GC RIEBER SHIPPING ASA

ANNUAL REPORT 2014

GCRIEBER

/ GC RIEBER SHIPPING AT A GLANCE

- GC Rieber Shipping is an international offshore/shipping company with ownership in specialised vessels, high quality marine ship management and project development within the subsea, marine seismic and ice/support segments.
- GC Rieber Shipping started its shipping activities in the 1930s, and offers unique competence within offshore operations in harsh environments as well as design, development and maritime operation of offshore vessels.
- GC Rieber Shipping currently operates 13 advanced special purpose vessels for defined markets, of which 11 are owned by the company. In addition the company has one seismic vessel for delivery spring 2015.
- GC Rieber Shipping is headquartered in Bergen (Norway), and has a ship management company in Yuzhno-Sakhalinsk (Russia).
- GC Rieber Shipping has been listed on Oslo Stock Exchange since 1998.

/ HIGHLIGHTS 2014

/ HIGHLIGHTS 2014

SOUND OPERATION
- Full contract coverage and capacity utilisation of 96 per cent

FOCUSING ON CORE BUSINESS
- Disposal of shares in Reef Subsea in January amounting to NOK 175 million

FLEET RENEWAL CONTINUE
- Delivery of high-end subsea vessel "Polar Onyx" in March 2014
- Upgrading of "Polar Marquis" (former "Geo Atlantic") completed in May 2014
- Delivery of high-end 3D seismic vessel "Polar Empress" spring 2015

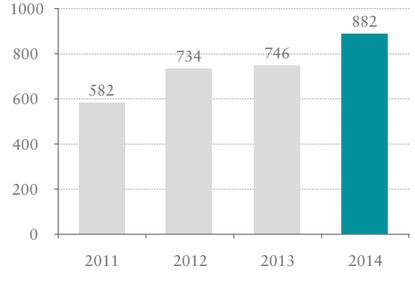
NEW CHARTER PARTIES SECURED
- New three-year charter contract with Boa Marine Services Inc. for subsea vessel "Polar Queen"
- One year extension of charter contract with British Antarctic Survey for the "RRS Ernest Shackleton" until August 2016

POSITIONED FOR GROWTH
- Equity ratio of 46.6 per cent and liquidity reserve of NOK 492 million
- Contract backlog of NOK 3.4 billion, with average contract duration of 2.3 years

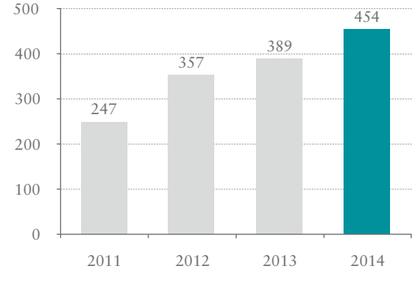
KEY EVENTS AFTER YEAR END
- Loss of provision of NOK 211 million in 2014 accounts due to bankruptcy in Reef Subsea in January 2015
- New charter contract with DOF Subsea Norway AS for subsea vessel "Polar King" for a fixed period of 100 days, with options for up to five months

/ ANALYTICAL INFORMATION

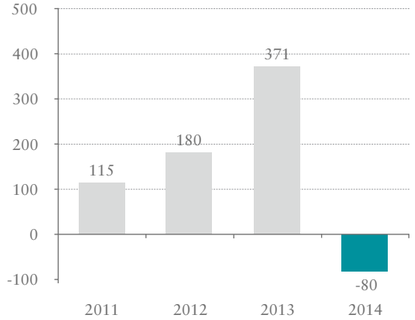
OPERATING INCOME /
NOK million



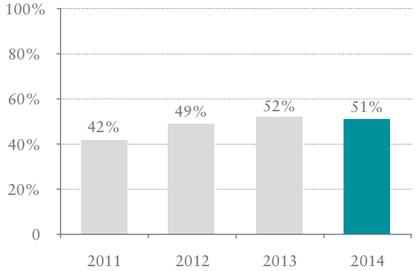
EBITDA /
NOK million



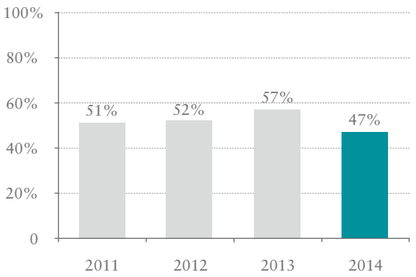
NET PROFIT /
NOK million



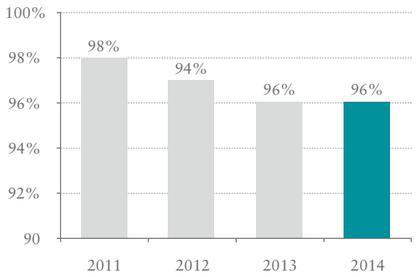
EBITDA MARGIN /
Per cent (%)



EQUITY RATIO /
Per cent (%)



FLEET UTILIZATION /
Per cent (%)



/ KEY FINANCIAL FIGURES

The GC Rieber Shipping Group	2014	2013	2012	2011
Income Statement figures (in NOK 1000)				
Operating income	881 460	745 470	733 626	581 822
Operating expenses	-451 358	-370 072	-389 761	-343 061
Profit from joint venture			12 641	7 699
EBITDA	453 475	389 258	356 505	246 459
Depreciation	-173 426	-132 095	-150 349	-134 513
Write-downs	-	-10 309	-18 543	-2 571
Gain (loss) on sale of subidiary	-	-	19 137	-
Gains (losses) on sale of fixed assets	108	375 054	-	969
EBIT	280 157	621 908	206 751	110 346
Net financial items	-358 615	-260 538	2 517	240
- whereof unrealized currency gains/losses	-115 948	-55 697	43 242	-14 961
- whereof loss from associated companies	-	-	-4 139	-17 944
Profit before taxes	-78 458	361 370	209 268	110 586
Net profit	-80 073	371 019	179 947	114 761
PROFIT FOR THE YEAR				
Profit for the year	-80 073	371 019	179 947	114 761
Minority share		-	19 227	-3 611
Profit after minority share	-80 073	371 019	199 174	111 150
Normalized profit (1)	253 800	81 800	165 369	140 029
Balance Sheet figures (in NOK 1000)				
Fixed assets	4 293 590	2 930 500	2 992 633	3 136 783
Current assets	654 159	878 148	467 185	614 349
Equity	2 304 243	2 197 955	1 795 092	1 913 770
Long-term liabilities	2 114 630	1 292 674	1 212 202	1 510 646
Current liabilities	528 875	318 019	452 525	326 715
Total equity and liabilities	4 947 748	3 808 648	3 459 819	3 751 131
Financial key figures				
Equity ratio (2)	47%	57%	51%	51%
Equity per share (3)	53	50	41	39
Interest bearing debt	2 365 195	1 456 224	1 556 004	1 697 938
Bank deposits and liquid assets	506 934	716 603	225 729	447 395
Number of years to repay interest bearing debt (4)	4,3	3,5	4,2	4,6
Profitability				
EBITDA margin	51,4%	52,2%	48,6%	42,4%
Return on equity (5)	-3,6%	18,6%	10,7%	6,0%
Return on total assets (6)	0,5%	11,9%	7,7%	4,8%
Earnings per share (7)	-1,83	8,50	4,56	2,55
Weighted average number of shares	43 662 000	43 662 000	43 662 000	43 662 000

Definitions:
1) Profit before taxes from continuing operations adjusted for unrealized currency gains/losses, sales gains and write-downs (incl. write-downs in associated companies)
2) Equity per 31.12 less minority interests divided by total equity & liabilities per 31.12
3) Equity per 31.12 divided by number of outstanding shares per 31.12
4) Interest bearing debt less bank deposits and liquid assets, divided by cash flow
5) Net profit divided by average equity
6) Net profit + financial expenses, divided by average total assets
7) Net profit divided by average number of shares outstanding

/ CEO LETTER

2014 was a year with strong operational performance and high capacity utilization. Unfortunately, the total result is laden by the losses related to Reef Subsea. We foresee a challenging 2015 but believe in positive long term drivers for our core segments.

Our activity level has been high in 2014 as we completed two vessel projects during the spring. Our latest subsea newbuild, Polar Onyx, was delivered from Ulstein Verft in April and went directly onto a five-year charter to our customer Ceona Services (UK) Limited. The extensive upgrade of Polar Marquis was completed in May, and she vent straight into operation for Dolphin Geophysical. Meanwhile, the work related to our new high capacity seismic vessel, Polar Empress, is ongoing and we are preparing for delivery from Kleven Verft spring 2015. The vessel is chartered on a five-year contract with Dolphin Geophysical.

We enter 2015 with a modern and attractive fleet, well prepared to meet the demanding needs of our clients, and GC Rieber Shipping looks to keep up the investment activity in its vessel segments. Contrary to the trend during recent years, we believe in increased need for smaller, flexible and more cost efficient vessels which are able to perform efficiently under more demanding market conditions going forward.

In January 2014 we concluded the sale of our share in Reef Subsea to Hitec Vision. This was a carefully considered business decision and marked the return to our core strategy of developing, owning and operating specialized offshore vessels. The bankruptcy of Reef Subsea one year later resulted in uncollected seller's credit and outstanding hire with subsequent losses for GC Rieber Shipping in 2014. Regardless, the decision of selling our share in Reef Subsea is still considered the right strategic move for us and has not been subject to "hindsight contemplation".

PREPARING FOR TOUGHER TIMES AHEAD

We entered 2015 with far less visibility than what we had this time last year. The oil price tumbled in the second half of 2014, and the consequences to our markets have been dramatic.

A clear message from our customers now is the focus on costs – or better yet – on more efficient and safe solutions. Together we must strive to achieve a more sustainable cost level in the industry. One of the most important initiatives in this respect is to continue to improve our competitiveness. In 2015, we will strengthen this by implementing a group-wide cost and efficiency program where the main objective is to secure our competitiveness in a market where every dollar counts.

