Annual Report 2014

Eidesvik

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2014 – A STABLE BUT DEMANDING YEAR

2014 was a stable, but demanding year. The industry is in a downturn and it is difficult to see that this will change significantly in the next few years. We have implemented measures to meet the challenges in the market and together we will emerge from this slump too.

Last year we regretfully had an injury-related incident of absence on our ships. We know that we can operate our activities without injury-related absence, and we are working continuously to tighten our procedures another notch so that we reach our goal of an even better and safer working place for everyone, both offshore and onshore.

Unfortunately we have had to take the step of reducing the number of Scandinavian employees in the company as a direct result of changes in the recruitment structure on many of our ships which compete internationally. This has been carried out through good and constructive collaboration with employees' trade unions, and we have greatly appreciated the way they handled this difficult situation.
Our expertise and experience within technology and the environment has continued to play a vital role in the current year. The Fellowship project is still in test phase 3 and we are looking at continuing this project for other ships in the fleet. Our energy-saving program *blue:E* has also helped us to reduce out total fuel consumption by 8% for the entire fleet and 25% for the PSV fleet. This produced financial benefits for our customers and has helped to further reduce emissions to the external environment. A big thank-you to everyone on board who has contributed to such good results.

Our new subsea vessel was delivered in February 2015 and was employed on a contract with Technip after delivery. This is further proof that we manage to bring good and important customers to the company. Our level of orders for 2015 of around NOK 1 billion is relatively comfortable. Just like all other shipping companies in the industry, we will have ships on contracts which expire in both 2015 and 2016. This will present us with challenges; but with such skilled and enthusiastic employees as ours, we have every opportunity to emerge strengthened from this downturn we are now experiencing.

Finally, I would like to thank all employees for their continued good work in 2014, without which we would not be so favorably positioned. Many thanks - and good luck for 2015 and for many years into the future.

Jan Fredrik Meling
CEO

Financial Highlights

(all figures in NOK 1,000)	**2014**	2013	2012	2011	2010	2009	2008	2007
Operating revenues	**984 749**	993 745	980 494	999 557	1 054 705	1 234 285	946 761	749 950
EBITDA	**492 173**	551 242	558 876	465 735	490 166	675 195	426 962	306 246
EBITDA margin	**50 %**	55 %	57 %	47 %	46 %	55 %	45 %	41 %
Profit for the year	**-230 575**	140 863	282 170	70 439	-55 970	1 091 352	-603 611	-46 617
Earnings per share	**-5,77**	4,67	9,36	2,34	-1,86	36,20	-20,02	-1,55
Total capital	**5 556 166**	5 700 197	5 631 445	5 101 359	5 067 460	5 267 012	4 543 585	4 273 040
Equity	**2 125 385**	2 348 288	2 180 283	1 932 961	1 853 662	1 901 514	818 837	1 478 693
Equity ratio	**38 %**	41 %	39 %	38 %	37 %	36 %	18 %	35 %
Value-adjusted equity*)	**4 190 385**	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	**55 %**	57 %	55 %	55 %	53 %	50 %	45 %	55 %
Market value as at 31.12	**738 675**	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	**24,50**	34,50	33,00	29,60	38,00	29,30	18,30	52,75
Dividend paid per share	**1,00**	1,00	1,00	1,00	0,50	0,50	1,00	1,00
Liquid assets including unused credi	**549 556**	782 773	454 988	411 552	229 914	306 295	211 190	122 581
Working capital including unused cr	**-40 897**	259 292	171 423	174 930	42 913	180 236	-2 021	-41 550
Cash flow**)	**422 970**	505 719	461 406	367 012	320 372	470 824	278 360	202 306
1st year instalment on long-term liab	**391 243**	324 073	319 054	270 469	259 022	328 826	246 834	167 663

*) Book equity plus added value of broker estimates for contract-free ships with regard to book value per ship.
**) Profit before taxes plus depreciation and write-downs, adjusted for foreign currency gains/losses and changes in the value of interest derivatives.

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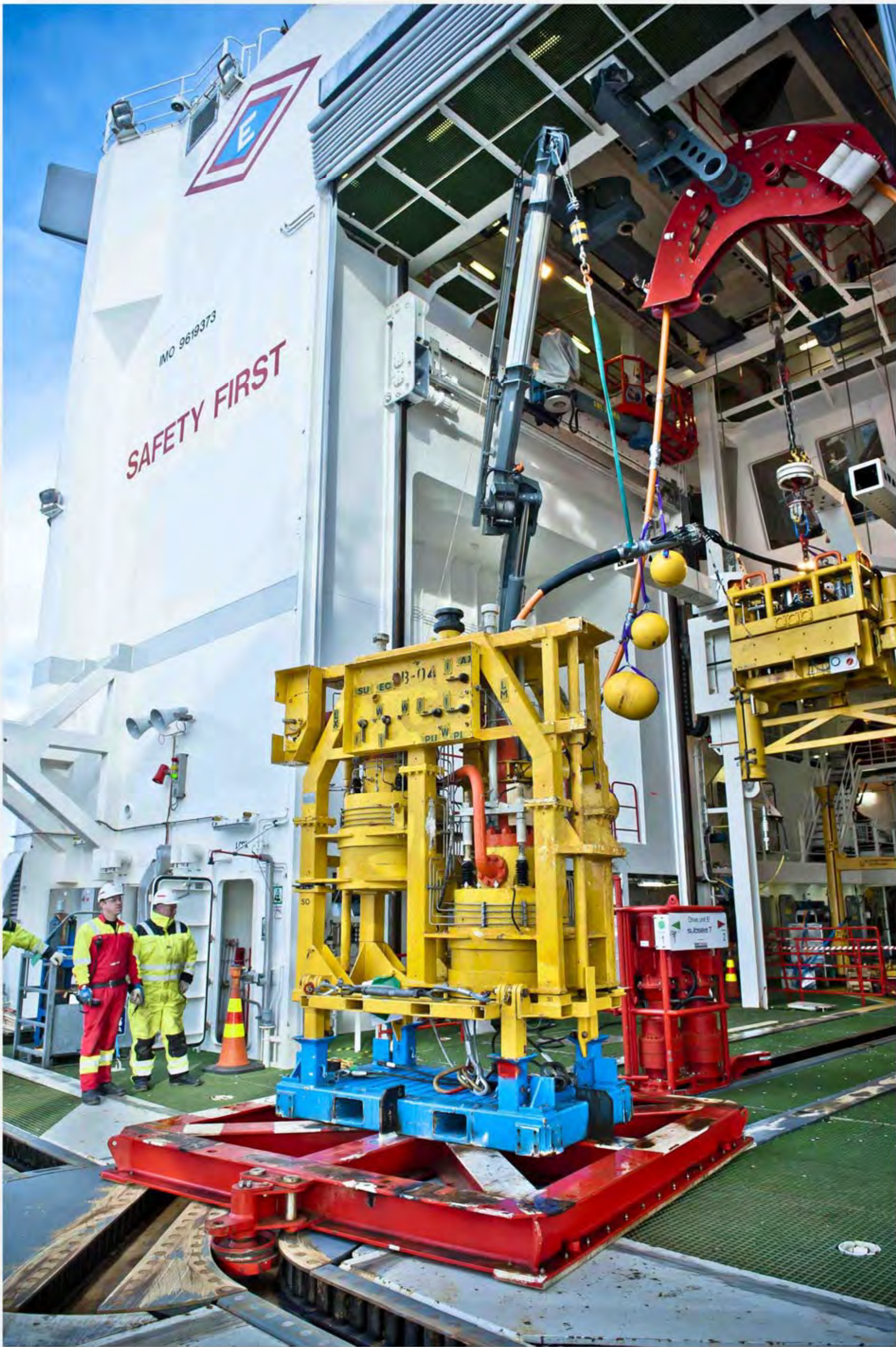


HSE Report for 2014

Introduction

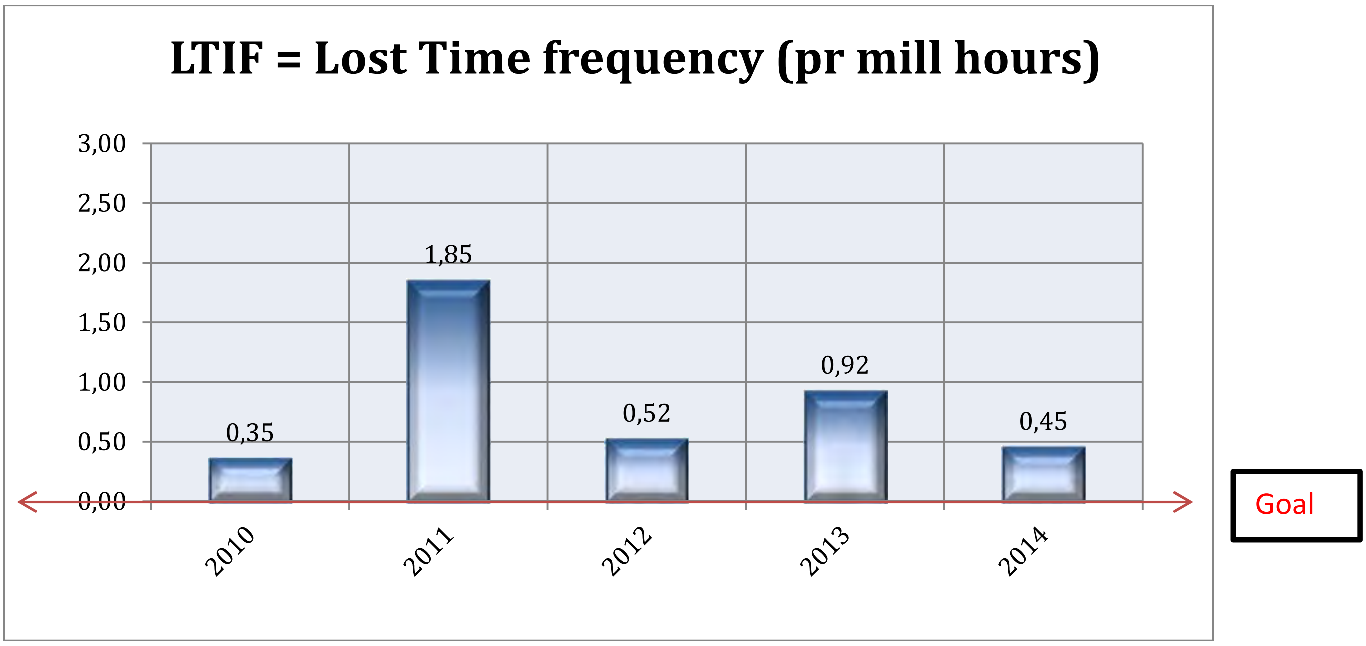
The quality and safety system in "Eidesvik Management System" is certified by DNVGL to satisfy the requirements of the ISM code / ISO 9001:2008 / ISO 14001:2004 / MLC 2006 and the JSPS code.

Eidesvik's activities are managed according to an overall goal of zero injuries to personnel and zero damage to the environment and 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" (KPI). KPI 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 2014.

The statistics show the number of personal injuries per million working hours leading to absence, during the last 5 years.



The injuries resulting in absence in 2014 were not of a serious nature. Eidesvik has implemented measures in order to avoid repetition in the future. An emphasis on analysing the reasons and background 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" is important follow-up measures. In addition, to prevent and eliminate injuries there is emphasis on 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 2014, 5,206 "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 injury by reviewing jobs step by step, thereby exposing any dangers and taking measures to reduce and/or eliminate the hazards. In 2014, 351 new and/or revised risk analyses were performed.

- Holding "Toolbox" meetings. This contributes to avoiding accidents and injuries since, as part of their jobs, participants can plan their work and be updated on any job-related hazards. In 2014, 10,459 "Toolbox" meetings were held.

- Work onboard is conducted according to a "Work permit system". This contributes to the prevention of accidents and injuries since authorization 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 2014, a total of 1,016 non-compliance reports in all categories were registered. In addition, 419 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 so that incidents do not occur again. 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 2014, the work continued on following up sick leave and the further development of Eidesvik as an Inclusive Working Life company. In 2014, Eidesvik extended the agreement as an Inclusive Working Life company. Feedback from this work has proved to be very positive. 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 that 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 2014 was 4.7%, a reduction of 0.5% from 2013.
Various initiatives have been implemented as a result of the sick leave project carried out in 2013. There is enhanced focus on preventive action, with closer follow-up from business and line management, in order to reduce absence rates. It has also been made possible to purchase private healthcare services, as well as physiotherapy. 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 2014 related to the vessels' consumption and emissions, distributed by categories:

Type of raw material	Volume consumed	Environmental impact
Marine Diesel	28,033 tonnes	CO_2, NOX and SO_2
Natural gas	23,425 tonnes	CO_2, NOX
Lubricant	813,772 litres	CO_2, NOX and SO_2
Chemical agents (cleaning)	2,320 litres	Little
Cooling agent	265 kg	Little
Separated bilge water	1,008,300 litres	None
Bilge water delivered to land	346,700 litres	None
Food waste	32,163 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	11,503 kg	Recirculated
Wood	2,006 kg	Recirculated
Metal	4,526 kg	Recirculated
Plastic	3,647 kg	Recirculated
Glass	1,247 kg	Recirculated
Sludge	689 m3	Recirculated
Batteries	566 kg	Recirculated
Oil drums	130	Recirculated
Special waste	3,324 kg	Special treatment
Incinerator ash	1,101 kg	Special treatment
Paint	3,849 kg	Special treatment
First aid equipment/medicine	3 kg	Special treatment

Small amounts have been reported as discharged by accident:

Hydraulic oil	273 litres	Environmental impact was negligible.

