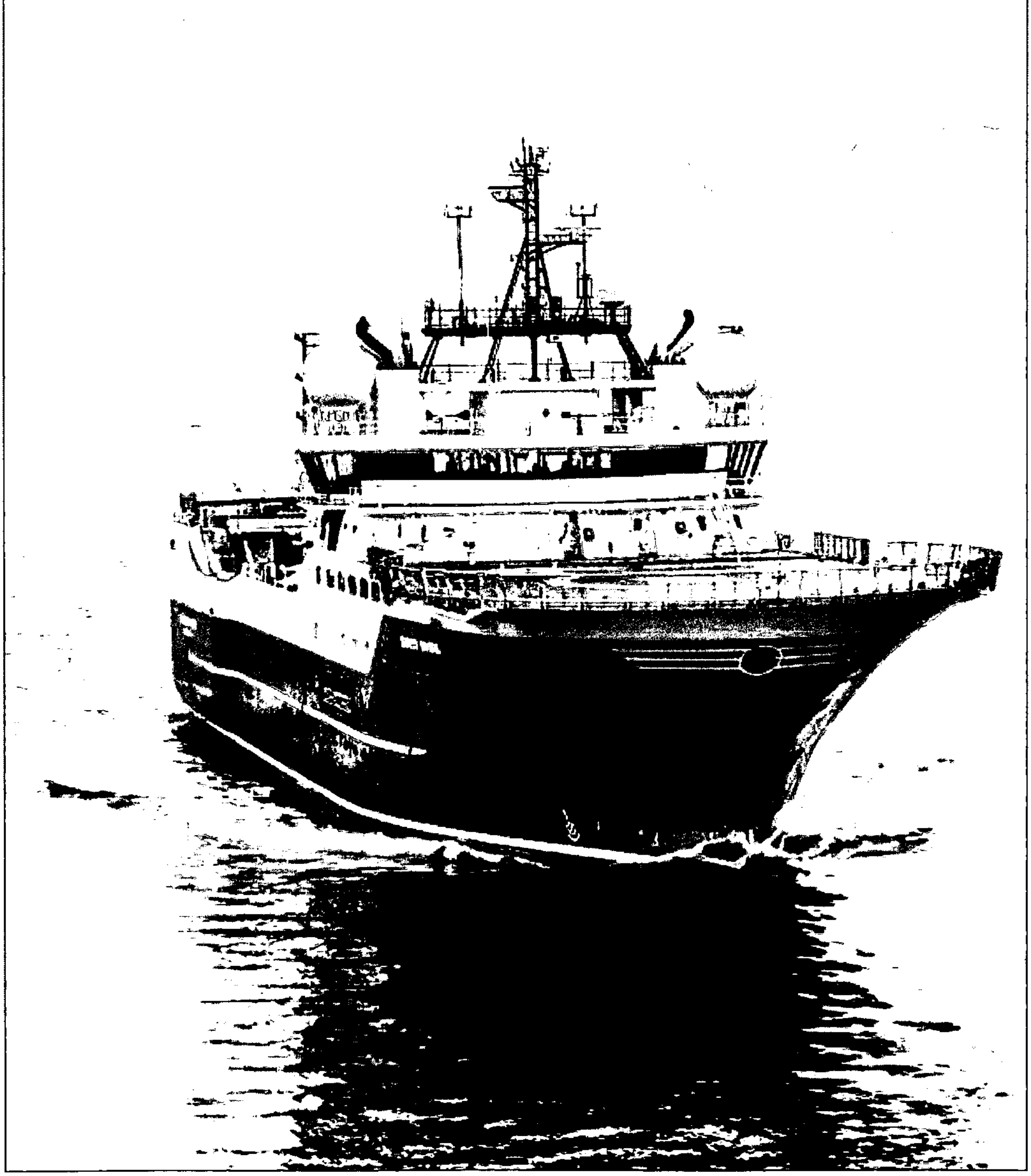
SAFETY FIRST

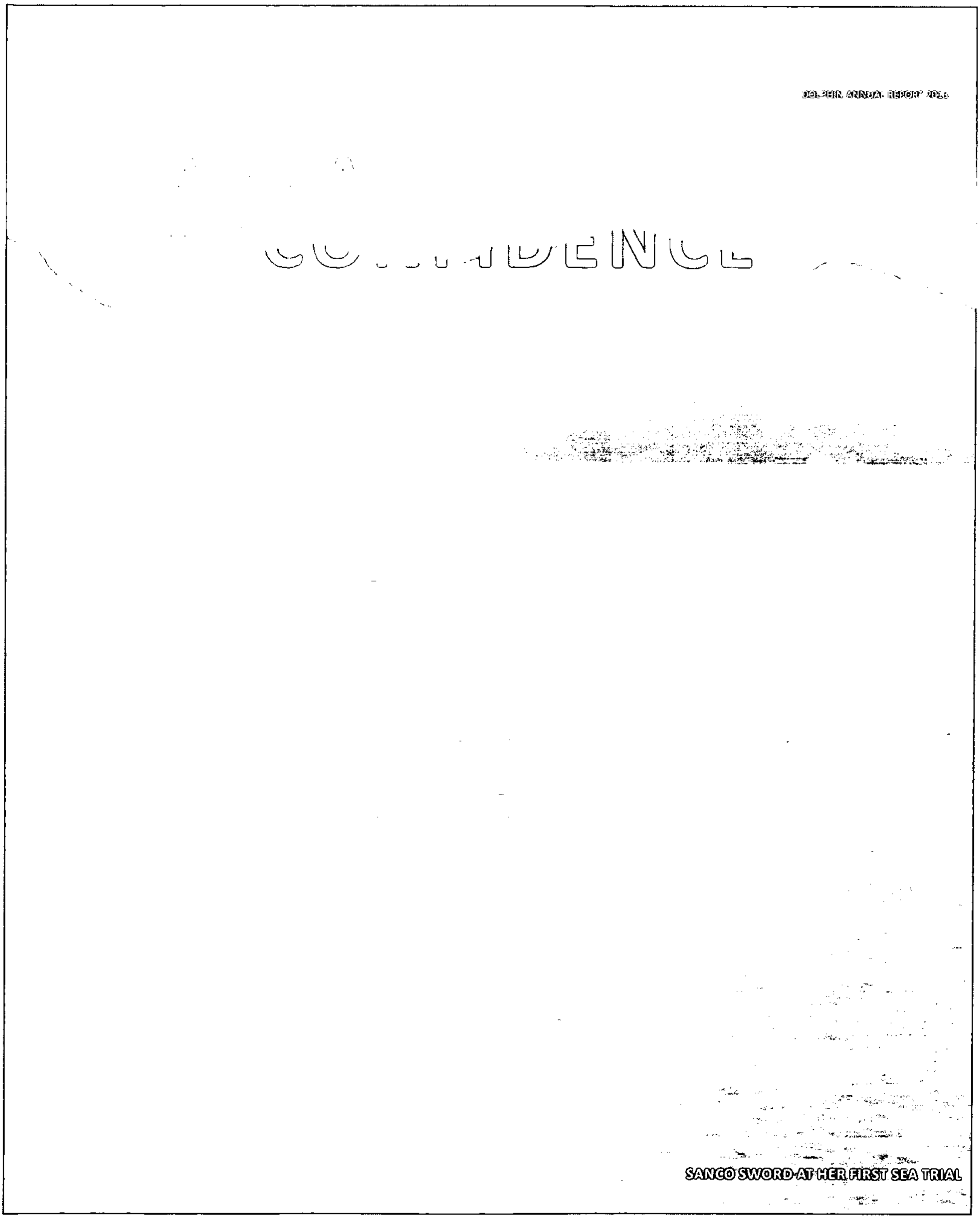
With continuing increases in staff numbers comes an increasing focus on QHSE. Our QHSE culture has been well defined from Dolphin's inception, but as the Group grows the board is aware that it is fundamentally important that our systems, processes and safeguards evolve with the business to ensure industry leading standards.

Dolphin's QHSE 'sub-contractor management' initiative in 2013 is indicative of our approach in this regard. Expanding global operations naturally translates to a broadening of our supplier base, as we enter fresh geographical areas and engage new companies to help facilitate our activities. Different businesses from different regions may have varying QHSE standards, and that is not acceptable. We have therefore reviewed the practices of our existing and new suppliers worldwide to ensure that they now operate to our standards, and the standards of our clients, rather than their own. This creates uniformity, predictability and, most importantly of all, outstanding levels of quality, safety and environmental stewardship.

Personally speaking, I am as proud of our focus on QHSE as I am of the commercial success of Dolphin so far. Both will continue into 2014, and beyond, as the challenging conditions abate and new opportunities arise.

Myself and the rest of the board are convinced that the innovative business model we have stood by will continue to serve Dolphin and all its stakeholders well. As a result, we are pleased to be looking AHEAD... with confidence.





SANCO SWORD AT HER FIRST SEA TRIAL

BOARD OF DIRECTORS
REPORT

Dolphin Group ASA ("the Parent company") is a Norwegian company, with offices in Oslo and Bergen, Norway; Houston, US; London, UK; Singapore and Rio de Janeiro, Brazil.

The Parent company is listed on Oslo Stock Exchange under the ticker DOLP.

Dolphin Group "the Group" is a global full-range, asset light supplier of marine Geophysical services. The Group operates a fleet of new generation, high capacity seismic vessels and offers exclusive contract seismic, Multi-Client projects and processing services on a worldwide basis.

SEISMIC FLEET AND GEOPHYSICAL BUSINESS AREA

The chartered seismic fleet consists of the following vessels:

- Sanco Swift (3D vessel) – commenced operations in August 2013
- Polar Duke (3D vessel)
- Polar Duchess (3D vessel)
- Artemis Arctic (3D vessel)
- Artemis Atlantic (2D vessel)

The newly built high-capacity seismic vessel Sanco Sword was successfully delivered 27 March 2014.

All vessels are on time charter rental agreements which include maritime operations and maritime crew costs. The charter agreements are committed for an initial period of one- to five-years, with further flexible options to extend. The limited charter periods with options to extend, provide the Group with a unique flexibility to adjust the operating fleet as a response to rapid market changes.

The Group has according to our long-term strategy, successfully established a Multi-Client organisation and during 2013, invested in new attractive Multi-Client projects in prospective exploration areas, which will enhance the robustness of our business model. The experienced Multi-Client team and dynamic management are well positioned for further expansion and how to design attractive new projects fully utilising our vessels competitive operating capabilities and new geophysical techniques.

We are working with partners on various Multi-Client projects to secure market penetration in new areas, but also to de-risk company exposure on large projects.

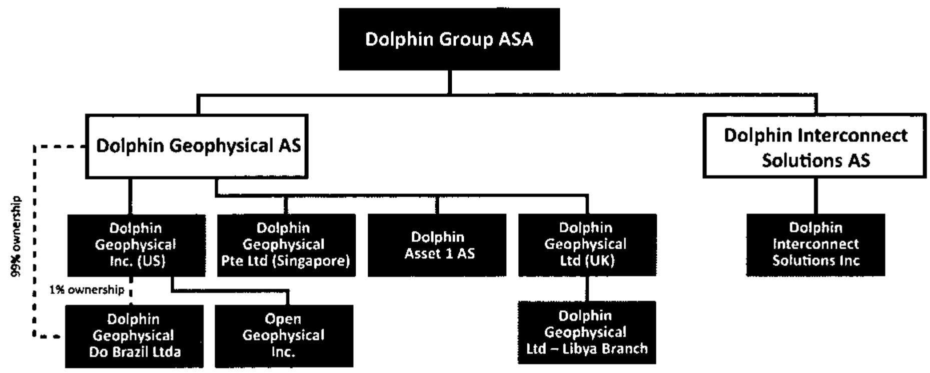
With Dolphin's broadband SHarp processing software, the Group perform quality control processing onboard all our vessels and target to process all seismic data acquired by our operated vessels. We have during 2013; significantly strengthened our geophysical competence and Dolphin have processed in-house for several high profiled external clients. Besides, we perform all processing of our Multi-Client projects.

FINANCIAL REVIEW

The Group's financial result for 2013 has been positively affected by the geophysical operative expansion within seismic data acquisition, processing and Multi-Client project investments.

REVENUE

Total revenues for 2013 were USD 246.5 million compared with USD 221.3 million for 2012. The improvement was related to introduction of a new high-capacity 3D vessel,



Legal chart of Dolphin Group

% ownership

100% ownership

improved contract prices and efficient seismic data acquisition. The overall seismic market was challenging in the last quarter of 2013, clients did not commit and award contracts as planned with the consequence of low vessel utilisation for the seismic contractors. Combined with low sales from a Multi-Client library in progress, the Group unfortunately delivered a weak fourth quarter financial result.

	Consolidated accounts		Parent Company	
In millions of USD	Year 2013	Year 2012	Year 2013	Year 2012
Geophysical				
Contract	209,4	171,7	-	-
MCS pre-funding	19,7	34,1	-	-
MCS late sales	8,0	11,0	-	-
Processing	6,5	1,4	-	-
Other	-	0,8	-	-
Other (Interconnect)				
Contract	2,8	2,3	-	-
Intercompany revenues	-	-	1,8	0,8
Net operating revenues	246,5	221,3	1,8	0,8
MCS cash investment	44,7	47,6		
Pre-funding % *	44,0%	71,7%		

* Pre-funding reveues as percentage of MCS cash investment

OPERATIONAL COSTS

The Group's cost of sales were USD 150.1 million in 2013 and USD 121.9 million for 2012. The increase was primarily caused by additional 3D vessels in operation. The Parent company figures were USD 0.0 million in both 2013 and 2012.

As the Group develops with new high-capacity 3D vessels in operation, the requirement for permanent chase and support vessels will increase. These additional third party vessel costs will be partly re-charged to clients, though the uncharged portion will increase our overall cost of sales. Cost of sales consists of time charter (TC) from the vessel owners, including their depreciation, finance, marine crew and management costs of the vessels. Cost of sales also includes fuel and lube oil, personnel costs, subcontractors' costs, insurance and other operational costs. Time charter costs, fuel and personnel costs are the main components of our operational costs. Cost of sales also includes activities such as third-party costs for external chase and support vessels, fuel, navigation services and processing, which for a 3D vessel typically represent 6-8% of vessel costs. However, with operations in countries like Australia, India and Brazil, additional country specific costs will apply, which is directly compensated for through higher rates or direct cost re-imbursements.

Amortisation and write-down of Multi-Client projects was USD 17.8 million for 2013, of which USD 4.9 million was full write-down for an African survey. Amortisation of Multi-Client was USD 12.9 million in 2013, compared to USD 22.2 million in 2012, with an amortisation rate of 46% being used for 2013, respectively 49% for 2012. The Parent company figures were USD 0.0 million in both 2013 and 2012.

Sales, general and administrative costs (SG&A) were USD 18.1 million in 2013 compared with USD 16.2 million for 2012. The SG&A cost reflects the expansion and build-up of our new processing and Multi-Client project capabilities, as well as gradually strengthening the administrative support functions to efficiently introduce the new high-end 3D vessels in both 2014 and 2015. The Parent company costs were USD 2.8 million in 2013 and USD 2.8 million for 2012, respectively.

A share-based compensation cost of USD 2.3 million is mainly related to the employee option program introduced in 2011 and 2012, compared with USD 2.2 million in 2012. The parent company option costs of USD 0.5 million in 2013 compared with USD 0.2 million for 2012.

Seismic equipment depreciation increased to USD 26.8 million in 2013 compared to USD 18.1 million in 2012 due to capital expenditures on the new vessels in operation.
In addition, a year-end seismic equipment write-down of USD 1 million was charged for non-repairable cable sections and peripheral equipment.

The seismic equipment for the vessels Artemis Arctic and Artemis Atlantic is classified as a financial lease asset and depreciated over estimated lifetime of five years. The equipment on Polar Duke, Polar Duchess and Sanco Swift is depreciated over estimated lifetime of seven years. In 2013 USD 5.0 million of depreciation was capitalised to Multi-Client library, when the vessels were working on Multi-Client projects.

The Parent company had a depreciation of USD 0.014 million in both 2013 and 2012.

EBIT AND EBITDA

EBIT for the Group for 2013 including write-down and settlement charge was positive with USD 31.4 million (13%) and EBITDA was positive with USD 76.0 million (31%) compared to EBIT of USD 40.6 million (18%) and EBITDA of USD 81.0 million (37%) in 2012.

The Parent company's EBIT for 2013 was negative with USD 1.5 million compared to negative with USD 2.2 million for 2012. EBITDA 2013 was negative with USD 1.5 million compared to negative with USD 2.2 million in 2012.

FINANCIAL ITEMS

Net financial costs for the Group were USD 11.6 million for 2013, compared to net financial cost of 1.7 million for 2012. The net financial items include ordinary interest costs, interest income and foreign exchange losses or gains. The financial items include the interest charges from the two bond loans DOLP01 and DOLP02 and finance cost on our ordinary bank debt.

The Parent company had a net financial income for 2013 of USD 2.4 million compared to USD 26.6 million for 2012. Financial income in 2012 was mainly due to Group contribution from Dolphin Geophysical AS.

TAX

For 2013 the Group reported tax changes in accordance with IAS 12. Tax changes are computed based on the USD value relating to the appropriate tax provisions according to local tax regulation and currencies in each jurisdiction. The tax changes are influenced not only by the local result, but also from fluctuations in exchange rate between the local currencies and USD.

Furthermore, the Group is exposed to taxation in several jurisdictions through mobile employee taxes and withholding taxes, which are both classified as operational expenses.

The taxes was negatively impacted by foreign exchange of the Norwegian NOK tax positions related to seismic equipment in Norway and the deferred tax liability hereto.

For the full year 2013, the change of deferred tax assets increased by USD 3.4 million and deferred tax liability increased by USD 10.1 million.

The tax expense for 2013 was USD 7.3 million compared to USD 6.2 million in 2012, both years related to change in deferred tax position.

The consolidated tax rate for 2013 was 37%.

The Parent company had a tax expense of USD 5.2 in 2013 related to change in deferred tax asset and tax on Group contribution. Tax expense for 2012 was USD 5.5 million related to change in deferred tax.

NET INCOME

Net income for the Group in 2013 was USD 12.4 million compared to USD 32.7 million for 2012.

The Parent company had a net loss in 2013 of USD 4.2 million compared to a net income of USD 18.8 million in 2012.

MULTI-CLIENT INVESTMENT AND LIBRARY

In thousands of USD	Year 2013	Year 2012
Beginning net book value	38 864	8 529
Multi-Client investment	64 597	52 561
Amortisation	-12 895	-22 226
Write-down	-4 858	-
Amortisation %	46 %	49 %
Ending net book value	**85 708**	**38 864**

The Group invested USD 64.6 million in Multi-Client projects in 2013, primarily related to 3D projects in the Barents Sea, North Sea, Brazil and North West Europe. It also includes reprocessing of the Santos Campos 2D dataset by applying advanced Pre-Stack Data Processing (PSDM) and also increased ownership from 50% to 62,5% in the survey and processing on Multi-Client projects in progress.

Multi-Client revenues were USD 27.7 million in 2013 compared to USD 45.1 million in 2012. An amortisation rate of 45,9% per net sales was applied in 2013 and for 2012 the amortisation rate was 49,3%. This was a blended rate of our 2D and 3D Multi-Client projects based on a total sales-to-costs expected ratio for the Multi-Client projects acquired to date.

Net Multi-Client book value as of December 2013 was USD 85.7 million after amortisation of USD 12.9 million and write-down of USD 4.9 million, compared to USD 38.9 million in 2012 after amortisation of USD 22.2 million.