CHANGE BEFORE YOU HAVE TO

Our shipping activities began with wooden fishing vessels in the 1930s, and continued with ice and polar research in the 1950s. The seismic exploration started only ten years after, and the first deployment in offshore subsea support took place in the 1980s. Today, GC Rieber Shipping has a unique position in the global offshore shipping industry. Without dwelling too much on the past, this rich history indicates something of value in a challenging market; the ability to manage change in a suitable way and the ability to seek opportunities where others see threats. Even though the short term market outlook is weak, we believe the long term drivers are still positive, and 2015 may well be a year where we prepare ourselves for that.

Jack Welch, former CEO in General Electric, put it like this; "change before you have to". Fortunately we have made some tough decisions through the good times which have already reduced costs and improved efficiency. Consolidating our ship management to Bergen and scaling the organization accordingly is one of these decisions. One of our latest efforts is the improvement project Core. In Core we decided to reorganize the shore organization to better support our clients and our vessels. Key objectives in Core are ensuring the customer's needs are in focus, continuous improvement in operational execution and turning our safety culture and operational efficiency into a competitive advantage.

HIGH QUALITY ASSETS REQUIRE HIGH QUALITY SUPPORT

Our efforts to continuously improve the organization are a result of the acknowledgement that our main assets are our people, systems and culture. Capital today is plentiful, and many with access to capital can build a decent vessel. But the ability to develop, operate and support advanced assets, demands people with experience and competence to cooperate in order to deliver above and beyond and systems to support it over time. We believe operational superiority is a differentiator, and we work to perform above expectations every day.

Our organization is trained to run the vessels to the outmost of their capacity and to ensure safe and efficient operations. For GC Rieber Shipping, operational excellence is reflected in high uptime and positive customer feedback related to our people and vessels.

Our ambition is to become "the preferred shipping partner for our clients". A tough market does not change that ambition – in fact, it is in tougher markets that one has to differentiate oneself!

So looking into 2015, we need to prepare for challenging times. Although we expect a bumpy road in the medium term, we believe the long term drivers are still positive, and 2015 may well be a year where we rig ourselves for that. We are in a good position, with strong financials, a good contract backlog, a modern and attractive fleet, and a competent and forward leaning organization.

Irene Waage Basili
CEO

Photo by GC Rieber Shipping

/ THE GC RIEBER SHIPPING GROUP

/ THIS IS GC RIEBER SHIPPING

GC Rieber Shipping's offshore/shipping business includes ownership in specialized vessels, high quality marine ship management and project development within the segments subsea, marine seismic and ice/support. Through decades the group has acquired a unique competence in offshore operations in harsh environment as well as design, development and maritime operation of offshore vessels.

In 2014, GC Rieber Shipping continued its fleet renewal with the delivery of one high-end subsea vessel, "Polar Onyx", and upgrading of "Polar Marquis". Thus, the GC Rieber Shipping fleet currently consists of 11 advanced multi-functional special-purpose vessels, mainly employed on medium to long-term contracts with solid counterparts. In addition, one high-end seismic vessel is under construction for delivery spring 2015. GC Rieber Shipping also has ship management responsibility for two additional subsea vessels.

With headquarter in Bergen, Norway, and a ship management office in Yuzhno-Sakhalinsk in Russia, GC Rieber Shipping has a flexible organisation made up of 136 employees, and in addition 317 hired employees. An experienced management with strong operational focus ensures stable operations and limited off-hire periods. The company culture promotes knowledge sharing between the various departments. By combining competence and experience across the company, GC Rieber Shipping provides a platform for continuous innovation, timely decisions and professional project- and portfolio management.

STRATEGIC DIRECTION

GC Rieber Shipping has an ambition of being the preferred shipping partner for world leading companies in its selected offshore segments by focusing on operational excellence and operations in demanding waters. Operating in a highly cyclical and capital-intensive sector requires GC Rieber Shipping to take risks and position itself for opportunities that might arise with rapid market changes. Hence, keeping a prudent and conservative financial strategy will enable successful counter-cyclical and early-cyclical investments in a volatile market.

Areas for strategic focus going forward:

- Strengthened focus on core business and cost-effective operations
- Further development of a base of competence from the head office in Bergen
- Offering a fleet with leading technology, systems and necessary skills based on the customers future needs
- Growth ambitions within our segments

Photo by TommyChia

/ OUR BUSINESS AND MARKETS

/ OUR BUSINESS AND MARKETS

GC Rieber Shipping's core activities involve development, design, construction and ship management of specialised vessels within the offshore/shipping business. The business and financial reporting is organised into three segments:

SUBSEA

/ Own & operate four vessels
/ Ship management of two additional vessels

MARINE SEISMIC

/ Own & operate three 3D vessels
/ One vessel under construction

ICE / SUPPORT

/ Own (fully & part) and operate four vessels

SUBSEA

GC Rieber Shipping has been involved in offshore exploration and development with dynamically positioned subsea support vessels since the early 1980s. Our vessels within the subsea segment provide marine operations in the field development phase, production phase and decommission phase of the oil and gas field life. A typical service is Inspection, Maintenance and Repair (IMR) of subsea installations.

Overall, the subsea market was stable in the first half of 2014, while gradually weakening and becoming more challenging towards the beginning of 2015. The company experiences increased pressure on prices and delayed decision-making processes in the work to secure contracts.

MARINE SEISMIC

Ownership and operation of seismic vessels has been part of GC Rieber Shipping's activities since the late 1960s. Trough decades, the company has acquired a unique competence in offshore exploration activities under harsh environments, as well as design, development and maritime operation of seismic vessels. From operations around the globe, GC Rieber Shipping has obtained extensive experience, including the Arctic and Antarctic areas. Our vessels within the seismic segment work in the exploration phase of the field's life.

The offshore market is characterised by uncertainty and cuts in new investments due to increased cost focus and a drop in oil prices. This is reflected in the level of activities in the seismic industry, where the second half of 2014 was relatively turbulent and large seismic companies reported weaker results and lower order backlogs. The market expects that the low oil price will result in a weak market throughout 2015 and 2016. GC Rieber Shipping has full contract coverage for its seismic fleet into the second quarter 2016.

ICE/ SUPPORT

GC Rieber Shipping has a long history in the expedition market, and is one of very few that has specialised in the Arctic and

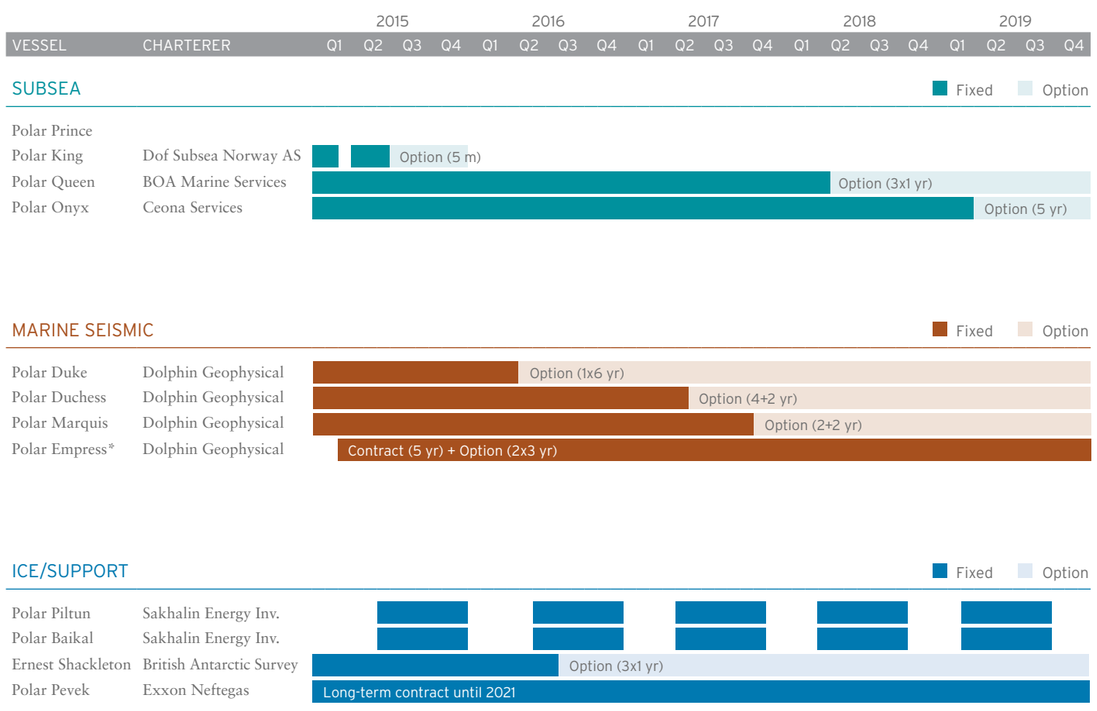
Antarctic shipping business. The company offers independent and competitive services for scientific expeditions and logistics, and it has held contracts with organisations representing all the major nations active in these demanding regions.

The polar expedition vessels are developed to combine the ice-going markets with the more commercial offshore subsea and survey markets. The company's commercial proposals for the ice-going markets are often extremely flexible and competitive due to their ability to offer long-term seasonal contracts, whereby a vessel can be on charter to a customer every winter for several years, while it is traded commercially during the summer months.

The major business opportunities are related to oil exploration and production in the Arctic and Antarctic environment. The market is still in an early phase, and the development has been very stable during 2014. Despite polar (notably Arctic) oil & gas activities having been approaching for several years, there is still no common descriptive international regulatory framework in place to govern Arctic marine operations (rig- and shipping activities).

More recently, political developments in Russia (Ukraine) have cast doubts on the timeline and development prospects of Russian Arctic oil & gas, and furthermore whether western firms will be inclined and/or permitted to engage Russian business.

CONTRACT BACKLOG (PER 21.04.2015)



Note: Per 21 April 2015
* Newbuild vessel, to be delivered spring 2015

CURRENT FLEET

SUBSEA

GC Rieber Shipping has been involved in worldwide offshore exploration and development with dynamically positioned subsea support vessels since the early 1980s

POLAR ONYX
/ Charterer

Ceona Services

POLAR KING
/ Charterer

DOF Subsea Norway AS

POLAR QUEEN
/ Charterer

BOA Marine Services

POLAR PRINCE
/ Charterer

SEISMIC

GC Rieber Shipping has owned and operated seismic vessels since the late 1960s and has extensive experience from operations around the globe, including in the Canadian High Arctic and Antarctica.

