Annual Report 2013

Eidesvik

- Ship of the year 2013,
Skipsrevyen

CONTENTS

2013 – A GOOD AND STABLE YEAR

In 2013, we had two injuries that resulted in sick leave. Fortunately, these accidents were not serious, yet they still emphasise that we must maintain a strong commitment to ensuring a sound and reliable safety culture within the company.

The inspection, repair and maintenance vessel Seven Viking was delivered at the end of January, and as expected was named “Ship of the Year” in summer 2013. This ship is operated for Statoil via Subsea7 and has made a strong contribution to further consolidating Eidesvik’s position as owner and operator of sophisticated subsea vessels.

The subsea vessel Viking Forcados was sold at a good profit.

The supply vessel Viking Prince was hired for AGR for 12 wells, equivalent to approximately two years, with start-up in October 2013. The contract with Statoil for the sister vessel Viking Princess was renewed for one year as from November 2013. A contract was established with Lundin for the supply vessel Viking Queen for 15 wells, equivalent to approximately two and a half years, with start-up in the second half of 2014.

The operations organisation for the seismic fleet in Bergen operated very satisfactorily during the past year.

The large Subsea vessel at Kleven is expected to be delivered in the fourth quarter of 2014. There are currently several potential customers for the employment of the vessel.

The development projects FellowShip III, with fuel cells and battery packs as a hybrid solution, and the Electric Power Supply vessel to supply electricity to ships in port, are both in the concluding phase, with positive results. This has laid a sound foundation for new, eco-friendly and future-oriented solutions for vessels in our fleet. Eidesvik has been a powerhouse and pioneer within eco-friendly technology development for many years. During the past three years, we have also focused on improving energy efficiency in both operations and solutions via our “Blue:E” environmental programme. This has resulted in reliable knowledge of consumption and emissions. In 2013, there were several concrete opportunities to prove that our customers both value and reward this work. This is a strong incentive for our ongoing environmental work.

In May, the company raised a bond loan for NOK 300 million. This was welcomed by the market, and the loan was significantly over-subscribed and is currently traded at a premium. This was the first time that Eidesvik used the bond market to finance its activities, and we consider this to be an important step towards establishing a position for the use of alternative financing sources in the future.

During the year, our administration moved into modern new offices in Langevåg on Bømlo. This gathered the entire administration function in one building.

Despite some uncertainty concerning the earnings of the multinational oil and gas companies, we believe that the factors underlying the demand for our services are positive.

In closing, I would like to thank all employees for their continued good work in 2013, without which we would not be so favourably positioned. Many thanks – and good luck for 2014 and for many years into the future.

Jan Fredrik Meling
CEO

Financial Highlights

(all figures in NOK 1,000)	**2013**	2012	2011	2010	2009	2008	2007
Operating revenues	**993 745**	980 494	999 557	1 054 705	1 234 285	946 761	749 950
EBITDA	**551 242**	558 876	465 735	490 166	675 195	426 962	306 246
EBITDA margin	**55 %**	57 %	47 %	46 %	55 %	45 %	41 %
Profit for the year	**140 863**	282 170	70 439	-55 970	1 091 352	-603 611	-46 617
Earnings per share	**4,67**	9,36	2,34	-1,86	36,20	-20,02	-1,55
Total capital	**5 700 197**	5 631 445	5 101 359	5 067 460	5 267 012	4 543 585	4 273 040
Equity	**2 348 288**	2 180 283	1 932 961	1 853 662	1 901 514	818 837	1 478 693
Equity ratio	**41 %**	39 %	38 %	37 %	36 %	18 %	35 %
Value-adjusted equity**)	**4 476 288**	4 228 283	3 866 961	3 597 662	3 390 514	3 021 837	3 347 693
Value-adjusted equity ratio	**57 %**	55 %	55 %	53 %	50 %	45 %	55 %
Market value as at 31.12	**1 040 175**	994 950	892 440	1 145 700	883 395	551 745	1 590 413
Market value per share as at 31.12	**34,50**	33,00	29,60	38,00	29,30	18,30	52,75
Dividend paid per share	**1,00**	1,00	1,00	0,50	0,50	1,00	1,00
Liquid assets including unused credit facilities	**782 773**	454 988	411 552	229 914	306 295	211 190	122 581
Working capital including unused credit facilities	**259 292**	171 423	174 930	42 913	180 236	-2 021	-41 550
Cash flow*	**505 719**	461 406	367 012	320 372	470 824	278 360	202 306
1st year instalment on long-term liabilities	**324 073**	319 054	270 469	259 022	328 826	246 834	167 663

*) Profit before taxes plus depreciation and write-downs, adjusted for foreign currency gains/losses and changes in the value of interest derivatives.

**) Book equity plus added value of broker estimates for contract-free ships with regard to book value per ship. It must be noted that most of the ships are on long-term contracts and that the market values of a number of contracted ships will be lower than without contracts.

HSE Report for 2013

Introduction

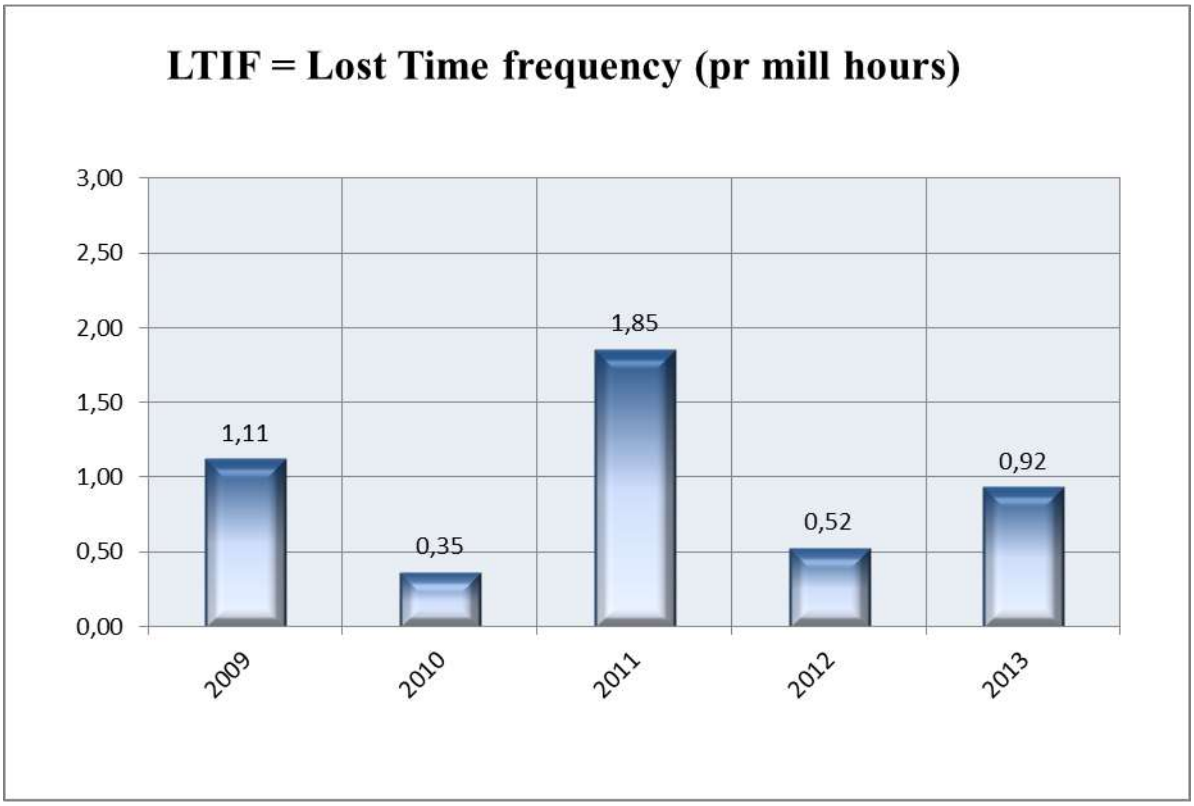
The quality and safety system in the Eidesvik Management System is certified by DNV to satisfy the requirements of the ISM code / ISO 9001:2008 / ISO 14001:2004 / MLC 2006.

Eidesvik's activities are managed in accordance with an overall goal of zero injuries to personnel and no damage to the environment or property. In order to achieve this goal, the tasks of the highest priority are to maintain a constant focus on compliance and raising awareness of the Eidesvik Management System (EMS). In addition, good working environments onboard the company's vessels have been established and there is a focus on raising awareness and controlling the environmental aspects identified by Eidesvik AS.

Each year, Eidesvik draws up an HSE programme that specifically covers focus areas for the future, including Key Performance Indicators (KPIs). KPIs are communicated to all vessels and departments. Eidesvik emphasises strong involvement with regard to the HSE programme in order to achieve the goals within the various areas. The steering documents are continuously assessed to ensure optimum, well-functioning operating procedures for employees at sea and on land.

The company had two injuries resulting in sick leave in 2013.

The statistics show the number of personal injuries per million working hours leading to absence during the last five years.



The injuries resulting in absence in 2013 were not of a serious nature. Eidesvik has implemented measures in both cases in order to avoid repetition in the future. An emphasis on analysing the reasons and underlying causes is important for the transfer of experience to other vessels within Eidesvik AS. A focus on working operations and compliance with the Eidesvik Management System are important follow-up measures. To prevent and eliminate injuries, emphasis is also given to the following measures:

- Sharp focus on the “safety observations” reporting form. This has contributed to increased reporting. The reports are reviewed at onboard safety meetings. In 2013, 4,905 safety observations were reported, accounting for a large share of the total number of reports within the HSE area.

- Extensive use of risk analyses. This allows the company to avoid accidents and injuries by reviewing the jobs step by step, thereby exposing any dangers and taking measures to reduce and/or eliminate the hazards. In 2013, 509 new and/or revised risk analyses were performed.

- Holding Toolbox meetings. This helps to prevent accidents and injuries since, as part of their jobs, participants can plan their work and be updated on any job-related hazards. In 2013, 7,904 Toolbox meetings were held.

- Work onboard is conducted according to a work permit system. This helps to prevent accidents and injuries since authorisation must be obtained from the ship’s management for any jobs that may present a risk to the crew, the environment or the vessel.

Reporting of non-compliance

In 2013, a total of 1,078 non-compliance reports were registered in all categories. In addition, 678 experience transfer reports from the vessels were reported. Non-compliance and experience transfer reports are a positive foundation to learn from and implement specific measures in response to incidents, with proposals for improvements. A good and healthy reporting culture helps management to identify developments and trends within specific operations or work tasks. This is used to improve areas and to learn from experience, so that no new incidents occur. Reporting incidents has a preventive effect and the company has a strong focus on this.

Quality

Our aim is for the quality of our services to exceed our customers’ expectations. Our operations department carries out continuous customer satisfaction surveys.

Working environment measures

In 2013, work continued on following up sick leave and the further development of Eidesvik as an Inclusive Working Life company. In 2013, Eidesvik extended the agreement as an Inclusive Working Life company. Feedback from this work has proved to be very positive. In 2013, the company undertook an extensive investigation of its working environment, both offshore and onshore. Various measures were taken, with focus on both the physical and psychosocial working environment.

Rederihelsetjenesten (the Norwegian ship workers’ occupational health service) conducted internal health inspections on several of our vessels. Moreover, Eidesvik AS is the only shipping company in Norway with its own occupational health service, which can be used free of charge by all employees and their families.

All vessels in the fleet are now equipped with defibrillators.

Absence due to illness

Absence due to illness in 2013 was 4.2%, a reduction of 0.1% from 2012.
In 2012, Eidesvik initiated a comprehensive sick leave project in order to further investigate potential areas for improvement within prevention and adjustment measures, etc. in order to reduce absence rates, for the benefit of the company and its employees.
The results of this work were implemented in the shipping company in 2013.
Various initiatives were implemented as part of the absence reduction project.. There is enhanced focus on preventive action, with closer follow-up from the business and line management, in order to reduce absence rates. Private healthcare services and physiotherapy have also been made available for purchase. The company’s occupational health service is an important support for this work.

External environment

The following is a summary of our environmental accounts for 2013 related to the vessels' consumption and emissions, divided into categories:

Type of raw material	Volume consumed	Environmental impact
Marine Diesel	25,430 tonnes	CO_2, NOX and SO_2
Natural gas	9,715 tonnes	CO_2, NOX
Lubricant	555,902 litres	CO_2, NOX and SO_2
Chemical agents (cleaning)	1,820 litres	Little
Cooling agent	180 kg	Little
Separated bilge water	1,275,780 litres	None
Bilge water delivered to land	437,500 litres	None
Food waste	32,404 kg	None
Emissions to air		
CO_2	107,106 tonnes	Climate gases
NOX	1,284,700 kg	Particle pollution
SOX	34,852 kg	Climate gases

Type	Volume delivered to land	Treatment/Effect
Paper and cardboard	25,697 kg	Recycled
Wood	3,820 kg	Recycled
Metal	19,372 kg	Recycled
Plastic	4,210 kg	Recycled
Glass	770 kg	Recycled
Sludge	59 M3	Recycled
Batteries	480 kg	Recycled
Oil drums	439	Recirculated
Special waste	2,099 kg	Special treatment
Incinerator ash	885 kg	Special treatment
Paint	5,361 kg	Special treatment
First aid equipment/medicine	6 kg	Special treatment

Small amounts have been reported as discharged by accident:

Hydraulic oil	223 litres	Environmental impact was negligible.

The most important measures to reduce emissions to the external environment:

TYPE	ENVIRONMENTAL IMPACT	MEASURE
Exhaust gas	Air pollution	Installation of gas machinery on our ships Installation of exhaust catalytic converter Conversion of machinery Next generation bilge water separator Adaptive autopilot Polishing of propellers Logistics optimisation Optimisation of use of motors Optimisation of trimming of vessel Improvement of maintenance Implementation of battery technology Further development of fuel cell technology
Incinerator	Air pollution	Increased delivery to land Improvement of maintenance Improvement of design
Boiler	Air pollution	Improvement of maintenance Replacement with better type
Oil and chemicals	Sea pollution	Improvement of maintenance/routines Training in oil spill/collection
Ballast water	Sea pollution	Installation of cleaning systems for ballast water on new vessels in line with the IMO's forthcoming requirements

Our efforts for more environmentally-compatible emissions will also be carried over to our new ships. The company is continuing the programme to optimise operations, in order to reduce fuel and energy consumption. The programme is called EEEP (Eidesvik Energy Efficiency Programme).

REPORT ON THE COMPANY'S OWNERSHIP AND CORPORATE GOVERNANCE FOR 2013

Principles and core values for the ownership and corporate governance of Eidesvik Offshore ASA

The Board of Directors of Eidesvik Offshore ASA (the company) must ensure that the company observes the "Norwegian Code of Practice for Corporate Governance" of 23 October 2012. The Group's observance and any departure from the recommendations must be commented on by the Board of Directors with regard to each item of the Norwegian Code of Practice for Corporate Governance and be made available to the company's stakeholders in connection with the company's Annual Report.

The aim of the guidelines for ownership and corporate governance in Eidesvik Offshore ASA is to clarify the distribution of roles between shareholders, the General Assembly, the Board of Directors and the Management, in addition to the statutory requirements.

The principles and core values for ownership and corporate governance in Eidesvik Offshore ASA are stated in the following documents (the complete documents are available on the company's website www.eidesvik.no):

- The Board of Directors' Annual Report on the company's ownership and corporate governance.
- Articles of Association for Eidesvik Offshore ASA of 14 April 2010.
- Instructions for the Board of Directors.
- Instructions for the CEO.
- Guidelines for planning and budgeting.
- The company's core values and ethical guidelines.
- The company's CSR guidelines.
- Guidelines for handling price sensitive information and insider trading.
- Guidelines for determining salaries and other remuneration to Management.
- Guidelines for access to use an auditor as an adviser to the company.
- Guidelines for information from the company.

The company must be based on open interaction and a sense of affiliation among the company's shareholders, Board of Directors and Management, as well as other stakeholders such as employees, customers, suppliers, creditors, public authorities and society in general.

Eidesvik Offshore ASA's core values and ethical guidelines are stated in the "Ethical guidelines and core values for Eidesvik Offshore ASA" and the company's corporate social responsibility policy is stated in its Human rights policy and Environmental policy.

COMMENT 2013: *No departure from the Norwegian Code of Practice for Corporate Governance.*

Activities

The company's activities are specified in article 3 of the company's Articles of Association, and the Board of Directors establishes the Group's overall goals and strategy. The strategic plan is revised annually. The Articles of Association's objects clause and the company's goals and main strategies are stated in the company's Annual Report, which is also published on the company's website, www.eidesvik.no.

COMMENT 2013: *No departure from the Norwegian Code of Practice for Corporate Governance.*

Share capital and dividends

The Board of Directors shall ensure that the company, at all times, has sufficient share capital, based on the risk involved in and the scope of the company's activities, cf. "Instructions for the Board of Directors".
The authorisation for the Board of Directors to increase the capital and purchase the company's shares must be restricted to defined objectives and will not normally be given for a period longer than until the next ordinary general assembly.

The Board of Directors establishes the company's dividend policy and presents the policy and dividend proposals to the company's general assembly.

COMMENT 2013: *No departure from the Norwegian Code of Practice for Corporate Governance.*

Equal treatment of shareholders and transactions involving close associates

Eidesvik Offshore ASA has only one class of shares.
In the event of capital increases, the principle of equal rights for all shareholders to subscribe for shares applies.
Purchases of company shares shall be made on the stock exchange at the market rate. In connection with transactions between companies in the Group, guidelines have been provided in the "Instructions for the Board of Directors".
For significant transactions between the company and shareholders, members of the Board of Directors, Management, or related parties, there must be an independent valuation. This does not apply when the general assembly is to address the matter in accordance with the provisions in the Norwegian Public Limited Companies Act. The same applies to transactions between companies in the Group involving minority shareholders.
The instructions for the Board of Directors, CEO instructions and ethical guidelines include rules for legal competence.

COMMENT 2013: *No departure from the Norwegian Code of Practice for Corporate Governance.*

Free transferability

Shares in the company are listed on the stock exchange and may be freely traded. There are no restrictions in the Articles of Association concerning the transfer of shares.

COMMENT 2013: *No departure from the Norwegian Code of Practice for Corporate Governance.*

General assembly

General assemblies of the company are convened and held in accordance with the rules regarding content and deadlines provided in the Public Limited Companies Act. The registration deadline is set as close to the meeting as is practically possible. Shareholders who are unable to attend may vote by proxy.
The meeting invitation, proposals for adoption, proxy form, other related documents and information about shareholders' right to have issues addressed at the general assembly are made available on the company's website as soon as they are available.
The Articles of Association and the chairman of the meeting shall ensure that the general assembly is able to vote for each of the candidates for election to the company's bodies.
The minutes of the general assembly are made available on the company's website as soon as possible.

COMMENT 2013*: Departs from the Norwegian Code of Practice for Corporate Governance in that the Chairman of the Board of Directors and auditor are present at the general assembly, but not the entire Board of Directors. Based on an overall assessment, it is not considered to be necessary that all members of the Board of Directors attend the general assembly. The general assembly follows the meeting rules provided in the Public Limited Companies Act, and the Board of Directors has not established its own procedures for chairing the general assembly.*

Election committee

COMMENT 2013: *Departs from the Norwegian Code of Practice for Corporate Governance in that Eidesvik Offshore ASA does not have an election committee. This is due to the current shareholder structure, where the main owner holds over 50% of the shares.*

Corporate assembly and the Board of Directors, composition and independence

The Board of Directors of Eidesvik Offshore ASA is composed so that it can protect the interests of the shareholder community and the company's need for competence, expertise and diversity. The Board of Directors must function well as a collegial body.
The Board of Directors is composed so that it can act independently of special interests.
The majority of the shareholder-elected members are independent of the company's day-to-day management and major business associates.
At least two of the shareholder-elected members are independent of the company's principal shareholders.
Management representatives are not members of the Board of Directors.

The Chairman of the Board of Directors is elected by the Board of Directors as a result of an agreement that the company is not to have a corporate assembly. Members of the Board of Directors are elected for terms of two years. In the Annual Report, the Board of Directors provides information about the Board members' skills and expertise, as well as which Board members are deemed to be independent.
The provisions of the Norwegian Companies Act concerning employees' right to representation on the Board of Directors and corporate assembly do not apply to companies operating foreign shipping, cf. Directive no. 1205 of 18-12-1998 on employees' right to representation on the Board of Directors and corporate assembly, etc. of limited companies and public limited companies (representation directive), section 3(1)(3). The company therefore has no employee representatives on the Board of Directors.
Members of the Board of Directors are encouraged to own shares in the company.

COMMENT 2013*: Departure from the Norwegian Code of Practice for Corporate Governance in that the company does not disclose information concerning attendance of meetings of the Board of Directors in the Annual Report. This is not deemed relevant as it is only in exceptional cases that members of the Board of Directors are not present, either physically or via telephone.*

Work of the Board of Directors

Special instructions for the Board of Directors exist for Eidesvik Offshore ASA.