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

Type	Environmental impact	Measures
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 propeller 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 be carried over to the company's new ships in collaboration with the charterer.

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

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 30 October 2014. The Group's observance and any departure from the recommendations must be commented on by the Board of Directors in relation 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 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.
- Company's core values and ethical guidelines.
- Company's CSR guidelines.
- Guidelines for handling price sensitive information and insider trading.
- Guidelines for establishment of 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 "Etiske retningslinjer og verdigrunnlag for Eidesvik Offshore ASA" (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: *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: *No departure from the Norwegian Code of Practice for Corporate Governance.*

Share capital and yield

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 authorization for the Board of Directors to increase capital and purchase the company's shares must be restricted to defined objectives and will not normally be given for a period longer than up to 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: *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 "Styreinstruks for Eidesvik Offshore ASA" (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 according to the provisions in the Norwegian Public Limited Companies Act. The same applies to transactions between companies in the Group, where there are minority shareholders.
The instructions for the Board of Directors, CEO instructions and ethical guidelines include rules for legal competence.

COMMENT: *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: *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 provided in the Public Limited Companies Act regarding content and deadlines. The registration deadline is set as close to the meeting as possible in practical terms. Shareholders who are unable to attend may vote by proxy.
The meeting invitation, proposals for adoption, proxy form, other related documents and information about the 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*: 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: *Departs from the Norwegian Code of Practice for Corporate Governance in that Eidesvik Offshore ASA does not have an election committee. This is explained by 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 to present the Board members' skills and expertise, and 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). Against this background, the company has no employee representatives on the Board of Directors.
Members of the Board of Directors are encouraged to own shares in the company.

COMMENT*: Departure from the Norwegian Code of Practice for Corporate Governance in that the company does not disclose information concerning attendance at 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 by telephone.*

Work of the Board of Directors

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

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

Remuneration to the Board of Directors

Remuneration to the 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: *No departure from the Norwegian Code of Practice for Corporate Governance.*

Remuneration to managerial 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*: 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: *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: *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: *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 in 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 he worked at Smedvig ASA, Statoil and Citibank. Jacobsen is independent of the principal shareholder in the company.

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


Kolbein Rege

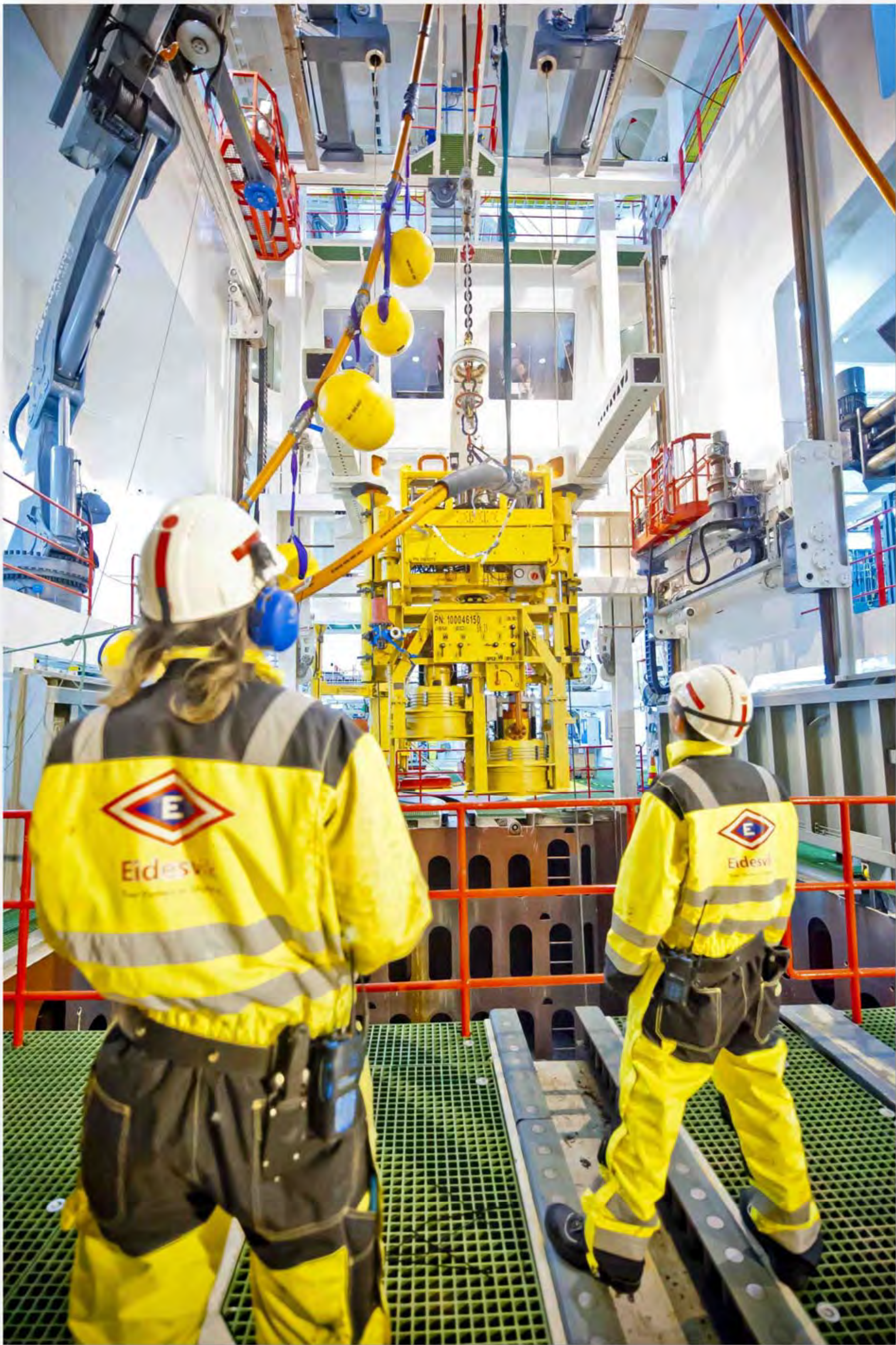

Borgny Eidesvik


Lars Eidesvik


Kjell E Jacobsen


Synne Syrrist

Annual Report 2014



ANNUAL REPORT 2014

Eidesvik Offshore ASA must be the leading "Partner in Shipping" within offshore logistics, seismic and underwater operations. We must practise good seamanship and be a power centre 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 the basis for continued growth, secure workplaces and higher share values. This is achieved by, for example, ensuring 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 in the same or related activities." This objective has been met throughout 2014 through the operation of 25 ships, 20 of which are fully or partly owned by the Eidesvik Group. In addition, the Group owns one ship that is chartered under bareboat agreements and had one ship under construction in 2014.

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

The Group had a Subsea construction vessel under construction at the Kleven Yard in 2014. This ship was delivered in February 2015.

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 through the operating company CGG Eidesvik Ship Management AS, with offices in Bergen. Eidesvik owns 51% of the shares, while the remaining 49% are owed by CGG.

At the close of the year, the company had 684 permanent employees. In addition, 213 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 enroll for maritime 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, can find a place in the shipping company, and we have no indications that this is not the case.

HEALTH, SAFETY AND ENVIRONMENT

In 2014 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 DNVGL according to the requirements of ISM / ISO 9001 / ISO 14001 / MLC 2006 and the ISPS code. The EMS project was initiated in Q3 2014 with a focus on simplification and user-friendliness for all employees in the company. Amongst other measures this entails a reduction in the number of words in procedures, merging of procedures and the transition to a more checklist-based system, like that used in the aviation industry.

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

Sick leave in 2014 was 4.7%. This is an increase of 0.5% from 2013. Eidesvik AS had 1 injury-related incident of absence in 2014 as a consequence of an accident on board.

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

To prevent and counter injuries, in 2014 special attention was given to:

- Implementation and follow-up of HSE meetings and safety inspections.
- 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 according to a "Work permit system".

External environment
Eidesvik has a deliberate and targeted environmental focus in its activities. Eidesvik has continued to work on developing environmentally-friendly and energy-saving ships. On board the supply ship Viking Lady, we have completed phase 3 of the Fellowship project. This project is a technological collaboration between Eidesvik, DNV GL and Wartsila. The project met all expectations with regard to both fuel cell technology and battery technology, and yet another milestone was reached for the shipping company in a global perspective. In 2014 Fellowship received support for a 4th phase, and in this phase 4 Eidesvik AS will continue to develop hybrid solutions by using battery technology, and examine further the relationship between new technology and increasing energy efficiency.

Based on the results from Fellowship phase 3 we have designed solutions for battery installation on other vessels. We see this as technology with huge potential in environmental terms which is relatively straightforward to achieve. Our goal is to implement hybrid solutions on more vessels in coming years.

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 ships being manned by highly qualified staff. Eidesvik AS works continuously to reduce the total emissions balance related to the operation of ships.

The implementation of blue:E, the shipping company's programme for environmentally-friendly operations, continued with the same focus and resource consumption in 2014. 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 2014, the shipping company installed an Ecometer on another 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 2015.

All vessels in the Eidesvik fleet have been approved with regard to the new IMO requirements for a plan to improve energy efficiency. This is a task that is in line with the company's blue:E initiative and was easy to implement.

The Environmental Ship Index is recognised by both Kystverket and several ports as the basis for environmental differentiation of duties/prices. In the last year 7 of our vessels have been included in the ESI, all with very favourable environmental profiles. The remaining vessels are planned to be registered in 2015. This has produced much positive discussion and is an example of the potential to reduce costs through environmentally correct choices.

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

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

SHAREHOLDERS, OWNERSHIP AND CORPORATE GOVERNANCE

At the end of 2014 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 2014 no new options were issued. At the end of 2013 there were a total of 835 shareholders in the company. Foreign investors held an ownership share of 2.0% at the end of 2014. In 2014, the share was last traded at NOK 24.50.
The Board of Directors has been authorised to buy back own shares for a total nominal value of NOK 150,000, provided that the total nominal value of own shares may not exceed 10% of the registered share capital at any time. The authorisation applies until the ordinary general assembly in 2015. 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 31.12.2014, the company did not own any of its own shares.

All information is given in such a way that all shareholders are treated equally. The information is provided via stock exchange announcements, press releases and open presentations, and is also made 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 report 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 2014 was NOK 984.7 million (NOK 993.7 million in 2013 including a sales gain of MNOK 50.5).

The operating profit before depreciation (EBITDA) for 2014 is NOK 492.2 million (NOK 551.2 million). Depreciation of NOK 343.5 million (NOK 301.8 million) was posted as an expense in 2014. The share of profits from associated companies and joint ventures was recognised at NOK 54.5 million (NOK 84.7 million). Overall, this leaves an operating profit of NOK 203.2 million (NOK 334.2 million).

Impairment tests have been carried out for all ships in the Group as per 31.12.2014. As a result of far weaker market prospects for three older seismic ships which possibly require upgrading, it was agreed that the value of these ships be written down by a total of MNOK 52.0. No basis for impairment was found for the Group's other ships.

The net financial result of NOK -433.6 million (NOK -186.9 million) consists of net financial items and interest expense of NOK 123.7 million (NOK 130.3 million) and net losses on currencies and derivatives of NOK -309.9 million (NOK -56.6 million). This is primarily due to the strengthening of the USD in relation to NOK.

The annual profit before tax is NOK -230.4 million (NOK 147.4 million). In 2014, the Group had a tax expense of NOK 0.1 million (NOK 6.5 million). The annual profit after tax was NOK -230.6 million (NOK 140.9 million) and the total profit for the year was NOK -193.8 million (NOK 158.3 million).

For the parent company Eidesvik Offshore ASA, the annual profit after tax was NOK -47.4 million (NOK 2.4 million). The most significant changes compared with last year are interest on bond loans and the write-down of shares in a subsidiary.

Balance sheet
The Group's book equity is NOK 2,125.4 million (NOK 2,348.3 million). This represents 38.3% (41.2 %) of the Group's total capital. For the parent company, Eidesvik Offshore ASA, equity is NOK 577.3 million (NOK 624.7 million).

Ships and Ships under construction amount to NOK 4,285.4 million, which is a reduction of NOK 178.0 million. This change was caused by ordinary depreciation, the write-down of older seismic ships and payments made for the ship which was delivered in Q1 2015. Current assets were reduced by NOK 34.6 million. Assets totalled NOK 5,556.2 million (NOK 5,700.2 million), an increase of NOK 144.0 million.

