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ANNUAL REPORT 2014

OCEANTEAM SHIPPING

Content

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2014 Company highlights

- Revenue from operations USD 66.9 million
- EBITDA from operations USD 30.3 million
- Operating profit USD 19.8 million
- Oceanteam Shipping founded DOT Shipping together with Grupo Diavaz to focus on providing high-end vessel solutions and marine asset services for the fast developing Mexican market
- DOT Shipping took delivery of its first two new built fast support vessels and secured a 50% interest in a large offshore support vessel currently under construction
- RentOcean awarded several new contracts and increased its level of activity in the oil and gas and offshore renewables markets
- KCI finalized and RentOcean commenced “The Next Step” investment programme
- Oceanteam Shipping saw a successful appeal in the case against Sawicon and North Sea Shipping
- The Company acquired the remaining shares in KCI The Engineers
- Oceanteam Shipping transferred a 50% ownership stake in a jointly owned North Ocean II KS, to J. Ray McDermott. The Company will make a bond loan installment in the total of USD 35 million as part of its strategy to deleverage

One of the highlights of this year has been the delivery and christening of DOT Shipping’s first two new built FSV’s.

Key figures

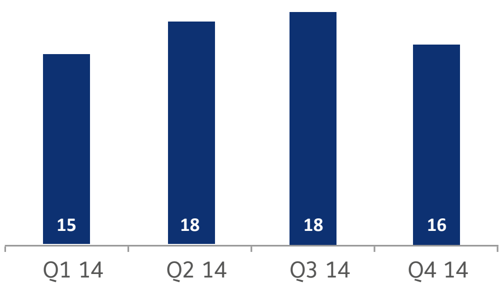
Revenue

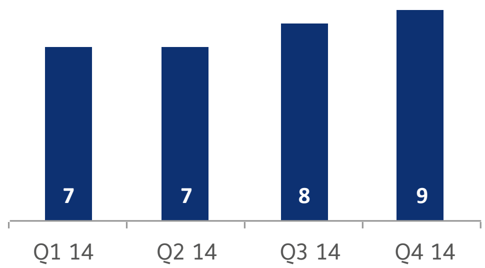
66.9mill.

Ebitda

30.3mill.

USD in million

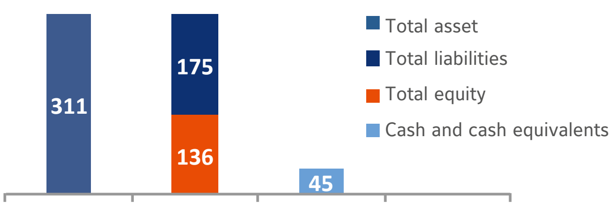




Asset overview

Balance

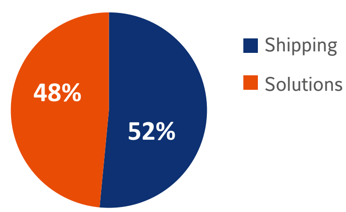
USD in million



Segment Revenue

Revenue split

USD in million



USD	2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Revenue	66,9	15,7	18,4	17,7	15,1
Operating cost	15,2	1,7	4,9	4,9	3,6
General & administration	21,3	5,2	5,4	5,9	4,8
EBITDA	30,3	8,6	8,1	7,0	6,7
EBITDA percentage	45%	55%	44%	39%	44%

Shareholders' letter

2014 saw the continued positive impact of Oceanteam Shipping ASA's long-term commitment to its corporate strategy for managed growth. During the year, the Company took the necessary steps both to secure short-term profitability and to ensure long-term growth. In turn, the Company was able to take full advantage of the fluctuating market conditions. As we close the books on 2014 we do so as a more diversified company, with a sound financial platform, a solid backlog and are uniquely positioned to capitalize on the opportunities we believe the upcoming years will offer.

While 2013 was centred on operational improvement and organisational development, the theme of 2014 has been the combination of short-term profitability and long-term growth. Several important steps were taken during the year to support this objective, starting off with the acquisition of the remaining shares of our engineering division, KCI The Engineers.

Oceanteam Shipping ASA now has three complimentary business areas, shipping, equipment and engineering, all strong in their own right, providing the Company with the required robustness and diversification to be profitable.

In 2014, we proudly announced the formation of a joint venture, DOT Shipping, with one of the most experienced and recognized operators in the Gulf of Mexico, Grupo Diavaz. The collaboration has already borne fruit with the order of two Fast Support Vessels in Q2 and the order of a first large Offshore Support Vessel in Q4 - all vessels fully financed and ordered on the back of substantial charter contracts. We believe that this joint venture between Oceanteam and Diavaz will provide the Company with a very material platform for long-term growth in the fast developing market in Mexico.

In accordance with the Company's long-term strategy to deleverage and strengthen the balance sheet, Oceanteam sold its remaining 50 percent stake in the CSV North Ocean 102 to J. Ray Mcdermott. Oceaneering International exercised the two one year options with the CSV Bourbon Oceanteam 101, which ensures all of our vessels are on contract until 2017 and beyond. In order to reflect the daily operations, control and to accommodate IFRS standards, the Company agreed with Bourbon Offshore Norway to consolidate Oceanteam Bourbon 4 AS 100 percent in 2014 and onwards. Ownership stakes remain unchanged.

Certain markets the Company operates in are increasingly volatile and difficult to predict. Despite this, the Company has significant backlog, three well performing business areas, a strong balance sheet and exciting growth opportunities in the Gulf of Mexico. We are confident that the Company is in an ideal position to continue to grow through the sustained profitability of our operations.

We thank our clients, employees and all our business partners for their continued business and support.

On behalf of the Board of Directors

Haico Halbesma
Chief Executive Officer

Who we are

The Company is comprised of two operating segments, Oceanteam Shipping and Oceanteam Solutions. Oceanteam Shipping owns, charters and manages deep-water offshore support vessels and fast support vessels. Oceanteam Solutions focus is to provide its clients with complete offshore solutions.

Corporate structure

Oceanteam Shipping

North Ocean fleet

Owns and provides two high-end large Deepwater Offshore Construction Service Vessels (CSVs), one Lay Vessel and two Fast Support Vessels (FSVs) on long-term contracts with solid subsea construction companies.

DOT Shipping

Provides vertically integrated high-end vessel solutions and marine asset services, including two Fast Support Vessels and a large Offshore Support Vessel under construction, for the fast developing Mexican offshore market.

Oceanteam Solutions

RentOcean

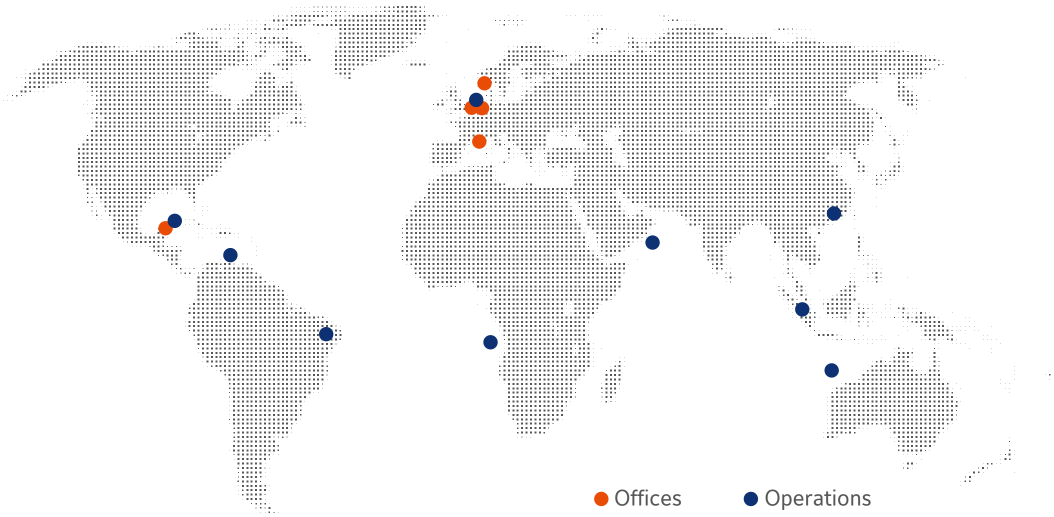
Designs, builds and owns a large pool of demountable turntables of various sizes and additional equipment for a variety of cables, umbilicals, pipes or flowlines and in that way supports its clients' offshore cable, pipeline and umbilical installations and their transport and storage projects worldwide.

KCI The Engineers

A 130 person strong engineering and support company that designs and engineers complete platforms, infrastructure for the oil and gas and renewables industry and innovative equipment based on 28 years of in house experience and expertise.

Our global reach

Oceanteam Shipping has offices in Amsterdam, Velsen and Schiedam in the Netherlands, in Monaco and in Mexico. The corporate headquarters are in Bergen, Norway. The Company is well positioned in growth basins including the Gulf of Mexico, Latin America, West Africa, Asia-Pacific and the North Sea.



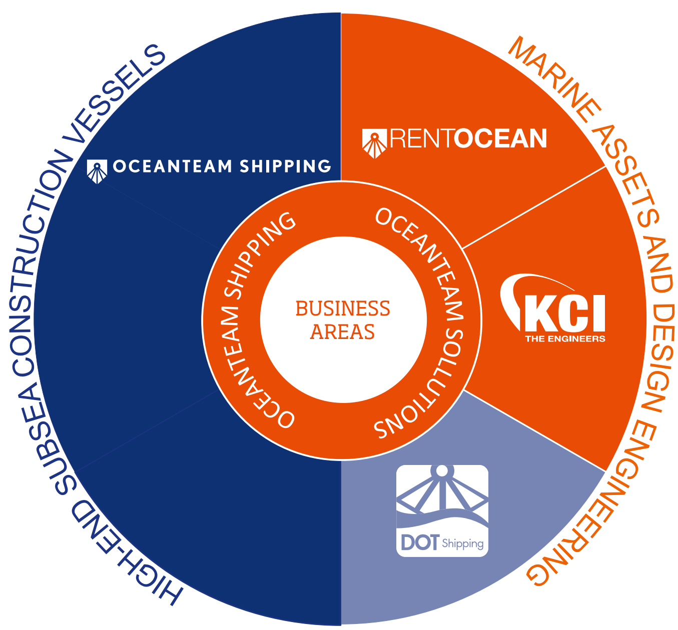
How we create value

Oceanteam Shipping's mission is creating value through:

- Integrating engineering know-how and a pool of special purpose equipment with our fleet to operate in different markets and geographical areas
- Providing complex offshore support by building and operating a fleet of large and advanced offshore vessels
- Providing solution driven services by combining our engineering and equipment capabilities in a single service to support our clients' offshore cable, pipeline and umbilical installations, transport and storage projects
- Establishing strong (local) partnerships and strategic alliances for continuity in the growth of assets and services

Our ambition is to be the first choice in offshore solutions for economically and technically challenging projects in the oil and gas and offshore renewables markets.

Business areas



Oceanteam Shipping

Oceanteam Shipping owns, builds, charters and manages high-end subsea construction vessels to subsea construction companies world-wide. The fleet consists of the two large Deepwater Offshore CSVs, Bourbon Oceanteam 101 and Southern Ocean, Lay Vessel North Ocean 105 and one large CSV under construction plus four Fast Support Vessels. The vessels are on long-term charters with solid clients including Oceaneering/BP Angola, Fugro TS Marine, McDermott and Diavaz.

The North Ocean 100 series has a proven track record and experience in the field for delivering highly recognized quality, performance and reliability to the most demanding clients and subsea operations. Since the first 10.000t deadweight CSV Bourbon Oceanteam 101 was delivered at the end of 2007, the multiple vessel build programme has launched five large state-of-the-art new builds in accordance with the Company`s own design and specifications. In addition to the current fleet, the CSV North Ocean 103 was sold at delivery to Technip in 2009 and the remaining 50 percent share of CSV North Ocean 102 was sold to J. Ray McDermott in late 2014. Built at premium and reliable shipyards, all vessels have been delivered on time and on budget.

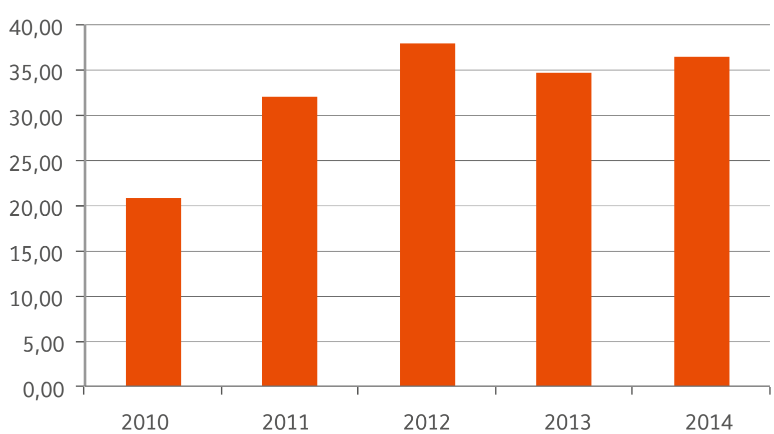
The strategy of the Company is to create value for its clients by offering vessels that are built and operated economically and are combined with a uniquely flexible configuration. Our in-house experience and expertise ensures that our clients will be provided with the most effective vessel solutions for their projects. We offer proactive assistance and give support on every aspect of the fleet we manage. This includes both operational and technical support.

The North Ocean 100 series vessels are well received by our clients and they have proven themselves to be highly capable, reliable and cost effective deep-water vessels that support our clients complex projects. Oceanteam Shipping continues to develop projects and designs for future, larger and more advanced North Ocean Series vessels. Plans for the next generation, the North Ocean 300 series, are fully developed and ready for project execution.

To enhance shareholder value, the Company continues to pursue business opportunities for securing steady, positive cash flow from existing operations and by diversification into different market segments, business operations and geographical areas.

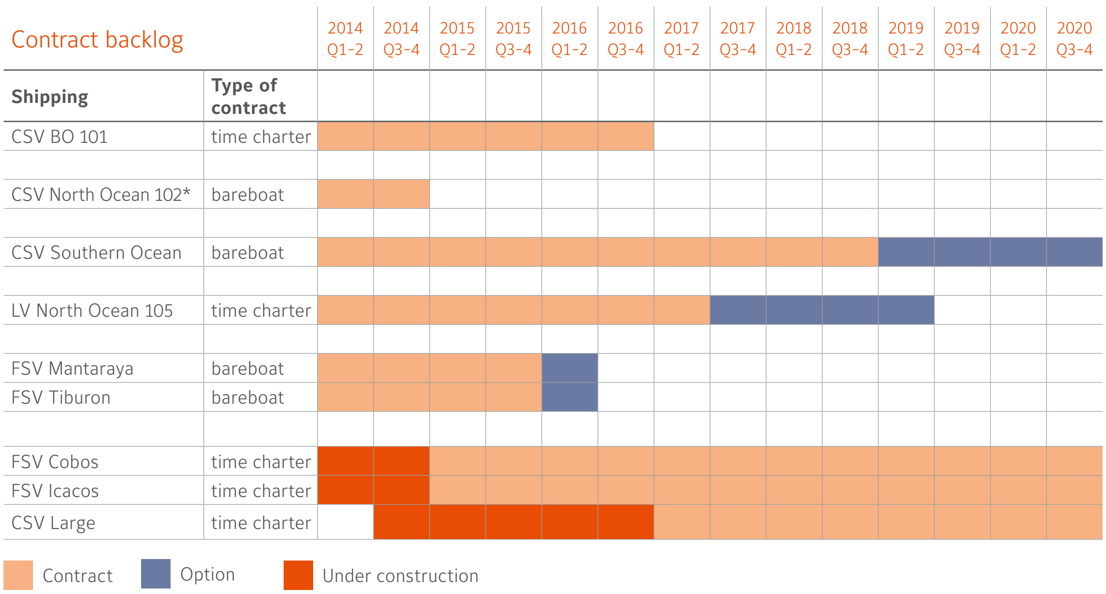
Shipping Revenues

USD million



Revenues continued to grow in 2014. The Company has superior coverage, with long term, charter contracts which provide stable cash flow from its main assets. In 2013 time charters were changed to bare boat charter.

Contract backlog



* McDermott has executed the purchase option in fourth quarter 2014.

DOT Shipping

The newly founded joint venture between Diavaz and Oceanteam, DOT Shipping, is to provide vertically integrated high-end vessel solutions and marine asset services for the fast developing Mexican offshore market. The Mexican Energy Reform legislation that was passed in August 2014 opened Mexico's state-controlled hydrocarbon industry to private investors. Mexico is the 10th biggest producer of crude oil and the decision to put an end to the monopoly is expected to reverse a decade of declining oil output. Mexican growth in E&P spending and the replacement of tonnage will drive demand for new generation CSVs over the next years.

Grupo Diavaz is a reputable organization of companies and strategic joint ventures, formed with the objective of providing integral services and solutions for the oil industry. Since 1973 the Company has become one of the most experienced companies in Mexico and developed a sound knowledge of the energy sector. Together with Oceanteam's vast knowledge and in house capabilities, we are confident that the partnership will benefit both organisations by seizing a share of this fast growing market.

DOT Shipping successfully delivered two new built FSVs, the Cobos and Icacos, in the fourth quarter of 2014. The vessels were immediately sent to the Gulf of Mexico to commence operations. Both vessels are fully financed and entered into seven year firm time charter contracts with Constructora Subacvatica Diavaz. In October, the joint venture also announced a 50 percent interest in a new large Construction Support Vessel for Mexico which is currently under construction and is expected to be delivered in the second half of 2016. This vessel is built through a joint venture between DOT Shipping and Pacific Radiance.

Oceanteam Solutions

The Company's marine asset and design engineering division is focusing on solution driven offshore services for its clients by combining its engineering and equipment capabilities. This way it can support its clients' offshore cable, pipeline and umbilical installations, transport and storage projects in the most beneficial way.

Oceanteam Solutions' proportion of the Company's earnings has increased significantly during 2014. It will be a key contributor to the Company's future growth together with the stable long-term focus of the shipping business. Oceanteam Solutions operates on a global basis where it serves three markets: oil and gas, offshore renewables and high voltage submarine power interconnectors.

RentOcean

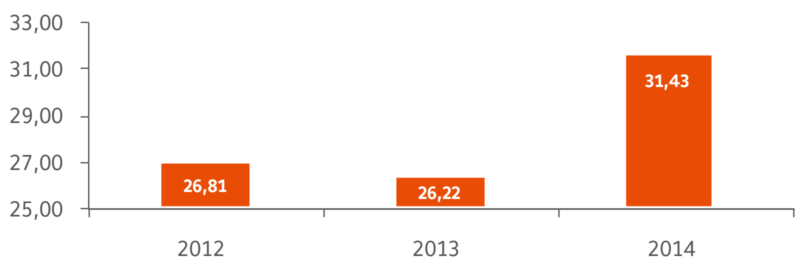
RentOcean is specialised in building demountable turntable systems which can easily be delivered in 40ft containers to ports globally. It can design and produce turntables in various sizes for onshore and offshore use and for a variety of cables, umbilicals, pipes or flowlines. Through its close co-operation with KCI The Engineers, RentOcean provides full engineering design and consultancy services to clients in the oil and gas and renewable industries and can also provide services for complex structures both onshore and offshore. With the in-house engineering experience and expertise clients obtain the most effective vessel and equipment solutions for their projects.

Over the years RentOcean has built up a broad client base worldwide to which it successfully rents out equipment and supports offshore cable, pipeline and umbilical installations, transport and storage projects. From the base with deepwater quayside facilities in Velsen Noord, the Netherlands, RentOcean can accommodate all sizes of vessels for mobilisation and demobilisation with easy access to the North Sea.

RentOcean is in the process of expanding its equipment pool with new turntables, loading towers, reels and associated services.

Oceanteam Solutions Revenue

USD in million



Revenue has increased significantly during 2014 by creating high-end offshore solutions for our clients and by expanding our equipment and engineering capabilities.

KCI The Engineers

For more than 28 years KCI has developed in-house experience and expertise to ensure that clients find cost effective solutions and optimize operational capabilities in every step of their projects, from concept and consultancy to design through to execution management. Oceanteam completed a strategic acquisition of the remaining shares in KCI in February 2014 which led to 100 percent control over the engineering company.

KCI is a service provider that has a workforce of 130 internationally experienced engineers with various technical backgrounds. In oil and gas asset development, KCI covers the complete chain from field development, concept selection and conceptual design, right up to the actual construction, installation and future decommissioning phase. The company also offers consultancy and engineering services during the complete project life cycle of offshore wind developers and EPIC contactors. The projects start with field development, including the design of foundations, cables, met masts and substations for renewables developers and ends with decommissioning or life time extension. In addition, KCI designs innovative equipment for the marine environment like complete deck layouts and specialist equipment in ship design. The engineering expertise has also broadened the product offering to include big fairground Ferris wheels. KCI is currently designing two new big wheels that are going to be the largest in the world.

In line with Oceanteam's revised strategy and strong focus on growth going forward, Oceanteam initiated a company-wide programme named "The Next Step" in October 2013 to enhance and fully update KCI's engineering capabilities and to accommodate future growth and profitability. The programme is to be rolled out into the whole group starting with RentOcean, with the same high engineering and quality standards, project management and cost control to improve the level of service and quality delivered to our clients. Oceanteam has allocated significant recourses to the programme, which KCI was the first company to undergo. KCI's management team and structure has significantly strengthened and improved its performance during 2014.

Quality, health, safety and environment

Management of QHSE is a strategic focus area for the Oceanteam Shipping group. Oceanteam Shipping ASA holds DNV GL certificates for ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 standards for quality, environmental and health and safety management. The Company renewed these certificates early 2015 and they are valid until 2018.

Professional standard

The Company Code of Conduct applies to all employees and stands above all other company policies and guidelines. The Code of Conduct covers topics including bribery and facilitation payments, conflicts of interest, fair competition as well as gifts and hospitality, human rights, sponsorship and whistleblowing.

All permanent employees and managers at Oceanteam must confirm annually that they have read the Code of Conduct and that they have carried out their tasks and responsibilities in accordance with the Code during the previous year. We also require suppliers, subcontractors, representatives and other contracting parties of Oceanteam to confirm adherence to ethical standards.

Employees throughout the Company are responsible for professional conduct and to create an environment of dignity and respect to others with diverse backgrounds and perspectives, including fellow employees, customers, vendors and other third parties.

Working environment

At the end of 2014 the Company employed 160 people – excluding its offshore personnel and contractors – with various backgrounds from all over the world bringing mixed cultures together for its worldwide operations. The people within Oceanteam Shipping are a crucial factor in the entire process of creating value for our clients. The contribution of Human Resources to the business is focused on maintaining an excellent workforce and committed people.

Oceanteam takes a systematic approach to the performance and achievements of the employees and an on-going commitment to their development. The aim is to encourage, acknowledge and continuously develop the employees. Uniform job profiles for the group are designed and implemented, which helps ensure our workforce is optimally put to good use for and within Oceanteam. Our Project Management System (PMS) is used for project planning, scheduling, resource allocation and change management. It allows our employees to control costs and manage budgeting, quality management and documentation. Its main purpose is to facilitate the planning and tracking of project components, stakeholders and resources. Through the PMS, our employees are challenged to continuously develop high quality solutions for its clients and to remain up to date within the market. The Company encourages its employees to increase continuously their knowledge through training and project management courses.

Equal opportunity

The Company is fully committed to meeting its obligation to provide equal employment opportunities to all employees and applicants without regard to race, colour, religion, gender, national origin/ancestry, citizenship, age, sexual orientation, disability or other protected status.

The discrimination act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion and faith. Oceanteam is actively and systematically working to comply with the act's intention within our business and actively avoids discrimination in the areas of recruiting, salary and working conditions, promotion, development, opportunities and protection against harassment.

Safety

An important HSE goal for 2014 was to achieve zero Health Safety and Environmental accidents. In 2014, only one minor accident was recorded in the Oceanteam group, and no larger accidents or incidents were recorded. There were no personal injuries reported in any Oceanteam company in 2014.

However, all reported incidents and accidents are always followed up with an investigation which is recorded and filed. Cause and solution of the investigation are recorded in a database, accessible for all.

Environment

Oceanteam's activities and the desire to minimize harm to the environment continue to be a prime objective. The ISO 14001: 2004 certification ensures a systematic approach to environmental management and continuous improvement throughout the Group.

All large Oceanteam Shipping's vessels have DNV GL CLEAN design class notation for the lowest environmental impact. This results in a double hull on all ships. Engines comply with the latest requirements for emissions and the use of fuel type MDF (Marine Diesel Fuel) to lower emissions. In addition to this, all vessels have advanced garbage and disposal treatment.

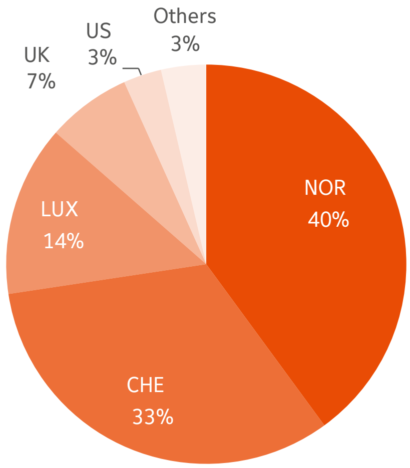
Shareholder information

Shares in Oceanteam Shipping ASA are publically traded at the Oslo Stock Exchange. The Company has 29.593.259 shares outstanding and is traded under the ticker code''OTS''. Per balance sheet and reporting date the Company held 10 percent treasury shares. All shares are given equal voting rights but the Company cannot vote its own shares. Shares are identified by the name of their owner or their owner's nominee account. As reflected in the Company's Articles of Association there are no restrictions relating to voting or transfer of ownership of the shares, nor are there mechanisms aimed at preventing takeovers. There are no specific representations, individual or in total, for shares owned by employees.

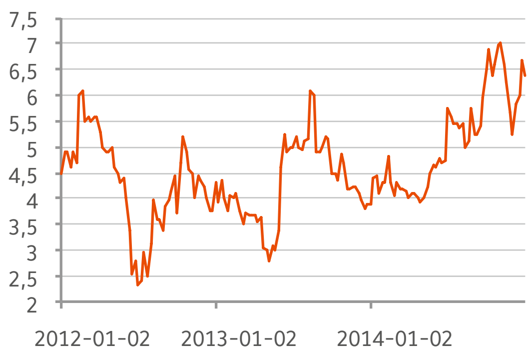
Performance

In the period 2012 - 2015 there has been a positive increase in the share price. As of 31 December 2014 the market capitalization was NOK 192 million.

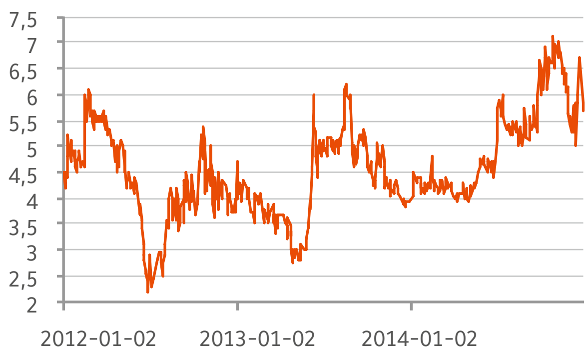
Percentage of shareholders by geographic location



OTS Share price 2012-14 (weekly)



OTS Share price 2012-14 (daily)



Share price

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Directors' report 2014

About Oceanteam Shipping

The Company is comprised of two operating segments, Oceanteam Shipping and Oceanteam Solutions. Oceanteam Shipping owns, charters and manages deep-water offshore support vessels and fast support vessels. Oceanteam Solutions focus is to provide its clients with complete offshore solutions.

With our in-house experience and expertise we ensure that our clients find the most effective solution for their projects. We can provide integrated services and pro-active assistance, both operational and technical, on every aspect of the projects we manage.

For more information about the company go to: www.oceanteam.no

The company ticker on the Oslo Stock Exchange is: ''OTS'' (www.ose.no).

Operations 2014

North Ocean fleet

CSV Bourbon Oceanteam 101 has been on a time charter with Oceaneering / BP Angola, which started on 1 February 2012 for three years firm with two one year options for extension. Oceaneering exercised both one year options in the third quarter of 2014, extending the charter to February 2017. The ship was fully utilised in 2014 with the exception of a few days in the fourth quarter where the ship was docked for repairs.

CSV North Ocean 102 has been on time charter/bareboat charter with J. Ray McDermott S.A. for five years. The vessel was fully utilised in 2014, operating off the coast of Australia. J. Ray McDermott Norway AS exercised a purchase option for the vessel on 18 December 2014, acquiring Oceanteam's 50 percent ownership stake in jointly owned Lay Vessel. The proceeds from the sale will go towards a USD 35 million part payment of Oceanteam's bond loan due in April 2015. The transaction is part of the Company's long term strategy to deleverage and to further strengthen its balance sheet.