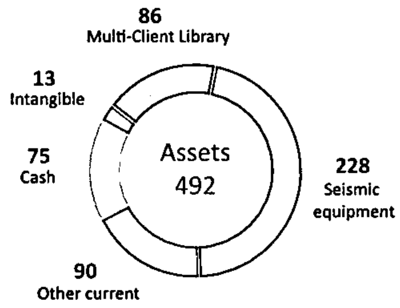
The Parent company do not invest in Multi-Client projects.

BALANCE SHEET

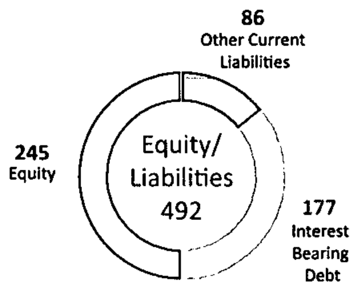
The Group continues to grow rapidly in line with its long-term business plan. The growth requires significant capital expenditures, particularly related to seismic equipment onboard new chartered vessels, investment in Multi-Client projects and build-up of our internal G&G and seismic processing services. Our financial strategy is to continuously secure a strong balance sheet in terms of debt-to-equity ratio and secure additional equity capital, prior to committing to new large investments or vessel time charters.

At the end of 2013, the Group had a solid financial position, with equity of USD 244.6 million and total assets of USD 492.2 million, representing an equity ratio of 49,7%. Furthermore, the Group had bank deposits of USD 75.4 million at the end of 2013.

During the final quarter of 2013 the Group successfully raised NOK 500 million (USD 82 million) in a four year unsecured bond, increased our bank drawing facility with USD 20 million and has USD 50 million undrawn as per year-end 2013. In addition, the Group made a buy-back of



Assets
In millions of USD



Equity/Liabilities
In millions of USD

NOK 100 million of the bond DOLP01 in connection with the issue of Bond DOLP02, which will be considered to be sold in the market. DOLP02 was listed on Oslo Stock Exchange in December 2014.

Interest bearing debt consists of financial lease debt of USD 9.2 million, bank loan of USD 33.3 million and bond loan of USD 134.7 million per December 2013.
The deferred tax asset in the Parent company was reduced to USD 0.5 million in 2013, and deferred tax asset in the Group was increased to USD 4.3 million.

Increase in seismic equipment was USD 83.4 million to USD 220.4 million in 2013 mainly due to the new vessel Polar Swift in operation from August 2013, as well as prepayments of seismic equipment for the new vessels Sanco Sword and Polar Marquis.

Investment in shares for the Parent company has increased by USD 207.6 million to USD 306.5 million in 2013, due to increased equity capitalisation of subsidiaries.

At the end of 2013, the Parent company had a solid financial position, with equity of USD 217.3 million and total assets of USD 376.1 million, representing an equity ratio of 57,8%. In addition bank deposits in the Parent company have increased by USD 41.8 million to USD 42.5 million in 2013.

CASH FLOW
With the increased number of vessels in efficient operation, the accumulated cash flow from operations for 2013 was USD 80.0 million compared to USD 43.3 million in 2012. Working capital decreased from 2012 to 2013.

The Group is committed to take additional three new vessels on charter, which is expected to improve the operating cash flow, however each new vessel in operation will also require additional working capital in the start-up phase. Capital expenditures for 2013 were related to additional investments in seismic equipment of USD 22.5 million, prepayment of seismic equipment with USD 91.8 million, compared to investments in seismic equipment of USD 42.9 million and prepayment of seismic equipment with USD 39.9 in 2012.

Prepayments were related to the seismic equipment for Polar Marquis and Sanco Sword. Net investment in Multi-Client projects with USD 44.7 million in 2013 compared to USD 47.6 million in 2012.

The increased cash flow from financing activities in 2013 was primarily related to net proceeds from a new equity issue of USD 42.1 million and proceeds from borrowing of USD 90.8 million. Compared with 2012 net proceeds due to the issue of new equity was USD 41.9 million and proceeds from borrowing of USD were 100.5 million. Interest paid in 2013 was USD 8.6 million compared to USD 3.5 million in 2012. In addition the Group made repayments of financial leases and interest bearing debt of USD 44.4 million during 2013 compared to USD 21.1 million in 2012.

The Group had bank deposits of USD 75.4 million at the end of December 2013.

For the Parent company the accumulated cash flow from operations for 2013 was USD 152.9 million compared to a negative cash flow of minus USD 102.3 million in 2012.

Cash flow from investing activities in 2013 is minus USD 207.6 million compared to USD 30.8 milllion in 2012.

The increase in cash flow from financing activities in the Parent company in 2013 realises net proceeds from issue of new equity of USD 42.1 million. In addition proceeds from borrowing with USD 65.3 million, compared to net proceeds due to the issue of new equity of USD 42.4 million and proceeds from borrowing of USD 70.5 million in 2012. Interest paid in 2013 was USD 7.8 million compared to USD 0.2 million in 2012. In addition the Parent company made repayments of interest bearing debt of USD 3.1 million during 2013 compared to USD 2.6 million in 2012.

The Parent company had bank deposits of USD 42.5 million.

In the board's view the annual accounts provides a true and fair view of the Group's and the Parent company's results for the year and financial position as at 31 December 2013.

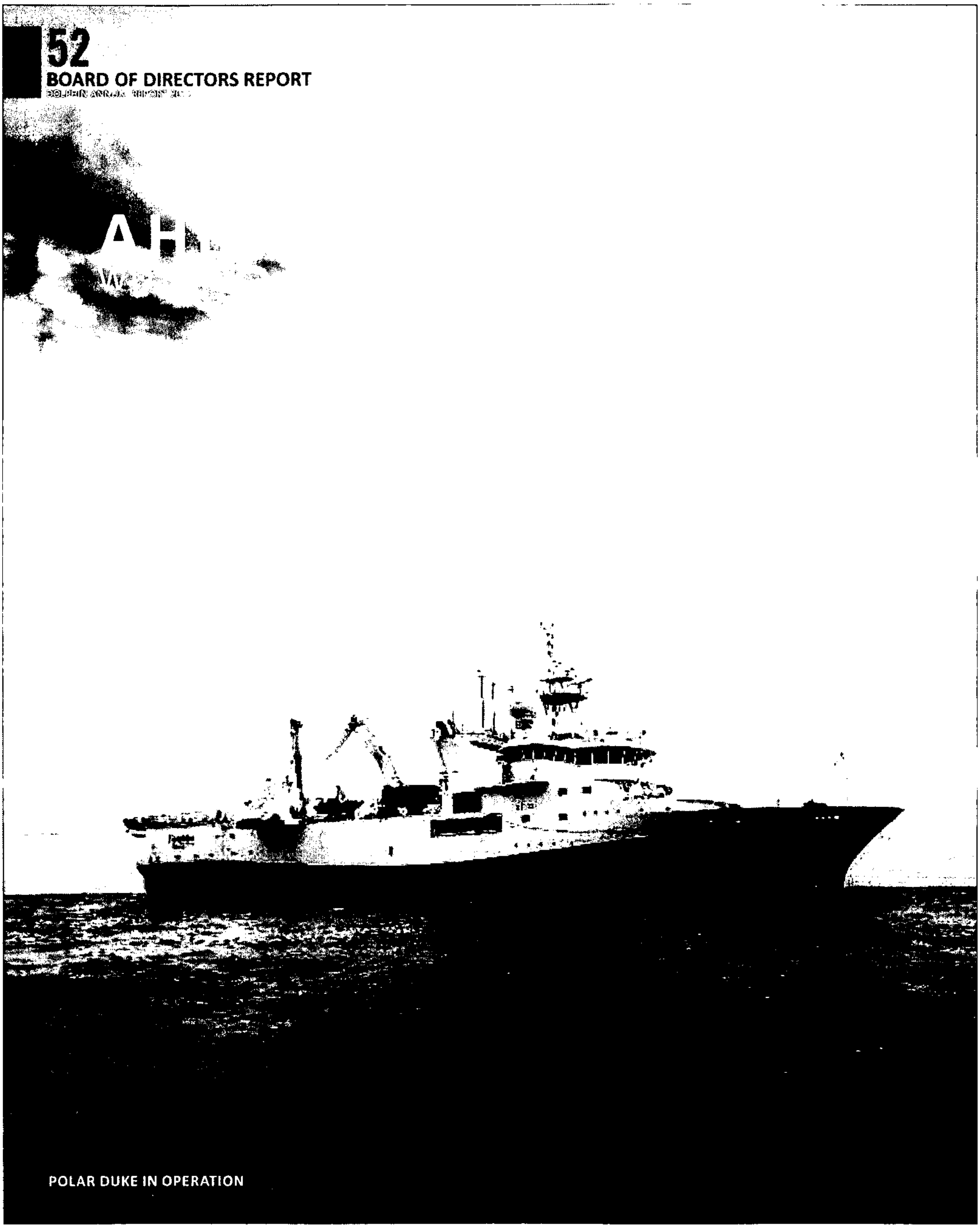
OPERATIONAL AND FINANCIAL MARKET RISK

OIL AND GAS PRICES

The profitability and cash flow of the Group's operations will depend upon the market price for oil and gas, which in turn is affected by numerous factors beyond the Group's control, including economic and political conditions, levels of supply and demand, the policies of the Organisation of Petroleum Exporting Countries (OPEC), currency exchange rates and the availability of alternate fuel sources. Oil and gas commodity prices have been high and have therefore increased the cost of oilfield goods and services worldwide and in the countries in which the Group operates. During 2013 the oil price has been relatively stable in the range USD 105 to 110 per barrel and such stability is good for more predictable Oil Company E&P spending. Significant oil price fluctuations might have a substantial impact on the Group's business and cause projects postponements and reduced operational activity. In any event, higher or lower commodity demand and prices do not necessarily translate into increased or decreased activity since the customers' project development time; reserve replacement needs, as well as expectations of future commodity demand and prices, all combined, drive demand for the services of the Group. Each of these factors could have a material adverse effect on the Group's results of operations and profitability.

OVERSUPPLY OF SEISMIC VESSELS IN THE INDUSTRY

The supply of seismic vessels in the industry is affected by, inter alia, assessments of the demand by oil and seismic companies. Any over-estimation of demand for seismic vessels may result in an excess supply of new seismic vessels. During prior periods of high utilisation and day rates, industry participants have increased the supply of vessels by ordering the construction of new vessels. This has often created an oversupply of vessels and has caused a decline in utilisation and day rates when the vessels enter the market, sometimes for extended periods of time, as vessels have been absorbed into the active fleet. The seismic market had a slow-down in late 2013 and we have seen more vessel decommissioning during the latter part of 2013 and early part of 2014.



POLAR DUKE IN OPERATION

RISK RELATED TO COMPETITION AND RAPID TECHNOLOGY CHANGE

The industry is highly competitive. New products may be developed by other companies that can be more competitive than the Group's, e.g. other companies may develop products with functionality, price and performance that will compete with new products from the Group. The Group's future business prospects are dependent on its ability to meet changing customer preferences, to anticipate and respond to technological changes and to develop effective and competitive relationships with its customers.

The Group's goal is to deliver top quality products that are competitively priced. To be able to fulfil those ambitions, the Group needs to combine its awareness of the latest technology trends with its understanding of the customers' business challenges. Factors such as technological change, increasing customer requirements, short product lifecycles and evolving industry standards, could reduce the demand for the Group's products or require substantial resources and expenditures for research, design and development of new products and technologies to avoid technological or market obsolescence.

GEOPOLITICAL RISKS

There are inherent risks in doing business internationally. These include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding liability and enforcement, and changes in local laws and controls on the repatriation of capital or profits. Any of these risks could materially affect the Group's overseas operations and, consequently, the financial position and profit of the Group.

RISK OF WAR, OTHER ARMED CONFLICTS AND TERRORIST ATTACKS

War, military tension and terrorist attacks have among other things caused instability in the world's financial and commercial markets. This has in turn significantly increased political and economic instability in some of the geographic regions in which the Group operates (or may operate in the future), and has contributed to high levels of volatility in prices for, among other things, oil and gas. Continuous instability may cause further disruption to financial and commercial markets and contribute to even higher level of volatility in prices. In addition, acts of terrorism and threats of armed conflicts in or around various areas in which the Group operates (or may operate in the future), and piracy or assaults on property or personnel, kidnapping of personnel and changing political conditions could limit or disrupt the Group's markets and operations, including causing disruptions of oil exploration and production activities, loss, arrest or requisitioning of the fleet, loss or evacuation of personnel, cancellation of contracts, restriction of movements and exchange of funds or limitation of the Group's access to markets for periods of time. Armed conflicts, terrorism and their effects on the Group or its markets may have a significant adverse effect on the Group's business and results of operations in the future.

DEPENDENCE OF PROPRIETARY RIGHTS AND INTELLECTUAL PROPERTY

The Group will maintain trade secrets protection, obtain patents and operate without infringement of the proprietary rights of third parties or having third parties circumvent its rights. There can be no assurance that there would not be any infringement of proprietary rights, that the Group would have adequate remedies for any such infringement, or that the Group's trade secrets or proprietary "know-how" will not otherwise become known to, or independently developed by, competitors.

The Group may institute or otherwise be involved in such litigation to enforce its patents, protect its trade secrets or "know-how", challenge the validity of proprietary rights of others or invalidation of patents, expose the Group to significant liabilities to third parties, require the Group to seek licenses from third parties or prevent the Group from manufacturing and selling its products. Any of the above could have a material adverse effect on the Group's business, financial condition and results of operation.

ATTRACTION AND RETENTION OF KEY PERSONNEL

The Group's ability to continue to attract, retain and motivate key personnel, and other senior members of the management team and experienced personnel will have an impact on the Group's operations. The competition for such employees is intense, and the loss of the services of one or more of these individuals without adequate replacements or the inability to attract new qualified personnel at a reasonable cost, could have a material adverse effect.

The Group is dependent on key individuals in the organisation. If such key individuals were to end their employment with the Group, this could bring about negative consequences for the future development of the Group. There is no assurance that the Group will be able to attract and retain such personnel, consultants and contractors on acceptable terms, given the demand for such qualifications in the market. The failure to retain such personnel or consultants, or to develop or otherwise acquire the expertise, could adversely affect prospects for the Group's success.

CHARTER RISKS

The Group provides its services on the basis of seismic services contracts that are awarded through competitive bidding or to a lesser extent through direct negotiations with oil companies.

The Group's financial condition, operating results and cash flows could be materially adversely affected by early termination of contracts, contract renegotiations or cessation of day rates under any of the foregoing circumstances.

RISKS RELATED TO MULTI-CLIENT INVESTMENTS

The Group has moved and envisages moving further toward a mix of 70/30 of contract seismic services and Multi-Client business in the long-term. In connection with the Multi-Client business, the Group expects to continue to invest significant amounts in acquiring and processing seismic data that the Group owns ("Multi-Client data"). The Group intends to license Multi-Client data to third parties for non-exclusive use in oil and gas exploration, development and production activities. However, the Group does not know with certainty how much of the Multi-Client data it will be able to license or at what price. There can be no assurance that the Group will be able to recover all costs and investments associated with acquiring and processing Multi-Client data. If there is a material adverse change in the general prospects for oil and gas exploration, development and production activities in areas where the Group acquires Multi-Client data, the value of such Multi-Client data could be subject to impairment and the Group could be required to take a charge against its earnings. The value of Multi-Client data could also be impaired due to technological or regulatory changes and other industry or general economic developments. In general, the Group's future sales of Multi-Client data licenses are uncertain and depend on a variety of factors, many of which will be beyond the Group's control.

VESSEL OPERATION

The Group's fleet will be exposed to operational risks associated with offshore operations such as breakdown, bad weather, technical problems, force majeure situations (e.g. nationwide strikes), collisions, grounding and similar events. If any of these risks materialises, the Group's business could be interrupted and the Group could incur significant liabilities. In addition, many similar risks may result in curtailment or cancellation of, or delays in, exploration and production activities of the customers, which could in turn adversely impact the Group's operations. This may in turn have a material adverse effect on the earnings and value of the Group.

REVENUES MAY FLUCTUATE SIGNIFICANTLY FROM PERIOD TO PERIOD

The Group's future revenues may fluctuate significantly from quarter to quarter and from year to year as a result of various factors including the following:

- increases and decreases in industry-wide capacity to acquire seismic data
- fluctuating oil and natural gas prices, which may impact customer demand for the Group's services
- different levels of activity planned by the customers
- the timing of offshore lease sales and licensing rounds and the effect of such timing on the demand for seismic data and geophysical services
- the timing of award and commencement of significant contracts for geophysical data acquisition services
- weather and other seasonal factors
- seasonality and other variations in the licensing of

geophysical data from the Group's Multi-Client data library
- reduced vessel utilisation due to longer than scheduled yard stays and delays in obtaining necessary permits.

FINANCIAL RISK

FOREIGN EXCHANGE RISK

The Group's significant operations in foreign countries expose it to risks related to foreign currency movements. The Group will attempt to minimise these risks by implementing hedging arrangements as appropriate, but will not be able to fully avoid these risks. Currency exchange rates are determined by forces of supply and demand in the currency exchange markets. These forces are affected by the international balance of payments, economic and financial conditions, government intervention, speculation and other factors. Changes in currency exchange rates relative to the USD may affect the USD value of the Group's assets and thereby impact the Group's total return on such assets. Changes in currency may also affect the Group's costs, e.g. related to salaries paid in local currency. The Group's expenses are primarily in USD, GBP and NOK. As such, the Group's earnings are exposed to fluctuations in the foreign currency market. Currency fluctuations of an investor's currency of reference relative to the USD may adversely affect the value of an investor's investments. The Group entered into a cross-currency interest rate swap agreement (CCIRS) with purpose to hedge interest rate risk and currency risk related to the NOK 400 million bond loan DOLP01 issued simultaneously. The CCIRS is accounted for as a cash flow hedge. In December 2013 Dolphin Group ASA entered into a currency swap agreement with purpose to hedge currency risk related to 50% of the NOK 500 million bond loan DOLP02 issued simultaneously. The currency swap is accounted for as a cash flow hedge.

CREDIT RISK

Lack of payments from customers/clients may significantly and adversely impair the Group's liquidity. The concentration of the Group's customers in the energy industry may impact the Group's overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic- and industry conditions as well as by the general constraints on liquidity resulting from the recent turmoil in the financial markets. Those countries that rely heavily upon income from hydrocarbon exports will be hit particularly hard if oil prices decrease. Further, laws in some jurisdictions in which the Group operates could make collection difficult or time consuming. The Group undertakes due consideration to the credit quality of its potential clients during contract negotiations to minimise the risk of payment delinquency, but no assurance can be given that the Group will be able to avoid this risk.

INTEREST RATE RISK

A major part of the Group's interest costs on its bank and bond loans are subject to floating interest rate (NIBOR/LIBOR) plus a margin. Consequently, the Group is exposed to fluctuation in interest rates. The Group entered into a cross-currency interest rate swap agreement (CCIRS) with purpose to hedge interest rate risk and currency risk related to the NOK 400 million bond loan DOLP01 issued simultaneously. The CCIRS is accounted for as a cash flow hedge.

LIQUIDITY RISK

The Group is dependent on having access to long-term funding. There can be no assurance that the Group may not experience net cash flow shortfalls exceeding the Group's available funding sources nor can there be any assurance that the Group will be able to raise new equity, or arrange new borrowing facilities, on favourable terms and in amounts necessary to conduct its on-going and future operations, should this be required. The Group may not be able to secure new sources of liquidity or funding, should projected or actual liquidity fall below levels the Group requires. The factors giving rise to the Group's liquidity needs could also constrain the ability to replenish the liquidity of the Group. To the extent that current market conditions get worse, and the related constraints on the availability of funding from banks and other lenders, continue, the Group may not have access to funding from banks and other lenders in the amounts or on the terms it may be seeking.

These same factors could also impact the ability of the Group's shareholders to provide it with liquidity, and there can be no assurance that the Group will be able to obtain additional shareholder funding. Failure to access necessary liquidity could require the Group to scale back its operations or could have other materially adverse consequences for its business and its ability to meet its obligations.

