

Nor Offshore SPV, Ltd
Unaudited financial statements
For the quarter ended June 30, 2017

Nor Offshore SPV Ltd
Balance Sheet
As of June 30, 2017

| | Jun 30, 17 |
|---------------------------------------|-----------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| DNB account | 6,671,930.41 |
| Fidelity Bank account (Atlantis) | 1,000.00 |
| Fidelity Bank account (Da Vinci) | 1,000.00 |
| Total Checking/Savings | 6,673,930.41 |
| Other Current Assets | |
| Prepaid expenses | 75,892.73 |
| Total Other Current Assets | 75,892.73 |
| Total Current Assets | 6,749,823.14 |
| Fixed Assets | |
| Accumulated Depreciation | -5,602,953.24 |
| Vessels and equipment | 120,110,428.38 |
| Total Fixed Assets | 114,507,475.14 |
| TOTAL ASSETS | 121,257,298.28 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| Accounts Payable - GBP | 82,626.57 |
| Accounts payable - NOK | 3,114.81 |
| Accounts payable - USD | 1,800.00 |
| Total Accounts Payable | 87,541.38 |
| Total Current Liabilities | 87,541.38 |
| Long Term Liabilities | |
| Bond creditors - 15% | 16,347,908.51 |
| Bond creditors - 8.4% | 268,953,719.06 |
| Total Long Term Liabilities | 285,301,627.57 |
| Total Liabilities | 285,389,168.95 |
| Equity | |
| Retained Earnings | -142,863,083.09 |
| Net Income | -21,268,787.58 |
| Total Equity | -164,131,870.67 |
| TOTAL LIABILITIES & EQUITY | 121,257,298.28 |

Nor Offshore SPV Ltd
Profit & Loss
April through June 2017

| | <u>Apr - Jun 17</u> |
|-------------------------------------|------------------------------------|
| Ordinary Income/Expense | |
| Expense | |
| Audit and accounting expense | -7,824.99 |
| Bank Service Charges | 69.54 |
| Depreciation Expense | 1,201,338.24 |
| Directors' fees | 25,252.84 |
| Insurance Expense | 85,837.50 |
| Interest Expense | 6,122,740.57 |
| Legal fees | 22,652.42 |
| Maintenance expense | 2,230,349.13 |
| Other expenses | 1,800.00 |
| Professional Fees | 243,696.63 |
| Total Expense | <u>9,925,911.88</u> |
| Net Ordinary Expense | -9,925,911.88 |
| Other Income/Expense | |
| Other Expense | |
| Exchange Gain or Loss | 4,464.15 |
| Total Other Expense | <u>4,464.15</u> |
| Net Other Expense | <u>-4,464.15</u> |
| Net Expense | <u><u>-9,930,376.03</u></u> |

Nor Offshore SPV Ltd
Statement of Cash Flows
April through June 2017

| | Apr - Jun 17 |
|---|-----------------------|
| OPERATING ACTIVITIES | |
| Net Income | -9,930,376.03 |
| Adjustments to reconcile Net Income to net cash provided by operations: | |
| Prepaid expenses | 19,515.74 |
| Accounts Payable - GBP | 17,674.63 |
| Accounts payable - NOK | -34,310.58 |
| Accounts payable - USD | -46,253.00 |
| Accrued expenses | -33,999.99 |
| Net cash reduction due to Operating Activities | -10,007,749.23 |
| INVESTING ACTIVITIES | |
| Accumulated Depreciation | 1,201,338.24 |
| Net cash provided by Investing Activities | 1,201,338.24 |
| FINANCING ACTIVITIES | |
| Bond creditors - 15% | 590,881.51 |
| Bond creditors - 8.4% | 5,531,859.06 |
| Net cash provided by Financing Activities | 6,122,740.57 |
| Net cash decrease for period | -2,683,670.42 |
| Cash at beginning of period | 9,357,600.83 |
| Cash at end of period | 6,673,930.41 |