CSV Southern Ocean has been on a contract with Fugro-TS Marine Australia since October 2010, operating in Australia and the Far East. The vessel is on a bareboat charter until the end of 2018 with additional two, one year options for the extension. From the start of 2014 until early March, the vessel was on a stand by rate. The CSV Southern Ocean had a period of technical breakdown at the end of May, reducing the charter income. In early July the vessel returned to normal operations and day rate. At the end of December, the Southern Ocean began its five year maintenance period, dry docking and received a lifeboat upgrade.

Lay Vessel North Ocean 105 was delivered in 2012 and since then has been on a 5 year charter with McDermott International and operates on a worldwide basis as a pipe layer. In 2014 the ship has been fully utilised, mainly operating in the Far East. From March 2015 its time charter was converted into a bareboat with J. Ray McDermott.

Oceanteam operates two Fast Support Vessels (FSVs), Tiburon and Mantaraya, which have been fully utilised in 2014 working in Venezuela on bare boat contracts with Inversiones Setin 2010 CA. The charters were extended from mid 2014 to 31 December 2015.

DOT Shipping

In March 2014 Oceanteam took a 40 percent stake in the newly founded joint venture DOT Shipping together with Grupo Diavaz. DOT Shipping successfully delivered two FSV new builds in Q4 2014 that were immediately sent to Mexico to start operations. Both vessels are fully financed and will operate in the fast developing Mexican market, where they both have begun a seven year firm time charter contract with three, one year options.

In October, DOT Shipping also announced a 50 percent interest in a new large build Construction Support Vessel for Mexico which is currently under construction and is expected to be delivered in the second half of 2016. This vessel is built through a joint venture between DOT Shipping and Pacific Radiance. The vessel has secured a long-term charter and a commitment by our joint venture partner Pacific Radiance for post completion financing at delivery.

KCI The Engineers

In February 2014, Oceanteam became a 100 percent strategic owner in the design engineering firm KCI The Engineer.

In line with Oceanteam's revised strategy and strong focus on growth going forward, Oceanteam initiated a company wide programme named "The Next Step" in October 2013. KCI was the first company in the group to undergo the changes set out in 'The Next Step' programme. The programme is designed to enhance KCI's project management capabilities and to accommodate future growth and profitability. The programme is to be rolled out into the whole group with the same high standards of project management and cost control to improve the level of service and quality delivered to our clients. KCI's management team and structure has significantly strengthened during 2014.

Utilisation was not wholly satisfactory in Q2 and Q3 but improved towards the end of 2014 and at the start of 2015.

In 2014, KCI had an average of 130 engineers who have worked on multi discipline service contracts such as the following:

- Concept development and basic design of a deck-layout for a cable laying vessel
- Basic design of foundation jackets for a substation on the English sector of the North Sea
- Process upgrade of offshore topside production platform
- Eductor skid design, engineering, procurement and manufacturing support
- Riser and J-tube detailed design of a platform in North Sea
- Basic design of the Gas Sweetening Unit of an onshore plant
- Several brown field maintenance studies
- Basic and detail design of foundation jackets for substation
- Detail design of topside for substation
- Concept, basic and detail design of a major innovative landmark project in Middle East
- Feasibility and appraisal studies
- Redesign of two walk to work systems for monohulls
- Foundation design of foundation of 4000T modular turntable
- Onshore gas field development for three well sites in the Netherlands (From concept study to detailed design and procurement services)
- Design of portal with built in powered quadrant
- Design of 3000T onshore turntable (patent pending)
- Development of a quadrant handling system (patent pending)

RentOcean

Oceanteam's marine asset division RentOcean increased its level of activity with several new contracts in a historically strong offshore renewable market, leading to a backlog of approximately USD 14 million.

RentOcean will be the next division to implement The Next Step Programme.

Highlights for RentOcean in 2014 include:

- Delivery and operations of a second modular 4000T turntable in Qatar and South Korea
- Execution of a long-term contract for supply of a modular 1500T turntable on a McDermott project
- Execution of a long-term contract for supply of a 3000T onshore turntable in The Netherlands
- Operating a long-term contract consisting of a modular 2000T turntable, loading tower with a built in 15T tensioner for a project in Brazil
- Award of contract and start of construction of a portal with a built in powered quadrant
- Award of a contract for supply of lay spread
- Sale of certain burial equipment

The Company entered into long-term storage and handling contracts with Eneco and E.ON

Market outlook

The main change in the market outlook from 2013 to 2014 is the stability of the oil prices. Near the end of 2014, oil prices became more volatile but are on the rise again in 2015. The Company is still positive and believes in the long term fundamentals of the relevant industry.

In the long-term, exploration and production activities are likely to increase and consequently the demand for large construction support vessels and services is likely to grow.

The Company has always focused on strong long-term backlog seeking full utilisation of its high-end deepwater assets, a proven strategy that gives long-term stable cash flow. The diversification of the Company's global business units and working segments makes us robust against decreasing oil prices. Geopolitical tension will make certain regions develop faster or slower and therefore the Company has chosen to focus on stable regions and to team up with strong local partners with proven track records in their respective markets. Diversification of clients also helps the Company to increase its knowledge and to develop in different markets.

In Western Europe many offshore wind parks have been delayed due to lack of funding, supply chain problems, cost overruns and changes in countries' policies. The Company's continued belief is that demand for services related to the offshore renewable industry will increase in 2015 and beyond.

The company remains in a strong position to meet the future demands and requirements in this market. Limited space and environmental laws are causing large wind farms to be constructed further from shore. The projects are in deeper waters, more complex and on a larger scale. With over 28 years of experience, KCI have the competence to meet demands of the industry. Larger wind farms allow improved fixed cost allocation but also require more complex engineering services to make sure the full capex project is executed to plan and is sustainable. This development also leads to larger more complex assets. The average size of projects is 340 Mega Watts.

The exact timing of existing projects currently in the development stage remains uncertain but overall the market is expected to grow, resulting in an increased demand for support vessels and associated services like engineering and marine assets. The focus of the industry is on reducing installation and maintenance costs and using flexible solutions, which Oceanteam can provide with its solution driven services.

Larger wind farms allow improved fixed cost allocation but also increase project complexity and demand for engineering services. Oceanteam Solutions focuses on combining the different disciplines and resources into cost effective solutions which creates new opportunities.

Oceanteam spends significant resources on market research and intelligence. It adapts its strategy and risk profiles when the analysis deems this to be prudent.

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

Oceanteam Shipping is confident and to date has secured sufficient projects in both the oil and gas market and the offshore renewable market to maintain a high to good level of utilisation of its assets and engineers.

An important milestone in 2014 has been the establishment of DOT Shipping, a joint venture with Grupo Diavaz in Mexico. In this captive market the Company's goal is to provide the complete vertical supply chain through cutting edge engineering solutions and high-end quality vessels. Through this joint venture Oceanteam's operations are expected to grow significantly in the coming years.

The shipping segment is based on long-term contracts. The Company has a strong track record of securing such contracts. During the third quarter a further two years extension was received from Oceaneering for CSV Bourbon Oceanteam 101.

KCI The Engineer are built on a 28 year track record of multiple short term contracts of different sizes and durations.

RentOcean maintains a steady level of success in a strong offshore renewable market. In 2014 RentOcean secured its first two oil and gas contracts supplying services for South Korea, Qatar and Brazil.

The Company continues to experience strong interest for its vessels and services from globally leading companies.

Corporate responsibility

Corporate Responsibility at Oceanteam Shipping is a matter of making good and sustainable business decisions. The Company considers Corporate Responsibility a strategic benefit that adds value to the Company, its stakeholders and society. The efforts of the Company in corporate responsibility are to increase the positive effects and reduce potential negative consequences of its operations.

Oceanteam Shipping maintains an active dialogue with internal and external stakeholders on Corporate Responsibility (CR) matters to ensure that the company's CR work is relevant to its market and strategy while meeting the needs and expectations of our stakeholders. We will seek continuously to engage individual stakeholders on specific issues and needs.

As a part of our responsibilities towards internal and external stakeholders, the Company has a number of policies expressing its position on governance matters which include safety, environment, business ethics and integrity. The Board of directors is ultimately responsible for CR and governance activities. Development and oversight of the Corporate Responsibility, performance and reporting is delegated to the management.

Oceanteam Shipping holds DNV GL certificates for ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 standards for quality, environmental and health and safety management.

Professional standard

The Company Code of Conduct applies to all employees and stands above all other company policies and guidelines. The Code of Conduct covers topics including bribery and facilitation payments, conflicts of interest, fair competition as well as gifts and hospitality, human rights, sponsorship and whistleblowing.

All permanent employees and managers at Oceanteam Shipping must confirm annually that they have read the Code of Conduct and that they have carried out their tasks and responsibilities in accordance with the Code during the previous year. We also require suppliers, subcontractors, representatives and other contracting parties of Oceanteam to confirm adherence to ethical standards.

Working environment

At the end of 2014 the company employed 160 people – excluding its offshore personnel and contractors – with various backgrounds and roots from all over the world bringing mixed cultures together for its worldwide operations. The people within Oceanteam Shipping are a crucial factor in the entire process of creating value for our clients. The contribution of Human Resources to the business is focussed on maintaining an excellent workforce and committed people.

Oceanteam takes a systematic approach to the performance and achievements of the employees and an on-going commitment to their development. The aim is to encourage, acknowledge and continuously develop the employees. Uniform job profiles for the group are designed and implemented, which helps ensure our workforce is optimally put to good use for and within Oceanteam. Our Project Management System (PMS) is used for project planning, scheduling, resource allocation and change management. It allows our employees to control costs and manage budgeting, quality management and documentation. Its main purpose is to facilitate the planning and tracking of project components, stakeholders and resources. Through the PMS, our employees are challenged to continuously develop high quality solutions to its clients and remain up to date within the market. The Company encourages its employees continuously to increase their knowledge through training and project management courses.

Leave of absence due to illness remained at a low level in 2014. The average leave of absence has reduced from 4.4 percent in 2013 to 4.6 percent i 2014. The Company will continue to make efforts to keep absence as low as possible. No incidents or work related accidents resulting in significant personal injury occurred during the year 2014. While the working environment is considered to be good, efforts for further improvement are made on an ongoing basis.

Equal opportunity

Oceanteam Shipping is fully committed to meeting its obligation to provide equal employment opportunities to all employees and applicants without regard to race, colour, religion, gender, national origin/ancestry, citizenship, age, sexual orientation, disability or other protected status. Most of Oceanteam's employees work in the Netherlands, but a significant portion of the staff represents other nationalities, backgrounds and cultures. Our employees are highly skilled engineers, technicians and financials and 75 percent of our employees are male and 25 percent are female.

The discrimination act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion and faith. Oceanteam is actively and systematically working to comply with the act's intention within our business and actively to avoid discrimination in the fields of recruiting, salary and working conditions, promotion, development, opportunities and protection against harassment.

The Group aims to be a workplace with no discrimination due to reduced functional ability and is working actively to design physical conditions in such a manner that as many as possible can utilize the various functions. For new employees or new applicants with reduced functional ability, individual workplace arrangements will be made.

Safety

At times the Company engages in work under challenging conditions, making it imperative to maintain the safety of employees and customers, subcontractors, consultants and other parties. The foundation for this continuous diligence is the company's HSE management system and the Integrated Management System (IMS) as well as regular Risk Assessments.

The Company's QHSE department is instrumental to the development of our employees to ensure that they are safe and comply with all relevant QHSE legislation. This is done through involvement in our introduction process and attendance at various mandatory training courses. Oceanteam Shipping requires all employees to adhere strictly to our policies and procedures. The Company rigorously enforces our obligation to ensure both the appropriate training and competences for the task in hand and the awareness of each employee of their rights and obligations in maintaining a healthy and safe workplace.

An important goal for 2014 was to achieve zero Health Safety and Environmental accidents. In 2014, only one minor accident was recorded in the Oceanteam group, and no larger accidents or incidents were recorded. There were no personal injuries reported in any Oceanteam company in 2014. However, all reported incidents and accidents are always followed up with an investigation which is recorded and filed. Cause and solution of the investigation are recorded in our database accessible to all.

Natural environment

The desire to minimize harm to the natural environment continues to be a prime objective. Oceanteam Shipping's ISO 14001: 2004 certification and the Integrated Management System ensure a systematic approach to environmental management and continuous improvement throughout the Group.

The identified main aspects and potential negative impact from Oceanteam Shipping operations and locations are the use and transfer of oil, general waste production and pollution from waste oil and waste cooling fluids. Mitigating activities to reduce impacts and potential negative impacts include spill kits available on-site, work instructions for waste reduction and sorting and waste transfer notes kept on site. Oceanteam Shipping's equipment division RentOcean require smaller amounts of oil-use in their operations, and use only biodegradable oil to ensure minimum environmental risk. The results of the environmental risk mitigation work in 2014 are deemed to be satisfactory, with zero reported leakage or spillage incidents.

Safe and high quality vessels designed with the natural environment in mind are our most important mitigating precaution. All Oceanteam Shipping vessels are designed and built in accordance with the latest environmental rules and guidelines in order to enable our clients to operate our vessels with the lowest environmental impact. As such, all our large vessels have DNV GL CLEAN design class notation, double hull, engines complying with latest requirements for emissions and the use of MDF (Marine Diesel Fuel) to lower emissions. In addition to this, all vessels have advanced garbage and disposal treatment systems.

Business ethics and anti-corruption

Oceanteam Shipping's position on corruption is clear: we have zero tolerance and work against all forms of corruption, including bribery and facilitation payments. We are committed to fair and open competition and do not engage in any anti-competitive practices or other activities that violate antitrust laws or directives. The Code of Conduct covers topics including bribery and facilitation payments, conflicts of interest, fair competition as well as gifts and hospitality, human rights, sponsorship and whistleblowing.

We communicate this position to employees, customers, governments and public officials in the locations where we operate. The Company provides a whistleblowing channel to encourage reporting of any breaches.

Human rights, labour standards and social aspects

Oceanteam Shipping is present in parts of the world where human rights and labour rights are at risk and where the Company could become complicit in violations through its own activities or indirectly through the supply chain. The Company supports and respects human rights as expressed in the UN Guiding Principles on Business and Human Rights, and endeavours not to be complicit in any human rights violation. Safeguarding the human rights of the workforce, our subcontractors and suppliers is a high priority and is integrated in the Company's employee policies. Oceanteam Shipping treats employees fairly, honestly, with dignity and respect. The Company provides equal opportunities for all employees and is committed to high standards of openness, decency and integrity.

Oceanteam Shipping takes appropriate legislation and applicable regulations in consideration when developing processes, procedures and policies related to employee and industrial relations/labour standards. We are doing this with the clear intention to deliver "best practice".

We also require suppliers, subcontractors, representatives and other contracting parties of Oceanteam Shipping to confirm adherence to our ethical standards.

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 2015 to 2017 and the Group's long-term strategic financial forecasts.

The consolidated financial statement of Oceanteam Shipping has been prepared in accordance with International Financial Reporting Standards (IFRS), while the parent company Oceanteam Shipping ASA has been prepared by Norwegian General Accepting Accounting Principles (NGAAP).

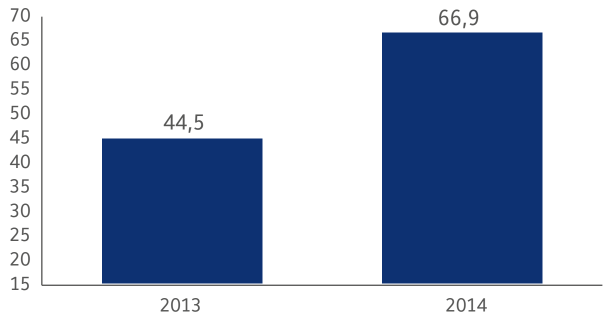
Comments related to the financial statements

The CSV vessel fair value estimated by two external independent brokers is USD 353 million on a 100 percent basis ending 2014. The lower oil price has led to a decreased fair market value.

Operations

Revenue OTS Group 2013-2014

USD million



*Figures for 2013 are restated to equity consolidation for all joint venture companies in Group

Revenue in the Group increased with 48 percent from USD 44.5 million in 2013 to USD 66.9 million in 2014. The increase has been caused in part by the consolidation of Oceanteam Bourbon 4 AS as a consequence of change in control and increased profitability in Oceanteam Solutions. In the restated figures for 2013, all joint ventures had been accounted for on the equity basis.

The court proceedings between Sawicon AS and North Sea Shipping AS as a third party concerning rights to and the use of the North Ocean 100 series design caused operational expenses to increase. Gulating Court of Appeal upheld Oceanteam's appeal in March 2014. 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.

Administration costs are comparable to the previous year. The cost line is affected by the The Next Step programme of KCI The Engineers which has been partly recorded in profit and loss. In 2014, the EBITDA has increased to USD 30.3 million from USD 11.4 million in 2013. The EBITDA percentage ratio in 2014 is 45.4 percent compared to 25.5 percent in 2013.

The Company's senior bond loan denominated in USD has reduced the overall currency effects significantly. The foreign exchange results are affected by the fluctuations in the EURO and NOK against the USD reporting currency. For the Company the volatile foreign exchange rate fluctuations have been positive due to decreased costs in EUR, NOK and MXN while the main bulk of income is in USD.

Deferred tax losses from previous years have been marginally capitalized. The change in 2013 of the deferred tax assets is related to the improvement of earnings in Oceanteam Solutions business and improvements in forecasts based on new contracts.

The Group's net result before the decrease of carrying amount from revaluation of its vessels is a profit of USD 3.1 million compared to a loss of USD 4.1 million in the year 2013, an increase of USD 7.2 million.

The Groups net result after the revaluation of its vessels is a loss of USD 6.2 million

Net financial costs are mainly interest payments for the USD bond loan and bank interest for the three CSV vessels.

The Board and the management are continuously working to improve the financial performance and see a positive development in order backlog, earnings and growth for the first half of 2015.

Investments

For the year 2014 the Group shows total operational investments of USD 11 million. Investments have been allocated to Oceanteam Solutions.

Senior callable bond issue 2012/ 2017

The Company issued an unsecured bond loan in the amount of USD 92.5 million dated 24 October 2012. The net proceeds were used to refinance an old NOK bond loan. USD 35 million will mature, with pro rata redemption, at interest payment date April 2015 at 100 percent par value. The remaining amount of USD 57.5 million will mature at the final maturity date of 24 October 2017.

Secured bank revolver for new equipment

The company secured in early 2015 a EUR 15 million revolver facility to fund growth in Oceanteam Solutions.

Interest rate and financial covenants

The balance of secured bank debt is USD 63.5 million and the bond loan is USD 91.2 million at the end of 2014. The bank debt has a 5 years tenor with quarterly repayments and a balloon at its fifth anniversary due in July 2017. The bond loan is divided into two installments where USD 35 million is due April 2015 and USD 57.5 million is due October 2017.

The key financial covenants of the bond are for the Company to maintain booked equity and market adjusted equity above the minimum of 35 percent and 25 percent. There is also a gearing ratio, being the ratio of net interest bearing debt divided by EBITDA, of 6.0 for the two first years and then decreasing to 5.5 and 5.0 on the second and the third anniversary until the maturity date in 2017.

The bond loan is callable from October 2015 with a call premium of 106 percent reducing to 103 percent after October 2016. Furthermore there are clauses which restrict dividends, change of control and to maintain the OSE listing.

Capital structure

Approximately 50 percent of the revenue in the Group is USD (shipping) while the remaining 50 percent is in EURO. The dividend stream up to the parent company Oceanteam Shipping ASA comes from the activities of the vessels in the joint ventures, associates, subsidiaries and Oceanteam Solutions.

The revaluation premium of USD 27.1 million which is the difference between the historical costs and the fair market values has decreased overall during the year due to the decreased demand in the market and decline of the oil price.

The Company's financing strategy is to create the most efficient capital structure for its business developments with the lowest possible weighted average cost of capital.

All North Ocean assets are organized in single purpose companies where the CSV vessel are leveraged with a long term debt. Balances on the loans for the CSV Bourbon Oceanteam 101 and Southern Ocean are due with a balloon in the third quarter of 2017. Financing for the Pipe Lay Vessel, Northern Ocean 105, is due after McDermott has its execution right of the purchase mid 2017. McDermott has fully guaranteed the financing for the vessel with a 100 percent parent company guarantee.

The Company's financing strategy is to create the most efficient capital structure for its business developments with the lowest possible weighted average cost of capital.

For a more detailed description of risks connected to the revaluation model, see the Risk section of this report and notes three and four of the consolidated financial statements.

Market values of the shares

The shares on the Oslo Stock Exchange were priced at NOK 5.90 on 14 April 2015 which gives a market valuation of the Company of NOK 174 million taking into account the share volume of 29.6 million shares. The Company owns 10 percent treasury shares. The booked equity is significantly above the Company's share market value.

The view of the management and the Board is that the book value is a better reflection of the fair market value of the Company and its potential than the value as per the market value of the shares reflected in the share price. This can be seen in the positive development of the equity in the parent company Oceanteam Shipping ASA which has positive returns on its investments in its subsidiaries.

There are no restrictions in the Company's articles of associations for trading the shares.

Balance sheet

Oceanteam Shipping applies a revaluation model according to IAS 16 for the valuation of its Construction Support Vessels in operation. The effects of applying the revaluation model in 2014 amounted to USD 27.1 million, consisting of the vessels CSV Bourbon Oceanteam 101, CSV Southern Ocean and Lay Vessel North Ocean 105.

Total assets at year end amounted to USD 310 million, compared to USD 213 million in the prior year. Equity as a percentage of total assets was 43.8 percent as of 31 December 2014, compared to 50.3 percent as of 31 December 2013.

As of 31 December 2014 and for the reporting date the company complied with all its loan covenants.

Oceanteam Shipping has a deferred tax asset total USD 6.0 million booked on its balance sheet.

Cash flow

Net cash flow from operating activities amounted to USD 26.6 million in 2014 compared to USD 2.1 million in 2013.

Net cash flow from investing activities was positive USD 12 million in 2014 against negative USD 9.1 million in the preceding year. The change is mainly driven by the execution of the McDermott option for the vessel CSV North Ocean 102.

Net cash flow from financing activities amounted to negative USD 9.6 million compared to negative USD 1.0 million in 2013. Included in this was a negative cash flow of USD 1.5 million in 2013 due to purchase of own shares. Per balance sheet and reporting date the Company owns 10 percent treasury shares valued at approx USD 2.5 million in market value.

Net change in cash and equivalents was positive with USD 28.9 million in 2014 compared to negative USD 9.5 million in 2013.

Parent company

The parent company showed a profit of USD 0.2 million. The positive result was attributable to dividends from equity accounted investments and subsidiaries together with sale of shares in North Ocean II KS in total of USD 24.5 million while the cash effect was 32 million USD. The parent company's share capital per year end 2014 amounted to USD 3.6 million with a total equity of USD 42.4 million. Net change in cash amounted to USD 32.3 million, whereof USD 1.4 million can be attributed to operating activities. The parent company is reporting its financial statements in USD since this is its functional currency and is in line with the Group reports.

Risk

A number of risk factors may adversely affect Oceanteam Shipping in the future. Please note that the risks below are not the only risks that may affect Oceanteam Shipping's business or the value of the shares. Additional risks not presently known to the Board or considered immaterial may also effect its business operations and projects. Development of the business and changes in market conditions can also lead to new risk areas which previously were not applicable.

The majority of the Company's revenues are from the shipping division which is in USD and are used to pay bond loan and bank loan interest. Debt is issued in the same currency as the related revenue.

For more detailed information on risk refer to the notes to the consolidated financial statements: Note 3 Financial Risk Management.

Market risk

Market risk includes risk of fluctuation in oil prices, political, economic risk and other uncertainties, increased competition and risk of war, other armed conflicts and terrorist attacks. The deteriorated financial climate has led to delays in projects in both the oil and gas and renewable energy industries which might make it more difficult to obtain attractive contracts for the construction support vessels and fast support vessels. Also the demand for cable installation equipment and engineering services may be affected by the economic circumstances.

Operational risk

Operational risks include time charter and bare boat contracts, service life and technical risk of vessels, the Company's operating history, risk for substantial responsibilities, the Company'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. By securing long term contracts for the main assets for the Group, the operational risk has decreased during the year.

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 until 28 February 2015 risk in connection with the vessels built under the Spanish tax lease system.

The Lay Vessel North Ocean 105 was under the Spanish tax lease structure until 28 February 2015, after which no vessels remain under the structure.

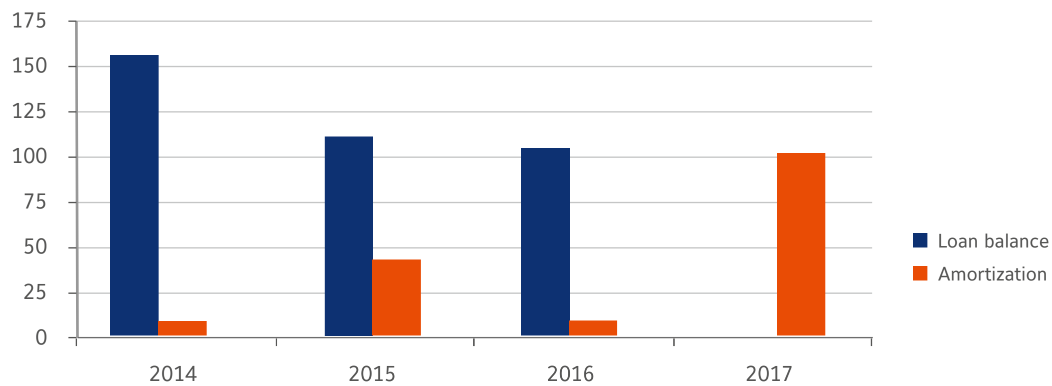
The Company has sales revenues and liabilities in foreign currencies and is exposed to currency risks. 50 percent of the revenue is in USD while the remaining 50 percent is in EURO. Since the reporting currency is in USD the foreign exposure is for liabilities in the EURO and its fluctuations with USD.

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 rate is fixed. This protects the Company from volatile interest rate fluctuations. The USD bond loan has a floating quarterly LIBOR. With the current maturity schedule 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 interest swap agreements for the loans in Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS as financial instruments. Otherwise the strategy 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 assessed by the Board of Directors.

Debt maturity profile

USD million



Liquidity risk

At year end the working capital and liquidity position of the company is satisfactory. The Group has secured external equipment finance to support its growth in the Oceanteam Solution business. The parent company depends on liquidity flows from subsidiaries and the joint venture companies that are owned with its joint venture partners. In 2014 an amount of USD 20 million was paid up to ASA.

As of 31 December 2014 the Company still had some legal cases pending but the probability of a positive outcome is high according to our legal advisors. 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. 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. 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 2015 and all costs are recorded as they occur.

All outstanding trade receivables for the shipping segment of approximately USD 5.5 million were received in 2014. For the engineering segment, USD 3.4 million of outstanding trade receivables per year end of which USD 2.2 million has already been received in 2015.

Shareholder structure and limitation

Shares in Oceanteam Shipping ASA are publically traded at the Oslo Stock Exchange. Shares are identified by the name of its owner or its owner's nominee account. As reflected in the Company's Articles of Association there are no restrictions relating to voting or transfer of ownership of the shares, nor are there mechanisms aimed at preventing takeovers.

There are no specific representations, individual or in total, for shares owned by the employees.

Events after the balance sheet date

- DOT Shipping took delivery of two new built FSV's, which were immediately sent to the Gulf of Mexico to start operations. Both vessels are fully financed and have entered into seven year firm time charter contracts

- RentOcean was awarded a contract for supplying equipment for a cable laying project in Mexico. Operation started in March 2015

- Oceanteam announces a stronger focus on and transition to providing Oceanteam Solutions driven services by combining its engineering and equipment capabilities into a single service in accordance with clients' requests

- Banks approved a growth facility for new Solution and Equipment investments of credit line of EUR 15 million and an overdraft facility for Oceanteam Shipping for USD 3 million to mitigate the currency fluctuations, hedging and liquidity risks

2014 Result and equity

The consolidated accounts show a profit of USD 3.1 million before the decrease of carrying amount from revaluation of its vessels. After the revaluation of its vessels, the consolidated accounts show a loss of USD 6.2 million. The consolidated equity is USD 135.9 million. The equity ratio as a percentage of total assets is 43.8 percent as of 31 December 2014. The equity in the parent company Oceanteam Shipping ASA is USD 42.4 million where USD 3.6 million is share capital.

Distributable equity

As of 31 December 2014 Oceanteam Shipping ASA has a distributable equity as defined by Norwegian Public limited Companies Act, of USD 38.8 million. There are restrictions to distribute dividends in the bond loan agreements due to certain financial covenants.