CAPITAL STRUCTURE AND EQUITY

The primary objectives of the Group's capital management are to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and its strategic goals. Based on the strong organic growth, significant working capital requirements and large investment programs, the Group`s financial strategy has been to maintain a solid equity ratio, focus on increasing cash flow from operations and hire seismic vessels rather than to purchase and finance seismic vessels onto the Group's balance. No changes were made in the objectives, policies or processes during 2013.

The Group constantly monitors its capital financing structure with its financial covenant requirements in loan and time charter agreements. The Group's policy is to have an equity ratio in excess of 35%.

ORGANISATION AND WORKING ENVIRONMENT

The Group is growing fast, which is a challenge to any organisation, with the experienced management team and dedicated employees, the Group has created a sound business culture, characterised by low bureaucracy and fast decision capabilities, which has also proven to be attractive for hiring new highly qualified staff. The working environment in the Group is considered to be satisfactory; employees are dedicated and motivated and have made great efforts to ensure the successful growth of the Group. The Group had a 2,8% sick leave ratio in 2013 and 2,3% in 2012. One person is on long-term sick leave.

There were no major accidents or injuries to the Group personnel or equipment during 2013 or 2012.

Lost time incident frequency (LTIF) was 0.72 in 2013 compared to 1.06 in 2012. Total recordable case frequency (TRCF) was 3.23 in 2013 compared to 2.90 in 2012.

The total numbers of the Group`s employees increased from 286 employees at the end of December 2012 to 389 employees by December 2013 which is in line with our growth plan for new vessels and the strategy for the Group of being a full-service provider marine seismic company. The established organisation is structured to handle the further growth of the Group, both within vessel operations, data seismic processing and Multi-Client project activities.

The Parent company had five employees as of December 2013 against three in 2012.

The proportion of women employees at the end of 2013 was 14% compared to 12% at the end of 2012. The Board of Directors has three male and two female directors. In addition there is one male employee representative.
The Group's objective is to have a workplace with equal opportunities for women and men.

As an employer the Group strives for balance and equality with respect to gender, age, and cultural diversity among staff. As of 31 December 2013, employees represented 27 nationalities, same as last year.

The Group consciously strives to improve the nationality and gender diversity of staff. Long-standing practices include ensuring that offshore crews are culturally diverse and balanced.

The Group's principles are to secure equal rights with regard to salaries, promotions and appointments with respect to gender, age and cultural diversity.

QUALITY, HEALTH, ENVIRONMENT, SAFETY

The Group has an obligation to work to ensure that its business does not damage or pollute the external environment. For 2013 the Group is not aware that it in any respect polluted the external environment

The Group interacts with the external environment through the collection of seismic data and operation of vessels. The Group continues to work actively to minimise any impact

AHEAD WITH CONFIDENCE

on the environment. Regular monitoring and controls are carried out in order to limit the risk of pollution. It is the Group's policy to comply with all national and international regulations.
The Group is being promoted very actively towards future customers and particular focus is placed on improvements to, and further development of, the Group's procedures for quality, health, environment and safety (QHSE) An open QHSE culture lies at the heart of its development as a new seismic operator. An unwavering commitment to developing better systems is targeted and required to constantly improve our QHSE performance. Indeed, a common Dolphin QHSE culture is emerging.

All recordable incidents and high potential incidents were intensively followed-up, investigated and findings were presented both internally and externally to enable the Group and others to learn from these events.

DOLPHIN GROUP ASA'S CORPORATE GOVERNANCE, ETHICAL AND SOCIAL RESPONSIBILITY AND RULES FOR DIRECTORS, EXECUTIVE CHAIRMAN AND GENERAL MANAGER

Dolphin Group ASA is registered in Norway and is a public limited company. Its governance and corporate management is based upon Norwegian legislation and the objective is to comply with the relevant principles in the "Norwegian Code of Practice for Corporate Governance" of 23 October 2012.

It is the Group's view that effective corporate governance is fundamental to success, and a framework for successful services to customers and value creation for owners. Good corporate governance is characterised by open, responsible communication and cooperation among the owners, its board, and management, in the context of both short-term and long-term value creation perspectives. Our shareholders, employees, customers, suppliers, financial associates, and governmental bodies, as well as society in general, must be confident and trust that the Group is governed in a satisfactory fashion, and its board is sufficiently independent in the execution of its duties.

The Group's principles and implementation of corporate governance are reviewed periodically and most recently approved by the board on 25 April 2014. The applicable principles, guidelines, as well as articles, board instructions and ethical guidelines including corporate social responsibility are available on the Group's websites www.dolphingeo.com/about/corporate-governance/ Compensation to executive management is described in note 6.

FOLLOWING IS THE DEVELOPMENT OF ISSUING OF SHARE FOR 2012 AND 2013:

Date	Type of change	Change in share capital (NOK)	Nominal value per share (NOK)	Total share capital (NOK)	Total number of shares	Subscription price per share
15 Mar. 2012	Issues of shares	100 000 000	2.00	600 036 323	300 018 161	4.60
22 Mar. 2012	Issues of shares	2 655 662	2.00	602 691 985	301 345 992	2.50
26 Apr. 2012	Issues of shares	6 400 000	2.00	609 091 985	304 545 992	4.60
05 Jun. 2012	Issues of shares	400 000	2.00	609 491 985	304 745 992	3.00
04 Sep. 2012	Issues of shares	654 666	2.00	610 146 651	305 073 325	3.00
27 Nov. 2012	Issues of shares	554 000	2.00	610 700 651	305 350 325	3.00
20 Feb. 2013	Issues of shares	61 069 999	2.00	671 770 650	335 885 325	7.40
13 Mar. 2013	Issues of shares	4 028 988	2.00	675 799 638	337 899 819	2.58
11 Jun. 2013	Issues of shares	5 403 332	2.00	681 202 970	340 601 485	2.50
06 Sep. 2013	Issues of shares	1 775 332	2.00	682 978 302	341 489 151	2.54

SHAREHOLDER MATTERS

Prior to the share-based option programme exercising in first quarter 2014, the Parent company's share capital was NOK 682 978 302, divided on 341 489 151 shares, each with a nominal value of NOK 2.00, as of December 2013. Upon the issuing of new shares in the share-based option programme exercising, the Parent company's issued share capital was increased by NOK 3 648 008 to NOK 686 626 310, divided into 343 313 155 shares, each with a nominal value of NOK 2.00.

There is one class of shares. The shares are equal in all respects, and each share carries one vote at the Parent company's general meeting.

FUTURE PROSPECTS

For 2014 the Group experience a healthy demand for high-end 3D seismic vessels, capable of towing 12 streamers or more. This is primarily driven by increased focus on frontier deepwater exploration from our clients. This industry trend is causing utilisation issues for vessels only cable of towing 10 streamers or less. Consequently, we will in the current market environment experience acceleration in decommissioning/down grade of 3D seismic vessels. The Group, believes this will result in a stable supply growth for the period 2014-2016.

The Group is cautiously optimistic for the seismic market in 2014. We experience a better than expected start of the year and the combination of strong performance and modern assets has created confidence in the Group's abilities. This has improved our contract visibility and provided the Group with a solid backlog exceeding USD 200 million at the start of 2014.

Dolphin will continue to deliver on its long term business plan and create shareholder value through vessel capacity increase, strengthened internal seismic processing and G&G competence and through successful expansion of Multi-Client business whilst maintaining efficient operations fleet-wide.

The Group's fleet expansion plan is progressing as planned and the Group has taken delivery of the Sanco Sword in the end of March and Polar Marquis in Q2. As fleet size increases, strategic placement of vessels and resultant reduced mobilisation time is expected to become more viable in relation to changes in market and tendering activity globally.

The gross Multi-Client investment target for 2014 is estimated at USD 60-80 million and we are concentrating our investments in prospective areas in Norway, UK and Brazil. To improve Multi-Client competitiveness, the Group will continue to secure new dedicated financing and enter into strategic partnership agreements to reduce our various projects risks and exposures.

The Group's high-capacity and highly attractive 3D vessels have a solid production track record and are deployed with large independent clients, which also position us well for potential repetitive contract work.

The Group will continue to focus on the high end of the marine 3D seismic market as well as rapidly expand our Geophysical services with dedicated Multi-Client products and major proprietary seismic processing and broadband technologies.

APPLICATION OF THE PARENT COMPANY'S NET INCOME FOR 2013

The accounts of the Parent company, Dolphin Group ASA, and associated note disclosure have been prepared in accordance with International Financial Reporting Standards (IFRS). The board confirms that the Parent company's accounts have been prepared on a going concern basis in accordance with §3-3 of the Norwegian Accounting Act.

The annual net income after tax for 2013 was a loss of USD 4 230 105 compared with a profit of USD 18 835 071 in 2012. The board has proposed that the Parent company's total comprehensive loss for the year of USD 4 230 105 to be attributed to other equity.

AHEAD WITH CONFIDENCE

Total equity as of 31 December 2013 was USD 217 298 528 and the Parent company distributable reserves USD 92 130 495 at the end of 2013.

Oslo, 25 April 2014

Board of Directors
Dolphin Group ASA

Tim Wells (Chairman)	Terje Rogne (Deputy Chairman)	John Rae Pickard (Board member)
Eva Kristensen (Board member)	Toril Nag (Board member)	Olav Vinsand (Board member - employee rep.)

Atle Jacobsen (General manager)

COMPREHENSIVE INCOME STATEMENT

Parent Company		In thousands of USD		Consolidated Accounts	
Year 2012	Year 2013		Notes	Year 2013	Year 2012
777	**1 813**	**Net Operating Revenues**	4	**246 464**	**221 284**
		Operating Expenses			
-	-	Cost of sales	4, 5, 6, 7, 26	150 106	121 871
-	-	Amortisation and write-down of Multi-Client library	4, 13	17 753	22 226
2 752	2 802	Selling, general and administrative cost	4, 5	18 100	16 205
249	464	Share-based compensation	4, 6, 23	2 307	2 229
14	14	Depreciation and write-down	4, 11, 14, 26	26 801	18 125
3 015	**3 280**	**Total Operating Expenses**		**215 067**	**180 657**
-2 237	**-1 467**	**Operating Profit (EBIT)**		**31 397**	**40 628**
31 528	11 624	Total financial income	8, 16	1 041	10 753
-4 965	-9 189	Total financial expenses	8, 16	-12 685	-12 431
26 563	**2 435**	**Net Financial Items**		**-11 644**	**-1 679**
24 326	**968**	**Profit Before Taxes**		**19 753**	**38 949**
5 491	5 198	Tax expense	9	7 319	6 234
18 835	**-4 230**	**Net Income**		**12 434**	**32 715**
		Basic earnings per share	10	0.04	0.11
		Diluted earnings per share	10	0.04	0.11
		Other Comprehensive Income			
		Items that may be subsequently reclassified to profit or loss			
-	-	Revaluation of cash flow hegde	8	-1 535	-1 002
18 835	**-4 230**	**Total Comprehensive Income**		**10 899**	**31 713**
		Average share outstanding	10	335 349 588	294 499 226
		Average share outstanding diluted	10	345 227 931	305 303 978

BALANCE SHEET ASSETS

Parent Company		In thousands of USD		Consolidated Accounts	
Year 2012	Year 2013		Notes	Year 2013	Year 2012
		Assets			
		Non-Current Assets			
-	-	Goodwill	12	6 764	5 776
-	-	Intangible asset	14	2 431	1 307
809	478	Deferred tax assets	9	4 270	899
-	-	Multi-Client library	13	85 708	38 864
809	**478**	**Total Intangible Non-Current Assets**		**99 172**	**46 845**
		Tangible Non-Current Assets			
47	33	Leased and owned seismic equipment	11, 26	220 404	137 004
47	**33**	**Total Tangible Non-Current Assets**		**220 404**	**137 004**
		Financial Non-Current Assets			
98 875	306 519	Investment in shares	30	372	372
-	-	Long-term receivables	16, 19	6 783	6 760
98 875	**306 519**	**Total Financial Non-Current Assets**		**7 155**	**7 132**
		Current Assets			
-	18	Inventories and prepayments	18	33 537	13 406
-	-	Accounts receivables	18	27 867	74 011
151 388	26 516	Intercompany receivables	18	-	-
184	-	Accrued revenues and other receivables	18	28 602	20 163
723	42 541	Cash and cash equivalents	16, 21, 28	75 444	77 536
152 295	**69 076**	**Total Current Assets**		**165 450**	**185 117**
252 026	**376 105**	**Total Assets**		**492 181**	**376 098**

BALANCE SHEET EQUITY AND LIABILITIES

Parent Company		In thousands of USD		Consolidated Accounts	
Year 2012	Year 2013		Notes	Year 2013	Year 2012
		Equity and Liabilities			
		Paid-in Capital			
106 271	119 257	Share capital	22	119 257	106 271
10 518	39 666	Share premium		39 666	10 518
5 101	5 872	Additional paid-in capital		5 911	5 140
121 890	**164 795**	**Total Paid-in Capital**		**164 834**	**121 929**
		Retained Earnings			
56 733	52 503	Other equity		79 752	67 317
56 733	**52 503**	**Total Retained Earnings**		**79 752**	**67 317**
178 624	**217 299**	**Total Equity**		**244 585**	**189 246**
		Long-Term Liabilities			
70 584	134 732	Long-term liabilities	16, 17, 25, 26, 28	154 175	104 753
70 584	**134 732**	**Total Long-Term Liabilities**		**154 175**	**104 753**
		Other Non-Current Liabilities			
-	-	Provisions	29	1 872	2 250
-	-	Deferred tax liabilities	9	12 890	2 758
-	**-**	**Total Non-Current Liabilities**		**14 762**	**5 008**
		Current Liabilities			
1 333	1 333	Short-term liability	16, 24, 25, 26, 28	23 032	22 010
447	21 101	Accounts payable	16, 24	40 809	35 434
-	-	Taxes payables	9	-	-
1 038	1 640	Other short-term liabilities	16, 24	14 818	19 646
2 818	**24 074**	**Total Current Liabilities**		**78 658**	**77 090**
73 402	**158 807**	**Total Liabilities**		**247 596**	**186 852**
252 026	**376 105**	**Total Equity and Liabilities**		**492 181**	**376 098**

Oslo, 25 April 2014
The Board of Directors
of Dolphin Group ASA

Tim Wells (Chairman)
Terje Roghe (Deputy Chairman)
John Rae Pickard (Board member)
Eva Kristensen (Board member)
Toril Nag (Board member)
Olav Vinsand (Board member – employee rep.)
Atle Jacobsen (General manager)

STATEMENT OF CHANGE IN EQUITY

In thousands of USD

Consolidated Accounts	Share capital	Share premium	Additional paid-in capital	Other equity	Total equity
Equity Per Opening Balance	**106 271**	**10 518**	**5 140**	**67 317**	**189 246**
Total comprehensive income	-	-	-	10 899	**10 899**
Revaluation of cash flow hegde	-	-	-1 535	1 535	-
Issue of shares	12 985	30 373	-	-	**43 358**
Cost related to share issue after tax effect	-	-1 225	-	-	**-1 225**
Share-based compensation	-	-	2 307	-	**2 307**
Equity Per Closing Balance	**119 257**	**39 666**	**5 911**	**79 752**	**244 585**

Parent Company	Share capital	Share premium	Additional paid-in capital	Other equity	Total equity
Equity Per Opening Balance	**106 271**	**10 518**	**5 101**	**56 733**	**178 624**
Net Income	-	-	-	-4 230	**-4 230**
Revaluation of cash flow hegde	-	-	-1 535	-	**-1 535**
Issue of shares	12 985	30 373	-	-	**43 358**
Cost related to share issue after tax effect	-	-1 225	-	-	**-1 225**
Share-based compensation	-	-	2 307	-	**2 307**
Equity Per Closing Balance	**119 257**	**39 666**	**5 872**	**52 503**	**217 299**

SUMMARISED CASH FLOW

Parent Company		In thousands of USD		Consolidated Accounts	
Year 2012	Year 2013		Notes	Year 2013	Year 2012
		Operating Activities			
24 326	968	Profit before tax		19 753	38 949
14	14	Depreciation and write-down	4, 11, 14, 26	26 801	18 125
-	-	Amortisation and write-down of Multi-Client library	4, 13	17 753	22 226
249	464	Share-based payment expense	4, 6, 23	2 307	2 229
668	8 258	Interest expense	8, 16	10 890	4 885
-127 565	143 170	Changes in current assets/liabilities		2 545	-43 102
-102 308	**152 874**	**Net Cash Flow From Operating Activities**		**80 049**	**43 312**
		Investing activities			
-	-	Purchase of property, plant and equipment	11	-22 321	-42 943
-	-	Prepaid seismic equipment	11	-92 006	-39 891
-	-	Net investment in Multi-Client	13	-44 700	-47 570
-	-	Investment in intangible asset and operating equipment	14	-1 707	-433
-30 798	-207 644	Investment through acquisition	12	-1 349	-3 967
-30 798	**-207 644**	**Net Cash Flow From Investing Activities**		**-162 084**	**-134 804**
		Financing Activities			
42 421	42 133	Net proceeds from issue of new equity		42 149	41 920
70 500	65 265	Proceeds from borrowing	25, 26	90 765	100 500
-221	-7 753	Interest paid		-8 605	-3 518
-2 583	-3 057	Repayment of interest bearing debt	25, 26	-44 366	-21 133
-	-	Proceeds from lending	19	-	-5 926
110 117	**96 588**	**Net Cash Flow From Financing Activities**		**79 942**	**111 843**
-22 989	**41 818**	**Net Change in Cash and Cash Equivalents**		**-2 092**	**20 351**
23 712	723	Cash and cash equivalents opening balance		77 536	57 186
723	**42 541**	**Cash and Cash Equivalents Closing Balance**	21	**75 444**	**77 536**

NOTES TO THE FINANCIAL STATEMENT

NOTE 1: GENERAL INFORMATION
Dolphin Group ASA "the Parent company" is a Norwegian company, with office locations in Oslo, Bergen, Houston, London, Singapore and Rio de Janeiro.

The Parent company is listed at Oslo Stock Exchange with ticker DOLP.

Dolphin Group "the Group" is a global full-range, asset light supplier of marine geophysical services. The Group operates a fleet of new generation, high capacity seismic vessels and offers contract seismic surveys, Multi-Client projects and processing services on a worldwide basis.

These financial statements have been approved for issue by the Board of Directors on 25 April 2014 and will be finally approved in the ordinary general meeting 28 May 2014.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted be the European Union ("EU"). The consolidated financial statements are presented in US Dollars ("USD"), which is defined as the presentation currency. The financial statement`s profit and loss is presented according to functional reporting.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The Parent company is following IFRS light.

2.1 Changes in accounting policy and disclosures
a) New and amended standards adopted by the Group
There are no IFRS's or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2013 that would be expected to have a material impact on the Group.

b) New standards and interpretations not yet adopted by the Group
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group.

2.2 Basis of consolidation
Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange.

Cost directly attributable to the acquisition is expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are eliminated but also considered as impairment indicator of the asset transferred. Accounting policies of subsidiaries will be changed when it is necessary to ensure consistency with the policies adopted by the Group.

2.3 Business Combinations

The purchase method is applied when accounting for business combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Cost directly attributable to the acquisition is expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

The preliminary purchase price allocation in a business combination is changed if new information on the fair value becomes available and is applicable on the date when control is assumed. The allocation may be altered prior to the expiry of a 12-month period.

Business combinations that are common control transactions are presented in accordance with the pooling of interest method.

2.4 Investments in associates

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an investment in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of the investment. Losses of an associate in excess of the Group's interest in that associate are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate is recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. Goodwill is assessed for impairment as part of the carrying amount of the investment in associates.