Market valuations for the ships have been obtained from three independent brokers. The market estimates are based on how the ships are without contracts and can thus be sold freely in the market. Their conclusion is a total additional value in relation to the book value of the vessels of NOK 2,065 million.

The Group's long-term debt amounts to NOK 2,628.2 million (NOK 2,814.9 million). The long-term debt was reduced by ordinary repayments of NOK 308.3 million, while a major strengthening of the USD against the NOK caused an increase in the accounting value of USD debt. The current debt amounts to NOK 802.6 million (NOK 537.0 million). The increase of NOK 265.5 million primarily consists of the balloon payment on a bank loan that falls due in 2015 and the unrealised loss on foreign currency derivatives recognised in the balance sheet.

The parent company had assets of NOK 878.4 million (NOK 954.9 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 301.1 million (NOK 330.2 million). These liabilities consist of long-term bond debt of NOK 297.8 million (NOK 296.6 million), and current debt of NOK 3.0 million (NOK 33.5 million). The company's equity amounts to NOK 577.3 million (NOK 624.7 million), which represents an equity ratio of 66% (65%).

Cash flow Cash and cash equivalents increased from NOK 582.8 million at the end of 2013 to NOK 549.6 million as at 31.12.2013.

Net cash flow from operating activities for 2014 was NOK 534.8 million (NOK 475.9 million).

Net cash flow from investing activities was NOK -113.3 million (NOK 110.7 million). Incoming payments are mainly from dividends received and subsidies from the NOx fund. Outgoing payments are mainly due to the building of the construction vessel Viking Neptun which was delivered in Q1 2015.

Net negative cash flow of NOK -457.4 million (NOK -265.9 million) from financing activities is mainly the result of payments from minority interests of NOK 18.0 million and payment of dividends of NOK 30.2 million.

The parent company held cash and cash equivalents of NOK 122.3 million (NOK 148.1 million). During the year, cash and cash equivalents were reduced by net outgoing payments relating to operations of NOK 11.0 million, reduced by repayment of interest on bond loans and dividends paid of NOK 49.3 million and increased by payments received on loans to subsidiaries of NOK 34.7 million.

Allocation of profit The Board of Directors proposes that the profit for the year of NOK -47.4 million for Eidesvik Offshore ASA be transferred to other equity.

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 2014 Eidesvik's income was denominated in NOK (73%), USD (24%) and GBP (3%). 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
In connection with the delivery of the construction vessel Viking Neptun, which was delivered in Q1 2015, a loan of USD 124 million was drawn.
The Group has a number of loans that fall due in 2016 and 2017, and has already received a proposal for refinancing the most significant loans that are due in 2016 and 2017.

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 also central to building expertise over time in a cyclical industry.

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

The entire petromaritime 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 form. 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, also internationally.

CORPORATE SOCIAL RESPONSIBILITY

Eidesvik Offshore ASA’s core values and ethical guidelines are stated in "Etiske retningslinjer og verdigrunnlag for Eidesvik Offshore ASA" (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 individual employees must comply with relevant statutory provisions. The guidelines state that the company and 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 2014.

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 training vessel, Gann, and a subsidy for a professorship at Høgskolen Stord Haugesund. There are partnership agreements with several educational institutions for the maritime trades. At the same time the industry is experiencing an increased degree of international competition, also with regard to expertise and cost. It is thus an important prerequisite for further efforts in the future with regard to Norwegian expertise that framework conditions be adapted so that it makes it attractive for the industry to also build Norwegian expertise over time.

Eidesvik has been active in the work of building up training institutions within practical safety work on a national basis via the development of the company Resq AS and in recent years also 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 via sports facilities as well as the establishment and operation of the multi-activity centre Langevåg Bygdatun.

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 10 supply vessels, of which 2 were run on a management basis. 5 of these run on LNG.

Viking Princess completed a contract for Statoil in December 2014 and since then has been operated in the spot market. Viking Nereus has been operated in the spot market the whole year. Viking Queen began a long-term contract for Lundin in December 2014 after a major upgrade.

In Eidesvik's view there is excessive tonnage in the market. In today's market the oil companies are hiring vessels on short contract instead of long-term contracts. New vessels are also entering the North Sea market, both newbuilds and vessels moved from other geographical areas. This is making the situation even worse.

Seismic

In this segment Eidesvik owns a total of 7 vessels after Geo Searcher was sold in the spring of 2014. These vessels are all on bareboat agreements with CGG. The three oldest vessels will complete their contracts in 2015, and we expect these to be returned.

All of our seismic vessels are operated by the jointly-owned company CGG Eidesvik Ship Management AS in Bergen, which is also responsible for the operation of 3 vessels owned by other companies.

The seismic market is extremely challenging. Contract reserves for 2015 are low for the major operators. We expect that more vessels will be pulled from the market or laid up. With regard to our 3 oldest seismic vessels which complete their contracts in 2015, we are working intensely on options for both sale and new chartering for these. We recognise that the seismic market is difficult at the moment, but this is also the segment that recovers first when the market recovers.

Subsea

Eidesvik currently has 6 vessels in the subsea segment including Viking Neptun which was delivered in Q1 2015.

We see a cooling in the subsea market since oil companies have reduced their capital spending. Subsea contractors have had lower incoming orders in recent months than has been the norm in recent years. This results in a weaker market for subsea vessels in the short term. However, we do not see this significant decline in activity as sustainable in the long term. Subsea projects that have been postponed will be completed later and existing infrastructure will also require maintenance in coming years. We therefore expect an improvement in this market over time.

General
The market picture has changed significantly since 2013. It began with cost reduction as a result of low profits in the industry in general, further sanctions and a dramatic fall in the oil price.
There is a global overcapacity of boats on the supply side and there are still many vessels on order that will come onto the market. Without the phasing out of older vessels, it could take some time before there is balance in the market.

Eidesvik engages in planning on the basis that the difficult market conditions may last some time.

The company does not have any significant newbuilding programme after Viking Neptun was delivered in February 2015.

Bømlo, 22 April 2015

Kolbein Rege Styreleder	Borgny Eidesvik Styremedlem	Lars Eidesvik Styremedlem
Kjell E Jacobsen Styremedlem	Synne Syrrist Styremedlem	Jan Fredrik Meling Adm. Direktør

DECLARATION FROM THE BOARD OF DIRECTORS AND CEO

Today the Board of Directors and CEO have examined and adopted the Annual Report and the Consolidated Annual Accounts with notes for Eidesvik Offshore ASA as at 31 December 2014 and for the year 2014, including consolidated comparative figures as at 31 December 2013 and for the year 2013.

The Annual Accounts have been prepared in accordance with IFRS requirements as adopted by the EU, as well as Norwegian supplementary requirements in the Norwegian Securities Trading Act.

To the best of the knowledge of the CEO and Board of Directors, the 2014 Annual Accounts have been prepared in accordance with applicable accounting standards, and the information in the accounts accurately reflects the Group's assets, liabilities and financial position and overall results as at 31 December 2014 and 31 December 2013. The Board of Directors and CEO firmly believe the Annual Report to provide an accurate summary of important events in the accounting period and their influence on the Annual Accounts. It is furthermore their conviction that the description of the key risk and uncertainty factors faced by the company in the next accounting period, and the description of significant transactions of related parties, are accurate.

Bømlo, 22 April 2015

Kolbein Rege
Styreleder

Borgny Eidesvik
Styremedlem

Lars Eidesvik
Styremedlem

Kjell E Jacobsen
Styremedlem

Synne Syrrist
Styremedlem

Jan Fredrik Meling
Adm. Direktør

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(NOK 1,000)

	Note	**1.1-31.12 2014**	1.1-31.12 2013
Freight income		**984 535**	948 425
Other revenues	5	**213**	45 320
Total operating revenues	4	**984 749**	993 745
Payroll and other crew expenses	11	**326 918**	327 347
Other operating expenses	6	**147 299**	115 155
Vessels on charter	23	**18 360**	0
Total operating expenses		**492 576**	442 502
Operating profit before depreciation		**492 173**	551 242
Ordinary depreciation	12	**291 511**	301 762
Write-down of fixed assets	12	**52 000**	0
Operating profit before result of associated and joint-venture companies		**148 662**	249 480
Profit from associated companies	7	**0**	24 282
Profit from joint ventures	7	**54 488**	60 461
Operating profit		**203 150**	334 223
Financial income	8	**8 986**	9 660
Financial expenses	8	**-132 678**	-139 926
Change in value of derivatives	8	**18 071**	20 785
Net foreign exchange gains (losses)	8	**-327 969**	-77 370
Net financial items		**-433 590**	-186 851
Profit before tax		**-230 439**	147 372
Tax expense	9	**-135**	-6 509
Profit for the year		**-230 575**	140 863
Allocated to:			
Profit for the year falling to the parent company's shareholders		**-173 968**	141 718
Non-controlling interests		**-56 607**	-855
Profit for the year		**-230 575**	140 863
Earnings per share	10	**-5,77**	4,70
Diluted earnings per share	10	**-5,77**	4,69

CONSOLIDATED INCOME STATEMENT

(NOK 1,000)

	Note	1.1-31.12 2014	1.1-31.12 2013
Statement of comprehensive income			
Profit for the year		**-230 575**	**140 863**
Items that will not be re-classified via the result in later periods			
Estimated deviation, pensions		**-29 427**	-6 307
Items that will be re-classified via the result in later periods			
Translation differences joint ventures	7	**66 207**	23 695
Total comprehensive income		**-193 795**	158 250
Attributable to:			
Profit for the year falling to the parent company's shareholders		**-137 188**	159 105
Non-controlling interests		**-56 607**	(855)
Total comprehensive income		**-193 795**	158 250

CONSOLIDATED BALANCE SHEET - ASSETS
(NOK 1,000)

	Note	31.12.2014	31.12.2013
ASSETS			
Fixed assets			
Vessels	12	**3 938 045**	4 197 778
Vessels under construction	12	**347 371**	265 629
Buildings, land and other fixed assets	12	**28 463**	28 729
Investments in joint ventures	7	**476 197**	389 051
Shares	22	**3 765**	2 956
Other long-term receivables	13	**669**	19 756
Total fixed assets		**4 794 508**	4 903 899
Current assets			
Trade receivables	14	**175 348**	177 865
Financial derivatives	24	**0**	759
Other current assets	15	**36 753**	34 901
Cash and cash equivalents	16	**549 556**	582 773
Total current assets		**761 658**	796 299
Total assets		**5 556 166**	5 700 197

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

(NOK 1,000)

	Note	31.12.2014	31.12.2013
Equity			
Share capital	17	**1 508**	1 508
Other paid-in equity		**635**	635
Other income and expenses		**-56 867**	-28 482
Translation differences	18	**86 701**	20 494
Other equity		**2 049 274**	2 253 393
Total equity majority shareholders		**2 081 252**	2 247 547
Non-controlling interests		**44 134**	100 740
Total equity		**2 125 385**	2 348 288
Liabilities			
Long-term liabilities			
Interest-bearing debt	21	**2 575 800**	2 754 298
Financial derivatives	24	**0**	37 301
Pension obligation	19	**52 426**	23 303
Total long-term liabilities		**2 628 226**	2 814 903
Current liabilities			
Interest-bearing debt	21	**416 731**	353 698
Financial derivatives	24	**165 822**	4 655
Trade payables		**46 256**	31 161
Tax payable	9	**174**	129
Other current liabilities	20	**173 571**	147 364
Total current liabilities		**802 555**	537 007
Total liabilities		**3 430 781**	3 351 910
Total equity and liabilities		**5 556 166**	5 700 197

Bømlo, 22 April 2015

Kolbein Rege
Chairman of the Board of Directors

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

(NOK 1,000)

	Note	1.1-31.12 2014	1.1-31.12 2013
Cash flows from operations			
Payments from customers		**987 052**	918 603
Payments to suppliers and employees		**-460 113**	-422 836
Interest income received		**9 168**	6 670
Net paid and refunded taxes		**-1 299**	-26 570
Net cash flows from operations		**534 808**	475 867
Cash flows from investment activities			
Sales of fixed assets	12	**4 852**	234 162
Repayment of seller's credit		**0**	39 996
Purchases of fixed assets	12	**-185 247**	-217 366
Purchases of other investments		**0**	-25 829
Received from NOx fund	12	**14 675**	30 213
Dividends received	7	**33 550**	25 096
Repayment of loans from joint ventures	7	**18 834**	0
Net cash flows used for investment activities		**-113 336**	110 677
Cash flows from financing activities			
Payments from non-controlling interests		**17 960**	34 510
New debt from non-controlling interest		**0**	18 270
New debt		**0**	304 475
Repayment of debt		**-308 260**	-461 221
Interest expense paid		**-136 981**	-140 589
Other cash flows from financing		**0**	8 777
Dividends paid to company shareholders	18	**-30 150**	-30 150
Net cash flows from financing activities		**-457 431**	-265 928
Foreign currency gains/losses on cash, cash equivalents and utilised credit facilities		**2 742**	7 169
Net increase (reduction) in cash and cash equivalents		**-33 217**	327 785
Cash and cash equivalents at the start of the year	16	**582 773**	254 988
Cash and cash equivalents at the end of the year	16	**549 556**	582 773