COMMENT 2013*: No departure from the Norwegian Code of Practice for Corporate Governance.*

Risk management and internal inspection

In accordance with the instructions for the Board of Directors of Eidesvik Offshore ASA, the Board ensures that the company has good internal inspection schemes and appropriate risk management systems. The Board of Directors receives monthly status reports for the company's operations, including consolidated financial statements with non-compliance analyses.

COMMENT 2013*: No departure from the Norwegian Code of Practice for Corporate Governance.*

Remuneration to the Board of Directors

Remuneration to members of the Board of Directors is not result-based and is determined by the general assembly. Information about remuneration is provided in the Annual Report.

COMMENT 2013: *No departure from the Norwegian Code of Practice for Corporate Governance.*

Remuneration to key employees

The Board of Directors has established guidelines for the remuneration of key employees, which provide the main principles for the company's executive salary policy. This is presented annually at the general assembly.

COMMENT 2013*: No departure from the Norwegian Code of Practice for Corporate Governance.*

Information and communication

The Board of Directors has established guidelines for the company's contact with shareholders outside the general assembly. These are explained in the Directors' report. The company publishes its financial calendar annually, and all interim reports and preliminary statements are made available on the company's website and the Oslo stock exchange.

COMMENT 2013*: No departure from the Norwegian Code of Practice for Corporate Governance.*

Corporate takeover

The Board of Directors has not established guiding principles for how to react in the event of a takeover bid.

COMMENT 2013*: Departure from the Norwegian Code of Practice for Corporate Governance. This is due to the fact that with the current shareholder composition, a takeover is considered improbable.*

Auditor

The Board of Directors has an annual plan for auditing and the auditor's participation in Board meetings, to give the Board good insight into the auditor's work and to draw on the knowledge and expertise the auditor has to offer in connection with the Board's consideration of the Annual Accounts.
COMMENT 2013*: No departure from the Norwegian Code of Practice for Corporate Governance.*

BOARD MEMBERS

Kolbein Rege (Chairman)
is the CEO of Eidesvik Invest AS, which owns 67% of the shares in Eidesvik Offshore ASA. He holds a degree in law and has many years of experience in banking and from his private practice as a lawyer. Rege is affiliated with the principal shareholder.

Borgny Eidesvik (Board member)
is the owner and CEO of Bømmelfjord AS, which owns 55% of Eidesvik Invest AS. Eidesvik Invest AS owns 67% of Eidesvik Offshore ASA. Borgny Eidesvik is affiliated with the principal shareholder in the company.

Lars Eidesvik (Board member)
is owner and chairman of the board of Evik AS, which owns 45% of Eidesvik Invest AS. Eidesvik Invest AS owns 67% of Eidesvik Offshore ASA. Lars Eidesvik is affiliated with the principal shareholder in the company.

Kjell E. Jacobsen (Board member)
is a partner at Energy Ventures – an investment company working within oil and gas technology. He graduated from the Norwegian naval college and holds a Bachelor of Commerce from the Norwegian School of Commerce and Business Administration (NHH). He was formerly the managing director of Seadrill Management AS, and before that worked at Smedvig ASA, Statoil and Citibank. Jacobsen is independent of the majority shareholder Eidesvik Invest AS.

Synne Syrrist (Board member)
took a degree in civil engineering from the Norwegian Institute of Technology (NTH) in 1996 and qualified as a Financial Analyst from the Norwegian School of Economics (NHH) in 2004. She holds longstanding experience as a financial analyst and consultant. For the past nine years she has worked as a professional board member, with positions on a number of boards of directors, and has acquired considerable insights into the oil service industry. She is a member of the Boards of Directors of Norwegian Property ASA, Awilco Drilling Ltd and Awilco LNG ASA, among others. Syrrist is independent of the majority shareholder Eidesvik Invest AS.

Kolbein Rege
Chairman

Borgny Eidesvik
Boardmember

Lars Eidesvik
Boardmember

Kjell E Jacobsen
Boardmember

Synne Syrrist
Boardmember

ANNUAL REPORT 2013

Eidesvik Offshore ASA shall be the leading shipping partner within offshore logistics, seismic and underwater operations. We shall practice good seamanship and be a powerhouse for future-oriented shipping and operational solutions. Our primary goal is to increase and safeguard the company's long-term value creation in order to create a basis for continued growth, secure workplaces and higher share values. This is achieved by ensuring the ships' extensive long-term employment with solid customers and thereby predictable, long-term income in a traditionally volatile market.

OPERATIONS

Eidesvik Offshore ASA is the parent company in the Eidesvik Group.
The objective of the company, according to its Articles of Association, is to "operate shipping activities and all related activities, including owning stocks and shares in companies operating the same or related activities." This objective has been met throughout 2013 through the operation of 26 ships, 20 of which are wholly or partly owned by the Eidesvik Group. In addition, the Group owns one ship that is chartered under bareboat agreements and one ship that has been laid up throughout the year.

The ships were primarily chartered under long-term contracts in the Supply, Seismic and Subsea segments.

In 2013 the Eidesvik Group maintained its focus on the expansion and renewal of the fleet. In January, we took delivery of the Subsea IMR vessel Seven Viking, which is owned together with Subsea7. The Subsea IMR vessel Viking Forcados was also sold in August.

The Group has one Subsea vessel under construction at the Kleven Yard. This vessel will be delivered in Q4 2014.

Eidesvik's activities are run from its headquarters in Langevåg on Bømlo. The shipping company's activities are organised in accordance with the special tax regulations for shipping companies. Various ship-owning companies own interests in the vessels, and Eidesvik AS is responsible for the business operation and management of the ship-owning companies. All staff are employed by Eidesvik Offshore ASA, Eidesvik AS or Eidesvik Maritime AS.

The Group's seismic vessels are operated from an operating company, CGG Eidesvik Ship Management AS, with offices in Bergen, of which we own 51% of the shares, while the remaining 49% are owed by CGG.

At the close of the year, the company had 752 permanent employees. In addition, 245 workers were hired in by the company. The company considers diversity to be important to achieving our goals as a company and organisation. Traditionally, maritime education has primarily been chosen by men. Over time, however, this industry has encouraged women to enrol in maritime courses of education. The shipping company supports and is involved in this and today has more women at management level, both offshore and onshore. As part of an international industry, the company's employees represent several nationalities.
Our focus is that all employees, whatever their nationality, gender and cultural background, must be able to find a place in the shipping company, and we have no indications that this is not the case.

HEALTH, SAFETY AND ENVIRONMENT

In 2013 the company focused on continuing to develop its work within Health, Safety and the Environment. The quality and safety system, Eidesvik Management System (EMS), has been certified by DNV in accordance with the requirements in ISM / ISO 9001/ ISO 14001. In the first half of 2013, the EMS was audited for compliance with MLC 2006, DMLC I & II were issued, and all vessels were MLC 2006 certified during the second half of 2013.

The management is involved in continuous educational work in the field of HSE, with particular focus on sharing experience that lays the groundwork for continuous improvement.

Sick leave in 2013 was 4.2%. This is a reduction by 0.1% from 2012. Eidesvik AS had two injury-related incidences of absence in 2013 as a consequence of accidents on board. One incident concerned a fall and the other a cut to the face, and both entailed short periods of sick leave.

The Group is continuing the agreement with the national insurance service (NAV) regarding an inclusive working life that ensures close follow-up of employees on sick leave.

To prevent and counter injuries, in 2013 special attention was give to:

- Strong focus on the Safety observation reporting form.
- Time Out for Safety meetings.
- Greater understanding and use of risk assessments.
- Toolbox meetings.
- Stop the Job opportunities for everyone on board.
- Greater focus on safety representatives and safety and environmental work.
- Work onboard is conducted in accordance with a work permit system.

External environment

Eidesvik pursues a deliberate and targeted environmental policy. Eidesvik has continued to work on developing environment-friendly and energy-saving vessels. On board the Viking Lady supply vessel, we have begun phase 3 of the Fellowship project. The testing of fuel cells was completed. The project met all expectations of the fuel cell technology, and yet another milestone was reached for the shipping company from a global perspective. In phase 3, Eidesvik AS will continue the development of hybrid solutions using battery technology, which was installed in the spring of 2013 and commissioned in Q4 2013.

The operations at sea are conducted in compliance with international and national laws and regulations. To reduce the risk of accidents, there is great emphasis on preventive maintenance and on the ships being manned by highly qualified staff. Eidesvik AS works continuously to reduce the total emissions balance related to the operation of the ships.

The implementation of blue:E, the shipping company’s programme for environmentally friendly operations, continued with the same focus and resource consumption in 2013. blue:E is important for the shipping company’s objective to operate our activities on the most environmentally sustainable basis possible, while also remaining cost effective. Energy efficiency awareness is gradually increasing as an important part of day-to-day operations.

In 2013, the shipping company installed an Ecometer on a ship as a contribution to greater focus and motivation by giving feedback to navigators on how vessels can be operated on the most energy efficient basis. This is planned to be installed in a further two ships in 2014.

IMO’s energy efficiency requirements have been in force since 01.01.2013. All vessels over 400 GRT will be required to have an action plan regarding the optimised use of energy on board. The objective is to reduce emissions to air from shipping operations. This plan was implemented for the shipping company’s vessels in 2013, except for two vessels, for which plans were implemented in 2014.

In 2013, DNV took the initiative for a JIP (Joint Industry Project) relating to increasing energy efficiency, in which Eidesvik is a participant. The objective is for offshore companies to work together to find the most energy efficient way of operating this type of vessel. Oil companies also took part in the group, since the objective is to be able to increase the efficiency of the entire logistics chain.

Eidesvik’s blue:E program also includes the company’s land-based activities. This ensures reduced pollution of the external environment.

During the year, the entire land-based organisation was gathered in a newly-constructed low-energy office building.

A separate HSE report has been prepared and is included in Eidesvik’s Annual Report.

SHAREHOLDERS, OWNERSHIP AND CORPORATE GOVERNANCE

At the end of 2013 there were a total of 30,150,000 shares in the company. The total number of options issued to the executive group in the company is 75,000. In 2013 no new options were issued. At the end of 2013 there were a total of 806 shareholders in the company. Foreign investors held an ownership share of 1.8% at the end of 2013. In 2013, the share was last traded at NOK 34.50.

The Board of Directors has been authorised to buy back own shares for a total nominal value of NOK 150,000, but so that the total nominal value of the own shares may not exceed 10% of the registered share capital at any given time. The authority applies until the ordinary general assembly in 2014. This authorisation has not been used. The Board of Directors will propose that this authorisation be renewed for one year by the company's general assembly. As at 31.12.2013, the company did not own any of its own shares.

All information must be given in such a way that all shareholders are treated equally. The information will be provided via stock exchange announcements, press releases and open presentations, and will also be available on Eidesvik's website.

The Norwegian Code of Practice for Corporate Governance is the basis for the governance of the company used by the Board of Directors and Management. Minor company-specific changes and adjustments have been made to the Code. These are described in a separate statement in the Annual Report and on Eidesvik's website.

RESULTS, BALANCE SHEET AND FINANCIAL RISK

The consolidated accounts are reported in compliance with IFRS, as approved by the EU.
The company accounts of the parent company Eidesvik Offshore ASA are presented in accordance with the Norwegian Financial Statements Act and good accounting practice in Norway.

Results

Consolidated operating revenue for Eidesvik in 2013 was NOK 993.7 million (NOK 980.5 million in 2012). Other revenue mainly concerns the profit on the sale of ships.

The operating profit before depreciation (EBITDA) for 2013 was NOK 551.2 million (NOK 558.9 million). Depreciation of NOK 301.8 million (NOK 290.1 million) was posted as an expense in 2013. The share of profits from associated companies and joint ventures was recognised at NOK 60.5 million (NOK 24.1 million). Overall, this leaves an operating profit of NOK 309.9 million (NOK 292.3 million).

The net financial result of NOK -162.6 million (NOK -8.2 million) consists of the net gain on sale of shares of NOK 24.3 million (NOK 0 million), net financial items and interest expenses of NOK 130.2 million (NOK 121.6 million) and net losses (gains) on currencies and derivatives of NOK -56.6 million (NOK 113.4 million).

The annual profit before tax is NOK 147.4 million (NOK 284.0 million). In 2013, the Group had a tax expense of NOK 6.5 million (NOK 1.8 million). The low tax is due to the fact that the activities are mainly organised under the separate tax rules for shipping companies. The annual profit after tax was NOK 140.9 million (NOK 282.2 million) and the total comprencive income for the year was NOK 158.3 million (NOK 287.7 million).

For the parent company Eidesvik Offshore ASA, the annual profit after tax was NOK 2.4 million (NOK 2.6 million).

Balance sheet

Posted equity for the Group is NOK 2,348.3 million (NOK 2,180.3 million). This represents 41.2% (38.7%) of the Group's total capital. For the parent company, Eidesvik Offshore ASA, equity is NOK 624.7 million (NOK 652.4 million).

Ships and newbuilding contracts for ships amount to NOK 4,463.4 million, which is a reduction by NOK 245.2 million. In addition to ordinary depreciation, this relates to the sale of Viking Forcados, as well as payments received for ships built for delivery in Q4 2014. Current assets increased by NOK 282.0 million. The main reason for this is the strengthening of cash and cash equivalents after a bond loan for NOK 300 million was raised in Q2. Assets totalled NOK 5,700.2 million (NOK 5,631.4 million), an increase by NOK 530.0 million. Market valuations for the ships have been obtained from three independent brokers. The market estimates are based on the ships without contracts, and that they can therefore be sold freely in the market. Their conclusion is a total additional value in relation to the book value of the vessels of NOK 2,128 million. Since many long-term contracts have rates that are lower than those which can be obtained in the short-term market, the actual added value of the ships is lower than the broker estimates. Nonetheless, the Board of Directors believes that there is substantial surplus value in the ships compared to the book value.

The Group's long-term debt amounts to NOK 2,814.9 million (NOK 2,862.4 million). A new five-year bond loan was raised during the year. The debt also increased as a consequence of a significant appreciation of the USD loans, due to the exchange rate development between NOK and USD. The long-term debt was reduced by ordinary repayments and an extraordinary repayment after the sale of a ship. The current debt amounts to NOK 537.0 million (NOK 543.6 million). This includes the part of the long-term bank debt that will mature within 12 months, amounting to NOK 353.7 million.

The parent company had assets of NOK 954.9 million (NOK 721.5 million). The company’s assets mainly consist of investments in and loans to subsidiaries, as well as cash and cash equivalents. The parent company held liabilities of NOK 330.2 million (NOK 69.1 million). These liabilities consist of long-term bond debt of NOK 296.6 million (NOK 0 million), and current debt of NOK 33.5 million (NOK 30.9 million). The company’s equity amounts to NOK 624.7 million (NOK 652.4 million), which represents an equity ratio of 65% (90%).

Cash flow
Cash and cash equivalents increased from NOK 255.0 million at the end of 2012 to NOK 582.8 million as at 31.12.2013.

Net cash flow from operating activities for 2013 was NOK 483.0 million (NOK 491.4 million).

Net cash flow from investing activities was NOK 110.7 million (NOK -738.3 million). Incoming payments were mainly from the sale of the IMR vessel Viking Forcados, the sale of shares in ResQ, and paid sales credit in conjunction with the Viking Thaumas supply vessel which was sold in 2012. Outgoing payments are mainly due to the delivery of the IMR vessel Seven Viking in January 2013, as well as payment to the shipyard for the construction vessel being built at Kleven for delivery in Q4 2014.

The net negative cash flow from financing activities was NOK -265.9 million (NOK 290.4 million). Incoming payments from raising new debt of NOK 304.5 million and payments of NOK 52.7 million from minority interests are set off by repayment of debt and interest of NOK 601.8 million and payment of dividends of NOK 30.2 million.

The parent company held cash and cash equivalents of NOK 148.1 million (NOK 0.9 million). During the year, cash and cash equivalents were reduced by net outgoing payments relating to operations of NOK 4.7 million, increased by NOK 8.7 million as a result of payments received on sale of shares, and increased by NOK 143.2 million as a consequence of financing activities, including the raising of bond loans, interest paid, changes in Group loans and the distribution of dividends.

Allocation of profit
The Board of Directors proposes that the profit for the year of NOK 2.4 million for Eidesvik Offshore ASA be transferred to other equity. In addition, the distribution of dividends of NOK 30.2 million from other equity is proposed.

The Board of Directors will propose to the company’s general assembly on 14 May 2014 that dividends of NOK 1.00 per share be paid, totalling NOK 30.2 million. For tax purposes, the dividends will be regarded as the repayment of paid-up capital. Payment to shareholders will be made to the owners of the shares as at the close of the day on which the dividend distribution is adopted. Payment will take place approximately 14 days after this date.

Going concern
The Board of Directors finds the financial standing of the company and the Group to be strong. The prerequisites for the continued operation of the company are fulfilled, and the Annual Accounts have been

prepared on this basis. There were no post-balance sheet events that are likely to significantly affect the assessment of the company's financial position and results beyond those reflected in the Annual Accounts.

Financial risk

Currency risk

In 2013 Eidesvik's income was denominated in NOK (71%), USD (25%) and GBP (4%). Operating costs are mainly denominated in NOK. Eidesvik is therefore exposed to changes in exchange rates between NOK and USD. In order to reduce the risk, cash flow hedging has been arranged by establishing portions of the company's long-term financing in USD. Furthermore, forward contracts have been concluded in which some of the operating revenue in USD is pre-sold, with settlement in NOK. Interest rate hedging and fixed interest rate loan contracts have been entered into for a significant proportion of Eidesvik's long-term debt.

Credit risk

Eidesvik's customers are generally solid companies with good solvency. The risk of contracting parties not having the financial capacity to meet their obligations is deemed to be low.

Liquidity risk

The Group had a satisfactory level of liquidity reserves at the end of the year. The company also has an unused credit facility of NOK 200 million. There is a loan undertaking from Eksportkreditt Norge AS for a newbuilding to be delivered in Q4 2014. The financing is expected to be in place in good time prior to delivery. On this basis, the Board of Directors deems the liquidity in the Group to be satisfactory. On the delivery of the Seven Viking subsea vessel to a joint venture enterprise in January 2013, a long-term loan for NOK 672 million was drawn.

REGULATORY FRAMEWORK

The recruitment and development of well-qualified personal competences is vital to ensuring sound delivery and an optimum product that helps our customers to achieve a better overall result. To ensure that Norwegian maritime expertise can also be developed and used in the future, the industry depends on a stable and predictable regulatory framework. Making training positions available is central to achieving the industry's ambitions for growth.

Today, Eidesvik makes use of both Norwegian and international crews onboard its vessels.

The entire petro-maritime cluster, including oil companies, shipping companies, shipyards and other oil service companies, will continue to rely on the development of maritime expertise.
There is now a political majority to continue the net wage scheme and the shipping company taxation scheme in their current forms. This will hopefully result in stable framework conditions going forward. Concerning the net wage scheme, it is Eidesvik's view that it should be improved if it is to help Norwegian key personnel to remain competitive in the long term.

The shipping company tax scheme, in its current form, is appropriate to ensure continued Norwegian ownership and operation of ships.

The NOX fund has been established to promote environmental investments in the shipping industry. Eidesvik considers the fund to be an excellent tool for achieving the company's environmental objectives.

CORPORATE SOCIAL RESPONSIBILITY

Eidesvik Offshore ASA's core values and ethical guidelines are stated in the Ethical guidelines and core values for Eidesvik Offshore ASA and the company's corporate social responsibility policy is stated in its Human rights policy and Environmental policy. These policies state that the work to achieve the company's objectives must be performed to a high ethical standard, in a way that, to the greatest possible extent, is beneficial to the environment and to society as a whole. This entails that we must conduct ourselves with respect and integrity towards customers, suppliers, employees, authorities, owners and society in general, and that the company and the individual employees must comply with relevant statutory provisions. The guidelines state that the company and the individual employees must refrain from all types of corruption, stating how the company's employees should act if they are offered gifts or other benefits as a consequence of their employment.

It is also stated that the company and all employees must comply with all internationally recognised human rights rules and conventions, including by refraining from any form of discrimination.

No breaches of the company's ethical guidelines were reported in 2013.

Historically, the company has championed the increased recruitment of Norwegian seamen. Considerable resources have been allocated to this work via measures to make education in the maritime fields more attractive for young people. The initiatives have included individual scholarship schemes, as well as collective measures such as guarantees of traineeships, significant subsidies for the Gann training vessel, and a subsidy for a professorship at Høgskolen Stord Haugesund. There are partnership agreements with several educational institutions for the maritime trades.

Eidesvik has been active in the work to develop training institutions within practical safety work on a national basis via the development of the company Resq AS, and in recent years the Simsea AS simulator centre.

The company is a key contributor within culture, sports and youth work in the local community. Via long-term agreements with cultural institutions and sports clubs in Bømlo, the company helps to ensure that these initiatives have a viable financial foundation. On the construction side, the company has also made a significant contribution to sports facilities, as well as the establishment and operation of the multi-activity centre Langevåg Bygdatun.

For many years, Eidesvik has driven the development of environmental technology for use in the maritime industry. In as early as 2003, the company took delivery of the first supply vessel powered by LNG, which significantly reduces emissions to the external environment. In recent years the Fellowship partnership has developed fuel cells and fuel technology. The Fellowship project is currently testing LNG-powered fuel cells combined with battery technology on the company's vessel Viking Lady, which is therefore currently operating as a hybrid vessel. The results so far are promising, and it is assumed that the results of the work will have a highly significant environmental impact when this technology becomes available to the maritime sector. In this context, the company is also part of the Port of Bergen project for the development of technology to eliminate emissions from ships in port. This project is also anticipated to have a major global environmental impact once this work is completed.