POLAR DUKE
/ Charterer

Dolphin Geophysical

POLAR DUCHESS
/ Charterer

Dolphin Geophysical

POLAR MARQUIS
/ Charterer

Dolphin Geophysical

POLAR EMPRESS
/ Charterer

Dolphin Geophysical

ICE / SUPPORT

Our company is one of very few specializing in the Arctic and Antarctic shipping business, offering independent and competitive services for scientific expeditions and logistics in these demanding regions.

POLAR PEVEK
/ Charterer

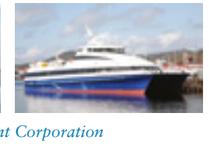
Exxon Neftegas

ERNEST SHACKLETON
/ Charterer

British Antarctic Survey

POLAR BAIKAL AND POLAR PILTUN
/ Charterer

Sakhalin Energy Investment Corporation



/ OUR VESSELS

SUBSEA

/ POLAR ONYX

The high-capacity newbuild "Polar Onyx" is a construction support vessel (CSV) designed for operations in harsh and deep waters, with a length of 130 meters and 25 meter beam.

The vessel was built at Ulstein Verft and was delivered in March 2014. The vessel is built to the highest standard for dynamic positioning and is designed to operate in the SURF market. The vessel can accommodate 130 personnel, and is built according to the latest international environmental standards. It is equipped with a 250t AHC offshore crane and structurally prepared for a 275 ton Vertical Lay System

"Polar Onyx " is chartered on a five-year contract by Ceona Services (UK) Limited, whoutilizes the vessel for pipe laying and advanced deep-water operations for Petrobras in Brasil.

/ POLAR KING

The "Polar King" is a multipurpose subsea vessel specially designed for operation under severe weather conditions with high manoeuvrability and station keeping capabilities. The vessel provides services including offshore construction (CSV), and inspection, maintenance and repair (IMR).

"Polar King" was built at Freire Shipyard in Spain and was delivered in 2011. The vessel is complete with a 150 ton Active Heave Compensated (AHC) offshore crane, accommodation for 112 persons and offers a flexible deck space of 960 sqm for a range of operations. It is designed with environmental features for worldwide service, compliant with SPS 2008 and with CleanDesign class notation and Green Passport.

"Polar King" is currently on charter to DOF Subsea Norway until July 2015, with option of extending the contract with up to five months.

/ POLAR QUEEN

The "Polar Queen" is a multipurpose subsea vessel, and the sister vessel to "Polar King". The vessel is specially designed for operation under severe weather conditions, and has high manoeuvrability and station keeping capabilities. It can provide services including offshore construction (CSV), and inspection, maintenance and repair (IMR).

"Polar Queen" was built at Freire Shipyard in Spain, and was delivered in 2011. It is fitted with a 150 ton offshore AHC crane, accommodation for 112 persons and 960 sqm deck space. Environmental features have been emphasised in the design through class notation Clean Design, and the vessel is built in accordance with the IMO SPS 2008 rules.

"Polar Queen" is on a charter to the Boa Marine Services, expiring in April 2018.

/ POLAR PRINCE

The "Polar Prince" is a purpose built, multi-functional DP2 construction support vessel (CSV), optimised to perform in severe sea and weather conditions. The vessel is designed in-house and was built by the Norwegian Flekkefjord Yard in 1999.

The vessel has since its delivery been chartered by several major subsea contractors for inspection, maintenance and repair (IMR) duties on subsea installations. The "Polar Prince" has undertaken heavy-duty ROV and construction support duties at water depths in excess of 3 000m. Due to her excellent station keeping, solid bollard pull, crane capabilities, ample deck space and accommodation, the Polar Prince can offer attractive solutions for all offshore requirements.

"Polar Prince" was on charter to subsea contractor Reef Subsea till December 2014 , and is now available.

MARINE SEISMIC

/ POLAR MARQUIS

The "Polar Marquis" is a high capacity 3D/4D seismic vessel, capable of deploying 16 streamers and dual sources. The vessel was built in 2000, converted in 2006 and completed a 4 months upgrade early in 2014.

"Polar Marquis" is on a three-and-a-half-year charter with Dolphin Group, expiring in October 2017.

/ POLAR DUKE

The "Polar Duke" is a 3D high capacity seismic vessel, built by the Spanish Factorias Vulcano yard in 2010. Designed with a strong focus on safety, optimised towing with 12 streamers and a maximum speed of 20 knots, the vessel is one of the most cost efficient vessels in the industry.

"Polar Duke" is on a five-year charter to Dolphin Geophysical, expiring in April 2016.

/ OUR VESSELS

/ POLAR DUCHESS

"Polar Duchess" is a 3D high capacity seismic vessel, and a sister vessel to "Polar Duke". The vessel was built by the Spanish Factorias Vulcano yard in 2011. The vessel is designed with a strong focus on safety, and to be one of the most cost efficient vessels in the industry. Polar Duchess has an optimised towing with 12 streamers, and a maximum speed of 20 knots.

"Polar Duchess" is on a five-year charter to Dolphin Geophysical, expiring in April 2017.

ICE/ SUPPORT

/ RRS ERNEST SHACKLETON

The "RRS Ernest Shackleton" is a polar research and subsea support vessel, primarily used for logistic and resupply in the Arctic region. The vessel is ice strengthened and capable of a wide range of logistic tasks as well as having a scientific capability. It was built by Kværner Kleven Leirvik in 1995, based on long-term experience and accumulated in-house expertise in polar research and subsea support operations in the North Sea.

"RRS Ernest Shackleton" is on a long-term bareboat charter to British Antarctic Survey until the end of 2016, with additional three annual options of extending the agreement until end of 2019. In September/October each year Shackleton loads cargo and science equipment in the Humber and sails from the UK to the Antarctic and returns the following May/June. After annual refit/drydocking, it is chartered into commercial survey and subsea work for the northern summer.

/ POLAR PEVEK

The "Polar Pevek" represents a new generation icebreaking tug, purpose-built to provide support to shuttle tankers in harsh weather conditions on the Sakhalin 1 project off eastern Russia. The vessel was built at the Aker Langsten shipyard in Norway in 2006, and is owned through a 50/50 joint venture with Maas Capital Offshore, a company wholly owned by ABN AMRO Bank of the Netherlands.

"Polar Pevek" is on a long-term charter to Exxon Neftegas Ltd until 2021, and operates out of the De-Kastri oil terminal in Russia.

/ POLAR PILTUN

The "Polar Piltun" is a crew boat to serve various oilrigs, built by Kværner Fjellstrand in 1998 and re-built in 2009. It operates out of GC Rieber Shipping's Yuzhno-Sakhalinsk office in a joint venture with Primorsk Shipping Corporation (Prisco).

Sakhalin Energy Investment Company charters "Polar Piltun" until 2019.

/ POLAR BAIKAL

The "Polar Baikal" is a crew boat built in 2000 and converted in 2009 into a purpose-built vessel to serve various oilrigs. The vessel operates out of GC Rieber Shipping's Yuzhno-Sakhalinsk office in a joint venture with Prisco.

Sakhalin Energy Investment Company charters "Polar Baikal" until 2019.

NEWBUILDING

/ POLAR EMPRESS

"Polar Empress" is an advanced 3D seismic vessel, with 22 streamers and ice-class 1A*. It will be 113 meters long and 21.5 meters wide, and will have the capacity to accommodate 70 people.

The vessel is a further development of GC Rieber Shipping's design, currently used for Polar Duke and Polar Duchess. It is designed for global trading and particularly suitable for seasonal trading in demanding waters. It is a proven design very well received by our customers and their end clients, and maintains all existing strengths while improve streamer, bunker and accommodation capacities.

"Polar Empress" is under construction at Myklebust Verft, and is expected to be delivered spring 2015. Upon delivery, it will enter a five-year charter with Dolphin Geophysical. Dolphin has options to extend the charter for up to six years after the firm period.

/ QUALITY, HEALTH, SAFETY AND ENVIRONMENT (QHSE)

Safety is the first priority in GC Rieber Shipping's operations. The overall objective is to operate without harm to people, the environment and property. Such objectives are reached through well qualified personnel, high-end vessels and optimized systems, which all is merged through top management commitment and a joint passion to make a difference and be best in class.

GC Rieber Shipping works systematically and continuously to improve QHSE across the organisation. The vessels are of high technical, operational and servicing (hotel & catering) standard. They are maintained and operated in accordance with, and beyond, national and international legislation and regulations. By attracting and developing highly qualified employees, we are further enabling a continuous development towards our goal of operational excellence.

All vessels are certified in accordance with the required Safety of Life at Sea (SOLAS), International Safety Management Code (ISM) and the International Maritime Organisation (IMO). We have additionally achieved the environmental certification ISO 14001 and the quality standard certification ISO9001.

QUALITY

GC Rieber Shipping's objective to operate with the highest quality is supported by a quality assurance system ensuring that correct specifications, standards, rules and regulations are met. Our key operations are controlled through operational procedures, and the standard is further controlled by performance indicators as well as action plans to ensure a continuous improvement. Through 2014 this systematic approach qualified to certification in line with the ISO 9001 standard.

GC Rieber Shipping works closely with and for its clients from project planning, through execution until evaluation to ensure that the desired quality is delivered and to optimize the operations. During 2014, GC Rieber Shipping improved this capability by setting up a Client Contract Management department as part of our maritime operations. This initiative demonstrates the company's client focus and desire to gain even better synergy with our clients to the best of all parties.

HEALTH AND SAFETY

GC Rieber Shipping has a target of zero personal injuries, accidents and incidents affecting the employees and property. Great emphasis is placed in offering all employees a safe and secure working environment with minimum operational risk, including defence measures in case of pirate attacks and good handling of risks like Ebola. Well-established quality control systems are used actively by the organisation, both onshore and offshore, to report incidents, non-conformities and suggested improvements in order to secure a safe workplace. There is also established good cooperation with external parties to gain insight in security treats and to assess how such may influence our operations. After risk assessments, the proper protective measures have been implemented with success. No external treat in 2014 has led to any consequence to personnel or property involved in our operations.

