Q1

INTERIM REPORT 1ST QUARTER 2014 OCEANTEAM SHIPPING ASA

OCEANTEAM SHIPPING

OCEANTEAM SHIPPING ASA – Q1 2014 INTERIM REPORT

Issue date 22nd May 2014

INCREASED ACTIVITY AND STRATEGIC MOVES

During the first quarter Oceanteam Shipping ASA increased its level of activity with start up of several new contracts for RentOcean, its marine asset services division. The Company increased its strategic ownership in the design engineering firm KCI to 100 % and commenced an investment programme named "The Next Step". The most significant event during the quarter was the founding of a new joint venture named "DOT Shipping" together with Grupo Diavaz to prepare for the expected growth of the market in Mexico.

Grupo Diavaz provides a wide range of integrated services to the Mexican oil company PEMEX and was founded in 1973. This new joint venture company will focus on providing high-end vessel solutions and marine asset services in Mexico.

Oceanteam Shipping is an offshore shipping company. Oceanteam's business is the owning, chartering and managing of deepwater offshore construction service and pipe lay vessels.

In addition, Oceanteam Shipping provides complementary engineering services consisting of both engineering & design services and marine asset services.

For more information about the Company:

www.oceanteam.no
www.rentocean.com
www.kci.nl

HIGHLIGHTS FOR THE QUARTER

- Revenue from operations USD 15.1 million for the quarter.
- EBITDA from operations is positive USD 6.7 million for the quarter.
- Operating profit of USD 4.2 million.
- Net finance negative USD 3.7 million.
- CSV Southern Ocean is 100 percent consolidated from the first quarter due to change in control effective from 2014. This is related to implementing of IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements.
- Oceanteam takes 40 % stake in new offshore shipping company. DOT Shipping is a joint venture founded together with Grupo Diavaz focusing on the Mexican market.
- Oceanteam has acquired ownership of the remaining 30 % shares in KCI, design and engineering services.
- RentOcean delivered to CEONA a 2.000T modular carousel system in Brasil for 1 year plus options.
- RentOcean awarded a contract by LS Cable South Korea for a second 4.000T modular carousel system for 1 year plus options.
- Bergen District Court upheld Oceanteam's appeal in the legal case against Sawicon and NSS.

KEY FIGURES FOR THE GROUP

GROUP Figures in USD '000

	Q1 2014	Q1 2013	2013**	2012*	2011*	2010*
Revenue	12 607	8 120	60 090	64 269	61 208	46 988
Net income of joint ventures & associates	2 481	4 131	2 561	2 268		
Operating costs	(3 581)	(4 290)	(19 268)	(23 384)	(24 651)	(21 797)
General & administration	(4 837)	(3 726)	(18 398)	(14 423)	(11 795)	(8 139)
EBITDA	**6 670**	**4 235**	**24 983**	**28 730**	**24 762**	**17 052**
EBITDA percentage of revenue	**44 %**	**35 %**	**40 %**	**43 %**	**40 %**	**36 %**

* Joint venture companies and assoiciates reported by using proportionate consolidation.
** Joint venture companies and associates reported by using equity consolidation.

The shipping segment consists of interests in three multipurpose Construction Support Vessels, one Pipe Lay Vessel and two Fast Support Vessels. All vessels have been fully employed except for the CSV Southern Ocean which has been on a reduced stand by rate during most of the quarter. CSV Southern Ocean recommenced work in March and is expected to be fully utilised for the coming quarters.

KCI, designs and engineers complete platforms and infrastructure for the oil & gas and renewables industry, deck layouts, cable & pipelay solutions and HSE procedures.

RentOcean, marine asset services, rents out a pool of lay and burial equipment, lay and storage carousels and on and offshore service personnel. In addition, the company participates in a joint venture called OceanWind BV for cable handling, transport and storage solutions.

USD million	Q1 14	Q1 13	%	2013
Revenue	**15,1**	**12,3**	**23 %**	**62,7**
Operating costs	(3,6)	(4,3)	(17 %)	(19,3)
EBITDA	**6,7**	**4,2**	**58 %**	**25,0**

2014 OPERATIONS

- CSV Southern Ocean has been on stand-by rate from the start of the year until the beginning of March. The vessel is booked until end 2018 plus 2 x 1 year options with Fugro TS Marine Australia.
- CSV Bourbon Oceanteam 101 is on a time charter with Oceaneering / BP Angola and the vessel had full utilisation.
- CSV North Ocean 102 has been on bareboat charter with J. Ray McDermott S.A. and had full utilisation.
- Lay Vessel North Ocean 105 has been on time charter with J. Ray McDermott S.A.and had full utilisation.
- Oceanteam's Fast Support Vessels have been working in Venezuela and had full utilisation.
- RentOcean, marine asset services, has been starting up multiple contracts during the quarter and has significantly increased its back log for 2014 with contract awards from CEONA, E.ON, LS Cable and its OceanWind joint venture.

KCI, design engineering services, even though utilisation has been somewhat lower than expected, has been working on various contracts for multiple clients in both the oil & gas and offshore renewables market. In addition significant resources have been allocated to The Next Step programme initiated in October 2013, started off by significantly strengthening the company's management team and structure. KCI has had an average of 140 engineers working on the following multi discipline projects:

- Assistance in field development plan for oil & gas operator on the Dutch onshore sector.

- Concept development and basic design of a deck-layout for a cable laying vessel.
- Basic of foundation jackets for a sub-station on the English sector of the North Sea.
- Completed the detailed design and provided fabrication assistance for a pile gripper.
- Completed basic design of the Dubai I, a big observation wheel as part of Dubai Bluewaters development.
- Design for a process upgrade of an offshore topside production platform on the Dutch Sector of the North Sea.
- Vermillion France and the Netherlands, Skid design and location re-design.

MARKET AND FUTURE OUTLOOK

Stable oil prices have strengthened our markets and the Company expects, also as a result of its revised strategy and The Next Step programme, that this will increase the demand for the integrated services Oceanteam provides.

As a consequence of the divergence between oil and gas demand and production predicted for the future, oil and gas prices are forecasted to increase further. Exploration and production activities are likely to increase, as will the demand for large construction support vessels. In certain regions, in particular Latin America, Australia and West Africa, exploration and production activities are growing strongly. Geopolitical tension will make certain regions develop faster or slower and therefore the Company has chosen to focus on stable regions or to team up with strong local partners.

In Western Europe many offshore wind parks have been delayed due to funding or supply chain problems and cost overruns. During 2014 and for the years to come, the Company expects demand to increase for renewable energy related services but exact start dates remain uncertain. Overall the market is expected to grow. This will lead to an increased demand for support vessels and associated services. The focus of the industry is on cutting installation and maintenance costs and using flexible solutions, which Oceanteam believes it can provide.

Larger wind farms allow improved fixed cost allocation, but also increased project complexity and increased demand for engineering services.

The oil and gas price influences oil companies' priorities and choices between new developments, upgrades to existing facilities and commitments to recovery from producing fields. Fluctuations in oil prices also affect the renewable energy market and thereby affect activity in both of Oceanteam's main markets.

Oceanteam Shipping is confident and has secured sufficient projects in both the oil and gas and the renewable energy markets to maintain a high level of utilization of its assets and engineers.

In addition the Company allocated significant resources in 2013 to preparing the Company for growth. A significant step in 2014 has been the establishment of a joint venture with Grupo Diavaz in Mexico named DOT Shipping. The Company is to provide, in this captive market, vertical integration fleet engineering solutions for the Mexican market. Through this joint venture Oceanteam operations will grow throughout the coming years.

The shipping segment is based on long term contracts and the Company has a long track record of securing such contracts. The current back log on a 100 % basis is: USD 111 million, excluding options.