BUSINESS AREAS AND OUTLOOK

Eidesvik owns and operates ships in the following three segments: Supply, Seismic and Subsea.

Supply:

At the beginning of the year Eidesvik operated ten supply ships, of which five run on LNG.

In the first half-year, Viking Lady and Viking Athene were engaged in long-term contracts for the Leiv Eiriksson consortium. Viking Queen, Viking Energy and Viking Princess all extended their contracts with Statoil during 2013. Viking Nereus was acquired in 2012 for operation in international markets.

In the first quarter, the company had three ships in the spot market. For the rest of the year only Viking Nereus was operated in the spot market. Due to the weak spot market in autumn 2013, the ship was laid up and put back into operation in March 2014.

Despite the weak spot market in certain periods, contracts for longer periods have been at satisfactory rates in both 2013 and 2014. There is a high level of activity in the North Sea. The oil companies have increasing focus on the quality of both ships and manpower, as well as the environment. Eidesvik has noted sound demand, especially for gas-powered vessels.

Even though many ships are still being built in the PSV segment, we believe that there will continue to be a satisfactory market for high quality, eco-friendly vessels.

Seismic

In this segment, Eidesvik has a total of eight vessels, of which one old vessel has been laid up for most of the year. It is now hired out on a bareboat contract. All other modern seismic vessels are on long-term bareboat charter to CGG.

The vessels that are chartered to CGG are run by the partnership CGG Eidesvik Shipmanagement AS in Bergen, which also holds operational responsibility for a further three vessels.

The seismic market was sound in the first half of 2013, but weakened in autumn 2013 and has not yet recovered. The market is expected to improve in the longer term.

Subsea
Eidesvik currently has five ships in the subsea segment.

In January 2013, the company took delivery of Seven Viking from the Ulstein yard. This is jointly owned with Subsea 7, and after delivery the vessel commenced an eight-year time charter party with Subsea 7. Seven Viking is a state-of-the-art IMR vessel that will work for Statoil, mainly on the Norwegian continental shelf. This vessel was named as the Ship of the Year in 2013 by the maritime trade journal “Skipsrevyen”.

In June 2012, the company ordered a new, large subsea construction vessel for delivery in the autumn of 2014. By ordering this vessel Eidesvik confirmed its strategy of further growth in this segment.

Eidesvik believes in continued growth within subsea operations on a global basis.

General
We expect the high level of activity within oil service to continue in the coming years, even though some projects are being postponed. There are still considerable leasing activities, including within areas at great sea depths, and many new finds are being made. This underpins our faith in the market in the coming years.

There is also excellent growth in the fleet of ultra-deep water rigs, which will also create increased demand for PSV ships. We therefore have positive expectations of the market in the future within the segments in which we operate.

Bømlo, 23 April 2014

Kolbein Rege Chairman of the Board	Borgny Eidesvik Board member	Lars Eidesvik Board member
Kjell E Jacobsen Board member	Synne Syrrist Board member	Jan Fredrik Meling CEO

CONSOLIDATED INCOME STATEMENT 1.1 – 31.12. (NOK 1,000)

	Note	1.1-31.12 2013	1.1-31.12 2012*
Freight income		**948 425**	910 018
Other revenues	5	**45 320**	70 476
Total operating revenues	4	**993 745**	980 494
Payroll and other crew expenses	11	**327 347**	288 262
Other operating expenses	6	**115 155**	133 357
Vessels on charter	23		0
Total operating expenses		**442 502**	421 618
Operating profit before depreciation		**551 242**	558 876
Ordinary depreciation	12	**301 762**	290 146
Write-down of fixed assets	12	**0**	628
Operating profit before result from associated and joint-venture companies		**249 480**	268 102
Profit from associated companies	7	**24 282**	1 240
Profit from joint ventures	7	**60 461**	22 909
Operating profit		**334 223**	292 252
Financial income	8	**9 660**	5 126
Financial expenses	8	**-139 926**	-126 746
Change in value of derivatives	8	**20 785**	19 875
Net foreign exchange gains (losses)	8	**-77 370**	93 511
Net financial items		**-186 851**	-8 234
Profit before tax		**147 372**	284 018
Tax expense	9	**-6 509**	-1 848
Profit for the year		**140 863**	282 170
Allocated to:			
Profit for the year falling to the parent company's shareholders		**141 718**	282 231
Non-controlling interests		**-855**	-61
Profit for the year		**140 863**	282 170
Earnings per share	10	**4,70**	9,36
Diluted earnings per share	10	**4,69**	9,32
Statement of comprehensive income			
Profit for the year		**140 863**	**282 170**
Items that will not be re-classified via the result in later periods			
Estimated deviation, pensions		**-6 307**	22 962
Items that will not be re-classified via the result in later periods			
Translation differences, joint ventures	7	**23 695**	-17 445
Total comprehensive income		**158 250**	287 687
Attributable to:			
Profit for the year falling to the parent company's shareholders		**159 105**	264 787
Non-controlling interests		**(855)**	-61
Total comprehensive income		**158 250**	264 725

* The comparative figures are adjusted as a consequence of the implementation of IAS 19 R, see also Notes 2 and 19.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (NOK 1,000)

	Note	31.12.2013	31.12.2012*	01.01.2012 Adjusted*
ASSETS				
Fixed assets				
Vessels	12	**4 197 778**	4 579 956	4 054 774
Vessels under construction	12	**265 629**	128 654	182 109
Buildings, land and other fixed assets	12	**28 729**	29 612	36 069
Investments in associated companies	7	**2 956**	7 767	6 527
Investments in joint ventures	7	**389 051**	322 741	320 417
Other long-term receivables	13	**19 756**	769	4 277
Total fixed assets		**4 903 899**	5 069 499	4 604 173
Current assets				
Trade receivables	14	**177 865**	148 043	221 475
Derivatives	24	**759**	2 388	1 909
Other current assets	15	**34 901**	108 868	62 250
Cash and cash equivalents	16	**582 773**	254 988	211 552
Total current assets		**796 299**	514 288	497 186
Assets classified as held for sale	22	**0**	47 366	0
Total assets		**5 700 197**	5 631 153	5 101 359

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (NOK 1,000)

	Note	31.12.2013	31.12.2012*	01.01.2012 Adjusted*
EQUITY AND LIABILITIES				
Equity				
Equity allocated to the company's shareholders:				
Share capital	17	**1 508**	1 508	1 508
Other paid-in equity		**635**	635	635
Other income and expenses	18	**-28 482**	-27 569	-58 439
Translation differences	18	**20 494**	-3 201	14 244
Other equity		**2 253 393**	2 141 825	1 889 743
Total equity majority shareholders		**2 247 547**	2 113 198	1 847 692
Non-controlling interests		**100 740**	67 085	41 175
Total equity		**2 348 288**	2 180 283	1 888 867
Liabilities				
Long-term liabilities				
Interest-bearing debt	21	**2 754 298**	2 783 426	2 530 251
Financial derivatives	24	**37 301**	58 085	81 591
Pension obligation	19	**23 303**	20 840	67 443
Deferred taxes	9	**0**	0	10 952
Total long-term liabilities		**2 814 903**	2 862 351	2 690 237
Current liabilities				
Interest-bearing debt	21	**353 698**	350 488	296 377
Derivatives	24	**4 655**	1 685	323
Trade payables		**31 161**	34 150	56 262
Tax payable	9	**129**	23 313	24 470
Other current liabilities	20	**147 364**	133 945	144 824
Total current liabilities		**537 007**	543 580	522 256
Liabilities related to assets held for sale	22	**0**	44 939	0
Total liabilities		**3 351 910**	3 450 869	3 212 493
Total equity and liabilities		**5 700 197**	5 631 153	5 101 359

Bømlo, 23 April 2014

Kolbein Rege
Chairman of the Board

Borgny Eidesvik
Board member

Lars Eidesvik
Board member

Kjell E Jacobsen
Board member

Synne Syrrist
Board member

Jan Fredrik Meling
CEO

CONSOLIDATED CASH FLOW STATEMENT 1.1 – 31.12.13 (NOK 1,000)

	Note	2013	2012
		1.1-31.12	1.1-31.12
Cash flows from operations			
Payments from customers		**918 603**	983 450
Payments to suppliers and employees		**-422 836**	-477 661
Interest income received		**6 670**	2 136
Net paid and refunded taxes		**-26 570**	-25 125
Net cash flows from operations		**475 867**	482 800
Cash flows from investment activities			
Sales of fixed assets	12	**234 162**	303 617
Repayment of seller's credit		**39 996**	41 347
Sale of other investments		**24 404**	41 303
Purchases of fixed assets	12	**-217 366**	-1 097 927
Purchases of other investments		**-25 829**	-45 056
Received from NOx fund	12	**30 213**	18 400
Dividends received/repayment from shareholders	7	**25 096**	0
Net cash flows used for investment activities		**110 677**	-738 316
Cash flows from financing activities			
Utstedelse av aksjekapital	17		
Payments from non-controlling interests		**34 510**	44 701
Purchase of non-controlling interests	Equity	**0**	-18 730
New debt from non-controlling interest		**18 270**	8 120
New debt		**304 475**	951 950
Repayment of debt		**-461 221**	-559 233
Interest expenses paid		**-140 589**	-120 809
Other cash flows from financing		**8 777**	14 505
Dividends paid to company shareholders	18	**-30 150**	-30 150
Net cash flows from financing activities		**-265 928**	290 354
Foreign currency gains/losses on cash, cash equivalents and utilised credit facilities		**7 169**	8 598
Net increase (reduction) in cash and cash equivalents		**327 785**	43 436
Cash and cash equivalents at the start of the year	16	**254 988**	211 552
Cash and cash equivalents at the end of the year	16	**582 773**	254 988

CONSOLIDATED STATEMENT OF EQUITY (NOK 1,000)

Note		Shareholders						Non-controlling interests	Total equity
		Share capital	Other income and expenses	Other paid-in equity	Translation differences	Other equity	Total		
	Equity as at 01.01.2012:	**1 508**	**-14 345**	**635**	**14 245**	**1 889 743**	**1 891 786**	**41 175**	**1 932 961**
	Change in accounting principle relating to pension costs		-44 094				-44 094		**-44 094**
	Adjusted equity as at 01.01.2012:	**1 508**	**-58 439**	**635**	**14 245**	**1 889 743**	**1 847 692**	**41 175**	**1 888 867**
	Profit for the year					282 231	282 231	-61	**282 170**
	Actuarial gain		22 962				22 962		**22 962**
	Other income and expenses directly imputed in equity				-17 445		-17 445		**-17 445**
	Total profit for the year 2012	**0**	**22 962**	**0**	**-17 445**	**282 231**	**287 748**	**-61**	**287 687**
	Dividends from 2011					-30 150	-30 150		**-30 150**
	Other income and expenses directly imputed in equity		7 908				7 908		**7 908**
	Paid-in new equity						0	44 701	**44 701**
	Buy-out of minority shareholders					0	0	-18 730	**-18 730**
	Total other equity adjustments 2012	0	7 908	0		-30 150	-22 242	25 971	3 729
	Equity as at 31.12.2012	**1 508**	**-27 569**	**635**	**-3 201**	**2 141 825**	**2 113 198**	**67 085**	**2 180 283**
	Profit for the year					141 718	141 718	-855	**140 863**
	Translation differences foreign currency				23 694		23 694		**23 694**
	Actuarial loss		-6 307				-6 307		**-6 307**
17	Reduction of share premium fund						0		**0**
	Total profit for the year 2013	**0**	**-6 307**	**0**	**23 694**	**141 718**	**159 105**	**-855**	**158 250**
	Dividends from 2012					-30 150	-30 150		**-30 150**
18	Other income and expenses directly imputed in equity		5 394				5 394		**5 394**
	Establishment costs, subsidiaries						0		**0**
	Paid-in new equity						0	34 510	**34 510**
	Buy-out of minority shareholders						0		**0**
	Options						0		**0**
	Total other equity adjustments 2013	0	5 394	0	0	-30 150	-24 756	34 510	9 754
	Equity as at 31.12.2013	**1 508**	**-28 482**	**635**	**20 494**	**2 253 393**	**2 247 548**	**100 740**	**2 348 288**

NOTES TO THE CONSOLIDATED ACCOUNTS

Note 1 General information

Eidesvik Offshore ASA (the company) and its subsidiaries (the entire Group) offer services within the maritime sector and have operations in a number of segments, of which the main segments are seismic, subsea and platform vessel services. The Group's vessels are located in many parts of the world.

Eidesvik Offshore ASA is a public limited company registered in Norway, and its head office is located in Langevag in the municipality of Bømlo. Eidesvik Offshore ASA is listed on the Oslo Stock Exchange and is subject to the provisions of the Norwegian Public Limited Companies Act relating to the limitation of the shareholders' liability to the company's creditors. The Annual Accounts were adopted by the Board of Directors on 23 April 2014 and approved for publication. The General Assembly adopts the final Annual Accounts and has the authority to require adjustments to the accounts before they are approved.

Information concerning the ultimate parent company is presented in Note 25.

Overview of the Group:

Company	*Office*	*Ownership*
Eidesvik Shipping AS	Bømlo	100%
Eidesvik AS	Bømlo	100%
Eidesvik MPSV AS	Bømlo	100%
Viking Surf AS	Bømlo	100%
Eidesvik Shipping International AS	Bømlo	100%
Eidesvik Subsea Vessels AS	Bømlo	100%
Eidesvik Management AS	Bømlo	100%
Eidesvik OCV AS	Bømlo	100%
Eidesvik Maritime AS	Bømlo	100%
Eidesvik Neptun AS	Bømlo	59%
Eidesvik Neptun II AS	Bømlo	100%
Eidesvik Supply AS	Bømlo	80%
Hordaland Maritime Miljøselskap AS	Bømlo	91%
Norsk Rederihelsetjeneste AS	Bømlo	100%

Jointly-controlled companies – Joint Ventures:

Eidesvik Seismic Vessels AS	Bømlo	51%
Oceanic Seismic Vessels AS	Bømlo	51%
CGG Eidesvik Ship Management AS	Bergen	51%
Eidesvik Seven AS	Bømlo	50%
Eidesvik Seven Chartering AS	Bømlo	50%

Note 2 Accounting principles

The most important accounting principles used in the preparation of the consolidated accounts are described below. These principles have been applied identically to all the periods that are presented, unless otherwise stated in the description.

2.1 Main principles

The consolidated accounts for the Eidesvik Offshore Group were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and interpretations established by the International Accounting Standards Board (IASB).

The consolidated accounts have been prepared in accordance with the historical cost principle, with modifications for the following: financial derivatives and financial assets classified as "fair value recognised in the profit and loss account" are measured at fair value.

An asset is presented as a current asset if it is expected to be realised within twelve months from the balance sheet date as part of the ordinary operations, if purchase or sale is the primary objective of the asset, or if the asset represents cash or a cash equivalent.

Debts are classified as current liabilities if there is no unconditional right to postpone payment for at least twelve months from the balance sheet date, or if purchase or sale is the primary objective of the liability. Long-term liabilities that will not fall due for twelve months will be reclassified as current liabilities. The same applies to the first year's instalments on long-term liabilities that will mature within twelve months of the balance sheet date.

The accounts are presented in accordance with IFRS. This means that Management has used estimates and assumptions that have affected the assets, liabilities, revenues and expenses and information regarding potential obligations.

The cash flow statement has been prepared in accordance with the direct method.

All amounts are presented in Norwegian kroner (NOK) and rounded off to whole thousands, unless otherwise stated.

2.2 Consolidation principles
The consolidated accounts consist of the accounts for Eidesvik Offshore ASA and the company's subsidiaries as at 31 December each year. Interests in joint ventures and associated companies are recognised in the accounts in accordance with the equity method of accounting.

a) Subsidiaries
Subsidiaries are all the units in which the Group has a controlling influence over the unit's financial and operational strategy, normally through ownership of more than half of the voting capital. On determining whether a controlling influence exists, the effect of potential voting rights that can be exercised or converted on the balance sheet date is included. Subsidiaries are consolidated from the point in time when control is transferred to the Group and eliminated from consolidation when such control ceases.

b) Joint ventures
Joint ventures are defined as companies where the Group has joint control together with another party. Joint ventures exist if the ownership is split equally two ways (50/50), or if it is otherwise regulated that the parties have joint control. Investments in joint ventures are accounted for using the equity method.
The Group's share of the profits or losses in a joint venture is recognised and added to the carrying value of the investments along with a share of unrecognised equity changes. The Group does not record the proportion of loss if this means that the investment's carrying value becomes negative (including any unsecured receivables), unless the Group has incurred obligations or made guarantees for the obligations of the joint venture.

c) Associated companies
Associated companies are defined as entities in which the Group has a significant influence, but not control. Significant influence is usually present when the Group has between 20% and 50% of the voting rights. Investments in associated companies are recorded in the accounts using the equity method.

d) Minority interests
The minority share of the equity is shown on a separate line under Group equity. The minority interest includes subsidiaries' minority shares of the carrying value, including a share of the identifiable added values at the time of the acquisition of a subsidiary.

2.3 Segment information
The Group's reporting format relates to business areas. Secondary information relating to geographical areas is not used, as this is not strategically relevant. The three primary operating segments are Platform Supply Vessels (PSV), Subsea and Seismic, as well as Other activities, which include ships under construction, in a separate segment.

As joint ventures are significant with regard to the core activities, the segment information takes gross figures from underlying companies into account.

2.4 Conversion of foreign currency
a) Functional and presentation currencies
The accounts of the individual units in the Group are measured in the currency that is primarily used in the economic area in which the unit operates (functional currency). The consolidated accounts are presented in Norwegian kroner (NOK), which is both the functional and presentation currency of the parent company. To calculate the profit share stemming from joint ventures, figures in the balance sheet expressed in a different currency are converted at the closing rate, while profit and loss items are converted at the average exchange rate each quarter. Translation differences are recognised directly under equity as other income or expenses.

b) Transactions and balance sheet items
Transactions in foreign currencies are converted to the functional currency using the transaction price. Foreign exchange gains and losses resulting from the settlement of such transactions and the conversion of monetary items (assets and liabilities) to foreign currency at the closing rates on the balance sheet date are recognised in the profit and loss account. Monetary items and liabilities in other currencies are converted at closing rates.

Foreign exchange gains and losses are included in the profit and loss account as "Net foreign exchange gains/losses".

2.5 Tangible fixed assets
Vessels, property and other assets are recorded at historical cost less accumulated depreciation and write-downs.
Each part of the fixed asset that has a substantial value of the total cost is depreciated separately and on a linear basis over the fixed asset's useful life. Components with the same life span are amortised as one component. The depreciation period and method are reviewed on each balance sheet date to ensure that the method and period used coincide with the economic realities of the asset. The same applies to residual value, which is subject to an annual review.

When new ships are delivered, an amount is earmarked that corresponds to the expected cost of the first regular periodic maintenance, which is amortised over the entire period until the next time the ship is docked. The costs associated with the following periodic maintenance are capitalised and depreciated until the next scheduled maintenance, mainly over a period of 30-60 months.

The listed value of tangible fixed assets is assessed for depreciation when events or changes in circumstances indicate that the listed value is not recoverable. Such indicators may, for example, be noticeable drops in market value such as a change in day rates, broker estimates, negative developments in technological, commercial, financial or legal framework conditions, an increased discount rate as a result of higher market interest rates, the company having a market value lower than book equity, physical injury, significant changes that have negative consequences, including restructuring or liquidation plans, or internal reports that indicate poorer earnings. The test is done at the lowest possible level of the assets. The write-down amount is the difference between the recoverable amount and the recognised value. The recoverable amount is the higher of the asset's sales value (less sales costs) and the value of the asset in use. The value of the asset in use is the present value of the asset's future cash flows. Depreciation can be reversed in subsequent periods if the recoverable amount is higher than it was at the time of the depreciation.

Estimated exploitable lifetime:

Ships	15-30 years
Property/fixtures and fittings	5-20 years
Equipment	3-5 years

Profits and losses at the time of transfer of property are recorded, and constitute the difference between the sale price and the book value. Expenditures for ongoing maintenance and minor repairs are expensed as incurred.
Ships under construction are capitalised with paid construction schedules, as well as costs that are directly related to the construction, such as building inspections, other construction costs and interest on foreign financing during the construction period. The balance sheet value is reclassified to ships when the vessel is delivered from the shipyard and the ship is ready for use. The depreciation of ships starts at the same time.

Financial lease agreements
Financial leases are agreements that transfer most of the financial risk and reward to the lessee. The Group presents financial leases in the accounts as assets and liabilities equivalent to the fair value of the asset or, if lower, the current value of the lease agreement's cash flow. On calculating the present value of the lease contract, the implicit interest cost is used when this can be determined. If this cannot be determined, the company's marginal borrowing rate on the market is used. Direct costs linked to the lease contract are included in the cost of the asset. Monthly lease payments are separated in an interest element and a repayment element. The interest expense is allocated to different periods so that the effective interest for the remaining debt is the same in different periods.