All employees have a personal responsibility to contribute to safe operations, and are obliged to complete safety training courses as well as to wear personal protective equipment while staying on board.

ENVIRONMENT

GC Rieber Shipping has an objective of zero spills to the environment, to minimize pollution and to minimize the environmental footprint of our operations.

The company operates in accordance with international shipping standards, and has a proactive approach to comply with existing and future environmental requirements. GC Rieber Shipping therefore builds and develops the vessels in accordance with environmental standards like for instance Clean Design. The company has invested in advanced technology, and has developed practices and procedures focusing on sustainable development. Through our environmental certification ISO14001 we are further ensuring continuous improvement within this important field.

Photo by GC Rieber Shipping

/ CORPORATE GOVERNANCE

/ CORPORATE GOVERNANCE IN GC RIEBER SHIPPING

One of the aims of GC Rieber Shipping Group is to exercise good, prudent corporate governance. Good corporate governance is mainly about clarifying the division of roles between the owners, board of directors and management beyond the statutory requirements. It is also about treating the shareholders equally and taking care of other stakeholders through ensuring the best possible value creation and reducing business risk and also contributing to the most efficient and proper use of the company's resources.

1. REPORT ON CORPORATE GOVERNANCE

COMPLIANCE

The board of directors of GC Rieber Shipping has overall responsibility for ensuring that the company practices good corporate governance.

GC Rieber Shipping ASA is a Norwegian public limited liability company listed on Oslo Stock Exchange (Oslo Børs). Section 3-3b of the Norwegian Accounting Act relating to corporate governance requires the company to issue an annual report on its principles and practice for corporate governance. These provisions also state minimum requirements for the content of this report.

The Norwegian Corporate Governance Board (NCGB) has issued the Norwegian Code of Practice for Corporate Governance (the "Code of Practice"). Adherence to the Code of Practice is based on the "comply or explain" principle, which means that a company must comply with all recommendations of the Code of Practice or explain why it has chosen an alternative approach to specific recommendations.

Oslo Børs requires listed companies to publish an annual statement of their policy on corporate governance in accordance with the current Code of Practice. The rules on Continuing Obligations of listed companies are available on www.oslobors.no.

GC Rieber Shipping complies with the current Code of Practice that was issued on 30 October 2014. The Code of Practice is available at www.nues.no. The company provides a report on its corporate governance principles in its annual report and the information is available at www.gcrieber-shipping.no. The company follows the Code of Practice and any deviations are explained in the report.

BASIC CORPORATE VALUES, ETHICAL GUIDELINES AND SOCIAL RESPONSIBILITY

Ethical guidelines, basic corporate values and guidelines for corporate social responsibility have been established for the GC Rieber Group and GC Rieber Shipping follows the group's guidelines in this connection.

The guidelines provide general principles for business practice and personal behaviour and are intended to form a platform for the attitudes and basic vision that should permeate the culture in the GC Rieber Group.

In addition, in 2010, GC Rieber joined the UN Global Compact, the world's largest corporate social responsibility initiative. UN Global Compact has developed ten universal principles that encourage and show how companies should pay attention to employee and human rights, protection of the environment and combating corruption. By joining the initiative, GC Rieber has committed itself to making the ten principles an integral part of its business strategy, to promoting the principles to business partners and to reporting activities and improvements associated with the ten principles.

GC Rieber Shipping works continuously with improvements in environment, anti-corruption and social responsibility in general. More detailed information relating to the company and the group's vision, strategy, values and principles is available at www.gcrieber.com and www.gcrieber-shipping.com.

2. BUSINESS

GC Rieber Shipping ASA's business is defined in Article 1 of the company's articles of association, which reads as follows:

"The company is a listed company, the object of which is to engage in shipping, investments, underwriting commission, trading and other business. The headquarters of the company are in the municipality of Bergen."

3. EQUITY AND DIVIDENDS

EQUITY

As at 31 December 2014, the company's book equity was MNOK 2,304.2, which is equivalent to 46.6 per cent of the total assets. The board of directors has a policy to have around 50 per cent equity at any time, and the board of directors considers the equity-share as at 31 December 2014 to be satisfactory. The company's need for financial soundness and liquidity should be adapted to its objectives, strategy and risk profile.

DIVIDEND POLICY
One of the aims of the company is to pay an annual dividend and to offer the shareholders a steady and competitive return on invested capital in through dividends and share price appreciation. In assessing proposed dividend, the board of directors will review the company's dividend capacity, capital structure and financial strength for further growth. The annual general meeting has not authorized the Board to pay a dividend on the basis of the approved annual accounts.

A dividend of NOK 4.0 per share was paid for 2013. Due to the extraordinary gain from the sale of the "HMS Protector", the board of directors proposes a dividend payment of NOK 1.00 per share and an additional dividend of NOK 3.00 per share, in total NOK 4.00 per share for 2013 (NOK1.0). In total, this amounts to NOK 174.6 million.

CAPITAL INCREASE
Authorisations granted to the board of directors to increase the company's share capital shall normally be restricted to specific purposes. As at 31 December 2014, there were no such authorizations.

PURCHASE OF OWN SHARES
At the general meeting on 10 April 2014 the board of directors was granted a mandate to buy back shares up to a total nominal value of NOK 7,886,304.-, corresponding to 10% of the company's share capital. Both the company and its subsidiaries can buy shares in the company. The board of directors may purchase and sell shares as it sees fit. The company shall pay a minimum of NOK 15.00 and a maximum of NOK 60.00 for each share purchased as a result of this authorisation. The nominal value and minimum and maximum prices shall change accordingly in the event of a change to the company's share capital by way of a bonus issue, share split, share consolidation or similar. This authorisation is valid for 14 months from 10 April 2014.

The validity of 14 months for the authorisation marks a deviation from the NCGB recommendation (maximum 12 months). The reason for this deviation is the company's intention to let the authorisation be valid until next ordinary general meeting, and the date for the general meeting in 2015 was not fixed at the time when the authorisation was passed. The company has not used this authorisation and owns 150,800 own shares, which corresponds to 0.34% of all outstanding shares. The general meeting has not passed any other authorisations.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

EQUAL TREATMENT
GC Rieber Shipping has only one class of shares and purchase and sale of the shares shall take place over the stock exchange.

The articles of association include no limitations relating to voting rights. All shares have equal right.

TRANSACTIONS IN OWN SHARES
The company's transactions in own shares are carried out over the stock exchange or by other means at market price. Any services from the main shareholder are purchased at documented market price. Should there be an increase in capital which involves a waiver of the existing shareholders' pre-emptive rights, and the board of directors resolves to carry out such an increase on the basis of a mandate granted by the general meeting, the board of directors will explain the justification for waiving the pre-emptive rights in the stock exchange announcement.

TRANSACTIONS WITH CLOSE ASSOCIATES
The company's board of directors and management are committed to promoting equal treatment of all shareholders.

The company has one main shareholder, GC Rieber AS, owning 70.44 per cent of the shares as at 31 December 2014. The chairman of the board, Paul-Chr. Rieber, indirectly controls 1.8 per cent of the shares in the company.

The group carries out purchase and sales transactions with close associates as part of the normal business operations. In the view of the board of directors and management, all agreements entered into between the company and its main shareholders (including related companies), and also other business agreements, must be entered into on arm's length terms.

Reference is made to note 18 in the company's 2014 annual accounts, where transactions with close associates are outlined.

5. FREELY NEGOTIABLE SHARES

The company has only one class of shares. All shares in the company are freely negotiable.

6. GENERAL MEETING

ABOUT THE GENERAL MEETING
The general meeting is the company's supreme authority and the board of directors aims to ensure that the general meeting is an efficient meeting place.

NOTICE OF MEETING
The general meeting will usually be held by 30 April each year at the company's offices. The general meeting for 2014 will be held on 9 April 2015.

Notice of the general meeting is usually sent with 21 days' notice. At the same time, the agenda papers will be published on the company's website, cf. Article 5-g of the Articles of Association.

The agenda papers must contain all necessary information so that the shareholders can decide on the issues to be addressed. The registration deadline for the general meeting will be as close to the general meeting as practically possible.

All shareholders registered in the Norwegian Registry of Securities (VPS) will receive a notice of meeting and are entitled to submit proposals and vote directly or via proxy. The financial calendar will be available on the company's website.

REGISTRATION AND PROXY
Registration should be made in writing, either via mail, e-mail or fax. The board of directors wants to facilitate so that as many shareholders as possible are able to participate. Shareholders, who are unable to attend in person, are encouraged to appoint a proxy. A special proxy form is available which facilitates separate voting instructions for each issue to be considered by the general meeting and for each of the candidates nominated for election. The company will nominate one or more persons to vote as proxy for shareholders. Representatives from the board of directors and the auditor participate in the general meeting. The CEO and CFO participate on behalf of the company.

AGENDA AND IMPLEMENTATION
The agenda is determined by the board of directors. The main items are pursuant to the requirements in the Public Limited Liability Companies Act and Article 7 of the Articles of Association.

The minutes of the general meeting are published via a stock exchange announcement and are available at www.gcrieber-shipping.com.

In 2014, the general meeting was held on 10 April and 89.1 per cent of the total share capital was represented. A total of 32 shareholders were present or represented by proxy.

7. NOMINATION COMMITTEE

Nomination of board members up for election at the general meeting shall take place through an open dialogue between the largest shareholders. Based on the company's good experience with such a process and an assessment of the composition of the owners, the company has decided not to use a nomination committee. This is a deviation from NUES' recommendation.

8. THE BOARD OF DIRECTORS - COMPOSITION AND INDEPENDENCE

COMPOSITION OF THE BOARD OF DIRECTORS
Pursuant to the company's articles of association, the board of directors shall consist of 5-7 members who are elected by the general meeting for two years at a time. The chairman of the board and the deputy chairmen are elected by the general meeting.

The board of directors currently comprises five members, of which two are women.