KCI, design engineering services is built on a 26 year track record of multiple short term contracts of different sizes and durations.

RentOcean has started its first two major oil & gas contracts for supply to South Korea and Brazil in addition to the historically strong offshore renewables market for the business.

The current back log of our marine assets is USD 36 million and major projects have been started up in Q1 2014. The Company's strategy is to focus on the provision of ''state of the art'' construction support and flex lay vessels plus engineering and equipment services for the oil and gas and offshore renewable energy market.

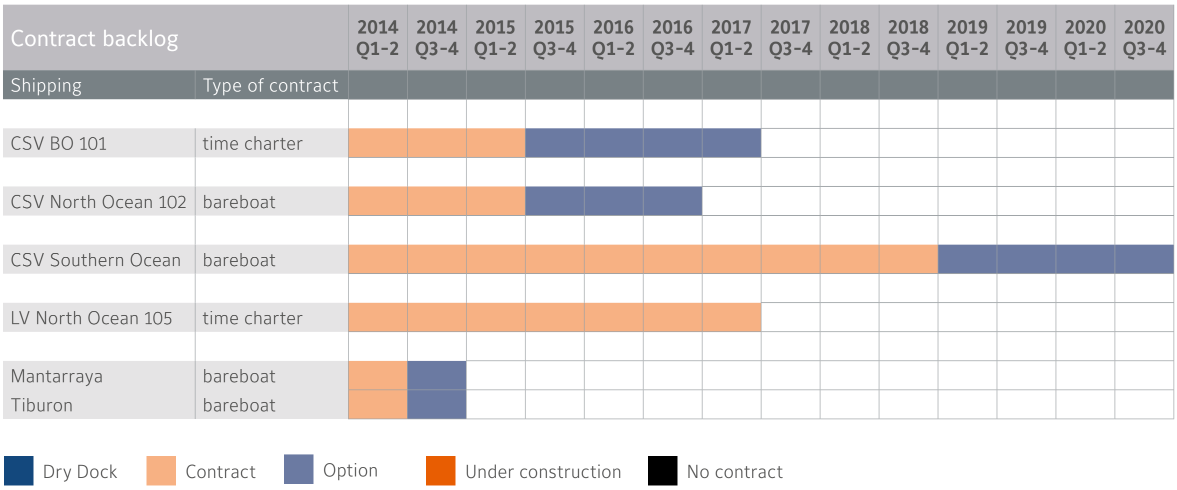
This strategy will provide the Company with excellent opportunities in the near future. The Company is experiencing strong interests for its vessels, equipment and services from globally leading companies.

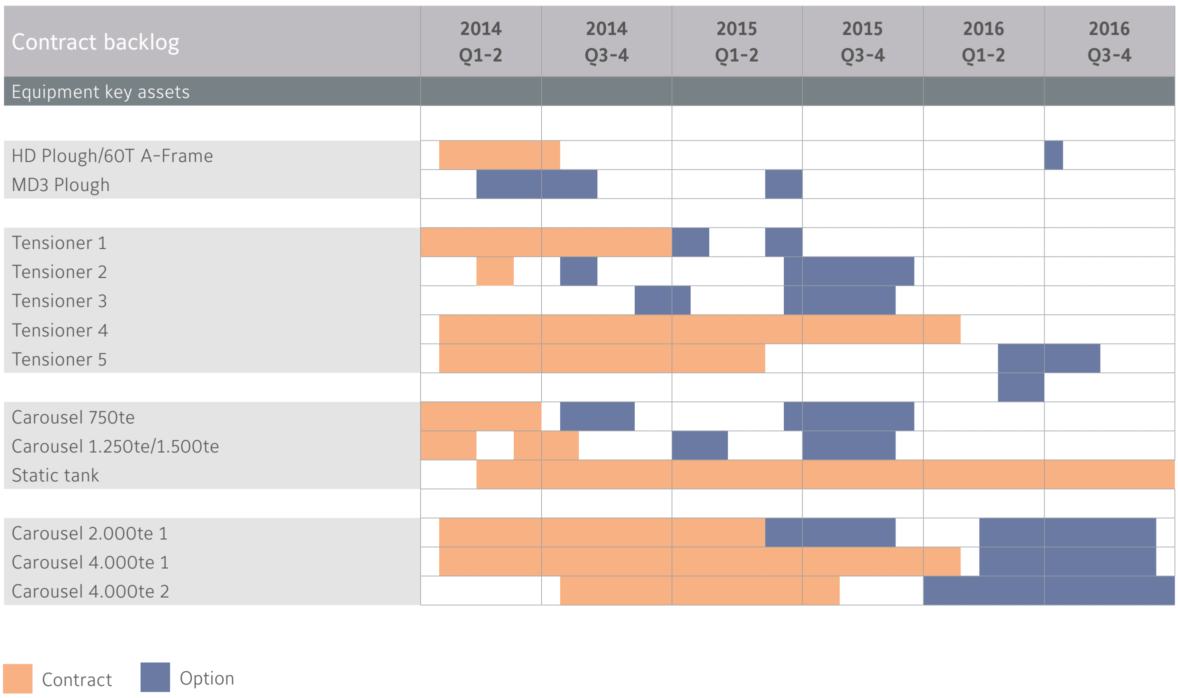
FINANCIAL RISK

The Company is exposed to financial risk in different areas. Financial risks include interest rate and currency fluctuations, investment and trading risks in general, borrowing and leverage and risk in connection with the vessels built under the Spanish tax lease system. The Lay Vessel North Ocean 105 will be under the Spanish tax lease structure until 28 February 2015.

The Company has sales revenues and liabilities in foreign currencies and is exposed to currency risks. Two thirds of the revenue are in USD while the remaining third is in EURO. Since the reporting currency is in USD the foreign exposure is for liabilities in the EURO and its fluctuations with USD.

The Company is exposed to changes in interest rates as the bulk of its debt has floating rates. Lay Vessel North Ocean 105 was financed in USD for the construction costs hedged in EURO. Long-term post construction finance has been secured in USD where the interest rate is fixed. In the loan agreement for the CSV Bourbon Oceanteam 101 and CSV Southern Ocean 50 percent of the Libor interest rates are fixed. This protects the Company from volatile interest





rate fluctuations. The USD bond loan and the loan for the North Ocean 102 have a floating quarterly LIBOR. With the new debt maturity secured in 2012 and the forward interest curves, the Company sees a satisfactory risk level. The objective of the Company is to reduce financial risk as much as possible. Current strategy includes the use of financial instruments, but is largely based on natural hedging where income streams and costs are matched for the various projects. This however is continuously being assessed by the management and the Board of Directors.

Oceanteam Shipping's balance sheet is leveraged with USD 148 million in non-current liabilities excluding its first year's installments.

LIQUIDITY RISK

At quarter end the working capital and liquidity position of the Company is satisfactory. The Group is working to support its growth in the RentOcean & KCI businesses by securing external equipment finance. The quarter was effected by the startup of significant projects within RentOcean requiring investment and working capital. The parent Company, Oceanteam Shipping ASA depends on liquidity flows from subsidiaries and the joint venture companies owned with its joint venture partners. There is an estimated amount of NOK 145 million to be paid up to Oceanteam Shipping ASA in 2014.

As of 31 March 2014 the Company still had some legal cases pending but the probability of a positive outcome of the cases is high according to our legal advice. The Company sued Sawicon AS for the infringement of the Company's rights for the development of the North Ocean 100 series. Gulating Court of Appeal has invalidated Bergen City Court's previous verdict in favour of Sawicon AS. Gulating Court of Appeal released Oceanteam from the obligation to pay the legal costs incurred by Sawicon AS and North Sea Shipping AS in connection with the Bergen City Court case. The change in first quarter compared to fourth quarter figures is USD 600.000 from the above court case. As a consequence of the ruling there no longer exists an applicable court decision regarding the rights to the North Ocean 100-series design and the case will have to be re-opened in Bergen District Court. Oceanteam Shipping ASA is pleased that Gulating Court of Appeal has recognized Oceanteam's objections to the application of the procedural rules by Bergen City Court. The court case against Sawicon and North Sea Shipping will continue in 2014 and all costs are recorded as they occur.