Assets that are part of a financial lease agreement are depreciated. The depreciation period is consistent for equivalent assets owned by the Group. If there is no guarantee that the Company will take over the asset upon the expiry of the lease agreement, the asset will be depreciated over the shorter of the term of the lease agreement or the depreciation period for corresponding assets owned by the Group.

If a sale-and-leaseback" transaction results in a financial lease agreement, any gain will be deferred and recognised over the lease period.

Operational lease agreements
Leases that do not transfer most of the risk to the lessee are classified as operational leases. Lease payments are classified as operating expenses and are recorded over the entire term of the contract.

If a "sale-and-leaseback" transaction results in an operational lease, and it is clear that the transaction is carried out at fair value, any gain or loss will be recognised when the transaction takes place. If the sale price is below fair value, any gain or loss will be recorded directly, except when this leads to future lease payments that are below the market price. In such cases, the profit/loss over the lease period is amortised. If the sale price is above the actual market price, the surcharges are amortised over the asset's estimated period of use.

2.6 Financial assets
The Group classifies its financial assets in the following categories: financial assets at fair value with fluctuations in value via the profit and loss account, loans and receivables. The classification depends on the purpose of the asset.

The Group uses derivative instruments such as foreign currency contracts and interest rate swaps to reduce risks relating to currency and interest rate fluctuations. The derivatives are presented as an asset with a positive value and as a debt with a negative value. The Group does not use hedge accounting.

a) Financial assets at fair value via the profit and loss account
A financial asset is classified in this category if acquired principally for the purpose of selling at a profit from short-term price fluctuations, or if the Management chooses to classify it in this category. Derivatives are also classified as being held for trading purposes. Assets in this category are classified as current assets if they are held for trading purposes or if they are expected to be realised within 12 months of the balance sheet date.

Profits or losses from changes in the fair value of assets classified as "financial assets at fair value via the profit and loss account," including interest income and dividends, are included in the profit and loss account under the item "Change in value of derivatives" for the period in which they arise.

b) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. They are classified as current assets unless they mature more than 12 months after the balance sheet date. These are classified as fixed assets. Loans and receivables are classified as "Trade and other receivables" in the balance sheet.

Regular purchases and sales of investments are listed at the time of the transaction. All financial assets that are not recognised at fair value in the profit and loss account are initially carried to the balance sheet at fair value plus transaction costs. Financial assets recognised at fair value in the profit and loss account are initially recognised at fair value at the time of acquisition and transaction costs are expensed. Investments are removed from the balance sheet when the rights to receive cash flows from the investment have expired, or when these rights have been transferred and the Group has mainly transferred all risks and rewards of ownership. Financial assets available for sale and financial assets at fair value via the profit and loss account are measured at fair value after initial recognition. Loans and receivables are recognised at amortised cost using the effective interest rate method.

The book value of financial assets at amortised cost is assessed for depreciation when events or changes in circumstances indicate that the book value is not recoverable. This could, for instance, be in the event of an observable drop in market values on an active market, or in the form of requests from a debtor with payment difficulties, the declaration of scheme of arrangement or bankruptcy proceedings, or because the debtor fails to make the required payment before the due date.

2.7 Derivatives and hedging

Derivatives are initially recognised in the balance sheet at fair value at the time a derivative contract is signed, and subsequently the post is regularly adjusted to reflect fair value. The Group has no derivatives that satisfy the documentation requirements for hedge accounting. In the balance sheet, the fair value of derivatives is classified under current assets/liabilities or fixed assets/liabilities, depending on the term of the contract. In the profit and loss statement, unrealised changes in the value of the derivative are classified under financial items.

2.8 Receivables from customers

Receivables from customers are initially recognised at fair value in the balance sheet. For subsequent measurements, receivables from customers are assessed at their amortised cost by means of the effective interest rate method, less provisions for losses incurred. Provisions for losses are recognised when there are objective indicators that the Group will not receive settlement in accordance with the original terms. Significant financial problems faced by the customer, the probability that the customer will go bankrupt or undergo financial restructuring, postponements and non-payment are regarded as indicators that receivables from customers must be written down. The provisions represent the difference between the nominal value and the recoverable amount, which is the net present value of the expected cash flows, discounted by the effective interest rate. Changes in the provisions are recognised in the profit and loss account as other operating expenses.

2.9 Cash and cash equivalents

Cash and cash equivalents consist of cash, bank deposits, other short-term, readily negotiable investments with an original maturity of less than three months and drawings on bank overdraft facilities. Bank overdrafts are included in loans under current liabilities in the balance sheet.

2.10 Share capital

Ordinary shares are classified as equity.
Expenses that are directly attributable to the issue of new shares or options, less taxes, are carried to equity as a reduction of the proceeds (share premium).

2.11 Payables to suppliers

Payables to suppliers are initially measured at fair value in the balance sheet. Payables to suppliers are subsequently recognised at their amortised cost, as calculated by means of the effective interest rate method.

2.12 Loans

Loans are recognised at the amount drawn when they are disbursed, less any transaction costs. In subsequent periods, loans are recognised at their amortised cost, as calculated by means of the effective interest rate. The difference between the loan amount disbursed (less transaction costs) and the redemption value is recognised in the profit and loss account over the term of the loan.

2.13 Pension obligations, bonus schemes and other compensation schemes for employees

a) Pension obligations

The companies in the Group have different pension schemes. The pension schemes are financed primarily through contributions to insurance companies or pension funds. The Group’s pension schemes are defined benefit plans. A defined benefit plan is typically a pension scheme that defines the pension payments employees will receive when they retire. Pension payments are normally dependent on one or more factors such as age, years of service for the company and salary level.

The liability recognised on the balance sheet relating to defined benefit plans is the net present value of the defined benefits on the balance sheet date, less the fair value of the pension fund assets (in the cases where the scheme is insured). The pension obligations are calculated annually by an independent actuary on the basis of a linear model. The net present value of the defined benefits is determined by discounting the estimated future payments on the basis of the interest rate for Norwegian government bonds. Since Norwegian government bonds are not issued for terms exceeding 10 years, a supplement to this bond rate is calculated by means of estimation techniques in order to establish a discount rate that is approximately the same as the term of the pension obligation.

Changes to the pension plan benefits are recognised as they arise as income or expenses in the profit and loss account, unless the rights in accordance with the new pension plan are contingent on the employee remaining in service for a specified period of time (accrual period). In this case the cost relating to the change in benefits is amortised on a linear basis over the accrual period.

b) Bonus agreements and severance pay

In some cases, employment contracts are entered into that give entitlement to a bonus in relation to the fulfilment of defined financial and non-financial criteria, as well as contracts that give entitlement to severance pay in the event of the employer’s termination of the employment. The Group recognises provisions in the accounts in cases where there is a formal or informal obligation to make payments.

c) Share-based compensation

The Group has a share-based reward system with settlement in shares. The value of the employee services received in exchange for the granting of the options is recognised as an expense. The total amount that is to be charged as an expense over the contribution period will be based on the fair value of the options allocated. Contribution terms that are not market based affect the assumptions via the number of options that can be expected to be exercised. At each balance sheet date, the company revises its estimates of the number of options that are expected to become exercisable. The company accounts for any effect of the change in the original estimates in the profit and loss account, with a corresponding adjustment against equity.

The payments received in connection with the exercise of options, less directly attributable transaction expenses, are credited to the share capital (nominal value) and the share premium when the options are exercised.

2.14 Provisions
The Group recognises provisions for any environmental improvements and legal requirements when there is a legal or self-imposed obligation to do so as a result of earlier events, there is a preponderance of evidence that the obligation will be settled by a transfer of economic resources, and when the size of the obligation can be estimated with an adequate degree of reliability.

In cases where there are additional obligations of the same nature, the probability that the obligation will be settled will be assessed for the Group as a whole. Provisions for the Group are recognised even if the probability of settlement relating to the Group's individual elements may be low.

Provisions are measured as the net present value of the expected payments to redeem the obligation. A pre-tax discount rate is used, which reflects the current market situation and risk specific to the obligation. An increase in the obligation as the result of a change in the time value is recognised as an interest cost.

2.15 Revenue recognition
Revenue from the sale of goods and services is assessed at net fair value after the deduction of commissions, discounts and rebates. Inter-Group sales are eliminated. Revenue is recognised as follows:

a) Sale of services
With the exception of the seismic fleet, most of the Group's vessels have been employed in time charter (TC) parties throughout the year. This entails that the freight rate is agreed as the hire of the ship with crew. Within agreed limits, the charterer determines how the ship is used. The time freight ceases in periods in which the ship is not operational ("off hire"), such as during repairs. The shipping company pays for the crew, supplies, insurance, repairs, administration, etc., while the charterer pays the "trip-dependent" costs such as bunkers, port fees and costs of loading and unloading.

In addition to the chartering of vessels, in some instances there are agreements for additional services such as the hire of extra crew, sale of supplies and cover of other operating expenses.

The rental income from the chartering of vessels is recognised on a linear basis over the period of the charter. The charter period commences from the time that the vessel is made available to the charterer and ends on the agreed return of the vessel.

The hire of crews and the fees to cover other operating costs are recognised on a linear basis over the term of the contract.

b) Interest income
Interest income is recognised in the profit and loss account proportionally over time in accordance with the effective interest rate method. If receivables are written down, the carrying value of the receivables is reduced to the recoverable amount. The recoverable amount is the estimated future cash flow discounted by the original effective interest rate. After a write-down, interest income is recognised based on the original effective interest rate.

c) Dividend income
Dividend income is recognised in the profit and loss account when the right to receive payment arises.

2.16 Public subsidies
Subsidies concerning the net wage scheme and refund scheme for seamen are accounted for as a cost reduction ("payroll and other staff expenses").

2.17 Dividends
Dividend payments to the company's shareholders are classified as liabilities from the point in time when the dividend is approved by the General Assembly.

2.18 Events after the balance sheet date
New information after the balance sheet date regarding the company's financial position on the balance sheet date has been incorporated into the Annual Accounts. Events after the balance sheet date that do not affect the company's financial position on the balance sheet date, but which will affect the company's financial position in the future, have been disclosed if they are material.

2.19 Profit for the year per share falling to the parent company's shareholders
The calculation of earnings per share is based on the profit attributable to the majority share by means of a weighted average number of outstanding shares throughout the year. The diluted earnings per share are based on the profit attributable to the majority share by means of a weighted average number of outstanding shares and options.

2.20 Taxes
Taxes are charged as an expense when they are incurred. The tax charge consists of the tax payable and change in deferred taxes. Deferred tax liabilities/assets are calculated based on the liability method. Deferred tax liabilities/assets are determined based on the tax rates and tax laws that have been adopted or essentially adopted on the balance sheet date, and which are assumed to apply when the deferred tax is settled. The deferred tax assets/liabilities are calculated for each tax area and the gross amount is presented in the balance sheet.

Deferred tax assets are recognised on the balance sheet provided that future taxable income is probable and that the temporary differences can be offset against this income.

For investments in associated companies that are independent taxpayers, the share of the profit/loss after tax is included.

The parent company and certain other companies in the Group are subject to ordinary taxation.

Tax abroad is recognised in the periods in which it is incurred. To the extent that the tax is calculated on the basis of revenue, it is classified as an income reduction and presented along with the operating income. Taxes abroad that are calculated based on the results are classified as tax expenses.

2.21 Discontinued activities – Assets and liabilities held for sale
Fixed assets (or divestment groups) are classified as held for sale when the balance sheet amounts will mainly be realised through a sales transaction and a sale is assessed to be very probable. Measurement is at the lower of the balance sheet value and fair value, less sales costs.

2.22 Changes in accounting principles
The annual accounts have been prepared in accordance with IFRS standards and interpretations that are mandatory for annual accounts presented as at 31.12.2013. The accounting principles are consistent with those used in the previous Annual Accounts, with the following exceptions:

New and amended accounting standards implemented by the Group
In 2013, the Group implemented the changes in IFRS 13 and IFRS 7, and the supplements in IAS 19 and IAS 1. Apart from the changes to IAS 19, the implementation of these standards has not had any significant impact for the Group. As a consequence of the change in IAS 19, the comparative figures for 2012 have been adjusted. The lapse of the corridor approach entails that actuarial gains and losses must be recognised in other income and expenses (OCI) in the period in which they arise, and as at 31.12.2012 this actuarial loss is NOK 21,132. The change in IAS 19 has affected net pension costs as the expected return on pension funds must be calculated at the same interest rate as applied to the discounting of the pension obligation. The amendments apply with effect for the financial year commencing on 1 January 2013 and the comparative figures for 2012. The following standards and amendments to existing standards have been published and the Group is obliged to implement these for the financial periods commencing on 1 January 2014 or later.

IFRS 10 Consolidated financial statements
IFRS 10 establishes a single control model that applies to all entities, including special purpose entities (SPE). The changes introduced in IFRS 10 require the Management to perform significant estimates to determine which units are controlled by the parent enterprise, where all controlled units must be consolidated. The factor deciding whether companies are to present consolidated financial statements in accordance with IFRS 10 is whether control exists. Another enterprise is controlled when the investor is exposed to, or has rights to, variable returns from its involvement in the enterprise and has the ability to use authority to control the activities in the enterprise that significantly influence sales. Within the EU/EEA, IFRS 10 applies with effect from financial periods commencing on 1 January 2014 or later. The Group has assessed whether the new definition of control affects which units are consolidated and concludes that this will not entail any significant changes.

IFRS 11 ***Joint Arrangements***
This standard replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers. In most cases, IFRS 11 removes the access to recognise joint ventures according to the gross method. Within the EU/EEA, IFRS 11 applies with effect from financial periods commencing on 1 January 2014 or later. The Group otherwise recognises its joint ventures according to the equity method, and the implementation will not have any effect for the Group.

IFRS 12 ***Disclosure of interests in other enterprises***
IFRS 12 applies to entities with interests in subsidiaries, joint ventures, associated companies or non-consolidated structured entities. IFRS 12 replaces the disclosure requirements previously included in IAS 27 Consolidated and Separate Financial Statements, IAS 28 Investments in Associates and Joint Ventures and IAS 31 Interests in Joint Ventures. A number of new disclosure requirements are also introduced. Within the EU/EEA, IFRS 12 applies with effect from financial periods commencing on 1 January 2014 or later. The changes will not affect the Group's financial position or result.

IFRIC Interpretation 21 Levies
IFRIC 21 is an interpretation of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The standard sets out criteria for the recognition of liabilities. One criteria is that the company has an existing obligation arising from previous events, also called a binding event. The interpretation states that the binding event that leads to government levies is the activity described in the relevant legislation that releases the payment obligation for the levy. The interpretation also includes guidelines to illustrate how the interpretation is to be used. *So far, the interpretation has not been approved by the EU. For accounting subjects outside the EU/EEA, the change will apply with effect from the financial year commencing on 1 January 2014 or later.*

IFRS 9 Financial instruments
Will take effect for the financial year commencing on 1 January 2017 at the earliest.

Changes in IAS 27 Consolidated and separate financial statements
Will take effect for financial years commencing on 1 January 2014 or later. The change will not have any significant effect for the Group.

Changes in IAS 28 Investments in associates and joint ventures
Will take effect for financial years commencing on 1 January 2014 or later. The change will not have any significant effect for the Group.

Changes in IFRS 32 Financial instruments – presentation
Will take effect for financial years commencing on 1 January 2014 or later. The change will not have any significant effect for the Group.

2.24 Significant accounting estimates and important conditions relating to the uncertainty of estimates

The preparation of accounts in accordance with applicable standards and practices requires that the Management prepares estimates and make assessments that affect the recognised assets and liabilities, as well as information on contingent assets and latent obligations on the reporting date, including income and expenses for the reported period. The final outcomes may deviate from the estimates. Certain amounts included in or that have an effect on the accounts and the associated Notes require estimation, which in turn entails that the Group must make assessments relating to values and circumstances that are not known at the time at which the accounts are prepared. A significant "accounting estimate" can be defined as an estimate that is important in order to provide a correct picture of the Group's financial position, and which at the same time is the result of difficult, subjective and complex assessments performed by the Management. Such estimates are often uncertain by nature. The Management evaluates such estimates continuously, based on both historical data and experience, and through consultation with experts, trend analyses and other methods that are considered relevant for the individual estimate. Estimates and assessments that may have a significant impact on the accounts are listed below.

a) Ships

- Economic life/useful life

The level of depreciation is dependent on the estimated economic life of the vessels. The estimate is based on historical data and experience relating to the vessels that are included in the Group. The Group's main strategy is to retain the ships until they are scrapped, but when the main strategy can be discontinued and when economic conditions make this advisable are continuously assessed. The estimate is reassessed on an annual basis. A change in the estimate will affect write-downs in subsequent periods.

- Residual value at the end of the economic life

The level of depreciation is dependent on the estimated residual value on the balance sheet date. The anticipated residual value is based on knowledge of the scrap values of vessels. The scrap value is dependent on the price of steel. The scrap value estimate is subject to an annual reassessment.

- Write-downs

As at the balance sheet date, the Group has assessed whether there are any indications that it may be necessary to write down a vessel. When such indications exist, the recoverable value of the vessel is estimated, and the vessel's value is written down to the recoverable amount.
The recoverable amount for vessels is estimated by means of broker estimates from a third party or, if a vessel is employed on a long-term contract, by calculating the discounted value of the vessel's cash flows based on an estimated discount rate.

b) Lease agreements

When a lease agreement is entered into, the agreement is classified as either an operational or financial lease. This classification is based on the following prerequisites:

- The lease period is defined as the "non- terminable" period when the lessee is obligated to lease the asset, with the possible addition of an extended leasing period (option), if, when the contract is entered into, it is already reasonably certain that the lessee will exercise this option.

- Whether or not the lessee has an option to purchase the asset is also taken into account when the lease agreements are to be classified. If it is considered to be reasonably certain that the option will be exercised, then the contract will be classified as financial. If a purchase option exists when the contract is entered into and the option price is expected to be considerably lower than the market value at the time at which it may be exercised, it will be considered as reasonably certain that the option will be exercised.

- For calculation of the net present value of the minimum lease payment to assess the relationship between the net present value of lease payments and the market value of the asset, the Group uses the implicit interest rate in the lease contract. The use of other interest rates could produce other conclusions for the classification of the lease agreement.

- The assessment of "reasonably certain" requires the use of judgement and estimates. The estimated economic life and residual values of the assets, as described above, are also relevant to the classification of the lease agreements.

c) Market value of derivatives and financial assets available for sale

All derivatives, including financial assets available for sale, are recognised in the balance sheet at market value. The market value of derivatives is typically based on an expected future performance (for example interest rate curves or forward curves for foreign currencies) and is calculated by means of complicated valuation models. The estimates are based on the information available on the balance sheet date and will be influenced by changes in the interest rates, foreign currency exchange rates and other input for the calculations.

d) Pension obligations

The accounting of defined benefit plans is a complex area, since it requires the preparation of estimates for both actuarial and economic assumptions. In addition, the liabilities are measured based on the present value since the benefits are paid out many years after the employees have made their contributions and earned their pension rights. The Group uses the guidelines published in a memo from the Norwegian Accounting Standards Board, November 2006. The calculation of pension obligations is mainly influenced by the assumed discount rate. The discount rate is based on a ten-year government bond in Norway and is adjusted for the length of the pension obligation. A 1% increase/reduction in the discount rate may entail a reduction/increase in the present value of the obligation by around 20-25%. This will not entail an immediate change in the pension costs, since the actuarial gains or losses (estimate deviations) are recognised in the profit and loss account over the remaining contribution period and only when the accumulated changes exceed 10% of the higher of the pension obligations or the pension fund assets at the beginning of the year.

e) Acquisition of assets
When multiple assets are acquired as a whole, their individual cost prices must be stipulated. The Group uses valuation methods and third party valuations to determine the fair value of the individual identified assets, and allocates the total cost price in accordance with the individual values.

f) Recognition of purchase cost for newbuilds on the balance sheet
Only purchase costs that are directly related to the asset under construction may be recognised on the balance sheet. The term "directly related to" requires the use of judgement for several costs that are relevant to construction to determine whether costs must be recognised in the balance sheet or as an expense.

g) Consolidated accounts
All significant investments in shares and units must be classified as subsidiaries, joint ventures or associated companies in order to prepare the consolidated accounts. The classification is related to the degree of control over the individual company held by the Group. The assessment of the degree of control requires estimated assessment of a number of parameters.

h) Disputes, requirements and regulatory aspects
The Group is a party to or affected by disputes, claims and regulatory matters where the outcome is essentially unknown. The Management assesses issues such as the probability of an unfavourable outcome and the potential to estimate any losses. Unexpected events or changes in the assessed factors may entail an increase or reduction in provisions. Correspondingly, it may be relevant to set aside provisions for situations that provisions were not set aside for previously, when it was not assessed as a probable outcome or where it was not possible to obtain reliable estimates.

i) *Income tax*
The Group is taxed on income in many countries. Determining income tax for all the countries under one in the consolidated accounts requires substantial use of discretion and judgement. For many of the transactions and calculations there will be a level of uncertainty associated with the final tax liability. The Group recognises the tax liability associated with future decisions in tax/dispute cases based on estimates of whether additional income tax will accrue. If a significant outcome in a case differs from the originally allocated amount, the variance will affect the tax expenses and deferred tax provisions recognised in the accounts during the period in which the variance is determined.