The board of directors has been elected on the basis of an overall assessment in which competence, experience and integrity are important criteria and the composition of the board of directors represents the company's ownership situation. An overview of board members' competence, background and shareholding in the company is available on the company's website www.gcrieber-shipping.com.

THE BOARD OF DIRECTORS' INDEPENDENCE
Executive management shall not be members of the board of directors.

The chairman of the board, Paul-Chr. Rieber, is CEO of GC Rieber AS, which is the largest shareholder in the company with a 70.44 per cent stake.

Board member Georg Nygaard has 5,000 shares in the company. Other board members do not have direct or indirect ownership interests in the company. The board members are regarded as independent of the company's main shareholder and significant business relations.

9. THE WORK OF THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS' DUTIES
The board of directors has overall responsibility for management of the group and also for supervising the day-to-day management and the group's operations.

This involves developing the company's strategy and also following-up that the strategy is implemented. The board of directors is also responsible for control functions to ensure that the company has proper operations as well as asset and risk management.

INSTRUCTIONS FOR THE BOARD OF DIRECTORS
Pursuant to the provisions of the Norwegian Public Limited Liability Companies Act, the board of directors has established instructions for the board of directors that provide detailed regulations and guidelines for the board of directors' work and executive work.

INSTRUCTIONS FOR THE CEO
A clear division of responsibilities and tasks has been established between the board of directors and executive management.

FINANCIAL REPORTING
The board of directors receives periodic reports with comments on the company's financial status. As far as interim reports are concerned, the company follows the deadlines for Oslo Stock Exchange.

MEETING STRUCTURE
The board of directors usually holds eight board meetings a year, evenly distributed over the year. Quarterly and annual accounts, and also salary and other remuneration to the CEO are dealt with at the board meetings. In addition, a separate strategy meeting is held. Extraordinary board meetings to deal with matters that cannot wait until the next ordinary board meeting are held when required. In addition, the board of directors has organized the work in a separate auditing committee. In 2014, 9 meetings were

held, compared with 15 meetings in 2013. In 2014, attendance at the board meetings was 98 per cent, compared with 95 per cent in 2013.

AUDITING COMMITTEE
The main purpose of the audit committee is to monitor the group's internal control systems, quality assurance of the financial reporting and ensuring that the auditor is independent. The auditing committee has one member who is independent of the company's business activities and main shareholders. The committee has evaluated the procedures for financial control in the core areas of the group's business activities. The committee has been informed of the external auditor's work and the results of this work.

THE BOARD OF DIRECTORS' SELF-EVALUATION
The board of directors conducts evaluation of its work, way of working and expertise on a regulary basis. This marks a deviation form NUES recommendation but the board finds it sufficient that this is performed on a regulary basis. The chairman of the board of directors conducts an annual appraisal of the management in accordance with each person's job description.

10. RISK MANAGEMENT AND INTERNAL CONTROL

THE BOARD OF DIRECTORS' RESPONSIBILITIES AND THE OBJECT OF INTERNAL CONTROL
GC Rieber Shipping's risk management and internal control seeks to ensure that the company has comprehensive control thinking that includes the company's operations, financial reporting and compliance with applicable laws and regulations. The internal control also includes the company's basic values, ethical guidelines and guidelines for social corporate responsibility.

THE BOARD OF DIRECTORS' ANNUAL REVIEW AND REPORTING
The annual strategy meeting helps lay the foundation for the board of directors' discussions and decisions through the year. Review and revision of important governing documents is considered on an on-going basis.

The administration prepares monthly finance reports, which are reviewed by the board members. Quarterly financial reports are also prepared and reviewed by the board of directors before the quarterly reporting. The auditor attends meetings with the auditing committee and the board meeting that includes presentation of the annual accounts. The company's risk aspects and management have been thoroughly described in the directors' report.

Overall responsibility for internal control related to the company's financial reporting is assigned to the board of directors' auditing committee. The auditing committee has regular meetings with the administration and the company's auditor at which discussion of accounting principles, use of estimates and other relevant topics are discussed.

Regular reports are submitted to the board of directors regarding defined KPIs related to quality, health, environment and safety. In addition, the GC Rieber Group has prepared guidelines on business ethics and social responsibility, with which all employees in all the subsidiaries should be acquainted, including GC Rieber Shipping. GC Rieber Shipping has its own coordinator who ensures quarterly reporting to the board of directors on the status and progress of the company's social responsibility work and who represents the company in the GC Rieber Group's UN Global Compact group.

11. REMUNERATION TO THE BOARD OF DIRECTORS

The general meeting determines annually the remuneration to the board of directors. The proposed remuneration is put forward by the company's largest shareholder.

In 2014, the company's board received a total remuneration of NOK 880 000. The remuneration to each board member in 2014 is given in note 3 of the parent company's accounts. Remuneration to the board of directors is not dependent on profit.

12. REMUNERATION TO EXECUTIVE MANAGEMENT

The board of directors has adopted guidelines for remuneration of the CEO and other executive management. In accordance with the Public Limited Liability Companies Act, the main features of this remuneration shall be subject to an advisory vote at the general meeting, cf. note 3 of the parent company's annual accounts.

There are no option schemes in GC Rieber Shipping, but the company has a scheme for sale of the company's own shares to employees where a statutory tax discount is used.

Bonus schemes shall be linked to group or individual performance targets.

13. INFORMATION AND COMMUNICATION

GC Rieber Shipping seeks to treat all participants in the securities market equally through publishing all relevant information to the market in a timely, efficient and non-discriminating manner. All stock exchange reports will be available on the company's website and on Oslo Børs' news site, www.newsweb.no, and also through new agencies (via NASDAQ OMX).

FINANCIAL REPORTS
The company presents preliminary financial statements by the end of February. Complete accounts, together with directors' report and annual report are available to the shareholders no later than three weeks before the general meeting. Interim results are posted within 60 days of the end of the quarter.

The company's financial calendar is published for one year at a time before 31 December in accordance with the rules of Oslo Børs. The financial calendar is available on the company's website and also on the website of Oslo Børs.

OTHER MARKET INFORMATION
Open presentations via webcast will be arranged in connection with the presentation of interim results. The interim results, business developments and also comments on the market and future outlook are reviewed here. Both the CEO and CFO usually attend the presentations.

Interim reports, presentation material and webcasts are available at www.gcrieber-shipping.com.

The company exercises caution in its contact with shareholders and financial analysts, cf. the Norwegian Securities Trading Act, Norwegian Accounting Act and the stock exchange regulations.

14. TAKEOVER

The board will not seek to hinder or obstruct any takeover bids for the company's business activities or shares. Should there be a bid for the company's shares, the company's board of directors will not exercise authorizations to issue new shares or pass other resolutions in an attempt to obstruct the bid without the approval of the general meeting. Any transaction that in effect is a disposal of the company's business activities will be decided on by the general meeting.

When a takeover bid has been received, the board of directors will initiate an external valuation by an independent adviser and thereafter the board of directors will recommend shareholders to either accept or reject the offer. The valuation must also take into account how a possible takeover will affect the long-term value creation in the group.

15. AUDITOR

CHOICE OF AUDITOR
The group's auditor will be chosen by the general meeting. PwC has been the company's auditor since the ordinary general meeting in 2013.

THE AUDITOR'S RELATIONSHIP TO THE BOARD OF DIRECTORS AND THE AUDITING COMMITTEE
The board of directors will at least once a year arrange a meeting with the auditor without the presence of the executive management in the company. The auditor will present the summary of an annual plan for carrying out the audit work, and the company's internal control procedures, including identified weaknesses and proposed improvements, will be reviewed with the board of directors.

The auditor also participates in board meetings which discuss the annual accounts. At such meetings, the auditor reviews any material changes in the company's accounting principles, comments on any material estimated accounting figures and any significant matters where there may have been disagreement between the auditor and the administration.

The board of directors will inform about the remuneration paid to the auditor, divided between remuneration for audit work and other services, at the annual general meeting.

From left: Hans Olav Lindal, Tove Lunde, Paul-Chr. Rieber, Kristin Færøvik og Georg Nygaard

THE BOARD OF DIRECTORS

GC RIEBER SHIPPING - BOARD OF DIRECTORS

PAUL-CHRISTIAN RIEBER
CHAIRMAN/ CEO GC RIEBER AS

Paul-Christian Rieber holds an MBA from the Norwegian School of Economics (NHH) and an MBA from the International Management Institute (IMI) Geneva. He joined GC Rieber in 1986 and has held the position of Group CEO since 1990. He is Chairman of the Board of most of the companies in the GC Rieber Group and in the liberal think tank Civita.

HANS OLAV LINDAL
VICE CHAIRMAN

Hans Olav Lindal is a lawyer, admitted to the Supreme Court of Norway and partner of the Norwegian leading law firm Thommessen. He is a director of several maritime corporations, including Viken Shipping, Wallem Group, Gearbulk, Norwegian Hull Club, the Norwegian Shipowners' Association, International Chamber of Shipping (ICS) and Bergen Shipowners' Association.

KRISTIN FÆRØVIK
MEMBER OF THE BOARD

Kristin Færøvik holds and MSc in petroleum engineering from the Norwegian University of Science and Technology (NTNU) and has more than 25 years' experience from the Norwegian and international oil and gas industry. She is currently managing director for Lundin Norway AS. Prior to joining Lundin she was managing director for Rosenberg WorleyParsons and before that managing director of Marathon Petroleum Norway. She spent 18 years with BP in various technical, commercial and managerial roles prior to joining Marathon.

GEORG NYGAARD
MEMBER OF THE BOARD

Georg Nygaard holds an MSc in Economics and Business Administration from the Norwegian School of Economics (NHH) / Hong Kong University and is currently a senior underwriter for Offshore Energy & Special Risks at the Norwegian Hull Club. He has tvelve years of experience in maritime risk analysis, including four years with North Edge Risk Service. He is the founder and former chairman of the YoungShip organisation.