All outstanding trade receivables for the shipping segment of approximately USD 1 million were received. For the engineering segment, of USD 4.8 million of outstanding trade receivables per quarter end, USD 3.4 million has already been received in 2014.

INVESTMENTS

RentOcean is in the process of expanding its equipment pool with new carousels, loading towers, reels and associated services. Three major projects have been started up requiring investment and working capital. Q2 and Q3 main income milestones will be achieved. KCI, design engineering services, has been working on various contracts for multiple clients in both the oil & gas and offshore renewables market. In addition significant resources have been allocated to The Next Step restructuring & investment programme which was initiated in October 2013. The programme has significantly strengthened the company's management team and structure. Oceanteam has underwritten the programme with a convertible loan facility.

TAX LOSSES

Oceanteam Shipping has a deferred tax asset of total USD 6.0 million. In addition to this the Group has received confirmation from the tax authorities of a deferred tax loss of NOK 1 017 million in October 2013 for Norwegian entities. The deferred tax losses for operations outside Norway are EUR 39 million.

The Company aims to utilize the full deferred tax asset by securing new contracts and increasing the profit in the engineering segment, which it has started to do in the first quarter of 2014.

EVENTS AFTER THE BALANCE SHEET DATE

- RentOcean has been awarded a second rental agreement by LS Cable for a 4.000T modular carousel system to be delivered in Q3 2014 in South Korea.
- RentOcean secured a service contract with Wind BV for the supply of a 1.500T modular carousel system. The carousel and additional equipment will be used to transport cables to the Safaniya oil field for McDermott. The transportation will take place in summer 2014.
- OceanWind the Netherlands, has been awarded a long-term contract with Prysmian for cable storage. OceanWind will also execute cable handling and provide cable handling equipment.

GOING CONCERN

In accordance with the Accounting Act § 3-3a Oceanteam Shipping confirms that the financial statements have been prepared under the assumption of going concern. This assumption is based on income forecasts for the years 2014 - 2016 and the Group's long-term strategic forecasts. The annual report for 2013 is available on www.oceanteam.no

RentOcean's 2.000T Carousel and loading tower on Ceona's Polar Onyx.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

GROUP Figures in USD ‘000

	Notes	Unaudited Q1 2014	Q1 2013*	Unaudited Cum 2014	Cum 2013*
Revenue		12 607	8 120	12 607	8 120
Total operating revenues	**4, 11**	**12 607**	**8 120**	**12 607**	**8 120**
Net income of associates/Joint Ventures		**2 481**	**4 131**	**2 481**	**4 131**
Operating costs		(3 581)	(4 290)	(3 581)	(4 290)
General & administration		(4 837)	(3 726)	(4 837)	(3 726)
Depreciation	2	(2 412)	(1 113)	(2 412)	(1 113)
Write off		(97)	(41)	(97)	(41)
Total operating expenses		**(10 926)**	**(9 170)**	**(10 926)**	**(9 170)**
Operating profit (loss)		**4 162**	**3 081**	**4 162**	**3 081**
Financial income		22	12	22	12
Financial costs	5	(3 871)	(3 118)	(3 871)	(3 118)
Foreign exchange results (loss)		115	(60)	115	(60)
Net finance		**(3 735)**	**(3 166)**	**(3 735)**	**(3 166)**
Ordinary profit (loss) before taxes		**427**	**(85)**	**427**	**(85)**
Income tax	6	181	316	181	316
Net result		**608**	**231**	**608**	**231**

* Q1 2013 and Cum 2013 figures have been restated to equity consolidation for all joint venture companies in Group.

GROUP Figures in USD '000

Condensed consolidated statement of comprehensive income		Unaudited Q1 2014	Q1 2013	Unaudited Cum Q1 2014	Cum Q1 2013
Total net result		608	231	608	231
Changes in revaluation model	2	(6 109)	(1 277)	(6 109)	(1 277)
Other comprehensive income		(4 814)		(4 814)	
Translation differences		632	(6)	632	(6)
Decrease in non-controlling interest		51 893		51 893	
Tax on comprehensive income					
Total comprehensive income for the year		**42 210**	**(1 052)**	**42 210**	**(1 052)**
Profit (loss) attributable to:					
Owners of the Company		(724)	1	(724)	1
Non controlling interests		1 332	230	1 332	230
Profit (loss)		**608**	**231**	**608**	**231**
Total comprehensive income attributable to:					
Owners of the Company		40 877	(1 282)	40 877	(1 282)
Non controlling interests		1 332	230	1 332	230
Total comprehensive income for the year		**42 210**	**(1 052)**	**42 210**	**(1 052)**
Earnings per share (in USD)					
Basic earnings per share (in USD)		0,02	0,01	0,02	0,01

CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF FINANCIAL POSITION

GROUP Figures in USD '000

	Notes	Unaudited 31.03.2014	Unaudited 31.12.2013*	Audited 31.12.2013
Assets				
Deferred tax assets	6	6 000	6 000	6 000
Customer relations and other intangible assets		1 955	1 737	1 737
Goodwill		12 987	12 987	12 987
Intangible assets	**3**	**20 942**	**20 724**	**20 724**
Investment in associates and Joint Ventures	2, 9	66 052	116 933	17 852
Vessels and equipment	2	189 811	22 088	220 109
Tangible assets	**2, 9**	**255 863**	**139 021**	**237 961**
Total non current assets		**276 805**	**159 745**	**258 685**
Asset held for sale				**1 233**
Trade receivables		4 995	4 639	6 315
Other receivables		37 269	43 890	4 777
Receivables		**42 264**	**48 529**	**12 325**
Cash and cash equivalents		**11 961**	**6 240**	**19 945**
Total current assets		**54 225**	**54 769**	**32 270**
Total assets		**331 030**	**214 515**	**290 954**

		31.03.2014	31.12.2013*	31.12.2013
Equity and liabilities				
Share capital		2 595	2 595	2 595
Treasury shares		(257)	(257)	(257)
Reserves		(146)	8 034	8 032
Revaluation reserve	2	94 992	97 944	97 944
Equity attributable to owners of the Company		**97 184**	**108 315**	**108 315**
Non-controlling interests		10 944		
Revaluation reserve		42 398		
Total equity	**9**	**150 526**	**108 315**	**108 315**
Loans and borrowings		148 722	86 840	157 421
Total non current liabilities	**5**	**148 722**	**86 840**	**157 421**
First year installments	5	8 100	101	9 701
Trade payables		5 873	5 098	6 072
Tax payable		83	58	182
Other current liabilities		17 725	14 104	9 263
Total current liabilities		**31 781**	**19 361**	**25 218**
Total liabilities		**180 503**	**106 201**	**182 639**
Total equity and liabilities		**331 030**	**214 515**	**290 954**

* Figures per 31.12.2013 in this column have been restated to equity consolidation for all joint venture companies in Group.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP Figures in USD '000

	Notes	Unaudited Cum Q1 2014	2013
Equity at period opening balance (Number of shares: 29,593,259)		**108 315**	**112 068**
Profit after taxes majority		(724)	(3 299)
Profit after taxes minority		1 332	14
Revaluation of assets		(6 109)	2 363
Tax on revaluation reserve			604
Translation differences		632	(1 195)
Other comprehensive income		(4 814)	
Changes in non- controlling interests		51 893	(767)
Share issue			
Equity issue			
Purchase of own shares			(1 472)
Equity at period end (Number of shares: 29,593,259)		**150 526**	**108 315**