All intra-group balances, income, expenses and unrealised gains and losses resulting from intra-group transactions are eliminated to the extent of the interest in the associate.

2.5 The use of estimates when preparing the annual accounts

The annual financial statements have been prepared in accordance with IFRS. Financial reporting under IFRS requires the management to use estimates and assumptions that have affected assets, liabilities, revenues, expenses and information on potential liabilities. Future events may lead to these estimates being changed. Such changes will be recognised when new estimates can be determined with certainty. Estimates and their underlying assumptions are reviewed on a regular basis. Changes in accounting estimates are recognised during the period when the changes take place. If the changes also apply to future periods, the effect is divided among the present and future periods, see reference to note 3.

2.6 Foreign currency
The consolidated financial statements are presented in USD, which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss.

Non-monetary assets items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations and translated at the closing rate.

The assets and liabilities of entities with other functional currency than USD are translated into USD at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the year.
The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of an entity, the deferred cumulative amount recognised in the equity relating to that particular entity is recognised in profit or loss.

2.7 Property, Plant and Equipment
Property, plant and equipment acquired by the Group are presented at historical cost less accumulated depreciation and impairment changes. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

If an indication of impairment exists, an impairment test is performed. If the recoverable amount of a tangible non-current asset is lower than book value, the asset will be written down to the higher of fair value less cost to sell and value in use. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses on derecognising of the asset calculated as the difference between the net disposal and the carrying amount of the asset is included in the income statement in the year the asset is derecognised.

Depreciation on items of property, plant and equipment are mainly depreciated using the straight-line method to allocate their cost to their residual values. One of the subsidiaries is using depreciation by production.

Asset group	*Useful life*
Office equipment including hardware	3 years
Fixed seismic equipment onboard vessel	Over time charter agreement period (5 - 7 years)
Seismic equipment, leased and owned	5 - 7 years
Processing equipment	3 - 7 years

The residual values and estimated useful lives of items of property, plant and equipment are reviewed, and adjusted annually as appropriate, at the year-end balance sheet date.

Rigging cost
Expenses directly related to the rigging of new seismic vessels are recognised in the balance sheet as Non-current assets, as a part of seismic equipment. Internal cost associated with the rigging is recognised in the balance sheet if it is directly related to the rigging.

The capitalised costs are direct costs associated with rigging the seismic vessel, including time charter during rigging period, personnel charges, consultants etc. The rigging cost is depreciated over the life of the time charter agreement.

Equipment for vessels under construction/rigging are classified as non-current assets and recognised at the cost, it is not depreciated until the non-current asset is taken into use.

2.8 Intangible assets

Intangible assets acquired separately, except for Multi-Client library

Intangible assets that have been acquired separately are carried at cost. The costs of intangible assets acquired through a business combination are recognised at their fair value in the Group's opening balance sheet.

Following initial recognition, intangible assets are recognised at cost less any amortisation and impairment losses. The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortised over their economic life and tested for impairment if there are any indications. The amortisation method and period are assessed at least once a year. Changes to the amortisation method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. Intangible assets with an indefinite economic life are not amortised. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a definite economic life is made prospectively.

Research and development, Patents and licenses

Expenses relating to research activities are recognised in the income statement as they incur. Expenses relating to development activities are capitalised to the extent that the product or process is technically and commercially viable and the Group has sufficient resources to complete the development work. Expenses that are capitalised include the costs of materials, direct wage costs and a share of the directly attributable common expenses. Capitalised development costs are recognised at their cost minus accumulated amortisation and impairment losses. Capitalised development costs are amortised on a straight-line basis over the estimated useful life of the asset.

Multi-Client library

Multi-Client library includes both completed seismic data and projects in work which is licensed on a non-exclusive basis to oil and gas search/production companies. Production cost directly related to obtain the seismic data and processing are capitalised.
The Multi-Client library contains also the cost price for the seismic data acquired from external parties.
Amortisation is compared with the income for the different projects in proportion to the expected income per project. Minimum amortisation in addition means that the capitalised value of a project a year after completion shall not exceed 80% of the cost price, which is minimum 20% amortisation after 12 months; in addition all projects shall be entirely expensed within 5 years (20% per year) after completion. In these circumstances some related projects can be seen as a unit and the minimum rules for amortisation will then first be relevant 12 months after completion.

Goodwill

The difference between the cost of an acquisition and the fair value of net identifiable assets on the acquisition date is recognised as goodwill. For investment in associates, goodwill is included in the investment's carrying amount.

Goodwill is not amortised but is tested at least once a year for impairment. Goodwill is tested for impairment annually or more frequently if there are indications that the value should be impaired. The impairment test involves determining the recoverable amount of the cash-generating units, which corresponds to the highest of fair value less costs to sell or the value in use.

2.9 Financial instruments, including hedge accounting

The Group classifies its investments in the category loans and receivables and its financial liabilities as other liabilities.

Borrowings are recognised initially at fair value, net of transaction costs incurred. After initial recognition, borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

After initial measurement loans and receivables are carried at amortised cost using the effective interest method less any impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Temporary repurchase of bonds are recognised initially at fair value, net of transaction cost incurred. The temporary repurchased bonds are presented net as long-term liabilities.

Financial assets valued at amortised cost are written down when it is probable, based on objective evidence, that the instrument's cash flows have been negatively affected by one or more events occurring after the initial recognition of the instrument. The impairment loss is recognised in the income statement. If the reason for the impairment loss disappears in a later period and this disappearance can be objectively linked to an event which takes place after the impairment loss has been recognised, the previous write-down is reversed. The reversal must not result in the carrying amount of the financial asset exceeding the amount that the amortised cost would have been if the impairment loss had not been recognised on the date when the write-down was reversed. The reversal of a previous impairment loss is presented as income.

Fixed interest rate swap agreement are booked as cash flow hedge at fair value and recognised in other comprehensive income and presented in equity. Any ineffective portion of changes in fair value of the derivative is recognised immediately in profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.

2.10 Inventories
Inventories are stated at the lowest of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11 Trade receivables
Trade receivables are recognised at fair value, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is recognised in the income statement.

2.12 Cash and cash equivalents
Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

2.13 Equity
Costs of equity transactions
Share issuance costs and other transaction costs that are incremental and directly related to an equity transaction are shown in equity as a deduction, net of tax, from the proceeds.
Translation differences see 2.6 above.

2.14 Operational and finance Leases
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases
Finance leases are leases under which the Group assumes most of the risk and return associated with the ownership of the asset. Financial leases are recorded as assets and liabilities, and lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The same depreciation period as for the Group other depreciable assets is used.

Operating leases
Leases for which most of the risk and return associated with the ownership of the asset have not been transferred to the Group are classified as operating leases. Lease payments are classified as operating costs and recognised in the income statement in a straight line during the contract period.

2.15 Income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Income tax expense represents the sum of the current tax expense (or recovery) plus the change in deferred tax liabilities and asset during the period, except for current and deferred income tax relating to items recognised directly in equity, in which case the tax is also recognised directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are calculated using the liability method for all temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and for tax purposes, including tax losses carried forward. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred income tax is recognised on temporary differences arising on investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled by Group and it is probable that the temporary differences will not reverse in the foreseeable future.

The Group includes deductions/benefits from uncertain tax positions when it is probable that the tax position will be ultimately sustained.

The carrying amount of deferred income tax assets is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each end of the reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The probability assessment is based on Management's judgement and estimates in regards to future taxable income and tax planning opportunities (see separate note describing accounting estimates below, cf 3).

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. It is adopted that the income tax rate in Norway is reduced from 28% to 27% from 1 January 2014. Deferred tax / liability on all temporary differences in the Norwegian Group Companies are calculated using a tax rate of 27%.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes are related to the same taxable entity and the same taxation authority. Deferred tax is classified as long-term in the consolidated statements of financial position.

2.16 Employee benefits

(a) Pension obligations

The companies in the Group have a defined contribution plan. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior period. The Group has no further payment obligations once the contributions have been paid. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity for pension, based on obligatory, agreed on or voluntary basis. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Share-based compensation
The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(c) Profit-sharing and bonus plans
The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Group shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.17 Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the corporate management.

2.18 Revenue recognition
Revenue is recognised when it is probable that the economic benefit from a transaction will flow to the Group and revenue can be reliable measured. The revenue is measured at fair value of the consideration received, net of discounts and sale taxes and duty.

Multi-Client surveys
Multi-Client surveys consist of surveys to be licensed to customers on a non-exclusive basis. All costs directly incurred in acquiring, processing and otherwise completing seismic surveys are capitalised into the Multi-Client surveys. The carrying amount of Multi-Client library on the balance sheet date is shown at costs less accumulated amortisation and accumulated impairments.

Revenues related to Multi-Client surveys generally falls into two categories (1) Multi-Client surveys performed after securing commitments from some customers or (2) Multi-Client surveys performed before securing purchase commitments from customers.

Pre-commitments
Generally, we obtain commitments from customers before a seismic project is started or during the project period. These pre-commitments cover specific areas or license blocks. In return for the commitment, the customer obtains early access to the data, favourable pricing compared to late sales and a degree of influence over the project. Advance payments from customers are deferred and recognised over the project period from the time the project commences based on the ratio of project cost incurred during that period to total estimated project cost.

Late sales
Generally, we grant a license entitling non-exclusive access to a complete and ready for use, specifically defined portion of our Multi-Client data library in exchange for a fixed and determinable payment. We recognise after sales revenue upon the client executing a valid license agreement and having been granted access to the data.

Processing
The Group performs processing services for specific customers. Sales of services under processing contracts are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Exclusive contracts
The Group performs seismic services for specific customers under exclusive contracts. Sales of services under contracts are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Mobilisation revenue and cost
Mobilisation revenue and the related mobilisation costs relates to moving the seismic vessel or crew from one location to the location specified by the contract. Such cost includes in the Multi-Client survey or exclusive contract with which the costs are associated. The mobilisation costs related to Multi-Client survey are capitalised as a part of the Multi-Client library as mentioned. Steaming costs on exclusive surveys are deferred and charged to expense based upon the percentage of completion of the project. The estimated probable future economic inflows are documented at inception and cover the costs capitalised or deferred. If the projects are not able to cover all of the costs which could be capitalised or deferred then only those costs that are recoverable are capitalised/deferred.

2.19 Borrowing cost
Borrowing costs are capitalised to the extent that they are directly related to the purchase, construction or production of a non-current asset. The interest costs accrued during the construction period until the non-current asset is capitalised. Borrowing costs are capitalised until the date when the non-current asset is ready for its intended use. If the cost price exceeds the non-current asset's fair value, an impairment loss is recognised.

2.20 Provisions
A provision is recognised when the Group has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

2.21 Classification
Assets related to normal operating cycles or fall due within 12 months are classified as current assets. Other assets are classified as non-current. Similarly, liabilities related to normal operating cycles or fall due within 12 months are classified as current liabilities. Other liabilities are classified as non-current.

2.22 Earnings per share
The Group present its ordinary earnings per share and earnings per share after dilution. Ordinary earnings per share are calculated as the ratio between the net profit/(loss) for the year that accrues to the ordinary shareholders and the weighted average number of shares outstanding. The figure for diluted earnings per share is the result that accrues to the ordinary shareholders, and the number of weighted average number of shares outstanding has been adjusted for all diluting effects related to share options.

2.23 Events after the balance sheet date
New information on the Group's financial position on the balance sheet which becomes known after the balance sheet date is recorded in the annual accounts. Events after the balance sheet date that do not affect the Group's financial position on the balance sheet but will affect the Group's financial position in the future are disclosed if significant.

2.24 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 placement with original maturities of three months or less. The cash flows are divided into operating activities, investing activities and financing activities.

NOTE 3: ESTIMATE UNCERTAINTY

When preparing the annual accounts in accordance with IFRS the Group's management have used estimates based on their best judgement and assumptions that have been considered to be realistic. Situations or changes in market conditions could arise that may involve changed estimates, and thus affect the Group's assets, liabilities, equity and results.

The Group's most important accounting estimates relate to the following items:
a) Impairment tests/write-downs/reversals of intangible assets
b) Assessment of the capitalisation of deferred tax asset
c) Assessment of write-downs for obsolescence of inventory

d) Assumptions and assessments of the useful life for the seismic equipment
e) Assumptions and assessments for the amortisation rate for the Multi-Clients projects

The Group's capitalised intangible assets are evaluated annually for write-downs and the possible reversal of previous write-downs

Deferred tax asset related to the Singaporean part of the business is capitalised in 2013. In addition deferred tax asset related to the Norwegian part of the business was capitalised in 2012 and 2013.

The assumptions and assessments of the useful lifetime for the seismic equipment is based on the expected use and replacement of new equipment, cf. note 11.

NOTE 4A: SEGMENT INFORMATION

In thousands of USD	2013	2012
Geophysical revenues by service line:		
Marine Exclusive contracts	209 448	171 692
Multi-Client prefunding	19 652	34 138
Multi-Client late sales	8 044	10 956
Processing	6 503	1 395
Other	-	804
Geophysical revenues	243 647	218 986
Other, non-Geophysical	2 817	2 298
Total Revenues	**246 464**	**221 284**
Geophysical:		
EBITDA	75 892	81 083
Depreciation and write-down	26 216	17 666
Amortisation and write-down of Multi-Client library	17 753	22 226
Operating Profit (EBIT), Geophysical	**31 924**	**41 191**
Other:		
EBITDA	58	-104
Depreciation and write-down	585	459
Operating Profit (EBIT), Other	**-526**	**-564**
Total Operating profit:		
EBITDA	75 951	80 979
Depreciation and write-down	26 801	18 125
Amortisation of Multi-Client library	17 753	22 226
Total Operating Profit (EBIT)	**31 397**	**40 628**

The Group's segment reporting is prepared in accordance with IFRS 8, segment.

The Group has one segment, Geophysical, which comprise of three business-lines; Marine exclusive contract, Multi-Client and Processing.

For management purposes, the Group is organised into business units based on the area of activity, and has two reportable operating units:

Geophysical had during 2013 four 3D vessels and one 2D vessel in production both on exclusive contracts and Multi-Client contracts, compared to three 3D vessels and two 2D vessels in operation during 2012.

Segment information is not given for the Parent company as it is only a holding company with shares in subsidiaries.

NOTE 4B: SEGMENT INFORMATION

Consolidated accounts

Geographical segment net operating revenue:

In thousands of USD	2013	2012
Europe, Africa and Middle East	231 542	181 512
Asia/Pacific	300	7 864
North & South America	11 805	29 695
Other segments	2 817	2 213
Total	**246 464**	**221 284**

Revenue from major products and service lines:

In thousands of USD	2013	2012
Marine Exclusive contracts	209 448	171 692
Multi-Client	27 696	45 094
Processing	6 503	1 395
Other	2 817	3 102
Total	**246 464**	**221 284**

Information about major customers:
Included in the revenues for 2013 are revenues of respectively USD 44.7 million (19%), USD 32.9 million (14%), USD 22.1 million (9%) and USD 17.2 million (7%) from the four major customers, which all originates from the geophysical segment. In 2012 there were four major customers with respectively USD 37.6 million (16%), USD 27.9 million (12%), USD 22.7 million (10%) and USD 19.9 million (9%) all originating from the geophysical segment.

Parent company

Geographical segment net operating revenue:

In thousands of USD	2013	2012
Europe, Africa and Middle East	1 813	777
Total	**1 813**	**777**

Revenue from major products and service lines:

In thousands of USD	2013	2012
Other	1 813	777
Total	**1 813**	**777**

NOTE 5: SPECIFICATION OF COST OF SALES

Consolidated accounts

Cost of sales consist of the following:

In thousands of USD	2013	2012
Charter hire	62 459	56 444
Maritime running cost	2 784	2 466
Operational costs including seismic running cost	103 032	103 388
Wages including crew cost 1)	49 854	43 204
Capitalised cost of sales 2)	-68 967	-84 199
Other	944	568
Total cost of sales	**150 106**	**121 871**

1) Includes cost of seismic crew hired through manning services
2) Relates to expenses directly related to the Multi-Client data library

Selling, general and administrative cost consist of the following:

In thousands of USD	2013	2012
Wages and remunerations	9 277	8 745
Marketing expenses	3 046	2 064
Professional fees	2 716	2 110
Office operational cost	3 062	3 286
Total selling, general and administrative cost	**18 100**	**16 205**

Parent company

Cost of sales consist of the following:

In thousands of USD	2013	2012
Other	-	-
Total cost of sales	**-**	**-**

Selling, general and administrative cost consist of the following:

In thousands of USD	2013	2012
Wages and remunerations	2 382	2 114
Marketing expenses	96	29
Office operational cost	324	609
Total selling, general and administrative cost	**2 802**	**2 752**

NOTE 6: SALARY AND PERSONNEL EXPENSE

Consolidated accounts

Total salaries and personel expense included in cost of sales:

In thousands of USD	2013	2012
Salaries and holiday pay	38 914	30 300
Social Security / National insurance contribution	4 568	3 928
Pension costs defined contribution plans (note 27)	3 402	2 113
Share-based compensation (note 23)	2 307	2 229
Other employee related costs	1 565	1 135
Crew costs, foreign crew*	11 674	4 077
- Direct salary capitalised	-3 820	-1 153
- Personnel costs capitalised to Multi-Client library	-5 617	-7 332
Total salaries and personnel expense	**52 994**	**35 297**

* Includes personnel charges from seismic manning services.

The following table presents information about the number of employees as per year end for the last two years:

Location	2013	2012
Norway Offshore	63	56
Norway Office	58	42
Singapore Offshore	171	123
Singapore Office	10	3
Subcontractors Offshore	20	20
United Kindom	49	29
North and South America	18	13
Total employees	**389**	**286**

NOTE 6 continues >

Parent company

Total salaries and personel expense included in cost of sales:

In thousands of USD	2013	2012
Salaries and holiday pay	1 804	1 480
Social Security / National insurance contribution	213	314
Pension costs defined contribution plans (note 27)	38	36
Share-based compensation (note 23)	210	162
Other employee related costs	28	34
Total salaries and personnel expense	**2 293**	**2 025**

The following table presents information about the number of employees as per year end for the last two years:

Location	2013	2012
Norway Office	5	3
Total employees	**5**	**3**

Management remuneration:

The Group Management consists of the following Group Directors; CEO, CFO and the Vice Presidents being the management team.