Note 3 – Financial risk management

Financial risk
"The Group is exposed to various financial market risks via its activities. Financial market risk is the risk that changes in exchange rates, interest rates and freight rates will affect the value of the Group's assets, liabilities and future cash flows.

The Group's overall risk management plan focuses on the unpredictability of the capital markets and seeks to minimise the potential negative effects on the Group's financial results. Elements that are included in the management of financial risk are the length of contracts for charter parties, use of foreign currency and interest rate instruments, and accrual of debt in the same currencies as the expected foreign currency freight receipts. The main focus for managing interest and foreign currency risk is to secure future cash flows. The hedging positions for cash flows are recorded in the accounts at market value on the balance sheet date, which exposes the accounts to fluctuations in the value of the hedging instruments. At Eidesvik Offshore ASA, risk management of reported accounting profits is subordinated to considerations of cash flow risk management."

Risk management for the Group is the responsibility of the administration and based on guidelines from the Board of Directors.

a) Market risk
(i) Foreign currency risk (see also Note 24)
The Group operates internationally and is exposed to exchange rate fluctuations in several currencies. Foreign currency risk concerns future transactions and is related to recognised assets and liabilities.

To manage the currency risk associated with future trading transactions and assets and liabilities recognised in the balance sheet, the Group uses foreign currency derivatives and accrues debt in the same currency as expected future foreign currency receipts.

The Group is particularly exposed to fluctuations in USD as the Group has significant freight revenue, but low operating costs, in this currency. It is sought to dampen these fluctuations by holding loans and forward exchange rate contracts in the same currency. The distribution of the Group's long-term debt as at 31.12.2013 was 69% NOK and 31% USD, while the distribution for 2012 was 67% NOK and 33% USD.

The table below shows the estimated change in the result before tax in NOK million if the USD exchange rate against NOK had been NOK 0.50 higher/lower in 2013.

	+NOK 0.50	-NOK 0.50
Operating profit before result of associated and joint-venture companie	13	-13
Result of joint venture company	4	-4
Net financial result excluding gains	-1	1
Gains on long-term debt and forward foreign exchange contracts	-79	79
Profit for the year	-63	63
Conversion difference, shares	23	-23
Total profit for the year	-40	40

(ii) Price risk
The Group is exposed to price risk in that the spot rates have historically been volatile. The Group seeks predictability, and its strategy is therefore to have a contract portfolio consisting of long-term contracts with an approximately fixed price. Most ships are operated on long term charter parties or bareboat charter parties.

The Group has very low exposure to price risk for equity invested in other companies and commodities such as bunkers.

(iii) Interest rate risk (see also Note 24)
The Group's interest rate risk is related to long-term loans and deposits of surplus liquidity. Loans at floating interest rates entail a risk to the Group's cash flow. Fixed interest rate loans expose the Group to a fair value interest rate risk. The interest rate risk is managed using interest rate derivatives (swaps and options) within the framework set by the Board of Directors.

Interest rate fixing options (CIRR) are routinely sought from Eksportfinans in connection with the contracting of newbuilds in Norway. Interest rate fixing options that are granted, but not exercised, are not recognised on the balance sheet.

The effect of a change in the interest rate level is simulated to support decisions associated with entering into fixed interest rate contracts. The simulation illustrates the cash effect of interest rate fluctuations, given the size of the loan and level of the existing interest rate hedging. A 1 per cent change in interest rates, all else being equal, would have reduced the profit before tax by NOK 12 million. The Group's loans are recognised at amortised cost and will thus have no effect in terms of a change in value in the event of interest rate fluctuations. The change in the fair value of interest rate derivatives in the event of a change in the interest rate level is not currently simulated.

(b) Credit risk
The Group has a concentration risk in that it has charter agreements with relatively few customers. The customers are, however, international operators with high solvency and good liquidity, so that the risk of credit loss is low.

The following table categorises the Group's accounts receivable according to the risk of failure to collect outstanding debts:

Trade Receivables	**2013**	2012
Group 1	**177 671**	139 575
Group 2	**194**	8 457
Group 3	**0**	11
Total	**177 865**	148 043

Group 1: Established customer relationship, good ability/willingness to pay
Group 2: New customers, possibly slow recovery
Group 3: Established customer relationship, weaker ability/willingness to pay

The Group is not aware of any conditions tied to investments in associated companies.
Maximum risk exposure is represented in the value of the financial assets, including derivatives, recorded on the balance sheet. As the counterparties to derivatives transactions are large, well-known banks, the credit risk related to derivatives is considered low.

(c) Liquidity risk
The Group's goal is to achieve flexibility in its financing through established drawing rights, and to manage the cash flow from operations by focusing on long-term charter agreements with little price volatility.

Surplus liquidity is primarily invested in ordinary bank deposits and fixed interest deposits.

The Group monitors the risk of a lack of available capital via liquidity budgets for the following year, as well as a monthly 12-month liquidity forecast. Longer liquidity forecasts for up to five years are prepared once a year and upon entering into newbuilding contracts.

See also Note 21 for note information about the repayment profile/refinancing requirement for long-term debt.

The following table summarises the maturity profile of the Group's obligations based on contractual, non-discounted cash flows. Estimated interest is based on interest and exchange rates as at 31.12.2013.

Maturity table for obligations recognised in the balance sheet	2014	2015	2016	2017	2018	Later
Loans	324 073	378 752	676 487	865 466	415 250	433 540
Accrued interest	29 626					
Trade payables	31 161					
Other current liabilities	*147 364*					
Pension obligations (estimated maturity)						*23 303*
Utsatt skatt						
Partial sum debt excl. market value derivatives	532 224	378 752	676 487	865 466	415 250	456 843
Estimated interest						
Interest payments loan	111 215	98 111	80 413	66 525	31 273	
Difference payment interest derivatives	23 480	20 792				
Adjustment accrued 31.12.13	-29 626					
Partial sum estimated interest	105 069	118 903	80 413	66 525	31 273	
Lease agreements						
Lease agreements (Note 23)	7 014	5 956	5 830	5 513	5 513	77 175
Newbuild contracts						
Instalments newbuild contracted at 31.12.13 (Note 26)	941 308					
Total contractual obligations due for payment	1 585 615	503 611	762 730	937 504	452 036	534 018

Risk management of capital

One of the Group's primary objectives is to ensure long-term financing of its assets, supported by long-term contracts. This must reduce the frequency – and thereby the related risk – of refinancing the loans. The long-term charter agreements allow for higher borrowing, as the income is assessed to be secure over a long period. The Group's strategy is to pursue a moderate dividend policy in order to maintain a relatively strong equity ratio in relation to other companies in the industry, to facilitate raising capital for identified market opportunities.

Assessment of fair value

IFRS 7 requires financial instruments measured at fair value on the balance sheet date to be presented by level, with the following levels for measuring fair value:

1) Listed price in an active market for an identical asset or liability (level 1)

2) Valuation based on other observable factors, either direct (price) or indirect (derived from prices), than the listed price (used in level 1) for the asset or liability (level 2)

3) Valuation based on factors not obtained from observable markets (non-observable assumptions) (level 3)

The following balance-sheet items represent financial instruments at fair value:

Balance-sheet item:	Level
Financial derivatives	2
Cash and cash equivalents	1

Debt to credit institutions at floating interest rates is recognised in the balance sheet at nominal value, which is assessed to be approximate to fair value. Fixed interest rate loans (CIRR) are recognised at nominal value, and estimated fair values are reported in Note 24. The fair value of fixed interest rate loans is calculated by discounting the difference between the fixed interest rate and the market interest rate as at 31.12.2013 with a duration equivalent to the loan's duration.
To calculate the value of options granted to the Management for the purchase of shares in Eidesvik Offshore ASA, the Black-Scholes option pricing model is used.

Note 4 Segment information

The Group's operations are divided into strategic operating segments according to the nature of the ships' operations. The various operating segments offer different ship services, partly target different customer groups, and have different risk profiles.

The Group is divided into the following operating segments:

a. Seismic
b. Subsea
c. Platform supply
d. Other

The seismic segment provides ship services to customers that produce seismic data, and the market is characterised by relatively long contracts. The ships belonging to this segment are not bound to specific geographical areas, but operate all over the world according to customer needs.

The subsea segment provides shipping services for subsea work for the oil industry. The ships are specially adapted for work such as underwater inspection, maintenance and construction.

The platform supply segment supplies services to the oil industry offshore. The ships deliver supplies to rigs and function as part of the rigs' emergency and contingency structure.

Transactions between the segments are eliminated. These are mainly administrative expenses, which are charged to the individual segment.
Long-term financial items have not been allocated, because a major portion of the Group's debt is fleet financing.

Current liabilities are allocated to the segments whenever possible. If they do not fall naturally under any of the segments, they are allocated to the "Other" segment.

Segment performance is evaluated on the basis of the operating profit and is measured consistently with the operating result in the consolidated financial accounts.

Operating segments

(In NOK 1,000)	Seismic		Subsea		PSV		Other		Consolidated	
Operating segment	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Operating revenues	170 026	163 981	377 425	338 621	428 444	452 249	17 850	25 643	993 745	980 494
Proportion of operating revenues from JV*	88 086	89 419	68 151				0	0	156 237	89 419
Total operating revenues	258 112	253 400	445 576	338 621	428 444	452 249	17 850	25 643	1 149 982	1 069 913
Operating costs	4 502	5 660	146 849	124 146	239 015	225 475	52 136	66 337	442 502	421 618
Proportion of operating expenses from JV*	535	2 688	24 376	137					24 911	2 825
Total operating expenses	5 037	8 348	171 225	124 283	239 015	225 475	52 136	66 337	467 413	424 443
Depreciation/Write-downs	82 865	90 401	89 391	94 386	128 062	104 409	1 444	1 578	301 762	290 774
Proportion of depreciation from JV*	32 899	32 819	19 292						52 191	32 819
Total depreciation	115 764	123 220	108 683	94 386	128 062	104 409	1 444	1 578	353 953	323 593
Operating result including proportion of JV*	137 311	121 832	165 668	119 952	61 367	122 365	-35 730	-42 272	328 616	321 877
Net finance and taxes in JV*	-8 396	-25 300	-17 747						-26 143	-25 300
Share of profit from other associated companies							24 282	1 240	24 282	1 240
Share of profit from other joint ventures	7 469	-5 566							7 469	-5 566
Operating profit	136 384	90 966	147 921	119 952	61 367	122 365	-11 449	-41 032	334 223	292 251
Net financial expenses									-186 851	-8 234
Tax expenses									-6 509	-1 848
Profit for the year									140 863	282 169
In 2013, the Subsea segment includes a sales gain of TNOK 50,456, and in 2012 the PSV segment includes a sales gain of TNOK 78,385, see also Note 5.										
Segment assets	1 023 508	1 109 001	1 476 438	1 555 250	2 144 156	2 267 201	81 315	114 497	4 725 417	5 045 949
Investments in associated companies							2 956	7 767	2 956	7 767
Investments in JV	291 763	239 437	97 288	83 304					389 051	322 741
Non-allocated assets (cash)									582 773	254 988
Total consolidated assets	1 315 271	1 348 438	1 573 726	1 638 554	2 144 156	2 267 201	84 271	122 264	5 700 197	5 631 445
Other debt from JV*	0	580 156	374 272	5 190					943 082	585 345
Assets including proportion of JV*	1 884 081	1 928 594	1 947 998	1 643 744	2 144 156	2 267 201	84 271	122 264	6 643 279	6 216 790
(Operations segment cont.)										
Segment liabilities (current liabilities)	-12 705	-13 939	-11 411	-17 168	-11 494	-26 153	-501 397	-531 260	-537 007	-588 520
Non-allocated liabilities (long-term liabilities)									-2 814 903	-2 862 351
Total liabilities	-12 705	-13 939	-11 411	-17 168	-11 494	-26 153	-501 397	-531 260	-3 351 910	-3 450 871
Investments in fixed assets (e.g. periodic maintenance)		-172	139 356	131 358	3 458	1 032 265	4 306	4 516	147 120	1 167 967
Gross sales of fixed assets			180 609			368 707				

*) For shares in joint ventures, income, expenses, depreciation and financial items are included in the table with a share equivalent to the Group's stake.

Most of the Group's income in 2013 was earned from a few large customers. The table below presents the overall operating income from all customers that represent more than 10% of the Group's operating income. The amounts are distributed by segment. The shares from joint ventures are included.

Segment		**Amount**
Seismic	(1 Customer)	255 220
Subsea	(2 Customers)	338 859
Supply	(2 Customers)	361 629

Secondary segments are not reported on. The seismic, subsea and PSV business segments are the only groupings that are reported internally. Although the ships operate in different parts of the world, this is chiefly a consequence of the customers' desired area of operation and not necessarily a decision concerning a geographically strategic area. A secondary distribution is therefore not carried out.

Note 5 Other income

	2013	2012
Effect of cash flow hedging	**-5 394**	-7 908
Profit from sale of other assets	**259**	0
Profit from sale of ships	**50 456**	78 385
Other revenues	**45 320**	70 476

Up to and including 31.12.05, elements of the Group's debt in foreign currencies were defined as hedging instruments for probable payments in the same currency (freight income). On the transition to a new standard, the Group did not fulfil the requirements for hedge accounting. The overall gain or loss carried directly to equity at the time of the discontinuation of hedging remains in equity and is in future carried to the profit and loss account at the same time as the originally hedged transaction is carried to the profit and loss account. If the originally hedged transaction is no longer expected to occur, the accumulated profit or loss previously carried to equity is immediately carried to the profit and loss account.

The effect of the cash flow hedging in 2012 of NOK -7,908 includes an adjustment for the cost shortfall in 2011 of NOK -2,727. The hedged exposure will be finally settled in Q1 2014.

The profit on the sale of vessels in 2013 concerns the Viking Forcados subsea vessel.
The profit on the sale of other assets in 2013 concerns the sale of office buildings.

Note 6 Other operating expenses

	2013	2012
Technical operation of ships	**56 665**	53 266
Insurance	**18 106**	15 688
Communication expenses	**10 744**	10 209
Administration costs	**26 992**	51 587
Research and development	**1 753**	2 417
Other expenses	**896**	189
Other operating expenses	**115 155**	133 357

The periodic maintenance of the Group's vessels is included in technical operations. Classification costs are capitalised and written down up to the next classification, and are thus not included as other operating expenses.

Administration expenses mainly consist of travel, consulting, attorney, audit, rent and other office expenses.
Other expenses consist of costs such as the purchase of lubricating oils and port fees.

	2013	2012
Statutory audit	966	936
Other financial auditing	160	160
Tax advisory services	26	26
Other certification services	196	174
Total audit	1 348	1 296

Note 7 Investments in joint ventures and associated companies

Unit	Country	Industry	Owner/voting share	Book value 31.12.11	Profit share 2012	Translation differences	Dividends	Additions/disposals	Book value 31.12.12
Eidesvik Seismic Vessel AS	Norway	Shipping company	51,0 %	119 075	20 723	-8 272	-15 257	0	116 268
Oceanic Seismic Vessel AS	Norway	Shipping company	51,0 %	124 065	8 276	-9 173	0	0	123 168
CGG Eidesvik Ship Management AS	Norway	Ship Manager	51,0 %	385	-5 952	0	0	5 567	0
Eidesvik Seven AS	Norway	Shipping company	50,0 %	76 892	-63	0	0	6 494	83 323
Eidesvik Seven Chartering AS	Norway	Shipping company	50,0 %	0	-75	0	0	56	-19
Total				**320 417**	**22 909**	**-17 445**	**-15 257**	**12 118**	**322 741**

Unit	Country	Industry	Owner/voting share	Book value 31.12.12	Profit share 2013	Translation differences	Dividends	Additions/disposals	Book value 31.12.13
Eidesvik Seismic Vessel AS	Norway	Shipping company	51,0 %	116 268	23 538	11 473	-15 685		135 594
Oceanic Seismic Vessel AS	Norway	Shipping company	51,0 %	123 168	22 720	12 222	-9 411		148 699
CGG Eidesvik Ship Management AS	Norway	Ship Manager	51,0 %	0	7 469				7 469
Eidesvik Seven AS	Norway	Shipping company	50,0 %	83 323	5 267			7 250	95 840
Eidesvik Seven Chartering AS	Norway	Shipping company	50,0 %	-19	1 467				1 448
Total				**322 741**	**60 461**	**23 695**	**-25 096**	**7 250**	**389 051**

Eidesvik Seismic Vessels AS, Oceanic Seismic Vessels AS and CGG Eidesvik Ship Management AS are classified as joint ventures because shareholder agreements exist which give the owners equal control over the company.

Eidesvik Seven AS and Eidesvik Seven Chartering AS are classified as joint ventures, as Subsea 7 Shipping Norge AS and Eidesvik each own 50% of the shares in the company.

Summarised financial information on the individual joint ventures:

Unit	Assets	Liabilities	Equity	Turnover	Profit for the year
Eidesvik Seismic Vessel AS	797 858	531 986	265 872	84 974	47 538
Oceanic Seismic Vessel AS	874 894	583 328	291 567	93 041	46 036
CGG Eidesvik Ship Management AS	122 040	108 777	13 263	58 211	10 610
Eidesvik Seven AS	909 527	727 966	181 561	85 969	10 590
Eidesvik Seven Chartering AS	22 619	20 577	2 041	141 005	1 968

The Eidesvik Offshore ASA Group has the following investments in associated companies:

Unit	Country	Industry	Owner/voting share	Book value 31.12.11	Profit share 2012	Repaid Committed capital	Additions/disposals	Book value 31.12.12
Resq AS	Norway	Price	22,3 %	6 527	1 240	0	0	7 767
Total				**6 527**	**1 240**	**0**	**0**	**7 767**

Unit	Country	Industry	Owner/voting share	Book value 31.12.13	Profit share 2013	Repaid Committed capital	Additions/disposals	Book value 31.12.13
Simsea AS	Norway	Price	10,4 %	0	0	0	2 301	2 301
Bleivik Eiendom	Norway	Property	22,6 %	0	0	0	655	655
Resq AS	Norway	Price	22,3 %	7 767	24 282	0	-32 048	0
Total				**7 767**	**24 282**	**0**	**-29 092**	**2 956**

None of the investments in associated companies has a functioning market for the assessment of fair value. Book value is therefore based on a valuation of the assets in companies where this has been possible. This applies to shipping companies that have a valuation of vessels obtained from three independent brokers.

Summarised financial information concerning the individual associated companies:

Unit	Assets	Liabilities	Equity	Turnover	Profit for the year
Simsea AS	35 263	21 045	14 218	23 960	836
Total	**35 263**	**21 045**	**14 218**	**23 960**	**836**

Note 8 Net financial expenses

	2013	2012
Interest income	**9 571**	2 329
Total financial income	**9 661**	5 126
Interest expense on loan	**-111 253**	-96 752
Cost of interest derivative	**-27 096**	-27 616
Other interest expenses	**-1 124**	-1 979
Interest from tax expenses	**-10**	-4
Loss from sales of shares	**0**	1
Other financial expenses	**-444**	-395
Total financial expenses	**-139 926**	-126 746
Change in value of interest rate derivatives (see also Note 24)	**20 785**	19 875
Realised foreign exchange gains (losses)	**27 265**	43 621
Unrealised foreign exchange gains (losses) - related to other items	**-100 045**	47 021
Unrealised foreign exchange gains (losses) - related to forward contracts	**-4 591**	2 868
Total foreign exchange gains	**-77 370**	93 510
Net financial expenses	**-186 851**	-8 235

Note 9 Tax

	2013	2012
Tax payable in Norway and abroad	**5 395**	1 848
Over-/under-allocation of tax from previous year	**1 114**	0
Tax expense	**6 509**	1 848
Capital reserve	**-773**	-1 156
Share investments	**-540**	-540
Capital gain and loss account	**-84**	-61
Pension obligation	**24 701**	22 436
Losses carried forward	**-357 727**	-282 878
Total temporary differences	**-334 423**	-262 199
Deferred tax assets - net	**0**	0
Applied tax rate	**27 %**	28 %
Deferred taxes		
Taxable foreign exchange gains on realisation of debt	**0**	0
Deferred taxes	**0**	0
Applied tax rate	**27 %**	28 %
Tax payable		
Tax related to withdrawal from the old shipping taxation scheme, short-term portion	**0**	23 349
Taxes payable for the year within the shipping company taxation scheme	**0**	345
Other corporate tax payable in Norway and abroad	**129**	-381
Total tax payable	**129**	23 313
Description of taxes in profit and loss account:		
Profit before tax	**147 372**	284 018
28% tax	**41 264**	79 525
Tax effect of:		
Permanent differences/profits subject to shipping company taxation/difference foreign tax rate	**-34 755**	-77 677
Estimated taxes for the year	**6 509**	1 848
The Group's effective tax rate	**4 %**	1 %

The Norwegian shipping company taxation scheme was amended from 1 January 2007. Settlement of tax payable from the previous shipping company taxation scheme was declared invalid by the Supreme Court in February 2010. Eidesvik has chosen to enter the “settlement” scheme. This entails taxation at 6.7% of the estimated profit on settlement of the “old” scheme. This tax fall dues for payment at 1/3 in 2011, 2012 and 2013, respectively.