Condensed consolidated statement of changes in equity

	Share capital	Treasury shares	Share premium	Translation reserve	Other equity	Total other equity	Revaluation reserve	Non controlling interests	Total equity
Equity at 31 December 2013	**2 595**	**(257)**	**1 304**	**(2 203)**	**5 659**	**3 457**	**97 944**	**3 274**	**108 315**
					(724)	(724)		1 332	608
Profit and loss									
Coverage of previous losses								51 893	51 893
Decrease in non-controlling interests									
Other comprehensive income							(2 952)	(3 157)	(6 109)
Changes in revaluation model									
Tax on revaluation reserve					(4 814)	(4 814)			(4 814)
Translation differences				632		632			632
Total comprehensive income				**632**	**(5 538)**	**(4 906)**	**(2 952)**	**50 068**	**42 210**
Contributions by and distributions to owners									
Issue of ordinary shares									
Change in treasury shares									
Equity per 31 March 2014	**2 595**	**(257)**	**1 304**	**(1 571)**	**121**	**(1 448)**	**94 992**	**53 342**	**150 526**

GROUP Figures in USD '000

Condensed consolidated statement of changes in equity

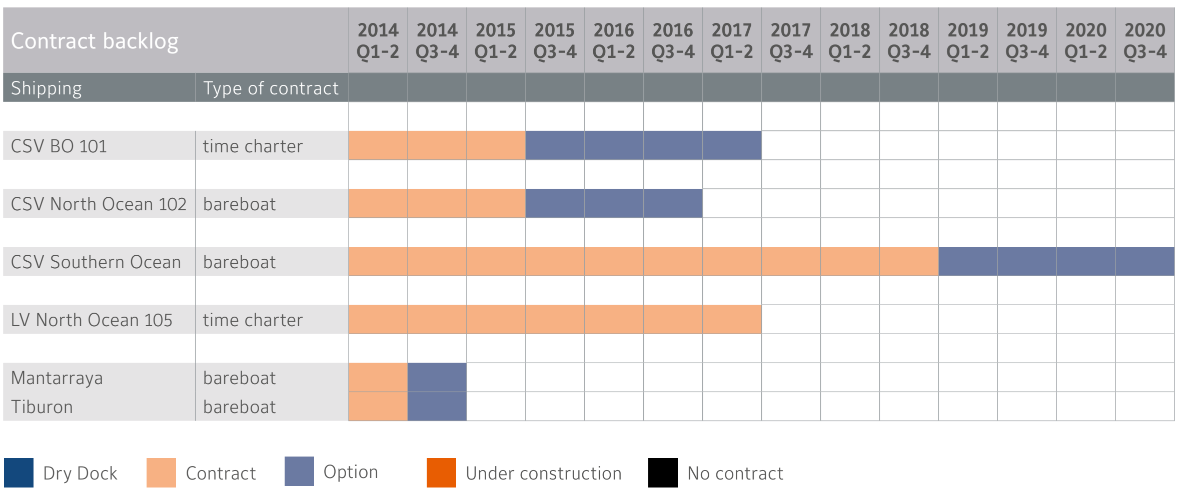
	Share capital	Treasury shares	Share premium	Trans-lation reserve	Other equity	Total other equity	Re-valuation reserve	Non con-trolling interests	Total equity
Equity at 31 December 2012	**2 595**	**(87)**	**1 304**	**(1 008)**	**10 260**	**9 252**	**94 977**	**4 027**	**112 068**
Profit and loss					(3 299)	(3 299)		14	(3 285)
Coverage of previous losses									
Decrease in non-controlling interests								(767)	(767)
Other comprehensive income									
Changes in revaluation model							2 363		2 363
Tax on revaluation reserve							604		604
Translation differences				(1 195)		(1 195)			(1 195)
Total comprehensive income				**(1 195)**	**(3 299)**	**(4 494)**	**2 967**	**(753)**	**(2 279)**
Contributions by and distributions to owners									
Issue of ordinary shares									
Change in treasury shares		(170)			(1 302)	(1 302)			(1 472)
Equity per 31 December 2013	**2 595**	**(257)**	**1 304**	**(2 203)**	**5 659**	**3 457**	**97 944**	**3 274**	**108 315**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

GROUP Figures in USD '000

	Notes	Unaudited Cum Q1 2014	Cum Q1 2013
Ordinary profit (loss) before taxes		**427**	**(85)**
Depreciation and amortization of tangible assets	2	2 412	1 113
Tax paid		181	(353)
Write off assets		97	41
Net income of associates		(2 481)	(4 131)
Change in trade receivables		(356)	(694)
Change in other receivables		2 241	(2 642)
Change in trade payables		775	310
Change in other accruals		(3 115)	9 968
Items classified as investing activities			
Items classified as investing activities			
Interest expense without cash effect		153	343
Net cash flow from operating activities		**333**	**3 870**
Net cash flow from investing activities		(2 890)	(1 804)
Net cash flow from investing activities		**(2 890)**	**(1 804)**
Repayment of debt		(2 278)	(190)
Net cash flow from financing activities	5	**(2 278)**	**(190)**
Equity issue			
Purchase of own shares			(1 472)
Net cash flow from share issue			**(1 472)**
Effect of changes to exchange rates on cash and cash equivalents		(3 150)	3 782
Net change in cash and equivalents		**(7 984)**	**4 186**
Cash and equivalents at start of period		**19 945**	**15 759**
Cash and equivalents at end of period		**11 961**	**19 945**

* restricted cash is USD 0.5 million



SELECTED EXPLANATORY NOTES

Oceanteam Shipping is an offshore shipping company. Oceanteam's business is the owning, chartering and managing of deep water offshore construction service and pipe lay vessels.

In addition, Oceanteam Shipping provides complementary engineering services consisting of both engineering & design services and marine asset services.

NOTE 1 – FINANCIAL STATEMENTS

The condensed set of Financial Statements for Q1 2014 has been prepared in accordance with IAS 34 Interim Financial Statements and it has been prepared in accordance with the same accounting principles as the Financial Statements for 2013, unless otherwise stated.

Oceanteam have applied the following standards in Q1 2014:
IFRS 10 Consolidated Financial Statements
IAS 27 Separate Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
IAS 28 Investment in Associates and Joint Ventures

Due to the implementation of the standards above, two of the joint venture companies are now equity accounted compared to proportional consolidation previously. A third joint venture company has been fully consolidated.

There have been changes in income statement and balance sheet since Q4 2013 report and Annual report 2013. In Q4 2013 report, investments in joint ventures have been presented according to equity consolidation. Due to change of control not being effective in 2013, the balance sheet has been restated and Oceanteam Bourbon 4 AS is equity accounted in the restated balance sheet per 31.12.2013.

In anual report 2013, investments in joint venture companies have been presented according to proportionate consolidation. Due to change of control being effective from 2014, the balance sheet has been restated as mentioned above for changes in Oceanteam Bourbon 4 AS.

SELECTED ACCOUNTING PRINCIPLES

The accounting policies applied are consistent with those of the Annual Financial Statements for the year ended 31 December 2013.

IFRSs effective for Interim Financial Statements that are produced for periods beginning on or after 1 January 2013

IFRS 7 Financial Instruments – Disclosure
These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32.

Assessments have been done and the Group finds no material impacts for Q1 2014.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. IFRS 13 becomes effective for annual periods beginning on or after 1 January 2013.

Assessments have been done and the Group finds no material impacts for Q1 2014.

KCI monitoring of tripod installation for offshore windfarm Global Tech I.