CONSOLIDATED STATEMENT OF EQUITY

(NOK 1,000)

Note		Shareholders: Share capital	Other reserves	Other paid-in equity	Translation differences	Other equity	Total	Non-controlling interests	Total equity
	Equity per 1/1/2013:	1 508	-27 569	635	-3 201	2 141 825	2 113 198	67 085	2 180 283
	Change in accounting principle related to pension costs		-6 307				-6 307		-6 307
	Adjusted equity as at 01.01.2013:	1 508	-33 876	635	-3 201	2 141 825	2 106 891	67 085	2 173 976
	Profit for the year					141 718	141 718	-855	140 863
	Other income and expenses directly recorded in equity				23 694		23 694		23 694
	Total profit for the year 2013	0	0	0	23 694	141 718	165 412	-855	164 557
	Dividends					-30 150	-30 150		-30 150
	Other income and expenses directly recorded in equity		5 394				5 394		5 394
	Paid-in new equity						0	34 510	34 510
	Equity as at 31.12.2013	1 508	-28 482	635	20 494	2 253 393	2 247 548	100 740	2 348 288
	Profit for the year					-173 968	-173 968	-56 607	-230 575
	Translation differences foreign currency				66 207		66 207		66 207
	Actuarial loss		-29 427				-29 427		-29 427
	Total profit for the year 2014	0	-29 427	0	66 207	-173 968	-137 188	-56 607	-193 795
	Dividends					-30 150	-30 150		-30 150
18	Other income and expenses directly recorded in equity		1 043				1 043		1 043
	Equity as at 31.12.14	**1 508**	**-56 866**	**635**	**86 701**	**2 049 275**	**2 081 252**	**44 134**	**2 125 385**

NOTES TO THE CONSOLIDATED ACCOUNTS

Eidesvik Offshore ASA (the company) and its subsidiaries (the entire Group) offer services in 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 22 April 2015 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. All amounts are presented in Norwegian kroner (NOK) and rounded off to whole thousands, unless otherwise stated.

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	59 %
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 for 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 recognized 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 realized 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 installments on long-term liabilities that will mature within twelve months of

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.

2.2 Consolidation principles
The consolidated financial statements include the parent company Eidesvik Offshore ASA and companies which Eidesvik Offshore ASA has controlling power over. Control is achieved by an investor being exposed to, or having rights to, variable returns as a result of the involvement of the Group, and the Group has the ability to affect its returns through its influence in the company. The implementation of IFRS 10 has not entailed any changes in assessment of whether the Group has control over companies in either the 2014 financial year or previous periods.

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 ends. Shares and ownership interests in subsidiaries are booked at their acquisition costs and are eliminated against equity in the subsidiary at the time of acquisition or establishment.

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 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) 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
Segments are reported in the same manner as internal reporting to the company's highest decision-maker. The Board of Directors is defined as the company's highest decision-maker and is responsible for allocation of resources to and assessing profitability in the different segments. The Group's reporting format is related to business areas and secondary information related 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. Other activities, which include ships under construction, constitute a separate segment.

As joint ventures are significant in relation to the core activities, the segment information takes account of gross figures from underlying companies.

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 recognized 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 recognized 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 Vessels, depreciation and other 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 mortised 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.

Estimated exploitable lifetime:

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

When new ships are delivered, an amount is earmarked that corresponds to the expected cost of the first regular classification/periodic maintenance, which is mortised over the entire period until the next time the ship is docked. The costs associated with the following periodic maintenance are capitalized and depreciated until the next scheduled maintenance, mainly over a period of 30-60 months. Expenditures for ongoing maintenance and minor repairs as expensed as incurred.

Financial lease agreements
Financial leases are agreements that transfer most of the financial risks and rewards 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 on 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 recognized over the lease period.

The Company does not currently have any lease agreements classified as Financial lease agreements.

Operational lease agreements
Leases that do not transfer most of the risk on 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 recognized 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 market price. In such cases, the profit/loss over the lease period is mortised. If the sale price is above the actual market price, the surcharges are mortised over the asset's estimated period of use.

2.6 Write-down of fixed assets
The book value of tangible fixed assets is assessed for depreciation when events or changes in circumstances indicate that the book value is not recoverable. If any such indications exist and where the book value exceeds the estimated recoverable amount, the assets are depreciated to their recoverable amount, which for fixed assets is the greater of the net sales price and utility value. The utility value is calculated as the present value of 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.

2.7 Sale of vessels
Profit or loss from the sale of vessels is presented under Other income.

2.8 Newbuilds
Ships under construction are capitalized 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.

2.9 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 swap rates (swaps) to reduce risks related 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 realized 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 "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 recognized at fair value in the profit and loss account are initially carried to the balance sheet at fair value plus transaction costs. Financial assets recognized at fair value in the profit and loss account are initially recognized 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 to a great extent 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 recognized at mortised cost using the effective interest rate method.

The book value of financial assets at mortised 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.

2.10 Derivatives and hedging
Derivatives are initially recognized 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 as current assets/liabilities or as fixed assets/liabilities, depending on the term of the contract. In the profit and loss statement, unrealized changes in the value of the derivative are classified under financial items.

2.11 Receivables from customers
Receivables from customers are recognized initially at fair value in the balance sheet. For subsequent measurements, receivables from customers are assessed at their mortised cost by means of the effective interest rate method, less provisions for losses incurred. Provisions for losses are recognized 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 the 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 recognized in the profit and loss account as other operating expenses.

2.12 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.

2.13 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).

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

2.15 Loans
Loans are recognized at the amount drawn when they are disbursed, less any transaction costs. In subsequent periods, loans are recognized at their mortised 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 recognized in the profit and loss account over the term of the loan.

2.16 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 recognized in 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 on preferential bonds.

Changes to the pension plan benefits are recognized 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 related to the change in benefits is mortised 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 fulfillment 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 recognizes 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 recognized 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.

2.17 Provisions
The Group recognizes 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 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 recognized even if the probability of settlement related 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 that 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 recognized as an interest cost.

2.18 Revenue recognition
Revenue from the sale of goods and services is assessed at the net fair value after the deduction of commissions, discounts and rebates. Inter-Group sales are eliminated. Revenue is recognized 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 lapses in periods when 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 recognized 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 recognized on a linear basis over the term of the contract.

b) Interest income
Interest income is recognized 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 recognized based on the original effective interest rate.

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

2.19 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").

2.20 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.

2.21 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.

2.22 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.

2.23 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 recognized on the balance sheet provided that future taxable income is probable and that the temporary differences can be offset against this income.

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

Tax abroad is recognized 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.

2.24 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 realized on a sales transaction and a sale is assessed to be very probable. Measurement is at the lower of balance sheet value and fair value, less sales costs.

2.25 Changes in accounting principles
The accounting principles are consistent with those used in previous periods, with the exception of the changes in IFRS that have been implemented by the Group in the current period.

The Group has, from this year, implemented the following new and changed standards and interpretations that are relevant to the Group:

• IFRS 10 Consolidated financial statements
Replaces the parts of IAS 27 Consolidated and separate financial statements that dealt with consolidated financial statements.

• IFRS 11 Joint arrangements
Removes the option to account for jointly controlled entities using proportionate consolidation.

• IFRS 12 Disclosures of interests in other entities
The standard introduced new disclosure requirements for financial interests in subsidiaries, joint ventures, associated companies, special purpose entities and other off-balance sheet entities.

• IAS 27 Separate financial statements
Revised as a consequence of the publication of new standards IFRS 10, 11 and 12.

• IAS 28 Investments in associates and joint ventures
Revised as a consequence of the publication of new standards IFRS 10, 11 and 12. The changes to these standards have not had any significant impact on the accounts. Some individual changes to and clarifications in standards and interpretations were adopted as part of the annual improvement project by IASB in 2014. This is not considered to be of material importance for the company.

Certain new standards, changes and interpretations of the standards that have been published, but have not come into effect, have not been utilized in the annual accounts as per 31.12.14. This applies to changes in the following new standards that can have relevance to the company:

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

• IAS 1 Presentations of financial statements
The changes in IAS 1 are intended to promote the use of professional judgment to a greater extent with regard to the information to be included in notes and how the statements are structured.

• **IAS 19 Employee Benefits** – The changes introduce a method to account for contributions made by employees or third parties if a reduction in the pension cost in the same period for which the contributions is payable, if and only if those contributions are exclusively related to the employee's "services" for the same period.

• IFRIC 21 Levies
This 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.
Some of these could affect the Group from 1st January 2015 or later. The company is currently considering the effect of implementing IFRS 15,without having yet concluded the impact it will have.
It is not expected that these standards will have any substantial impact on the group’s financial statements.

2.26 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 recognized 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 related to values and circumstances that are not known at the time when the accounts are prepared. A significant "accounting estimate" can be defined as an estimate that is important 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 by consultation with experts, trend analyses and other methods that are considered relevant for the individual estimate. Estimates and assessments that can 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-offs 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 that 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 judgment 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 recognized 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 being paid many years into the future. The Group's assumptions are based on recommended assumptions from the Norwegian Accounting Foundation for the Norwegian schemes. The calculation of pension obligations is mainly influenced by the discount rate assumed.

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 it 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 recognized on the balance sheet. The terminology "directly related to" requires the use of judgment for several costs that are relevant to construction to determine whether costs must be recognized 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 held by the Group over the individual company. 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 unfavorable 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 judgment. For many of the transactions and calculations there will be a level of uncertainty associated with the final tax liability. The Group recognizes the tax liability associated with future decisions in tax/dispute cases based on estimates of whether additional income tax will accrue. If a considerable outcome in a case differs from the originally allocated amount, the variance will affect the tax expenses and deferred tax provisions recognized 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 flow. The hedging positions for cash flow 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 31.12.2014 was 65% NOK and 35% USD, while the distribution for 2013 was 69% NOK and 31% 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 2014.

	+NOK 0.50	-NOK 0.50
Operating profit before result of associated and joint-venture companies	12	-12
Result of joint venture company	4	-4
Net financial result excluding gains	-1	1
Gains on long-term debt and forward foreign exchange contracts	-122	122
Profit for the year	-107	107
Conversion difference, shares	25	-25
Total profit for the year	-82	82

(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 contracts with an approximately fixed price. Most ships are operated on long-time 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 loans expose the group to a fair value interest rate risk. The interest rate risk is managed by the use of interest rate derivatives (swaps and options) within the limits established 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 fixing options that are granted, but not exercised, are not recognised in 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 changes 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. Eidesvik 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.

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

Trade receivables	**2014**	2013
Group 1	**170,913**	177,671
Group 2	**4,435**	194
Group 3	**0**	0
Total	**175,348**	177,865

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

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 in the balance sheet. As the counterparties to derivatives transactions are large, well-known banks, the credit risk related to derivatives is considered to be small.

(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 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 on 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 31.12.2014.

Maturity table for obligations recognized in the balance sheet	2015	2016	2017	2018	2019	Later
Loans	391 243	760 763	766 681	444 417	254 417	359 322
Accrued interest	25 488					
Trade payables	46 256					
Other current liabilities	*175 285*					
Pension obligations (estimated maturity)						*52 426*
Partial sum debt ex. market value derivatives	638 272	760 763	766 681	444 417	254 417	411 748
Estimated interest						
Interest payments, existing loans	98 578	78 824	64 240	29 288	14 002	
Difference payment interest derivatives	25 578					
Adjustment accrued 31.12.14	-25 488					
Partial sum estimated interest	98 668	78 824	64 240	29 288	14 002	
Lease agreements						
Lease agreements (note 23)	6 466	6 138	5 800	5 716	5 716	74 309
Newbuild contracts						
Installments newbuild contracted at 31.12.14 (Note 26)	922 526					
Total contractual obligations due for payment	1 665 932	845 724	836 721	479 421	274 135	486 057

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 loans. The long-term charter agreements allow for higher borrowing, as income is assessed to be stable 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 observable factors, either direct (price) or indirect (derived from prices), other 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
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 31.12.2014with a duration equivalent to the loan’s duration.

Cost price is considered to correspond to fair value for the share investments described in Note 22.

Note 4 Segment information
The Group's operations are divided into strategic operating segments according to the nature of the ships' operations. The different operating segments offer different ship services, partly targeting different customer groups and have different risk profiles.

The group is divided into the following operating segments:

a. Seismic
b. Subsea
c. Supply (PSV)
d. Other

The seismic segment provides shipping 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 geographic 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 supply segment supplies services to the oil industry offshore. The ships deliver supplies to rigs and function as part of the rig's emergency and contingency structure.

Transactions between the segments are eliminated. This is primarily administrative costs, which are a burden for the individual segment.

Long-term financial items have not been allocated, because a major portion of the Group’s debt is fleet financing.

Short-term liability is allocated to the segments to the extent possible; items that do not naturally fall into one of the segments are recorded in another segment.