Allocation of net income

The Board proposes the following allocation of the net result:

Parent company	Oceanteam Shipping ASA	USD'000
Net profit / (loss)		201
Attributable to:		
Other equity		201
Total allocation		**201**

3

Confirmation from the Board of Directors and CEO

We confirm that, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2014 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial positions and profit or loss of the entity and the group taken as a whole. We also confirm that the Board of Directors` Report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Bergen / Norway, 23 April 2015
The Board of Directors Oceanteam Shipping ASA

Hessel Halbesma
Chairman

Catharina Pos
Director

James Hill
Director

Halco Halbesma
CEO

4

Corporate governance policy

Adopted by the Board of Directors on December 2014

1 INTRODUCTION

1.1 Background

Oceanteam Shipping ASA ("Oceanteam" or the "Company") is a listed company, established and registered in Norway and must therefore comply with Norwegian law, including corporate and securities laws and regulations. The Company makes every effort to comply with all applicable laws and regulations, as well as the Norwegian Code of Practice for Corporate Governance (Nw: "Norsk anbefaling for eierstyring og selskapsledelse") issued by the Norwegian Corporate Governance Board (the "Code").

The Board of Directors (the "Board") adopted the first Corporate Governance Policy (the "Policy") on 30 October 2006 to reflect and underline the Company's commitment to good corporate governance. Following amendments to the Code, the Policy has been updated regularly and the current version is based on the Code revised as per 30 October 2014. The Policy is intended both as an instrument for the Board and the management and as a device to maintain good relations and trust with the Company's different interest groups. In furtherance of this goal, the Board has also adopted a Code on Board and Management Proceedings, and an Insider Trading Policy.

1.2 Purpose

This Policy includes measures implemented for the purpose of clarifying the division of roles between the shareholders, the Board and the executive management more comprehensively than what follows from applicable legislation, and for ensuring an efficient management of and control over the Company's operations. The main goal is to have systems for communication, monitoring, accountability and incentives that enhance and maximise corporate profit, the long-term health and overall success of the business, and the shareholders' return on their investment. The development of and improvements on the Company's corporate governance is a continuous and important process, to which the Board and the management will devote a strong focus.

1.3 Regulatory framework

The Company is a Norwegian public limited liability company (ASA) listed on Oslo Børs (the Oslo Stock Exchange).

The Company is subject to the corporate governance requirements set out in the Norwegian Public Limited Liability Companies Act 1997 (the NCA), the Norwegian Securities Trading Act of 2007 (the STA) and the Norwegian Stock Exchange Regulations (the SER).

Any deviations from the guidelines provided in the Code will be explained in accordance with the "comply or explain" principle of the guidelines. The status of compliance in respect of each recommendation provided in the Code will also be set out in the Company's annual report in accordance with the requirements of section 3-3b of the Norwegian Accounting Act.

1.4 Management of the Company

Management and control of the Group is shared between the shareholders, represented in the General Meeting, the Board and the Chief Executive Officer ("CEO") according to applicable company law. The Company has an external independent auditor elected by the General Meeting.

1.5 Corporate values and ethics

The Company is an offshore shipping company. In addition to owning, chartering and managing Deepwater Offshore Construction Service – and Pipe Lay Vessels and Fast Support Vessels, the Company also provides complimentary engineering and design services, and also offers rental of equipment.

The Company is most conscious with regards to the environment. The fleet consists of modern vessels and great efforts have been made to ensure that pollution is kept on a minimum.

The Company holds certificates to the ISO 9001, ISO 14001 and OHSAS 18001 standards for quality, environmental and health & safety management.

The company further strives to maintain a high ethical standard. All employees are repeatedly reminded of the importance of ethics and a full set of guidelines to that effect is in the process of being completed.

2 Board of Directors

2.1 Role

Oceanteam shall be directed by an efficient Board with collective responsibility for the success of the Company. The Board represents, and is accountable, to the shareholders of the Company.

The Board of Directors' duties shall include the strategic guidance of the Company, an effective monitoring of the senior management, the control and monitoring of the financial situation of the Company and the Company's accountability towards and communication to its shareholders.

The Board shall ensure that the Company is well organised and that its operations are carried out in accordance with all applicable laws and regulations, in accordance with the objects of the Company pursuant to its Articles of Association, and with guidelines given by the shareholders through resolutions in general meetings from time to time.

In order to ensure efficient and thorough working procedures, the Board may appoint one or more working committees to prepare matters for final decision by the Board as a whole. The appointment, composition and mandate of such committees shall be made in due consideration of issues such as the nature of the matter or project at hand, and the particular skills required (if any) to enlighten all aspects of the matter in the best possible manner.

Within a working committee, its members may delegate among themselves specific tasks. If the load of work and the particular skills required for a certain matter or project are found to be such that it would not be reasonably compensated within an ordinary directors' remuneration, or if work is to be assigned to any company associated with a director, the committee shall present the issue to the Board and seek its approval before any additional work is carried out or any assignments made. Further reference is made to section 3.1.

According to the Code (section 9) companies are recommended to appoint board committees composed of board members independent from the Company's executive personnel in order to help ensure thorough and independent preparation of matters relating to financial reporting and compensation paid to the members of the executive management. At this point in time no such committee has been established, mainly due to the fact that the Board currently only has, and in the foreseeable future most likely will only have, between 3 and 5 members. Nevertheless, matters to be resolved by the Board are properly prepared by one or more board members in cooperation with the management.

The Board shall initiate such investigations as it deems necessary in order to carry out its responsibilities. The Board shall also initiate such investigations as may for time to time is required by one or more Board Members.

2.2 Financial control

2.2.1 Supervision

The Board shall ensure that it is updated on the financial situation of the Company and has a duty to ensure that the Company's operations, accounting and asset management are subject to satisfactory control. The Members of the Board have full and free access to officers, employees and the books and records of the Company. The Board shall ensure that the CEO reports monthly to the Board on the Company´s activities, position and financial situation.

2.2.2 Adequate capitalisation

The Board shall evaluate whether the Company's capital and liquidity are adequate in relation to the risks and the scope of the Company's operations at all times and whether it fulfils the minimum requirements established by law or regulation. The Board shall immediately take adequate measures should it be apparent at any time that the Company's capital or liquidity is less than adequate.

If the Board requests the general Meeting to issue a power to increase the share capital, the Board will ensure that that the increase is designated to a specific purpose. If several purposes are of relevance, each purpose should be dealt with separately in the General Meeting.

2.3 Composition

2.3.1 Number of directors

The Board shall have between three and nine directors including Chairman of the Board, cf § 5 in the Company's articles of association.

The Company has currently no employee representatives on its Board of Directors.

2.3.2 Independent directors

The Company shall have a majority of directors that are independent from its management and main business partners, and no representatives of the management shall be Members of the Board. Further, the Board shall include at least two directors that are independent of the Company's major shareholders, i.e. shareholders holding more than 10 percent of the shares.

Independence shall for these purposes mean that there are no circumstances or relationships that are likely to affect or could appear to affect the director's independent judgement. The test of independence includes whether the independent director:

- has been an employee of the Company in a senior position for the last five years
- has received or receives additional remuneration from the Company apart from director's fee or participates in the Company's share option or performance related pay scheme
- has for the last three years had a material and regular business relationship with the Company
- has close family ties with any of the Company's directors or senior employees
- has for the last three years been a partner or employee of the accounting firm that currently audits the Company

The Directors of the Board are encouraged to hold shares in the Company.

2.4 Appointment and termination - Nomination and Remuneration Committee

The directors are appointed by the shareholders in a general meeting for a period of two years. The general meeting also elects the Chairman of the Board. The shareholders in a general meeting can resolve to remove directors.

At the present time, the Company has chosen not to operate a Nomination and Remuneration Committee, thereby deviating from section 7 and 9 of the Code. However, the General Meeting may at any time resolve that the Company shall operate a combined Nomination and Remuneration Committee, and The Nomination and Remuneration Committee shall then be laid down in the Company's articles of association. When adopted, the Committee shall consist of three members out of which one shall be a director of the Board and two shall be independent of the Company (i.e. not be a director or employee and otherwise fulfil the criteria of independence set out in 2.3.2 above). The members of the committee shall be elected by the shareholders in a general meeting and the General Meeting shall set out guidelines for the Committee.

The Committee (if and when appointed) shall make recommendations to the general meeting on the appointment and removal of directors. The Committee shall work towards a composition of the Board where due consideration is taken to commitment to shareholders return, independence and experience in the relevant sectors. The Committee should have contact with shareholders, the Board and the Company's executive personnel as part of its work on proposing candidates for election to the Board. The company should provide information on the membership of the committee and provide suitable arrangements for shareholders to submit proposals to the committee for candidates for election.

The Board will, to the extent possible, ensure that, in matters of a certain substance where the chairman is or has been actively involved prior to the board meeting (such as acquisitions, mergers etc.), another board member will be appointed to chair the board meeting during the board's review of such matters, regardless of whether or not the chairman might be considered disqualified pursuant to § 6-27 of the NCA.

2.5 Proceedings

More detailed provisions on the role, the proceedings and confidentiality obligations of the Board s and the CEO are set out in a separate document on Procedure for the Board of Directors and CEO adopted by the Board on 30 October 2006.

2.6 Annual evaluation

The Board will annually, in connection with the first board meeting in each calendar year, evaluate its performance in the previous year. The evaluation shall include its own performance, the performance of any sub-committees and the performance of the individual directors. In order for the evaluation to be effective, the Board shall set objectives, on both a collective and individual level, against which their performance can be measured. The results of the evaluation shall not be made available to the public, but to the Nomination and Remuneration Committee if appointed pursuant to section 2.4.

2.7 Risk management and internal control

The Board shall ensure that the company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the company's activities. Internal control and the systems shall encompass the company's corporate values and guidelines for ethical and corporate social responsibility. The Board will carry out an annual review of the company's most important areas of exposure to risk and its internal control arrangements. In compliance with section 3-3b of the Norwegian Accounting Act, the Board will provide an account in the annual report of the main features of the Company's internal control and risk management systems as they relate to the company's financial reporting.

3 Remuneration of directors and management

3.1 Remuneration of Directors

The remuneration of the directors shall be determined by the shareholders in a general meeting and be disclosed in the annual accounts of the Company. Any remuneration in addition to normal director's fee shall be specifically identified.

If appointed pursuant to section 2.4, the Nomination and Remuneration Committee makes recommendations to the general meeting in respect of annual remuneration of all directors.

The Directors, or companies to whom they are associated, shall not accept other appointments or engagements for the Company, without the Board's knowledge. In such cases the terms of appointment, including any remuneration shall be approved of by the Board.

The remuneration of the Board of directors shall not be linked to the Company's performance and the Company shall not grant share options to members of its board.

Directors shall be encouraged to invest part of their remuneration in shares in the Company at market price.

3.2 Remuneration of executive personnel

The Board shall adopt a statement with guidelines in respect of the remuneration of executive personnel that is to be considered by the general meeting. The statement should be a produced as a separate appendix to the notice for the annual general meeting. The guidelines for remuneration of executive personnel should clearly state which aspects of the guidelines are advisory and which, if any, are binding (equity-based remuneration). Based on this division, separate votes should be held on these aspects of the guidelines at the general meeting.

Remuneration to the CEO shall be determined by the Board in meeting. To this end, the Board has accepted that the present CEO is remunerated through a management service agreement made between the Company and a legal entity owned and controlled by the CEO.

All elements of remuneration to the CEO, and the total remuneration for management shall appear from the annual report.

The Company has at the present time a performance related incentive to management employees. The incentive cannot exceed one year's annual salary.

3.3 Severance payments

No employees of the Group shall have employment contracts granting notice periods of more than 12 months.

4 Disclosure and transparency

4.1 General

The Company shall at all times provide its shareholders, the stock market (Oslo Stock Exchange) and the financial markets generally (through Oslo Stock Exchange information system) with timely and accurate information. Such information will take the form of annual reports, quarterly interim reports, press releases, stock exchange notifications and investor presentations, as applicable. The Company shall seek to clarify its long-term potential, including its strategy, value drivers and risk factors. The Company shall maintain an open and proactive investor relations policy, a best practice website and shall give presentations regularly in connection with annual and interim results.

Generally, the Company shall disclose all insider information. The Company will under all circumstances disclose certain events including, without limitation, board and shareholder resolutions regarding dividends, mergers/de-mergers or changes in share capital, issue of warrants, convertible loans and all agreements of material importance that are entered into between group companies or related parties.

4.2 Communication with shareholders

The Chairman and other directors shall make themselves available for discussions with the major shareholders to develop a balanced understanding of the issues and concerns of such shareholders, subject always to the provisions of the NCA, the STA and the SER. The Chairman shall ensure that the views of shareholders are communicated to the entire Board.

Information given to the Company's shareholders shall simultaneously be made available on the Company's web site.

5 Fair treatment of shareholders

5.1 General

The Board shall take into account the interest of all the shareholders of the Company and treat all shareholders fairly. There is and will remain to be only one class of shares and all shares are and will remain freely transferrable. If and when applicable, the reason for any proposed deviation from the pre-emptive rights of shareholders to participate in new share capital increases will be explained and included in notifications to the market.

5.2 Approval of agreements with shareholders and other related parties

All transactions that are not immaterial between the Company and a shareholder, a director or senior manager of the Company (or related parties to such persons) will be subject to a valuation from an independent third party. If the consideration exceeds 5percent of the Company's share capital such transactions shall be approved by the shareholders in a general meeting, to the extent required by the NCA Section 3-8.

The directors and senior management shall notify the Board if they have any material direct or indirect interest in any transaction entered into by the Company.

6 Audit

Under Norwegian law, the Company's auditor is elected by the shareholders in a general meeting.

The Board shall make recommendations to the general meeting on the auditor's appointment, removal and remuneration and shall also monitor the auditor's independence, including the performance by the auditor of any non audit work. The Board will at least once a year have a meeting with the auditor without the presence of any representatives from the management. In the Management Code, the Board has adopted guidelines for the management's use of the Company's auditor for non-audit work.

The Board will inform the shareholders in the Annual General Meeting (the "AGM") on the auditor's fees specified on audit and non audit work respectively.

In accordance with the Code, the Company is in the process of establishing an audit committee.

The auditor shall annually present a plan for the auditing work to the Audit Committee and have at least one annual meeting with the committee to go through the Company's internal control systems and to identify possible weaknesses and potential areas of improvement.

7 Dividend policy

The Company's objective is to yield a competitive return on invested capital to the shareholders through a combination of distribution of dividends and increase in share value. In evaluating the amount of dividend, the Board of Directors places emphasis on certainty, foreseeability and stable development, the Company's dividend capacity, the requirements for sound and optimal equity capital as well as for adequate financial resources to enable future growth and investments, and the ambition to minimize the cost of capital.

The Company is currently increasing its business activities and hence expects to distribute only limited if any dividends during the next few years.

The annual general meeting can resolve to grant a mandate to the Board of directors to approve the distribution of dividends on the basis of the approved annual accounts. Such a mandate should be based on the existing dividend policy. The explanation for the proposal to grant a mandate should state, inter alia, how the mandate reflects the Company's dividend policy.

8 Shareholder meetings

The shareholders represent the ultimate decision making body of Oceanteam through the general meetings.

The Annual General Meeting (AGM) of the Company will be held each year within the end of June. The AGM shall approve the annual accounts and report and the distribution of dividend, and otherwise make such resolutions as required under applicable laws and regulations.

The Board may convene an extraordinary general meeting ("EGM") whenever it deems it appropriate or when otherwise such meetings are required by applicable laws or regulations. The Company's auditor and any shareholder or group of shareholder representing more than 5 percent of the current issued and outstanding share capital of the Company may require that the Board convene an EGM.

The Board will make arrangements to ensure that as many shareholders as possible are enabled to exercise their shareholders rights by attending the general meetings, and that the general meetings become an active arena for meetings between the Board and the shareholders by inter alia:

- Posing the summons together with the agenda and all documents pertaining to each matter on the agenda on the Company's web-page not later than on the 21st day prior to the date of the meeting (except when otherwise decided by the general meeting, cf NCA section 5-11b) irrespective of whether or not the company also resolves to summon the meeting by way of other forms of communication mail, facsimile or other electronic means (e-mail), ref § 7 in the Company's articles of association.

- Posing in the same manner on the web page information about the total number of shares and voting rights at the date of the summons, as well as any draft resolutions, or if the meeting is not required to pass a resolution, a statement from the Board in respect of each item on the agenda, and any forms required to be used in order to vote by proxy or by letter, unless such forms have been submitted directly to each shareholder.

- Ensure that the shareholders are adequately informed about their right to vote by proxy and of the procedures to be observed in doing so.

- Ensure that the summons, the documents and any further supporting material is sufficiently detailed and comprehensive in order for the shareholders to understand and form an opinion on the matters at hand.

- Ensure that the summons will specify that any shareholder wishing to attend the general meeting must notify the company within a certain time limit stated in the notice, which must not expire earlier than five days before the general meeting, ref § 7 in the Company's articles of association. Shareholders failing to notify the company within the specified time limit may be denied entrance to the general meeting.

- Ensure that the shareholders' are adequately informed about their right to submit proposals to be resolved by the general meeting, cf NCA § 5-11 and that proposal which are received within 7 days prior to the date of the summons are included in the summons. If the summons has already been sent, new summons shall be issued provided that the deadline for summoning has not been exceeded.

- Ensure that all other applicable provisions of the NCA, the Regulation on shareholders meetings of 6. July 2009 no 983 ("Generalforsamlingsforskriften") and section 5-9 of the STA are observed and complied with.

The Company will publish the minutes from general meetings on its website within 15 days from the date of the meeting and will also keep them available for inspection at the Company's offices.

The Board will not make contact with shareholders of the Company outside the general meeting in a way that may unfairly discriminate between the shareholders or infringe on any applicable laws or regulations.

The Board shall adopt procedures that ensure an independent chairing of the general meeting.

The directors, the Nomination and Remuneration Committee if appointed, and the auditor shall attend the general meetings.

9 Change of control, takeovers

9.1 General

The shares in Oceanteam are freely transferable, and the Company shall not establish any mechanisms that may hinder a takeover or deter takeover bids, unless this has been resolved in a general meeting by a two third majority (of votes cast and share capital represented). However, the Board may, in the case of a takeover bid, take such actions that evidently are in the best interest of the shareholders, such as, inter alia, advising the shareholders in the assessment of the bid and, if appropriate, seeking to find a competing bidder (“white knight”), always provided that the Board should not hinder or obstruct any take over bids for the Company’s activities or shares

In the event of a take over bid for the Company’s activities or shares, the Board has a particular responsibility to ensure that shareholders are given sufficient information and time to form a view of the offer. The Company’s Board of Directors shall issue a statement including a recommendation as to whether shareholders shall or shall not accept the offer. If the Board finds itself unable to give a recommendation to shareholders on whether or not to accept the offer, it shall explain the background for not making such a recommendation. The Board’s statement on a bid shall make it clear whether the views expressed are unanimous, and if this is not the case it shall explain the basis on which specific members of the Board have excluded themselves from the Board’s statement. The Board shall arrange a valuation from an independent expert. The valuation shall be published and explained at the latest at the same time as the Board’s statement.

9.2 Overview of Norwegian statutory provisions on takeovers

9.2.1 Voluntary offer

An offer to acquire shares in Oceanteam which, if accepted, trigger an obligation to put forward a mandatory offer must be made in an offer document and according to the requirements for voluntary offers set forth in the STA.

9.2.2 Mandatory offer

Subject to certain exceptions, a mandatory offer has to be made in the event an acquirer (together with any concert parties) acquires more than 33 percent, 40 percent, or 50 percent of the voting shares in the Company.

The requirement to make a mandatory offer is triggered when a purchaser becomes the owner of such percentage of the shares. A mandatory offer must be made within four weeks after the threshold was passed. The only alternative to a mandatory offer at this stage is to sell a sufficient number of shares to fall below the relevant threshold.

All shareholders must be treated equally and the price to be paid is the higher of (i) the highest price paid by the purchaser during the last six months, and (ii) the market price when the obligation to make the mandatory offer was triggered The offer must be made in cash or contain a cash alternative at least equal in value to any non-cash offer.

9.2.3 Compulsory acquistion (“squeeze out)

Compulsory acquisition of the remaining shares may be initiated by a shareholder who holds more than 90 percent of the shares and voting rights. The acquisition is initiated through a Board decision of the shareholder and payment of the price offered. Failing agreement between the parties, the price shall be determined through a valuation by the court, but the acquirer will obtain title to the shares immediately.

Bergen, amended December 2014
The Board of Directors of Oceanteam Shipping ASA

Hessel Halbesma	**Catharina Pos**	**James Hill**
Chairman	Director	Director

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Consolidated statement of profit or loss and other comprehensive income

Group	Notes	2014	Figures in USD '000 2013*
Revenue		55 704	29 245
Gain on disposal of asset		966	
Net income from joint ventures and associates	12	10 208	15 283
Total operating revenues	6	**66 878**	**44 528**
Operating costs	5	(15 210)	(14 902)
Personnel cost	8	(14 241)	(9 207)
Other administrative expense	9	(7 066)	(9 064)
Depreciation	11, 12	(10 208)	(4 236)
Write off		(327)	99
Total operating expenses	5	**(47 051)**	**(37 310)**
Results from operating activities		**19 827**	**7 218**
Financial income		40	56
Financial costs		(15 715)	(12 607)
Foreign exchange results (loss)		(402)	62
Net finance profit /(loss)	5, 10	**(16 077)**	**(12 489)**
Ordinary profit (loss) before taxes		**3 750**	**(5 271)**
Tax expense		(620)	1 161
Net result before increase (decrease) of carrying amount from revaluation of vessels		**3 130**	**(4 110)**
Increase (decrease) of carrying amount from revaluation of vessels		(9 408)	
Net result after increase (decrease) of carrying amount from revaluation of assets		(6 278)	

Consolidated statement of profit or loss and other comprehensive income

Group — **Figures in USD '000**

	Notes	2014	2013*
Other comprehensive income			
Changes in revaluation model	12	(9 336)	2 363
Tax on comprehensive income	13	595	604
Items that will not be reclassified to statement of income		(8 741)	2 967
Foreign currency translation differences		640	(1 195)
Items that may be subsequently reclassified to statement of income		640	(1 195)
Other comprehensive income for the year, net of tax		**(8 101)**	**1 772**
Total comprehensive income for the year		**(14 379)**	**(3 106)**
Profit (Loss) attributable to:			
Controlling interests		(6 771)	(4 124)
Non-controlling interests	16	493	14
Profit (Loss) for the year		**(6 278)**	**(4 110)**
Total comprehensive income attributable to:			
Controlling interests		(14 872)	(3 120)
Non-controlling interests	16	493	14
Total comprehensive income for the year		**(14 379)**	**(3 106)**
Earnings per share (in USD)			
Basic earnings per share	25	(0,24)	(0,14)
Diluted earnings per share	25	(0,24)	(0,14)

* Figures for 2013 are restated to equity consolidation for all joint venture companies in Group.

Consolidated statement of financial position

Group				Figures in USD '000
	Note	31.12.2014	31.12.2013*	01.01.2013*
Assets				
Deferred tax assets	4, 13	6 000	6 000	3 831
Customer relations & Design	11	1 757	1 737	1 688
Goodwill	11	12 987	12 987	12 987
Intangible assets		**20 744**	**20 724**	**18 506**
Investments in joint ventures and associates	12	42 816	115 201	126 371
Vessels and equipment	12, 18, 28	183 829	22 088	15 333
Tangible assets		**226 645**	**137 289**	**141 704**
Total non current assets		**247 389**	**158 013**	**160 210**
Trade receivables	14	8 871	4 639	3 945
Other receivables	14	9 464	43 890	28 878
Receivables		**18 335**	**48 529**	**32 823**
Cash and cash equivalents	15	**44 547**	**6 240**	**15 759**
Current assets		**62 882**	**54 769**	**48 582**
Total assets		**310 271**	**212 783**	**208 790**

* Figures for 31.12.2013 and 01.01.2013 are restated to equity consolidation for all joint venture in Group.

Consolidated statement of financial position

Group

	Note	31.12.2014	31.12.2013*	01.01.2013*
Equity and liabilities				
Share capital	17,25	2 595	2 595	2 595
Treasury shares	17,25	(257)	(257)	(87)
Share premium	17, 24	1 304	1 304	
Other equity	17, 25	51 856	2 208	9 348
Revaluation reserve	12, 28	27 079	97 944	96 185
Total equity		**82 578**	**103 794**	**108 041**
Non-controlling interest	16, 27	57 975	3 274	4 027
Revaluation reserve	12	(4 704)		
Total non-controlling interests		**53 271**	**3 274**	**4 027**
Total equity		**135 850**	**107 068**	**112 068**
Loans and borrowings	18	110 764	86 840	85 305
Total non-current liabilities		**110 764**	**86 840**	**85 305**
First year installments	18	43 100	101	1 089
Trade payables		5 893	5 098	4 788
Tax payable	13, 19	139	58	52
Public charges	19	125	266	180
Other current liabilities	19	14 400	13 354	5 309
Total current liabilities		**63 657**	**18 877**	**11 418**
Total liabilities		**174 421**	**105 717**	**96 723**
Total equity and liabilities		**310 271**	**212 783**	**208 790**

Bergen/ Norway, 23 April 2015
The Board of Directors Oceanteam Shipping ASA

Hessel Halbesma
Chairman

Catharina Pos
Director

James Hill
Director

Haico Halbesma
Chief Excecutive Officer

Consolidated statement of changes in equity

Group		Figures in USD '000	
		2014	2013*
Equity at period opening balance (Number of shares: 29.593.259)	31	**104 877**	**112 068**
Profit after taxes majority		(6 771)	(4 124)
Profit after taxes minority		493	14
Revaluation of assets		(9 336)	2 363
Tax on revaluation reserve		595	604
Translation differences		640	(1 195)
Adjustments prior period		146	(422)
Decrease in non controlling interests			(767)
Share issue			
Changes in non-controlling interests		49 504	
Investments		(4 300)	
Purchase of own shares			(1 472)
Equity at period end (Number of shares: 29.593.259)		**135 850**	**107 068**

*Refer to note 31 regarding adjustments relating to previous years

Consolidated statement of changes in equity — Figures in USD '000

	Share capital	Treasury shares	Share premium	Translation reserve	Other equity	Total other equity	Re-valuation reserve	Non controlling interests	Total equity
Equity per 1 January 2014*	2 595	(257)	1 304	(2 203)	2 220	17	97 944	3 274	104 877
Profit and loss					(2 067)	(2 067)	(4 704)	493	(6 278)
Other comprehensive income									
Changes in revaluation model							(9 336)		(9 336)
Tax on revaluation reserve							595		595
Translation differences				640		640			640
Total comprehensive income				**640**	**(2 067)**	**(1 427)**	**(13 445)**	**493**	**(14 379)**
Contributions by and distributions to owners									
Changes in non-controlling interests								51 893	51 893
Dividends to non-controlling interests								(2 389)	(2 389)
Investments					(4 300)	(4 300)			(4 300)
Adjustments prior period					146	146			146
Business combinations					57 420		(57 420)		
Equity per 31 December 2014	**2 595**	**(257)**	**1 304**	**(1 563)**	**53 420**	**(5 563)**	**27 079**	**53 271**	**135 850**

*Refer to note 31 regarding adjustments relating to previous years

Consolidated statement of changes in equity — Figures in USD '000

	Share capital	Treasury shares	Share premium	Translation reserve	Other Equity	Total other equity	Re-valuation reserve	Non controlling interests	Total equity
Equity per 1 January 2013	2 595	(87)	1 304	(1 008)	10 260	9 252	94 977	4 027	112 068
Profit and loss					(4 125)	(4 125)		14	(4 111)
Decrease								(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)**	**(4 125)**	**(5 320)**	**2 967**	**(753)**	**(3 106)**
Contributions by and distributions to owners									
Adjustments prior period					(422)	(422)			(422)
Change in treasury shares		(170)			(1 302)	(1 302)			(1 472)
Equity per 31 December 2013	**2 595**	**(257)**	**1 304**	**(2 203)**	**4 411**	**2 208**	**97 944**	**3 274**	**107 068**

Consolidated cash flow statement

Group			Figures in USD '000
	Notes	2014	2013*
Net result after increase (decrease) of carrying amount from revaluation of assets		**(6 278)**	
Increase (decrease) of carrying amount from revaluation of vessels		9 408	
Tax		620	
Ordinary profit (loss) before taxes		**3 750**	**(5 271)**
Depreciation and amortization of tangible assets		10 208	4 236
Tax paid		79	6
Write off		327	99
Net income of associates and Joint Ventures		4 991	(4 213)
Change in trade receivables		(4 728)	(694)
Change in other receivables		12 045	(3 484)
Change in trade payables		5 039	310
Change in other accruals		(2 255)	(824)
Items classified as investing activities		(4 698)	10 629
Interest expense without cash effect		1 818	1 342
Net cash flow from operating activities		**26 576**	**2 135**
Net cash flow from investing activities of continuing operations		(10 875)	(9 153)
Cash in due to investments		1 579	46
Proceeds from sale of shares		21 330	
Net cash flow from investing activities		**12 034**	**(9 107)**
Repayments of debts		(9 642)	(1 076)
Net cash flow from financing activities		**(9 642)**	**(1 076)**
Purchase of own shares			(1 472)
Purchase of own shares			**(1 472)**
Effect of changes to exchange rates on cash and cash equivalents			
Net change in cash and equivalents		**28 880**	**(9 520)**
Cash and equivalents at start of period**		**15 667**	**15 759**
Cash and equivalents at end of period*	(14)	**44 547**	**6 239**

* restricted cash is USD 0.5 million

** Cash and cash equivalents at start of period for 2014 is different from restated balance per 31.12.2013 due to the net cash effect of the 100 percent consolidation of Oceanteam Bourbon 4 AS amounting up to USD 9.4 milion.

