

Oceanic Champion AS

Interim Accounts - Quarter ended 30th June 2017

Profit & loss	Note	1H 2017	1H 2016	2016
		USD	USD	USD
Income				
Bareboat hire		6 165 404	7 000 670	14 078 271
Net Income		6 165 404	7 000 670	14 078 271
Operation cost				
Operation cost		67 233	66 101	111 948
Depreciation	1	3 917 286	3 917 286	7 834 572
Impairment				10 000 000
Total operation cost		3 984 519	3 983 387	17 946 520
Operating result		2 180 884	3 017 283	-3 868 249
Financial income and cost				
Financial income		3 015	0	90 776
Other financial cost		231 226	161 926	322 455
Interest cost bond loan		1 284 703	1 850 222	3 562 889
Financial items in total		1 512 914	2 012 148	3 976 120
Result (loss) before taxes		667 970	1 005 135	107 871

Balance Sheet	Note	30.06.2017	30.06.2016	31.12.2016
		USD	USD	USD
Non-current Assets				
Vessels	1	54 732 565	72 567 137	58 649 851
Other financial assets	2	900 148	1 222 600	1 061 374
Non-current Assets		55 632 713	73 789 737	59 711 225
Current assets				
Trade receivables		-	1 154 275	1 264 036
Other current assets		783 209	731 308	758 411
Bank		2 496 350	6 879	21 625
Bank - escrow		-	7 220 145	7 359 374
Current assets in total		3 279 559	9 112 607	9 403 446
Total Assets		58 912 271	82 902 343	69 114 671
Equity and Liabilities				
Equity				
Share capital	4	42 905 259	42 905 259	42 905 259
Other equity		-15 348 687	-7 347 157	-16 016 632
Total Equity		27 556 572	35 558 102	26 888 627
Non-current Liabilities				
Bond loan	3	25 607 460	46 000 000	41 000 000
Other long term liabilities		4 856 716		
Total Non-current Liabilities		30 464 176	46 000 000	41 000 000
Current Liabilities				
Payables		65 554	5 050	12 741
Other Short term liabilities		-	80	1 524
Accrued interest expenses		825 969	1 339 111	1 211 779
Total Current Liabilities		891 523	1 344 241	1 226 044
Total Equity and Liabilities		58 912 271	82 902 343	69 114 671

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.

2) Other financial assets with CGG

Other financial assets are financial transaction cost which is 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. Going forward the loan will be repaid in line with the company's earnings. In connection with the sale of the CGG notes an extraordinary repayment of the loan was made with about MUSD 5. 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