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

Operating segment

(In NOK 1,000)	Seismic		Subsea		PSV		Other		Consolidated	
Operation segment	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Segment result										
Operating revenues	189 754	170 026	317 476	377 425	454 039	428 444	23 479	17 850	984 749	993 745
Proportion of operating revenues from JV*	94 477	88 086	77 762	68 151					172 238	156 237
Total operating revenues	284 231	258 112	395 238	445 576	454 039	428 444	23 479	17 850	1 156 987	1 149 982
Operating costs	8 058	4 502	155 582	146 849	272 274	239 015	56 660	52 136	492 575	442 502
Proportion of operating expenses from JV*	671	535	32 738	24 376					33 408	24 911
Total operating expenses	8 729	5 037	188 320	171 225	272 274	239 015	56 660	52 136	525 983	467 413
Depreciation/Write-downs	122 198	82 865	95 678	89 391	123 178	128 062	2 456	1 444	343 510	301 762
Proportion of depreciation from JV*	35 332	32 899	19 759	19 292					55 091	52 191
Total depreciation	157 530	115 764	115 437	108 683	123 178	128 062	2 456	1 444	398 601	353 953
Operating result including proportion of JV*	117 972	137 311	91 481	165 668	58 587	61 367	-35 637	-35 730	232 403	328 616
Net finance and taxes in JV*	-9 269	-8 396	-19 276	-17 747					-28 546	-26 143
Share of profit from associated companies								24 282		24 282
Share of profit from other JV	-705	7 469							-705	7 469
Operating profit	107 998	136 384	72 205	147 921	58 587	61 367	-35 637	-11 449	203 150	334 223
Net financial expenses									-433 590	-186 851
Tax expenses									-135	-6 509
Profit for the year									-230 575	140 863

In 2014, the Seismic segment includes depreciation of TNOK 52,000. In 2013, the Subsea segment includes a sales gain of TNOK 50,456.

(In NOK 1,000)	Seismic		Subsea		PSV		Other		Consolidated	
Operation segment	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Segment assets	912 813	1 023 508	1 534 367	1 476 438	1 934 520	2 144 156	148 712	84 271	4 530 413	4 728 373
Proportion of assets in JV*	995 413	860 573	449 661	471 560					1 445 074	1 332 133
Non-allocated assets (cash)									549 556	582 773
Assets including proportion of JV*	1 908 226	1 884 081	1 984 028	1 947 998	1 934 520	2 144 156	148 712	84 271	6 525 043	6 643 279
Segment liabilities (current liabilities)	-5 982	-12 705	-6 449	-11 411	-28 813	-11 494	-763 025	-501 397	-804 268	-537 007
Other debt from JV*	-617 494	-568 810	-351 384	-374 272					-968 878	-943 082
Non-allocated liabilities (long-term liabilities)									-2 628 226	-2 814 903
Total liabilities including proportion of JV*	-623 475	-581 515	-357 833	-385 683	-28 813	-11 494	-763 025	-501 397	-4 401 372	-4 294 992
Investments in fixed assets (e.g., periodic maintenance)			88 791	139 356	11 729	3 458	2 440	4 306	102 960	147 120
Gross sales of fixed assets				180 609						

*) 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.

Information on major customers
Most of the Group's revenue in 2014 derived from a few large customers. The table below presents the operating revenue from all customers that represent more than 10% of the Group's operating revenue. The amounts are distributed by segment. The shares from joint ventures are included.

<u>Segment</u> <u>Amount</u>

Seismic	277 104
Subsea	349 306
Supply	418 891

Secondary segments are not reported on. The business segments seismic, subsea and PSV are the only groupings that are reported internally. Even though 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. As a result there is no secondary distribution.

Note 5 - Other income

	2014	2013
Effect of cash flow hedging	**-1,043**	-5,394
Profit from sale of other assets	**0**	259
Profit from sales of ships	**1,256**	50,456
Other revenues	**213**	45,320

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 recorded directly in equity at the time of the discontinuation of hedging remains in equity and is in future reported in the profit and loss account at the same time as the originally hedged transaction is reported in the profit and loss account. If the originally hedged transaction is no longer expected to occur, the accumulated gain or loss previously recorded directly in equity is recognised in the profit and loss account.

The effect of cash flow hedging in 2014 was NOK -1,043, and NOK -5,394 in 2013.
The hedged exposure will be finally settled in Q1 2014.

The profit on the sale of vessels in 2014 concerns the Geo Searcher seismic vessel and in 2013 the Viking Forcados subsea vessel.

The profit on the sale of other assets concerns the sale of office buildings.

Note 6 Other operating expenses

	2014	2013
Technical operation of ships	**82 966**	56 665
Insurance	**16 947**	18 106
Communication expenses	**10 485**	10 744
Administration costs	**35 015**	26 992
Research and development	**1 382**	1 753
Other expenses	**503**	896
Other operating expenses	**147 299**	115 155

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

Administration expenses mainly consist of travel, consulting, attorney, audit (see Note 25), rent and other office expenses.

<u>Auditor:</u>

	2014	2013
Auditing required by law	**1,160**	1,095
Other services outside auditing	**5**	4
Tax consultancy	**77**	0
Other certification services	**66**	103
Total audit	**1 308**	1 202

Note 7 Investments in joint ventures and associated companies

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	0	135 594
Oceanic Seismic Vessel AS	Norway	Shipping company	51,0 %	123 168	22 720	12 222	-9 411	0	148 699
CGG Eidesvik Ship Management AS	Norway	Ship Manager	51,0 %	0	7 469	0	0	0	7 469
Eidesvik Seven AS	Norway	Shipping company	50,0 %	83 323	5 267	0	0	7 250	95 840
Eidesvik Seven Chartering AS	Norway	Shipping company	50,0 %	-19	1 467	0	0	0	1 448
Total				**322 741**	**60 461**	**23 695**	**-25 096**	**7 250**	**389 051**

Unit	Country	Industry	Owner/voting share	Book value 31.12.13	Profit/share 2014*	Translation differences	Dividends	Additions/disposals	Book value 31.12.14
Eidesvik Seismic Vessel AS	Norway	Shipping company	51,0 %	135 594	25 273	31 790	-11 612	0	181 045
Oceanic Seismic Vessel AS	Norway	Shipping company	51,0 %	148 699	23 932	34 416	-11 612	0	195 435
CGG Eidesvik Ship Management AS	Norway	Ship Manager	51,0 %	7 469	-705	0	-5 325	0	1 439
Eidesvik Seven AS	Norway	Shipping company	50,0 %	95 840	4 801	0	-5 000	0	95 641
Eidesvik Seven Chartering AS	Norway	Shipping company	50,0 %	1 448	1 188	0	0	0	2 636
Total				**389 051**	**54 488**	**66 206**	**-33 549**	**0**	**476 197**

Eidesvik Seismic Vessels AS, Oceanic Seismic Vessels AS and CGGVeritas Eidesvik Ship Management AS are classified as joint ventures as shareholder agreements exist with CGGVeritas 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 AS, Norge AS and Eidesvik each own 50% of the shares in the company. In 2014 the company received TNOK 18,800 from Eidesvik Seven AS in loan repayments.

Summarised financial information on the individual joint venture companies:

2013

Unit	Assets	Fixed assets	Current assets	Of which bank	Equity	Liabilities	Long-term	Short-term
Eidesvik Seismic Vessel AS	797 859	734 528	63 331	45 079	265 867	531 992	463 941	68 051
Oceanic Seismic Vessel AS	874 896	839 570	35 326	17 794	291 561	583 334	520 558	62 777
CGG Eidesvik Ship Management AS	122 040	604	121 436	907	13 263	108 778	0	108 778
Eidesvik Seven AS	909 527	844 855	64 671	62 117	181 561	727 966	672 000	55 966
Eidesvik Seven Chartering AS	22 619	0	22 619	1 233	2 041	20 577	12 296	8 281

Unit	Turnover	EBITDA	Depreciation	Financial income	Financial expenses	Financial result	Taxes	Profit for the year	The Group's share
Eidesvik Seismic Vessel AS	82 448	81 803	30 564	17 001	22 131	-5 118	0	46 153	23 538
Oceanic Seismic Vessel AS	90 277	89 859	33 946	11 570	22 820	-11 250	0	44 549	22 720
CGG Eidesvik Ship Management AS	58 211	11 361	132	275	787	-512	107	10 610	7 469
Eidesvik Seven AS	85 969	84 100	38 584	930	35 856	-34 926	0	10 590	5 267
Eidesvik Seven Chartering AS	141 005	3 449	0	17	701	-684	798	1 968	1 467
									60 461

2014

Unit	Assets	Fixed assets	Current assets	Of which bank	Equity	Liabilities	Long-term	Short-term
Eidesvik Seismic Vessel AS	927 864	853 391	74 473	52 466	354 986	572 878	491 110	81 768
Oceanic Seismic Vessel AS	1 021 094	978 253	42 841	22 034	383 200	637 894	561 732	76 162
CGG Eidesvik Ship Management AS	54 589	777	53 812	952	2 822	51 767	0	51 767
Eidesvik Seven AS	871 530	804 788	66 742	65 608	191 282	680 248	672 000	8 248
Eidesvik Seven Chartering AS	27 793	0	27 792	4 799	5 273	22 520	11 573	10 947

Unit	Turnover	EBITDA	Depreciation	Financial income	Financial expenses	Financial result	Taxes	Profit for the year	The Group's share
Eidesvik Seismic Vessel AS	88 412	87 532	32 774	15 751	21 005	-5 254	0	49 555	25 273
Oceanic Seismic Vessel AS	96 805	96 309	36 466	9 202	22 237	-13 035	0	46 925	23 932
CGG Eidesvik Ship Management AS	44 330	236	166	379	305	74	144	0	-705
Eidesvik Seven AS	86 997	84 983	39 517	1 043	36 788	-35 745	0	9 721	4 801
Eidesvik Seven Chartering AS	155 523	5 066	0	6	621	-615	1 219	3 232	1 188
									54 488

Note 8 Net financial expenses

	2014	2013
Interest income	**8 986**	9 571
Profit from sales of shares	**0**	89
Total financial income	**8 986**	9 661
Interest expense from loan	**-102 332**	-111 253
Cost of interest derivative recognised at fair value in the profit and loss account	**-25 095**	-27 096
Other interest expense	**-636**	-1 124
Interest from tax expense	**-8**	-10
Other financial expense	**-4 608**	-444
Total financial expense	**-132 678**	-139 926
Change in value of interest derivatives recognised at fair value in the profit and loss account (see also note 24)	**18 071**	20 785
Realised foreign exchange gains (losses)	**3 486**	27 265
Unrealised foreign exchange gains (losses) - related to other items	**-188 758**	-100 045
Change in value of foreign exchange forward contracts recognised at fair value in the profit and loss account	**-142 697**	-4 591
Total foreign exchange gains	**-327 969**	-77 370
Net financial items	**-433 590**	-186 851

Note 9 Tax

	2014	2013
Tax payable in Norway and abroad	**4**	5 395
Over-/under-allocation of tax from previous year	**131**	1 114
Tax expense	**135**	6 509
Capital reserve	**-970**	-773
Share investments	**0**	-540
Capital gain and loss account	**67**	-84
Pension obligation	**52 426**	24 701
Losses carried forward	**-413 319**	-357 727
Total temporary differences	**-361 796**	-334 423
Tax asset recognised in the balance sheet	**0**	0
Tax payable		
Other corporate tax payable in Norway and abroad	**0**	129
Total tax payable	**0**	129
Description of taxes in profit and loss account:		
Profit before tax	**-230 439**	147 372
27% tax	**-62 219**	41 264
Tax effect of:		
Permanent differences/profit subject to shipping company taxation/difference foreign tax rate	**62 354**	-34 755
Estimated taxes for the year	**135**	6 509
Group's effective tax rate	**0 %**	4 %

Note 10 Profit per share

	2014	2013
Profit for the year falling to the parent company's shareholders	**-173 968**	141 718
Average weighted number of issued ordinary shares	**30 150**	30 150
Average weighted number of issued stock options	**75**	75
Average weighted number of outstanding shares 31.12	**30 225**	30 225
Earnings per share	**-5,77**	4,70
Diluted earnings per share	**-5,77**	4,69

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

In 2014, dividends of TNOK 30,150 were paid, at NOK 1.00 per share. The Board of Directors has proposed that no dividends be paid in 2015.

Note 11 Payroll expenses and number of employees

	2014	2013
Salary after net wage refund	**218 416**	209 342
Social expenses	**44 464**	50 403
Pension cost of defined-benefit plans (see also Note 19)	**21 315**	20 404
Hired personnel	**9 342**	8 462
Other personnel costs	**33 382**	38 737
Total payroll expenses	**326 918**	327 347

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

Average number of man-years:	760	753
Number of employees at year-end	689	736

In 2014, NOK 78,606 (NOK 85,469 in 2013) was received in connection with the reimbursement scheme for Norwegian seamen.

In 2014, NOK 3,886 (NOK 1,741 in 2013) was received from Stiftelsen Norsk Maritim Kompetanse.