In addition to the cash and equivalent per 31.12.2014, the group holds treasury shares of approximatley USD 2.5 million in market value.

Notes to the consolidated financial statements

Note 1. Corporate information

The Company is comprised of two operating segments, Oceanteam Shipping and Oceanteam Solutions. Oceanteam Shipping owns, charters and manages deep-water offshore support vessels and fast support vessels. Oceanteam Solutions' focus is to provide its client with complete offshore solutions.

With the in-house engineering experience and expertise we ensure that our clients find the most effective vessel solution for their projects. We can provide integrated services and a pro-active assistance, both operational and technical, in every aspect of the project we manage.

Oceanteam Shipping has offices in Amsterdam, Velsen and Schiedam in the Netherlands, in Monaco and in Ciudad del Carmen in Mexico. The corporate headquarter is in Bergen, Norway.

The Company is a public limited company incorporated and domiciled in Norway. The address of its registered office is Tveiteråsveien 12, 5232 Paradis, Norway.

The company is listed at the Oslo Stock Exchange and is traded under the ticker code "OTS".

The consolidated financial statements were authorized for issue by the Board of Directors on 23 April 2015. and are based on the assumptions of going concern. The Group annual accounts consist of the Parent company Oceanteam Shipping ASA with its subsidiaries, joint venture companies and associated companies."

Note 2. Summary of significant accounting policies

2.1 Basis of preparation

The group accounts for Oceanteam Shipping ASA are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the Norwegian Accounting Act § 3-9.

The Group's financial statements are based on the principle of historical cost of acquisitions, construction or production, as modified by the revaluation model of the CSV vessels and Pipelay vessel, financial assets and derivative financial instruments, which are reflected at fair value.

The financial year follows the calendar year. The group was established on 5 October 2005. Income statement items are classified by their nature.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

IFRSs and IFRICs effective for annual periods beginning on or after 1 january 2014

Relevant standards and interpretations are issued and effective. The Group have adopted these standards where applicable.

IFRS 10 - Consolidated Financial Statements

FRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation – Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. In the standard an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

IFRS 10 itself does not have significant impact on accounting. The Group have fully consolidated Oceanteam Bourbon 4 AS from 1 January 2014 due to changes in shareholders agreement and hence enabling Oceanteam Shipping ASA to gain control over the Company.

IFRS 11 - Joint Arrangements

FRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities – Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. For joint operations (which includes former jointly controlled operations, jointly controlled assets, and potentially some former JCEs), an entity recognises its assets, liabilities, revenues and expenses, and/or its relative share of those items, if any.

IFRS 11 has significant impact on total assets, total revenue and equity ratio. Please see note 30 for further details.

IFRS 12 - Disclosure of Interests in Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28 Investment in Associates. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. One of the most significant changes introduced by IFRS 12 is that an entity is now required to disclose the judgements made to determine whether it controls another entity. The new disclosures will assist the users of the financial statements to make their own assessment of the financial impact in cases were management were to reach a different conclusion regarding consolidation – by providing more information about unconsolidated entities.

IFRS 12 did not impact the Group figures, but had a significant impact on the disclosures of the annual report and quarterly reports.

IFRS 10, IFRS 11, IFRS 12 - Amendments - Transition Guidance

The amendments clarifies and provides further relief in the transition guidance.

IFRS 10: Clarified that "the date of initial application" in IFRS 10 is a reference point to the beginning of the annual reporting period in which IFRS 10 is applied for the first time (for example 1 January 2013). This is the point where control assessment must be made when transitioning to IFRS 10. When the consolidation conclusion at the date of initial application is the same under IAS 27/SIC-12 and IFRS 10, it is not required to apply IFRS 10 retrospectively. When IFRS 10 is applied retrospectively, the requirement, to provide adjusted comparative information is limited to the immediately preceding period. When IFRS 10 is applied retrospectively there is a choice to which version of IFRS 3 to apply (if both versions IFRS 3(2004) and IFRS 3(2008) can be appropriate).

IFRS 11: The requirement, to provide adjusted comparative information is limited to the immediately preceding period.

IFRS 12: For the first year IFRS 12 is applied, the requirement to present comparative information for the disclosures related to unconsolidated structured entities is removed.

IAS 27 Revised: Separate Financial Statements

As a consequence of the issuance of IFRS 10, 11 and 12, the IASB also issued amended and retitled IAS 27 Separate Financial Statements. What remains in IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements.

IAS 28 Revised: Investments in Associates and Joint Ventures

As a consequence of the issuance of IFRS 10, 11 and 12, the IASB also issued amended and retitled IAS 28 Investments in Associates and Joint Ventures. The standard has been renamed IAS 28 Investments in Associates and Joint Ventures, to describe the application of the equity method to investments in joint ventures in addition to associates.

The Group did not have material impacts related to this standard, other than the effects mentioned under IFRS 11 above.

IAS 32 - Amendment: Offsetting Financial Assets and Financial Liabilities

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneously.

The Group did not have material impact due to this standard.

IFRS 10, IFRS 12 og IAS 27 - Amendments: Investment Entities

The amendment provides an exception to the consolidation requirement for entities that meet the definition of an investment entity.

IFRS 10: Defines an "Investment entity".
An investment entity accounts for subsidiaries at fair value through profit or loss, in accordance with IFRS 9 Financial Instruments (IAS 39, if changes are implemented before the implementation of IFRS 9). An investment entity does not consolidate its subsidiaries (unless the subsidiary provides services that relate only to the entity's own investment activities). An entity must meet all three elements of the definition and consider whether it has four typical characteristics, in order to qualify as an investment entity. An entity must consider all facts and circumstances, including its purpose and design, in making its assessment.

IAS 27: An investment entity that is required to account for all of its subsidiaries at fair value through profit or loss in accordance with IFRS 10, presents separate financial statements as its only financial statements.

IFRS 12:Additional disclosures are required for investment entities. Investment entities must disclose:

- The significant judgements and assumptions it has made in determining how an entity meets the definition of an investment entity
- Information relating to each unconsolidated subsidiary
- Certain detailed information

IFRs effective for annual periods beginning on or after 1 January 2015

IFRIC 21 - Levies

IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Interpretation includes guidance illustrating how the Interpretation should be applied.

Annual Improvements to IFRSs (2011 – 2013) - Amendment to IFRS 1: Meaning of effective IFRSs

The IASB clarified in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity’s first IFRS financial statements.

Annual Improvements to IFRSs (2011 – 2013) - Amendment to IFRS 3: Scope exceptions for joint ventures

The amendment clarifies that:

- Joint arrangements are outside the scope of IFRS 3, not just joint ventures
- The scope exception applies only to the accounting in the financial statements of the joint arrangement itself

Annual Improvements to IFRSs (2011 – 2013) - Amendment to IFRS 13: Scope paragraph 52 (portfolio exception)

The portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts.

Annual Improvements to IFRSs (2011 – 2013) - Amendment to IAS 40: Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property

Annual Improvements to IFRSs (2010 – 2012) - Amendment to IFRS 3: Accounting for contingent consideration in a business combination

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments.

Annual Improvements to IFRSs (2010 – 2012) - Amendment to IFRS 8: Aggregation of operating segments

Operating segments may be combined/aggregated if aggregation is consistent with the core principle of the standard, if the segments have similar economic characteristics and if they are similar in other qualitative respects. If they are combined, the entity must disclose the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are ‘similar’.

Annual Improvements to IFRSs (2010 - 2012)
- Amendment to IFRS 8: Reconciliation of the total of the reportable segment assets to the entity's total assets

The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

Annual Improvements to IFRSs (2010 - 2012)
- Amendment to IFRS 13: Short-term receivables and payables

The IASB clarified in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial.

Annual Improvements to IFRSs (2010 - 2012)
- Amendment to IAS 16 and IAS 38: Revaluation method – proportionate restatement of accumulated depreciation

The amendment to IAS 16.35(a) and IAS 38.80(a) clarifies that revaluation can be performed, as follows:

- Adjust the gross carrying amount of the asset to market value

Or

- Determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value

The IASB also clarified that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount of the asset (i.e., gross carrying amount – accumulated depreciation/amortisation = carrying amount).

The amendment to IAS 16.35(b) and IAS 38.80(b) clarifies that the accumulated depreciation/amortisation is eliminated so that the gross carrying amount and carrying amount equal the market value.

Standard effective for annual periods beginning on or after 1 January 2015 which are not relevant for Oceanteam Shipping ASA

*Annual Improvements to IFRSs (2010–2012) – Amendment to IAS 24: Key management personnel

Changes with effect for annual periods beginning 1 January 2016 (EU effective date)

Annual Improvements to IFRSs (2010 - 2012) - Amendment to IFRS 2: Definitions relating to vesting conditions

Performance condition and service condition are defined in order to clarify various issues, including the following:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied

Standards effective for annual periods beginning on or after 1 January 2016 which are not relevant for Oceanteam Shipping ASA

*IAS 19 – Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

IFRs and IFRICs issued but not yet effective

IFRS 9 - Financial instruments

IFRS 9 Financial Instruments will eventually replace IAS 39 Financial Instruments: Recognition and Measurement. In order to expedite the replacement of IAS 39, the IASB divided the project into phases: classification and measurement, hedge accounting and impairment. New principles for impairment were published in July 2014 and the standard is now completed. The parts of IAS 39 that have not been amended as part of this project has been transferred into IFRS 9.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 permits firsttime adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. To enhance comparability with entities that already apply IFRS and do not recognise such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the Standard. IFRS 14 is issued as an interim standard pending the outcome of a broader project on rate regulation.

IFRS 15 Revenue from Contracts with Customers

The IASB and the FASB have issued their joint revenue recognition standard, IFRS 15 Revenue from Contracts with Customers. The standard replaces existing IFRS and US GAAP revenue requirements. The core principle of IFRS 15 is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard applies to all revenue contracts and provides a model for the recognition and measurement of sales of some non-financial assets (e.g., disposals of property, plant and equipment).

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures: Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

In December 2014, the IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures. The amendments address three issues arising in practice in the application of the investment entities consolidation exception. The amendments apply retrospectively for annual periods beginning on or after 1 January 2016.

IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

IAS 1 Presentation of Financial Statements: Disclosure Initiative (Amendments to IAS 1)

In December 2014, the IASB issued amendments to IAS 1 Presentation of Financial Statements as part of its Disclosure Initiative. The amendments to IAS 1 further encourage companies to apply professional judgment in determining what information to disclose and how to structure it in their financial statements.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

IAS 16 Property, Plant and Equipment and IAS 41 Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

The amendments to IAS 16 and IAS 41 change the scope of IAS 16 to include biological assets that meet the definition of bearer plants (e.g., fruit trees). Agricultural produce growing on bearer plants (e.g., fruit growing on a tree) will remain within the scope of IAS 41. As a result of the amendments, bearer plants will be subject to all the recognition and measurement requirements in IAS 16 including the choice between the cost model and revaluation model. In addition, government grants relating to bearer plants will be accounted for in accordance with IAS 20, instead of IAS 41.

IAS 27 Separate Financial Statements: Equity Method in Separate Financial Statements (Amendments to IAS 27)

The objective of these amendments is to restore the option (which was removed in 2003) to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. Therefore, an entity must account for these investments either:

- At cost
- In accordance with IFRS 9 (or IAS 39)

Or

- Using the equity method

The entity must apply the same accounting for each category of investments.

As a consequence IFRS 1 was amended to allow a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

Annual improvements (2012-2014)
– Amendments to IFRS 5: Changes in methods of disposal

The amendment clarifies that when an entity reclassifies an asset (or disposal group) from being held for sale to being held for distribution (and vice versa) without interruption, the change in classification is considered a continuation of the original plan of disposal.

Paragraphs 27-29 have also been amended to reflect that they also apply when an entity ceases to classify an asset (or disposal group) as held for distribution.

Annual improvements (2012-2014) – Amendments to IFRS 7: Servicing contracts

Paragraphs 42A – H of IFRS 7 require an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety. The Board was asked whether servicing contracts constitute continuing involvement for the purposes of applying these disclosure requirements. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.

Annual improvements (2012-2014) – Amendments to IFRS 7: Applicability of the amendments to IFRS 7 to condensed interim financial statements

The amendment removes the reference to "interim periods" in IFRS 7, clarifying that the additional disclosures required by the offsetting amendments would not be required in the condensed interim financial statements, unless their inclusion would be required by IAS 34 (i.e., the events and transactions are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period).

Annual improvements (2012-2014) – Amendments to IAS 34: Disclosure of information "elsewhere in the interim financial report

The amendment clarifies the meaning of disclosure of information "elsewhere in the interim financial report" (e.g., the management report), and states that the required disclosures must either be in the interim financial statements or "elsewhere in the interim financial report. When the required information is presented "elsewhere in the interim financial report" the entity would be required to include a cross-reference from the interim financial statements to the location of this information.

IFRS and IFRICS issued but not yet effective which are not relevant for Oceanteam Shipping ASA

Annual improvements (2012–2014) – Amendments to IAS 19: Discount rate: regional market issue.

2.2 Basis of consolidation

A) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. Contingent considerations are measured at net present value and regulated quarterly using a discount rate similar to WACC.

B) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on witch control ceases.

C) Non-controlling interests

NCI is measured at their share of fair value. Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

D) Loss of control

When the Group looses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

E) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Joint ventures are those arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

F) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.3 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Board of directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

The offshore shipping operations and solutions driven services, including engineering services and equipment rental, are reported in two different segments.

For more information, please refer to note 5.

2.4 Foreign currency translation

(a) Functional and reporting currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in USD, which is the Group's presentation currency in 2014.

(b) Transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the balance day rate at preceding period.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in profit or loss. Non-monetary items that are measured based on a historical cost in a foreign currency are not translated.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

(c) All resulting exchange differences are recognized as a separate component of other comprehensive income. Translation differences that are related to NCI are allocated to NCI.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

These consolidated financial statements are presented in USD. All financial information presented in USD has been rounded to the nearest thousand.

2.5 Tangible fixed assets

A) Recognition and measurement

Construction support vessels

CSV's are initially recognized at cost. Construction support vessels are subsequently measured at revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

CSV's are revaluated on a quarterly basis and whenever their carrying amounts are likely to differ materially from their revaluated amounts. When an asset is revaluated, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revaluated amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases in carrying amounts are recognised in profit or loss.

Principle for recognition of change in revaluation for Oceanteam Bourbon 4 AS in 2014

- Oceanteam Shipping ASA has gained control over OB 4 AS through changes in shareholders' agreement effective from 1 January 2014 and this is accounted for as a step acquisition account.
- Upon obtaining control, and in the step acquisition accounting, there is an underlying concept in IFRS 3 that the previous equity investment has been disposed of and a new investment is acquired.
- As a consequence of OB 4 AS being recognized as a new investment the revaluation reserve is set to 0,- as per 1 January and any negative change in fair value through the year must be recognized over profit and loss.

Presentation of change in revaluation of construction support vessels in Oceanteam Shipping (OTS):
In the interim financial report for Q4 2014, the Company (OTS) recognized the deficit on the revaluation through other comprehensive income (OCI) as there were historical accumulated positive revaluations related to that specific vessel and it still was per balance sheet date.

As discussed in our interim report for fourth quarter 2014, our initial view is that we believe the appropriate accounting is to recognize the deficit OCI. On the other side we also acknowledge the arguments that one can follow the underlying concept in the step acquisition accounting model, being that the previous equity investment has been disposed of, even though there is no economic change in the ownership.

Before we arrive at our final conclusion, we have searched literature, looked into similar businesses, without finding exact same situation OTS is under, we have under doubt come to the conclusion to present new lines in profit and loss statement.

The classification in the income statements below will be the new updated accounting lines in the annual report 2014 showing the increase or decrease in revaluation of CSV Southern Ocean

Extra lines in the annual report 2014 / IAS 1 considerations

- **Net result** before increase (decrease) of carrying amount from revaluation of vessels
- Increase (decrease) of carrying amount from revaluation of vessels

= **Net result** after increase (decrease) of carrying amount from revaluation of vessels

Regarding the different views on how to present this, as discussed in the Q4 2014 interim report, the company has concluded to report these significant changes in the accounts according to new lines in the accounts.

The reason to place the increase or decrease between the net results before increase (decrease) of carrying amount from revaluation of vessels is to give our profit and loss statement a clear view of where the market values changes are. If one also looks at the cycle of the assets, it is also the company's policy to own these long term assets, secure superior contract coverage with long term charter contracts and secure long term financing for these assets. Up into the operational section of OTS accounts, the reader will find revenue which is more annual driven, while the fair market value changes have a significant impact on the re-financing of the CSV assets where the financing costs will be just above the changed section in the annual report 2014.

Conclusion:
Oceanteam's conclusion is therefore to have all CSV assets and their market valuations changes at the same area in the account so the profit and loss statement is easy readable for all readers and other users of the financial statement of OTS Group. *.

As soon as CSV Southern Ocean market values goes higher than the "IFRS 3" resetting of cost price, also this vessel will be presented under the OCI line.

The basis for our conclusion on new lines are also based on the IFRS sections, IAS 1.86

Reference to note 12 and note 28 in the annual report 2014.

Other tangible fixed assets
All other tangible fixed assets are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs
Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

B) Subsequent expenditure
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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

C) Depreciation
Depreciation is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- CSV vessels 25 years
- Revaluation surplus 25 years
- Fast Support Vessels 15 years
- Machinery and equipment 10–15 years
- Furniture, fittings and equipment 3–8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

D) Disposal
Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses)/gains – net, in the income statement. When revalued assets are sold, the amounts included in other reserves are not transferred to retained earnings.

E) Component accounting
When an item of vessel, plant and equipment comprises individual components for which different depreciation methods or rates are appropriate, each component is depreciated separately. A separate component may be either a physical component, or a non – physical component that represents a major inspection or overhaul. An item of vessel, plant and equipment will be separated into parts ("components") when those parts are significant in relation on the total cost of the item.

2.6 Intangible assets
A) Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets acquired at the date of acquisition.

(B) Other intangible assets
Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Deferred tax assets, customer relations and development/design of vessels are included under other tangible assets.

(C) Computer software
Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (3–5 years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding three years).

(D) Amortisation
Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

- Customer relations 3 years
- Design 5 years

2.7 Impairment of non-financial assets
At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its fair value less costs to sell and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and the to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash – generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

KCI The Engineers is the Group`s Cash Generating Unit to which goodwill is related.

2.8 Receivables

Receivables are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method. A provision for impairment of 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 the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired.

2.9 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.10 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the Company's equity holders.

2.11 Trade payables

Trade payables are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

2.12 Borrowings

“Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated 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. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs are capitalised to the extent that they are directly attributable to the purchase, construction or production of a non-current asset. Borrowing costs are capitalised when the interest costs are incurred during the non-current asset’s construction period. The borrowing costs are capitalised until the date when the non-current asset is ready for use. If the cost price exceeds the recoverable amount, an impairment loss is recognised.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.13 Tax

(a) Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is more likely than not that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

(b) Shipping activities

The shipping activities are operated in several countries and under different tax schemes, including the ordinary tax system in Norway and the Norwegian tonnage tax system. In addition we operate under local tax systems in Netherlands, Germany and Mexico. Our onshore activities are generally subject to the ordinary corporate tax rates within the country in which the activities are located. The variation in the tax systems and rates may cause tax costs to vary significantly depending on the country in which profits are accumulated and taxed. The Group’s taxes include taxes of Group companies based on taxable profit for the financial period, together with tax adjustments for previous periods and the change in deferred taxes. Tax credits arising from subsidiaries' distribution of dividends are deducted from tax expenses.

Companies taxed under special tax shipping tax systems will generally not be taxed on their net operating profit from the approved shipping activities. A portion of net financial income and other non-shipping activities are normally taxed at the ordinary applicable tax rate. Taxation under shipping tax regimes requires compliance to certain requirements, and breach of these requirements could lead to forced exit of the regime. A forced exit of the Norwegian shipping tax system will lead to accelerated tax payments. Tax payable and deferred taxes are recognized directly in equity to the extent that they relate to factors that are recognized directly in equity.

2.14 Employee benefits

(a) Pension obligations

The group has a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The obligations for contributions to defined contribution plans are expensed as the related service is provided.

2.15 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.16 Revenue recognition

Continuing business (IAS 17 and IAS 18):

Oceanteam Shipping ASA is an offshore shipping company and solutions provider. Oceanteam's business is the owning, chartering and managing of deepwater offshore construction Service - and pipelay vessels and, fast support vessels.

In addition, Oceanteam Shipping provided complementary engineering services consisting of both engineering & design services and equipment rental to support our clients.

Shipping revenues

Income is recognised when it is probable that transactions will generate future financial benefits that will accrue to

the company and the amount can be reliably estimated. The majority of contracts are long-term time charter contracts. Income and expenses related to a charter party are accrued based on the number of days the contract lasts prior to and after the end of the accounting period.

In the event of off-hire periods, the vessel owner carries the risk beyond any worked up dry-dock days which in some instances are specified in the contract. The group has taken out off hire insurance to cover major operational interruptions such as repairing collision damage or other serious unforeseen repair work.

The mobilization of a vessel is the period for planning and preparation before the charter has commenced. The demobilization is the period when all the special equipment for a project is being taken off until the vessel is ready for a new project or charter. Mobilization (demobilization) fees are invoiced to the client and recognized over the mobilization (demobilization) period.

Engineering services

KCI Engineering has some lump sum construction contracts with a defined design engineering scope, but most of the revenues relate to billable hours as the service is being performed.

Equipment rental

Income from rental of equipment is recognised when the company invoices the client for the relevant period of time according to contract. Income from the sale of underutilized equipment is recognised when delivery takes place and most significant of risk and return is transferred

Work in progress / To be invoiced

The work in progress on third party construction contracts is valued at the incurred construction contract costs increased by the attributed profit and net of recognized losses and invoiced instalments. If the result from a construction contract cannot be reliably estimated no profit is attributed or recognized as part of work in progress. The construction contract costs include the costs directly relate to the construction contract, the indirect costs that are attributable and allocated to construction contract activities and other costs that are chargeable to the customer under the terms of the contract.

The percentage of completion is determined on the basis of the construction contract costs incurred up to the balance sheet date in proportion to the estimated aggregate construction contract costs/inspection of the completed part of the construction contract/the completion of a physically distinguishable component of the construction contract. Income and expenses are recognized in the profit and loss account based on the progress of the project. Expenditure incurred in a year concerning project activities are not included in the calculation. Work in progress on construction contracts with a debit balance position is presented under the current assets. Work in progress on construction contracts with a credit balance position is presented under the current liabilities. The amounts are recognized under the receivables if the amount of the (collective) net income is greater than the sum of the invoiced instalments. If the (collective) amount of the income is less than the invoices, the amount is recognized under the liabilities.

2.17 Dividend distribution

Dividend distribution to the Company's' shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Financial covenants may restrict the possibility to distribute dividends.

2.18 Financial and operating leasing

(i) The Group as a lessee

Finance leases

Finance leases are leases under which the Group assumes most of the risk and return associated with the ownership of the asset. At the inception of the lease, finance leases are recognised at the lower of their fair value and the present value of the minimum lease payments, minus accumulated depreciation and impairment losses. When calculating the lease's present value, the implicit interest cost in the lease is used if it is possible to calculate this.

If this cannot be calculated, the company's marginal borrowing rate is used. Direct costs linked to establishing the lease are included in the asset's cost price.

The same depreciation period as for the company's other depreciable assets is used. If it is not reasonably certain that the company will assume ownership when the term of the lease expires, the asset is depreciated over the term of the lease or the asset's economic life, whichever is the shorter.

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 statement of comprehensive income in a straight line during the contract period.

(ii) The Group as a lessor
Finance leases
The Group presents assets it has leased to others as receivables equal to the net investment in the leases. The Group's financial income is determined such that a constant rate of return is achieved on outstanding receivables during the contract period. Direct costs incurred in connection with establishing the lease are included in the receivable.

Operating leases
The Group presents assets it has leased to others as non-current assets in the balance sheet. The rental income is recognised as revenue on a straight line basis over the term of the lease. Direct costs incurred in establishing the operating lease are included in the leased asset's carrying amount and are expensed over the term of the lease on the same basis as the rental income.

2.19 Financial instruments
In accordance with IAS 39, Financial instruments: Recognition and measurement, financial instruments within the scope of IAS 39 are classified in the following categories: at fair value with changes in value through profit or loss, held to maturity, loans and receivables, available for sale and other liabilities.

Financial assets with fixed or determinable cash flows that are not quoted in an active market are classified as loans and receivables.

Financial liabilities that do not form part of the held for trading purposes category and which have not been designated as being at fair value with changes in value through profit or loss are classified as other liabilities.

Financial instruments that are held to maturity are included in fixed asset investments unless the redemption date is less than 12 months after the end of the reporting period. Financial instruments in the held for trading purposes group are classified as current assets. Financial instruments that are available for sale are presented as current assets if the management has decided to sell the instrument within the 12-month period following the end of the reporting period.

The gain or loss resulting from changes in the fair value of financial investments that are classified as available for sale is recognised directly in equity until the investment is sold. When the investment is sold, the accumulated gain or loss on the financial instrument that has previously been recognised in equity is reversed and the gain or loss is recognised in the statement of comprehensive income.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transaction; reference to the current fair value of other instruments that is substantially the same; discounted cash flow analysis or other valuation models.

Note 3. Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk (including currency risk, fair value risk and cash flow interest rate risk)

The Board of Directors has 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.

In Q4 2014 McDermott International Inc. has executed their purchase option for the vessel North Ocean 102. The proceeds from the sale will go towards a USD 35 million amortization on Oceanteam's bond loan debt due in April 2015.

(A) Credit risk

The Group's credit risk is considered to be low as the Group's customers and partners are primarily large companies with high credit rating. 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.

Oceanteam Shipping

The Shipping business represented 51 percent of the Group's total trade receivables at balance sheet date. Geographically, credit risk is concentrated within the regions where the Group operates its assets, being for the CSV asset:

- Africa
- America
- Australia

For the FSV assets the geographic risk is concentrated in Mexico and for Venezuela. Credit risk for the joint venture DOT Shipping is concentrated in Mexico (Grupo Diavaz/PEMEX) and Singapore through the new joint venture within DOT Shipping with Pacific Radiance.

There are 4 main clients in the shipping business and they all are solid and high credit rated.

Oceanteam Solutions

The rental equipment business represented 16 percent of the Group's total trade receivables at balance sheet date. The credit risk can be divided in European countries and South East Asia and with an approximate number of 10 clients. The clients, both for the Shipping segment as the Solution segment, where we are doing business with are established names in the Oil and Gas and Renewable Offshore Industry. Despite the decline of oil prices in the later stages of 2014 and the low economic growth in Europe, the Company has no outstanding payments in arrears for the Solution segment. We see a modest decline and postponement of certain projects but not of such magnitude that it is disturbing our operational business plan.

Other receivables contains for 22 percent work in progress and is largely invoiced the first quarter 2015. The other part contains receivables from our Joint Venture partners.

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. Before projects are tendering and awarded, the Group perform full credit assessments on its existing and future clients.
At balance sheet ending 2014, KCI the Engineers represented 27 percent of the Group's total trade receivables.
For the engineering services, credit risk is concentrated within the European countries with a number of clients of around 50 - 60 clients. At 31 December 2014, all receivables are considered as short term, current assets. Refer to note 18 for liabilities.

The contract coverage is superior within Oceanteam with no availability for our CSV vessels until into 2017. The growth activity in DOT Shipping has been significant. During 2014, 2 new FSVs and one new CSV have been included in DOT Shipping. Both FSV's entered into long term contracts and was operational from March 2015. The CSV, is 50% owned (20% net to Oceanteam) with Pacific Radiance as a Joint Venture partner to DOT Shipping.

Oceanteam's extension in various markets and especially its position it has secured in the Mexican market, makes the company ready for the future. Also its operational diversification through entering into the Mexican market it has also increased its offering products into Oceanteam Solutions.As the number of clients increases, the Management Committee will monitor the need for analyzing customer credit risk, whereby customers are to be grouped according to their credit characteristics. This will also cover a potential need for making allowances for impairment corresponding to an estimate of incurred losses in respect of trade and other receivables and investments.