Year 2013 In thousands of USD	Board renumeration	Salary	Bonus and benefits in kind	Pension cost	Value of options granted	Total renumeration 2013
Management						
Atle Jacobsen (CEO)	-	535	47	10	97	690
Erik Hokholt (CFO)	-	478	39	10	167	694
Bjarne Stavenes (Technical VP)	-	232	22	10	82	347
Mike Hodge (QHSE VP)	-	253	24	10	-	287
Peter Hooper (Operations VP)	-	271	25	10	125	431
Phil Suter (Marketing and Sales VP)	-	287	23	-	81	392
Ian T. Edwards (Multi-Client VP)	-	215	187	-	-	401
Gareth Williams (Chief Geophysicist)	-	262	21	6	-	289
Total remuneration	**-**	**2 533**	**388**	**58**	**552**	**3 531**

Year 2013 In thousands of USD	Board renumeration	Salary	Bonus	Benefits in kind	Pension cost	Value of options granted	Total renumeration 2013
Members of the Board							
Tim Wells (Working Chairman)	67	267	22	35	18	-	408
Terje Rogne (Deputy Chairman and Chairman of Audit Committee)	67	-	-	-	-	-	67
Eva Kristensen	49	-	-	-	-	-	49
John R. Pickard	49	-	-	-	-	-	49
Toril Nag (Member of Audit Committee)	53	-	-	-	-	-	53
Olav Vinsand (Employee representative)	-	-	-	-	-	-	-
Nomination Committee							
Christian Selmer	5	-	-	-	-	-	5
Kjell Ursin-Smith	5	-	-	-	-	-	5
Preben Willoch	5	-	-	-	-	-	5
Total remuneration	**301**	**267**	**22**	**35**	**18**	**-**	**642**

Year 2013	Number of options					
	Opening balance	Granted 2013	Exercised	Average exercise price	Ending balance 2013	Average maturity
Management						
Atle Jacobsen (CEO)	704 667	-	-177 333	NOK 4.99	527 334	31 Dec. 2016
Erik Hokholt (CFO)	756 000	-	-304 000	NOK 4.99	452 000	31 Dec. 2016
Bjarne Stavenes (Technical VP)	756 000	-	-100 000	NOK 4.21	656 000	31 Dec. 2016
Mike Hodge (QHSE VP)	1 000 000	-	-	NOK 3.63	1 000 000	31 Dec. 2016
Peter Hooper (Operations VP)	604 000	-	-152 000	NOK 4.99	452 000	31 Dec. 2016
Phil Suter (Marketing and Sales VP)	604 000	-	-152 000	NOK 4.99	452 000	31 Dec. 2016
Ian T. Edwards (Multi-Client VP)	900 000	-	-	NOK 3.75	900 000	31 Dec. 2016
Gareth Williams (Chief Geophysicist)	550 000	-	-	NOK 4.89	550 000	31 Dec. 2016
Tim Wells (Working Chairman)	456 000	-	-	NOK 2.50	456 000	31 Dec. 2016
Total number of options	6 330 667	-	-885 333		5 445 334	

Year 2013	Number of warrants				
	Opening balance	Granted 2013	Exercised	Ending balance 2013	Average maturity
Management					
Atle Jacobsen (CEO - Geophysical)	1 598 000	-	-	1 598 000	20 Dec. 2015
Erik Hokholt (CFO - Geophysical)	1 598 000	-	-	1 598 000	20 Dec. 2015
Bjarne Stavenes (Technical VP - Geophysical)	1 198 500	-	-1 198 500	-	20 Dec. 2015
Peter Hooper (Operations VP - Geophysical)	1 198 500	-	-1 198 500	-	20 Dec. 2015
Phil Suter (Marketing and Sales VP - Geophysical)	1 198 500	-	-	1 198 500	20 Dec. 2015
Tim Wells (Working Chairman)	1 198 500	-	-	1 198 500	20 Dec. 2015
Total number of warrants	7 990 000	-	-2 397 000	5 593 000	

No warrants have been granted for 2013. Half of the warrents can be exercised when share price exceeds NOK 3.75. The other half of the warrants can be exercised when share price exceeds NOK 5.00.

Principles for determining compensation to executive management:

In accordance with §6–16 A of the Norwegian Public Companies Act the board has prepared a declaration relating to the determination of the salary and other remuneration of the Chief Executive and senior management. The guidelines below for the Chief Executive's and senior management's salary and other remuneration for the coming financial year, will be presented to shareholders for an advisory vote at the Annual General Meeting in May 2014.

Dolphin Group ASA is an international Group that operates within the global geophysical marked. A fundamental principle is that remuneration and other benefits to senior management should be competitive so that the Group is an attractive place to work and is able to attract and retain the right employees – people who perform, develop and learn. The aggregate salary package must therefore reflect both the national and international framework in which the Group operates.

The compensation to senior management includes both fixed and variable elements. The fixed element consists of a base salary and other remuneration. Other remuneration includes newspaper subscriptions, mobile telephone, broadband and similar benefits. The fixed element also includes a mandatory defined contribution pension scheme that covers all employees in the Group.

The variable elements consist of a bonus scheme and participation in a share option programme. Further details on main terms are set out in note 23.

Vesting requires the achievement of specifically defined result targets by the business. No upper limit of share price has been established in relation to the option scheme, but the award of options to each of the senior management members is such that the development in the Parent Company's share price should be to the advantage of the value of the options over the programme's lifetime so that their value exceeds the aggregate base salary in the option period.

The background for the option scheme is that the Group has wished to establish long-term incentive arrangements for key personnell as the long-term commitment of managers and key personnel is regarded vitally important to the further development of the Group.

In addition the Dolphin Geophysical Performance and Incentive Plan (DPIP) that is based on recognised international incentive and bonus principles, with flexibility to set the performance targets and bonus achievement percentages that was implemented in 2013.

Our existing subjective process will then be replaced with a more fair formulated approach and provide clarity on the business performance to achieve incentives, as well as provide competitive incentive terms to attract skilled employees.

NOTE 6 continues >

The Parent company's Chief Executive Officer and Chief Financial Officer have contractual post-termination salary arrangements if they are asked by the board to resign from their positions. The arrangements are the same and allow post- termination salary for 15 months after the expiration of the 3 months notice period. The arrangement has provisions to shorten the post-termination salary after 12 months from the date of resignation to the extent the relevant person takes up a new position during the remaining post-termination salary period. In addition they have the right to corresponding post-termination salary in cases where there are changes on the ownership side ("change of control") that mean that the nature and character of the job is changed to the extent that they wish to resign from their positions.

It is the board's view that the senior management salary policy reported and explained at the Parent company's Annual General Meeting in 2013 has been observed during the year.

Year 2012 In thousands of USD	Board remuneration	Salary	Bonus and benefits in kind	Pension cost	Value of options granted	Total remuneration 2012
Management						
Atle Jacobsen (CEO)	-	468	36	12	240	756
Erik Hokholt (CFO)	-	329	30	13	241	613
Bjarne Stavenes (Technical VP)	-	237	22	11	241	511
Mike Hodge (QHSE VP)	-	257	24	11	306	598
Peter Hooper (Operations VP)	-	272	25	11	206	514
Phil Suter (Marketing and Sales VP)	-	236	41	14	206	497
Ian T. Edwards (Multi-Client VP)	-	207	248	-	280	735
Gareth Williams (Chief Geophysicist)	-	269	12	17	196	494
Total remuneration	-	2 276	438	88	1 916	4 719

Year 2012 In thousands of USD	Board remuneration	Salary	Bonus	Benefits in kind	Pension cost	Value of options granted	Total remuneration 2012
Members of the Board							
Tim Wells (Working Chairman after general meeting in May 2012)	35	256	21	32	17	122	483
Terje Rogne (Deputy Chairman and Chairman of Audit Committee)	48	-	-	-	-	-	48
Eva M. H. Kristensen	38	-	-	-	-	-	38
John R. Pickard	38	-	-	-	-	-	38
Toril Nag (Member of Audit Committee)	26	-	-	-	-	-	26
Olav Vinsand (Employee representative)	-	-	-	-	-	-	-
Before general meeting in May 2012:							
Anne Grethe Ellingsen (Chair Person up to general meeting)	17	-	-	-	-	-	17
Scott Kerr	38	-	-	-	-	-	38
Nomination Committee							
Christian Selmer	5	-	-	-	-	-	5
Kjell Ursin-Smith	5	-	-	-	-	-	5
Preben Willoch	5	-	-	-	-	-	5
Total remuneration	258	256	21	32	17	122	706

Year 2012	Number of options					
	Opening balance	Granted 2012	Exercised	Average exercise price	Ending balance 2012	Average maturity
Management						
Atle Jacobsen (CEO)	532 000	350 000	-177 333	NOK 4.36	704 667	31 Dec. 2016
Erik Hokholt (CFO)	456 000	300 000	-	NOK 3.99	756 000	31 Dec. 2016
Bjarne Stavenes (Technical VP)	456 000	300 000	-	NOK 3.99	756 000	31 Dec. 2016
Mike Hodge (QHSE VP)	700 000	300 000	-	NOK 3.63	1 000 000	31 Dec. 2016
Peter Hooper (Operations VP)	456 000	300 000	-152 000	NOK 4.36	604 000	31 Dec. 2016
Phil Suter (Marketing and Sales VP)	456 000	300 000	-152 000	NOK 4.36	604 000	31 Dec. 2016
Ian T. Edwards (Multi-Client VP)	600 000	300 000	-	NOK 3.75	900 000	31 Dec. 2016
Gareth Williams (Chief Geophysicist)	300 000	350 000	-100 000	NOK 4.89	550 000	31 Dec. 2016
Tim Wells (Working Chairman)	456 000	-	-	NOK 2.50	456 000	31 Dec. 2016
Total number of options	**4 412 000**	**2 500 000**	**-581 333**		**6 330 667**	

Year 2012	Number of warrants				
	Opening balance	Granted 2012	Exercised	Ending balance 2012	Average maturity
Management					
Atle Jacobsen (CEO - Geophysical)	1 598 000	-	-	1 598 000	20 Dec. 2015
Erik Hokholt (CFO - Geophysical)	1 598 000	-	-	1 598 000	20 Dec. 2015
Bjarne Stavenes (Technical VP - Geophysical)	1 198 500	-	-	1 198 500	20 Dec. 2015
Peter Hooper (Operations VP - Geophysical)	1 198 500	-	-	1 198 500	20 Dec. 2015
Phil Suter (Marketing and Sales VP - Geophysical)	1 198 500	-	-	1 198 500	20 Dec. 2015
Tim Wells (Working Chairman)	1 198 500	-	-	1 198 500	20 Dec. 2015
Total number of warrants	**7 990 000**	-	-	**7 990 000**	

No warrants have been granted for 2012. Half of the warrents can be exercised when share price exceeds NOK 3.75. The other half of the warrants can be exercised when share price exceeds NOK 5.00.

NOTE 7: AUDITOR'S FEE

Consolidated accounts

In thousands of USD	2013	2012
Statutory audit	183	219
Other attestation services, merger and IPO	30	18
Statutory audit required by law	**213**	**237**
Other services outside the auditscope	46	22
Tax advice	-	2
Other services	**46**	**24**
Total auditor's fee	**259**	**261**

VAT is not included in the auditor's fee.

Parent company

In thousands of USD	2013	2012
Statutory audit	86	73
Other attestation services, merger and IPO	25	12
Statutory audit required by law	**111**	**85**
Other services outside the auditscope	11	5
Other services	**11**	**5**
Total auditor's fee	**121**	**90**

VAT is not included in the auditor's fee.

NOTE 8: FINANCIAL INCOME AND EXPENSES

Consolidated accounts

In thousands of USD	2013	2012
Interest income	939	1 689
Exchange gain	-	6 690
Other financial income	102	2 374
Total financial income	**1 041**	**10 753**
Interest costs on loans	-1 662	-1 170
Interest costs on bonds	-5 894	-
Interest costs on finance leases	-2 514	-2 390
Other financial expenses	-939	-1 325
Exchange loss	-1 676	-7 546
Total financial expenses	**-12 685**	**-12 431**
Net financial income + / expenses -	**-11 644**	**-1 679**

Parent company

In thousands of USD	2013	2012
Interest income	108	160
Intercompany financial income	11 516	4 210
Group contribution	-	23 914
Exchange gain	-	959
Exchange gain intercompany	-	2 286
Total financial income	**11 624**	**31 528**
Interest costs on loans	-1 844	-668
Interest costs on bonds	-5 894	-
Intercompany financial expense	-17	-
Other financial expenses	-503	-119
Exchange loss	-883	-1 809
Exchange loss intercompany	-48	-2 369
Total financial expenses	**-9 189**	**-4 965**
Net financial income + / expenses -	**2 435**	**26 563**

NOTE 9: INCOME TAX

Consolidated accounts

Income tax expense:

In thousands of USD	2013	2012
Tax payable	33	-
Changes in deferred tax	7 286	6 234
Income tax expense	**7 319**	**6 234**

In thousands of USD	2013	2012
Tax payable for the year	-	-
Tax payable on transactions recorded directly to equity	-	-
Total tax payable	**-**	**-**

Explanation of the relationship between reported tax expense and expected income tax at tax rate of 28%:

In thousands of USD	2013	2012
Profit before tax	**19 753**	**38 949**
Expected income taxes according to income tax rate in Norway (28%)	5 531	10 906
Tax rate outside Norway other than 28%	-170	-181
Change in deferred tax asset not recognised	-115	-4 571
Non-taxable income	-1 086	-2 817
Non-deductable expenses	-316	1 596
Currency effects	3 474	1 301
Income tax expense	**7 319**	**6 234**
Effective tax rate in %:	**37%**	**16%**

NOTE 9 continues >

Deferred tax liabilities and deferred tax assets:

In thousands of USD	Asset 2013 Accounting value	2013 Tax value	Liability 2013 Accounting value	2013 Tax value
Fixed assets	33	63	306 853	202 896
Stock	-	-	103	246
Currency loan	-	-	-13 824	-12 978
Receivables	-	-	-15	-
Accrued accountingwise	-	-	-16	-
Losses carried forward	-	16 531	-	52 671
Gain/loss account	-	-321	-	-
Total	33	16 273	293 100	242 835

In thousands of USD	Asset 2012 Accounting value	2012 Tax value	Liability 2012 Accounting value	2012 Tax value
Fixed assets	21 978	21 297	109 604	99 757
Stock	-	-	168	336
Currency loan	-7 553	-7 435	-26 616	-26 840
Receivables	-	-	-15	-
Accrued accountingwise	-	-	-37	-
Losses carried forward	-	20 536	-	-
Gain/loss account	-	-438	-	-
Total	14 425	33 960	83 104	73 254

In thousands of USD	2013	2012
Calculated deferred tax assets	-4 385	-5 470
Calculated deferred tax liabilities	13 572	2 758
Net deferred tax (assets)	9 187	-2 712
Not booked tax asset	**115**	**4 571**
Deferred tax assets in balance sheet	**4 270**	**899**
Deferred tax liability in balance sheet	**12 890**	**2 758**

Parent company

Income tax expense:

In thousands of USD	2013	2012
Tax payable	4 390	-
Changes in deferred tax	808	5 491
Income tax expense	5 198	5 491

In thousands of USD	2013	2012
Tax payable for the year	-	-
Tax payable on transactions recorded directly to equity	-	-
Total tax payable	-	-

Explanation of the relationship between reported tax expense and expected income tax at tax rate of 28%:

In thousands of USD	2013	2012
Profit before tax	**968**	**24 326**
Expected income taxes according to income tax rate in Norway (28%)	349	7 456
Change in tax rate from 28% to 27%	18	-
Group contribution recognised previous year	-	-645
Change in deferred tax asset not recognised	-	661
Non deductable expenses	4 840	-1 498
Currency effects	-8	-483
Income tax expense	**5 198**	**5 491**
Effective tax rate in %:	**N/A**	**23%**

Deferred tax liabilities and deferred tax assets:

	Asset		Liability	
	2013	2013	2013	2013
In thousands of USD	Accounting value	Tax value	Accounting value	Tax value
Fixed asset	33	63	-	-
Losses carried forward	-	2 059	-	-
Gain/loss account	-	-	-	-321
Total	**33**	**2 122**	**-**	**-321**

	Asset		Liability	
	2012	2012	2012	2012
In thousands of USD	Accounting value	Tax value	Accounting value	Tax value
Fixed asset	47	98	-	-
Losses carried forward	-	3 275	-	-
Gain/loss account	-	-	-	-438
Total	**47**	**3 373**	**-**	**-438**

In thousands of USD	2013	2012
Calculated deferred tax assets	-564	-931
Calculated deferred tax liabilities	87	123
Net deferred tax (assets)	**-478**	**-809**
Net tax asset in balance sheet	**478**	**809**

NOTE 10: EARNINGS PER SHARE

Consolidated accounts

Earnings per share are calculated by dividing the result for the year before any minority interests by a weighted average of the outstanding issued shares during the year. Weighted average number of outstanding shares is calculated by dividing the numbers of shares during the year after changes done in each quarter with corresponding numbers of days a year.

In thousands of USD	2013	2012
Result for the year after tax	12 434	32 715
Weighted average number of issued shares*	345 227 931	294 499 226
Earnings after tax per share	**0.04**	**0.11**
Total comprehensive result	10 899	31 713
Weighted average number of issued shares*	345 227 931	294 499 226
Comprehensive earnings after tax per share	**0.03**	**0.11**

The diluted earnings per share are calculated by dividing the annual result by the weighted average number of issued shares and issued options during the year.

In thousands of USD	2013	2012
Result for the year after tax	12 434	32 715
Weighted average number of issued shares and issued options*	345 227 931	305 350 325
Diluted earnings after tax per share	**0.04**	**0.11**
Total comprehensive result	10 899	31 713
Weighted average number of issued shares and issued options*	345 227 931	305 350 325
Diluted comprehensive earnings after tax per share	**0.03**	**0.10**

* The weighted average number of shares and options take into account the weighted average effect of changes in treasury share transactions during the year.

Specification of effect of dilution:

Weighted average number of issued shares	335 349 588	294 499 226
Share options	9 878 344	10 804 752
Weighted average number of issued shares and issued options	**345 227 931**	**305 303 978**

NOTE 11: TANGIBLE NON-CURRENT ASSETS

Consolidated accounts 2013

In thousands of USD	Office equipment	Processing equipment	Owned seismic equipment	Leased seismic equipment	Assets under construction	Total
Cost:						
Acquisition cost at 01 Jan. 2013	1 648	1 745	75 891	73 251	15 696	168 231
Purchase of tangibles	807	2 450	19 046	345	92 006	114 655
Disposals	-124	-	-1 102	-605	-	-1 830
Reclass- leased equipment	-	-	54 000	-54 000	-	-
Reclass- asset under construction	-	-	67 494	-	-67 494	-
Acquisition cost at 31 Dec. 2013	**2 332**	**4 196**	**215 329**	**18 991**	**40 208**	**281 055**
Accumulated depreciation:						
Balance at 01 Jan. 2013	696	196	10 751	19 584	-	31 227
Depreciation for the period	680	972	23 093	5 652	-	30 397
Reversed depreciation sold/scrapped	-92	-	-389	-491	-	-972
Reclass- leased equipment	-	-	13 901	-13 901	-	-
Accumulated depreciations at 31 Dec. 2013	**1 284**	**1 168**	**47 357**	**10 843**	**-**	**60 651**
Carrying amount:						
Balance sheet closing value at 31 Dec. 2013	**1 048**	**3 028**	**167 972**	**8 149**	**40 208**	**220 404**
Deprecation of the year	680	972	23 093	5 652	-	30 397
Write-down of equipment	15	0	714	113	-	842
Depreciation capitalised to Multi-Client library	-	-	-5 021	-	-	-5 021
Depreciation and write-down charged to expense	**695**	**972**	**18 785**	**5 766**	**-**	**26 218**
Useful life	3 years	3-7 years	3-7 years	3-7 years		
Depreciation intangible asset 2013						583

Consolidated accounts 2012

In thousands of USD	Office equipment	Processing equipment	Owned seismic equipment	Leased seismic equipment	Assets under construction	Total
Cost:						
Acquisition cost at 01 Jan. 2012	980	-	10 196	73 251	1 071	85 498
Purchase of tangibles	668	1 745	14 495	-	65 926	82 835
Disposals	-	-	-102	-	-	-102
Reclass- asset under construction	-	-	51 302	-	-51 302	-
Acquisition cost at 31 Dec. 2012	**1 648**	**1 745**	**75 891**	**73 251**	**15 696**	**168 231**
Accumulated depreciation:						
Balance at 01 Jan. 2012	238	-	989	7 444	-	8 671
Depreciation for the period	458	196	9 768	12 140	-	22 561
Reversed depreciation sold/scrapped	-	-	-6	-	-	-6
Accumulated depreciations at 31 Dec. 2012	**696**	**196**	**10 751**	**19 584**	**-**	**31 227**
Carrying amount:						
Balance sheet closing value at 31 Dec. 2012	**952**	**1 550**	**65 139**	**53 667**	**15 696**	**137 004**
Deprecation of the year	458	196	9 762	12 140	-	22 555
Depreciation capitalised to Multi-Client library	-	-	-1 470	-3 520	-	-4 991
Depreciation charged to expense	**458**	**196**	**8 292**	**8 619**	**-**	**17 565**
Useful life	3 years	3-7 years	3-7 years	3-7 years		

NOTE 11 continues >

Parent company 2013

In thousands of USD	Office equipment	Total
Cost:		
Acquisition cost at 01 Jan. 2013	70	70
Purchase of tangibles	-	-
Sales of tangibles	-	-
Acquisition cost at 31 Dec. 2013	**70**	**70**
Accumulated depreciation:		
Balance at 01 Jan. 2013	23	23
Depreciation for the period	14	14
Accumulated depreciations at 31 Dec. 2013	**37**	**37**
Carrying amount:		
Balance sheet closing value of 31 Dec. 2013	**33**	**33**
Deprecation of the year	14	14
Depreciation charged to expense	**14**	**14**
Useful life	3 years	

Parent company 2012

In thousands of USD	Office equipment	Total
Cost:		
Acquisition cost at 01 Jan. 2012	70	70
Purchase of tangibles	-	-
Sales of tangibles	-	-
Acquisition cost at 31 Dec. 2012	**70**	**70**
Accumulated depreciation:		
Balance at 01 Jan. 2012	9	9
Depreciation for the period	14	14
Accumulated depreciations at 31 Dec. 2012	**23**	**23**
Carrying amount:		
Balance sheet closing value of 31 Dec. 2012	**47**	**47**
Deprecation of the year	14	14
Depreciation charged to expense	**14**	**14**
Useful life	3 years	

NOTE 12: GOODWILL

Consolidated accounts

In thousands of USD	2013	2012
Acquisition cost at 01 Jan.	5 776	-
Business combinations	-	5 776
Acqusition of assets	997	
Disposals	-	-
Acquisition cost at 31 Dec.	6 773	5 776
Amortisation and impairment		
Accumulated Impairment at 01 Jan.	-	-
Impairment for the year	-	-
Accumulated impairments at 31 Dec.	-	-
Carrying amount		
Net book value at 31 Dec.	6 773	5 776

The addition in 2013 of USD 0.9 million relates to acquisition of Quantum Geoservices PTE Ltd. The 2012 amount of USD 5.8 million was related to the acquisition of shares in Open Geophysical Inc (Open).