Note 12 Fixed assets

2013	Property	Port facilities	Operating equipment	Total other fixed assets	Vessels	maintenanc e	Total ships	Newbuild contracts	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	0	-126	-3 746	-165 053	0	-165 053	0	**-168 799**
31.12.2013	**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									
In-going 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	0	1 238	1 444	241 747	58 571	300 318	0	**301 762**
Disposals	0	0	0	0	-40 457	0	-40 457	0	**-40 457**
31.12.2013	**17 608**	**3 494**	**30 001**	**51 103**	**1 851 108**	**58 571**	**1 909 679**	**0**	**1 960 782**
Posted value	**21 916**	**223**	**6 589**	**28 728**	**4 135 055**	**62 723**	**4 197 778**	**265 629**	**4 492 135**

2014	Property	Port facilities	Operating equipment	Total other fixed assets	Vessels	Periodic maintenanc	Total ships	Newbuild contracts	total
Acquisition cost									
1 January 2014	39 524	3 717	36 590	79 831	5 986 163	62 723	6 048 886	265 629	**6 394 346**
Additions	567	0	1 873	2 440	18 778	70 689	89 467	81 742	**173 649**
Disposals	0	0	-250	-250	-40 989	-5 496	-46 485	0	**-46 735**
31.12.14	**40 091**	**3 717**	**38 213**	**82 021**	**5 963 952**	**127 916**	**6 091 868**	**347 371**	**6 521 260**
Accumulated depreciation and write-downs									
In-going balance	17 608	3 494	30 001	51 103	1 851 108	0	1 851 108	0	**1 902 211**
Depreciation for the year	737	0	1 719	2 456	231 632	57 422	289 054	0	**291 510**
Depreciation/reversal of write-downs for the year (-)	0	0	0	0	52 000	0	52 000	0	**52 000**
Disposals	0	0	0	0	-38 339	0	-38 339	0	**-38 339**
31.12.14	**18 345**	**3 494**	**31 720**	**53 559**	**2 096 401**	**57 422**	**2 153 823**	**0**	**2 207 382**
Posted value	**21 746**	**223**	**6 493**	**28 462**	**3 867 551**	**70 494**	**3 938 045**	**347 371**	**4 313 878**

Capitalised interest relating to newbuilding contracts is NOK 11,326 (8,786).

Newbuilding contracts, see Note 26.

For information concerning mortgaged assets, see note 21

Reference is made to Note 2, item 2.5 for details of depreciation terms and breakdown by ship.

It was agreed that three older seismic ships be written down by a total of TNOK 52,000 in 2014. The depreciation of book value is based on calculating the individual utility value of each ship by forecasting net income streams and discounting these. In 2014 the market for the ships was extremely weak, with very weak prospects for contract renewals and the termination of an ongoing contract for one of the ships. For this reason the forecast period is based on the first years being laid up without income. At the same time it is noted that the marine seismic market is characterised by continuous technological development, which will most likely result in upgrading being required before the ships can be put on the market again. For this reason a low rate - lower than the historical rate - has been used for the forecast period which reflected the possibly outdated technology of the ships. Moreover, a somewhat shorter economic life is assumed for these ships (25 years) than for the rest of the fleet (30 years). This is due to the fact that wear and tear appears to be more of factor than originally assumed due to the high number of towed streamers. The recoverable amount for the ships is estimated to be a total of TNOK 224,901. The discount interest rate (weighted required rate of return) applied is 7.1%.

Note 13 Other long-term receivables

	2014	2013
Loans to employees	**642**	692
Deposits on apartments	**27**	27
Loan to joint venture	**0**	19 037
Total other long-term assets	**669**	19 756

More information about loans to employees is provided in note 25.

Note 14 Trade receivables

	2014	2013
Trade receivables	**138 213**	106 648
Trade receivables from related parties/TS/JV	**37 135**	71 217
Total trade receivables	**175 348**	177 865
Trade receivables due for payment that are attributable to parties other than related parties are distributed as follows before provision for losses:		
0-3 months	**49 385**	58 063
3-6 months	**334**	499
6 months +	**0**	419
Total trade receivables due for payment	**49 719**	58 981
Carrying value of the Group's trade receivables by foreign currency:		
USD	**41 055**	40 142
GBP	**5 442**	2 211
NOK	**128 851**	135 513
Total trade receivables	**175 348**	177 865
Movement in provisions for the write-down of trade receivables:		
At 01/01	**0**	4 960
Provisions for the write-down of receivables	**321**	0
Receivables written off as losses during the year	**321**	4 122
Reversal of amounts not used	**0**	838
Per 31/12	**0**	**0**

Note 15 Other current assets

	2014	2013
Inventory (bunkers and lubrication oil)	**5 347**	5 134
Other shares	**34**	34
Outstanding value added tax	**1 767**	166
Insurance settlement outstanding	**4 338**	3 557
Prepaid expenses	**25 266**	26 011
Total other current assets	**36 753**	34 901

Prepaid costs include outlays for pre-paid insurance, provisions for reimbursement of crew costs and other benefits and non-invoiced outlays for customers

Note 16: Cash and cash equivalents

Of the total cash and cash equivalents of NOK 549,556 (582,773), restricted tax withholding deposits accounted for NOK 9,205 (9,263). Otherwise there are no tied up funds.

Note 17: Share capital and shareholders

	No. shares		Share capital	
	2014	**2013**	**2014**	**2013**
Ordinary shares				
In-going balance	**30 150**	30 150	**1 508**	1 508
As at 31.12.	**30 150**	30 150	**1 508**	1 508

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 31.12.14.

Eidesvik Offshore ASA's 20 largest shareholders as at 31.12.14

Shareholder	Country	No. shares	Ownership
EIDESVIK INVEST AS	BØMLO	20 180 000	66,9 %
PARETO AKSJE NORGE	OSLO	1 703 285	5,6 %
SKAGEN VEKST	OSLO	1 010 641	3,4 %
PARETO AKTIV	OSLO	685 500	2,3 %
EINAR KRISTIAN TVEITÅ	HORNNES	606 928	2,0 %
KLP AKSJE NORGE VPF	OSLO	431 901	1,4 %
KOMMUNAL LANDSPENSJONSKASSE	OSLO	382 836	1,3 %
VINGTOR INVEST AS	STAVANGER	358 000	1,2 %
BERGTOR AS	SOLA	350 000	1,2 %
STANGELAND HOLDING AS	STAVANGER	350 000	1,2 %
VPF PARETO VERDI	OSLO	340 615	1,1 %
HJELTEFJORDEN AS	KLEPPESTØ	213 000	0,7 %
OLAV MAGNE TVEITÅ	HORNNES	201 700	0,7 %
SWEDBANK AS	OSLO	189 731	0,6 %
HELLAND A/S	STAVANGER	151 500	0,5 %
JAN FREDRIK MELING	HAUGESUND	130 000	0,4 %
GEMSCO AS	LEIRSUND	117 000	0,4 %
BANQUE DE LUXEMBOURG S.A	LUXEMBOURG	100 000	0,3 %
MUSTAD INDUSTRIER AS	OSLO	97 664	0,3 %
HELGØ INVEST AS	STAVANGER	96 897	0,3 %
Other		2 452 802	8,1 %
Total		30 150 000	100,0 %

The company had 835 shareholders as at 31.12.14 and foreign ownership of 2.0%.

See also Note 25.

Note 18: Equity items

Changes in reserves

	Cash flow hedging	Translation differences	Total
Balance sheet 1/1/2013	-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**
Other reserves 01.01.2014	**-1 043**	**20 495**	**19 452**
Recognised cash flow hedging (to hedging object)	1 043	0	1 043
Translation differences	0	66 206	66 206
Other reserves 31.12.2014	0	86 701	**86 701**

Dividends

	2014	**2013**
Dividends paid:	30 150	30 150

For 2015 it has been proposed that no dividends be paid.

Note 19: Pensions and other long-term employee benefits

Defined-benefit pension scheme

All the employees in Group companies participate in a defined-benefit pension scheme. The Group has several agreements which differ primarily according to whether the employee is employed on board 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's disability and child's pension. As at 31.12.14, there were 719 (764) members of the schemes.

Effect of the change of accounting principles

The obligation has been calculated using a linear accrual formula. Estimate deviations due to changes in the actuarial assumptions are recognised in other income and expenses (OCI) in the period in which they arise.

The carrying value of an obligation is determined as follows:

	2014	2013
Present value of accrued pension obligations for benefit plans in fund-based schemes	**185 568**	144 864
Fair value of pension fund assets	**-133 142**	-121 560
Net pension obligations in the balance sheet as of 31/12	**52 426**	23 303

Changes in the defined-benefit pension obligations during the year:

	2014	2013
Pension obligations as of 1 January	**144 864**	124 845
Present value of current year's pension benefits earned	**20 512**	19 767
Interest expense	**5 703**	4 781
National Insurance contributions on employer contributions	**-2 672**	-2 996
Actuarial losses/(gains)	**20 953**	1 846
Benefits paid	**-3 792**	-3 379
Pension obligations as at 31/12	**185 568**	144 864

Change in the fair value of pension assets:

	2014	2013
Pension fund assets as of 1 January	**121 561**	104 005
Expected return on pension fund assets	**5 258**	4 400
Administration costs	**-362**	-255
Actuarial losses/(gains)	**-8 474**	-4 461
National Insurance contributions on employer contributions	**-2 672**	-2 996
Contributions from employer	**21 623**	24 248
Benefits paid	**-3 792**	-3 379
Pension fund assets as at 31 December	**133 142**	121 561

Total cost recognised in the profit and loss account:

	2014	2013
Cost of pension benefits earned in current period	**17 286**	16 674
Interest expense	**691**	650
Expected return on pension fund assets	**440**	303
Administration costs	**264**	255
National Insurance contribution on pension costs	**2 634**	2 522
Total, incl. payroll expenses (note 11)	**21 315**	20 404

Estimate deviations due to changes in the actuarial assumptions are recognised in other income and expenses (OCI).

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

	2014	2013
Changes in the discount interest rate	**50 418**	-2 826
Changes in other economic assumptions DBO	**-15 690**	8 650
Changes in mortality table	**0**	6 571
Changes in other DBO	**-13 749**	-10 667
Changes in other - pension fund assets	**7 066**	3 496
Funds and interest rate guarantees	**1 382**	1 083
Estimate deviations losses / (gains) recognised in OCI	**29 427**	6 307

The pension funds are placed in different investments via an external insurance company. They administer all transactions relating to pension schemes. Distribution of the investment categories as per 30.09.14:

Shares	**7%**
Bonds	**48%**
Property	**14%**
Money market	**24%**
Other	**7%**

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

	2014	2013
Discount interest	**2.30%**	4.00%
Return on pension funds	**3.20%**	4.00%
Wage inflation	**2.75%**	3.75%
Pension adjustment	**0.00%**	0.60%
G adjustment	**2.50%**	3.50%

The discount interest rate is determined on the basis of the interest rate on preferential 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.
Two employees have entered into an agreement where the individual pension is financed through operations.
The premium payment for 2014 was 115,114.

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

The table below presents the estimated potential effects of a change in certain assumptions for defined-benefit pension schemes in Norway.
The estimates are based on the facts and circumstances as at 31.12.2014. The actual results may deviate significantly from these estimates.

	Pension obligation		Net pension costs	
	+ 1%	- 1%	+ 1%	- 1%
Discount interest	-28 979	37 751	-5 246	3 887
Wage growth in %	43 184	-40 410	5 067	-7 154

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

Expected lifetime
The Group has undertaken an obligation to pay pensions to employees for the rest of their lives.
An increase in members' expected lifetimes 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, which will increase the obligation for the company, if the return on 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

	2014	2013
Public taxes and fees	**50,499**	54,743
Salaries and holiday pay	**48,124**	49,574
Accrued expenses	**74,948**	43,047
Total other current liabilities	**173,571**	147,364

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

Note 21: Long-term liabilities

			Carrying value	
		Maturity	**2014**	**2013**
Secured				
Mortgage loan (NOK)	NIBOR loan	October 2017	147 000	166 000
Mortgage loan (NOK)	NIBOR loan	June 2017	65 788	73 538
Mortgage loan (NOK)	CIRR loan	February 2020	114 583	135 417
Mortgage loan (NOK)	CIRR loan	March 2024	273 125	301 875
Mortgage loan (NOK)	CIRR loan	October 2017	291 667	320 833
Mortgage loan (NOK)	NIBOR loan	April 2019	177 500	192 500
Mortgage loan (NOK)	NIBOR loan	September 2017	155 000	175 000
Mortgage loan (NOK)	NIBOR loan	February 2016	82 500	90 357
Mortgage loan (NOK)	NIBOR loan	as at 1 January 2021	164 667	190 000
Mortgage loan (NOK)	CIRR loan	as at 1 January 2021	164 667	190 000
Mortgage loan (USD)	LIBOR loan	February 2016	400 154	366 036
Mortgage loan (USD)	LIBOR loan	June 2017	194 378	169 887
Mortgage loan (USD)	LIBOR loan	July 2017	215 191	192 245
Mortgage loan (USD)	LIBOR loan	June 2017	76 721	85 870
Mortgage loan (USD)	LIBOR loan	December 2015	80 189	76 583
Mortgage loan (USD)	LIBOR loan	February 2016	73 713	67 428
Bond loan (NOK)	NIBOR loan	May 2018	300 000	300 000
Other loan			836	
Capitalised set up costs			-10 635	-15 198
Total interest-bearing long-term liabilities			**2 967 043**	**3 078 371**
Total long-term liabilities			2 967 043	3 078 371
Short-term part of long-term liabilities			-391 243	-324 073
Total long-term liabilities, excl. first year's instalment			**2 575 800**	**2 754 298**
Loan short-term				
1st year instalment on long-term liabilities			391 243	324 073
Accrued interest			25 488	29 625
Total			**416 731**	**353 698**
Carrying value of debt in foreign currency				
NOK			1 926 697	2 120 322
USD			1 040 346	958 049
Total			**2 967 043**	**3 078 371**

Instalment profile for long-term liabilities	
2015	391 243
2016	760 763
2017	766 681
2018	444 417
2019	254 417
Later	360 158
Total instalments	2 977 678

Some of the Group's loan agreements allow a limited number of instalments to be deferred until the balloon payment falls due. Such an opportunity was utilised in December 2014, whereby some instalments in 2014 and 2015 were deferred. This has reduced the Group's total instalments in 2014, and has reduced the proportion of long-term liabilities classified as short-term liabilities in the accounts as at 31.12.14.