The internal control of Oceanteam is being built after the COSO model with strategic, operational, reporting and compliance objectives. Further the objectives are dealing with 5 components, control environment, risk assessment, control activities, information & communication and monitoring activities.

The management committee defines the internal control within the Group and prepare for the boards finally assessment. With the evolvement of the Company and its segment, volatility in the market conditions, there are constant changes in the internal environment and the need of concentration of expertise. The Company's challenges are therefore to judge as the company develops:

- Expectations for governance oversight
- Global expansion of markets and operations
- Changes and greater complexity in business
- Demands and complexities in laws, rules, regulations, and standards when entering into new markets
- Expectations for competencies and accountability's
- Use of, and reliance on, evolving technologies
- Expectations relating to preventing and detecting fraud

The upgrade of the The Next Step in the organisation is to prepare the Company fully of the foreseen growth in the coming periods. The project has significantly strengthened the Company's engineering and project management capabilities and the management of the Company. The Next Step programme was initiated within KCI and will during 2015 be rolled out through the rest of the associated Oceanteam companies.

The Company will provide solution driven services by combining our engineering and equipment capabilities into a single service in accordance with clients request .

The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The free iquidity is placed in bank accounts with banks of acceptable credit quality and in stable regions. The total theoretical credit risk is approx. USD 63.0 million where USD 18.3 millions is receivables and USD 44.5 million is bank deposits, see note 14 and 15 for further information. Oceanteam Shipping's clients are primarily large companies with high credit rating and well known within the industry. The need for bank guarantee, parent company guarantees and preinvoicing are considered on individual basis project by project.

(B) 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 that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. According to a liquidity covenant in its loan agreements, the Group shall at all times have a minimum free liquidity of USD 0.5 million. At the balance sheet date, the Group had a liquidity position of USD 44.5 million, of which approx. USD 0.5 million normally was restricted or pledged as collateral. In addition the proceeds from sale of shares in North Ocean II KS is treated as restricted cash as it will go the USD 35 million amortization of bond loan. The USD 44.5 million in bank deposit consisted of approx. EUR 0.8 million, in approx. USD 43.3 million, NOK 1.7 million and some GBP and MXN.

Per 31 December 2014 Oceanteam Shipping is compliant with all financial covenants for bank loans and bond loans, both on Group level and the individual company level. In the event of breach of covenant the lenders can declare the outstanding loan including accrued interest, costs and expenses to be in default and due for immediate payment.

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 or the client involved in the contract in question.

The Group has an overdraft facility of EUR 500.000.

(C) Market risk

Market risk includes risk of fluctuation in oil prices, financial risks as currencies and interest rates and political changes, increased competition and risk of war, other armed conflicts and terrorist attacks. The deteriorated financial climate has led to delays in projects in both oil and gas and renewable energy industries which might make it more difficult to obtain attractive contracts for the construction support vessels and fast support vessels. Also the demand for cable installation equipment and engineering services may be affected by the economic circumstances.

For the shipping segment the company has superior contract coverage on modern vessels with limited market exposure until 2017. The Company is therefore well positioned in the current market environment.

The Group is exposed to currency risk 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 and Norwegian Kroner (NOK).

The company is exposed to changes in interest rates as the bulk of its debt has floating rates. An increase (decrease) in the interest level with 100 bp will give an effect of USD 1.6 million on the balance of loans and borrowings at 31 December 2014. The interest rates are also linked to the development of LIBOR margins.

The objective of the Company is to reduce the financial risk as much as possible. Current strategy include the use of swap interest agreements for the loans in Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS. Otherwise the strategy 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 assessed by the Board of Directors.

Fair value Bond Loan
At end of year 2014 the indicated fair value of the bond loan was 102 percent of the nominal value.

(D) Capital management

The Board's policy is to improve the capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or refinancing debt.

The Group's debt providers have imposed the following covenants regarding capital management:

- 35% book equity at all times;
- 25% market value adjusted equity at all times
- covenants in vessel owning companies

Furthermore, the financial covenants are subject to surveillance by management and to be in compliance with at all times.

For more information regarding financial covenants, please see note 18 – loans and borrowings.

There are significant difference between fair values and historic values with regard to the CSVs. However, these estimates are subject to uncertainty.

New vessels are not ordered before equity installments are allocated and full financing is in place with a reputable shipping bank. Long term cash flows are continually updated to identify risks and opportunities.

		Exchange rates 31.12.2014	Exchange rates 31.12.2013
Exchange rates used in the annual report:	EUR/USD	0,8226	0,7258
	USD/NOK	0,1345	0,1644
EUR – European euro	NOK/EUR	9,0365	8,3825
NOK – Norwegian kroner	NOK/USD	7,4332	6,0837
USD – American dollar	USD/EUR	1,2157	1,3779

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2014	2013
USD	12 481	42 022
EUR	5 853	6 508
NOK		
Other currencies		
Total receivables in USD	18 334	48 529

The carrying amounts of the Group's short term and long term liabilities are denominated in the following currencies:

	2014	2013
USD	(164 653)	(100 160)
NOK	(1 944)	(261)
EUR	(7 824)	(5 358)
Other currencies		62
Total liabilities in USD	(174 421)	(105 717)

USD exchange rate movements:

	31.12.14	Increase	Decrease
USD/EUR	1,2157	1,5000	1,1000
Effect on receivables in EUR	7 115	2 647	43
USD/EUR	1,2157	1,5000	1,1000
Effect on liabilities in EUR	(9 512)	1 475	3 618

The largest currency risk for Oceanteam Shipping is connected to movement in the EUR versus USD, but since both receivables and liabilities are in USD the fluctuations will be minimal.

Interest rate risk

		2014	2013
		Carrying amount	Carrying amount
Cash balance		44 547	6 240
Secured bank loans		65 415	101
Unsecured loans		729	
Bond loan		91 150	90 674
Total loans and borrowings		**157 294**	**90 775**
LIBOR + margin	**3%**	**4%**	**5%**
Total effect on interests with margin increase of 100 basis points	4 719	6 292	7 865
Positive (negative) effects	1 573		(1 573)

Interest rate fluctuations

An increase (decrease) in the interest level with 100 bp will give an effect of USD 1.6 million on the balance of loans and borrowings per 31 December 2014. The interests rates are also linked to the development of LIBOR margins.

Note 4. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

(a) Deferred tax asset

For further information, please refer to note 13.

(b) Revaluation model

The estimate of the fair value of the CSVs and Pipelay vessel may fluctuate due to changes in charter hire, OPEX, WACC (weighted average cost of capital) and market conditions and operational risks of operating vessels.

More information about revaluation model can be found under note 28.

(C) Goodwill

The estimate of Cash Generated Units (CGU) may have variation on cash flow estimates and WACC. Please refer to note 11 for further information.

D) Leases

At inception of and arrangement, the Group determines whether the arrangement is or contains a lease. Please refer to note 7 for further information.

E) Investment in Oceanteam Bourbon 4 AS

For changes in investment in these entities, please refer to note 26 (associates) and note 27.

Note 5. Operating segments

In 2014 the Group has two segments, Oceanteam Shipping and Oceanteam Solutions. Oceanteam Solutions consist of engineering and equipment business. The current segments which are described as below are now the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the Group's CEO reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

	Oceanteam Shipping		Oceanteam Solutions		TOTAL	
	2014	2013	2014	2013	2014	2013
External revenue	**33 958**	**18 491**	**31 954**	**26 037**	**65 912**	**44 528**
Operating costs	(526)	62	(14 684)	(14 964)	(15 210)	(14 902)
General & Administration	(8 816)	(6 709)	(11 525)	(11 562)	(20 342)	(18 271)
EBITDA	**24 615**	**11 844**	**5 745**	**(489)**	**30 361**	**11 355**
Intersegment revenue	857	182			857	182
Intersegment cost			(857)	(182)	(857)	(182)
Depreciaton	(7 947)	(491)	(2 260)	(3 745)	(10 208)	(4 236)
Write off assets	(135)	93	(192)	6	(327)	99
Reportable segment profit before income tax	**17 391**	**11 628**	**2 436**	**(4 410)**	**19 827**	**7 218**
Interest income	766	332	(726)	(276)	40	56
Interest cost	(15 629)	(12 611)	(87)	4	(15 715)	(12 607)
Foreign exchange result	(886)	23	484	39	(402)	62
Pre-tax profit	**1 643**	**(628)**	**2 107**	**(4 643)**	**3 750**	**(5 271)**
Income Tax	**(608)**	**(716)**	**(12)**	**1 877**	**(620)**	**1 161**
Reportable segments assets	**262 877**	**164 290**	**47 395**	**48 493**	**310 271**	**212 783**
Reportable segments liabilities	**(148 576)**	**(87 208)**	**(25 845)**	**(18 509)**	**(174 421)**	**(105 717)**
Capital Expenditure	**240**	**108**	**10 635**	**9 045**	**10 875**	**9 153**
Investment in associates	**42 840**	**115 057**	**63**	**144**	**43 047**	**115 201**

The Shipping segment consisted of three operating CSV vessels, one Pipelay vessel and two FSV crew boats. All the vessels worked outside Europe in 2014. Two of the CSV vessels and the Pipelay vessel are consolidated according to equity method, while one CSV vessel, CSV Southern Ocean, is fully consolidated. Administration expenses in Oceanteam Shipping ASA are allocated to Shipping segment since material resources from Oceanteam Shipping ASA are allocated to Shipping segment. The Oceanteam Solutions segment consist of engineering services from KCI BV and equipment business from RentOcean, an equipment department organized under Oceanteam Shipping BV. Administration expenses in Oceanteam Shipping BV are allocated to equipment business due to RentOcean.

In 2013, most engineering and equipment activities are in Europe.

In 2014, activities have been expanded to South Korea and USA.

Geographical segments — **USD '000**

The geographic information below analyses the Group's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the following information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of assets.

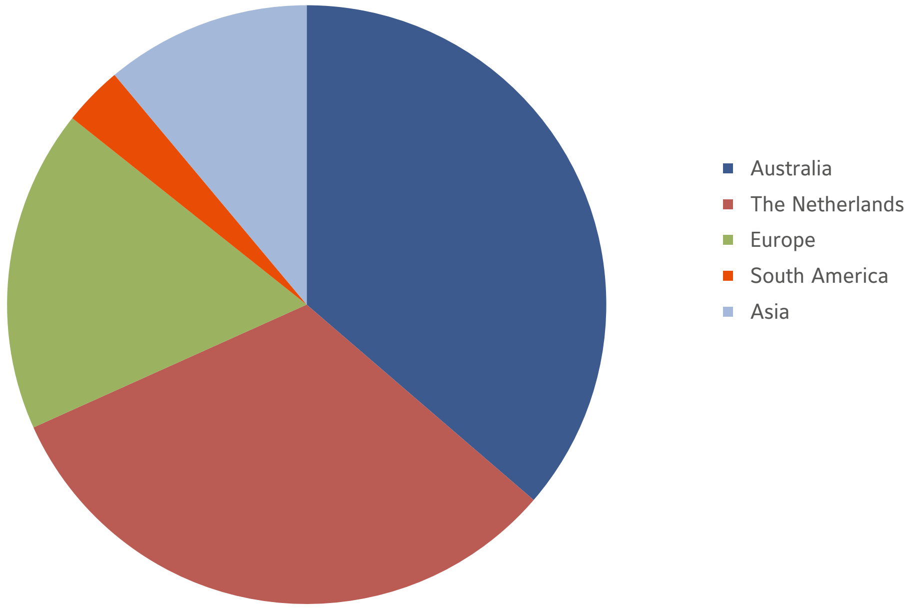
Revenue	2014	2013
Australia	20 582	
The Netherlands	18 111	22 518
Europe	9 878	4 902
South America	1 825	1 825
Asia	6 280	2
Total	**56 676**	**29 247**

Net income from joint ventures and associates	2014	2013
Australia		4 975
The Netherlands	(82)	193
Africa	5 047	2 594
South America	5 243	7 521
Total	**10 208**	**15 283**

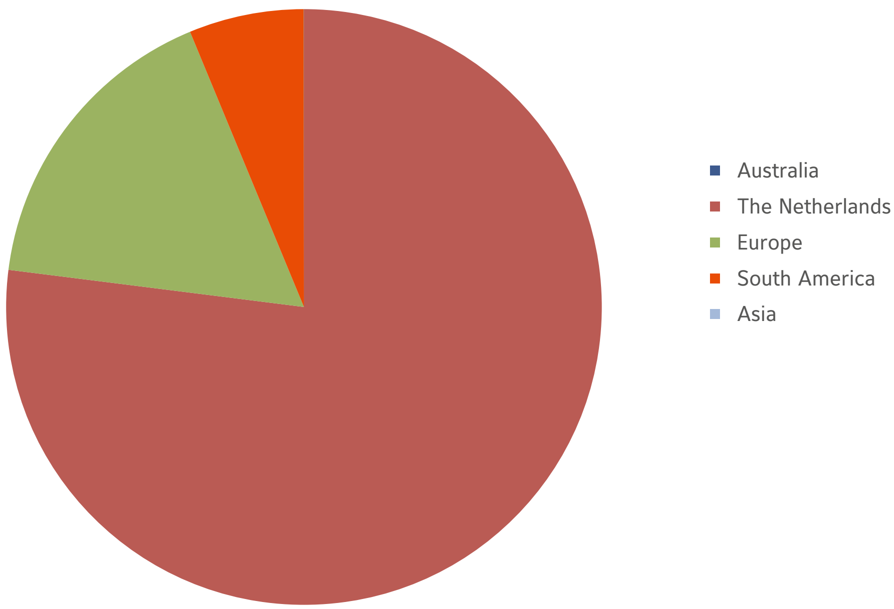
Revenue	56 676	29 245
Net income from joint ventures and associates	10 208	15 283
Total operating revenues	**66 884**	**44 528**

Sales are allocated based on the area in which the services are rendered, given figures are according to owners percentages.

Geographical segments revenue 2014



Geographical segments revenue 2013



Non-current assets	2014	2013
Australia	42 582	44 933
The Netherlands	17 555	14 317
Africa	31 762	31 566
South America	31 765	75 654
Europe	2 214	2 190
Total	**125 877**	**168 660**

Non-current assets exclude financial instruments, deferred tax assets and employee benefit assets and are according to Oceanteam shipping's owners' percentages.

Major customers

Segment	Customer	2014	Percentage of entity's revenue	2013	Percentage of entity's revenue
Shipping	Customer Shipping 1	23 702	100,0%	20 381	100%
Shipping	Customer Shipping 2	16 481	100,0%	17 213	100%
Shipping	Customer Shipping 3	20 582	100,0%	20 070	100%
Shipping	Customer Shipping 4	23 777	100,0%	23 776	100%
Solutions	Customer Solutions 1	4 466	37,5%		
Solutions	Customer Solutions 2	2 755	23,1%		
Solutions	Customer Solutions 3	4 741	28,0%		
Solutions	Customer Solutions 4	3 890	23,0%		
Solutions	Customer Solutions 5	1 824	11,0%		
Solutions	Customer Solutions 6			4 685	19%
Solutions	Customer Solutions 7			2 618	10%
Solutions	Customer Solutions 8			1 304	37%
Solutions	Customer Solutions 9			445	15%

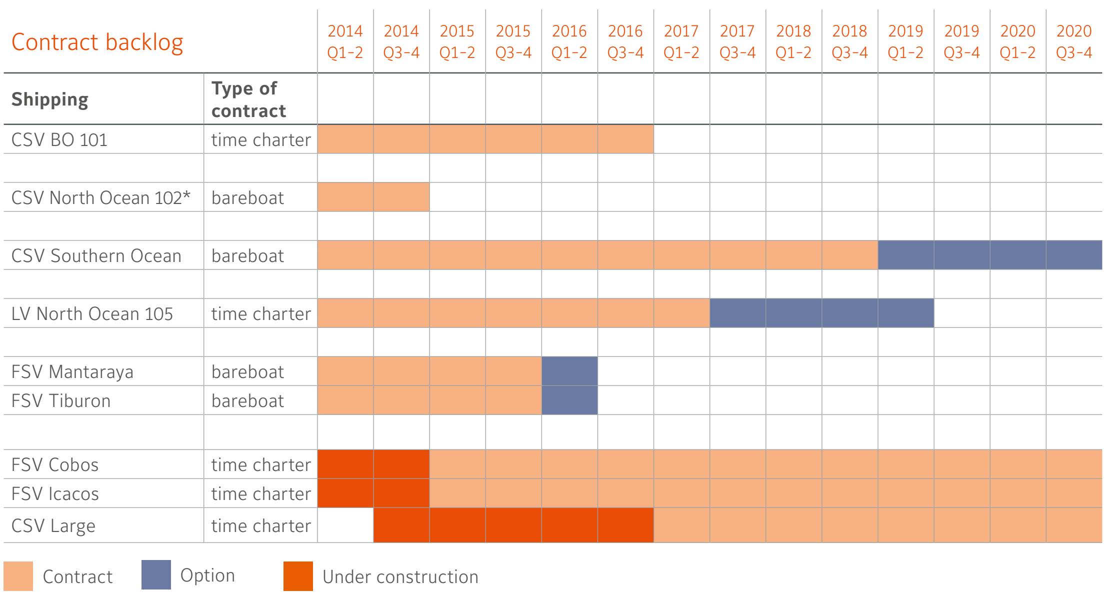
Revenues are based on 100 percent basis for the relevant entity.

All customers in the shipping segment are not represented. Oceanteam Solutions have over 50 clients with whom they provide engineering services for.

Note 6. Revenue

Revenue comprises:	Company/Project	2014	2013	Change in %
Shipping leases		33 958	18 491	84%
Equipment leases		13 681	2 712	404%
Engineering services		11 458	20 018	(43%)
Construction contract revenue	KCI The Engineers	7 780	3 307	135%
Total revenue		**66 877**	**44 528**	**50%**

The percentage of completion is determined on the basis of the construction contract costs incurred up to the balance sheet date in proportion to the estimated aggregate construction contract costs/inspection of the completed part of the construction contract/the completion of a physically distinguishable component of the construction contract. Income and expenses are recognized in the profit and loss account based on the progress of the project



* McDermott has executed the purchase option in fourth quarter 2014.

Contract back log:

- CSV 101: BP Angola until February 2017.
- CSV Southern Ocean: Fugro TSMarine Australia until 31 December 2018 (+2 x 1 year option).
- LV 105: McDermott International Inc. firm until 30 June 2017 (+1 year option + 1 further additonal year provided the Charteres give advance written notice according to details in charter agreement.
- FSV Mantaraya and FSV Tiburon: Contracts extended until end December 2015.
- Engineering & equipment: the level of secured work / tenders out are satisfactory for the season.
- RentOcean: increased backlog during 2014.

Note 7. Leasing

Shipping

The group's operational vessels are essentially rented out on time/ bare boat charters. The group has evaluated ''IFRIC interpretation 4 Determination whether an arrangement contains a lease'' and has concluded that the time charters (TC) and bare boat (BB) contract represent lease of assets and are therefore subject to IAS 17. The lease agreements are classified as operational leases.

The lease agreements for the groups operational vessels are classified as operational leases and are subject to IAS 17. Lease income from the lease of vessels are recognized in the profit and loss account using the straight line method for the duration of the lease period. The lease period starts on the date the vessel is made available to the leasee, and terminates on the agreed date for return of the vessel.

Crew hire and payments to cover other operating expenses are reported as income according to the straight line method for the duration of the agreement. There is no difference in the recognition of revenue after IAS 17 or the IAS 18, but the disclosure lists are different.

When Crew is included, this part of revenue will be accounted for in accordance with IAS 18.

Shipping

The Group leases out its CSV Vessels. The future minimum lease payments under non – cancellable leases are as follows:

USD '000	2014	2013
Less than one year:	44 398	61 633
Between one and five years:	91 353	116 058
More than five years:		
Total	**135 751**	**177 691**

Oceanteam Shippings operations in Mexico are two Fast Supporting vessels (FSV). These vessels are currently working in Venezuela, transporting people and light equipment from land to offshore installations and between offshore installations.

Engineering

The income from the engineering part of the Group and services is recognised when provided. The sale of services from the engineering is recognized after IAS 18 and percentage of completion when the outcome of the service contract can be measured reliably.

Equipment

The equipment pool is being rented out in the spot market and Oceanteam Shipping is marketing the equipment for longer contracts. The revenue is recognized, in accordance with IAS 18, when the equipment and personnel is rented out and according to day rates.

Leases as lessor

In February 2014, the first 4000T turntable was delivered to the lessee in accordance with the agreement to lease out the equipment. Among other factors, the lease period is for 2 years and the lessee has the option to purchase the equipment at an agreed price. In July 2014, a second 4000T turntable was delivered to the same lessee, but with no purchase option connected to this lease agreement. The Company considers these two turntables as one large project and has made an assessment of the different elements of the contracts, including the commercial aspects of the contracts, and as to whether or not there are a substantial risks or rewards when ownership is transferred to the lessee. Since the lease period is for a limited period of time compared to the economic life of the assets and the Company retains the majority of the risk related to the asset, therefore it has been classified as an operating lease.

The future minimum lease payments under non – cancellable leases are as follows:

USD '000	2014	2013
Less than one year:	8 621	5 029
Between one and five years:	600	4 772
More than five years:	1 559	1 679
Total	**10 780**	**11 480**

Note 8. Personnel cost

USD'000	2014	2013
Personnel cost		
Salary	10 426	6 640
Pensions	559	124
Social security cost	1 163	845
Insurance	110	68
Directors fees	247	307
Contractors fees	1 707	1 119
Other Cost	30	103
Total	**14 241**	**9 206**
Average number of full time employees	163	167

2014	Position	Board fees	Wages	Pension premiums	Other remuneration	Total
Haico Halbesma	CEO		429		450	878
Torbjørn Skulstad	CFO		127	10	248	385
Hessel Halbesma	Chairman	47			900	947
Mrs Catharina Pos	Director	31			92	123
Mr James Hill	Director	31			92	123
Total		**109**	**556**	**10**	**1 782**	**2 457**

2013	Position	Board fees	Wages	Pension premiums	Other remuneration	Total
Haico Halbesma	CEO		440		432	872
Torbjørn Skulstad	CFO		126	10	296	433
Hessel Halbesma	Chairman	50			489	539
Mrs Catharina Pos	Director	34			93	126
Mr James Hill	Director	34			75	109
Total		**118**	**566**	**10**	**1 384**	**2 079**

There are no bonus agreements, options, or pensions plans for the CEO. Annual salary is EUR 330.000/ year. From 2011 the CEO has entered a service agreement through his company Heer Holland B.V.

For the year 2014, the agreed fee for the chairman of the Board is NOK 300.000 and NOK 200.000 for the other members of the Board. In addition, the agreed fee for the Board committee is EUR 2.400 per day.

The management has an incentive scheme where the incentive is connected to "HR SMART" objectives and appraisals and is based on the yearly gross salary. The incentive can either be paid out in shares or in cash. If payment should be in shares, share prices will be calculated at market value.

The management of the company has not received any share-based payment in 2014.

All employees in Oceanteam Shipping were in 2014 included in an incentive plan. The purpose the incentive plan, is to advance the interests of the Company's shareholders by enhancing the Company's ability to attract, retain and motivate employees who are expected to make important contributions to the Company. By providing such persons with performance-based incentives, we align the interests of such persons with those of the Company's shareholders.The award is expressed in phantom shares with a two year duration started 30 September 2014. At the expiration date 30 September 2016 a value equal to one Company share on the Oslo Stock Exchange (20 days average closing price) will be paid. The total liability for the company is calculated to 865 000 USD for the two year period based on current company share price.

The remuneration to chairman Hessel Halbesma has increased in 2014 due to new projects, among other projects "The Next Step" programme.

There has not been given loans, advance payments and security by the company or other companies in the group to the individual senior executives and the individual members of the Board of directors, audit committee and other elected corporate bodies.

There has neither been given remuneration, pensions plans or other benefits to members of the audit committee nor other elected corporate bodies.

Note 9. General administration - auditors fee

USD '000

Specification of auditor fee	2014	2013
Statutory audit	589	458
Other assurance services	82	90
Tax advisory	68	111
Other	8	88
Total	**747**	**747**

Total audit fees includes both fees to the auditor of the parent company and component auditors of other group companies. Various audit firms are involved as component auditors.

Note 10. Financial income and financial expenses

	2014	2013
Interest income bank	2	27
Other financial income	38	29
Foreign exchange gain/loss	(402)	62
Interest expense	(14 664)	(11 857)
Call premium	(476)	(476)
Other financial expense	(574)	(274)
Total	**(16 076)**	**(12 489)**

Increase in interest expense is mainly due to change in definition for Oceanteam Bourbon 4 AS from Joint Venture to Subsidiary and hence 100 percent consolidation.

Note 11. Intangible assets

USD '000

2014	Deferred tax	Goodwill	Customer relations	IP licences, concept etc	OTS Designs	Total
Historical cost 31 December 2013	6 000	12 987	4 400		1 119	24 506
Additions - Internally developed					73	73
Addtions - Acquired separately				618		618
Historical cost 31 December 2014	**6 000**	**12 987**	**4 400**	**618**	**1 192**	**25 197**
Accumulated amortization			(4 400)			(4 400)
Amortization				(51)		(51)
Impairments/reversals						
Amortization			**(4 400)**	**(51)**		**(4 451)**
Accumulated impairments						
Impairments/ reversals						
Accumulated impairments						
Book value 31 December 2014	**6 000**	**12 987**		**567**	**1 192**	**20 744**
Amortization rates	Not amortized	Not amortized	3 years	5 years	Not yet depreciable	
Amortization method			Linear	Linear		

USD '000

2013	Deferred tax	Goodwill	Customer relations	IP licences, concept etc	OTS Designs	Total
Historical cost 31 December 2012	3 831	12 987	4 400		577	21 795
Additions - Internally developed	2 169				1 160	3 329
Addtions - Acquired separately						
Historical cost 31 December 2013	**6 000**	**12 987**	**4 400**		**1 737**	**25 124**
Accumulated amortization			(3 288)			(3 288)
Amortization			(1 112)			(1 112)
Impairments/reversals						
Amortization			**(4 400)**			**(4 400)**
Accumulated impairments						
Impairments/ reversals						
Accumulated impairments						
Book value 31 December 2013	**6 000**	**12 987**			**1 737**	**20 724**
Amortization rates	Not depreciable	Not depreciable	3 years	5 years	Not yet depreciable	
Amortization method			Linear	Linear		

Amortization for intangible assets are booked under regular depreciation accounts.

A) Impairment testing of goodwill

Oceanteam's goodwill originates from acquisitions in 2008 and 2010. For the purposes of impairment testing, goodwill is allocated to the Group's cash generating unit (CGU) which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. The legal unit KCI the Engineers is defined as the CGU. On 20 February 2014, Oceanteam Shipping ASA purchased the remaining 30 percent shares of KCI The Engineers. Goodwill has been taken into account 100 percent previously when we Oceanteam increased its ownership from 50 to 70 percent in 2010.

Determination of recoverable amount

Value in use, is used to find the recoverable amount. The calculations are based on future cash flows where budgets and strategically goals for the period 2015-2018 are used. The assumptions are: a four year cash flow and terminal value, a growth rate of 4 percent to 10 percent both in revenue and costs in budget. In the cash flow analysis a margin between 5 percent and 10 percent has been applied. Present value is calculated by using discounted cash flows where the weighted average cost of capital (WACC) is 8.8 percent before tax. WACC is based on a risk free rate of 2.3 percent market risk premium of 5 percent and beta of 1.3.

The growth rate of 2 percent has been applied to the terminal value for turnover based on a prudent estimate for increase in business.

Sensitivity analysis

Headroom is the difference between calculated value in use and carrying amount. Negative headroom indicates that goodwill is impaired. Per 31 December 2014, impairment test for goodwill gives a headroom of EUR 11.6 million and indicates that no impairment will occur. Sensitivity analysis with a range of WACC 6 % to 13 % gives positive headroom and indicates that at reasonable changes in discount rate, no impairment will occur.

B) Impairment test of OTS designs

OTS designs have been tested for impairment by measuring the recoverable amount at fair value less cost to sell. No indicator for impairment has been identified.