NOTE 2 – TANGIBLE ASSETS

GROUP Figures in USD ‘000

Q4 2013	Investment in associates and Joint Ventures	Participation in LV 105	Construction and Support Vessels (CSV)	Fast Support Vessels, Machinery & other	Total
Historical Cost 31 December 2013	9 657	11 262	104 722	49 568	175 655
Additions	1 977	693		1 388	4 059
Disposals					
Historical Cost 31 March 2014	**11 635**	**11 955**	**104 722**	**50 956**	**179 268**
Accumulated depreciation 31 December 2013			(14 856)	(18 857)	(33 713)
Depreciation			(1 175)	(888)	(2 063)
Disposals depreciation					
Accumulated depreciation 31 March 2014			**(16 031)**	**(19 745)**	**(35 776)**
Accumulated impairments 31 December 2013				(8 553)	(8 553)
Impairments/reversals					
Accumulated impairments 31 March 2014				**(8 553)**	**(8 553)**
Historical Cost 31 March 2014	**11 635**	**11 955**	**88 691**	**22 658**	**134 939**
Revaluation reserve 31 December 2013	**46 447**	**6 858**	**91 110**		**144 416**
Change in revaluation	(1 637)	174	(6 314)		(7 777)
Revaluation reserve 31 March 2014	**44 810**	**7 032**	**84 796**		**136 639**
Accumulated depreciation 31 December 2013	(8 845)	(289)	(5 776)		(14 910)
Depreciation premium values	(190)	(56)	(560)		(807)
Revaluation reserve 31 March 2014	**35 775**	**6 687**	**78 460**		**120 922**
Carrying amount 31 March 2014	**47 410**	**18 642**	**167 152**	**22 658**	**255 863**
Depreciation rates			5-25 years	3-15 years	
Depreciation method	none	none	linear	linear	

When internal resources are used to engineer and construct a fixed asset, the relevant costs are added to the historical cost. All construction financing costs are capitalized. The Construction Support Vessels (CSV's), the Lay Vessel (LV) and the Fast Support Vessels (FSV's) are financed and held for security, see Note 5 loans and borrowings.

FAIR VALUE MEASUREMENTS

Fair value measurement of vessels
A valuation of the Group's vessels and the participation in LV 105 was performed by the Company to determine the fair value of the vessels and the interest in LV 105 as at 31 March 2014. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in "Revaluation reserve" in Shareholders equity. The following table analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

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

GROUP Figures in USD '000

Fair value measurements at 31 March 2014	Level 1	Level 2	Level 3
Recurring fair value measurements			USD 000'
Construction support vessels			167 152
Investment in associates			18 642
Investment in joint ventures			47 410
Total carrying amount 31.03.2014			**233 204**

There were no transfers between levels 1 and 2 during the year.

Fair value measurements using significant unobservable inputs (Level 3)	
Opening balance 31.12.2013	240 291
Transfers to/(from) Level 3	
Additions	2 671
Disposals	
Depreciation	(1 982)
Gains and losses recognised in other comprehensive income	(7 777)
Closing balance 31.03.2014	**233 204**

Valuation processes of the Group
The Group's finance department includes a team that performs the valuations of the vessels and the interest in LV 105, measured at fair value required for financial reporting purposes, including level 3 fair values. This team reports directly to the CFO. Discussions of valuation processes and results are held between the CFO and the finance team at least once every quarter, in line with the Group's quarterly reporting dates.

When necessary, the Group engages external, independent and qualified valuers to review the Group's fair value measurements models.

The assumptions in the revaluation model are the following:
The valuations of the level 3 vessels and interest in LV 105 have been performed using a combination of a market approach and an income approach. The model for the calculation of the revaluation has the following features:

- Oceanteam Shipping ASA updates the model quarterly.
- Two external valuations from independent brokers where the Construction Support Vessel (CSV) and Lay Vessel (LV) is traded between a willing buyer and a willing seller in an active market
  - the Brokers' opinions of recent newbuilding quotes of similar tonnage
  - the Brokers are evaluating the replacement costs of comparable vessels
  - the Brokers are evaluating any recent sales of comparable vessels in the market

The three assumptions stated above form the Brokers' joint opinion of the fair market value of any asset in the prevailing market as between a willing seller and a willing buyer, charter free. The Brokers' valuations are done quarterly at the end of the quarter.

- The average of two brokers' valuations on a charter free CSV and Lay vessel with prompt delivery.
- The estimated economical lifetime is 25 years from delivery of the vessel.
- The calculated cash flow from the time charter on the revaluated CSV / Lay Vessel is being compared with the estimated brokers' charter.
- The premium values of the vessels are depreciated linearly over the useful life of the assets.
- The cash flow from the charter is discounted with a WACC of 8,56 %. The calculation of the WACC has the following assumptions:
  - 10 year state USD
  - a 40/60 ratio of equity / debt
- When Oceanteam Shipping has a signed building contract, financing is secured, construction costs and fair value can be measured reliably. Oceanteam Shipping is applying the revaluation model for the CSV / Lay Vessels. The accounting impact when applying the revaluation model is that the CSV / Lay Vessel are measured at fair value in the balance sheet. The lines on the balance sheet "Vessels and equipment" on the asset side under tangible assets and the line "Revaluation reserve" are affected by the revaluation method. The historical costs for the CSV / Lay Vessels are shown in the table above for tangible assets under the column "Construction and Support Vessels" and also the revaluation surplus under the line revaluation reserve in the table.
- Per balance sheet date the CSV 101, CSV 102, CSV Southern Ocean and LV 105 were revaluated.
- The option prices for the CSV North Ocean 102 and LV North Ocean 105 are included in the cash flow connected to the vessel and the option can be called in Q4 2014 and Q2 2017. When the relevant option period commences, McDermott will have 60 days to call the option. If the option is not exercised within the option period, the call option will go to Oceanteam Shipping. The call option price for the CSV 102 is USD 120 million at the initial transaction date 19th December 2009 depreciated over 20 years with adjustments for the working capital. The call option price for vessel LV 105 is USD 95.9 million at the initial transaction date 20th April 2012 depreciated over 20 years with adjustments for the working capital (excluding inventories and spares). The initial value of the JRM Equipment is USD 22.1 million.

According to IAS 39 this is a financial liability for Oceanteam Shipping to be recognized in the financial statements. When there is uncertainty related to such liabilities, the liability must be estimated. The option value for the CSV North Ocean 102 is included in the cash flow connected to the vessel, based on management's best estimate.

NOTE 3 – INTANGIBLE ASSETS

GROUP Figures in USD '000

Q1 2014	Goodwill	Customer relations	Deferred tax	Other	Intangible assets
Historical cost 31 December 2013	12 987	4 400	6 000	1 739	25 126
Additions				218	218
Disposals					
Historical cost 31 March 2014	**12 987**	**4 400**	**6 000**	**1 957**	**25 344**
Accumulated amortisation 31 December 2013		(4 400)			(4 400)
Amortisation					
Amortisation 31 March 2014		**(4 400)**			**(4 400)**
Accumulated impairments 31 December 2013					
Impairments/reversals					
Accumulated impairments 31 March 2014					
Book value 31 March 2014	**12 987**		**6 000**	**1 957**	**20 942**

NOTE 4 – SEGMENT INFORMATION

The Group has three segments, shipping, engineering and equipment, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately as they require different technology and marketing strategies. For each of the strategic divisions, the Group's CEO (the chief operating decision maker) reviews internal management reports on a monthly basis.

NOTE 5 – LOANS AND BORROWINGS

The table below analyses the Group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows including interests representing nominal value at payment date.