Note 10 Profit per share

	2013	2012
Profit for the year falling to the parent company's shareholders	**141 718**	282 231
Average weighted number of outstanding shares 31.12		
Average weighted number of issued ordinary shares	**30 150**	30 150
Average weighted number of issued stock options	**75**	141
Average weighted number of outstanding shares 31.12	**30 225**	30 291
Earnings per share	**4,70**	9,36
Diluted earnings per share	**4,69**	9,32

Average outstanding shares are weighted based on number of days.
See Note 17 for changes in the number of shares.

In 2013, dividends of TNOK 30,150 were paid, at NOK 1.00 per share. The Board of Directors has proposed dividends of TNOK 30,150 at NOK 1.00 per share again in 2014.

No options were issued to the senior management in 2013 or in 2012.

Note 11 Payroll expenses and number of employees

	2013	2012
Salary after net wage refund	**209 342**	188 181
Social expenses	**50 403**	33 129
Pension cost of defined benefit plans (see also Note 19)	**20 404**	23 581
Hired personnel	**8 462**	11 012
Other personnel costs	**38 737**	32 359
Total payroll expenses	**327 347**	288 262

Wages and National Insurance contributions are presented after the deduction of the refund scheme for Norwegian seamen.

Wages and employer's National Insurance contributions are presented after the deduction of the reimbursement scheme for Norwegian seamen.

Average number of full-time equivalents:	753	746

The number of employees as at 31.12.2013 was 736 (746 as at 31.12.2012).

In 2013, NOK 85,469 (NOK 80,016 in 2012) was received in connection with the reimbursement scheme for Norwegian seamen.

In 2013, a net amount of NOK 1,741 (NOK 4,531 in 2012) was received from Stiftelsen Norsk Maritim Kompetanse.

Note 12 Fixed assets

	Property	Port facilities	Operating equipment	Total other fixed assets	Vessels	Periodic maintenance	Total ships	Newbuild contracts	2012 total
Acquisition cost									
1 January 2012	51 650	3 708	30 478	85 836	5 484 946	83 759	5 568 705	182 109	**5 836 650**
Additions	0	0	2 440	2 440	1 036 873	67 828	1 104 701	128 654	**1 235 795**
Disposals	-9 005	0	0	-9 005	-376 442	-12 351	-388 793	-182 109	**-579 907**
31 December 2012	**42 645**	**3 708**	**32 918**	**79 271**	**6 145 377**	**139 236**	**6 284 613**	**128 654**	**6 492 538**
Accumulated depreciation and write-downs									
Balance sheet January 2012									
Opening balance	18 325	3 494	27 948	49 767	1 513 931	0	1 513 931	0	**1 563 698**
Depreciation for the year	134	0	815	949	234 358	54 838	289 196	0	**290 146**
Depreciation/reversal of write-downs for the year (-)	628	0	0	628	0	0	0	0	**628**
Disposals	-1 685	0	0	-1 685	-98 471	0	-98 471	0	**-100 156**
Avgang etter salg av selskap									**0**
Omregningsdifferanser									**0**
31 December 2012	**17 402**	**3 494**	**28 763**	**49 659**	**1 649 818**	**54 838**	**1 704 656**	**0**	**1 754 316**
Book value	**25 243**	**214**	**4 155**	**29 612**	**4 495 559**	**84 397**	**4 579 956**	**128 654**	**4 738 222**

	Property	Port facilities	Operating equipment	Total other fixed assets	Vessels	Periodic maintenance	Total ships	Newbuild contracts	2013 total
Acquisition cost									
1 January 2013	42 645	3 708	32 918	79 271	6 145 377	84 397	6 229 774	128 654	**6 437 699**
Additions	499	9	3 798	4 306	5 839	36 897	42 736	136 975	**184 017**
Disposals	-3 620		-126	-3 746	-165 053		-165 053		**-168 799**
31 December 2013	**39 524**	**3 717**	**36 590**	**79 831**	**5 986 163**	**121 294**	**6 107 457**	**265 629**	**6 452 917**
Accumulated depreciation and write-downs									
Balance sheet January 2013									
Opening balance	17 402	3 494	28 763	49 659	1 649 818	0	1 649 818	0	**1 699 477**
Depreciation for the year	206		1 238	1 444	241 747	58 571	300 318	0	**301 762**
Disposals				0	-40 457		-40 457	0	**-40 457**
31 December 2013	**17 608**	**3 494**	**30 001**	**51 103**	**1 851 108**	**58 571**	**1 909 679**	**0**	**1 960 782**
Book value	**21 916**	**223**	**6 589**	**28 728**	**4 135 055**	**62 723**	**4 197 778**	**265 629**	**4 492 135**

Capitalised interest relating to newbuilding contracts is NOK 8,786 (4,899).

Newbuilding contracts, see Note 26.

For information on mortgaged assets, see Note 21.
Reference is made to Note 2, item 2.5, for details of depreciation terms and breakdown by ship.

Note 13 Other long-term receivables

	2013	2012
Loans to employees	**692**	742
Deposits on apartments	**27**	27
Pension funds	**0**	293
Loan to joint ventures	**19 037**	0
Total other long-term assets	**19 756**	1 061

More details concerning loans to employees are provided in Note 25.

Note 14 Trade receivables

	2013	2012
Trade receivables	**106 648**	121 096
Trade receivables from related parties/TS/JV	**71 217**	31 907
Provisions for losses	**0**	-4 960
Total trade receivables	**177 865**	148 043
Trade receivables due for payment that are attributable to parties other than related parties are distributed as follows before allocations for losses:		
0-3 months	**58 063**	44 576
3-6 months	**499**	3 663
6 months <	**419**	16 083
Total trade receivables due for payment	**58 981**	64 322
Carrying value of the Group's trade receivables by foreign currency:		
USD	**40 142**	38 528
GBP	**2 211**	0
NOK	**135 513**	109 515
Total trade receivables	**177 865**	148 043
Movement in provisions for the write-down of trade receivables:		
As at 01.01	**4 960**	5 768
Provisions for the write-down of receivables	**0**	0
Receivables written off for losses during the year	**4 122**	0
Reversal of amounts not used	**838**	808
As at 31.12	**0**	**4 960**

Note 15 Other current assets

	2013	2012
Inventory (bunkers and lubrication oil)	**5 134**	4 129
Other shares	**34**	34
Outstanding value added tax	**166**	387
Seller's credit - Sale of Viking Surf and Viking Thaumas (Boldini)	**0**	37 957
Outstanding NOx support to Viking Princess	**0**	22 013
Insurance settlement outstanding	**3 557**	17 874
Prepaid expenses	**26 011**	26 474
Total other current assets	**34 901**	108 868

Prepaid expenses include outlays for prepaid insurance, provisions for the reimbursement of crew expenses and other subsidies, non-invoiced outlays for customers and loans to employees (see Note 25).

Interest on loans:

	2013	2012
The interest rates have been in the range of	**2.66 - 4.88%**	2.97 - 3.89 %

Note 16: Cash and cash equivalents

Of the total cash and cash equivalents of NOK 582,773 (NOK 254,988), restricted tax withholding deposits account for NOK 9,263 (NOK 9,403).
There are no restricted funds in addition to this.

Unused credit facilities total NOK 200,000.

Note 17: Share capital and share premium reserve

Changes in paid-in share capital and share premium reserve:

	No. of shares		Share capital		Premium	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Ordinary shares						
Opening balance	**30 150**	30 150	**1 508**	1 508	**0**	0
As at 31.12.	**30 150**	30 150	**1 508**	1 508	**0**	0

The nominal value per share in Eidesvik Offshore ASA is NOK 0.05 (5 øre).

The Board of Directors has the authority to buy back up to 3,000,000 of the company's own shares, but this authority is limited, however, to a maximum of 10% of the total number of outstanding shares.
The company has not exercised this authority and held none of its own shares as at 31.12.13.

Eidesvik Offshore ASA's 20 largest shareholders as at 31.12.13

Shareholder	Country	No. of shares	Ownership
EIDESVIK INVEST AS	BØMLO	20 180 000	66,9 %
PARETO AKSJE NORGE	OSLO	1 772 536	5,9 %
SKAGEN VEKST	OSLO	1 587 641	5,3 %
PARETO AKTIV	OSLO	730 500	2,4 %
TVEITÅ, EINAR KRISTIAN	HORNNES	604 928	2,0 %
KLP AKSJE NORGE VPF	OSLO	431 901	1,4 %
KOMMUNAL LANDSPENSJONSKASSE	OSLO	382 836	1,3 %
PARETO VERDI	OSLO	355 168	1,2 %
VINGTOR INVEST AS	STAVANGER	208 000	0,7 %
TVEITÅ, OLAV MAGNE	HORNNES	201 700	0,7 %
BERGTOR AS	SOLA	200 000	0,7 %
STANGELAND HOLDING AS	STAVANGER	200 000	0,7 %
HUSTADLITT A/S	MOLDE	168 200	0,6 %
HELLAND A/S	STAVANGER	151 500	0,5 %
MELING, JAN FREDRIK	HAUGESUND	120 000	0,4 %
MUSTAD INDUSTRIER AS	OSLO	110 000	0,4 %
BNY MELLON SA/NV	BELGIUM	105 321	0,3 %
BANQUE DE LUXEMBURG S.A	LUXEMBOURG	100 000	0,3 %
HELGØ INVEST AS	STAVANGER	96 897	0,3 %
SKANDINAVISKA ENSKILDA BANKEN	SWEDEN	96 520	0,3 %
Other		2 346 352	7,8 %
Total		30 150 000	100,0 %

The company had 806 shareholders as at 31.12.13, and foreign ownership of 1.8%.

See also Note 25.

Note 18: Equity

	Cash flow hedging	Translation differences	Total
Balance sheet 01.01.2012	-14 345	14 245	**-101**
Recognised cash flow hedging (to hedging object)	7 908	0	7 908
Translation differences	0	-17 445	-17 445
Other reserves 31.12.2012	**-6 437**	**-3 201**	**-9 638**
Recognised cash flow hedging (to hedging object)	5 394	0	5 394
Translation differences	0	23 695	23 695
Other reserves 31.12.2013	-1 043	20 495	**19 452**

Note 19: Pensions and other long-term employee benefits

Defined benefit pension scheme

All the employees in the Group companies participate in a defined benefit pension scheme. The Group has several agreements, which differ primarily according to whether the employee is employed onboard a vessel (seaman) or in onshore operations. The main terms in all the agreements are a pension of approximately 60% of final salary and a contribution period of 30 years. The agreement applicable to maritime employees entitles them to an old-age pension from the age of 60. Other collective schemes give entitlement to a pension from the age of 67. This scheme also includes survivor, disability and child pension provisions. As at 31.12.13, there were 764 (776) members of the schemes.

Effect of changes in the accounting principles

The change in the rules for the accounting of defined benefit pension schemes implemented in 2013 has given an effect on the net pension obligation of NOK 44.1 million as at 1.1.2012. This is because the corridor solution has been removed and the expected return on the pension capital is no longer estimated, but in practice the value of the pension capital is estimated on the basis of the same discount rate as the obligation. Since we have previously estimated an expected return that exceeds the discount rate, this has led to an increase in the booked obligation. We expect that the actual return over time will exceed the basis used in the calculation of the obligation.

Accumulated actuarial gains and losses that were not recognised as at 1.1.2012 have been carried to equity as at the same date. In total, this has resulted in a reduction of equity by NOK 44.1 million as at 1.1.2012. In addition, pension costs that were adjusted in 2012 as a consequence of actuarial gains and losses that were recognised at NOK 23.0 million in 2012 have now been carried to other income and expenses.

The total effect for pension costs in 2012 is NOK -0.7 million and the total effect of the transition on equity as at 31.12.2012 was NOK 21.1 million.

The obligation has been calculated by means of a linear accrual formula. Unrealised gains and losses due to changes in the actuarial assumptions are accrued over the expected remaining average contribution period.

Liabilities carried to the balance sheet are determined as follows:

	2013	2012
Present value of accrued pension obligations for defined	**144 864**	124 845
Fair value of pension fund assets	**-121 560**	-104 005
Net pension obligations in the balance sheet as at 31.12	**23 303**	20 840

Changes in the defined benefit pension obligations during the year:

	2013	2012
Pension obligations as at 1 January	**124 845**	124 256
Present value of the current year's pension benefits earn	**19 767**	18 584
Interest expenses	**4 781**	3 206
Actuarial losses/(gains)	**1 846**	-21 887
Benefits paid	**-3 379**	-1 890
Pension obligations as at 31.12	**144 864**	124 845

Change in the fair value of the pension assets:

	2013	2012
Pension fund assets as at 1 January	**104 005**	76 014
Expected return on pension fund assets	**4 400**	3 690
Administration costs	**-255**	-644
Actuarial (gains)/losses	**-4 461**	-3 687
National Insurance contributions on employer contributi	**-2 996**	0
Contributions from employer	**24 248**	30 522
Benefits paid	**-3 379**	-1 890
Pension fund assets as at 31 December	**121 560**	104 005

Total cost recognised in the profit and loss account:

	2013	2012
Cost of pension benefits earned in the current period	**16 674**	18 584
Interest expenses	**650**	3 206
Expected return on pension fund assets	**303**	-2 340
Administration costs	**255**	644
National Insurance contribution on pension costs	**2 522**	2 833
Total, incl. in payroll expenses (Note 11)	**20 404**	22 927

The pension funds are placed in different investments via an external insurance company, which handles all transactions relating to the pension schemes. Distribution of the investment categories as at 30.09.13:

Shares	**7 %**
Bonds	**52 %**
Property	**14 %**
Money market	**22 %**
Other	**5 %**

The following assumptions are the basis for the calculation of pension costs and net pension obligation:

	2013	2012
Discount interest rate	**4,00 %**	3,90 %
Return on pension funds	**4,00 %**	4,00 %
Wage inflation	**3,75 %**	3,50 %
Pension adjustment	**0,60 %**	0,20 %
G adjustment	**3,50 %**	3,25 %

With effect from 2012, the discount interest rate is determined on the basis of the interest rate on covered bonds (OMF), while this was previously determined on the basis of the government bond yield.

Mortality assumptions are based on the K2013 BE statistics.
The Group has no defined-contribution pension schemes. One employee has entered into an agreement where the pension is financed through operations.

The expected premium payment for 2014 is NOK 25,157.

Sensitivity in the calculation of the pension obligation in the event of a change in the assumptions:

The table below presents the estimated potential effects in the event of a change in certain assumptions for defined benefit pension schemes in Norway.

The estimates are based on the facts and circumstances as at 31.12 2013. The actual results may deviate significantly from these estimates.

	Pension obligation		Net pension costs	
	+ 1%	- 1%	+ 1%	- 1%
Discount interest rate	645	-54 087	-17 641	37 091
Wage growth in %	-59 370	11 135	42 373	-28 132

Risk assessment
Via defined benefit pension schemes, the Group is subject to a number of risks due to the uncertainty of the assumptions and the future development.
The key risks are described here:

Life expectancy
The Group has undertaken an obligation to pay pensions to the employees for the rest of their lives.
An increase in the members' life expectancy will thus increase the company's obligation.

Risk on the return
The Group is affected by a reduction in the actual return on the pension capital that will increase the obligation for the company, since the return on the capital is not sufficient to fulfil the obligation.

Inflation and wage growth risk
The Group's pension obligation is subject to risk related to both inflation and wage development, even if the wage development is closely linked to inflation. Higher inflation and wage development than assumed in the pension calculations entails an increase in the Group's obligation.

Note 20: Other current liabilities

	2013	2012
Public taxes and fees	**54 743**	52 942
Salaries and holiday pay	**49 574**	48 546
Accrued expenses	**43 047**	32 457
Total other current liabilities	**147 364**	133 945

Accrued costs mainly concern allocations for accrued operating costs and workshop repairs.

Note 21: Long-term liabilities

			Carrying value	
		Maturity	2013	2012
Secured				
Mortgage loan (NOK)	NIBOR loan	October 2017	166 000	185 000
Mortgage loan (NOK)	NIBOR loan	June 2017	73 538	89 038
Mortgage loan (NOK)	CIRR loan	February 2020	135 417	156 250
Mortgage loan (NOK)	CIRR loan	March 2024	301 875	330 625
Mortgage loan (NOK)	CIRR loan	October 2017	320 833	350 000
Mortgage loan (NOK)	NIBOR loan	April 2019	192 500	207 500
Mortgage loan (NOK)	NIBOR loan	September 2017	175 000	195 000
Mortgage loan (NOK)	NIBOR loan	February 2016	90 357	98 214
Mortgage loan (NOK)	NIBOR loan	January 2021	190 000	215 333
Mortgage loan (NOK)	CIRR loan	January 2021	190 000	215 333
Mortgage loan (NOK)	Debenture loan	December 2014	0	6 000
Mortgage loan (USD)	LIBOR loan	February 2016	366 036	370 166
Mortgage loan (USD)	LIBOR loan	June 2017	169 887	175 202
Mortgage loan (USD)	LIBOR loan	July 2017	192 245	190 649
Mortgage loan (USD)	LIBOR loan	June 2017	85 870	144 828
Mortgage loan (USD)	LIBOR loan	December 2015	76 583	80 092
Mortgage loan (USD)	LIBOR loan	February 2016	67 428	68 188
Bond loan (NOK)	NIBOR loan	May 2018	300 000	0
Loan from parent company			0	32 760
Convertible loan from minority in subsidiary			0	8 120
Capitalised establishment costs			-15 198	-15 818
Total interest-bearing long-term liabilities			**3 078 371**	**3 102 480**
Total long-term liabilities			3 078 371	3 102 480
1st year instalment on long-term liabilities			-324 073	-319 054
Total long-term liabilities, excl. first year's instalment			**2 754 298**	**2 783 426**
Loan short-term				
1st year instalment on long-term liabilities			324 073	319 054
Accrued interest			29 625	31 434
Total			**353 698**	**350 488**
Carrying value of debt in foreign currency				
NOK			2 120 322	2 073 355
USD			958 049	1 029 125
Total			**3 078 371**	**3 102 480**

Instalment profile for long-term liabilities	
2014	324 073
2015	378 752
2016	676 487
2017	865 466
2018	415 250
Later	433 541
Total instalment	3 093 569

Of the total long-term liabilities, NOK 2,794 million is secured by a mortgage on vessels with a carrying value of NOK 4,188 million. The following ships are not mortgaged: Geo Searcher.
For an assessment of the fair value of the long-term debt, see Note 3.

Covenants
Most of the company's fleet is financed through mortgage loans, primarily a fleet loan. The most important financial covenants associated with this financing are:
- Eidesvik Offshore ASA must be listed on the Oslo Stock Exchange.
- The Group's book equity must be at least 25%, or the company must have a cash flow from operations (profit before tax with the addition of depreciation and adjusted for gains/losses) that exceeds the first year's instalments on long-term loans by 125%.

- The Group's working capital adjusted for 50% of the first year's repayments of long-term debt must be positive.

The company has one bond loan. The most important financial covenants associated with this financing are:
- Eidesvik Offshore ASA must be listed on the Oslo Stock Exchange.
- Value-adjusted equity must be at least 30%, or at least 25% if the contractual cover of the fleet exceeds 70%.
- The issuer (the parent company Eidesvik Offshore ASA) must have cash and cash equivalents of at least TNOK 50,000
- The Group's working capital adjusted for 50% of the first year's repayments of long-term debt must be positive.

No companies in the Eidesvik Offshore Group were in breach of the loan conditions as at 31.12.2013 or during 2013.

Note 22: Assets classified as held for sale

AS Langevåg Senter was classified as held for sale after the company was sold to the related party Eidesvik Invest AS. The company's property was an office building as the premises for the administration of Eidesvik Offshore ASA.

	2013	2012
Assets		
Fixed assets	0	46 120
Current assets	0	1 246
Total assets	0	47 366
Liabilities		
Current liabilities	0	1 399
Debt to majority shareholder	0	43 540
Total liabilities	0	44 939
Net assets discontinued activities	0	2 427

The company's activity was to own and lease out office facilities for the Group's administration. In 2011, the work commenced to expand the office facilities, and the company was sold to Eidesvik Invest AS. The historical result will not be affected by this sale as the company's only activity has been to rent out offices to other companies in the Group.

The completion of the sale in May 2013 resulted in a sales profit of NOK 259, see also Note 5.

Note 23: Lease agreements

The Group as a lessee – financial lease agreements

The Group does not currently have any financial lease agreements.

The Group as a lessee – operational lease agreements

Other lease agreements	Type	Annual rent	Start	Lease period	Options
Langevåg Senter AS	Office	5 513	01.01.2013	20 years	6 x 5 years
Langevåg Bygdatun	Office	854	01.01.2005	10 years	2 x 5 years
Warehouse		317	01.01.2012	5 years	9 x 5 years
Motor vehicles		421		36 months	

Lease agreements for office and warehouse premises are adjusted according to the consumer price index.
The leasing of motor vehicles is based on the development in interest rates and use beyond the agreement. These leases are normally entered into for 36 months and regularly renewed with new vehicles, based on the current needs at any given time.