TOVE LUNDE
MEMBER OF THE BOARD

Tove Lunde has a Master of Arts from the University of Oslo / Universidad Autónoma, Madrid, with additional qualifications in finance, brand management and psychology from the Norwegian Business School (BI). Lunde currently holds the position as Senior Manager in Core & Company. She previously worked several years for GC Rieber as Director of HR, CSR and Branding. Lunde has experience from both the public and private sectors, including management consulting experience from Accenture.

GC RIEBER SHIPPING - MANAGEMENT

IRENE WAAGE BASILI
CHIEF EXECUTIVE OFFICER

Ms. Basili was appointed CEO of GC Rieber Shipping in March 2011. Prior to this she worked for three years with Petroleum Geo Services (PGS) following its acquisition of Arrow Seismic ASA where Ms. Basili was CEO. Ms. Basili has 20 years of experience from the shipping and oil service industries, both in the US and Norway, and has held various managerial positions within different shipping companies, including Wilh. Wilhelmsen, Western Bulk Carriers and Van Ommeren Shipping. Ms. Basili gained her degree in Business Administration from Boston University School of Management, specialising in International Management. She is member of the Board in Kongsberg Gruppen ASA, Bergens Rederiforening (Bergen Shipowners' Association) and Pacific Basin Shipping Limited.

BJØRN VALBERG
TECHNICAL DIRECTOR

Mr. Valberg joined GC Rieber in 1981. The first years he worked as Superintendent then later as Project Manager for newbuilds. Mr. Valberg is a Naval Architect, and has been responsible for in-house designs from 1984 and onwards. Mr. Valberg was appointed Technical Director in 2002.

ATLE SOMMER
CHIEF OPERATING OFFICER

Mr. Sommer was appointed COO of GC Rieber Shipping in October 2014. Prior to this he worked for nine years with Seatrans in different managerial positions and last as Managing Director for Seatrans Ship Management. Mr. Sommer has nautical and Master education from the Royal Norwegian Navy and more than 25 years of maritime experience working as Master, with ship management and operations. His experience covers various shipping segments and international management, as well as strategy and operational development. Mr. Sommer has also vast experience as an operational leader and within change management.

EINAR YTREDAL
CHIEF FINANCIAL OFFICER

Mr. Ytredal joined GC Rieber Shipping in 2007, and was appointed CFO in September 2011. Mr. Ytredal also serves as member of the Board for various subsidiaries in the GC Rieber Shipping Group. He has seven years of experience from Deloitte prior to joining GC Rieber Shipping. He holds an MSc in Economics and Business Administration as well as an MSc in Accounting and Auditing.

From left: Atle Sommer, Irene Waage Basili, Bjørn Valberg og Einar Ytredal

/ MANAGEMENT

/ REPORT OF THE BOARD OF DIRECTORS FOR 2014

GC Rieber Shipping continued its positive development into 2014, and the group has a solid operating profit for the year. Continued focus on efficient operations combined with an attractive fleet has contributed to a high capacity utilisation throughout the year. However, net profit was affected negatively by loss provisions made in connection with the bankruptcy in Reef Subsea in February 2015.

OPERATIONS AND STRATEGY

GC Rieber Shipping's operations within offshore/shipping include ownership in special-purpose vessels, high quality marine ship management and project development within the segments subsea, ice/support and marine seismic. The company has a unique competence on offshore operations in harsh environments as well as design, development and management of seismic vessels

GC Rieber Shipping currently owns 11 advanced special-purpose vessels for defined markets within the subsea, ice/support and marine seismic segments, and operates another two vessels. The company also has one high-end 3D seismic vessel for delivery spring 2015. The company has its main office in Bergen, with a ship management company in Yuzhno-Sakhalinsk (Russia). The company is listed on Oslo Børs.

GC Rieber Shipping has documented a long-term ability to create value from the competence it has built up through successful counter cyclical and early cyclical investments that have yielded good returns. In recent years, the company has carried out a fleet renewal programme whereby older vessels have been sold and replaced with several newbuidlings. This has made it possible to focus even stronger on advanced vessels within the company's defined markets, in keeping with the company's ambition to consolidate its position as the leading and most experienced player within offshore operations in harsh environments. At the end of 2014 the company has a solid financial position with good liquidity.

Strategic areas of priority for 2015 include:

- Strengthening focus on core activities and cost effective operation
- Offering a fleet of leading technology, systems and necessary skills based on the clients' future needs
- Expanding competence base with a focus on the main office in Bergen
- Growth ambitions within all segments

IMPORTANT ASPECTS OF 2014

NEWBUILDINGS AND PROJECTS

- The subsea vessel "Polar Onyx" was delivered from Ulstein Verft on schedule at the beginning of March 2014. The vessel embarked directly on a five-year contract with Ceona Services (UK) Limited.
- The extensive upgrading of the "Polar Marquis" was completed in May 2014, after which the vessel embarked on a five-year contract with Dolphin Geophysical. As a result of the upgrade the "Polar Marquis" now has the capacity to tow 16 streamers.
- The high-end 3D seismic vessel "Polar Empress" is under construction at Kleven Verft, scheduled for delivery spring 2015. It will then embark directly on a five-year contract with Dolphin Geophysical. The newbuilding implies an investment of approximately NOK 700 million.

DISPOSALS

- In January 2014, GC Rieber Shipping entered into an agreement to sell the company's shares in Reef Subsea AS to its co-investor, the private equity company HitecVision, at NOK 175 million in order to dedicate resources to the company's core activities. The transaction is a part of GC Rieber Shipping's strategic decision to focus more strongly on its core activities and competence within ownership, development and operation of special-purpose vessels in the offshore market.

NEW CHARTER CONTRACTS ENTERED IN THE PERIOD:

- New charter agreement with Boa Marine Services Inc. (BMSI) for GC Rieber Shipping's CSV "Polar Queen". The new agreement is an extension of the existing contract and will take effect April 2015. The agreement includes an option on the part of BMSI for a three-year extension.
- One-year extension of charter contract with British Antarctic Survey (BAS) for the "RRS Ernest Shackleton", effective August 2015.

MANAGEMENT

During 2014 the company has increased its focus on operational management. One of the key development areas for the company is client orientation. A new department – Client Contract Management – has been established to ensure quality and solidness in the company's deliveries to clients. The organisational structure in the management department has also been changed to improve support of client deliveries.

IMPORTANT EVENTS AFTER THE BALANCE SHEET DATE

In January 2014, GC Rieber Shipping entered into an agreement to sell the company's shares in Reef Subsea AS to HV V Invest Golf AS and HV V Invest Golf II AS, two investment companies owned by the private equity fund HitecVision V, LP. The transaction included the provision of a seller's credit to the HV V Invest Golf companies.

In February 2015, Reef Subsea and the HV V Invest Golf companies declared bankruptcy. As at 31 December 2014 GC Rieber Shipping therefore made a loss provision of NOK 211 million, of which NOK 182 million relates to the seller's credit, including accrued interests, and NOK 29 million is provisions for outstanding receivables.

FINANCIAL REVIEW

(Figures for 2013 are given in brackets)

PROFIT AND LOSS

GC Rieber Shipping's total operating income for 2014 was NOK 881.5 million (NOK 745.5 million). EBITDA amounted to NOK 453.5 million (NOK 389.3 million), yielding an EBITDA margin of 51 per cent for 2014 (52 per cent). The reduction in EBITDA margin is limited in spite of the loss of provision of outstanding receivables in Reef Subsea.

Operating profit (EBIT) for 2014 was NOK 280.2 million (NOK 621.9 million). Ordinary depreciations amounted to NOK 173.4 million (NOK 132.1 million). In addition, write-downs amounting to NOK 10.3 million (NOK 18.5 million) were made. The increase in EBIT is mainly due to an accounting gain of NOK 376.0 million following the sale of the "HMS Protector".

Net financial items were NOK -358.6 million (NOK -260.5 million). Financial items include loss provisions of NOK 182 million in connection with the failure on the part of HV V Invest Golf AS and HV V Invest Golf II AS to fulfil its seller's credit obligations and subsequent bankruptcy petitions for the companies. A weakening of NOK against USD resulted in unrealised currency loss of NOK 116.0 million in 2014. Included is a negative development in the group's portfolio of financial instruments amounting to NOK 97.5 million in the fourth quarter 2014.

Tax expenses for 2014 amounted to NOK 1.6 million (positive NOK 9.6 million), while the group's net profit was NOK -80.1 million (positive NOK 371.0 million). Earnings and diluted earnings per share amounted to NOK -1.83 (NOK 8.50).

CASH FLOW

As at 31 December 2014 the group had a negative cash flow of NOK 192.3 million (positive NOK 474.8 million). Cash flow from operating activities was positive by NOK 479.5 million (NOK 434.8 million). Cash flow from investment activities was negative by NOK 897.7 million (positive NOK 229.3 million), mainly related to investments in connection with delivery of the subsea vessel "Polar Onyx", while there was a substantial gain in 2013 from the sale of the "HMS Protector". Cash flow from financing activities was positive by NOK 236.4 million (NOK -187.6 million), related to drawing of new loans as well as payment of interest and instalments on the group's existing loans. Finally, dividends amounting to NOK 174.6 million were paid for 2013.

As at 31 December 2014 the company's holding of liquid assets was NOK 491.6 million (NOK 673.3 million).

BALANCE SHEET

The group's total assets as at 31 December 2014 amounted to NOK 4,947.7 million (NOK 3,808.6 million), while total assets in GC Rieber Shipping ASA amounted to NOK 733.8 million (NOK 1,026.3 million).

At the end of 2014 the booked value of the company's vessels was estimated at NOK 3,893.4 million (NOK 2,337.2 million). In addition, the booked value of vessels under construction was NOK 170.2 million (NOK 246.5 million), due to payments made to ship yard for the group's newbuildings.

The group's booked equity as at 31 December 2014 was NOK 2,304.2 million (NOK 2,198.0 million), corresponding to an equity ratio of 46.6 per cent (57.7 per cent). Booked equity for GC Rieber Shipping ASA was NOK 337.2 million (NOK 512.3 million).