	0 to 1 year	1 to 2 years	2 to 5 years	over 5 years	Total
At 31 March 2014					
Bank/ bond borrowings incl. interest	22 421	53 487	124 421		200 328
Other current liabilities	17 725				17 725
Total liabilities	**40 146**	**53 487**	**124 421**		**218 053**
At 31 December 2013					
Bank/ bond borrowings incl. interest	10 662	42 756	68 182		121 600
Other current liabilities	9 263				9 263
Total liabilities	**19 925**	**42 756**	**68 182**		**130 863**

Loans/ Currency of loan		True rate of interest	31 March 2014	31 December 2013
CSV 104 (USD)	Secured	LIBOR + margin*	70 547	
Two FSV's (USD)	Secured	LIBOR + margin		101
Bond loan (USD)		LIBOR + margin	90 793	90 674
Total long-term debt			**161 340**	**90 775**
**1st year principal repayments			8 100	101
***Borrowiing costs			4 518	3 834
Total long-term debt			**148 722**	**86 840**

* 50 % of the LIBOR interest rate is fixed
** 1st year principal installments are related to vessel 104
*** Borrowing costs related to refinancing goes to reduction of long-term debt according to IFRS.

The CSV vessels and the FSV vessels are collateral for the loans.

Borrowing costs are considered to be the difference between fair value and nominal value for the secured loans for the vessels.

LIQUIDITY RISK, FINANCIAL RISK AND MARKET RISK

The Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Management Committee, which a.o. is responsible for developing and monitoring the Group's risk management policies.

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 is to ensure and plan for that the Company will always have sufficient liquidity to meet its obligations.

The Group uses project based costing to price its services, which assists in monitoring cash flow requirements. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. This policy is seen as sufficient to ensure that the Group is able to manage the potential liquidity impact of circumstances that can reasonably be predicted, such as delays in the execution of projects. Such delays can either be caused by Oceanteam Shipping or the client involved in the contract in question.

Per Q1 2014 the Group has overdraft facilities of EUR 500.000 in addition to the cash balance of USD 12 million.

Currency risk

The Group is exposed to currency fluctuations on sales, purchases, cash deposits and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the US Dollar (USD), but also Euro (EUR) and Norwegian Kroner (NOK).

The major currency risk for the Group has until mid Q4 2012 been the nominal bond loan of NOK 400 million and the call premium and the timing of the refinancing of the bond loan. In Q4 2012 Oceanteam Shipping ASA has completed a USD 92.5 million issue where the net proceeds were used to refinance the current bond loan. After this refinancing process, the currency risk has decreased significantly. The total loan amount in USD is 90.8 million per 31 March 2014 and accrued call premium is USD 674.849. Incurred interest costs are from now on in USD for all loans. Provisions and other items are all in EUR, USD and GBP.

Financial risk

The Company is exposed to financial risk in different areas. Financial risks include interest rate and currency fluctuations, investment and trading risks in general, borrowing and leverage and risk in connection with the vessels under construction / Spanish Tax Lease.

The Company has sales revenues and liabilities in foreign currencies and is exposed to currency risks. This risk is particularly relevant for the revenue and liabilities in the USD and EUR.

The Company is exposed to changes in interest rates as the bulk of its debt has floating rates.

The objective of the Company is to reduce the financial risk as much as possible. Current strategy does not include the use of financial instruments, but is largely based on natural hedging. Natural hedging means to have revenue and cost in the same currency for each project. This is, however, continuously being monitored by the Board of Directors.

The booked equity ratio is 45 % percent.

Interest risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to fluctuation in interests, Oceanteam Shipping has quarterly fixed interests. The Company has also the opportunity to use longer periods as for instance 6 or 9 months etc. Due to the previous uncertainties in the liquidity situation of the Company, Oceanteam Shipping has used quarterly roll over.

Market risk

The Company has invested 25 % in the Lay Vessel North Ocean 105. The vessel was delivered 20th April 2012 and has commenced a five year charter at delivery. This investment has risk connected to charterer, complex offshore operations and risk connected to owners guarantees in case of the project needs more funding. The Company's equity contribution is USD 6.4 million, but the fair market value from two independent brokers indicate a significant premium value for the vessel.

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, and arises principally from the Group's receivables from customers. The free liquidity is placed in bank acounts with banks of acceptable credit quality. Oceanteam Shipping's clients are primarily large companies with high credit rating. The need for bank guarantee and pre-invoicing are considered on individual basis.

Operational risk

Operational risks include charters, service life and technical risk of vessels, the Group's limited operating history, risk for substantial responsibilities, the Group's ability to retain senior management and key personnel, risk for legal proceedings and contractual disputes, construction risk and employment risk for the vessels and equipment. Oceanteam Shipping ASA is involved in an on-going law suit against naval architect Sawicon for the infringement of Oceanteam's rights to the North Ocean Series under the Norwegian Marketing Act. Legal costs are recorded as they occur.

Contract back log:

- CSV 101: BP Angola until 28 February 2015 (+2 x 1 year option)
- CSV 102: changed from Time charter to Bareboat charter from 1 October 2012. McDermott firm until 1 August 2015 (+2 x 1 year option)
- CSV 104: Fugro TSMarine Australia until 31 December 2018
- LV 105: McDermott until 30 June 2017 (delivered April 2012)
- FSV Mantarraya: Inversiones until 30 June 2014
- FSV Tiburon: Inversiones until 30 June 2014
- Engineering: the level of work / tenders for the year look satisfactory for the season
- RentOcean: increased back-log during 2013 and early 2014
- RentOcean delivered its 2.000T Modular Carousel and loading tower with buildin 15T Tensioner to Ceona
- RentOcean selected by LS Cable to supply second 4000T Modular Carousel

NOTE 6 – TAX IN Q1 2014

Taxes in the income statement are estimated on the basis of the average tax rates for each of the companies that constitute the Group. In companies that apply for the Norwegian Tonnage Tax system the tax rate is set at zero.

Oceanteam Shipping has one Construction Support Vessel which is under the normal tax regime in Norway where the nominal tax percentage is 28 %. However, the Group has major tax losses to be carried forward due to losses on contracting business. Confirmation from the tax authorities of a deferred tax loss of NOK 1 017 million has been received in October 2013. The Group is analyzing how to utilize the nominal deferred losses of NOK 1 017 million or USD 169 million. The deferred losses for abroad operations are EUR 39 million.

The deferred tax balance USD 6.0 million in the balance sheet includes tax losses on operations in the Netherlands.

NOTE 7 – CONTINGENT ASSETS

The Company is disputing a claim from a former creditor of a liquidated former UK entity for hire of a tugboat. The case was rejected by the Bergen Court in January 2012 and is now back in Bergen Main Court and a decision of venue is expected early 2014. The total claim is EUR 695.581, and late interest calculation will come as an addition. If the claim for payment against Oceanteam Shipping ASA is dismissed, the opposing party will pay all legal fees related to this case. Judgment to be given in favour of Oceanteam Shipping ASA is estimated to be significantly high by our legal advisors. USD 82.939 related to this case has been booked as a balance item.

The Company is pursuing a claim on the 2009 Alpha Ventus project for unpaid remedial cost. A positive outcome is expected.

The Company incurred damages through delays caused by incorrect advice from our external consultants, where we are making good progress.

NOTE 8 – CONTINGENT LIABILITIES

In Oceanteam Shipping ASA's legal dispute with Sawicon AS and North Sea Shipping AS concerning rights and use of the North Ocean 100-series design under the Norwegian Marketing Act, Gulating Court of Appeal, by verdict of 7 March 2014, has upheld Oceanteam's appeal. Gulating Court of Appeal has invalidated Bergen City Court's previous verdict in favor of Sawicon AS and North Sea Shipping AS. With this ruling Gulating Court of Appeal releases Oceanteam from the obligation to pay the legal costs incurred by Sawicon AS and North Sea Shipping AS in conjunction with the Bergen City Court case.