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Due to the budgets and future prognosis for sales in Open and Asia Pacific compared to actual figures for 2013, the management see no indication for impairment.

Parent company

There are no goodwill in the Parent company.

NOTE 13: MULTI-CLIENT DATA LIBRARY

Consolidated accounts

In thousands of USD	2013	2012
Cost:		
Acquisition cost at 01 Jan.	63 031	10 470
Investment in Multi-Client data library	64 597	52 561
Acquisition cost at 31 Dec.	127 627	63 031
Accumulated amortisation:		
Balance at 01 Jan.	24 167	1 941
Amortisation for the period	12 895	22 226
Accumulated amortisation at 31 Dec.	41 920	24 167
Write-down for the period	4 858	-
Net carrying amount 31 Dec.	85 708	38 864

NOTE 13 continues >

In thousands of USD	2013	2012
Completed Multi-Client projects		
Completed during 2012	14 705	15 456
Completed during 2013	26 481	-
Completed Multi-Client projects at 31 Dec.	**41 185**	**15 456**
Multi-Client projects in progress	44 522	23 408
Multi-Client library 31 Dec.	**85 708**	**38 864**

As of 31 December 2013 three Multi-Client projects was fully processed in 2012 and they have been evaluated for minimum amoritsation. All project excess amortisation limit of 80% of net book value due to Multi-Client sales, and therefore no minimum amortisaton is recognised.

As of 31 December 2012 no Multi-Client projects was in the position of being evaluated for minimum amoritsation.

Parent company

The Parent company has no Multi-Client library.

NOTE 14: INTANGIBLE ASSETS

Consolidated accounts

In thousands of USD	2013	2012
Acquisition cost at 01 Jan.	**10 887**	**10 855**
Additions	1 707	76
Translation differences	-	-45
Acquisition cost at 31 Dec.	**12 594**	**10 887**
Amortisation and impairment		
Accumulated depreciation and impairment at 01 Jan.	**9 580**	**9 166**
Depreciation and write-down for the year	583	414
Accumulated amortisation and impairments at 31 Dec.	**10 163**	**9 580**
Carrying amount		
Net book value at 31 Dec.	**2 431**	**1 307**
Useful life	3-10 years	3-10 years

The intangible assets is related to development from Dolphin Interconnect Solutions AS and from the service line, processing, in the geophysical segment. The amount from 2012 and 2013 is related to own development of technical solutions.

Parent company

The Parent company has no intangible assets

NOTE 15: FOREIGN EXCHANGE RATES

The following exhange rates have been used in the consolidated financial statements:

Currency	31 Dec. 2013	31 Dec. 2012	Average 2013	Average 2012
NOK/USD	6.08370	5.56640	5.87700	5.82100
GBP/USD	1.65240	1.61609	1.56488	1.58390
EUR/USD	1.37786	1.31881	1.32869	1.28404

NOTE 16: FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:
- Credit risk
- Market risk
  - Interest rate risk
  - Foreign exchange risk
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments
The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:
- Trade receivables
- Cash and cash equivalents
- Investments in unquoted equity securities
- Trade and other payables
- Floating-rate bank loans
- Senior unsecured bond loan
- Cross-currency interest rate swap
- Currency swap

General objectives, policies and processes
The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensures the effective implementation of the objectives and policies to the Group's finance function.
The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy to assess the credit risk of new customers before entering contracts. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.
The Group does not enter into derivatives to manage credit risk, although in certain isolated cases may take steps to mitigate such risks if it is sufficiently concentrated.
Lack of payments from customers/clients may significantly and adversely impair the Group's liquidity. The concentration of the Group's customers in the energy industry may impact the Group's overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic- and industry conditions as well as by the general constraints on liquidity resulting from the recent turmoil in the financial markets. Countries that rely heavily upon income from hydrocarbon exports will be hit particularly hard if oil prices decrease. Further, laws in some jurisdictions in which the Group operates could make collection difficult or time consuming. The Group undertakes due consideration to the credit quality of its potential clients during contract negotiations to minimise the risk of payment delinquency, but no assurance can be given that the Group will be able to avoid this risk.
The maximum risk exposure is represented by the carrying amount of the financial assets in the balance sheet. The Group regards its maximum credit risk exposure to the the carrying amount of trade receivables, cf. note 24.

NOTE 16 continues >

Market risk
Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

(i) Interest rate risk

The Group is exposed to cash flow interest rate risk from long-term borrowings at variable rate. During 2013 and 2012, the Group's borrowings at variable rate were denominated in NOK and USD.

In November 2012 Dolphin Group ASA issued a senior unsecured bond loan of NOK 400 million, DOLP01. The purpose of the contemplated bond issuance is to finance Multi-Client investment going forward, seismic equipment onboard Sanco Swift and to further finance the Group's growth. The bond agreement is formal and written with external parties (the bondholders) and was listed on Oslo Stock Exchange at 1 February 2013. The bond loan has a floating interest rate of 3M NIBOR plus 775 basis points and shall pay interest on the par value of the bonds quarterly in arrears. The bonds shall mature in full on maturity date 16 November 2016 at par (100%). NOK 100 million of the bond DOLP01 has been repurchased in connection with the issuing of the bond DOLP02.

In December 2013 Dolphin Group ASA issued a senior unsecured bond loan of NOK 500 million, DOLP02. The purpose of the contemplated bond issuance is to finance investments going forward, seismic equipment onboard Sanco Sword and Polar Marquis and to further finance the Group's growth. The bond agreement is formal and written with external parties (the bondholders) and was listed on Oslo Stock Exchange at 13 December 2013. The bond loan has a floating interest rate of 3M NIBOR plus 750 basis points and shall pay interest on the par value of the bonds quarterly in arrears. The bonds shall mature in full on maturity date 5 December 2017 at par (100%).
The functional currency of Dolphin Group ASA is USD and the floating rate bond loan is denominated in NOK. Consequently, the Group is exposed to both interest rate risk and currency risk on the future interest payments and currency risk on the notional amount.
The bond loan is presented as other financial liabilities and measured at amortised cost using the effective interest method (note 8, 17).

Hedging interest rate and currency risk
In November 2012 Dolphin Group ASA entered into a cross-currency interest rate swap agreement (CCIRS) with purpose to hedge interest rate risk and currency risk related to the NOK 400 million bond loan DOLP01 issued simultaneously. The CCIRS is accounted for as a cash flow hedge. Dolphin manages the currency risk and interest rate risk by entering into the cross-currency interest rate swap (CCIRS) agreement. The notional amount of the CCIRS is USD 70.5 million and has a fixed interest rate of 8,86 percent per annum. The critical terms of the swap match those of the bond loan (exchange of principal at maturity and quarterly interest payments).
Under the CCIRS agreement Dolphin receives floating interest payments in NOK and pays fixed interest in USD. In addition, the CCIRS secures a fixed principal payment in USD at maturity.
Because the currency, notional, coupons, and interest payment dates match on both the CCIRS and the debt, the hedge relationship is expected to be highly effective. Consequently, the hedge relationship would qualify for cash flow hedge accounting in accordance with IAS 39.
In December 2013 Dolphin Group ASA entered into a currency swap agreement with purpose to hedge currency risk related to 50% of the NOK 500 million bond loan DOLP02 issued simultaneously. The currency swap is accounted for as a cash flow hedge.

Consolidated accounts

Dolphin use the cross-currency interest swap agreement with DnB and the currency swap agreement with SR-Bank as hedge accounting. Dolphin's bond loans are booked as amortised cost and the interest swap agreement of fixed USD rate is booked as follows:

In thousands of USD	2013	2012
Book value at beginning of year	-42	-
Fair value change through statement of comprehensive income	1 535	1 002
Recycling of fair value through statement of profit&loss	-8 028	-1 044
Book value at end of year	**-6 535**	**-42**

Fair value changes of hedged items:

In thousands of USD	2013	2012
Book value at beginning of year	69 251	-
Changes during the year	30 228	68 147
Amortisation	542	60
Revaluation of hedged items	-5 248	1 044
Book value at end of year	**94 773**	**69 251**

Parent company

Dolphin use the cross-currency interest swap agreement with DnB and the currency swap agreement with SR-Bank as hedge accounting. Dolphin's bond loans are booked as amortised cost and the interest swap agreement of fixed USD rate is booked as follows:

In thousands of USD	2013	2012
Book value at beginning of year	-42	-
Fair value change through statement of comprehensive income	1 535	1 002
Recycling of fair value through statement of profit&loss	-8 028	-1 044
Book value at end of year	**-6 535**	**-42**

Fair value changes of hedged items:

In thousands of USD	2013	2012
Book value at beginning of year	69 251	-
Changes during the year	30 228	68 147
Amortisation	542	60
Revaluation of hedged items	-5 248	1 044
Book value at end of year	**94 773**	**69 251**

The following tables show the Group's and Parents's sensitivity for fluctuations in interest rates. The calculation includes the financial leases.

Consolidated accounts

In thousands of USD	Adjustments in interest rate level in basis points	Effect on profit before tax	Effect on equity
2013	+50	-264	981
2013	-50	264	-974
2012	+50	-206	1 401
2012	-50	206	-1 401

NOTE 16 continues >

Parent company

In thousands of USD	Adjustments in interest rate level in basis points	Effect on profit before tax	Effect on equity
2013	+50	-115	981
2013	-50	115	-974
2012	+50	-13	1 401
2012	-50	13	-1 401

Based on the financial instruments that existed at 31 December 2013, an increase of 50 of basis points in the interest rate will reduce the Group's profit before tax by USD 264 thousand (2012: 206 thousand) and reduce the parents by USD 115 thousand (2012: 13 thousand).

The weighted average interest rate on financial instruments was as follows, cf. notes 24 and 25:

Consolidated accounts

	2013 (%)	2012 (%)
Loan	4,26%	4,44%
Finance leases	5,13%	4,88%

Parent company

	2013 (%)	2012 (%)
Loan	4,47%	4,47%

(ii) Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's significant operations in foreign countries expose it to risks related to foreign currency movements. The Group will attempt to minimise these risks by implementing hedging arrangements as appropriate, but will not be able to fully avoid these risks. Currency exchange rates are determined by forces of supply and demand in the currency exchange markets. These forces are affected by the international balance of payments, economic and financial conditions, government intervention, speculation and other factors. Changes in currency exchange rates relative to the USD may affect the USD value of the Group's assets and thereby impact the Group's total return on such assets. Changes in currency may also affect the Group's costs, e.g. related to salaries paid in local currency. The Group's expenses are primarily in USD and NOK. As such, the Group's earnings are exposed to fluctuations in the foreign currency market.

The following tables sets the Group's sensitivity for potential adjustments in USD exchange rate towards NOK, GBP and SGD, with all the other variables kept constant. The calculation is based on equal adjustments in towards all relevant currency.

Consolidated accounts

In thousands of USD	Adjustments in exchange rate, NOK and GBP	Effect on profit before tax	Effect on equity
2013	+5%	-2 048	-6 341
2013	-5%	2 048	7 008
2012	+5%	-2 853	-4 694
2012	-5%	2 853	4 694

Parent company

In thousands of USD	Adjustments in exchange rate, NOK and GBP	Effect on profit before tax	Effect on equity
2013	+5%	-7 882	-6 341
2013	-5%	7 882	7 008
2012	+5%	108	-4 694
2012	-5%	-108	4 694

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to strive to always having sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below sets out the maturity profile of the Group's financial liabilities based on contractual undiscounted payments. When a counterparty has a choice to determine the due date of the payment, the liability is included on the basis of the earliest date on which the entity can be required to pay. Financial liabilities that are subject to repayment on demand, are included in the "within 1 month" column.

Consolidated accounts

Year ended 2013 In thousands of USD	Within 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Short-term debt and interest-bearing loans	-	2 999	8 808	3 897	-	15 704
Financial leases	327	916	2 676	5 867	-	9 786
Trade and other payables	5 705	35 100	7 625	-	-	48 429
Long-term debt and interes-bearing bond	-	2 813	8 526	156 018	-	167 358
Total	**6 031**	**41 827**	**27 636**	**165 782**	**-**	**241 276**

Year ended 2012 In thousands of USD	Within 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Short-term debt and interest-bearing loans	-	2 833	8 500	13 833	-	25 166
Financial leases	467	1 402	10 157	23 478	-	35 505
Trade and other payables	5 670	29 764	17 388	-	-	52 822
Long-term debt and interes-bearing bond	-	1 726	5 179	91 217	-	98 122
Total	**6 138**	**35 725**	**41 224**	**128 528**	**-**	**211 615**

Liabilities under finance leases are discussed in further detail in note 26.

Parent company

Year ended 2013 In thousands of USD	Within 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Short-term debt and interest-bearing loans	-	363	1 067	1 370	-	2 800
Trade and other payables	82	8	1 640	-	-	1 730
Long-term debt and interes-bearing bond	-	2 813	8 526	156 018	-	167 358
Total	**82**	**3 184**	**11 233**	**157 388**	**-**	**171 888**

Year ended 2012 In thousands of USD	Within 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Short-term debt and interest-bearing loans	-	333	1 000	1 333	-	2 666
Trade and other payables	324	123	1 038	-	-	1 485
Long-term debt and interes-bearing bond	-	1 726	5 179	91 217	-	98 122
Total	**324**	**2 182**	**7 217**	**92 550**	**-**	**102 273**

Liabilities under finance leases are discussed in further detail in note 26.

Capital structure and equity

The primary objectives of the Group's capital management is to ensure that it maintains a strong credit rating and healty capital ratios in order to support its business and maximise shareholder value.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity and net debt. The Group's policy is to have a gearing ratio lower than 40% and equity ratio in excess of 40%. As of 31 December 2013, the book debt ratio was 36,8% (in 2012 the net debt was 30,9%). Based on the strong organic growth, significant working capital requirement and large investment programs, the Group's financial strategy has been to maintain a solid equity ratio, focus on increasing cash flow from operations and hire seismic vessels rather than purchase and finance seismic vessels onto the Group's balance.

NOTE 16 continues >

The gearing ratio is calculated as net debt divided by total equity and net debt as follows:

Consolidated accounts

In thousands of USD	2013	2012
Interest-bearing debt	177 207	126 764
Accounts payable	40 809	35 434
Less cash	-75 444	-77 536
Net debt	**142 572**	**84 661**
Total equity	**244 585**	**189 246**
Total equity and net debt	**387 157**	**273 907**
Debt ratio	36,8%	30,9%

Parent company

In thousands of USD	2013	2012
Interest-bearing debt	136 066	71 917
Accounts payable	21 101	447
Less cash	-42 541	-723
Net debt	**114 626**	**71 640**
Total equity	**217 299**	**178 624**
Total equity and net debt	**331 924**	**250 264**
Debt ratio	34,5%	28,6%

NOTE 17: FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

This note summarises each class of financial instruments an gives an overview of carrying amount and fair value of the Group's financial instruments and the accounting treatment of these instruments. In addition the note presents the levels of fair value measurement in the fair value hierarchy applied for financial instruments.

Consolidated accounts

Overview of financial instruments in statement of financial position:

In thousands of USD	Note	2013	2012
Financial assets measured at fair value			
Cash and cash equivalents	21	75 444	77 536
Available for sale investments		372	372
Total financial assets measured at fair value		**75 816**	**77 909**
Financial assets measured at amortised cost			
Accounts receivable	18	27 867	74 011
Other receivables		927	512
Long-term receivables	19	6 783	6 760
Total financial assets measured at amortised cost		**35 577**	**81 283**
Total financial assets		**111 393**	**159 192**
Financial liabilities measured at fair value			
Derivative liabilities (qualifying hedge)	16	6 535	42
Total financial liabilities measured at fair value		**6 535**	**42**
Financial liabilities measured at amortised cost			
Senior unsecured bonds due 2016/2017	16	134 732	69 251
Bank loan	16	33 319	25 167
Finance lease liabilities	26	9 155	32 346
Accounts payable	24	40 809	35 434
Partnershare	24	2 005	7 396
Other short-term liabilities	24	12 813	12 250
Total financial liabilities measured at amortised cost		**232 834**	**181 844**
Total financial liabilities		**239 368**	**181 885**

Fair value of financial instruments:

The fair value of cash and cash equivalents, accounts receivable, other current financial assets, and accounts payable approximates the carrying amount because of the short maturity on these financial instruments.

The fair value of finance lease liabilities and other long-term debt approximates the carrying amount because of no significant changes in the market rates for similar debt financing between the date of securing the debt financing and year-end.

The carrying amount and estimated fair value of senior secured bond is presented below:

	2013		2012	
In thousands of USD	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Loans and borrowings measured at amortised cost				
Senior unsecured bond loan	134 732	132 555	69 251	71 860

NOTE 17 continues >

Fair value hierarchy:

The financial instruments that are measured at fair value in the statement of financial position require disclosure of fair value measurement by level of the following fair value hierarchy:
Level 1: Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Fair value based on inputs other than quoted prices included in level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3: Fair value based on inputs that are not observable market data.

