

# Oceanic Champion AS

## Interim Accounts - H2 2017 - ended 31 December 2017

<b>Profit &amp; loss</b>	Note	1H 2017	2H 2017	2H 2016	2017	2016
		USD	USD	USD	USD	USD
<b>Income</b>						
Bareboat hire		6 165 404	5 457 376	7 077 600	11 622 780	14 078 271
<b>Net Income</b>		<b>6 165 404</b>	<b>5 457 376</b>	<b>7 077 600</b>	<b>11 622 780</b>	<b>14 078 271</b>
<b>Operation cost</b>						
Operation cost		67 233	81 056	45 847	148 289	111 948
Depreciation	1	3 917 286	3 917 286	3 917 286	7 834 572	7 834 572
Impairment			6 000 000	10 000 000	6 000 000	10 000 000
<b>Total operation cost</b>		<b>3 984 519</b>	<b>9 998 342</b>	<b>13 963 133</b>	<b>13 982 861</b>	<b>17 946 520</b>
<b>Operating result</b>		<b>2 180 884</b>	<b>-4 540 965</b>	<b>-6 885 532</b>	<b>-2 360 081</b>	<b>-3 868 249</b>
<b>Financial income and cost</b>						
Financial income		3 015	30 291	124	33 306	90 776
Other financial cost		231 226	165 436	91 814	396 662	322 455
Interest cost bond loan		1 284 703	963 059	2 924 445	2 247 761	3 562 889
<b>Financial items in total</b>		<b>1 512 914</b>	<b>1 098 204</b>	<b>3 016 135</b>	<b>2 611 118</b>	<b>3 794 568</b>
<b>Result (loss) before taxes</b>		<b>667 970</b>	<b>-5 639 169</b>	<b>-9 901 667</b>	<b>-4 971 199</b>	<b>-7 662 817</b>

<b>Balance Sheet</b>	Note	30.06.2017	31.12.2017	31.12.2016
		USD	USD	USD
<b>Non-current Assets</b>				
Vessels	1	54 732 565	44 815 279	58 649 851
Other financial assets	2	900 148	738 922	1 061 374
<b>Non-current Assets</b>		<b>55 632 713</b>	<b>45 554 201</b>	<b>59 711 225</b>
<b>Current assets</b>				
Trade receivables		-	-	1 264 036
Other current assets		783 209	782 040	758 411
Bank		4 760	20 622	21 625
Bank - escrow		2 491 590	3 397 166	7 359 374
<b>Current assets in total</b>		<b>3 279 559</b>	<b>4 199 828</b>	<b>9 403 446</b>
<b>Total Assets</b>		<b>58 912 271</b>	<b>49 754 029</b>	<b>69 114 671</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share capital	4	42 905 259	42 905 259	42 905 259
Other equity		-15 348 687	-20 987 858	-16 016 632
<b>Total Equity</b>		<b>27 556 572</b>	<b>21 917 401</b>	<b>26 888 627</b>
<b>Non-current Liabilities</b>				
Bond loan	3	25 607 460	23 131 759	41 000 000
Other long term liabilities		4 856 716	3 999 649	
<b>Total Non-current Liabilities</b>		<b>30 464 176</b>	<b>27 131 408</b>	<b>41 000 000</b>
<b>Current Liabilities</b>				
Payables		65 554	26 688	12 741
Other Short term liabilities		-	-	1 524
Accrued interest expenses		825 969	678 532	1 211 779
<b>Total Current Liabilities</b>		<b>891 523</b>	<b>705 220</b>	<b>1 226 044</b>
<b>Total Equity and Liabilities</b>		<b>58 912 271</b>	<b>49 754 029</b>	<b>69 114 671</b>

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### Notes

The company was incorporated in February 2013 and acquired the vessel "Oceanic Champion" in April 2013 in connection with a group-refinancing. "Oceanic Champion" is employed on a long term bareboat contract with the seismic operator CGG until 06/2020.

Due to adverse market conditions in the seismic sector, the company agreed in March 2017 to amend the bareboat contract by reducing charterhire payments for the remaining term. The reduced charterhire was partly compensated by the issuing of CGG notes in favour of the company. The notes were issued in March 2017 and sold in the market at prevailing market price for CGG assets.

#### 1) Vessel

M/V "Ocean Champion" was acquired by Oceanic Champion AS at MUSD 108,6. The vessel is depreciated based upon a lifetime of 25 years. The contract element of the vessel value is depreciated over the remaining contract period. Due to new validation of the vessel an impairment charge of MUSD 6 has been included in the figures per 31.12.2017.

#### 2) Other financial assets with CGG

Other financial assets are financial transaction cost; depreciated over the bond loan term; i.e. 7 years

#### 3) Bond loan

To finance the acquisition of the vessel in 2013 the company secured a fixed interest USD bond loan in the amount of MUSD 70 repayable over seven years. The original repayment plan secured the loan to be repaid before the CGG contract expired. The repayment plan was amended in March 2017 as a consequence of the amended bareboat contract with CGG. The loan is now repaid in line with the company's earnings. Upon expiry of the contract the estimated loan balance is about MUSD 0,6.

#### 4) Share Capital

All shares are held by the Norfield Group