As a consequence of the ruling there no longer exists an applicable court decision regarding the rights to the North Ocean 100-series design and the case will have to be restarted in Bergen District Court.

Legal costs are booked as they occur and periodized to relevant period.

NOTE 9 – INVESTMENT IN JOINT VENTURES, ASSOCIATES AND SUBSIDIARIES

JOINT VENTURES

North Ocean II KS is an unlisted joint arrangement which the Group has joint control and a 50 % ownership. The Company is founded in May 2006. The Group has classified its interest in North Ocean II KS as a joint venture.

Oceanteam Bourbon Equipment & Spares AS is an unlisted joint arrangement in which the Group has joint control and a 50 % ownership interest. This company is founded in October 2012 by Oceanteam Shipping ASA and Bourbon Offshore Norway AS. The Group has classified its interest in Oceanteam Bourbon Spares & Equipment AS as a joint venture.

	North Ocean II KS	Oceanteam Bourbon Spares & Equipment AS
Nature of relationship with the Group	Vessel CSV North Ocean 102	Equipment business
Principal place of business	Bergen, Norway	Bergen, Norway
Ownership interest	50 %	50 %
Voting rights held	50 %	50 %

The following is summarised financial information for Oceanteam Bourbon Spares & Equipment AS and North Ocean II KS, based on their respective financial statements prepared according to Norwegian GAAP, modified for fair value adjustments and differences in the Group's accounting policies.

Figures in NOK '000 000

	North Ocean II KS		Oceanteam Bourbon Spares & Equipment AS	
	Q1 2014	**2013**	**Q1 2014**	**2013**
Revenue	8,8	101,0		11,3
Profit before tax	(0,3)	53,6	0,7	0,6
Tax				0,6
Net result	**(0,3)**	**53,6**	**0,7**	**1,3**
Current assets	4,9	57,2	2,0	1,0
Non current assets	560,1	556,9	1,2	13,7
Current liabilities	(198,0)	(271,7)	(0,1)	(0,6)
Non-current liabilities	(189,1)	(163,9)	(2,0)	(13,6)
Net assets	**177,9**	**178,4**	**1,1**	**0,5**

GROUP Figures in USD '000

	North Ocean II KS		Oceanteam Bourbon Spares & Equipment AS	
	Q1 2014	**2013**	**Q1 2014**	**2013**
Group's interest in net assets of investee at beginning of year	19 521	37 267	144	195
Total comprehensive income attributable to the Group	1 211	5 431	(53)	(51)
Total other comprehensive income attributable to the Group	2 232	(4 719)		
Dividends received during the year		(18 458)		
Carrying amount of interest in investee at end of year.	**22 964**	**19 521**	**92**	**144**

ASSOCIATES

The Group has two associates that are material to the Group, both of which are equity accounted.

Oceanteam Bourbon 101 AS is an unlisted joint arrangement in which the Group has 50 % ownership interest but our joint venture partner has 51 % control This company is founded in June 2009 by Oceanteam Shipping ASA and Bourbon Offshore Norway AS.

North Ocean 105 AS is an unlisted company which the Group has 25 % ownership interest. The remaining 75 % ownership interest is owned by McDermott International Inc.

The Group has classified its interest in Oceanteam Bourbon 101 AS and North Ocean 105 AS as associates, both of which are equity accounted.

	Oceanteam Bourbon 101 AS	North Ocean 105 AS
Nature of relationship with the Group	Vessel CSV Bourbon Oceanteam 101	Vessel LV 105
Principal place of business	Bergen, Norway	Bergen, Norway
Ownership interest	50 %	25 %
Voting rights held	49 %	25 %

The following is summarised financial information for Oceanteam Bourbon 101 AS and North Ocean 105 AS, based on their respective financial statements prepared according to Norwegian GAAP, modified for fair value adjustements on acquisition and differences in Group's accounting policies.

Figures in NOK '000 000

	Oceanteam Bourbon 101 AS		North Ocean 105 AS	
	Q1 2014	**2013**	**Q1 2014**	**2013**
Revenue	36,8	126,1	12,3	137,9
Profit before tax	16,1	10,6	(11,6)	0,5
Tax		(0,0)		(0)
Net result	**16,1**	**10,5**	**(11,6)**	**0,5**
Current assets	66,4	91,0	48,0	59,3
Non current assets	398,9	421,2	641,3	643,8
Current liabilities	(55,7)	(124,6)	(79,5)	(63,0)
Non-current liabilities	(389,3)	(383,4)	(450,4)	(468,9)
Net assets	**20,3**	**4,2**	**159,5**	**171,2**

GROUP Figures in USD '000

	Oceanteam Bourbon 101 AS		North Ocean 105 AS	
	Q1 2014	**2013**	**Q1 2014**	**2013**
Group's interest in net assets of investee at beginning of year	27 594	31 639	17 852	14 071
Total comprehensive income attributable to the Group	819	2 594	693	2 560
Total other comprehensive income attributable to the Group	(4 059)	(1 133)	97	1 221
Dividends received during the year		(5 507)		
Carrying amount of interest in investee at end of year.	**24 354**	**27 594**	**18 642**	**17 852**

SUBSIDIARIES

The Company has 18 subsidiaries to the Group in 2014 and 2013.

- The Group holds a majority of the voting rights in 15 subsidiaries
- Following subsidiaries are material to the Group:
  Oceanteam Shipping BV, Oceanteam Bourbon 4 AS and Oceanteam Mexico SA de CV
- Non-controlling interests have a material interest in Oceanteam Bourbon 4 AS

	Oceanteam Bourbon 4 AS
Operating segment	CSV Southern Ocean
Principal place of business	Bergen, Norway
Ownership interest held by non-controlling interests	50 %
Voting rights held by non-controlling interests	49 %

The following is summarised financial information for Oceanteam Bourbon 4 AS based on the Companys financial statements prepared according to Norwegian GAAP. The information is before inter-company eliminations with other companies in the Group.

Figures in NOK '000 000

	Oceanteam Bourbon 4 AS	
	Q1 2014	**2013**
Revenue	27	117
Profit	21	29
Other comprehensive income		
Total comprehensive income	21	29
Profit attributable to non-controlling interest	10	15
Total comprehensive income attributable to non-controlling interests	**10**	**15**
Current assets	28	57
Non current assets	532	539
Current liabilities	(54)	(93)
Non-current liabilities	(373)	(391)
Net assets	133	112
Net assets attributable to non-controlling interests (in NOK '000 000)	**66**	**56**
Net assets attributable to non-controllling interests (in USD '000 000)	**11**	**10**

Figures in USD '000

	Oceanteam Bourbon 4 AS	
	Q1 2014	**2013**
Cash flows from operating activities	4 821	18 658
Cash flows from investing activities	(5 667)	
Cash flows from financing activities	(4 615)	(23 944)
Net increase in cash and cash equivalents	(5 461)	(5 287)
Dividends paid to non-controlling interests during the year/period	**(2 862)**	

NOTE 10 – BUSINESS COMBINATIONS

OCEANTEAM BOURBON 4 AS

Oceanteam Shipping ASA has gained control over joint venture company Oceanteam Bourbon 4 AS. The control over Oceanteam Bourbon 4 AS is defined in an agreement with joint venture partner Bourbon Offshore Norway AS.

Equity interests still remains 50 % but voting shares in Oceanteam Bourbon 4 AS is 51 % after control is gained.

Oceanteam Bourbon 4 AS operates the vessel CSV Southern Ocean which is currently on bareboat charter with Fugro TSMarine Australia until December 2018.

Non-controlling interests hold USD 53.8 million of equity in the Group accounts.