Future minimum rent relating to non-terminable lease agreements falls due as follows:

Next 1 year	7 014
1 to 5 years	22 811
After 5 years	77 175
Future minimum rent	**107 000**

The Group as lessor

The Group's principal activity is to operate leasing of offshore ship tonnage. The vessels are mainly leased on long-term contracts.

Ships, consolidated	Contract type	Customer	Contract expiry, fixed		Contract expiry, charterer's option	
Viking Lady	Spot/Time charter party	Leiv Eriksson Consortium	February	2017	December	2020
Viking Queen	Time charter	Statoil	November	2014		
Viking Athene	Spot/Time charter party	Leiv Eriksson Consortium	February	2017	December	2020
Viking Avant	Time charter	Statoil	December	2016	December	2019
Viking Energy	Time charter	Statoil	April	2015	April	2019
Viking Nereus	Spot					
Viking Prince	Time charter	Lundin Norway	September	2015		
Viking Princess	Time charter	Statoil	October	2014	December	2025
Viking Poseidon	Time charter	Harkand	January	2017	January	2020
Acergy Viking	Time charter	Subsea 7	December	2015	December	2028
Subsea Viking	Time charter	Subsea 7	December	2017	December	2020
Viking Forcados	Spot	RUE	Februar	2013		
European Supporter	Bareboat	P&O Maritime Services PTY	August	2015	June	2018
Viking Vanquish	Bareboat	CGG	November	2020	November	2025
Viking Vision	Bareboat	CGG	July	2015	July	2025
Veritas Viking	Bareboat	CGG	December	2015	May	2016
Vantage	Bareboat	CGG	June	2016		
Viking II	Bareboat	CGG	May	2015		
Geo Searcher	Laid up					

Ships in joint ventures

	Contract type	Customer	Contract expiry, fixed		Contract expiry, charterer's option	
Oceanic Vega	Bareboat	CGG	July	2022	July	2042
Oceanic Sirius	Bareboat	CGG	October	2023	October	2043
Seven Viking	Time charter	Subsea 7	January	2021	January	2024

Vessels with contracts of less than one year are classified as spot tonnage.

Future minimum lease payments relating to non-terminable lease agreements fall due as follows:

Next 1 year	857 370
1 to 5 years	1 542 650
After 5 years	157 348
Future minimum rent	**2 557 368**

Note 24: Financial instruments

Financial assets and liabilities recognised in the balance sheet

Recognised value corresponds to fair value. The Group does not practice hedge accounting, but holds financial derivatives for financial hedging that are posted to fair value.

Assets	**2013**	2012
Market-based shares, trading purposes	**25**	25
Foreign currency derivatives	**759**	2 378
Interest derivatives	**0**	9
Trade receivables (Note 14)	**177 865**	148 043
Cash and cash equivalents (Note 16)	**582 773**	254 988
Total	**761 422**	**405 443**

Liabilities		
Foreign currency derivatives	**2 972**	0
Interest derivatives	**38 985**	59 769
Loans (Note 21)	**3 078 371**	3 102 480
Total	**3 120 328**	**3 162 249**

Foreign currency

As at 31.12.2013 the Group held currency derivatives as an element of the management of the Group's foreign currency exposure. The terms in the contracts are as follows:

	Currency sold	**Amount**	**Year of maturity**	**Exchange rate (average)**	**Fair value (MTM)**
Foreign currency derivatives					
Foreign exchange forward contracts for sale of current cash flows	USD	12 000	2014	6,1550	255
Foreign exchange forward contracts to secure the raising of loans	USD	110 000	2014	6,1036	-2 468
		122 000			**-2 213**

As at 31.12.12:

	Currency sold	**Amount**	**Year of maturity**	**Exchange rate (average)**	**Fair value (MTM)**
Foreign currency derivatives					
Total "Butterfly" forward contracts for sale of current cash sums	USD	6 000	2013	5,9700	2 378
		6 000			**2 378**

All forward foreign exchange contracts are recognised at fair value.

Interest
The Group uses several types of interest rate derivatives to hedge against fluctuations in results due to changes in the level of interest rates.

The Group has the following interest rate swap agreements:

Type	Currency	Floor	Cap/Swap	Maturity	NOK principal	Fair value (excl. accrued interest)	Annual reduction prior to maturity
Cap	NOK		5,00 %	07.01.2015	166 000	0	19 000
Swap	USD		2,29 %	02.12.2015	38 023	-820	19 012
Swap	USD		2,27 %	07.04.2015	49 077	-695	25 955
Swap	USD		2,41 %	30.06.2014	159 219	-1 683	19 668
Swap	USD		4,50 %	31.10.2015	121 674	-8 871	None
Swap	USD		4,51 %	06.11.2015	182 511	-13 472	None
Swap	USD		4,40 %	14.11.2015	182 511	-13 443	None
Fixed interest rate loans	NOK		4,09 %	01.02.2020	135 417		20 832
Fixed interest rate loans	NOK		4,90 %	13.01.2021	190 000		25 333
Fixed interest rate loans	NOK		3,36 %	30.03.2024	301 875		28 750
Fixed interest rate loans	NOK		3,41 %	13.09.2024	320 833		29 166
Unsecured					1 246 429		
Total secured and unsecured debt					3 093 569	-38 984	

As at 31.12.2012

Type	Currency	Floor	Cap/Swap	Maturity	NOK principal	Fair value (excl. accrued interest)	Annual reduction prior to maturity
Swap	USD		4,87 %	17.06.2013	83 496	-1 685	None
Cap	NOK		5,00 %	07.01.2015	185 000	9	19 000
Swap	USD		2,29 %	02.12.2015	52 185	-1 587	17 395
Swap	USD		2,27 %	07.04.2015	68 652	-1 605	23 748
Swap	USD		2,41 %	30.06.2014	154 348	-5 533	17 995
Swap*	USD		4,50 %	31.10.2012	111 328	-12 349	None
Swap*	USD		4,51 %	06.11.2012	166 992	-18 696	None
Swap	USD		4,40 %	14.11.2015	166 992	-18 314	None
Fixed interest rate loans	NOK		4,09 %	01.02.2020	156 250		20 832
Fixed interest rate loans	NOK		4,90 %	13.01.2021	215 333		25 333
Fixed interest rate loans	NOK		3,36 %	30.03.2024	330 625		28 750
Fixed interest rate loans	NOK		3,41 %	13.09.2024	350 000		29 166
Unsecured					1 077 097		
Total secured and unsecured debt					3 118 298	-59 759	

As at 31.12.2013, 60% (65%) of the Group's loans were fixed interest rate loans.

Only one derivative (with a principal of NOK 159.2 million) for interest rate hedging as at 31.12.2013 had an amortisation profile matching the instalments on long-term liabilities. See the column for the annual reduction.

The company has the following unrecognised CIRR (interest rate options) from Eksportkreditt Norge:

Principal	NOK interest	GBP interest	USD interest	EUR interest	Term (years)
NOK 984 million	2.62%	2.59%	2.43%	2.62%	<12

The Group had four fixed interest rate loans in NOK, originally with a 12-year term (CIRR), which are recorded at amortised cost in the balance sheet. If these loans were to be refinanced today with a new margin and money market interest rate, maintaining the same repayment profile, the present value of the difference between the present interest payments and the refinanced interest payments would be NOK -7.5 million. If these loans were carried at fair value they would be reported at an equivalently lower value.

See Note 21 for information on long-term loans.

Other note information
No financial assets have been reclassified so that the valuation method has been changed from amortised cost to fair value, or vice versa.

For assessment of fair value (MTM), see Note 3.

Note 25: Transactions with close associates

The Group has some transactions with close associates. This applies to crewing services and management services for the operation of vessels, in addition to business and accounting services and lease of office premises. All transactions are based on the “arm’s length” principle.

	2013	2012
Sale of crewing and management services to Viking Dynamic AS	30 237	37 225
Sale of crewing and management services to Viking Fighter AS	30 784	13 760
Lease of vessel to Maritime Logistic Services AS	139 391	68 490
Sale of services to Eidesvik Invest AS	112	100
Lease of offices from AS Langevåg Senter	2 756	0
Sale of shares in AS Langevåg Senter to Eidesvik Invest AS	9 318	0
Lease of offices to Evik AS	162	0
Lease of offices to Bømmelfjord AS	162	0
Lease of offices to Eidesvik Invest AS	162	0

The balance sheet includes the following amounts as a result of transactions with associated companies and joint ventures:

	2013	2012
Trade receivables	71 217	31 907
Other current assets (see also Note 15)	0	0
Trade payables	-219	-645
Total	**70 998**	31 262

Shares owned/controlled by Board members/key staff:

	2013	2012
Eidesvik Invest AS (1)	20 180 000	20 180 000
Kolbein Rege	35 450	15 450
Kjell Jacobsen	0	0
Synne Syrrist	0	0
Jan Fredrik Meling	120 000	95 000
Jan Lodden	1 242	1 242
Svein Ove Enerstvedt	1 242	1 242

(1) Controlled by Borgny Eidesvik, Board member, with 55% via 100% ownership of Bømmelfjord AS.
The remaining 45% is owned by Lars Eidesvik, Board member, via 100% ownership of Evik AS.

The Eidesvik Offshore ASA Group is a subsidiary of Eidesvik Invest AS, which, in turn, is a subsidiary of the ultimate parent company, Bømmelfjord AS.

Remuneration to key employees:

2012	No. Allocated options	Salary	Benefits in kind	Pension expenses
CEO	0	2 248	125	218
COO	0	1 342	6	118
CFO	0	1 247	6	102
Total 2012	0	4 837	137	439

2013	No. Allocated options	Salary	Benefits in kind	Pension expenses
CEO	0	2 332	136	166
COO	0	1 561	6	118
CFO	0	1 448	6	102
Total 2013	0	5 341	148	386

The CEO has a loan of NOK 692 in the company as at 31.12.13. The term of the loan is 22 years at an interest rate equivalent to the normal interest rate for employment relationships, and as at 31.12.13 the interest rate was 2.25%. The company has a mortgage on the CEO’s home.

The CEO has a bonus agreement on specific terms worth up to NOK 500, which is determined after an overall evaluation.
Everyone in the management group has six months’ mutual notice of termination, and the CEO is entitled to 18 months’ severance pay, subject to specific terms.

Remuneration to the Board of Directors	2013	2012
Kolbein Rege	420	410
Borgny Eidesvik	200	190
Lars Eidesvik	180	170
Kjell Jacobsen	200	190
Monica Havskjold	180	170
Synne Syrrist	0	0

Note 26: Newbuild commitments

The Group has the following commitments as a result of contracts concerning the purchase of vessels:

	2013	2012
2013	**0**	0
2014	**941 308**	1 059 725
Total	**941 308**	1 059 725

As at 31.12.13 there is a subsea vessel on order with delivery in Q4 2014.

The contract price included declared options less paid instalments.

Note 27: Liabilities and unforeseen circumstances

There are no known liabilities and unforeseen circumstances besides those described in the Annual Accounts.

Note 28: Foreign exchange rates

	Average exchange rate 2012	**Exchange rate 31.12.2012**	**Average exchange rate 2013**	**Exchange rate 31.12.2013**
Euro	7,468	7,341	7,811	8,383
Pound sterling	9,136	8,996	9,441	10,053
US Dollar	5,800	5,566	5,897	6,084

Average exchange rates are taken from the accounts, in which the exchange rates are updated on a weekly basis in accordance with data from Norges Bank.

Note 29: Events after the balance sheet date

The company has entered into a contract with Lundin Petroleum for the lease of the Viking Queen vessel. The contract is for 15 wells with the option of an additional 5 wells. The contract is due to start at the end of 2014. The ship will be upgraded with FI-FI II and NOFO 2009.

ANNUAL ACCOUNTS 2013 – PARENT COMPANY

CONSOLIDATED INCOME STATEMENT

1.1 – 31.12. (NOK 1,000)

	Note	2013	2012
Payroll expenses, etc.	9, 10	4 217	3 862
Depreciation	3	202	202
Other operating expenses	12	4 858	4 127
Total operating expenses		**9 276**	8 190
Operating profit		**-9 276**	-8 190
Interest income from Group companies	6	20 052	20 350
Other interest income		3 268	58
Other financial income		1 467	0
Write-down of financial fixed assets	2	0	-8 175
Interest expenses to Group companies	7	-687	-998
Other interest expenses		-12 220	-442
Other financial expenses		-177	-8
Net financial items		**11 702**	10 784
Profit before tax		**2 426**	2 594
Tax expense	4	**0**	0
Profit for the year		**2 426**	2 594
Transfers and allocations			
Proposed dividends		30 150	30 150
Transferred from other equity		27 724	27 556
Total transfers (allocations)		**2 426**	2 594

STATEMENT OF FINANCIAL POSITION AS AT 01.01 – 31.12 – PARENT COMPANY

(NOK 1,000)

ASSETS	Note	2013	2012
Fixed assets			
Land, buildings and other real estate		**8 921**	8 921
Operating equipment		**710**	912
Total fixed assets	**3**	**9 631**	9 833
Financial fixed assets			
Investments in subsidiaries	2	**245 462**	252 721
Loans to Group companies	6	**550 973**	457 110
Investments in affiliated companies		**56**	56
Total financial fixed assets		**796 491**	709 887
Total fixed assets		**806 122**	719 720
Current assets			
Receivables			
Other receivables		**692**	901
Total receivables		**692**	901
Bank deposits, cash, etc.	1	**148 132**	919
Total current assets		**148 824**	1 820
TOTAL ASSETS		**954 946**	721 539

STATEMENT OF FINANCIAL POSITION AS AT 01.01 – 31.12 – PARENT COMPANY

(NOK 1,000)

EQUITY	**Note**	**2013**	2012
Paid-in equity			
Share capital	8	**1 508**	1 508
Other paid-in equity		**549**	549
Total paid-in equity		**2 057**	2 057
Accrued equity			
Other equity		**622 662**	650 386
Total accrued equity		**622 662**	650 386
Total equity	5	**624 718**	652 442
LIABILITIES			
Provisions for liabilities			
Pension liability	10	**61**	39
Total provisions for liabilities		**61**	39
Other long-term liabilities			
Debt to credit institutions	11	**0**	6 000
Bond loans	11	**296 637**	0
Debt to Group companies	7	**0**	32 152
Total other long-term liabilities		**296 637**	38 152
Current liabilities			
Trade payables		**726**	56
Public taxes and fees		**405**	448
Dividends		**30 150**	30 150
Other current liabilities		**2 249**	252
Total current liabilities		**33 530**	30 906
Total liabilities		**330 228**	69 097
TOTAL EQUITY AND LIABILITIES		**954 946**	721 539

Bømlo, 23 April 2014

Kolbein Rege
Chairman of the Board

Borgny Eidesvik
Board member

Lars Eidesvik
Board member

Kjell E Jacobsen
Board member

Synne Syrrist
Board member

Jan Fredrik Meling
CEO

CASH FLOW STATEMENT 01.01 – 31.12 – PARENT COMPANY (NOK 1,000)

	Note	1.1-31.12 2013	1.1-31.12 2012
Cash flows from operations			
Payments to suppliers and employees		-7 917	-7 678
Interest income received		3 246	57
Net cash flows from operations		-4 671	-7 621
Cash flows from investment activities			
Purchase of shares		0	-56
Sale of shares	2	8 726	0
Purchase of other financial fixed assets		0	0
Net cash flows used for investment activities		**8 726**	-56
Cash flows from financing activities			
New debt		296 250	0
Repayment of debt	12	-37 341	-3 750
Interest expenses paid		-10 306	-1 741
Loans to subsidiaries/associated companies	6,7,8	-75 295	43 300
Dividends paid to company shareholders	5	-30 150	-30 150
Equity repaid to minority interests			
Net cash flows from financing activities		143 158	7 659
Net increase (reduction) in cash and cash equivalents	1	**147 213**	-18
Cash and cash equivalents at the start of the year	1	919	937
Cash and cash equivalents at the end of the year		148 132	919

NOTES TO THE 2013 ANNUAL ACCOUNTS – PARENT COMPANY

Accounting principles
The Annual Accounts have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles.

Classification and valuation of balance sheet items
Current assets and short-term liabilities include items that fall due for payment no later than one year after the balance sheet date. Other items are classified as fixed assets or long-term liabilities.

Current assets are valued at the lesser of historical cost or fair value. Current liabilities are recognised in the balance sheet based on the nominal amount of the liability at the time that it is established.

Fixed assets are valued at cost, but are written down to fair value if the impairment in value is not expected to be of a temporary nature. Long-term liabilities are recognised in the balance sheet based on the nominal amount of the liability at the time it is established.

Trade receivables
Trade receivables and other receivables are recognised in the balance sheet at the nominal value, less a provision for expected losses. Provisions for losses are made on the basis of an assessment of the individual receivables. In addition, unspecified provisions are made for other trade receivables to cover any estimated losses.

Currency
Foreign currency items are valued at the exchange rates on the balance sheet date.

Subsidiaries/associated companies
Subsidiaries and associated companies are valued in the company's accounts based on the cost method of accounting. The investment is valued at the historical cost of the shares, unless a write-down of the shares has been necessary. Group contributions to subsidiaries, less a deduction for taxes, are entered as an increased cost price for the shares. Dividends/Group contributions are recognised as income for the same year as provisions are made in the subsidiary or associated company. When the dividends/Group contributions significantly exceed the share of the retained earnings after the acquisition, the excess amount is regarded as repayment of invested capital and is deducted from the value of the investment in the balance sheet.

Fixed assets
Tangible fixed assets are recognised in the balance sheet and depreciated over the economic life of the asset. Maintenance of fixed assets is charged against income on an ongoing basis under operating expenses, while enhancements or improvements are added to the cost price of the fixed asset and depreciated in step with the fixed asset. The distinction between maintenance/improvements is based on the condition of the asset when it is acquired.

Taxes
Tax expenses in the profit and loss account encompass both the tax payable for the period and the change in deferred taxes. Deferred tax assets are calculated at the rate of 27% on the basis of the temporary differences that exist between the financial accounting and tax-related values, in addition to the tax loss carryforward at the end of the financial year. Negative and positive temporary differences that reverse or which may reverse during the same period are offset, and the net amount is entered.

Pension obligations
The company finances its pension obligations to employees through a group pension scheme. The accounting is performed in accordance with NRS 6, the accounting standard for pension costs. The pension obligations are calculated as the net present value of future pension benefits that are assumed to have been incurred on the balance sheet date, based on the employees earning pension rights gradually over the period in which they are employed. The pension fund assets are valued at fair value and are set off against the pension obligations for each pension scheme. The net pension fund assets are presented as long-term receivables under financial fixed assets. Net pension costs for the period are included in wages and social benefits and consist of the period's pension benefits earned, interest cost of the estimated pension obligations, expected return on the pension fund assets, effect of changes in the estimates and pension schemes recognised in the profit and loss account, deviation between the actual and estimated return recognised in the profit and loss account, and the accrued national insurance contributions.
The effects of changes in pension schemes are amortised over the average remaining contribution period.
Estimate deviations that exceed the higher of 10% of the pension obligations or pension fund assets are distributed evenly over the average remaining contribution period for active members.

Cash flow statement
The cash flow statement has been prepared in accordance with the direct method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments that can be converted immediately, without any significant exchange rate risk, to a known cash amount, with a maturity date of less than three months from the purchase date.

All figures in NOK 1,000.

Note 1 – Bank deposits
Of bank deposits of NOK 148,132 (919), the restricted tax withholding deposits totalled NOK 293 (334).

Note 2 – Investments in subsidiaries as at 31.12.2013

Company	Company's share capital	Interest/voting share	Number	Nominal value	Posted
Eidesvik Shipping AS	170,749	100 %	291 380	NOK 586	164 038
Eidesvik AS	11 000	100 %	11 000	NOK 1,000	19 800
Eidesvik Shipping Int. AS	100	100 %	100	1 000	104
Eidesvik Subsea Vessels AS	100	100 %	1 000	100	112
Hordaland Maritime Miljøs. AS	4483	91 %	39 933	100	59 859
Eidesvik Management AS	100	100 %	1 000	100	112
Norsk Rederihelsetjeneste AS	100	100 %	100	1 000	1 225
Eidesvik Maritime AS	100	100 %	1 000	100	112
Eidesvik Neptun II AS	88	100 %	1 000	100	100
Total					**245 462**

Langevåg Senter AS was sold for NOK 8,726 in 2013, realising a gain of NOK 1,467.

Note 3 – Summary of tangible fixed assets

	Residential property	Transport equipment	Inventory and equipment	Non-depreciable fixed assets	Total
Acquisition cost 01.01.	8 921	658	1 248	156	10 984
Additions	0	514	0	0	514
Disposals	0	288	0	0	288
Acquisition cost 31.12.	8 921	885	1 248	156	11 210
Accum. depreciation 01.01.	0	577	800	0	1 377
Depreciation for the year	**0**	**77**	**125**	**0**	**202**
Accum. depreciation 31.12.	0	654	925	0	1 579
Carrying value at 31.12	**8 921**	**230**	**323**	**156**	**9 631**
Depreciation rates	0 %	20 %	10 %	0	
Depreciation method		Linear	Linear		

Note 4 – Taxes

Tax charge for the year

Tax payable:	**2013**	**2012**
Profit before tax	2 426	2 594
Permanent differences	-1 433	8 188
Recognised Group contributions from subsidiaries	0	0
Change in temporary differences (A)	2 888	-260
Deficit carried forward	-3 881	-10 522
Taxable income	**0**	**0**
Of which tax payable	0	0
Change in deferred tax	0	0
Tax charge for the year	**0**	**0**

Deferred tax assets are not recognised in the balance sheet due to uncertainty regarding future earnings.