Note 12. Tangible assets

Investments in joint ventures and associates

2014	Ocean-team Bourbon 101 AS	North Ocean II KS	Partici-pation in LV 105"	DOT Shipping GROUP	Oceanteam Bourbon Spares & Equipment AS	Total
Carrying amount of investment per 31 December 2013	(1 454)	10 119	11 262		144	20 071
Investments			(1 450)	2 949		1 499
Net result from investment	5 047	4 781	524	(68)	(82)	10 202
Sale of investment		(14 899)				(14 899)
Net Revaluation per 31 December 2014	23 236		2 707			25 943
Total carrying amount 31 December 2014	**26 829**		**13 043**	**2 881**	**76**	**42 816**

Vessels and equipment

		Construction and Support Vessels (CSV)	Fast Support Vessels, Machin-ery & other	Total
Historical Cost 31 December 2013			46 867	46 867
Acquisitions through business combination		175 240		175 240
Additions			10 118	10 118
Disposals			(11 240)	(11 240)
Historical Cost 31 December 2014		**175 240**	**45 745**	**220 985**
Accumulated depreciation 31 December 2013			(16 263)	(16 263)
Depreciation		(7 330)	(4 086)	(11 416)
Disposals depreciation			8 419	8 419
Accumulated depreciation 31 December 2014		**(7 330)**	**(11 930)**	**(19 260)**
Accumulated impairments 31 December 2013			(8 553)	(8 553)
Impairments/reversals				
Accumulated impairments 31 December 2014			**(8 553)**	**(8 553)**
Carrying amount 31 December if CSV's were stated at historical cost		**167 910**	**25 262**	**193 172**
Revaluation per 31 December 2014		(9 408)		(9 408)
Total carrying amount 31 December 2014		**158 502**	**25 262**	**183 829**
Depreciation rates		5-25 years	3-15 years	
Depreciation method	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.

Revaluation reserves

2014	Bourbon Oceanteam 101	North Ocean 102	North Ocean 105	Southern Ocean	Non controlling interest	Total
Revaluation reserve 31 December 2013	33 725	12 722	5 190	45 555		97 192
Change in revaluation- disposal		(11 133)		(45 555)		(56 688)
Change in revaluation	(5 164)	(2 184)	(1 968)	(4 704)	(4 704)	(18 724)
Tax effect		595				595
Gross Revaluation reserve 31 December 2014	**28 561**		**3 222**	**(4 704)**	**(4 704)**	**22 375**
Accumulated depreciation premium values 31 Dec 2013	(4 676)	(4 169)	(289)	(2 058)		(11 192)
Disposals depreciation		4 260		2 058		6 318
Depreciation premium values	(649)	(91)	(226)			(966)
Total depreciation premium values	**(5 325)**	**(0)**	**(515)**			**(5 840)**
Net revaluation reserve 31 December 2014	**23 236**		**2 707**	**(4 704)**	**(4 704)**	**16 535**
Accumulated depreciation 31.12.2014 over P&L						**5 840**
Total Revaluation Reserve 31 December 2014						**22 375**

Investments in joint ventures and associates

2013	Oceanteam Bourbon 101 AS	North Ocean II KS	Partici-pation in LV 105	Oceanteam Bourbon 4 AS	Oceanteam Bourbon Spares & Equipment AS	Total
Carrying amount of investment per 31 December 2012	(3 131)	5 183	9 829	4 877	(49)	16 710
Investments			(1 940)			(1 940)
Net result from investment	2 594	5 786	1 735	4 975	193	15 283
Sale of investment						
Net Revaluation per 31 December 2013	29 050	8 553	4 880	42 667		85 149
Total carrying amount 31 December 2013	**28 514**	**19 521**	**16 235**	**52 519**	**144**	**115 201**

Vessels and equipment

	Fast Support Vessels, Machinery & other	Total
Historical Cost 31 December 2012	29 867	29 867
Additions	9 489	9 489
Disposals		
Historical Cost 31 December 2013	**39 356**	**39 356**
Accumulated depreciation 31 December 2012	(9 640)	(9 640)
Depreciation	(4 236)	(4 236)
Disposals depreciation		
Accumulated depreciation 31 December 2013	**(13 876)**	**(13 876)**
Accumulated impairments 31 December 2013	(8 553)	(8 553)
Accumulated impairments 31 December 2013	**(8 553)**	**(8 553)**
Carrying amount 31 December if CSV's were stated at historical cost	**22 088**	**22 088**
Revaluation per 31 December 2013		
Total carrying amount 31 December 2013	**22 088**	**22 088**
Depreciation rates	3-15 years	
Depreciation method	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 18 loans and borrowings.

Revaluation reserves

2013	Bourbon Oceanteam 101	North Ocean 102	North Ocean 105	Southern Ocean	Non controlling interest	Total
Revaluation reserve 31 December 2012	34 025	16 680	7 232	37 462		95 399
Change in revaluation	(299)	(4 562)	(2 063)	8 093		1 168
Tax effect		604				
Gross Revaluation reserve 31 December 2013	**33 725**	**12 722**	**5 169**	**45 555**		**97 171**
Accumulated depreciation premium values 31 December 2012	(3 842)	(4 012)		(2 022)		(9 876)
Depreciation premium values	(834)	(157)	(289)	(866)		(2 146)
Total depreciation premium values	**(4 676)**	**(4 169)**	**(289)**	**(2 888)**		**(12 023)**
Net revaluation reserve 31 December 2013	**29 050**	**8 553**	**4 880**	**42 667**		**85 149**
Accumulated depreciation 31.12.2013 over P&L						**12 796**
Total Revaluation Reserve 31 December 2013						**97 944**

Financial lease

There is a financial leasing agreement for a crane in Oceanteam Bourbon 4 AS. Per balance sheet date, the financial lease amount is USD 728.909.

Note 13. Tax

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Some companies operate under the Norwegian Tonnage Tax system were the tax is estimated to be zero.

USD '000

	2014	2013
Tax payable Norway	2	
Tax payable abroad	137	58
Changes in deferred tax Norway	595	604
Adjustments previous year	(115)	345
Changes in deferred tax abroad		(2 169)
Income tax	**620**	**(1 161)**
Reconciliation of tax payable		
Tax payable in profit and loss account		
Credit deduction, international		
Tax, international	139	58
Corrections previous years		
Tax payable in balance sheet	**139**	**58**
Reconciliation of nominal and effective tax rate		
Profit before tax	3 750	(5 271)
Applicable 27%/ 28% tax rate	**1 013**	**(1 476)**
Variance, actual and expected income tax expense	**(393)**	**315**
Explanation of why actual tax cost deviates from expected tax cost		
Tax effect from non-deductible costs		
Tax effect from non-taxable income	(2 756)	(4 279)
Effect of foreign trade tax		
Effect of shipping company taxation	(3 024)	604
Effect from foreign tax regimes	880	(439)
Changes utilization of tax loss carry forward		
Tax previous years		
Non capitalized deferred tax effect	4 508	4 429
Variance compared to applicable tax rate	**(393)**	**315**

Income tax and other comprehensive income	2014			2013		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Changes in revaluation model for non-tonnage tax companies	2 204	595	1 609	2 236	604	1 633
Other comprehensive income						
Translation differences	640			(1 195)		
	2 844	**595**	**1 609**	**1 041**	**604**	**1 633**

Deferred tax:

Below is a specification of temporary differences between accounting and tax values, as well as calculation of deferred tax / tax asset at the end of the financial year.

Basis for deferred tax	2014	2013
Other current balance sheet items		
Amount linked to current balance sheet items		
Deferred tax on equity transactions		
Deferred tax on revaluation model		(13 814)
Loss carried forward	192 629	228 000
Amount linked to long-term balance sheet items	**192 629**	**214 186**
Total basis for deferred tax assets	**192 629**	**214 186**
Total deferred tax (-) / tax assets		
– Deferred tax/ tax assets, companies taxed as shipping companies		
Deferred tax assets calculated	**52 010**	**59 972**
Calculation of deferred tax / tax asset		
Deferred tax asset recognised in balance sheet	6 000	6 000

Deferred income tax and liabilities are offset when there is an enforceable right to offset deferred tax assets against deferred tax liabilities and when the deferred income tax relate to the same fiscal authority.

Oceanteam Shipping has recognized USD 6.0 million as a deferred tax asset for the operations in the Netherland. The deferred tax asset is related to the equipment business, and is based on latest forecast for this business. Plans indicates that there will be sufficient taxable profit to offset some of the tax loss carry forward before 2018, which is the period of utilization. Contracts and budgeted revenue with customers gives convincing evidence to support the conclusion that the deferred tax asset can be recognized in the accounts.

Parent company Oceanteam Shipping ASA has suffered large tax losses from exiting the contracting business. The basis for potential deferred tax loss is estimated to amount to 169 million USD for the Norwegian entities and EUR 52 million for abroad operations. Confirmation from the tax authorities of a deferred tax loss of NOK 1.1 billion has been received in October 2014. The deferred tax losses are not recognized in the balance sheet as there is uncertainty to what extent the losses can be offset against future profits. The total basis for deferred tax assets have decreased from 2014 to 2013 due to change in USD/ NOK currency per balance dates.

Revaluated vessels that are in the tonnage tax regime have no deferred tax on the revaluation surplus since taxed under the tonnage tax regime.

Note 14. Receivables

USD '000

	2014	2013
Trade receivables at nominal value	11 822	4 639
Less: provision for impairment of trade receivables	2 951	632
Trade receivables net	8 871	4 007
Other current receivables	9 464	43 890
Receivables 31.12.	**18 335**	**47 897**

Movements on the group provision for impairment of trade receivables are as follows:		
At 1 January	655	65
Provision for receivables impairment	2 296	590
At 31 December	**2 951**	**655**

The creation and release of provision for impaired receivables have been included in 'other expenses' in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The group does not hold any collateral as security.

The carrying amounts of the group's trade and other receivables are denominated in the following currencies:

	Trade receivables		**Other receivables**	
	2014	Received in 2015	2014	Received in 2015
USD (Oceanteam Shipping segment)	5 467	4 641	5 294	305
EUR (Oceanteam Solutions segment)	3 404	2 214	4 158	3 171
Other				
Total	**8 871**	**6 855**	**9 452**	**3 476**

Note 15. Cash and cash equivalents

	2014	2013
Cash	44 547	6 240
Cash and cash equivalents 31.12.	**44 547**	**6 240**
Of which is restricted deposits*	**514**	**560**
Unused overdraft facilities 31.12. (in EUR '000)	**500**	**500**

* Restricted amounts consists of restricted cash limit for earnings account for the CSV vessels and the deducted employee tax within 2 months.

The cash on the group is restricted for USD 0.5 million USD in free cash of total in USD 44.5 million, consisting of EUR 0.8 million, NOK 1.7 million, USD 43.3 million, some GBP and MXN. All proceeds of the sale of the CSV Northern Ocean 102 will be used for the bond installment of USD 35 million plus incurred interest due in April 2015.

Note 16. Investments in Subsidiaries

Figures in USD '000

Overview subsidiaries:	Profit/ Loss	Equity	Head Office	Equity percentage	Voting share
Subsidiary companies:					
Oceanteam II BV	(25)	(302)	Amsterdam, Netherlands	100%	100%
IMERA NV*	(19)	(106)	Amsterdam, Netherlands	100%	100%
Oceanteam Shipping GmbH*	(13)	(245)	Amsterdam, Netherlands	100%	100%
Oceanteam Shipping BV*	3 155	11 172	Amsterdam, Netherlands	100%	100%
Oceanteam Equipment Base Ltd**	(23)	(58)	Amsterdam, Netherlands	100%	100%
Oceanteam Mexico BV*	(3)	(126)	Amsterdam, Netherlands	100%	100%
Oceanteam Mexico SA de CV**	(257)	(5 380)	Mexico	49%	90%
Oceanwind BV*	11	59	Amsterdam, Netherlands	51%	51%
KCI International BV	(115)	(6 756)	Amsterdam, Netherlands	100%	100%
KCI The Engineers**	115	4 903	Schiedam, Netherlands	100%	100%
Oceanteam Shipping Monaco SAM	(41)	3	Monaco, France	100%	100%
North Ocean 309 AS	(71)	(78)	Bergen, Norway	100%	100%
Oceanteam Bourbon 4 AS	13 402	17 829	Bergen, Norway	50%	60%

*/**/***/**** The shares are indirectly owned by Oceanteam Shipping ASA through subsidiaries.

The subsidiaries are fully consolidated. For Oceanteam Mexico SA de CV and OceanWind BV there is a 10% and 49% non controlling interest. Oceanteam Bourbon 4 AS has a material non-controlling interest of 50%.

IMERA NV have been merged into Oceanteam II BV in Q1 2015.

Consolidated financial statements for Oceanteam Shipping and for Parent company Oceanteam Shipping ASA are available at www.oceanteam.no under investor – reports and presentation.

Non-controlling interests	Oceanteam Bourbon 4 AS
NCI percentage	50%
Non-current assets	85 165
Current assets	11 245
Non-current liabilities	(54 798)
Current liabilities	(8 505)
Net assets	**106 444**
Carrying amount of NCI	53 271
Revenue	20 582
Profit	1 404
Other comprehensive income	
Total comprehensive income	**1 404**
Profit allocated to NCI	6 701
OCI allocated to NCI	
Cash flows from operating activities	12 363
Cash flows from investing activities	(5 546)
Cash flows from financing activities	(9 558)
Net increase (decrease) in cash and cash equivalents	**(2 741)**
Dividends paid to non-controlling interests	(2 773)

For further information, ref note 27.

Note 17. Share Capital and Shareholder Information

Share capital:

Pr 31.12.2014,
Oceanteam Shipping ASA has share capital of NOK 14.796.629,- distributed on 25.593.259 shares. All shares are given equally voting rights.

Oceanteam owns a total of 2.959.324 own shares representing 9.99 percent of the shares in the company. The calculations are made on the basis of 29.593.259 shares in the company. The purpose of the buy-back is to secure Oceanteam's obligations related to the share based incentive plan for executives and employees, as detailed in resolution 10 of Annual General Meeting, held on 31 May 2012.

Shareholders	Notes	Number of shares	Prc. of total
UBS AG	1	9 534 920	32,2%
Clearstream Banking S.A.		4 047 389	13,7%
Oceanteam Shipping ASA		2 959 324	10,0%
Otterlei Group AS		1 673 538	5,7%
Skandinaviska Enskilda Banken AB		1 549 605	5,2%
Pershing LLC		909 743	3,1%
Royal Bank of Scotland		447 499	1,5%
Young Nougateers AS		418 500	1,4%
J.p. Morgan Chase Bank N.A. London		373 558	1,3%
Spectatio Finans AS		360 311	1,2%
Varner-Gruppen AS		350 211	1,2%
Rage, Per Egil		330 301	1,1%
Imagine Capital AS		232 988	0,8%
Netfonds Liv Tom Hebbe Rasmussen		220 400	0,7%
Skulstad, Torbjørn		188 020	0,6%
Landro, Kenneth		185 030	0,6%
Skaret Invest AS		150 000	0,5%
Mjelde, Arvid Bjarne		142 000	0,5%
Nyborg, Per Olav		123 690	0,4%
Lorange, Peter		122 509	0,4%
Subtotal 20 largest		**24 319 536**	**82,2%**
Others		5 273 723	17,8%
Total		**29 593 259**	**100,0%**

Board:			
Hessel Halbesma (UBS AG)	1	9 534 920	32,2%
James Hill	1	30 000	0,1 %
Total for Board		**9 564 920**	**32,3 %**

Shareholders	Notes	Number of shares	Prc. of total
Management			
Haico Halbesma, CEO	1	9 595 907	32,4%
Torbjørn Skulstad, CFO	2	188 020	0,6%
Total of shares owned by executive employees		**9 783 927**	**33,1%**
Related parties			
Norha Invest AS	1	3 526	0,0%
Tor Arend Halbesma	1	50 000	0,2%
Total shares owned by related parties		**53 526**	**0,2%**
Total shares controlled by Halbesma familiy	1	**9 649 433**	**32,6%**

1. UBS AG nominee account and Norha Invest AS is controlled by the Halbesma family. James Hill own 30.000 shares through the nominee account in Citibank N.A. Haico Halbesma is currently CEO and Hessel Halbesma is Chairman of Oceanteam Shipping ASA. Haico Halbesma owns 60.987 shares privately and jointly controls 9.599.433 shares together with Hessel Halbesma. Tor Arend Halbesma is son of Hessel Halbesma.

2. Torbjørn Skulstad is CFO of Oceanteam Shipping.

For more information, please refer to related party transaction in note 20.

Note 18. 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 December 2014					
Bank/bond borrowings incl. Interest	67 180	17 761	104 423		189 364
Other current liabilities	11 609				11 609
Total liabilities	**78 789**	**17 761**	**104 423**		**200 973**
At 31 December 2013					
Bank/bond borrowings incl. Interest	24 258	23 234	178 143		225 635
Other current liabilities	13 354				13 354
Total liabilities	**37 612**	**23 234**	**178 143**		**238 989**

Loans/ Currency of loan		True rate of interest	31 Dec 2014	2013-12-31 ****
CSV 104 (USD)	Secured	LIBOR + margin*	62 775	
Two FSV's (USD)	Secured	LIBOR + margin		101
Bond loan (USD)		LIBOR + margin	91 150	90 674
Other long-term debt		LIBOR + margin	3 368	
Total interest bearing debt			**157 294**	**90 775**
1st year principal repayments**			43 100	101
Borrowing costs***			3 324	3 833
Total long-term debt			**110 870**	**86 840**

* 50% of interest is fixed.
** 1st year principal in 2014 are related to vessel Southern Ocean and bond loan.
*** Borrowing costs related to refinancing goes to reduction of long-term debt according to IFRS.
****Figures from 2013 are restated.

The CSV vessels and the FSV vessels are collateral for the loans. Latest valuation conclude that real value of the secured CSV vessels and the two FSV boats are significantly higher then the loan amount per 31 December 2014.

Borrowing costs are considered to be the difference between of fair value and nominal value for the secured loans for the vessels. Reference Note 12 for details.

Fair value for Bond Loan is 107 percent of nominal value pr 31.12.2014.

Total bank facilities

As per 31 December 2014 the total interest bearing debt of the company is USD 157.3 million. The company had free cash of USD 44.5 millions and an overdraft facility of EUR 500.000. The equity ratio was 44 percent per balance sheet date.

FRN Oceanteam Shipping ASA Senior Callable Bond Issue 2012/2017 - USD 92,5 million

The Company has issued an unsecured bond loan in the amount of USD 92.5 million dated 24 October 2012.
The Bonds shall amortize as follows:

a) USD 35 million shall mature, with pro rata redemption, at the interest payment date April 2015 at 100 percent par value
(plus accrued interest on the redeemed amount)

b) the remaining amount under the Bonds shall mature at the final maturity date 24 October 2017

Coupon rate: 3 months Libor + 11,25 percent margin, quarterly interest payments.

Financial covenants:

- Book equity ratio of minimum 35%
- Market adjusted equity ratio of minimum 25%

- Gearing ratio:
  - maximum of 6.00 for the period 24 October 2012 – 23 October 2014
  - maximum of 5.50 for the period 24 October 2014 – 23 October 2015
  - maximum of 5.00 for the period 24 October 2015 – 24 October 2017
- Debt service coverage ratio of minimum 1.00

The Bond Loan is callable at any time in the time frames below:

- 24 October 2012 - 23 October 2013 at a price equal to 110% of par value
- 24 October 2013 - 23 October 2014 at a price equal to 108% of par value
- 24 October 2014 - 23 October 2015 at a price equal to 107% of par value
- 24 October 2015 - 23 October 2016 at a price equal to 106% of par value
- 24 October 2016 – 23 October 2017 at a price equal to 103% of par value

Accrued interest on the redeemed amount will be added to the redemption price.

Cross Defaults
Cross default occurs if an event of default occurs for any financial indebtedness in any of the group companies, joint venture companies or associated companies, limited to an aggregate financial indebtedness of USD 4 million or above.

As of the balance sheet date and the reproting date, the company is in full compliance of the agreement.

Sparebank 1 SMN Bank, DVB Bank SE Nordic Branch and NIBC Bank N.V. - USD 66.000.000 - CSV 101

All amounts below are presented on 100 percent basis, please note that nothing is included in the group accounts since this is an associate.

Oceanteam Bourbon 101 AS (borrower) has entered into a senior secured term loan and guarantee facility agreement dated 6 July 2012 Sparebank 1 SMN bank, DVB Bank SE nordic Branch and NIBC Bank N.V as banks and with Sparebank 1 SMN as agent for a total amount of USD 66 million. The loan balance per 31 December 2014 is USD 51.15 million. The interest rate of the loan is 3 month LIBOR + 3,4 percent p.a. The senior secured term loan will be repaid in 20 quarterly instalments of USD 1.65 million from 17 Octber 2012 until final installment of USD 33.0 million on 17 July 2017. The company have entered a Swap agreement with Sparebank 1 SMN where 50 percent of the principal will be repaid with a fixed interest rate of 0,815 percent + 3,40 percent Margin.

Key loan covenants for the borrower include:

- Free cash of minimum USD 500.000
- Working capital to be positive at all times. First year installments are deducted from short term liabilities according to NGAAP
- Maket value adjusted Equity of minimum 25%
- Vessel Value / Loan balance, minimum 135%

Other key loan covenants include:

- Market value adjusted Equity of minimum 25% of total value adjusted assets (OTS Group, reporting quarterly)
- Market value adjusted Equity of minimum 25% of total value adjusted assets (BON, reporting semi-annually)

SpareBank 1 SMN Bank, DVB Bank SE Nordic Branch and NIBC Bank N.V - USD 81.000.000 - CSV Southern Ocean

All amounts below are presented on 100 percent basis, please note that 100 percent is included in the group accounts since this is a subsidary.

Oceanteam Bourbon 4 AS (borrower) has entered into a credit and guarantee facility agreement in the amount of USD 81 million with Sparebank 1 SMN Bank, DVB Bank SE Nordic and NIBC Bank N.V as lenders and Sparebank 1 SMN as facility agent. The balance of the loan per 31 December 2014 is USD 62.775 million. The current interest is 3 month LIBOR + 3,40 percent margin p.a. The loan will be repaid in 20 quarterly instalments of USD 2.025 million from 17 October 2012 and a balloon of USD 45.525 million expected in Q2 2017. The company have entered a Swap agreement with Sparebank 1 SMN where 50 percent of the principal will be repaid with a fixed interest rate of 0,815 percent + 3,40 percent Margin.

Key loan covenants for the borrower include:

- Market value adjusted equity of 25%
- Positive working capital at atll times.
  First year instalments are deducted from short term liabilities according to NGAAP.
- Free cash of minimum USD 500.000

Other key loan covenants include:

- Market value adjusted equity (Oceanteam Shipping ASA) of 25% to be tested quarterlly
- Market value adjusted equity (Bourbon Offshore Norway AS) of 25% to be tested semi-annually

GE Capital CEF Mexico, S. de R.L de CV - USD 10.501.120 - FSV Cobos & FSV Icacos

DOT Shipping AS (borrower) has enterred into a loan agreement with GE Capital CEF Mexico, S. de R.L. de C.V. in the amount of USD 10.5 million. Contstructora Subacuatica Diavaz, S.A de C.V and Diavaz OceanTeam Servicios Navieros, S.A.P.I. CV are guarantors to the loan.

Credit terms are set to 60 months. The loan is to be repaid with 60 monthly payments of USD 177.654 and a final for the amount of USD 1.750.186.

The applicable interest rate at the time the agreement was entered was 5.95 percent. An opening fee equal to 1,2 percent of the financing amount was due on the closing date. A 5 percent deposit of the equipment cost was to be paid at the beginning of the credit and will be fully reimbursed upon completion of the credit term. A further USD 30.000 deposit as an advanced payment covering operating expenses for the loan. The remainder will be refunded to DOT Shipping after the completion of the funding.

BNP Paribas - USD 69.443.000 - North Ocean 105 AS

On 30 September 2010, the Company, as borrower, and McDermott, which, through its wholly owned subsidiary JRMN, has a 75 percent ownership interest in the Company, as guarantor, entered into a financing agreement to finance a portion of the construction costs of the North Ocean 105. The agreement provides for borrowings of up to USD 69.443 million, bearing interest at 2.76 percent per year, and requires principle repayment in 17 consecutive semi-annual installments commencing on the earlier of six months after the delivery date of the vessel and 1 October 2012.

Borrowings under the agreement are secured by, among other things, a pledge of all the equity of the Company, a mortgage on the North Ocean 105, and a lien on substantially all of the other assets of the Company. McDermott unconditionally guaranteed all amounts to be borrowed under the agreement.

As of 31 December 2014, USD 40.9 million was outstanding under the financing agreement.

Other loans

The two Fast Support Vessels have been financed with two loans from Amstel Lease. Per 31 December 2013 the total balance of the loan was USD 0.1 million. Each loan is repaid through 90 monthly instalments of USD 50.672 with the last instalment in January 2014. The applicable interest rate is 7,175 percent.

Note 19. Other current liabilities

USD'000

	2014	2013
Provisions	993	173
Holiday and wages due	400	441
Incurred interest costs	2 555	2 617
Other short term debt	10 452	10 123
Other current liabilities	**14 400**	**13 354**

Incurred interest costs are for the bond loan in NOK (until refinancing date) and after refinancing in USD. For the other loans incurred interest costs are in USD.

Provision above are related to accruals for group companies and external companies Other short term debts include outstanding balances with group companies, joint ventures and preinvoicing.

Note 20. Related parties

Oceanteam Holding B.V.

Oceanteam Holding B.V. is controlled by chairman Hessel Halbesma and Haico Halbesma, CEO.

Oceanteam Holding acts as guarantor for Oceanteam II BV on the Amstel Lease financing of the Mexican Fast Support Vessels. Oceanteam Shipping ASA pays a fee for this guarantee equal to 5 percent of the outstanding guarantee amount. Amstel Lease has ended in January 2014.

Heer Holland BV

This company is controlled by CEO Haico Halbesma, who has an service agreement with Oceanteam Shipping ASA. Monthly invoices are sent from Heer Holland BV of EUR 27.500 for management in 2014.

Feastwood Holding Ltd

Feastwood Holding Ltd is controlled by Haico Halbesma, CEO, and Hessel Halbesma, chairman of the board of Oceanteam Shipping ASA.

Transactions consists mainly of invoicing of Board Services at hourly rates and recharges related to disbursements. Incentives for Haico Halbesma is invoiced from Feastwood Holding Ltd.

Cenzo

Cenzo is controlled by Catharina Petronella Johanna Pos, director of Oceanteam Shipping ASA. Transactions consists mainly of invoicing of Board Services at hourly rates and recharges related to disbursements.

Groom Hill

Groom Hill is 33 percent owned by James Wingett Hill, director of Oceanteam Shipping ASA. Transactions consists mainly of invoicing of Board Services at hourly rates and recharges related to disbursements.

Transactions with related parties:

USD'000	**Income/recharge exp.**		**Cost**		
Company	2014	2013	2014	2013	Type of transaction
Cenzo BV			(92)	(93)	Other services than Board committee
Oceanteam Holding BV	9	2	(136)	(36)	Other services than Board committee and Amstel Lease guarantee (ending 2014)
Feastwood Holding Ltd	130	71	(1 200)	(895)	Other services than Board committee
Heer Holland BV		1	(429)	(440)	Management Services
Bourbon Offshore Norway AS	8	27	(341)	(701)	JV Interests, shipman fee, handling fee, recharges

	Customer balance		**Vendor balance**	
Intercompany balances	2014	2013	2014	2013
Oceanteam Holding BV			(36)	(1)
Feastwood Holding Ltd			(3)	(284)
Heer Holland BV			(9)	(38)
Bourbon Offshore Norway AS			(7)	(1 754)

Note 21. 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. Sawicon has brought an appeal against this decision in High Court which will be handled in August 2015. The outcome is expected to be positive.

Oceanteam Shipping ASA has invited Sawicon to settle on amicable terms.

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

There are contingent liabilities related to purchase of remaining shares in KCI in February 2014.

Note 22. 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 for a Court hearing in end May 2015. 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.

Note 23. Guarantees

The parent company has issued guarantees for the subsidiaries and joint venture companies in the Group. For all major assets, guarantees are in place.

Note 24. Events after the balance sheet date

- DOT Shipping took delivery of two new build FSV's. The vessels have been operational from 4 March 2015, in which they started on their seven year contract.
- RentOcean was awarded a contract for a cable laying project in Mexico.
- Oceanteam announces a stronger focus on and transition to providing solution driven services by combining its engineering and equipment capabilities into a single service in accordance with clients' requests.
- Bank approved a growth facility for new Solution and Equipment investments.

Note 25. Earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2014	2013
Net Profit (USD '000)	**(6 278)**	**(4 110)**
Shares per 1 January	29 593	29 593
Shares 31 December	29 593	29 593
Own shares 31 December	(2 959)	(2 959)
Weighted average of shares during the year	**26 634**	**27 063**
Earnings per share (USD)	**(0,24)**	**(0,14)**

*Please refer to Note 17 for Share Capital and Shareholders information and Note 18 for repayment of bond loan.

Note 26. Equity accounted investees

Joint ventures

North Ocean II KS is an unlisted joint arrangement which the Group had joint control and a 50 percent ownership. The company is founded in May 2006. The Group has classified its interest in North Ocean II KS as a joint venture. McDermott International executed the option for the vessel and a sale transaction for the shares in NO II KS was completed 18 December 2014.