Revenue from company in Q1 2014 is USD 5.3 million and profit is USD 3.1 million.

KCI THE ENGINEERS B.V.

On 20 February 2014, Oceanteam Shipping ASA purchased the remaining 30 % shares of KCI BV.

Primary reasons for buying the remaining 30 % shares in KCI are that Oceanteam sees the advantages by fully implementing the engineering business within the Group and make use of the synergy that arises by this business combination.

100 % goodwill has been taken into account when Oceanteam increased its ownership from 50 % to 70 % in April 2010 through a conversion of debts. Goodwill is therefore not affected for this acquisition.

Consideration is not reported in this annual report due to commercial reasons. Ultimately on 30 June 2016 there will be a bonus payment to previous management if the result is achieved according to business plan.

NOTE 11 – INITIAL APPLICATION OF NEW IFRS STANDARDS

Oceanteam have applied the following standards in Q1 2014.
IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
AND IAS 28 Investment in Associates and Joint Ventures

The following shows comparison between reported figures in this interim report and how it is when the new standards are not applied.

	Q1 2014	Q1 2014	Q1 2013	Q1 2013
	Equity accounting for joint venture companies and 100% consolidation of Oceanteam Bourbon 4 AS	Proportionate consolidation and 100% consolidation of Oceanteam Bourbon 4 AS	Equity accounting for joint venture companies	Proportionate consolidation and 100% consolidation of Oceanteam Bourbon 4 AS
Revenue	12 607	17 731	8 120	18 595
Net income from associates	2 481	693	4 131	575
Total operating revenues	**15 088**	**18 424**	**12 251**	**19 170**
Operating costs	(3 581)	(4 637)	(4 290)	(5 607)
Other administrative expense	(4 837)	(4 847)	(3 726)	(3 793)
Depreciation	(2 412)	(4 015)	(1 113)	(4 186)
Write off assets	(97)	(97)	(41)	(41)
Total operating expenses	**(10 926)**	**(13 596)**	**(9 170)**	**(13 627)**
Results from operating activities	**4 162**	**4 828**	**3 081**	**5 543**
Financial income	22	21	12	11
Financial costs	(3 871)	(4 430)	(3 118)	(4 521)
Foreign exchange results (loss)	115	8	(60)	369
Net finance profit /(loss)	**(3 735)**	**(4 401)**	**(3 165)**	**(4 140)**
Ordinary profit (loss) before taxes	**427**	**427**	**(84)**	**1 403**
Tax expense	181	181	316	315
Net result	**608**	**608**	**232**	**1 718**

	Q1 2014	Q1 2014	2013	2013
	Equity accounting for joint venture companies and 100% consolidation of Oceanteam Bourbon 4 AS	Proportionate consolidation and 100% consolidation of Oceanteam Bourbon 4 AS	Equity accounting for joint venture companies	Proportionate consolidation and 100% consolidation of Oceanteam Bourbon 4 AS
Assets				
Deferred tax assets	6 000	6 000	6 000	6 000
Customer relations & Design	1 955	1 955	1 737	1 737
Goodwill	12 987	12 987	12 987	12 987
Intangible assets	**20 942**	**20 942**	**20 724**	**20 724**
Investments in joint ventures and associates	66 052	18 714	116 933	16 235
Vessels and equipment	189 811	298 414	22 088	309 326
Tangible assets	**255 863**	**317 128**	**139 021**	**325 561**
Total non current assets	**276 805**	**338 070**	**159 745**	**346 285**
Trade receivables	4 995	6 140	4 639	6 067
Other receivables	37 269	7 182	43 890	6 017
Receivables	**42 264**	**13 322**	**48 529**	**12 084**
Cash and cash equivalents	**11 961**	**18 597**	**6 240**	**24 658**
Total current assets	**54 225**	**31 919**	**54 769**	**36 742**
Net result	**331 030**	**369 990**	**214 515**	**383 027**

	Q1 2014	Q1 2014	2013	2013
Equity and liabilities				
Share capital	2 595	2 595	2 595	2 595
Treasury shares	(257)	(257)	(257)	(257)
Other equity	(146)	783	8 034	8 992
Revaluation reserve	94 992	94 992	97 944	97 944
Equity attributable to owners of the Company	**97 184**	**98 113**	**108 315**	**109 274**
Non-controlling interest	10 944	10 395		6 006
Revaluation reserve	42 398	42 938		45 555
Total equity	**150 526**	**151 446**	**108 315**	**160 835**
Loans and borrowings	148 722	186 566	86 840	189 351
Total non-current liabilities	**148 722**	**186 566**	**86 840**	**189 351**
First year installments	8 100	13 650	101	13 751
Trade payables	5 873	6 644	5 098	6 216
Tax payable	83	92	58	183
Other current liabilities	17 725	11 592	14 104	12 691
Total current liabilities	**31 781**	**31 978**	**19 361**	**32 841**
Total liabilities	**180 503**	**218 544**	**106 201**	**222 192**
Total equity and liabilities	**331 030**	**369 990**	**214 515**	**383 027**

OCEANTEAM SHIPPING ASSETS

VESSELS

CSV BOURBON OCEANTEAM 101

Upon delivery in December 2007, this DP2 Construction Support Vessel has been operating as a field support vessel with BP Angola for the Company's Greater Plutonium Field development (in Block 18 and 31). The first of the standard design North Ocean 100 series is jointly owned by Oceanteam Shipping and Bourbon Ofshore Norway. The ship is 125 meters at length with a 27 meter beam. Its excellent seafaring capabilities, one 150 tonnes and one 100 tonnes fully heave compensated cranes, moon pool, 2000m2 free deck space and 120 accommodation enables CSV Bourbon Oceanteam 101 to be utilised for field support, construction, installation and IRM support.

CSV NORTH OCEAN 102

This DP2 Construction Support Vessel was delivered in Q4 2008. The vessel has been working for ABB High Voltage AB since its delivery and been mobilised with a 7000 tonnes, 2 x 120 tonnes tensioners flexible product installation spread. CSV North Ocean 102 is equipped with one 100 ton heave compensated crane. The second of the standard design North Ocean 100 series has been converted in one of the largest flexible product installation vessel in the world suitable for both subsea power cables and umbilicals. The ship is 137 meter in length and has a 27 meter beam and can accommodate up to 199. The vessel is jointly owned by Oceanteam Shipping and McDermott. The vessel has secured a 5 year charter with McDermott.

CSV SOUTHERN OCEAN

The vessel was delivered in Q4 2010 and immediately commenced its first project for Fugro-TSMarine Australia. This DP2 Construction Support / Flexible Product Installation vessel combines a moon pool, two large cranes (1 x 250tonnes and 1 x 110 tonnes, heave compensated), 2500m2 deck space, 120 accommodation and excellent seafaring capabilities, enabling her to be utilised for field support, construction, installation and IRM.

VESSELS

LAY VESSEL NORTH OCEAN 105

High-capacity, rigid-reeled vertical pipelay vessel, with 3000-ton payload reel capacity for subsea construction and installation, and deepwater moorings installation; which has been delivered the 20th April 2012. The vessel has started a 5 year charter contract at delivery.

FSV MANTARRAYA / FSV TIBURON

These innovative Fast Support Vessels (FSV's) are operational. The vessels are capable of transporting 75 p.o.b. and cargo at a cruising speed of 25 knots with largely improved fuel efficiency compared to similar vessel available.

4.000T CAROUSEL

The new patented carousel series is designed for flexibility and quick mobilisation on standard PSV/CSV with limited deck load. Fully loaded, the carousels have a maximum deck load of 8t m2, eliminating the need for under-deck reinforcement. The modular systems are delivered to the mobilisation site in 40ft containers. Allsystem components are 'plug and play' and inter changeable.

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