	2013				2012			
In thousands of USD	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
Assets measured at fair value								
Available for sale financial assets								
Investment in shares	372	-	-	372	372	-	-	372
Liabilities measured at fair value								
Financial liabilities at fair value through profit & loss								
Cross-currency interest rate swap (hedge)	-6 535	-	-6 535	-	-42	-	-42	-

Parent company

Overview of financial instruments in statement of financial position:

In thousands of USD	Note	2013	2012
Financial assets measured at fair value			
Cash and cash equivalents	21	42 541	723
Available for sale investments		372	372
Total financial assets measured at fair value		**42 914**	**1 096**
Financial assets measured at amortised cost			
Other receivables		-	184
Total financial assets measured at amortised cost		**-**	**184**
Total financial assets		**42 914**	**1 279**
Financial liabilities measured at fair value			
Derivative liabilities (qualifying hedge)	16	6 535	42
Total financial liabilities measured at fair value		**6 535**	**42**
Financial liabilities measured at amortised cost			
Senior unsecured bonds due 2016/2017	16	134 732	69 251
Bank loan		1 333	2 667
Accounts payable		91	447
Other short-term liabilities		22 650	1 038
Total financial liabilities measured at amortised cost		**158 807**	**73 402**
Total financial liabilities		**165 341**	**73 444**

Fair value of financial instruments:

The fair value of cash and cash equivalents, accounts receivable, other current financial assets, and accounts payable approximates the carrying amount because of the short maturity on these financial instruments.
The fair value of finance lease liabilities and other long-term debt approximates the carrying amount because of no significant changes in the market rates for similar debt financing between the date of securing the debt financing and year-end.

The carrying amount and estimated fair value of senior secured bond is presented below:

In thousands of USD	Carrying amount	Fair value	Carrying amount	Fair value
Loans and borrowings measured at amortised cost				
Senior unsecured bond loan	134 732	132 555	69 516	71 860

Fair value hierarchy:

Level 1: Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Fair value based on inputs other than quoted prices included in level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3: Fair value based on inputs that are not observable market data.

	2013				2012			
In thousands of USD	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
Assets measured at fair value								
Available for sale financial assets								
Investment in shares	372	-	-	372	372	-	-	372
Liabilities measured at fair value								
Financial liabilities at fair value through profit & loss								
Cross-currency interest rate swap (hedge)	-6 535	-	-6 535	-	-42	-	-42	-

NOTE 18: ACCOUNTS RECEIVABLE, PREPAYMENTS AND OTHER RECEIVABLES

Consolidated accounts

In thousands of USD	2013	2012
Accounts receivable	27 867	74 011
Impairment of receivables	-	-
Accounts receivable net	**27 867**	**74 011**
Deferred mobilisation cost and inventory	28 664	13 406
Prepaid costs	4 874	5 363
Inventory and prepayments	**33 537**	**18 770**
Prepaid seismic equipment	-	1 041
Other receivables	28 602	13 759
Other receivables	**28 602**	**14 800**
Total receivables	**90 006**	**107 580**

NOTE 18 continues >

Aging of accounts receivable was as follows for the last two years:

In thousands of USD	Total	Not due	Overdue Less than 30 days	30-60 days	60-90 days	More than 90 days
2013	27 867	18 861	1 005	2 028	438	5 534
2012	74 011	42 330	3 045	6 285	3 408	18 942

Parent company

In thousands of USD	2013	2012
Intercompany accounts receivables	26 516	151 388
Impairment of receivables	-	-
Accounts receivable net	**26 516**	**151 388**
Inventory and prepayments	**18**	**88**
Other receivables	**-**	**95**
Total receivables	**26 535**	**151 572**

Aging of accounts receivable was as follows for the last two years:

In thousands of USD	Total	Not due	Overdue Less than 30 days	30-60 days	60-90 days	More than 90 days
2013	26 516	21 940	4 576	-	-	-
2012	151 388	53 438	68 016	17	992	28 925

In thousands of USD	2013	2012
Dolphin Geophysical AS	22 324	149 567
Dolphin Interconnect Solutions AS	32	1 821
Dolphin Assets I AS	672	-
Dolphin Geophysical Ltd	3 487	-
Total	**26 516**	**151 388**

NOTE 19: LONG-TERM RECEIVABLES

Consolidated accounts

In thousands of USD	2013	2012
Long-term interest bearing loan with maturity later than 1 year	6 783	6 760
Total long-term receivables	6 783	6 760

This is a long-term loan to Sanco Holding of NOK 36 millions.
The purpose of the loan is financing building of Sanco Swift, and is given together with four other companies with each different share of loan amount. The loan is not secured. The maturity of the loan is 24 months after the vessel is delivered.
Interest (NIBOR+7,5%) is calculated and booked and will be paid on due date for the loan.

Parent company

The Parent company has no long-term receivables.

NOTE 20: INVENTORY

Consolidated accounts

In thousands of USD	2013	2012
Inventory	1 390	499
Written down for obsolescence	-166	-
Net book value as of 31 Dec.	**1 224**	**499**

Parent company

The Parent company has no inventory.

NOTE 21: CASH AND SHORT-TERM DEPOSITS

Consolidated accounts

In thousands of USD	2013	2012
Cash and cash equivalents in the balance sheet	75 444	77 536
Restriced portion of cash and cash equivalents	14 335	10 915

Parent company

In thousands of USD	2013	2012
Cash and cash equivalents in the balance sheet	42 541	723
Restriced portion of cash and cash equivalents	141	181

NOTE 22: SHARE CAPITAL AND SHAREHOLDER

As of 31 December 2013 the Parent company's share capital amounts to NOK 682 978 302 divided into 341 489 151 shares at the par value of NOK 2.00 per share.

	Shareholder	Number of shares	Ownership share
1	Ramoo Investment Partners	39 764 337	11,6%
2	Varma Mutual Pension Insurance	27 845 437	8,2%
3	Everest Capital	25 352 647	7,4%
4	Skandinaviska Enskilda Banken AB	17 766 500	5,2%
5	Skandinaviska Enskilda Banken AB- Nominee	9 938 376	2,9%
6	Pictet & Cie (Europe) S.A - Nominee	8 000 000	2,3%
7	MP Pensjon PK	7 907 667	2,3%
8	Verdipapirfondet DNB SMB	7 650 000	2,2%
9	RBC Investor Services Bank S.A - Nominee	6 687 310	2,0%
10	Verdipapirfondet Delphi Norden	6 337 958	1,9%
11	Verdipapirfondet WarrenWicklund	6 081 558	1,8%
12	Skandinaviska Enskilda Banken AB- Nominee	5 947 140	1,7%
13	Goldman Sachs & Co Equity Segregat- Nominee	4 478 940	1,3%
14	Verdipapirfondet Alfred Berg Gamba	4 027 545	1,2%
15	Polar Ship Invest IV AS	3 822 853	1,1%
16	Delphi Norge	3 700 273	1,1%
17	Three M AS	3 509 460	1,0%
18	VPF Nordea Kapital	3 501 004	1,0%
19	Pactum AS	3 450 000	1,0%
20	Økonomi og Regnskapsbistand AS	3 368 468	1,0%
	Total 20 largest shareholders	**199 137 473**	**58,3%**
	Other shareholders	142 351 678	41,7%
	Total outstanding shares	**341 489 151**	**100,0%**

Dolphin has 2.189 shareholders in total as of December 2013.

NOTE 22 continues >

The General meeting in May 2013 did authorisate following possibility changes in equity for 2013:

a) **Authorisation to grant new options to employees;**
The general meeting approved that the Board of Director can issue further options to the employees, however so that the total outstanding options to the employees cannot be more than 24 million at any time, which constitute approximately 7% of the issued shares of the Parent company.
The options shall be issued on the terms set out in the prevailing option program, provided that the exercise price shall correspond to an amount considered by the Board of Directors to be a fair market price for the shares at the allotment date.

b) **Autorisation to increase the share capital in order to fulfil the employees' option scheme;**
In accordance with the proposal from the board of directors the general meeting passed the following resolution:
1. The Board of Directors shall be granted authorisation to increase the share capital by up to NOK 47 305 975
2. The authorisation is valid until the annual general meeting in 2014, but under no circumstances longer than until 30 June 2014
3. The shareholders' pre-emptive right pursuant to § 10-4 of the Public Limited Liability Companies Act may be waived
4. The power of attorney only encompasses a capital increase by cash contribution
5. This power of attorney may solely be applied in order to fulfil the Group's obligations in connection with the Group's option scheme for the employees of the Group
6. This authorisation may also be used after a voluntary or mandatory offer to buy the shares of the Parent company has been made

c) **Authorisation to acquire own shares;**
In accordance with the proposal from the board of directors the general meeting passed the following resolution:
1. The Board of Directors is authorised to acquire and pledge own shares with an aggregate nominal value of up to NOK 67 579 964, although limited to a nominal value equal to 10% of the share capital of the Parent company at any time
2. The authorisation is valid until the ordinary general meeting of 2014, although not after 30 June 2014
3. Acquisition of own shares should only occur against a consideration of minimum of NOK 0 and a maximum of NOK 30 for each share
4. Acquisition and transfer of own shares can only take place
   (a) in order to fulfill option schemes for the Group's employees,
   (b) in connection with buy-back programmes or market making for the Parent company's shares, or
   (c) mergers, demergers or acquisitions of other companies or businesses/assets
5. This authorisation may also be used after a voluntary or mandatory offer to buy the shares of the Parent company has been made

Shares and options owned by board members as of 31 Dec. 2013	Personal ownership	Owned by connected persons/companies	Total shares	Options
Tim Wells (Working Chairman)	635 135	-	635 135	456 000
Terje Rogne (Deputy Chairman)	-	50 000	50 000	-
Eva Kristensen	-	-	-	-
John Rae Pickard	32 500	-	32 500	-
Toril Nag	-	-	-	-
Olav Vinsand (Employee representative)	-	400 000	400 000	570 000
Total	**667 635**	**450 000**	**1 117 635**	**1 026 000**

Shares owned by senior management as of 31 Dec. 2013	Personal ownership	Owned by connected persons/companies	Total shares
Atle Jacobsen (CEO)	-	3 602 641	3 602 641
Erik Hokholt (CFO)	-	3 368 468	3 368 468
Bjarne Stavenes (Technical VP)	-	2 189 712	2 189 712
Mike Hodge (QHSE VP)	-	454 545	454 545
Peter Hooper (Operations VP)	-	2 879 107	2 879 107
Phil Suter (Marketing and Sales VP)	417 272	-	417 272
Ian T. Edwards (Multi-Client VP)	300 000	-	300 000
Gareth Williams (Chief Geophysicist)	1 061 129	-	1 061 129
Total	**1 778 401**	**12 494 473**	**14 272 874**

NOTE 23: OPTIONS AND WARRANTS

Consolidated accounts
During the period which ended 31 December 2013, the Group has had share-based payment arrangements for employees as described below.

	2010 Share Incentive Programme Geophysical	2011 Share Incentive Programme Geophysical	2012 Share Incentive Programme Geophysical	2010 Interconnect Programme
Type of arrangement	Equity based	Equity based	Equity based	Equity based
Dates of Grant	25 Jan. 2011	19 Dec. 2011	13 Dec.2012	26 Oct. 2010
Options granted as of 31 Dec. 2013	13 628 000	3 120 000	9 430 164	485 000
Outstanding options as of 31 Dec. 2013	8 597 007	2 489 336	8 490 000	265 000
Contractual life	3.93 years	4.03 years	4.05 years	3.68 years
Vesting conditions	1/3 vests after the release of 2011 Q4 figures 1/3 vests after the release of 2012 Q4 figures conditional on certain performance criteria being met 1/3 vests after the release of 2013 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2012 Q4 figures 1/3 vests after the release of 2013 Q4 figures conditional on certain performance criteria being met 1/3 vests after the release of 2014 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2013 Q4 figures 1/3 vests after the release of 2014 Q4 figures conditional on certain performance criteria being met 1/3 vests after the release of 2015 Q4 figures conditional on certain performance criteria being met	1/2 vests immediately after grant 1/2 vests dependent on certain performance criteria being met
Expiry date	31 Dec. 2014	31 Dec. 2015	31 Dec. 2016	30 Jun. 2014
Other	All options are vested as of 31 Dec. 2013			

According to guidelines in IFRS 2 all of these performance conditions are non-market conditions and the Group will report the expected quantity to vest or the expected vesting date at each reporting period.
The performance criteria for two thirds of the grants are non-market conditions and combinations of internal utilisation and operational criteria ance criteria are met, and 100% of the granted options are vested as of 31 December 2013.

Options granted in 2013:
No options are granted in 2013

2013 Share Incentive Programme assumptions and features:
Stock price is wighted average price for the last 30 trading days prior the Grant day at Oslo Stock Exchange.
Risk free interest rates used are interest rate from Norges Bank on the Grant date (bond, cerficicates and bills retrieved from Norges Bank). The term of the rates is equal to the expected term of the option being valued. Where there is no exact match between the term of the interest rates and the term of the options, interpolation is used to estimate a comparable term.
Employees are on average expected to exercise the options a half year after they have vested.
Expected volatility is based on historical volatilities of similar entities in the seismic industry.
The guidelines in IFRS 2, B29 are used to estimate expected volatility.
All of the Group's option plans are equity-settled which entails accounting for the option grants as a personell expense in the Group's financial statements with a corresponding increase in equity in the Group's balance sheet. Accruals are made for the Group's social security contributions in connection with the option grants.
Total expense related to share based payment exclusive of social security is recognised in 2013 with USD 2 307 thousands.
Total amount recognised in equity in 2013 is USD 2 307 thousands.

NOTE 23 continues >

Further details of the option programme is as follows:

Group Grants	2013		2012	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at the beginning of period	**24 000 000**	**4.03**	**16 912 000**	**2.59**
Granted	-	6.25	9 365 164	6.25
Exercised	-3 233 493	2.56	-2 132 164	2.48
Forfeited	-925 164	6.09	-145 000	2.97
Outstanding at the end of period	**19 841 343**	**4.16**	**24 000 000**	**4.03**
Vested options	4 968 991	2.54	2 783 493	2.47
Weighted Average Fair Value of Options Granted during the period	-	-	9 365 164	2.31
Intrinsic value outstanding options at the end of the period	11 351 343	23 794 537	24 000 000	69 144 760
Intrinsic value vested options at the end of the period	4 968 991	10 726 699	2 783 493	12 326 744

Details concerning outstanding options as of 31 December 2013 are given below:

	Outstanding Options			Vested options	
Exercise price	Outstanding Options Per 31 Dec. 2013	Weighted average remaining Contractual Life	Weighted Average Exercise Price	Vested options Per 31 Dec. 2013	Weighted Average Exercise Price
0,00 - 2.25	265 000	0.50	2.25	265 000	2.25
2.25 - 2.50	8 597 007	1.00	2.50	4 161 328	2.50
2.50 - 5.00	2 489 336	2.00	3.00	542 663	3.00
5.00 -	8 490 000	3.00	6.25	-	-
Total	**19 841 343**	**1.98**	**4.16**	**4 968 991**	**2.54**

Warrants

The initative takers for the Geohysical segment was granted 7 990 000 warrants in December 2010. In 2013 the total of 2 397 000 warrants are excericed, giving an ending balance at 31 December 2013 of 5 593 000 warrants.

Each warrant gives the holder the right to subscribe one share in the Parent company of NOK 2.00 par value against the payment of NOK 2.50 (the warrant's exercise price). The warrant's exercise price corresponds to the subscription price in the placing.

Half of the warrants may be exercised when the weighted average price of the shares for the last 30 trading days prior to exercise exceeds NOK 3.75. The other half of the warrants may be exercised if the weighted average price of the shares for the last 30 trading days prior to exercise exceeds NOK 5.00. The deadline for exercise of the warrants expires on 20 December 2015.

The fair value of the warrants was estimated to NOK 15 025 000 based on a Monte Carlo simulation where the following assumptions had been used:
a) The warrants are calculated as European with a lifetime equal to the contract time
b) The risk-free interest rate is 3,0398%, which is based on Norges Bank's government bond yield on the issue date
c) Volatility is set at 60% based on historic volatility of comparable businesses as the Group's historical share price does not reflect future volatility due to a significant change in the Group's business
d) No payment of dividends is expected in the period prior to the deadline for exercise of the warrants

The warrants have been accounted for in accordance with IFRS 2, Share-based payment. Based on the fact that the warrants have been finally awarded the estimated value of the warrants was expensed in 2010 against other paid-in equity.

Parent Company

During the period which ended 31 December 2013, the Parent company has had share-based payment arrangements for employees as described below:

	2010 Share Incentive Programme Geophysical	2012 Share Incentive Programme Geophysical
Type of arrangement	Equity based	Equity based
Dates of Grant	25 Jan. 2011	13 Dec. 2012
Options granted as of 31 Dec. 2013	1 594 000	840 000
Outstanding options as of 31 Dec. 2013	629 334	840 000
Contractual life	3.93 years	4.05 years
Vesting conditions	1/3 vests after the release of 2011 Q4 figures 1/3 vests after the release of 2012 Q4 figures conditional on certain performance criteria being met 1/3 vests after the release of 2013 Q4 figures conditional on certain performance criteria being met	1/3 vests after the release of 2013 Q4 figures 1/3 vests after the release of 2014 Q4 figures conditional on certain performance criteria being met 1/3 vests after the release of 2015 Q4 figures conditional on certain performance criteria being met
Expiry date	31 Dec. 2014	31 Dec. 2016
Other	All options are vested as of 31 Dec. 2013	

According to guidelines in IFRS 2 all of these performance conditions are non-market conditions and the Group will report the expected quantity to vest or the expected vesting date at each reporting period.
The performance criteria for two thirds of the grants are non-market conditions and combinations of internal utilisation and operational criteria.
All performance criteria are met, and 100% of the granted options are vested as of 31 December 2013.

Options granted in 2013:
No options are granted in 2013

2013 Share Incentive Programme assumptions and features:
Risk free interest rates used are interest rate from Norges Bank on the Grant date (bond, cerficicates and bills retrieved from Norges Bank). The term of the rates is equal to the expected term of the option being valued. Where there is no exact match between the term of the interest rates and the term of the options, interpolation is used to estimate a comparable term.
Employees are on average expected to exercise the options a half year after they have vested.

Expected volatility is based on historical volatilities of similar entities in the seismic industry.
The guidelines in IFRS 2, B29 are used to estimate expected volatility.

Total expense related to share based payment exclusive of social security recognised in 2013 is USD 464 thousands.
Total amount recognised in equity in 2013 is USD 2 307 thousands.