FINANCING

I 2014 the group's average interest-bearing liabilities amounted to NOK 2,052.1 million (NOK 1,635.6 million), with an average remaining duration of 3.1 years. Average interest rate on the loan portfolio dropped to 3.60 per cent including margin (3.80 per cent). The group's loan financing is held in USD in its entirety and is therefore exposed to the development in US interest rates. The group has entered into interest rate hedging agreements for parts of its interest-bearing liabilities, valid until 2022, to limit the company's exposure to risk relating to currency changes. The group has a long and stable financing structure. Lenders include recognized Norwegian and international shipping banks.

For 2014 in total the group has paid NOK 176.7 million in ordinary loan instalments (NOK 184 million). The group's liquid assets in terms of bank deposits and interest-bearing securities as at 31 December 2014 amounted to NOK 491.6 million (NOK 673.3 million). In addition the group had NOK 250.0 million (NOK 250.0 million) available under a credit facility. The group's liquid assets are primarily held in NOK.

The group had net interest-bearing liabilities (interest-bearing liabilities minus liquid assets) of NOK 1,830.0 million (NOK 769.4 million) as at 31 December 2014. At the same time the parent company, GC Rieber Shipping ASA, had net interest-bearing liabilities of NOK 13.9 million (NOK 141.2 million).

GC Rieber Shipping's covenants are tied to working capital and equity for all its liabilities. The minimum requirement for the group is a booked equity ratio of 30 per cent, and the group's working capital shall be a minimum of one year's consolidated instalments, no lower than NOK 50-60 million. As at 31 December 2014 both requirements were complied with.

FOREIGN CURRENCY SITUATION

The group's reporting follows the International Financial Reporting Standards (IFRS), which are the accounting principles adopted by the EU. The group does not use hedge accounting for its financial instruments, and changes in the market value of financial hedging instruments are therefore recognised in the profit statement, in accordance with the international accounting standard IAS 39.

For 2014 the group's portfolio of hedging instruments had a negative development of NOK 97.5 million (NOK -53.0 million).

The GC Rieber Shipping group uses the Norwegian krone (NOK) as its presentation currency, while several of its subsidiaries have USD as functional currency. Therefore the international accounting standard IAS 21 applies.

Any change in the USD/NOK exchange rate affects the group's equity and profit, as the group's debt is denominated mainly in USD, and most of its vessels are valued in USD and translated at the USD/NOK exchange rate on the balance sheet date. For subsidiaries with USD as functional currency, translation differences arising in respect of vessels and debt are recognized in the profit and loss statement. Translation differences will also arise for subsidiaries that have USD as functional currency and hold liquid assets in NOK. These holdings are translated into USD respectively at the exchange rate on the balance sheet date, and translation differences are carried against the statement of comprehensive income.

As at 31 December 2014 the group's equity had increased by NOK 371.4 million (NOK 77.7 million) due to translation differences in companies with USD as functional currency.

The group has secured parts of its net currency risk exposure at satisfactory forward rates for 2015.

Net financial items for 2014 include NOK 115.9 million in unrealised currency loss (NOK 55.7 million in unrealised currency disagio).

CHANGES IN ACCOUNTING PRINCIPLES

Effective 1 January 2014, investments in jointly controlled entities will be recognised in the accounts using the equity method, as the proportionate consolidation method is no longer permitted (IFRS 11).

As a result of these changes, net share in the profit from joint venture entities will be reported on a line below operations as "profit from joint venture". Share of net assets (share of assets minus share of debts) will be reported on a line below financial assets in the balance sheet. Comparable figures from 2013 have been altered.

MARKET DEVELOPMENT AND SEGMENTS

As a supplier to oil service companies, GC Rieber Shipping's level of activities within all business segments is closely linked to the development in the energy markets. The oil price development is the most important driver for the oil companies' exploration and extraction budgets and for activities offshore. The price of oil over time, together with the supply of offshore vessels, is therefore the most important factors for the group's further development.

The price of oil remained on a relatively high and stable level between USD 100 and 110 per barrel in the first half of 2014, but started to fall in July. At the end of 2014 the price dropped below USD 60 per barrel, and then continued to fall at the beginning of 2015. The reason for this reduction is complex, and important factors include the shale gas revolution in the US and subsequent increase in the country's oil production, the geopolitical situation (OPEC and Russia) and a slight drop in demand from the EU and China.

Oil companies have experienced a highly increased cost level and a considerable pressure on profitability for a long time. As a result of the drop in oil price, oil companies have been forced to moderate investments and implement cost reduction programmes. Exploration budgets are cut, and development projects and maintenance are postponed or cancelled. This has lead to more uncertainty in GC Rieber Shipping's market segments in a short perspective, particularly for seismic activities. In a longer perspective, GC Rieber Shipping takes a positive market view within the segments that the company operates, based on an expectations for a long-term growth in the global demand for energy. As a niche player with an attractive and modern fleet, GC Rieber Shipping is favourably positioned in a challenging market.

SUBSEA

The group owns and operates four subsea vessels. These are primarily used for inspection, maintenance and repair of subsea installations. The "Polar Queen" is chartered to BOA Marine Services until April 2018. The newbuilding "Polar Onyx", delivered at the beginning of March 2014, is on a five-year charter contract with Ceona Services (UK). Charter contracts for the "Polar Prince" and the "Polar King" expired in December 2014 and mid-February 2015, respectively.

The group had full contract coverage for its subsea fleet in 2014, with full capacity utilisation (96 per cent). Operating income ended at NOK 522.1 million (NOK 319.1 million). Due to loss provisions for outstanding receivables towards Reef Subsea amounting to NOK 29 million, EBITDA ended at NOK 254.9 million (NOK 155.5 million), representing an EBITDA margin of 48.8 per cent (48.7 per cent). The increase in EBITDA is mainly due to income from the "Polar Onyx", on charter contract from March 2014, as well as improved capacity utilisation, increased rates and currency gains.

Overall, the subsea market was stable in the first half of 2014, while gradually weakening and becoming more challenging towards the beginning of 2015. The company experiences increased pressure on prices and delayed decision-making processes in the work to secure contracts.

MARINE SEISMIC

GC Rieber Shipping has three advanced seismic vessels, in addition to one new high-end vessel under construction. The "Polar Duke", the "Polar Duchess" and the "Polar Marquis" are on time charters with Dolphin Geophysical until April 2016, April 2017 and October 2017, respectively. The newbuilding is scheduled for delivery spring 2015, and will then embark directly on a five-year time charter with Dolphin Geophysical.

The vessels in the seismic fleet had full contract coverage in 2014, with a total capacity utilisation of 87 per cent (94 per cent). The segment had operating income of NOK 315.8 million (NOK 311.3 million). The "Polar Marquis" was undergoing modifications from October 2013 to May 2014. EBITDA ended at NOK 159.3 million (NOK 148.6 million), yielding an EBTIDA margin of 47.8 per cent (47.7 per cent).

As mentioned, the offshore market is characterised by uncertainty and cuts in new investments due to increased cost focus and a drop in oil prices. This is reflected in the level of activities in the seismic industry, where the second half of 2014 was relatively turbulent and large seismic companies reported weaker results and lower order backlogs. The market expects that the low oil price will result in a weak market throughout 2015 and 2016. GC Rieber Shipping has full contract coverage for its seismic fleet into the second quarter 2016.

ICE/SUPPORT

GC Rieber Shipping owns and operates two vessels within the ice/support segment, as well as two crew vessels. The "RRS Ernest Shackleton" is on a bareboat charter with the British Antarctic Survey until August 2016 for operations in Antarctica. The "Polar Pevek" and the crew vessels "Polar Piltun" and "Polar Baikal" was in 2014 owned through a 50/50 joint venture with Primorsk Shipping Corporation, and are operated by the group's ship management company in Yuzhno-Sakhalinsk. From February 2015 "Polar Pevek" is owned through a 50/50 joint venture with Maas Capital Offshore. The "Polar Pevek" is on a long-term charter with Exxon Neftegas until 2021 and operates out of the DeKastri oil terminal, assisting tankers carrying oil from the Sakhalin I offshore field outside eastern Russia. The two crew vessels were chartered to the Sakhalin Energy Investment Corporation until the end of 2014 and operated the Sakhalin II field.

GC Rieber Shipping's 50 per cent stake is reported on a separate line in the profit and loss statement under "profit from joint venture", effective 1 January 2014 and is included in the company's EBITDA and EBIT.

All the vessels in the ice/support segment were on contracts throughout 2014, and the segment had full capacity utilisation in 2014 (97 per cent). Operating income for 2014 amounted to NOK 43.6 million (NOK 115.0 million), while EBITDA ended at NOK 39.3 million (NOK 85.1 million).

Strong political and strategic interests are likely to drive the development in arctic waters forward, but time horizon and scope are uncertain. The political turmoils in Russia contribute to even more uncertainty, and GC Rieber Shipping monitors the development closely. Based on GC Rieber Shipping's established competitive advantage, ice/support is nevertheless regarded as an interesting priority area for the future.

GOING CONCERN

Based on the above report of profit and loss for the GC Rieber Shipping group, the board of directors confirms that the financial statements for 2014 are prepared on the principle of going concern and that there is basis for adopting this principle in accordance with section 3-3 of the Norwegian Accountancy Act.

ALLOCATION OF PROFITS

The parent company GC Rieber Shipping ASA had a loss of NOK 153.2 million in 2014 (NOK -32.3 million). The parent company's equity as at 31 December 2014 amounted to NOK 337.2 million (NOK 512.3 million). Provision of loss on seller's credit to HV V Golf companies at a total of NOK 181.6 million is the main reason for the negative result.

The board of directors proposes a dividend payment of NOK 0.50 per share for 2014 (NOK 4.0), amounting to a total of NOK 21.8 million.

The loss for the year is proposed allocated as follows:

Allocated for dividends:	NOK 21,831,000
Transferred from other equity:	NOK 175,074,000
Total allocated:	NOK 153,243,000

FINANCIAL RISK AND RISK MANAGEMENT

RISK MANAGEMENT

GC Rieber Shipping operates in a global and cyclic market, and this makes the group exposed to a number of risk factors. The board of directors of GC Rieber Shipping therefore focuses on risk management and risk control, and routines have been implemented to bring risk exposure down to an acceptable level. Operative risk management is handled by the financial department and is reported to the board of directors regularly. The company has a separate audit committee that monitors and follows up on the group's internal risk and control systems. Audit committee meetings are held in connection with the presentations of annual and interim reports.