DOT Shipping, a joint venture with Grupo Diavaz, consisting of DOT Holdings AS, DOT Shipping AS, DOT Shipping BV, DOT Shipping S.A. de C.V. and DOT Radiance PTE LTD. These entities will be presented together under DOT Shipping companies.

Oceanteam Bourbon Spares & Equipment AS is an unlisted joint arrangement in which the Group has joint control and a 50 percent 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.

The following is summarised financial information for DOT Shipping companies, Oceanteam Bourbon Spares & Equipment and North Ocean II KS based on its financial statements prepared in accordance with Norwegian GAAP. All three companies are equity accounted in the Group.

	North Ocean II KS*	DOT Shipping companies	Oceanteam Bourbon Spares & Equipment AS
Nature of relationship with the Group	Vessel CSV North Ocean 102	FSV Icacos FSV Cobos	Equipment business
Principal place of business	Bergen, Norway	Mexico	Bergen, Norway
Ownership interest	50%	40%	50%
Voting rights held	50%	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 with USD as the functional currency, modified for fair value adjustments and differences in the Group's accounting policies.

* Shares in North Ocean II KS have been sold to J.Ray McDermott on 18 December 2014.

Figures in USD '000	DOT Shipping companies		Oceanteam Bourbon Spares & Equipment AS	
	2014	**2013**	**2014**	**2013**
Current assets	10 799		24	351
Non current assets	15 738		177	2 282
Current liabilities	(549)			(277)
Non-current liabilities	(13 048)		(82)	(2 077)
Net assets (100%)	**12 940**		**119**	**278**
Group's share of net assets	4 688		60	139
Carrying amount of interest in joint ventures	**4 688**			

Figures in USD '000	North Ocean II KS*		DOT Shipping companies		Oceanteam Bourbon Spares & Equipment AS	
	2014	2013	2014	2013	2014	2013
Revenue	16 481	17 213			103	1 957
Depreciation and amortisation	(4 696)	(4 803)			(23)	(360)
Interest income						
Interest expense	(2 272)	(1 244)	(27)		(12)	(208)
Income tax expence					(23)	(22)
Profit and total comprehensive income 100%	9 574	10 935	(154)		(159)	376
Profit and total comprehensive income in Group	4 787	5 467	(62)		(80)	188
Other comprehensive income		(3 958)				
Group's share of profit and total comprehensive income	4 787	1 509	(62)		(80)	188
Dividends received by the Group	(7 965)	(7 325)				

Figures in USD '000	DOT Shipping companies	Oceanteam Bourbon Spares & Equipment AS	
	2014	2014	2013
Group's interest in net assets of investee at beginning of year		144	195
Investments during the year	2 949		
Total comprehensive income attributable to the Group	(68)	(68)	(51)
Total other comprehensive income attributable to the Group			
Carrying amount of interest in investee at 31 December 2014	**2 881**	**76**	**144**

Cont. Note 26. Investment in associates

Associates

Oceanteam Bourbon 101 AS is an unlisted company which the Group has 50 percent ownership interest but our partner has 60 percent control. This company was 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 percent ownership interest. The remaining 75 percent ownership interest is owned by J.Ray McDermott.

The Group has classified its interest in Oceanteam Bourbon 101 AS and North Ocean 105 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 North Ocean 105
Principal place of business	Bergen, Norway	Bergen, Norway
Ownership interest	50%	25%
Voting rights held	40%	25%

The following is summarised financial information for Oceanteam Bourbon 101 AS and North Ocean 105 AS based on the USD as their functional currency, modified for fair value adjustments on acquisition and differences in Group’s accounting policies.

In December 2013 the owning parties agreed to change the shareholders’ agreement for Oceanteam Bourbon 101 AS. Oceanteam Shipping ASA have two of total five directors in the board, which is the base for calculation of voting rights given above. The owner companies, Bourbon Offshore Norway AS and Oceanteam Shipping ASA have equal voting shares in general meetings.

Please ref note 27 for further infomation.

There financial covenants related to bank loan in Oceanteam Bourbon 101 AS. For information about financial convenants, please ref, note 18.

Figures in USD '000	Oceanteam Bourbon 101 AS		North Ocean 105 AS	
	2014	2013	2014	2013
Current assets	8 741	14 956	8 792	9 745
Non current assets	63 132	70 751	107 782	112 817
Current liabilities	(20 185)	(20 477)	(12 192)	(15 513)
Non-current liabilities	(50 386)	(63 024)	(63 177)	(74 057)
Net assets	1 301	2 207	41 205	32 993
Group's share of net assets	**651**	**1 103**	**10 301**	**8 248**
Revenue	23 702	21 499	23 777	23 776
Profit from continuing operations (100%)	10 094	6 633	8 213	8 151
Other comprehensive income (100%)			796	796
Total comprehensive income	**10 094**	**6 633**	**9 009**	**8 947**
Total comprehensive income according to ownership interest	5 047	3 317	2 252	2 237
Elimination for unrealised profit on downstream sales				
Group's share of profit and total comprehensive income	**5 047**	**3 317**	**2 252**	**2 237**

Figures in USD '000	Oceanteam Bourbon 101 AS		North Ocean 105 AS	
	2014	2013	2014	2013
Group's interest in net assets of investee at beginning of year	27 433	31 478	17 852	14 071
Total comprehensive income attributable to the Group	5 047	2 595	2 252	2 237
Total other comprehensive income attributable to the Group	(5 651)	(1 133)	(3 884)	1 221
Dividends receved during the year	(7 596)	(5 507)		
Wrongly booked from previous year			(3 177)	323
Carrying amount of interest in investee at end of year.	**19 233**	**27 433**	**13 043**	**17 852**

Note 27. Business combinations

Oceanteam Bourbon 4 AS

Oceanteam Shipping ASA gained control over the company Oceanteam Bourbon 4 AS. The control over Oceanteam Bourbon 4 AS is defined in an agreement with Bourbon Offshore Norway AS and is effective from 1 January 2014.

Equity interests still remains 50 percent but voting rights in the board is 60 percent. This is based on Oceanteam Shipping ASA having three of total five directors in the board. But in general, the owner companies, Bourbon Offshore Norway AS and Oceanteam Shipping AS have equal voting shares in general meetings.

In December 2013 the owning parties agreed to change the shareholders' agreement for Oceanteam Bourbon 4 AS. This resulted in Bourbon Offshore Norway AS gaining control over Oceanteam Bourbon 101 AS and Oceanteam Shipping ASA gaining control over Oceanteam Bourbon 4 AS. The effect was from 1 January 2014 and both parties have implemented changes accordingly to agreement through 2014.

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

At 1 January 2014 non-controlling interests held USD 52.5 million of equity in Group accounts. Per 31.12.14 non-controlling interests held USD 53.3 million of equity in the Group accounts which include revaluation reserve of negative USD 4.7 million.

Revenue from company in 2014 is USD 20.6 million and profit is USD 13.4 million, revaluation reserve for the company is amounted to negative USD 9.4 million per balance sheet date.

For fair value measurements of vessel CSV Southern Ocean, please refer to note 28.

KCI The Engineers

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

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

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

There is a contingent consideration related to the purchase of shares in KCI BV. Consideration is not reported in this annual report due to commercial reasons. Oceanteam owns 70% of the shares before acquisition on 20 February 2014 and the latest calculations shows a value in use of EUR 25.6 million for the ownership in KCI The Engineers as of 31.12.2014.

Note 28. 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 December 2014. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'Other reserves' 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).

Fair value measurements at 31 December 2014			**Figures in USD '000**
	Level 1	Level 2	Level 3
Recurring fair value measurements			
Construction and support vessels			158 502
Construction and support vessels from investments in associates			26 829
Lay vessel from investments in associates - option value			13 043
Total carrying amount 31.12.14			**198 374**

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	106 247
Transfers to/(from) Level 3	
Additions	175 240
Disposals	(56 688)
Depreciation	(8 296)
Gains and losses recognised in other comprehensive income	(18 129)
Closing balance 31.12.2014	**198 374**

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 and the audit committee. Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every quarter, in line with the group's quarterly reporting dates.

On an annual basis, the group engages external, independent and qualified valuers to review the group's fair value measurements models.

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:

- Two external valuations from indepedent brokers is used a basis for the market approach. The brokers valuations are based on the assumption that the construction support vessels and Lay vessels are traded between a willing buyer and a willing seller in an active market. Inputs in the valuation includes:

    - the Brokers opinion of recent newbuilding quotes of similar tonnage
    - the Brokers are evaluating the replacement costs of comparable vessels
    - the Brokers are evaluating if any recent sales of comparable vessels in the market

These assumptions above form the brokers sole opinion of the fair market value. The valuations are based on each vessel traded in the market free of any charter. The brokers valuations are performed at end of each quarter.

- As the market for CSV vessels is carachterised by few transactions of similiar tonnage, and charter rates are often adjusted to specific projects, the valuations are mostly based on brokers opinion of recent newbuilding quotes of similiar tonnage and equipment.

- In general, the brokers state that they cannot as brokers give any assurance that the valuation can be substained or realizable in any actual transactions. The vessels are also valued individually. If all or any of them were placed on the market at the same time, no assurance can be given that the amount realized would be equal to the total of the individual valuations.

- The estimated economical lifetime is 25 years from delivery of the vessel

- The calculated cash flow from the time charter on the revalued vessel is being compared with the estimated brokers charter implied by market values estimated by brokers

- The premium value of the vessel is depreciated linear 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

* Per balance sheet date the CSV 101, CSV 102, CSV 104 and CSV 105 was revaluated.

- The option price for the LV North Ocean 105 are included in the cash flow connected to the vessels. The options can be called in Q2 2017. When the relevant option period commences, McDermott will have 60 days to call the option. If the option is not called within the option window, the call option will go to Oceanteam Shipping. The option excercise price for the LV 105 is USD 95.9million at the initial transaction date of 20 April 2012 depreciated over 20 years with adjustments for working capital and adjustment for equipment set at an initial value of USD 22.1 million.

The option price for the CSV North Ocean 1012 and the LV North Ocean 105 are included in the cash flow connected to the vessels. The options can be called in Q4 2014 and Q2 2017 respectively. When the relevant option period commences, McDermott will have 60 days to call the option. If the option is not called within the option window, the call option will go to Oceanteam Shipping. The call option excercise price for CSV 102 is USD 102m at the intial transaction date of 19th December 2009 depreciated over 20 years with working capital adjustments. The option excercise price for the LV 105 is USD 95.9million at the initial transaction date of 20 April 2012 depreciated over 20 years with adjustments for working capital and adjustment for equipment set at an initial value of USD 22.1 million.

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 Vessels and the LV vessel. The accounting impact when applying the revaluation model is that the CSV and LV Vessels 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” is affected by the revaluation method. The historical costs for the CSV vessels are shown in the table above for tangible asset under the column “Construction and Support Vessels” and also the revaluation surplus under the line revaluation reserve in the table.

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 the best estimate of the management.

Description	Fair value at 31 December 2014	Valuation techniques
CSV's and LV	314 712	Market approach
CSV's and LV	262 540	Income approach

CSV large is currently being built and is not included in the revaluation. The new vessel will be revaluated upon completion.

Note 29. Classification financial assets and liabilities

Financial assets	2014		2013	
	Loans and receivables	Total	Loans and receivables	Total
Trade receivables	8 871	8 871	4 639	4 639
Other current receivables	9 464	9 464	43 890	43 890
Cash and cash equivalents	44 547	44 547	6 240	6 240
Total financial assets	**62 882**	**62 882**	**54 769**	**54 769**

Fiancial liabilities	2014			2013		
	Liabilities held to maturity	Other liabilities	Total	Liabilities held to maturity	Other liabilities	Total
Loans and borrowings	157 294		157 294	90 775		90 775
Non-current fiancial liabilities						
First year instalments	43 100		43 100	101		101
Trade payables and other current liabilities	5 893	14 400	20 293	5 098	13 354	18 452
Total financial liabilities	**206 287**	**14 400**	**220 687**	**95 974**	**13 354**	**109 328**

Liabilities held to maturity are carried at amortised cost. For further information, please refer to loans and borrowings in note 18, and accounting principles in note 2.

Note 30. Initial application of new IFRSs standards

The Group has adopted the following new standard and amendments to standard, including any consequential amendments to other standard, with a date of initial application of 1 January 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

As a result of implementing IFRS 11, the Group has changed its accounting policy for interests in joint ventures with effect from 1 January 2014. Prior to implementing IFRS 11 the joint ventures were proportionally consolidated. After the implementation of IFRS 11 the joint ventures are recognized by applying the equity method.

The tables below show the effect of implementation both for 2013 and for 2014, where the accounts after implementation are compared to how the accounts would have been prepared if the implementation had not taken place.

For 2013 the companies Oceanteam Bourbon 104 AS, Oceanteam Bourbon 101 AS, Oceanteam Bourbon Spares and Equipment AS and North Ocean II KS was classified as joint ventures. This means that the 2013 tables below show these companies recognized after proportional consolidated method before implementation and the equity method after implementation.

For 2014 the companies Oceanteam Bourbon Spares and Equipment AS and North Ocean II KS are classified as joint ventures. This means that the 2014 tables below show these companies recognized after proportional consolidated method before implementation and the equity method after implementation.

Profit and loss 2014

	Reported figures, after implementation of the new standards	Effect of implementation	Corresponding figures
Revenue	55 704	(8 240)	63 944
Gain on disposal of asset	966		966
Net income from associates	10 208	4 527	5 682
Total operating revenues	**66 878**	**(3 714)**	**70 592**
Operating costs	(15 210)	(2)	(15 212)
Other administrative expense	(21 308)	(55)	(21 362)
Depreciation	(10 208)	(2 551)	(12 759)
Write off assets	(327)		(327)
Total operating expenses	**(47 051)**	**(2 608)**	**(49 661)**
Results from operating activities	**19 827**	**(1 104)**	**20 931**
Financial income	40	0	41
Financial costs	(15 715)	(1 052)	(16 766)
Foreign exchange results (loss)	(402)	(53)	(455)
Net finance profit /(loss)	**(16 077)**	**(1 104)**	**(17 181)**
Ordinary profit (loss) before taxes	**3 750**		**3 751**
Tax expense	(620)		(620)
Net result before increase (decrease) of carrying amount from revaluation of vessels	**3 130**		**3 130**
Increase (decrease) of carrying amount from revaluation of vessels	(9 408)		
Net result after increase (decrease) of carrying amount from revaluation of assets	(6 278)		

The first column below shows the restated figures in profit and loss from 2013 if the new standard had been implemented at that time. These are corresponding figures for the reported figures in 2014. All joint venture companies are equity accounted in the restated figures.

The corresonding figures for profit and loss in 2013 (before implementation of the new standards) are proportional consolidation of all joint venture companies.

			Profit and loss 2013
	Equity accounting for joint venture companies	Effect of implementation	Proportionate consolidation of all joint venture companies
Revenue	29 245	(30 845)	60 090
Net income from associates	15 283	13 548	1 735
Total operating revenues	**44 528**	**(17 297)**	**61 825**
Operating costs	(14 902)	4 366	(19 268)
Other administrative expense	(18 271)	127	(18 398)
Depreciation	(4 236)	9 296	(13 532)
Write off assets	99	426	(327)
Total operating expenses	**(37 310)**	**14 215**	**(51 525)**
Results from operating activities	**7 218**	**(3 082)**	**10 300**
Financial income	56	(35)	91
Financial costs	(12 607)	3 714	(16 321)
Foreign exchange results (loss)	62	(490)	552
Net finance profit /(loss)	**(12 489)**	**3 190**	**(15 678)**
Ordinary profit (loss) before taxes	**(5 272)**	**106**	**(5 378)**
Tax expense	1 161	(106)	1 268
Net result	**(4 111)**		**(4 111)**

Assets			Balance per 31.12.2014
	Reported figures, after implementation of the new standards	Effect of implementation	Corresponding figures
Deferred tax assets	6 000		6 000
Customer relations & Design	1 757		1 757
Goodwill	12 987		12 987
Intangible assets	**20 744**		**20 744**
Investments in joint ventures and associates	42 902	76	42 826
Vessels and equipment	183 743	11	183 731
Tangible assets	**226 645**	**87**	**226 558**
Total non current assets	**247 389**	**87**	**247 301**
Trade receivables	8 871		8 871
Other receivables	9 464	(100)	9 564
Receivables	**18 335**	**(100)**	**18 435**
Cash and cash equivalents	**44 547**	**(12)**	**44 559**
Total current assets	**62 882**	**(112)**	**62 994**
Total assets	**310 271**	**(23)**	**310 295**

Equity and liabilities	Balance per 31.12.2014		
	Reported figures, after imple-mentation of the new standards	Effect of implementation	Corresponding figures
Share capital	2 595		2 595
Treasury shares	(257)		(257)
Other equity	53 160		(4 279)
Revaluation reserve	27 079		84 519
Equity attributable to owners of the Company	**82 578**		**82 578**
Non-controlling interest	57 975		57 975
Revaluation reserve	(4 704)		(4 704)
Total equity	**135 850**		**135 850**
Loans and borrowings	110 764		110 764
Total non-current liabilities	**110 764**		**110 764**
First year installments	43 100		43 100
Trade payables	5 893		5 893
Tax payable	139		139
Other current liabilities	14 400	(25)	14 425
Total current liabilities	**63 657**	**(25)**	**63 682**
Total liabilities	**174 421**	**(25)**	**174 446**
Total equity and liabilities	**310 271**	**(25)**	**310 294**

The following table summarises the balance statement for corresponding figures for the latest reported figures, which are per 31.12.2013.

Assets			Balance per 01.01.2013
	Equity accounting for joint venture companies	Effect of implementation	Proportionate consolidation of all joint venture companies
Deferred tax assets	3 831		3 831
Customer relations & Design	1 688		1 688
Goodwill	12 987		12 987
Intangible assets	**18 506**		**18 506**
Investments in joint ventures and associates	126 371	112 300	14 071
Vessels and equipment	15 333	(203 677)	219 010
Tangible assets	**141 704**	**(91 377)**	**233 081**
Total non current assets	**160 210**	**(91 377)**	**251 587**
Trade receivables	3 945	(3 713)	7 658
Other receivables	28 878	21 557	7 321
Receivables	**32 823**	**17 844**	**14 979**
Cash and cash equivalents	**15 759**	**(19 087)**	**34 846**
Total current assets	**48 582**	**(1 243)**	**49 825**
Total assets	**208 790**	**(92 621)**	**301 412**

Equity and liabilities	Balance per 01.01.2013		
	Equity accounting for joint venture companies	Effect of implementation	Proportionate consolidation of all joint venture companies
Share capital	2 595		2 595
Treasury shares	(87)		(87)
Other equity	9 348		9 348
Revaluation reserve	96 185		96 185
Equity attributable to owners of the Company	**108 041**		**108 041**
Non-controlling interest	4 027		4 027
Revaluation reserve			
Total equity	**112 068**		**112 068**
Loans and borrowings	85 305	(86 589)	171 894
Total non-current liabilities	**85 305**	**(86 589)**	**171 894**
First year installments	1 089	(10 338)	11 427
Trade payables	4 788	(538)	5 326
Tax payable	52	(1)	53
Other current liabilities	5 489	4 845	644
Total current liabilities	**11 418**	**(6 032)**	**17 450**
Total liabilities	**96 723**	**(92 621)**	**189 344**
Total equity and liabilities	**208 790**	**(92 621)**	**301 412**

Note 31. Corrections from previous periods

Corrections from previous periods consist of following items:

Some of the adjustments have affected opening balances for 2013 amd 2014.

Figures in USD '000

Period	Amount	Description
2013	(826)	Adjustments of booked net result from investment in North Ocean105 AS.
2013	(677)	Adjustment related to merger between DEP BV and KCI International BV
2012	1 161	Dividend from KCI The Engineers eliminated in Group in 2012, but not reversed at later period.
2012 and before	(906)	Adjustment of booked net result from investment in North Ocean 105 AS. This is presented as reduction in investment and adjustments prior period in 2013.
2012 or before	(1 271)	Adjustments for sale of shares in North Ocean II KS.
2011 and before	(919)	Adjustment of booked investment in Oceanteam Bourbon 101 AS.
Total effect in equity	**(3 438)**	

RentOcean supplied a modular 2000T turntable, loading tower with a built in 15T tensioner for a project in Brazil

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Financial Statements Parent

Income statement

01.01 2014 – 31.12 2014

Amount in USD '000	Notes	2014	2013
Operating expenses			
Payroll expenses	3, 14	2 912	2 282
Depreciation	7	117	66
Other operating expenses	3, 16	3 216	5 307
Total operating expenses		**6 245**	**7 655**
Operating profit and loss		**(6 245)**	**(7 655)**
Financial income and expense			
Profit on investment in joint ventures, subsidiairies and associates	2, 4	24 527	23 548
Interest from group companies	4	1 571	1 008
Foreign exchange result	4	(2 174)	1 977
Reverse write off of financial assets	4, 18	(135)	105
Other financial expenses	4	(5 117)	(26)
Net financial income/expenses	4	(12 225)	(12 261)
Net finance		**6 446**	**14 350**
Profit / loss before income tax		**201**	**6 695**
Tax on ordinary income	5		
Net profit / loss		**201**	**6 695**
Attributable to:			
Other equity	13	201	6 695
Total		**201**	**6 695**

Financial position 31 december 2014

Assets

Amount in USD '000	Note	2014	2013
Non-current assets			
Intangible assets			
Project strategy,concessions & rights	7	567	502
OTS Designs	7	1 177	1 223
Total intangible assets		**1 744**	**1 724**
Tangible assets			
Office equipment	7	215	180
Total tangible assets		**215**	**180**
Financial assets			
Investments in joint ventures and subsidiaries	8	49 060	62 756
Loans to group companies	9, 10	42 581	62 377
Investments in associates	8	1 908	298
Total financial assets		**93 549**	**125 431**
Total non current assets		**95 508**	**127 335**
Receivables			
Other receivables		1 798	887
Total receivables		**1 798**	**887**
Cash and cash equivalents	11	36 762	4 391
Total current assets		**38 559**	**5 278**
Total assets		**134 067**	**132 613**

Financial position 31 december 2014

Equity and liabilities

Amount in USD '000	Note	2014	2013
Equity			
Owners equity			
Share capital	12, 13	2 595	2 595
Holdings of own shares	12, 13	(257)	(257)
Share premium reserve	13	1 304	1 304
Total owners equity		**3 642**	**3 642**
Accumulated profits			
Other equity	13	38 769	38 568
Total accumulated profits	13	**38 769**	**38 568**
Total equity		**42 411**	**42 210**
Liabilities			
Bond loan	10	53 432	86 840
Other non-current liabilities	10	48	
Total other non current liabilities		**53 480**	**86 840**
Current liabilities			
Liabilities to financial instution		35 000	
Accounts payable		934	1 323
Public duties payable		37	88
Other current liabilities		2 206	2 153
Total current liabilities		**38 177**	**3 564**
Total Liabilities		**91 657**	**90 403**
Total equity and liabilities		**134 067**	**132 613**

Bergen, 23 April 2015
The board of Directors Oceanteam Shipping ASA

Hessel Halbesma	**Catharina Pos**	**James Hill**	**Haico Halbesma**
Chairman	Director	Director	Chief Excecutive Officer

Cash flow statement
01.01 – 31.12 2014

PARENT Amount in USD '000	2014	2013
Cash flow from operating activities		
Profit/ (loss) before income taxes	201	6 695
Depreciation	117	66
Write off assets		
Paid taxes		(70)
Change in accounts receivables	(910)	
Change in accounts payable	(390)	(104)
Items classified as investment/financing activities	796	
Change in other accruals	1 590	(881)
Net cash flow from operating activities	**1 403**	**5 707**
Cash flow from investing activities		
Paid-out from purchase of fixed assets	(172)	(1 150)
Paid in from subsidiaries		15 894
Paid-out for loan to associates		(29 363)
Paid in from sale of shares	31 138	
Net cash flow from investing activities	**30 966**	**(14 619)**
Cash flow from financing activities		
Paid-in from new loans raised		
Issuance of debt		
Paid out - non current liabilities		
Treasury shares		(1 472)
Loan to associates		
Paid in Equity		
Paid-in dividend		
Net cash flow from financing activities		**(1 472)**
Net change in cash and cash equivalents	32 370	(10 384)
Cash acquire in merger		
Cash and cash equivalents at 01.01	4 391	14 775
Cash and cash equivalents at 31.12	**36 762**	**4 391**

Notes to the financial statements parent

Note 1. Primary accounting principles

The financial statements, which have been presented in compliance with the Norwegian Public Liability Companies Act, the Norwegian Accounting Act and Norwegian generally accepted accounting principles in effect as of 31 December 2014, consist of the profit and loss account, balance sheet, cash flow statement and notes to the accounts.

The financial statements have been prepared based on the fundamental principles governing historical cost accounting, comparability, continued operations, congruence and prudence. Transactions are recorded at their value at the time of the transaction. The different accounting principles are further commented on below.

Assets/ liabilities related to current business activities and items which fall due within one year are classified as current assets/ liabilities. Current assets/ short-term debts are recorded at the lowest/ highest of acquisition cost and fair value. The definition of fair value is the estimated future sales price reduced by expected sales costs. Other assets are classified as fixed assets. Fixed assets are entered in the accounts at historical cost, with deductions for depreciation. In the event of a decline in value which is not temporary, the fixed asset will be subject to a write-down. The same principle applies to liabilities.

According to generally accepted accounting standards there are some exceptions to the basic assessment and valuation principles. Comments on these exceptions can be found in the respective notes to the accounts. When applying the basic accounting principles and disclosure of transactions and other items, the “substance over form” rule is adopted. Contingent losses which are probable and quantifiable are charged to the profit and loss account.

The company has until year 2013 reported financial statement in Norwegian Kroner. From 1 January 2014, the reporting currency has been changed to American US Dollar. The company has chosen to apply a full retrospective approach for the new reporting currency.

Accounting principles for material items

Revenue recognition

Revenue is normally recognized at the time of delivery of services. Oceanteam Shipping ASA issues management fees to companies in the same Group which goes to cost reduction in the same account group as the invoiced companies will book to cost. There are also calculated interests for intercompany receivable based on intergroup cash pooling agreement.

Other operating expenses

Other cost which are not related to day to day operations are classified as other operating expenses.

Dividends

Dividends, group contributions and other distributions are recognized in the same year as they are recognized in the subsidiary or joint venture financial statement. If dividends / group contribution exceed withheld profits after acquisition, 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.

Dividend from subsidaries and Joint ventures will only be recognized per balance sheet date if it's significantly more likely than not that the dividend will be approved in the relevant company. Any dividend received from Joint venture companies must be paid directly into the dividend account to serve the bond loan according to agreement.

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.

Pensions

The company has a pension scheme that is classified as a defined contribution plan. The defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Depreciation

Based on the historical cost of the asset, straight line depreciation is applied over the useful economic life of the fixed assets. The same rules apply for intangible fixed assets. Depreciation is classified as an operating cost. Finance leases are depreciated over the term of the lease and the liability is reduced in line with the lease payments after deducting interest.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/ tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 28 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized.

Foreign currency translation

Functional and reporting currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The company's functional is in USD and the reporting currency is also in USD for 2014.

Foreign currency transactions are translated into the functional currency using the exchange rates the last day of prior month for transactions or valuation where items are measured at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other (losses)/gains – net'.

Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year. 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 recognized at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Intangible assets

Intangible assets are recognized to the extent that the criteria for capitalization are met and are measured at cost and accumulated impairment losses.

Intangible assets are to be tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Tangible assets

Tangible assets are entered in the accounts at historical cost, with deductions for accumulated depreciation and write-down. If the fair value of a tangible asset is lower than book value, and the decline in value is not temporary, thet tangible asset will be written down to fair value. Costs related to periodical maintenance and repairs to production equipment

Periodic maintenance and repairs are accounted for on an accruals basis. Costs related to normal maintenance and repairs are expensed as incurred. Costs related to major renewals and changes that increase the economic life of the tangible asset materially are capitalized. Assets are capitalized when a finite economic useful life can be defined, and the cost is deemed to be significant. Interest costs related to tangible assets under construction are capitalized as a part of the acquisition cost.

Finance costs related to assets under construction are capitalized as a part of the acquisition cost.

Investment in Joint ventures. Subsidiaries and Asssociates

Subsidiaries and investments in joint ventures and associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiaries and the joint ventures, less any impairment losses. An impairment loss is recognized 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.

Account receivables and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Cash flow statement

The cash flow statement is presented using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Cash and cash equivalents include cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

Currency

Cash, receivables, liabilities in foreign currency is valued using exchange rate at year end.

Events after the balance sheet date

New information on the company's positions at the balance sheet date is taken into account in the annual financial statements.

Events after the balance sheet date that do not affect the company's position at the balance sheet date, but which will affect the company's position in the future, are stated if significant.