Of the total long-term liabilities, NOK 2,677 million is secured by a mortgage on vessels with a carrying value of NOK 3,848 million.

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 covenants related to this financing are:

- Eidesvik Offshore ASA must be listed on the Oslo Stock Exchange.
- The group's book equity shall be at least 25%, or the company shall have cash flow from operations (profits before tax with the addition of depreciation and adjusted for foreign exchange gains/losses) that exceeds the first year's instalments of 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 covenants related to 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 31.12.2014 or during 2014.

Note 22: Shares

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

Unit	Country	Industry	Owner/voting share	Book value 31.12.14	Book value 31.12.13
Simsea AS	Norway	Rate	10,4 %	3 110	2 301
Bleivik Eiendom AS	Norway	Property	22,6 %	655	655
Total				**3 765**	**2 956**

Simsea is a simulator centre for the training of nautical personnel. Bleivik Eiendom AS leases property to companies who provide safety training to maritime personnel.

Note 23: Lease agreements

The group as a lessee – operational lease agreements

In 2014 the Group leased a ship for 4 months as a replacement vessel for a ship that began a new contract before the current contract expired.

The following lease agreements apply as at 31.12.14:

Other lease agreements	Type	Annual rent	Start	Lease period	Options
Langevåg Senter AS	Office	5 716	01.01.2013	20 years	6 x 5 years
Langevåg Bygdatun	Office	170	01.01.2005	10 years	2 x 5 years
Warehouse		330	01.01.2012	5 years	9 x 5 years
Vehicles		377		12 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 established for 36 months and are renewed regularly with new vehicles, based on the current needs at any given time.

Future minimum rent related to non-cancellable lease agreements falls due as follows:

Next 1 year	6 466
2 to 5 years	23 369
After 5 years	74 309
Future minimum rent	**104 144**

The group as lessor

The main business area of the Group is to lease offshore ship tonnage. The ships are mainly leased on long-term contracts.

Ships, consolidated	Contract type	Customer	Contract expiration, fixed		Contract expiration, charterer's option	
Viking Lady	Time charter	Leiv Eriksson Consortium	March	2017	October	2019
Viking Queen	Time charter	Lundin Norway	April	2017	February	2018
Viking Athene	Time charter	Leiv Eriksson Consortium	March	2017	October	2019
Viking Avant	Time charter	Statoil	December	2016	December	2019
Viking Energy	Time charter	Statoil	April	2016	April	2018
Viking Nereus	Spot					
Viking Prince	Time charter	Lundin Norway	September	2015	January	2017
Viking Princess	Spot					
Viking Poseidon	Time charter	Harkand	January	2017	January	2022
Acergy Viking	Time charter	Subsea 7	December	2015	December	2027
Subsea Viking	Time charter	Subsea 7	December	2017	December	2019
Viking Neptun	Time charter	Technip/Reach	September	2015	November	2015
European Supporter	Bareboat	P&O Maritime Services PTY	August	2015	June	2016
Viking Vanquish	Bareboat	CGG	November	2020	November	2030
Viking Vision	Bareboat	CGG	July	2017	July	2025
Veritas Viking	Bareboat	CGG	December	2015	May	2023
Vantage	Bareboat	CGG	March	2015		
Viking II	Bareboat	CGG	May	2015		

Ships in joint ventures	Contract type	Customer	Contract expiration, fixed		Contract expiration, charterer's	
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	2023

Ships with contracts shorter than one year are classified as spot tonnage.

Future minimum rent related to non-cancellable lease agreements (excl. proportion of JV) falls due as follows:

Next 1 year	978,620
1 to 5 years	1,009,875
After 5 years	91,002
Future minimum rent	**2,079,497**

Note 24: Financial instruments

Financial assets and liabilities recognised in the balance sheet

Recognised value corresponds to fair value except for loans; for details of fair value for loans see the section "Interest" further down in the note. The group does not practise hedge accounting, but holds financial derivatives for financial hedging that are recorded at fair value.

Assets	**2014**	2013
Market-based shares, trading purposes	**9**	25
Foreign currency derivatives	**0**	759
Trade receivables (Note 14)	**175 348**	177 865
Cash and cash equivalents (Note 16)	**549 556**	582 773
Total	**724 913**	**761 422**
Liabilities		
Foreign currency derivatives	**144 909**	2 972
Interest derivatives	**20 913**	38 985
Loans (Note 21)	**2 976 842**	3 078 371
Total	**3 142 665**	**3 120 328**

Currency

As at 31.12.14 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	6 000	2015	6,3687	-6 465
Foreign exchange forward contracts to secure the raising of loans	USD	110 000	2015	6,1359	-138 444
		116 000			**-144 909**

As at 31.12.13:

	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**

All the forward exchange contracts are recognised at fair value.

Interest
The group uses several types of interest rate derivatives to hedge against profit fluctuations due to changes in the interest rate level.

The group has the following interest rate swap agreements:

As at 31.12.14

Type	Currency	Floor	Cap/Swap	Maturity	NOK principal	Fair value (ex. accrued interest)	Annual reduction prior to maturity
Cap	NOK		5,00 %	07.01.2015	147 000	0	19 000
Swap	USD		2,29 %	02.12.2015	23 229	-276	23 229
Swap	USD		2,27 %	07.04.2015	28 252	-119	31 712
Swap	USD		4,50 %	31.10.2015	148 664	-5 027	None
Swap	USD		4,51 %	06.11.2015	222 996	-7 723	None
Swap	USD		4,40 %	14.11.2015	222 996	-7 768	None
Fixed interest loans	NOK		4,09 %	01.02.2020	114 583		20 832
Fixed interest loans	NOK		4,90 %	13.01.2021	164 667		25 333
Fixed interest loans	NOK		3,36 %	30.03.2024	273 125		28 750
Fixed interest loans	NOK		3,41 %	13.09.2024	291 667		29 166
Unhedged					1 340 500		
Total hedged and unhedged debt					2 977 678	-20 913	

As at 31.12.13:

Type	Currency	Floor	Cap/Swap	Maturity	NOK principal	Fair value (ex. 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 loans	NOK		4,09 %	01.02.2020	135 417		20 832
Fixed interest loans	NOK		4,90 %	13.01.2021	190 000		25 333
Fixed interest loans	NOK		3,36 %	30.03.2024	301 875		28 750
Fixed interest loans	NOK		3,41 %	13.09.2024	320 833		29 166
Unhedged					1 246 429		
Total hedged and unhedged debt					3 093 569	-38 984	

As at 31.12.2013, 55% (60%) 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 51.4 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.

	2014	2013
Sale of crewing and management services to Viking Dynamic AS	35 585	30 237
Sale of crewing and management services to Viking Fighter AS	30 280	30 784
Lease of vessel to Maritime Logistic Services AS	117 523	139 391
Sale of services to Eidesvik Invest AS	214	112
Lease of offices from AS Langevåg Senter	-5 584	-2 756
Sale of shares in AS Langevåg Senter to Eidesvik Invest AS	0	9 318
Lease of offices to Evik AS	796	162
Lease of offices to Bømmelfjord AS	829	162
Lease of offices to Eidesvik Invest AS	753	162
Sale of crewing and management services to Eidesvik Seven Chartering AS	68 806	63 470
Sale of management services to Eidesvik Seven AS	1 568	5 904
Sale of management services to Eidesvik Seismic Vessels AS	385	350
Sale of management services to Oceanic Seismic Vessels AS	385	350
Sale of crewing and office services to CGG Eidesvik Ship Management AS	221 900	227 144

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

	2014	2013
Trade receivables	57 491	71 217
Trade payables	-82	-219
Total	**57 409**	70 998

Shares owned/controlled by board members/key staff:

	2014	2013
Eidesvik Invest AS (1)	20 180 000	20 180 000
Kolbein Rege	35 450	35 450
Jan Fredrik Meling	130 000	120 000
Jan Lodden	1 242	1 242
Svein Ove Enerstvedt	1 242	1 242

(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.

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.

2014	No. Allocated options	Salary	Benefits in kind	Pension expenses
CEO	0	2 308	135	256
COO	0	1 625	4	225
CFO	0	1 518	4	180
Total 2014	0	5 451	144	660

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 642 in the company as at 31.12.14. The term of the loan is 22 years at an interest rate equivalent to the normal interest rate for employment relationships, and as at 31.12.2014 the interest rate was 2.5%. 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	2014	2013
Kolbein Rege	480	420
Borgny Eidesvik	260	200
Lars Eidesvik	220	180
Kjell Jacobsen	260	200
Monica Havskjold	110	180
Synne Syrrist	220	0
	1 550	**1 180**

Note 26: Newbuild commitments

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

	2014	2013
2014	**0**	941 308
2015	**922 526**	0
Sum	**922 526**	941 308

As at 31.12.14 there is a subsea vessel under construction. This was delivered in Q1 2015.
In 2014 an agreement was entered into with the yard to postpone delivery from 2014 to 2015.
The contract price included declared options and deducted paid instalments.

Note 27: Liabilities

A framework agreement has been entered into between Reach Subsea AS and Eidesvik for the lease of ROV services on the ship Viking Neptun.
The liability amounts to MNOK 30.2 over 3 years.

The company is obliged to cover costs of up to USD 2 million to P&O for upgrading the vessel European Supporter. The obligation takes effect when the vessel is returned.

Note 28: Foreign exchange rates

	Average exchange rate 2013	**Exchange rate 31.12.2013**	**Average exchange rate 2014**	**Exchange rate 31.12.2014**
Euro	7,811	8,383	8,353	9,037
British Pound	9,441	10,053	10,369	11,571
US Dollar	5,897	6,084	6,302	7,433

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

Note 29: Events after the balance sheet date

The construction vessel Viking Neptun was delivered from Kleven Verft AS on 17.02.2015. The ship has a total cost of MNOK 1,270 and a loan of MUSD 124 has been drawn. In connection with drawing the loan the company realised a loss of NOK 151.2 million on a foreign exchange derivative.

The ship was employed on a 180-day contract with Reach Subsea AS on 12.03.2015, the contract also has an option period of 4x10 days.