Deferred taxes:	Temporary differences 31.12.2013	01.01.2013	Change
Fixed assets	215	331	116
Pension funds	-61	-39	22
Demerger liabilities	0	2 750	2 750
Receivables	0	0	0
Total temporary differences (A)	**154**	**3 042**	**2 888**
Basis for unused allowance	0	-4 963	-4 963
Tax loss carried forward	-21 842	-25 723	-3 881
Basis for deferred tax assets	**-21 688**	**-27 644**	**-5 956**
Total deferred tax assets, 28%	**-6 073**	**-7 740**	**-1 668**

Deferred tax assets are not recognised in the balance sheet due to uncertainty regarding future earnings.

Note 5 – Equity

	Share capital	Other paid-in equity Equity	Other Equity	Total
Equity 01.01.12	1 508	549	677 942	679 999
Distribution to shareholders/dividends			-30 150	-30 150
Profit for the year			2 593	2 593
Equity 31.12.12	**1 508**	**549**	**622 829**	**652 442**
Distribution to shareholders/dividends			-30 150	-30 150
Profit for the year			2 426	2 426
Equity 31.12.2013	**1 508**	**549**	**595 105**	**624 718**

Note 6 – Long-term loans to subsidiaries

	2013	2012
Eidesvik AS	75 768	80 845
Eidesvik Shipping AS	463 095	372 367
Eidesvik Management AS	8 982	2 594
Eidesvik Supply AS	2 957	1 304
Eidesvik Neptun AS	12	0
Eidesvik OCV AS	158	0
Sum	**550 972**	**457 110**

Group receivables are subject to quarterly interest at 3 months NIBOR + a margin of 1%.
The company has provided a loan guarantee for a subsidiary for which a guarantee charge of 0.25 - 1.00% will be made, depending on the counterparty, based on the net loan amount that the guarantee covers.
Guarantees have been granted for loans in Eidesvik Shipping AS totalling NOK 1,511,290, for Eidesvik OCV AS at NOK 380,000 and for Eidesvik Supply AS at NOK 301,875.

Note 7 – Long-term intercompany balances

	2013	2012
Eidesvik Invest AS	0	-32 152
Sum	**0**	**-32 152**

Group receivables are subject to quarterly interest at 3 months NIBOR + a margin of 1%.

Note 8 – Share capital and shareholder information

The company's share capital consists of 30,150,000 shares, each with a nominal value of NOK 0.05.
All shares have equal voting rights.

For Eidesvik Offshore ASA's 20 largest shareholders as at 31.12.13, see Note 17 to the Consolidated Annual Accounts.

Shares owned/controlled by Board members and the CEO:

	2013	2012
Eidesvik Invest AS (1)	20 180 000	20 180 000
Kolbein Rege (2)	35 450	15 450
Kjell Jacobsen	0	0
Synne Syrrist	0	0
Monica Havskjold	0	0
Jan Fredrik Meling (3)	120 000	95 000

(1) Controlled by Borgny Eidesvik, Board member, at 55% via 100% ownership of Bømmelfjord AS. The remaining 45% is owned by Lars Eidesvik, Board Member, via 100% ownership of Evik AS.

(2) Of which 35,000 shares via Nieblok Invest AS. The Chairman of the Board of Directors acquired a further 20,000 shares via Nieblok Invest AS in 2013.

(3) The CEO also has an option for 20,000 shares, which as at 31.12.12 had a higher exercise price than the market price. The CEO acquired 25,000 shares in 2013, which was not part of the option agreement.

Note 9 – Wages and salaries, number of employees, remunerations, loans to employees

Payroll expenses	**2013**	**2012**
Salaries	**2 350**	2 262
National insurance	**412**	395
Pension costs	**165**	66
Directors' fees	**1 180**	1 130
Other benefits	**110**	9
Total	**4 217**	**3 862**

At the end of the year the company had one employee.
An individual pension agreement has been set up for the CEO; see Note 13.
The company has entered into an occupational pension scheme on the same terms as the rest of the onshore organisation.

Remuneration to the CEO:	**2013**	**2012**
Salary	2 332	2 248
Pension expenses	166	218
Other benefits	136	125
Total	2 634	2 591

The CEO has an option for 20,000 shares, with an exercise price of NOK 37.70, which as at 31.12.2013 was higher than the market price. The options may be exercised by no later than 26.04.2015. No amount was expensed for the scheme in 2012.

The company has granted the CEO a loan, which as at 31.12.13 had a balance of NOK 692. The loan has a term of 22 years and the interest rate is equal to the standard interest rate for employees, which in 2013 was 2.25%. The company has a mortgage on the CEO's home.
The CEO has a bonus agreement on specific terms worth up to NOK 500, which is determined after an overall evaluation.
The CEO has six months' mutual notice of termination, and is also entitled to 18 months' severance pay, subject to specific terms.

Remuneration to the Board of Directors:	2013	2012
Kolbein Rege	420	410
Borgny Eidesvik	200	190
Lars Eidesvik	180	170
Kjell Jacobsen	200	190
Monica Havskjold	180	170
Synne Syrrist	0	0
	1 180	1 130

Note 10 – Pension costs and obligations

The company has pension schemes that cover the company's only employee. The schemes give entitlement to defined future benefits. These benefits are dependent on the number of years of service, salary level when reaching retirement age and the size of the National Insurance benefits. The obligations are covered via an insurance company.

	2013	2012
Estimated obligations	1 272	1 012
Value of pension fund assets	1 212	985
Unrecognised change	0	-7
Estimated National Insurance contributions	0	-4
Under-funding	**-60**	**-38**

Reconciliation of pension costs for the year	2013	2012
Present value of the current year's pension benefits earned	161	196
Interest expense from the pension obligation	40	28
Expected return on pension fund assets	-42	-35
Recognised estimate deviations	0	14
Administration costs	6	15
Net pension costs	**166**	**218**

Discount interest rate	4,00 %	3,90 %
Expected return on pension fund assets	4,00 %	3,90 %
Annual estimated wage inflation and basic amount (G) adjus	3.75%/3.5%	3,5 %/3,25 %
Adjustment of pension during payment	0,60 %	0,20 %

	2013	2012
Estimated obligations	1 272	1 012
Value of pension fund assets	1 212	985
Unrecognised change	0	-7
Estimated National Insurance contributions	0	-4
Under-funding	**-60**	**-38**

Note 11 – Long-term debt

	2013	2012
Long-term liabilities - DNB	0	6 000
Long-term liabilities - Bond loan	300 000	0
Recognised establishment costs for long-term liabilities	-3 363	
Total long-term liabilities to credit institutions	**296 637**	**6 000**

The loan is an unsecured interest-only bond loan falling due on 22.05.2018. The loan runs at 3-month NIBOR + 4.50%.

Covenants
Most of the company's fleet is financed by mortgage loans, mainly fleet loans. The most important financial covenants related to this financing are:

- Eidesvik Offshore ASA must be listed on the Oslo Stock Exchange.
- The Group's book equity must be at least 25%, or the Group must have a cash flow from operations (profit before tax with the addition of depreciation and adjusted for gains/losses) that exceeds the first year's instalments on long-term loans by 125%.
- The Group's working capital adjusted for 50% of the first year's repayments of long-term debt must be positive.

The company has a bond loan. The most important financial covenants associated with this financing are:

- Eidesvik Offshore ASA must be listed on the Oslo Stock Exchange.
- Value-adjusted equity must be at least 30%, or at least 25% if the contractual cover of the fleet exceeds 70%.
- The issuer (the parent company Eidesvik Offshore ASA) must have cash and cash equivalents of at least TNOK 50,000.
- The Group's working capital adjusted for 50% of the first year's repayments of long-term debt must be positive.

Financial market risk

The company's credit risk is considered very low, since the debt is low. The company has no foreign currency risk.

Note 12 – Other operating expenses

	2013	2012
Business management and accounting	1 500	1 500
Investor relations expenses	720	546
Statutory audit*	390	390
Consulting	102	815
Losses on receivables	0	9
Other expenses	2 145	867
Total other operating expenses	4 857	4 127

Of which from related parties:
Business management and accounting of NOK 1,500 (1,500) is provided by Eidesvik AS.

*No advisory fees have been paid to the auditor.

Statsautoriserte revisorer
Ernst & Young AS

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Oslo Atrium, P.O.Box 20, NO-0051 Oslo

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Tlf: +47 24 00 24 00
Fax: +47 24 00 29 01
www.ey.no
Medlemmer av den norske revisorforening

To the Annual Shareholders' Meeting of
Eidesvik Offshore ASA

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Eidesvik Offshore ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet as at 31 December 2013, the statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2013, the statements of income, comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as the Board of Directors and Chief Executive Officer 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.

Building a better working world

2

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

Opinion on the financial statements of the Parent Company

In our opinion, the financial statements of Eidesvik Offshore ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2013 and its financial performance and 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 financial statements of the Group

In our opinion, the financial statements of the Group have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and on the statements on corporate governance and corporate social responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report [and in the statements on corporate governance and corporate social responsibility] concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on 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 Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

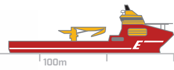
Oslo, 23 April 2014
ERNST & YOUNG AS

Asbjørn Rødal
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

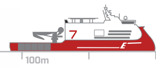
FLEET LIST

SUBSEA



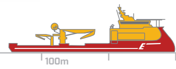
2014 **BN365 - KLEVEN MARITIME**

Type: Salt 301-CSV · **Built:** 2014 · **Class:** DNV · **Length:** 146,5 m · **Beam:** 31 · **Draught:** 9,0m
Deadweight: 13.500



2012 **SEVEN VIKING**

Type: SX148-IMR · **Built:** 2012 · **Class:** DNV · **Length:** 106,5 m · **Beam:** 24

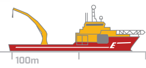


2009 **VIKING POSEIDON**

Type: SX121-CSV · **Built:** 2008/2009 · **Class:** DNV + 1a1, Sf, Eo,Dynpos-Autro, Naut-Osv, Opp-F, Crane,Clean,Comfv(3), Comfc(3),Dk(+), Helidk-Sh. · **Length:** 130,2 m · **Draught:** 7,0m · **Deadweight:** 8.900

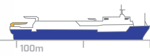
2007 **ACERGY VIKING**

Type: TYPE: VS495 SV · **Built:** 2007 · **Class:** DNV + 1A1, SF, ICE 1c, Deice, Heldk SH, E O Dynpos AUTR, Clean Design, Comf-V(2) and Comf-C(3), Crane, Register notation DK (+) · **Length:** 97,60 m · **Deadweight:** 3300



1999 **SUBSEA VIKING**

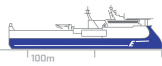
Type: VS 4103 MPSV-IMR · **Built:** 1999 Umoe Sterkoder. · **Class:** Det Norske Veritas +1A1 Supply Vessel, SF, Dynpos AUTRO, EO (LFL*), SMB Helidk-SH, dk(+). · **Length:** 103 m · **Beam:** 22 m **Draught:** 9,6 m GRT: 7.401 · **Deadweight:** 6.874



1996 **EUROPEAN SUPPORTER**

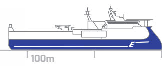
Type: Cable Layer · **Built:** 1996 Flekkefjord Slip- og Maskinfabrikk, rebuilt 2000 Astilleros de Cadiz.
Class: Det Norske Veritas +1A1 Cable · Laying Vessel, EO, DynPos AUT, dk(+) · **Length:** 105,60 m
Beam: 22,0 m · **Draught:** 6,83 m · GRT: 9.075 · **Deadweight:** 6.700

SEISMIC



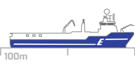
2011 **OCEANIC SIRIUS**

Type: SX120 Seismic Research Vessel · **Built:** 2010 · **Class:** DNV 1A1 ICE-C COMF-V(3)C(3) HELDK-SH OPP-F RP EO NAUT-AW CLEAN DESIGN · **Length:** 106,0m · **Beam:** 24/28m · **Draught:** 8m · GRT: Appr. 11.900t · **Deadweight:** Appr. 5.530t



2010 **OCEANIC VEGA**

Type: SX120 Seismic Research Vessel · **Built:** 2010 · **Class:** DNV 1A1 ICE-C COMF-V(3)C(3) HELDK-SH OPP-F RP EO NAUT-AW CLEAN DESIGN · **Length:** 106,0m · **Beam:** 24/28m · **Draught:** 8m ·GRT: Appr. 11.900 · **Deadweight:** Appr. 5.530t



2008 **GEOWAVE VOYAGER**

Type: Seismic Research Vessel · **Built:** 2008· **Class:** GL + 100A5 + S4D11 + MC AUT SURVEY VESSEL
Length: 92,65 · **Beam:** 22 · **Draught:** 6,7 · GRT: 7.955 · **Deadweight:** 2.387

2008 **OCEANIC ENDEAVOUER**

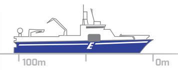
Type: Seismic Research Vessel · **Built:** 2008 BG Fosen · **Class:** DNV 1A1, SF, COMF-V(3)C(3), Helidk-SH, EO,RP,CLEAN **Length:** 106,5 · **Beam:** 22 mtr waterline, 26,5 extreme · **Draught:** 7,3 · GRT: 11.570 · **Deadweight:** 6.313

Eidesvik

FLEET LIST *CONT.*

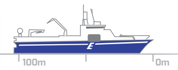
SEISMIC

2007 VIKING VANQUISH



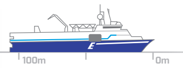
Type: SEISMIC RESERCH VESSEL · **Built:** 1998 · **Rebuilt:** 2007 · **Class:** DNV+1A1, SF, AUTR, EO, HELDK, DK+
Length: 93,36 m · **Beam:** 22,20 m · **Draught:** 6,85 m · **GRT:** 2.586 · **Deadweight:** 3.400

2007 VIKING VISION



Type: SEISMIC RESERCH VESSEL · **Built:** 2007 · **Class:** DNV 1A1, ICE-C SF, COMF-V(3), HELDK RP EO CLEAN
Length: 105 m · **Beam:** 24 m · **Draught:** 8,50 m · **GRT:** 9.811 · **Deadweight:** 5.539

2007 GEOWAVE CHAMPION



Type: Seismic Vessel · **Built:** 1994 · **Rebuilt:** 2007 · **Class:** DNV 1A1 HELDK
Length: 106,3 · **Beam:** 22,40 · **Draught:** 7,4 · **GRT:** 9.405 · **Deadweight:** 2.822

2002 VERITAS VANTAGE

Type: VS 492 Seismic Survey Vessel · **Built:** 2002 Mjellem & Karlsen Verft · **Class:** Det Norske Veritas +1A1 SF, EO HELDK, SMB · **Length:** 93,35 m · **Beam:** 22 m · **Draught:** 7,05 m · **GRT:** 7.886 · **Deadweight:** 4.833

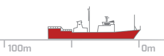
1999 VIKING II

Type: VS 492 Seismic Survey Vessel · **Built:** 1999 Mjellem & Karlsen Verft · **Class:** Det Norske Veritas +1A1 SF, EO HELDK, SMB · **Length:** 93,35 m · **Beam:** 22 m · **Draught:** 7,05 · **GRT:** 7.886 · **Deadweight:** 4.833

1998 VERITAS VIKING

Type: VS 492 Seismic Survey Vessel · **Built:** 1998 Mjellem & Karlsen Verft · **Class:** Det Norske Veritas +1A1 SF, EO HELDK, SMB · **Length:** 93,35 m · **Beam:** 22 m · **Draught:** 7,05 · **GRT:** 7.886 · **Deadweight:** 4.833

1982 GEO SEARCHER



Type: Seismic Survey · **Built:** Th. Hellesøy 1982 · **Class:** DnV, + 1A1, EO, Ice C · **Length:** 69,2 m **Draught:** 5,25 m
Beam: 12,8 m · **Deadweight:** 1.083 · **Gross Tonnage:** 1.863

PSV

2012 VIKING FIGHTER

Type: STX PSV 08 CD · **Built:** July 2012 · **Class:** DNV 1A1 Offshore Service Vessel, SF, EO, DYNPOS-AUTR, DK(+), HL(2,8), CLEAN DESIGN, NAUT-OSV(A), COMF-V(3), ICE C, Fire Fighter I, OILREC, Standby Vessel, LFL* (NOFO 2009, NMD Rescue 200 · **Length:** 81,7 m · **Draught:** 6,5 m · **Beam:** 18 m · **Deadweight:** 4.000

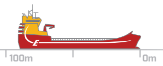
2012 VIKING PRINCESS

Type: VS 489 PSV-LNG · **Built:** September 2012 · **Class:** DNV 1A1 Supply Vessel, SF, DYNPOS-AUTR, EO, GAS FUELLED, CLEAN DESIGN, COMF-V(3)C(3), LFL*, NAUT-OSV(A), DK(+), HL(2,8), ICE C, OILREC, Standby Vessel(S) (NOFO 2009, NMD Rescue 270) · **Length:** 89,6 m · **Draught:** 7,6 m · **Beam:** 21 m · **Deadweight:** 5.800

2012 VIKING PRINCE

Type: VS 489 PSV-LNG · **Built:** March 2012 · **Class:** DNV 1A1 Supply Vessel, SF, DYNPOS-AUTR, EO, GAS FUELLED, CLEAN DESIGN, COMF-V(3)C(3), LFL*, NAUT-OSV(A), DK(+), HL(2,8), ICE C, DEICE, OILREC, Standby Vessel(S) (NOFO 2009, NMD Rescue 270) · **Length:** 89,6 m · **Draught:** 7,6 m · **Beam:** 21 m · **Deadweight:** 5.800

2009 VIKING LADY



Type: VS 493 AVANT LNG Clean Design · **Built:** Westcon, Yard No 30, 2009 · **Class:** DNV 1A1, Supply Vessel, SF, EO, Dynpos AUTR, Gas Fuelled, LFL*, Oil Rec, Clean Design, Comfort-V (3), Ice C, NAUT OSV (A), Fi-Fi 1. Register notations DK (+) and HL (p) · **Length:** 92,20 m · **Draught:** 7,30 m · **Deadweight:** Appr. 5.500

FLEET LIST *CONT.*

PSV

2008 VIKING QUEEN

Type: VS 493 AVANT - LNG · **Built:** 2008 · **Class:** DNV +1A1, Supply Vessel,SF,EO,Dynpos- AUTR,Gas-Fuelled, LFL*,Oil-Rec,Clean Design,Comfort-V(3), Ice-C, Reg.Not.DK(+) and HL(p) Compliance with NAUT- OSV Guidelines
Length: 92,20 m · **Draught:** Appr 7,60 m · **Deadweight:** Appr. 5.900

2004 VIKING ATHENE

Type: VS470 MK II · **Built:** 2006 · **Class:** DNV, 1A1 Standby Vessel(S) Fire Fighter I SF LFL* EO DYNPOS-AUTR CLEAN DK(+) HL(2.5) · **Length:** 73,40 m · **Deadweight:** Approx 3.550

2004 VIKING AVANT

Type: VS493 SUPPLY VESSEL · **Built:** 2004 · **Class:** Det Norske Veritas 1A1, Ice C, SF, EP. Dynpos Autr, LFL*, CLEAN, COMF-V (3) Standby Vessel, oilrec, deice comp with deice C,con-tainer, Reg. Notation DK(+) and HL(p)
Length: 92,20 m · **Beam:** 20,40 m · **Draught:** 9,0 m · **GRT:** 6.250 · **Deadweight:** 6.545

2004 VIKING NEREUS

Type: UT755L · **Built:** 2004 · **Class:** DNV, 1A1 SF EO DYNPOS-AUT DK (+) and HL (p) · **Length:** 72,20 m
Beam: 20,40 m · **Draught:** 7 m · **GTR:** 2.151 · **Deadweight:** Approx 3.302

2003 VIKING ENERGY

Type: VS 4403 · **Built:** 2003 Kleven Verft · **Class:** DnV +1A1, Supply Vessel, SF, EO, Dynpos AUTR, Gas Fueled, LFL*, Oil Rec, Clean Class, Comfort Class rating 3, Register notations DK (+) and HL (p) · **Length:** 94,90 m
Beam: 20,40 m · **Draught:** 9,60 m · **GRT:** 5.014 · **Deadweight:** 6.500.

2002 VIKING DYNAMIC

Type: VS490 Platform Support Vessel · **Built:** 2002 Aker Aukra · **Class:** Det Norske Veritas +1A1, Supply Vessel, SF, EO, LFL*, Dynpos AUTR. Register notations DK (+) and HL (p) Clean · **Length:** 90,2 m · **Beam:** 19 m
Draught: 8,4 m · **GRT:** 3.590 · **Deadweight:** 4.505