Note 2. Profit on investment

USD '000

	2014	2013
By business area		
Profit from sale of shares	8 337	
Dividend from joint venture companies	5 439	24 476
Dividend from subsidiaries (specification below for 2013)	5 250	(2 039)*
Dividend from associates	5 500	1 111
Total	**24 527**	**23 548**

Geographical distribution		
Europe	24 527	23 548
Total	**24 527**	**23 548**

***Dividend from subsidiaries**

Subsidiaries KCI The Engineers BV has not formalized the dividend for 2012. The booked dividend from KCI BV in 2012 was reversed in the account for 2013.

Dividend from KCI BV booked in 2012	3 649
Actual dividend 2012	1 061
Reversed dividend booked in 2013	**(2 588)**
Dividend from subsidiaries booked in 2013	549
Total	**(2 039)**

Note 3. Employees, Board and auditor

USD '000

	2014	2013
Employee benefits expense		
Salaries	457	508
Social security	69	90
Pension costs	54	55
Other benefits	29	28
Payroll expenses invoiced from other group companies	2 302	1 601
Total	**2 912**	**2 282**
Employees in Oceanteam Shipping ASA in average	7	6

Management and remuneration

2014	Position	Board fees	Wages	Pension premiums	Other remuneration	Total
Haico Halbesma	CEO		429		450	878
Torbjørn Skulstad	CFO		127	10	248	385
Hessel Halbesma	Chairman	47			900	947
Mrs Catharina Pos	Director	31			92	123
Mr James Hill	Director	31			92	123
Total		**109**	**556**	**10**	**1 782**	**2 457**

2013						
Haico Halbesma	CEO		440		432	872
Torbjørn Skulstad	CFO		126	10	296	432
Hessel Halbesma	Chairman	50			489	539
Mrs Catharina Pos	Director	34			93	127
Mr James Hill	Director	34			75	109
Total		**118**	**566**	**10**	**1 384**	**2 079**

There are no bonus agreements, options, or pensions plans for the CEO. Annual salary is EUR 330.000/ year. From 2011 the CEO has entered a service agreement through his company Heer Holland B.V.

For the year 2014, the agreed fee for the chairman of the Board is NOK 300.000 and NOK 200.000 for the other members of the Board. In addition, the agreed fee for the Board committee is EUR 2.400 per day.

The management has an incentive scheme where the incentive is connected to “HR SMART” objectives and appraisals and is based on the yearly gross salary. The incentive can either be paid out in shares or in cash. If payment should be in shares, share prices will be calculated at market value.

The management of the company has not received any share-based payment in 2014.

All employees in Oceanteam Shipping were in 2014 included in an incentive plan. The purpose of the incentive plan, is to advance the interests of the Company’s shareholders by enhancing the Company’s ability to attract, retain and motivate employees who are expected to make important contributions to the Company. By providing such persons with performance-based incentives, we align the interests of such persons with those of the Company’s shareholders.

The award is expressed in phantom shares with a two year duration started 30 September 2014. At the expiration date 30 September 2016 a value equal to one Company share on the Oslo Stock Exchange (20 days average closing price) will be paid. The total liability for the company is calculated to 865 000 USD for the two year period based on current company share price.

The remuneration to chairman Hessel Halbesma has increased in 2014 due to new projects, among other projects “The Next Step” programme.

There has not been given loans, advance payments and security by the company or other companies in the group to the individual senior executives and the individual members of the Board of directors, audit committee and other elected corporate bodies.

There has neither been given remuneration, pensions plans or other benefits to members of the audit committee nor other elected corporate bodies.

Auditor

Auditor’s fee consists of the following:

USD ‘000

	2014	2013
Statutory audit	434	260
Other assurance services	56	53
Tax advisory	56	46
Other		1
Total	**546**	**361**

VAT is not included in the auditor’s fee.

Note 4. Financial income and financial expenses

USD '000

	2014	2013
Finance income		
Income investment in joint ventures	5 439	24 476
Income investment in subsidiairies	5 250	(2 039)
Income from associates	5 500	1 111
Income from sale of shares	8 337	
Interest income from group companies	1 571	1 008
Other interest income	2	32
Other financial income (agio)	(50)	2 237
Write-off investments		105
Total finance income	**26 049**	**26 930**
Finance costs		
Reversing write-down investment in subsidiaries	(135)	
Interest expenses	(11 750)	(11 817)
Call premium	(476)	(476)
Other financial expenses	(5 194)	(220)
Other financial cost (disagio)	(2 048)	(66)
Total finance costs	**(19 603)**	**(12 579)**
Result financial items	**6 446**	**14 350**

Note 5. Income taxes

USD '000

	2014	2013
Income tax expense		
Tax payable		
Tax payable previous year		
Changes in deferred tax		
Total income tax expense		
Tax base calculation		
Profit before income tax	201	3 235
Permanent differences	(15 606)	(19 181)
Changes in temporary differences	411	(292)
Corrections from previous periods	2 466	
Tax base	**(12 528)**	**(16 238)**
Temporary differences:		
Fixed assets	2 912	3 257
Non-current receivables		
Non current assets		
Current assets		
Profit and Loss account	264	330
Tax-deductible part of write-down		
Taxable income from Subsidiairies		
Effect foreign exchange on long-term liabilities		
Other temporary differences		
Total	**3 176**	**3 587**
Loss carry forward	(198 090)	(183 096)
Taxable income from Subsidiairies		715
Total	**(194 914)**	**(182 380)**
Temporary differences not included in base for calculating deferred tax	(194 914)	(182 380)
Deferred tax liability (asset)		
Effective tax rate	**2014**	**2013**
Expected income taxes at statutory		
Tax rate 27%/28%	54	906
Permanent differences (27%/28%)	(4 214)	(5 371)
Change in temp. differences not recognised	4 159	4 465
Income tax expense		
Effective tax rate in %	0,0%	0,0%

Note 6. Deferred tax

Confirmation from the tax authorities of a deferred tax loss of NOK 1.1 billion has been received in October 2014. Deferred tax assets are not recognised in the balance sheet as there is uncertainty regarding utilization in foreseeable future.

Note 7. Assets

Intangible assets

USD '000

	2014	2013
IP licences		
Acquisition cost at 31.12.13	502	
Additions	65	502
Disposals		
Book value 31.12.14	**567**	**502**
OTS Designs		
Acquisition cost at 31.12.13	1 223	578
Additions		645
Disposals	(45)	
Book value 31.12.14	**1 177**	**1 223**

This balance item include costs related to design of vessel for 300-series. This project started already in 2011 and so far been through different performance studies where KCI, Marin and several external consultants have been engaged. Oceanteam initiated research related to a new design. The outcome of the project will be ownership rights to drawings, research and tests of the new design.

Tangible assets

USD '000

	2014	2013
Property, plant and equipment. movables, fixtures a.o.		
Acquisition cost at 31.12.13	386	383
Additions	101	3
Disposals		
Acquisition cost 31.12.14	486	386
Accumulated depreciation at 31.12.14	(272)	(206)
Book value at 31.12.14	**215**	**180**
Depreciation for the year	(117)	(66)
The useful economic life is estimated to be:	3-5 years	3-5 years

Note 8. Investment in subsidiaries, joint ventures and associates

		Acquired	Location	Ownership share	Voting share
Oceanteam Bourbon 101 AS		2006	Bergen	50%	50%
Oceanteam Bourbon 4 AS		2006	Bergen	50%	50%
North Ocean 105 AS		2010	Bergen	25%	25%
North Ocean 309 AS		2011	Bergen	100%	100%
Oceanteam Bourbon Spares & Equipment AS		2012	Bergen	50%	50%
DOT Holdings AS		2014	Bergen	40%	50%
DOT Shipping AS		2014	Bergen	40%	50%
Oceanteam Shipping B.V	*	2011	Amsterdam	100%	100%
Oceanteam II BV		2007	Amsterdam	100%	100%
DOT Shipping BV		2014	Amsterdam	40%	50%
OceanWind BV	*	2012	Amsterdam	51%	51%
Oceanteam Mexico B.V	*	2008	Amsterdam	100%	100%
Oceanteam Mexico S.A de C.V	*	2008	Ciuadad del Carmen	90%	49%
DOT shipping S.A. de C.V		2014	Mexico City	40%	50%
KCI International B.V		2008	Schiedam	100%	100%
KCI The Engineer B.V**	*	2008	Schiedam	100%	100%
Imera NV	*	2008	Amsterdam	100%	50%
Oceanteam Shipping GmbH	*	2007	Amsterdam	100%	100%
Oceeanteam Shipping Monaco		2011	Monaco	100%	100%

The investments in subsidiaries are valued at the lower of cost and net realizable value.

* The shares are indirectly owned by Oceanteam Shipping ASA through subsidiaries.
** The remaining 30 percent shares have been acquired on 20 February 2014.

Investments valued at cost (company accounts) **USD ‘000**

Company name	Share capital	Number of shares	Book Value	The Company’s total equity	Net profit 2014
	USD		USD	USD	USD
Oceanteam Bourbon 101 AS	402	2 610	294	12 301	10 094
Oceanteam Bourbon 4 AS	17 319	100	8 835	28 329	13 402
North Ocean 105 AS	237	19 119	4	41 206	8 213
North Ocean 309 AS	17	100	19	(77)	(71)
Oceanteam Bourbon Equipment & Spares	30	30	3	119	(159)
DOT Shipping AS	13	800	5,35	(92)	(106)
DOT Holdings AS	4 367	2 400	1 598,30	(17)	(34)
Sum			**10 759**	**81 768**	**31 339**

Abroad companies in EUR ‘000	Share capital	Number of shares	Book value in OTS ASA	The Company’s total equity	Net profit 2014
	EUR		USD	EUR	EUR
Oceanteam II BV	18	18 000	27 948	(302)	(25)
Oceanteam Energy Holding NV	45	45 000	12 039	(5 514)	(109)
Oceanteam Shipping Monaco SAM	150	1 500	216	2	(32)
DOT Shipping BV	10	10 000	5,44	1	(15)
Sum			**40 209**	**(5 813)**	**(181)**

Note 9. Intercompany balances with group companies and associates

USD '000

Intercompany balances	2014	2013
Oceanteam Bourbon 101 AS	8 852	12 127
North Ocean II AS		1 905
North Ocean II KS		17 353
Oceanteam Bourbon 4 AS	7 603	3 254
Oceanteam Bourbon Spares & Equipment AS	49	181
Oceanteam Shipping GmbH	329	274
Oceanteam II BV	182	196
Oceanteam Mexico SA de CV	5 550	10 363
Imera NV	105	86
Oceanteam Mexico BV	122	101
KCI International BV	3 217	1 423
Oceanteam Equipment Base Ltd	235	219
North Ocean 309 AS	546	470
Oceanteam Shipping Monaco SAM	215	54
OceanWind BV	(141)	(3)
North Ocean 105 AS	5 008	6 433
Oceanteam Shipping BV	6 669	7 944
KCI The Engineers BV	2 441	
DOT Servicios Navieros SAPI de CV	37	
DOT Shipping BV	8	
DOT Shipping AS	1 405	
DOT Holdings AS	150	
Sum	**42 581**	**62 377**

An impairment test has been performed for the FSV's Mantaraya and Tiburon per 31.12.2014. The impairment test resulted in a write down of USD 5 milion in receivable from Oceanteam Shipping ASA to Oceanteam Mexico SA de CV. The write down have been allocated to finance cost.

Note 10. Receivables and liablilites

USD '000

	2014	2013
Receivables/ liabilities due in more than one year		
Loans to group companies	42 581	60 024
Long term liabilities due in more than one year		
Bond Loan - nominal value	(90 674)	(90 198)
Bond Loan - expected call premium accrued	(476)	(476)
Borrowing cost (to be amortized over loan period)	2 624	3 834
First year installments and other long term debt	35 046	
Total	**(53 480)**	**(86 840)**

FRN Oceanteam Shipping ASA Senior Callable Bond Issue 2012/2017 - USD 92,5 million

The Company has issued an unsecured bond loan in the amount of USD 92.5 million dated 24th October 2012. The Bonds shall amortize as follows:

a) USD 35 million shall mature, with pro rata redemption, at the interest payment date April 2015 at 100 percent par value
(plus accrued interest on the redeemed amount)
b) the remaining amount under the Bonds shall mature at the Final maturity date 24th October 2017
Coupon rate: 3 months Libor + 11,25 percent margin, quarterly interest payments.

Financial covenants:

- Book equity ratio of minimum 35%
- Market adjusted equity ratio of minimum 25%
- Gearing ratio:
  - maximum of 6.00 for the period 24 October 2012 -23 October 2014
  - maximum of 5.50 for the period 24 October 2014 - 23 October 2015
  - maximum of 5.00 for the period 24 October 2015 - 24 October 2017
- Debt service coverage ratio of minimum 1.00

The applicable Redemption Price for the bond loan is at any time as follows:

- 24 October 2012 - 23 October 2013 at a price equal to 110% of par value
- 24 October 2013 - 23 October 2014 at a price equal to 108% of par value
- 24 October 2014 - 23 October 2015 at a price equal to 107% of par value
- 24 October 2015 - 23 October 2016 at a price equal to 106% of par value
- 24 October 2016 - 23 October 2017 at a price equal to 103% of par value

Accrued interest on redeemed amount will be added to redemption price.

Cross Default

Cross default occurs if an event of default occurs for any financial indebtedness in any of the group companies, joint venture companies or associated companies, limited to an aggregate financial indebtedness of USD 4 million or above.

Note 11. Bank deposits

Tax deducted from employees, deposited in a separate bank account NOK 120.995.
Oceanteam Shipping ASA deposit bank guarantee for legal case amount NOK 5.427.274.

Note 12. Share capital and shareholder information

Share capital Pr 31.12.2014

Oceanteam Shipping ASA has share capital of NOK 14.796.629,- distributed on 25.593.259 shares. All shares are given equally voting rights.

Oceanteam owns a total of 2.959.324 own shares representing 9.99 percent of the shares in the company. The calculations are made on the basis of 29.593.259 shares in the company. The purpose of the buy-back is to secure Oceanteam's obligations related to the share based incentive plan for executives and employees, as detailed in resolution 10 of Annual General Meeting, held on 31 May 2012.

Shareholders		Number of shares	Equity interest
UBS AG	1	9 534 920	32,2%
Clearstream Banking S.A.		4 047 389	13,7%
Oceanteam Shipping ASA		2 959 324	10,0%
Otterlei Group AS		1 673 538	5,7%
Skandinaviska Enskilda Banken AB		1 549 605	5,2%
Pershing LLC		909 743	3,1%
Royal Bank Of Scotland		447 499	1,5%
Young Nougateers AS		418 500	1,4%
J.p. Morgan Chase Bank N.a. London		373 558	1,3%
Spectatio Finans AS		360 311	1,2%
Varner-Gruppen AS		350 211	1,2%
Rage, Per Egil		330 301	1,1%
Imagine Capital AS		232 988	0,8%
Netfonds Liv Tom Hebbe Rasmussen		220 400	0,7%
Skulstad, Torbjørn		188 020	0,6%
Landro, Kenneth		185 030	0,6%
Skaret Invest AS		150 000	0,5%
Mjelde, Arvid Bjarne		142 000	0,5%
Nyborg, Per Olav		123 690	0,4%
Lorange, Peter		122 509	0,4%
Subtotal 20 largest		**24 319 536**	**82,2%**
Others		5 273 723	17,8%
Total		**29 593 259**	**100,0%**

Shareholders		Number of shares	Equity interest
Board:			
Hessel Halbesma (UBS AG)	1	9 534 920	32,2%
James Hill	1	30 000	0,1 %
Total for Board		**9 564 920**	**32,3 %**
Management			
Haico Halbesma, CEO	1	9 595 907	32,4%
Torbjørn Skulstad, CFO	2	188 020	0,6%
Total of shares owned by executive employees		**9 783 927**	**33,1%**
Related parties			
Norha Invest AS	1	3 526	0,0%
Tor Arend Halbesma	1	50 000	0,2%
Total shares owned by related parties		**53 526**	**0,2%**
Total shares controlled by Halbesma familiy	1	**9 649 433**	**32,6%**

1. UBS ASG nominee account and Norha Invest AS is controlled by the Halbesma family. James Hill own 30.000 shares through the nominee account in Citibank N.A. Haico Halbesma is currently CEO and Hessel Halbesma is Chairman of Oceanteam Shipping ASA. Haico Halbesma owns 60.987 shares privately and jointly controls 9.599.433 shares together with Hessel Halbesma. Tor Arend Halbesma is son of Hessel Halbesma.

2. Torbjørn Skulstad is CFO of Oceanteam Shipping.

For more information, please refer to related party transaction in Note 20.

Note 13. Equity

USD ‘000

	Share capital	Own shares	Premium	Accumulated	Sum
Equity 31.12.13	2 595	(257)	1 304	38 568	42 210
Net profit for the year				201	201
Equity 31.12.14	**2 595**	**(257)**	**1 304**	**38 768**	**42 411**

Adjustments directly to equity of the amount of USD 2.352.770 have been done in 2013 figures due to interests to Oceanteam Shipping BV was not taken into account. The balance post for this posting is intercompany loan. Purchase of own shares see specification in note 3

Note 14. Pensions

The company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension (“lov om obligatorisk tjenestepensjon”). The company’s pension scheme meets the requirements of that law. The company’s pension scheme is a defined contribution plan funded through an insurance company.

Note 15. Material transactions

On 20 February 2014, Oceanteam exercised its option to buy the remaining 30 percent shares of KCI design engineers. KCI is a multi-discipline engineering company, employing over 130 engineers and has offices in Schiedam. The Netherlands and Hamburg, Germany. As a result of this transaction, Oceanteam is now the 100 percent strategic owner of KCI The Engineers. Purchase terms are not disclosed for reasons of confidentiality. Consideration is not reported due to commercial reason.

On 26 March, Oceanteam takes 40 percent stakes in the company “DOT Shipping”, a joint venture founded with Grupo Diavaz.

On 18 December 2014, Oceanteam Shipping ASA completed the transfer of its 50 percent ownership stake in the to date jointly owned Pipelay Vessel to J. Ray McDermott Norway. The proceeds from the sale will go towards a USD 35 million amortization on Oceanteam’s bond loan debt due in April 2015.

Note 16. Events after the balance sheet date

- DOT Shipping took delivery of two new build FSV’s, which were immediately sent to the Gulf of Mexico to start operations. Both vessels are fully financed and have entered into seven year, firm time charter contracts.
- RentOcean was awarded a contract for a cable laying project in Mexico. Operation started in March 2015
- Oceanteam announces a stronger focus on and transition to providing Oceanteeam Solution driven services by combining its engineering and equipment capabilities into a single service in accordance with clients’ requests
- Banks approved a growth facility for new Solution and Equipment investments of credit line of EUR 15 million and an overdraft facility for Oceanteam Shipping for USD 3 million to mitigate the currency fluctuations, hedging and liquidity risks.

Note 17. Market risk

Oceanteam Shipping ASA has the exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk (including currency risk, and cash flow interest rate risk)

The credit risk of receivables in group will be depending on performance of the actual operations in the subidiary, joint venture or associate.

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 is to ensure that it will always have 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.

The market risk is currency risk reflected on the bond loan since this loan is in USD. The bond loan has quarterly roll over on the interest rate which is 3 month LIBOR plus 11,25 percent margin. Please also see note 10 where Bond Loan is described in further details.

Note 18. 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 favour 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.

Sawicon has brought an appeal against this decision in High Court which will be handled in August 2015. The outcome is expected to be positive.

Oceanteam Shipping ASA has invited Sawicon to settle on amicable terms.

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

Note 19. Contingent assets

The company is disputing a claim from a former creditor of a liquidated 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 for a Court hearing in end May 2015. 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.

Note 20. Transactions with related parties

	Income/recharge exp.		Cost		USD '000
Company	2014	2013	2014	2013	Type of transaction
Cenzo BV			(92)	(93)	Cenzo is controlled by Catharina Petronella Johanna Pos, director of Oceanteam Shipping ASA. Transactions consists mainly of invoicing of Boad Services at hourly rates and recharges related to disbursements
Oceanteam Holding BV		2		(36)	Oceanteam is controlled by Haico Halbesma, CEO, and Hessel Halbesma, chairman of Oceanteam Shipping ASA. Oceanteam Holding BV acts as guarantor for Oceanteam II BV on the Amstel Lease financing of the Mexican Fast Support Vessels. Oceanteam Shipping ASA pays a fee for this guarantee equal to 5% of the outstanding guarantee amount. The financing was ended in Q1 2014.
Feastwood Holding Ltd	130	71	(1 200)	(895)	Feastwood Holding Ltd is controlled by Haico Halbesma, CEO and Hessel Halbesma, chairman of the board of Oceanteam Shipping ASA. Transactions consists mainly of invoicing of Boad Services at hourly rates and recharges related to disbursements.
Heer Holland BV		1	(429)	(440)	Heer Holland BV is controlled by Haico Halbesma, CEO of Oceanteam Shipping ASA. Monthly management services.
Groom Hill			92	(67)	Groom Hill is 33% owned by James Hill, director of Oceanteam Shipping ASA. Transactions consists mainly of invoicing of Board Services at hourly rates and recharges related to disbursements

	Customer balance		Vendor balance	
Company	2014	2013	2014	2013
Oceanteam Holding BV				(1)
Feastwood Holding Ltd			(9)	(284)
Heer Holland BV			(33)	(38)
Groom Hill			(8)	(8)

Note 21. Transactions with Group companies

USD' 000	Income		Cost	
	2014	2013	2013	2013
Imera NV		32		
KCI Holding	(138)			
Oceanteam Shipping BV	548	11 128		
Oceanteam Mexico BV	8	38		
Oceanteam Mexico SA de CV	742	3 958		
Oceanteam Shipping GmbH	21	89		
Oceanteam Equipment Base Ltd	16	85		(59)
Oceanteam Bourbon 101 AS	3			
Oceanteam Bourbon 4 AS	22	72		
North Ocean 309 AS	36	173		
Oceanteam Shipping Monaco SAM	13	134		
OceanWind BV	1	10		
Oceanteam Bourbon Spares & Equipment		21		

Transactions with group companies consists of internal interest which is calculated for intercompany balances. Interest rate of 7 percent is applied.

Please also see Note 9 for intercompany balances.

Note 22. Guarantees

The parent company has issued guarantees for the subsidiaries and joint venture companies in the Group. For all major assets, guarantees are in place.

Auditor's report

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To the Annual Shareholders' Meeting of Oceanteam Shipping ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Oceanteam Shipping ASA, which comprise the financial statements of the parent company Oceanteam Shipping ASA and the consolidated financial statements of Oceanteam Shipping ASA and its subsidiaries. The parent company's financial statements comprise the financial position as at 31 December 2014, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated financial statement comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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 the parent company financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and for the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, 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 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.

Opinion on the separate financial statements

In our opinion, the parent company's financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Oceanteam Shipping ASA as at 31 December 2014, and of 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.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Oceanteam Shipping ASA and its subsidiaries as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statement on Corporate Governance Policy

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 statement on Corporate Governance Policy 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 Accounting 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 the 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.

Bergen, 23 April 2015
KPMG AS

Anfinn Fardal
State Authorized Public Accountant

7

Company's 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 NorthOcean 100 series is jointly owned by
Oceanteam Shipping and Bourbon Offshore Norway. The ship is 125 meters in 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.

General Description

Type:	DP2 Construction Support/ Flexible Product installation vessel
Classification:	DNV+1A1 HELIDEK DYNPOS AUTR EODK (+) NAUT-OSV CLEAN, CONF-(V3)
Flag:	Malta
Year Of Build:	2007
Builder:	Metalships, Vigo, Spain
Length over all:	125 m
Beam:	27 m

CSV Southern Ocean

The vessel was delivered in Q4 2010 and immediately commenced its first project for Fugro TSMarine. This DP2 Construction Support / Flexible Product Installation vessel combines a moon pool, two large cranes (1 x 250 tonnes and 1 x 100 tonnes, heave compensated), 2500m2 deck space, 120 accommodation and excellent seafaring capabilities, enabling her to be utilised for field support, construction, installation and IRM.

General Description

Type:	DP2 Construction Support/ Flexible Product installation vessel
Classification:	DNV+1A1 HELIDEK DYNPOS AUTR EO DK (+) NAUT-OSV CLEAN, CONF-(V3)
Flag:	Malta
Year of build:	2010
Builder:	Metalships, Vigo, Spain
Length over all:	137m
Beam:	27 m

Vessels

Lay vessel North Ocean 105

High-capacity, rigid-reeled vertical pipe lay vessel, with 3000T payload reel capacity for subsea construction and installation, and deepwater moorings installation; which was delivered on 20th April 2012. The vessel has started a five year charter contract with McDermott at delivery.

FSV Mantaraya / FSV Tiburon

This innovate Fast Support Vessels (FSV's) are operational on bare boat contracts in Venezuela. 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 vessels available.

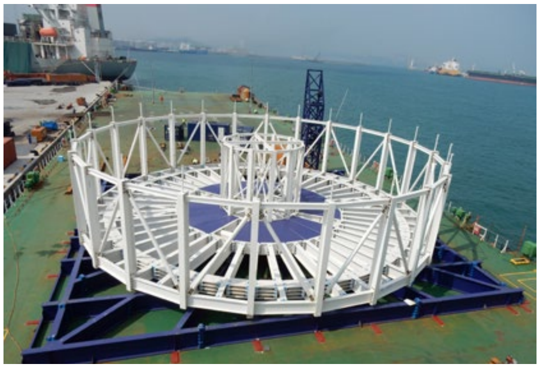
General Description

Type:	Pipe Lay Vessel
Classification:	DNV +1A1, DYNPOS-AUTR, E0, DK(+), CLEAN, COMF-V(3), NAUT-OSV, HELDK
Flag:	Malta
Year Of Build:	2012
Length over all:	135.65m
Beam:	27 m

FSV ICACOS/ FSV COBOS

These innovative Fast Support Vessels (FSV's) have been delivered and will start operation in Mexico in March 2015. The vessels are capable of transporting 96 POB and cargo at a cruising speed of 25 knots with largely improved fuel efficiency.

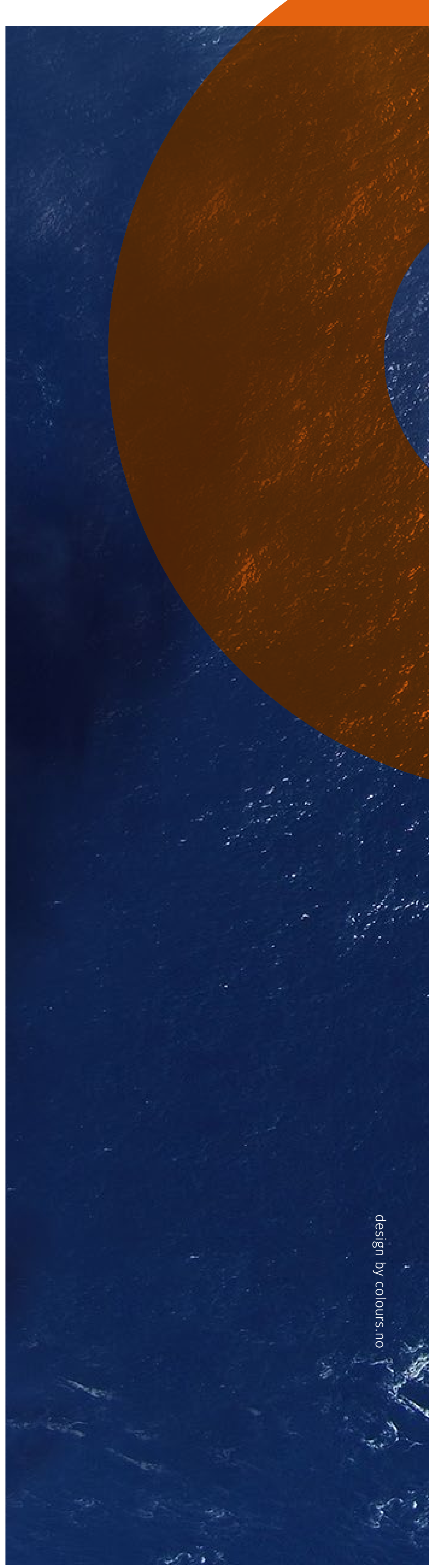
Equipment



RentOcean designs, builds and owns a large pool of various sizes demountable turntables with a capacity of up to 4000t. We have 10t and 15t track tensioners and a variety of burial equipment and associated lay equipment.

RentOcean is specialised in building demountable turntable systems which can be delivered in 40ft containers to all ports globally. We can design and produce turntables in various sizes, for onshore and offshore use and for a variety of cables, umbilicals, pipes or flowlines. We are known for delivering quality equipment and services within limited time; our turntables can be built within a 3 month timeframe.

Over the years we have built up a broad client base worldwide to which we successfully rent out our equipment and support their offshore cable, pipeline and umbilical installations, transport and storage projects.



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