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ANNUAL ACCOUNTS – PARENT COMPANY

INCOME STATEMENT – PARENT COMPANY

(NOK 1,000)

	Note	1.1-31.12 2014	1.1-31.12 2013
Payroll expenses, etc.	8,9	4 733	4 217
Depreciation	3	207	202
Other operating expenses	8,11	8 370	4 858
Total operating expenses		**13 310**	**9 276**
Operating profit		**-13 310**	**-9 276**
Interest income from Group companies	6	21 618	20 052
Other interest income		2 821	3 268
Other financial income		0	1 467
Write-down of financial fixed assets	2	-38 150	0
Interest expense to Group companies		0	-687
Other interest expense	10	-20 126	-12 220
Other financial expense		-151	-177
Net financial items		**-33 989**	**11 702**
Profit before tax		**-47 299**	**2 426**
Tax expense	4	**131**	**0**
Profit for the year		**-47 429**	**2 426**
Transfers and allocations			
Proposed dividend		0	30 150
Transferred from other equity		47 429	27 724
Total transfers (allocations)		**-47 429**	**2 426**

STATEMENT OF FINANCIAL POSITION – PARENT COMPANY

(NOK 1 000)

	Note	31.12.14	31.12.13
ASSETS			
Fixed assets			
Land, buildings and other real estate		8 921	8 921
Operating equipment		764	710
Total fixed assets	**3**	**9 685**	**9 631**
Financial fixed assets			
Investments in subsidiaries	2	207 312	245 462
Loans to Group companies	6	537 883	550 973
Other financial fixed assets	8	998	748
Total financial fixed assets		**746 193**	**797 183**
Total fixed assets		**754 935**	**806 814**
Receivables			
Other receivables		529	0
Total receivables		**1 171**	**0**
Bank deposits	1	122 260	148 132
Total current assets		**123 430**	**148 132**
TOTAL ASSETS		**878 366**	**954 946**

STATEMENT OF FINANCIAL POSITION – PARENT COMPANY

(NOK 1,000)

	Note	31.12.14	31.12.13
EQUITY AND LIABILITIES			
Paid-in equity			
Share capital	7	1 508	1 508
Other paid-in equity		549	549
Total paid-in equity		**2 057**	**2 057**
Accrued equity			
Other equity		575 232	622 662
Total accrued equity		**575 232**	**622 662**
Total equity	5	**577 289**	**624 718**
LIABILITIES			
Provisions for liabilities			
Pension liability	9	254	61
Total provisions for liabilities		**254**	**61**
Other long-term liabilities			
Bond loans	10	297 845	296 637
Total other long-term liabilities		**297 845**	**296 637**
Current liabilities			
Trade payables		97	726
Public taxes and fees		298	405
Dividends		0	30 150
Other current liabilities		2 583	2 249
Total current liabilities		**2 978**	**33 530**
Total liabilities		**301 077**	**330 228**
TOTAL EQUITY AND LIABILITIES		**878 366**	**954 946**

Bømlo, 22 April 2015

Kolbein Rege
Chairman of the Board of Directors

Borgny Eidesvik
Board Member

Lars Eidesvik
Board Member

Kjell E Jacobsen
Board Member

Synne Syrrist
Board Member

Jan Fredrik Meling
CEO

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

	Note	1.1-31.12 2014	1.1-31.12 2013
Cash flows from operations			
Payments to suppliers and employees	8,11	**-13 692**	-7 917
Interest income received		**2 821**	3 246
Net taxes paid	4	**-130**	0
Net cash flows from operations		**-11 001**	-4 671
Cash flows from investment activities			
Sale of shares		**0**	8 726
Purchase of other financial fixed assets		**-261**	0
Net cash flows used for investment activities		**-261**	8 726
Cash flows from financing activities			
New debt		**0**	296 250
Repayment of debt		**0**	-37 341
Interest expenses paid	10	**-19 167**	-10 306
Loans to subsidiaries/associated companies	6	**34 707**	-75 295
Dividends paid to company shareholders	5	**-30 150**	-30 150
Net cash flows from financing activities		**-14 610**	143 158
Net increase (reduction) in cash and cash equivalents	1	**-25 872**	147 213
Cash and cash equivalents at the start of the year	1	**148 132**	919
Cash and cash equivalents at the end of the year		**122 260**	148 132

NOTES TO THE 2014 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 lower 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 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 at 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 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 rate in effect 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/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 a current 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 fixed 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 carried forward 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 carried at the net amount.

Pension liability
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 they are employed. The pension fund assets are valued at fair value and are offset 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, the 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, as well as the accrued National Insurance contributions.
The effects of changes in pension schemes are charged against income in the period in which they arise.

Cash flow statement
The cash flow statement has been prepared according to 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.

Note 1 - Bank deposits

Of bank deposits of NOK 122,260 (148,132), the restricted tax withholding deposits totalled NOK 194 (293).

Note 2 - Investments in subsidiaries as at 31.12.2014

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	21 709
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					**207 312**

Langevåg Senter AS was sold for NOK 8,726 in 2013, realising a gain of NOK 1,467.
Shares in Hordaland Maritime AS were written down by MNOK 38.15 in 2014.

Note 3 - Overview of tangible fixed assets

	Residential property	Transport equipment	Inventory and equipment	Non-depreciable fixed assets	Total
Acquisition cost 01.01.	8 921	885	1 248	156	11 210
Additions	0	510	0	0	510
Disposals	0	885	0	0	885
Acquisition cost 31.12.	8 921	510	1 248	156	10 835
Accum. depreciation 01.01.	0	654	924	0	1 578
Depreciation for the year	0	82	125	0	207
Disposals depreciation	0	635	0	0	635
Accum. depreciation 31.12.	0	101	1 049	0	1 150
Carrying value at 31.12	**8 921**	**409**	**199**	**156**	**9 685**

Note 4 - Taxes

Tax payable:	**2014**	**2013**
Profit before tax	-47 299	2 426
Permanent differences	262	-1 433
Write-down of shares	38 150	0
Change in temporary differences (A)	200	2 888
Loss carried forward	0	-3 881
Taxable income	**-8 687**	**0**
Of which tax payable	0	0
Correction of previous year's tax payable	130	0
Tax charge for the year	**130**	**0**

	Temporary differences		
Deferred taxes:	**31.12.2014**	**01.01.2014**	**Change**
Fixed assets	64	71	7
Pension funds	-254	-61	193
Total temporary differences (A)	**-190**	**10**	**200**
Tax loss carried forward	-28 830	-20 143	8 687
Basis for deferred tax assets	**-29 020**	**-20 133**	**8 887**
Total deferred tax assets, 27 %	**-7 835**	**-5 436**	**2 399**

Deferred tax assets are not recognised in the balance sheet.

Note 5 - Equity

	Share capital	**Other paid-in equity Equity**	**Other Equity**	**Total**
Equity 01.01.2013	1 508	549	650 385	652 442
Distribution to shareholders/dividend			-30 150	-30 150
Profit for the year			2 426	2 426
Equity 31.12.13	**1 508**	**549**	**622 661**	**624 718**
Profit for the year			-47 429	-47 429
Equity 31.12.14	**1 508**	**549**	**575 232**	**577 289**

Note 6 - Long-term loans to subsidiaries

	2014	**2013**
Eidesvik AS	53 447	75 769
Eidesvik Shipping AS	479 312	463 095
Eidesvik Management AS	2 827	8 982
Eidesvik Supply AS	349	2 957
Eidesvik Neptun AS	175	12
Eidesvik OCV AS	1 773	158
Total	**537 883**	**550 973**

Group receivables are subject to quarterly interest at 3 months NIBOR + 1% margin.
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 1,518,018, for Eidesvik OCV AS at NOK 329,333 and for Eidesvik Supply AS at 273,125.

Note 7 - Share capital and shareholder information

The company's share capital consists of 30,150,000 shares at NOK 0.05.
All shares have the same voting rights.

For Eidesvik Offshore ASA's 20 largest shareholders as at 31.12.14, see Note 17 to the Consolidated Annual Accounts.

Shares owned/controlled by Board members and the CEO:

	2014	2013
Eidesvik Invest AS (1)	20 180 000	20 180 000
Kolbein Rege (2)	35 450	35 450
Jan Fredrik Meling (3)	130 000	120 000

(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
(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 purchased 10,000 shares in 2014. These are not part of the option agreement.

Note 8 - Wages and salaries, number of employees, remuneration, loans to employees

labor costs:	**2014**	**2013**
Salaries	2 283	2 350
Social expenses	449	412
Pension costs	449	269
Board remuneration	1 550	1 180
Other cost	2	110
Sum	**4 733**	**4 217**

At the end of the year, the Company had one employee.
An individual pension agreement has been set up for the CEO; see Note 9.
The Company has entered into an occupational pension scheme on the same terms as the rest of the land-based organisation.

Remuneration to the CEO:	**2014**	**2013**
Salary	2,308	2,332
Pension expenses	256	166
Other benefits	135	136
Total	**2,699**	**2,634**

The CEO has an option for 20,000 shares, with an exercise price of NOK 37.70 that as at 31.12.2013 was higher than the market price. The options may be exercised no later than 26.04.2015. No amount was expensed for the scheme in 2014.

The company has granted the CEO a loan which as at 31.12.14 had a balance of NOK 642. The loan has a maturity of 13 years and the interest rate is equivalent to the standard interest rate for employee relationships, which in 2014 was 2.63%. 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 CEO:	**2014**	**2013**
Salary	2 308	2 332
Pension expenses	256	166
Other benefits	135	136
Total	**2 699**	**2 634**
Remuneration to other key employees:	**2014**	**2013**
Salary	3 143	3 009
Pension expenses	404	220
Other benefits	8	12
Total	**3 555**	**3 241**

Other key employees are employed by the subsidiary Eidesvik AS.

Remuneration to the board:	2014	2013
Kolbein Rege	480	420
Borgny Eidesvik	260	200
Lars Eidesvik	220	180
Kjell Jacobsen	260	200
Monica Havskjold	110	180
Synne Syrrist	220	0
	1,550	**1,180**

* The remuneration to the Board of Directors is adopted by the General Assembly, and the payment for 2014 applies to the period up to the next General Assembly.

Auditor	2014	2013
Recognised remuneration to the auditor is categorised as follows:		
Auditing required by law	483	215
Other services outside auditing	6	160
Tax advisory services	77	0
Other certification services	0	15
Total remuneration to auditor, excl. VAT	**565**	**390**

Note 9 - 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 mainly 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 through an insurance company.

	2014	2013
Estimated obligations	1 712	1 272
Value of pension fund assets	1,490	1 212
Estimated national insurance contributions	-31	0
Under-funding	**-254**	**-60**

Reconciliation of pension costs for the year	2014	2013
Present value of the current year's pension benefits earned	180	161
Interest expense from the pension obligation	51	40
Expected return on pension fund assets	-62	-42
Recognised estimate deviations	17	0
Administration costs	28	6
Net pension costs	**213**	**166**

The following financial and actuarial assumptions are the basis for the calculations:		
Discount interest	2.30%	4.00%
Expected return on pension fund assets	3.20%	4.00%
Annual estimated wage inflation and basic amount (G) adjustment	2.75%/2.5%	3.75%/3.5%
Adjustment of pension during payment	0.00%	0.60%

Note 10 - Long-term liabilities

	2014	2013
Long-term liabilities - Bond loan	300 000	300 000
Recognised set up costs for long-term liabilities	-2 155	-3 363
Total long-term liabilities	297 845	296 637

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

The most important financial covenants related to liabilities for Group subsidiaries in which the company has provided a loan guarantee
Eidesvik Offshore ASA must be listed on the Oslo Stock Exchange.
The group's book equity shall be at least 25%, or the company shall have cash flow from operations (profits before tax with the addition of depreciation and adjusted for foreign exchange gains/losses) that exceeds the first year's instalments of 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 most important covenants related to the company's bond loan 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.

The company was not in breach of the loan terms during 2014.

Financial market risk
The company's bond loan does not fall due until 2018, and therefore entails low liquidity risk. The company has provided a guarantee for NOK 2,120,476 of loans for subsidiaries. These guarantees entail moderate credit risk. The company has no foreign currency risk. Refer also to the section on financial risk management in Note 3 to the Consolidated Annual Accounts.

Note 11 - Other operating expenses

	2014	2013
Business management and accounting	5 000	1 500
Investor relations expenses	576	720
Auditing required by law	517	390
Consulting	423	102
Lease of office premises	643	0
Other expenses	1 211	2 145
Total other operating expenses	**8 370**	**4 857**

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

Office premises are leased from Langevåg Senter AS, a wholly-owned subsidiary of Eidesvik Invest AS, the company's largest shareholder.

The lease contract for the office premises runs until 2033, with 6 x 5 year options thereafter.
The premises are subleased with 23% being to companies associated with the main shareholder and 69% to the subsidiary Eidesvik AS.

8% of the premises are used in the company's own activities. The item "Leasing office premises" represents this share.

Ernst & Young have been paid NOK 517 in fees for the statutory audit and 71 for tax-related services.

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Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6, NO-0191 Oslo
Oslo Atrium, P.O.Box 20, NO-0051 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00
Fax: +47 24 00 29 01

www.ey.no
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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 2014, 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 balance sheet as at 31 December 2014, the consolidated profit and loss account, 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 Managing Director's responsibility for the financial statements

The Board of Directors and Managing Director 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 Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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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 2014 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 2014 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 and the going concern assumption 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 Managing Director 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 2015
ERNST & YOUNG AS

Asbjørn Rødal
State Authorised Public Accountant (Norway)

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

Eidesvik Offshore ASA
Vestvikveien 1
N-5443 Bømlo
Tlf: +47 53 44 80 00
Vakttelefon: +47 970 10 359
E-post: office@eidesvik.no
www.eidesvik.no

Eidesvik

Tradisjon for innovasjon

Eidesvik er et kraftsenter for framtidsrettede skips- og operasjonsløsninger
Eidesvik is a powerhouse for future oriented shipping and operational solutions

1992 Geo Explorer:
Første 3D Seismikkskip
– *First 3D seismic vessel*

1996 Viking Lady:
Verdens største PSV
– *Largest PSV in the World*

1998 Viking Poseidon:
Verdens første MPSV
– *First Multi Purpose Vessel in the World*

2003 Viking Energy:
Verdens første LNG drevne PSV
– *First LNG fuelled PSV in the World*

2004 Viking Avant:
Fullstendig nytt PSV design
– *Totally new PSV design*

2009 Viking Lady:
Første skip med brenselcelle
– *First vessel with fuel cell installed*

2012 Viking Prince og Viking Princess
To nye skip med LNG drift
– *two new vessel fuelled with LNG*

2013 Viking Lady:
Intigrert hybridløsning med batteri
– *Integrated hybride solution with battery*

2013 Seven Viking:
Årets skip NorShipping
– *Ship of the Year NorShipping*

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