Further details of the option programme is as follows:

Group Grants	2013		2012	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at the beginning of period	**1 975 667**	**4.11**	**1 363 000**	**2.49**
Granted	-	-	865 000	6.25
Exercised	-481 333	2.50	-252 333	-
Forfeited	-25 000	-	-	-
Outstanding at the end of period	**1 469 334**	**4.64**	**1 975 667**	**4.11**
Vested options	200 000	2.50	252 000	2.50
Weighted Average Fair Value of Options Granted during the period	-	-	865 000	2.31
Intrinsic value outstanding options at the end of the period	629 334	1 384 535	1 975 667	5 432 935
Intrinsic value vested options at the end of the period	200 000	440 000	252 000	1 108 800

NOTE 23 continues >

Details concerning outstanding options as of 31 December 013 are given below:

	Outstanding Options			Vested options	
Exercise price	Outstanding Options Per 31 Dec. 2013	Weighted average remaining Contractual Life	Weighted Average Exercise Price	Vested options Per 31 Dec. 2013	Weighted Average Exercise Price
2.25 - 2.50	629 334	1.00	2.50	200 000	2.50
5.00 -	840 000	3.00	6.25	-	-
Total	1 469 334	2.14	4.64	200 000	2.50

NOTE 24: TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Consolidated accounts

In thousands of USD	2013	2012
Current portion of financial lease obligation	3 532	10 677
Current portion of long-term debt	19 500	11 333
Short-term debt and current portion of long-term debt	**23 032**	**22 010**
Accounts payable	**40 809**	**35 434**
Project partnershare	**2 005**	**7 396**
Prepaid revenue	7 193	2 259
National insurance contribution, payroll taxes and VAT	850	1 194
Accrued interest	1 430	676
Accrued holiday allowance, bonus and other personnel charges	753	659
Other current liabilities	2 586	7 463
Other short-term liabilities	**12 813**	**12 250**
Total	**78 658**	**77 090**

Financial liabilities are as follows:

In thousands of USD	2013	2012
Non-current lease liabilities	5 619	21 669
Current portion of financial lease obligation	3 532	10 677
Interest bearing loan	168 056	94 417
Total interest bearing financial liabilities	**177 207**	**126 764**
Accounts payable	40 809	35 434
Project partnershare	2 005	7 396
Prepaid revenue	7 193	2 259
Other non-interest bearing financial liabilities	5 619	9 992
Total non-interest bearing financial liabilities	**55 627**	**55 080**

Aging of accounts payables was as follows for the last two years:

			Overdue			
In thousands of USD	Total	Not due	Less than 30 days	30-60 days	60-90 days	More than 90 days
2013	40 804	35 100	4 670	795	240	-
2012	35 434	29 764	4 492	209	770	200

Parent company

In thousands of USD	2013	2012
Short-term debt	1 333	1 333
Short-term debt and current portion of long-term debt	**1 333**	**1 333**
Accounts payable	**91**	**447**
National insurance contribution, payroll taxes and VAT	116	71
Accrued interest	1 220	533
Accrued holiday allowance, bonus and other personnel charges	153	112
Other current liabilities	151	321
Other short-term liabilities	**1 640**	**1 038**
Total	**3 064**	**2 818**

Financial liabilities are as follows:

In thousands of USD	2013	2012
Interest bearing loan	136 066	71 917
Total interest bearing financial liabilities	**136 066**	**71 917**
Accounts payable	91	346
Inter-company accounts payables	21 010	101
Other non-interest bearing financial liabilities	1 640	1 038
Total non-interest bearing financial liabilities	**22 741**	**1 485**

Aging of accounts payables was as follows for the last two years:

			Overdue			
In thousands of USD	Total	Not due	Less than 30 days	30-60 days	60-90 days	More than 90 days
2013	21 101	15 700	388	1 617	7	3 389
2012	447	123	324	-	-	-

In thousands of USD	2013	2012
Dolphin Geophysical AS	17 042	-
Dolphin Interconnect Solutions AS	466	26
Dolphin Geophysical Ltd	3 484	74
Dolphin Assets 1 AS	18	1
Total	**21 010**	**101**

NOTE 25: COLLATERAL AND GUARANTEES

Consolidated accounts

Guarantees:
As a part of its operations the Group may from time to time be required to have a financial institution to issue bid-, performance or other type of guarantees to some of its counterparts. In these circumstances the Group will normally be required to issue an unconditionally and irrevocably counter guarantee to the financial institution. As of 31 December 2013 the Group has given such counter guarantees for a total amount of about USD 5.1 million, and in 2012 about USD 2.0 million.

NOTE 25 continues >

Pledges:
As a part of its operations Dolphin will from time to time be required to set up a restricted bank deposit as security for its contractual commitments with its counterparts. As of 31 December 2013 the Group has pledged restricted bank deposits for a total amount of about USD 9.9 million, and in 2012 for USD 9.7 million.
The Group has entered lease agreements with several counterparties for leasing of seismic equipment onboard the two Artemis vessels and leasing of office and processing equipment. In the consolidated financial statements these lease agreements are accounted for as financial leases with the value of the assets on the balance sheet and the leasing commitment as a financial liability. All of these assets are formally owned by the lease counter parts.

Covenants:
As a part of the time Group's obligation under the time-charter for the seismic vessel Polar Duchess both Dolphin Geophysical AS (as charterer) and Dolphin Group ASA have undertaken certain financial covenants.
The charterer (Dolphin Geophysical AS) has undertaken the following financial covenants (calculated on statutory financial statements for the Group):
- The charterers' current assets to current liabilities (less the next six months installments on long-term debt) are required to be positive
- Requirement to have an equity ratio of minimum 30%

In connection with Dolphin Group ASA's unconditionally and irrevocably guarantee for Dolphin Geophysical AS' (as charterers) full and timely performance of under the time-charter the following financial covenants (calculated on consolidated financial statements) have been undertaken by Dolphin Group ASA:
- Cash and cash equivalents shall at least be equal to the next six months payment of interest and installments excluding any balloon payments
- The ratio of the current assets to current liabilities shall be positive
- Requirement to have an equity ratio of minimum 30%

From 1 January 2012 it was required that the ratio EBITDA (on a 12 month rolling basis) to consolidated payments of interest and installments minimum should be 1.5

The Group has also entered into a loan facility with DNB Bank ASA and Sparebank 1 SR-Bank ASA.
Dolphin Geophysical AS signed in May 2013 an increase in a credit facility with USD 30 million and in November further increased with USD 20 million to USD 93 million. The purpose of the facility is to partly finance the seismic equipment for the vessel Sanco Swift, Sanco Sword and Polar Marquis. The facility amount is split in three tranches and limited to 55% of cost price of the seismic equipment. The loan has an interest rate of 3 months LIBOR plus a margin of 400 bascedule repayment for each trance.
Dolphin Geophysical AS has given an unconditional and irrevocable guarantee to the banks for loan facility.
The following main securities have been established for the loan facility:
- First priority mortgage on the seismic equipment in amount equal to at least 130% of the facility amount plus interest
- First priority assignment of earnings and first priority assignment of receivables
- First priority assignement of relevant guarentees and warranties from the suppliers of the seismic equipment (if relevant)
- First priority floating charge over all operating bank accounts of the obligors
- First priority pledge over all shares directly or inderectly owns in subsidaries that currently are, or become, material subsidaries
- First priority assignment of insurances and any requistion compensation related to the seimic equipment
- Frist priority pledge over the Mult-Client library, provided however may reguest limit the amount of such first priority pledge if and when decides to finance further investment in the Multi-Client library
- First priority floating charge of any Inventory. Unconditional and irrevocable on-demand guarentee from the guarentor

As a guarantor for the loan facility Dolphin Group ASA has undertaken the following financial covenants for the Group (calculated on the consolidated financial statement for the Group):
- Free cash and cash equivalents of minimum USD 10 million until 1 May 2014 and therafter USD 15 millions
- Requirement to have a book equity ratio of minimum 40%
- Working capital excluding current portion of long-term debt to be positive at all time
- Gearing ratio total interest-bearing debt (including leasing) divided by EBITDA from Q1 2014 to be maximum 1.75 and from Q1 2015 to be maximum 1.50

Any new debt not already approved by the lenders shall be included in the calculation by 1/4 in the subsequent quarter of incurring the debt and to be increased by 1/4 of the debt in each of the following three quarters.

Further the Dolphin Group ASA undertakes to not make any dividend payments, repurchase of shares that exceeds NOK 20 million per calendar year or any other capital distributions to its shareholders without prior written consent from the Lenders. The Group further undertakes to not increase its vessel capacity other than planned without the prior written consent from the Lenders.

Dolphin Group ASA also successfully completed the issuance of NOK 500 million in the Norwegian bond market as DOLP02, with maturity 5 December 2017. The Parent company swapped in 2013 50% of DOLP02 in currency SWAP USD, and swapped in 2012 DOLP01 into a fixed currrency interest rate of 8,86%. See further specification in note 16.

Dolphin Group ASA financial covenants require at all times during the term of the Bond Issue, maintain (on a consolidated basis for the Group)
Liquidity of minimum USD 10 million
Equity Ratio of minimum 35% (excl. Multi-Client)
Interst Coverage Ratio of no less than 2.5:1

All the financial covenants was met as of year-end 2013.

Parent company
Guarantees:
As a part of financing and funding the operations of its subsidiaries, Dolphin Group ASA has given guarantees to counterparties or financial institutions. As of 31 December 2013 Dolphin Group ASA has given the following guarantees:
Unconditionally and irrevocably guarantees for Dolphin Geophysical AS' (as charterers) full and timely performance of each and every obligation under time-charter that Dolphin Geophysical AS has entered for the seismic vessels Polar Duchess.
Unconditionally and irrevocably guarantees for a leasing commitment that Dolphin Assets I AS has entered. The guarantee is limited to NOK 84 million.
Unconditionally and irrevocably guarantees for a leasing commitment that Dolphin Geophysical AS has entered regarding processing equipment.
Unconditionally and irrevocably counter guarantees for performance and bid guarantees issued by financial institutions for a total amount of about USD 5.1 million in 2013 and USD 2.0 million in 2012.

Pledges:
As a part of financing and funding the operations of its subsidiaries, Dolphin Group ASA has pledged some bank deposits to financial institutions as a security for performance and bid guarantees issued by the financial institutions. As of 31 December 2013 a total of USD 0.1 million in bank deposits were pledged in this respect, same as in 2012.

Covenants:
In connection with Dolphin Group ASA's unconditionally and irrevocably guarantee for Dolphin Geophysical AS' (as charterers) full and timely performance of under the time-charter for the vessel Polar Duchess, the Parent company has undertaken certain financial covenants (calculated on consolidated financial statements). The detailed covenants undertaken are outlined under the covenant section description for the Group accounts above.

The Group has entered into a loan facility with DNB Bank ASA and Sparebank 1 SR-Bank ASA. These guarantees, pledged assets and financial covenants are outlined above under the consolidation amount.

Dolphin Group ASA successfully completed the issuance of NOK 500 million in the Norwegian bond market as DOLP02, see covenants section above. The financial covenants are maintained on a consolidated basis for the Group.

All the financial covenants was met as of year-end 2013.

NOTE 26: LEASES

The Group as a lessee – financial leases

The Group has three financial leases, where all are subject to floating interest rate.
There is no adjustments to the rates in the leasing periods.

The assets under financial leases are as follows:

In thousands of USD	2013 Seismic Equipment	2012 Seismic Equipment
Seismic equipment and vessel	19 702	73 251
Office/Processing equipment	2 674	-
Accumulated depreciation	-11 483	19 584
Net carrying amount	**10 893**	**53 667**
Current portion of long-term debt	3 532	10 677
Non-current lease liabilities	5 619	21 669

Overview of future minimum lease payments:

In thousands of USD	2013 Seismic Equipment	2012 Seismic Equipment
Next 1 year	3 893	12 027
1 to 5 years	5 811	23 478
After 5 years	-	-
Future minimum lease payments	**9 704**	**35 505**
Effective interest rate	5,5 %	5,1 %
Interest	5,3 %	4,9 %

Present value of future minimum lease payments:

In thousands of USD	2013 Seismic Equipment	2012 Seismic Equipment
Of which:		
- current liabilities	3 532	10 677
- long-term liabilities	5 619	21 669
Present value of future minimum	**9 151**	**32 346**

The Group as a lessee – operating leases

In thousands of USD	2013	2012
Timecharter agreements	335 702	374 181
Office rents + other lease facilities	7 944	5 967
Total	**343 646**	**380 148**

As of 31 December 2013 the Group operates five vessels under time charter agreements. These are the Sanco Swift, the Polar Duke, the Polar Duchess, the Artemis Atlantic and the Artemis Arctic.
Sanco Sword is included with five year time charter from 1 April 2014. In addition Polar Marquis is included with three and a half year from 1 February 2014 and the newbuild "Super Duke" is included with five years from 15 March 2015.

The future minimum rents related to non-cancellable leases fall due as follows:

In thousands of USD	2013	2012
Within 1 year	68 496	42 989
1 to 5 years	250 437	278 147
After 5 years	24 713	59 012
Total	**343 646**	**380 148**

The Parent as a lessee – operating leases

In thousands of USD	2013	2012
Office rents + other lease facilities	469	706
Total	**469**	**706**

The future minimum rents related to non-cancellable leases fall due as follows:

In thousands of USD	2013	2012
Within 1 year	209	217
1 to 5 years	261	489
After 5 years	-	-
Total	**469**	**706**

NOTE 27: PENSIONS

Consolidated accounts

Some of the companies in the Group are obliged by Norwegian pension legislation, to have a pension plan. The companies in the Group have a defined contribution plan which is in compliance with legislation, and was valid in both 2013 and 2012.
The legal entity in UK, introduced a defined contribution plan in August 2013, and the plan is governed by the law of England.
As of 31 December 2013 there were 305 members in the scheme compared to 228 members in 2012. All pension schemes are administered by a life insurance company.

The contribution expenses for the consolidated accounts in 2013 was USD 3.402 thousands and USD 2 113 thousands in 2012.

Parent company

The contribution expenses for the Parent company in 2013 was USD 38 thousands and USD 36 thousands in 2012.

NOTE 28: NET INTEREST BEARING DEBT

Consolidated accounts

In thousands of USD	2013	2012
Cash and cash equivalents	75 444	77 536
Interest bearing receivables	6 783	6 760
Short-term debt and current portion of long-term debt	-23 032	-22 010
Long-term debt	-154 175	-104 753
Adjust for deferred loan cost (offset in long-term debt)	-5 650	-2 851
Total net interest bearing debt	**-100 629**	**-45 318**

Parent company

In thousands of USD	2013	2012
Cash and cash equivalents	42 541	723
Short-term debt and current portion of long-term debt	-1 333	-1 333
Long-term debt	-134 732	-70 584
Adjust for deferred loan cost (offset in long-term debt)	-3 769	-2 342
Total net interest bearing debt	**-97 294**	**-73 536**

NOTE 29: PROVISIONS FOR CONTINGENT LIABILITIES AND ASSETS

Consolidated accounts

In 2013 the Group has provisions for contingent considerations as of 31 December 2013 of USD 1.87 million. This is related to the aquring of assets in Quantum Geoservices PTE Ltd and to the aquring of the shares in Open Geophysical Inc in US, done in April 2012. The amount is related to certain performance criteria to be meet during the next two years. The management of Dolphin finds it more than likely the it will be achived.

There are no contingent assets.

Parent company

There are no contingent liablities or assets in the Parent company.

NOTE 30: OVERVIEW OF INVESTMENTS IN GROUP COMPANIES AND OTHER COMPANIES

The Dolphin Group consists of:

Company	Country	Main business	Ownership	Voting power
Dolphin Geophysical AS	Norway	Geophysical services	100%	100%
Dolphin Geophysical PTE Ltd	Singapore	Geophysical services	100%	100%
Dolphin Geophysical Inc	USA	Geophysical services	100%	100%
Dolphin Geophysical Ltd	United Kindom	Geophysical services	100%	100%
Dolphin Asset 1 AS	Norway	Geophysical services	100%	100%
Dolphin Geophysical Do Brazil Ltda	Brazil	Geophysical services	100%	100%
Open Geophysical Inc	USA	Geophysical services	100%	100%
Dolphin Interconnect Solutions AS	Norway	Product development and sales IT	100%	100%
Dolphin Interconnect Solutions NA Inc	USA	Product development and sales IT	100%	100%

Parent company

							In thousands of USD	
Company	**Country**	**Main business**	**Ownership**	**Voting power**	**Cost price**	**Equity**	**Net profit 2013**
Dolphin Geophysical AS	Norway	Geophysical services	100%	100%	297 791	315 092	7 675
Dolphin Interconnect Solutions AS	Norway	Product development and sales IT	100%	100%	3 107	3 024	-327

NOTE 31: ENVIRONMENTAL CONDITIONS

The Group interacts with the external environment through the collection of seismic data and operation of vessels. The Group continues to work actively to minimise any impact on the environment. Regular monitoring and controls are carried out in order to limit the risk of pollution. It is the Group's policy to comply with national and international regulations.

NOTE 32: TRANSACTIONS WITH RELATED PARTIES

All related party transactions have been entered into on terms equivalent to those that prevail in arm's length transactions.

Transactions between group companies
Transfer pricing policy:
Dolphin Group ASA is the Parent company in the Group and provides management services to the subsidiaries, Dolphin Geophysical AS, for cost + 5% margin each month. If required the Parent will provide subsidiaries with funding through internal loans and re-payment will be made according to internal loan agreements or transfer pricing agreement and with an internal Group interest charge.

Dolphin Geophysical AS is the Parent company of Dolphin Asset 1 AS, Dolphin Geophysical Pte Ltd, Dolphin Geophysical Ltd and Dolphin Geophysical Inc. The operating seismic vessels purchase services from its 100% subsidiaries and these services and costs are recharged at cost + 5% margin.
Further, the Parent company provides accounting, salary, IT-support and other management services to the subsidiaries for cost + 5% margin each month.

If required, Dolphin Geophysical AS will provide subsidiaries with funding through internal loans and re-payment will be made according to transfer pricing agreements and with an internal Group interest charge.

Dolphin Geophysical Ltd is the owner of the Multi-Client seismic data library and use internal services from other companies in the Group at cost + 5% margin.

The sales and marketing services for Dolphin Geophysical AS is organised and provided by the Dolphin UK and US subsidiaries based on cost + % margin each month.

The processing service line in the Group has its center in Dolphin UK and provides management services to US and Singapore for cost + 5% margin.

NOTE 33: POST BALANCE SHEET EVENTS

Successful delivery of Sanco Sword
The newly built high-capacity seismic vessel Sanco Sword was successfully delivered 27 March 2014. The vessel is taken on an initial 5-year Time-Charter agreement with the Norwegian vessel owner Sanco Shipping AS.

At 27 March 2014, the same day the vessel was launched, Sanco Sword mobilised to commence acquisition of two new and highly prefunded Multi-Client 3D projects in the Barents Sea. The Gohta North and Maud Basin South 3D surveys, totalling almost 6 200 sq.km, will be acquired using the SHarp Broadband acquisition and processing techniques, which are proven, established and globally recognised by industry. At 9 April 2014 Sanco Sword was in full seismic production with 12 seismic cables of 7 km length on the Gohta North and Gohta East Multi-Client surveys in the Barents Sea.

The prospective Gohta survey areas are planned and designed together with local area operators, which also provide project pre-funding to allow for the survey to be acquired in time for the Norwegian 23rd and APA 2014 licensing round.

Updated backlog
With the announced contract awards in 2014, Dolphin has secured a total backlog of approximately USD 270 million as per 1 April 2014.

RESPONSIBILITY STATEMENT

The Board of Directors and the CEO have today discussed and approved the annual report and financial statements for the Dolphin Group ASA (the Parent company) and the Group, the consolidated accounts, for both the calendar year 2013 and at the end of 31 December 2013. The consolidated financial statements have been prepared in accordance with the EU-approved IFRS standards and interpretations, together with the additional disclosure requirements in the Norwegian Accounting Act to be applied per 31 December 2013. The financial statements for the Parent company are prepared in accordance with EU-approved IFRS standards and the provisions on simplified IFRS in the financial statements contained in the Norwegian Accounting Act § 3-9, 5 paragraph.

The annual report for the Group and the Parent company is in compliance with the Accounting Act.

To the best of our knowledge;

- 2013 financial statements for the Group and the Parent company are prepared in accordance with applicable accounting standards
- providing information in the financial statements gives a true and fair view of the Group and the Parent company's assets, liabilities, financial position and results of operations as of 31 December 2013

- the board of directors report provides the Group and the Parent company a fair review of
  - development, performance and position of the Group and the Parent company
  - the most important risks and uncertainties the Group and the Parent company faces

Oslo, 25 April 2014

Board of Directors
Dolphin Group ASA

Tim Wells (Chairman) Terje Rogne (Deputy Chairman) John Rae Pickard (Board member)

Eva Kristensen (Board member) Toril Nag (Board member) Olav Vinsand (Board member – employee rep.) Atle Jacobsen (General manager)

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To the Annual Shareholders' Meeting of Dolphin Group ASA

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Dolphin Group ASA, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2013, income statement, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet as at 31 December 2013, statement of comprehensive income, changes in equity, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Chief Executive Officer's Responsibility for the Financial Statements

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with simplified IFRS pursuant to § 3-9 of the Norwegian Accounting Act and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors and the Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BDO

Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of Dolphin Group ASA as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with simplified IFRS pursuant to § 3-9 of the Norwegian Accounting Act.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the group Dolphin Group ASA as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

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 and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

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.

Oslo, 25 April 2014
BDO AS

Børre Skisland

Børre Skisland
State Authorised Public Accountant (Norway)

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