MARKET RISK

As a supplier of services to companies in the oil and gas industry, GC Rieber Shipping's level of activity within all business segments is closely linked to developments in the energy sector as well as exploration and research-related operations in Arctic environments. The markets have varied greatly over the years, mainly due to the development of the price of crude oil and the balance in supply of and demand for vessel capacity.

GC Rieber Shipping aims to reduce the exposure to market fluctuations by keeping a diversified client portfolio and balanced contract portfolio of mid-term contracts. As charter contracts are mainly entered at fixed prices, the risk of changes in the price of crude oil lies with the charterer. At the beginning of 2015, the company's contracts have an average duration of 2.3 years. Contract coverage for 2015, 2016 and 2017 is 71 per cent, 63 per cent and 47 per cent, respectively.

FINANCIAL RISK

Currency risk

As a major part of the group's income is in USD, and operational and administration costs are held in NOK, the group is greatly exposed to fluctuations in exchange rates. To reduce currency risk, the group's liabilities are mainly held in USD. In addition, there is a continuous evaluation of hedging methods related to expected future net cash flow in USD and other relevant currencies.

Interest risk

The group continuously assesses how large a share of its exposure to the interest level should be secured by hedging agreements, and is using different types of interest rate derivatives as a protection against fluctuations in the interest level. Interest rate hedging agreements for parts of its interest-bearing liabilities have been entered into until 2022. At the end of 2014, 57 per cent of the company's liabilities have been secured through interest rate hedging.

Credit/counterparty risk

GC Rieber Shipping's clients are mainly Norwegian and international oil and offshore companies with no previous insolvency issues. The group has a diversified contract portfolio within the segments subsea and ice/support, whereas all vessels within the seismic segment are contracted by a counterparty. The group aims at entering agreements with clients who have a solid liquidity and payment history. This is particularly relevant of agreements beyond a given duration.

Liquidity risk

The group has a stable and long-term financing structure. Lenders include recognized Norwegian and international shipping banks.

GC Rieber Shipping maintains an active liquidity management. Investments are made in financial institutions with high financial status as well as in interest-bearing securities with high liquidity and low credit risk.

OPERATIONAL RISK

There will always be a risk of unforeseen operational problems and damage to vessels, which could result in higher operational costs and lower income than predicted and expected. GC Rieber Shipping is therefore dedicated to ensuring good and stable operations, and has introduced good systems and routines for quality assurance, training and maintenance to minimise unforeseen incidents and downtime as much as possible. Total capacity utilisation for the fleet was 96 per cent in 2014, same as the year before.

SOCIAL RESPONSIBILITY

GUIDELINES

GC Rieber Shipping's vision is to practice social responsibility, and have proactive attitude to social responsibilities in all parts of the organisation. As part of the GC Rieber group, GC Rieber Shipping has adopted to follow GC Rieber group's guidelines on social responsibility.

The GC Rieber group has prepared guidelines for ethics and social responsibility that constitute general principles for business practices and personal conduct, and provide a basis for the attitudes and values that should govern the culture in the group.

In addition the group has joined the UN Global Compact, and is thereby committed to integrating UN Global Compact's ten principles as part of its business strategy, promoting these principles vis-à-vis partners and reporting on activities and improvements when it comes to these ten principles. This is also secured through the "Code of Conduct" applied in dealings with the group's partners.

For a thorough account of the social responsibility work carried out by GC Rieber Shipping and the GC Rieber group, please refer to the chapter on social responsibility in the annual report of the GC Rieber group and the group's website http://www.gcrieber-shipping.com/about-us/csr/.

EQUAL OPPORTUNITY AND DIVERSITY

GC Rieber Shipping is committed to being an equal opportunities employer. The group embraces a positive and inclusive working environment, characterised by equality and diversity. The GC Rieber group does not accept discrimination of any kind of its employees or other parties involved in the company's activities. This includes any and all unjust treatment, exclusion or preference based on ethnicity, gender, age, sexual orientation, disability, religion, political persuasion or other circumstances.

The group operates a policy of complete equality between male and female workers on all levels in the organisation, based on the assumption that an even gender distribution will contribute to an improved working environment and to greater adaptability and improved earnings for the company in the long run. However, the number of qualified applicants for some of the group's vacant positions offshore has been limited. As at 31 December 2014, 1.1 per cent (1.7 per cent) among the marine crew and 48 per cent (44 per cent) of the land organization are women. Of the four members of the management group there is on woman. Two of the four members of the corporate management are women, while the board of directors has a 40 per cent female representation.

ORGANISATION AND EMPLOYEES

In 2014, GC Rieber Shipping continued its work to increase the level of competency and development among employees, both through extensive use of professional courses as well as management training programmes in cooperation with other companies in the GC Rieber group. A corporate mentoring programme is offered to employees where the focus is on sharing experiences, working on relevant issues and networking. The programme ended in May 2014.

At the end of 2014, the GC Rieber Shipping had a total of 136 employees (158), divided between 46 (42) in the land organisations and 90 (115) marine crew. In addition, 317 persons were hired temporarily offshore (279). In addition the management company in the joint venture in Yuzhno-Sakhalinsk (Russia) had 5 employees.

QHSE - QUALITY, HEALTH, SAFETY AND THE ENVIRONMENT

The basis for GC Rieber Shipping's operations is to prevent personal injuries and damage to the environment and property. QHSE activities therefore lie at the heart of our work both internally and with clients. Everyone in the organisation have a responsibility to support these efforts.

Standards defined by the authorities and the oil industry are implemented continuously by GC Rieber Shipping. We set ourselves high goals and monitor progress through KPIs – Key Performance Indicators – and audits. The group's KPIs for QHSE are supported by goals for the different organisational levels down to goals for each individual vessel.

The group's management companies are certified by classification companies in accordance with the International Safety Management Code (ISM) and International Ship & Port Facility Code (ISPS), ISO 14001 environmental management and ISO 9001 quality management. The latter was established in 2014. As a whole our certificates represent a focused, systematic and overall QHSE effort, based on and ensuring a continuation of the GC Rieber group's core values Creativity, Diligence and Responsibility.

Health and safety

GC Rieber Shipping continuously carries out preventive measures to create and improve our positive and safe working environment. Safety on board vessels has a very high priority, and a large amount of work is dedicated to securing safe and sound operations. The company has implemented modern tools for analysis, management and documentation in order to identify potential threats to crew, equipment and the environment. Continuous training in management systems is also given and regular drills are held on board vessels. Risk assessment is carried out and safety measures are taken for all vessels prior to operations in hazardous areas. This is done in close cooperation with clients.

Sick leave in 2014 was 3.7 per cent among marine crew and 8.0 per cent in the land organisations. The latter is mainly due to employees on long-term sick leaves. 1 Lost Workday Case was registered in 2014, relating to a fractured arm. The incident took place during maintenance work offshore. The company's lost time frequency ended at 0.25 (per 1 million working hours).

The group immediately registers, deals with and follows up on all unwanted incidents. Furthermore, client meetings where QHSE experience, status and reviews are discussed take place quarterly at a minimum to assess and implement appropriate measures.

GC Rieber Shipping wants to increase awareness of safety work among employees to minimise injury to personnel and damage to equipment and reduce the loss of income. Therefore efforts have been implemented to analyse and map the company's safety culture. Together with a comprehensive annual review of our own safety management systems, the safety culture analysis will form an important starting point for further improvement plans.

Environment

GC Rieber Shipping operates in compliance with international shipping standards for emission into the sea and air and works proactively to comply with existing and new environmental regulations. In 2012 the group was certified according to the ISO-14001 standard and is audited annually by classification companies. Specific plans to minimise emissions are in place and the group follows up on adverse impacts on the environment through defined KPIs. Furthermore, a new environmental programme has been developed to monitor emission into the air.

New vessels are built in compliance with strict environmental regulations, including fitting of SCR technology (Selective Catalytic Reduction) designed to reduce NOx emissions. Class notation "Clean design" has been achieved for several vessels.

The group's policy reflects the Norwegian Shipowners' Association's vision of zero emission of polluted material into the sea and air.

Quality

The group has developed a corporate standard for periodic maintenance processes to ensure that all of the company's vessels are in compliance with official regulations and corporate requirements. These are continuously improved to ensure a high technical standard. The company has also developed a standard for training of crew to ensure that the necessary competence is in place to operate vessels and equipment beyond the requirements in the set of rules. Through the newbuilding and fleet renewal programmes, GC Rieber Shipping has obtained a modern fleet with a high quality, and during the year, operations have been stable with only limited technical downtime. Total capacity utilisation for 2014 was 96 per cent.

HUMAN RIGHTS

As mentioned above, GC Rieber Shipping has a strong focus on safety and quality to ensure a safe workplace for its employees.

GC Rieber Shipping also supports the work on human rights through GC Rieber. More information on the GC Rieber group's work here can be found in the group's annual report and website.

CORRUPTION

The shipping industry is generally exposed to potential risk relating to corruption and facilitation payments, particularly when it comes to the use of agents and for port calls. GC Rieber Shipping wants to contribute to fighting corruption and has introduced a number of anti-corruption measures. The group follows thorough processes for the selection of partners, and employees are offered training of appropriate conduct in such situations, particularly as a preventive measure for vessels entering areas with a reputation for corruption.

During 2014, the group has worked to provide training opportunities for marine crew on how to handle corruption attempts and facilitation payments. Such courses will be held during 2015. Corruption is addressed at all internal audits on board as well as in the annual appraisal interview for captains, and was discussed at the shipping conference in 2014. The company's Code of Conduct for suppliers and partners has been distributed to all agents contracted for port calls, and includes a number of requirements that the agent must accept and honour in order to qualify as an agent for GC Rieber Shipping.

SHAREHOLDER INFORMATION

In 2014 the group's shares have been traded between NOK 31.00 kroner and NOK 53.00 kroner per share. A total of 183,308 shares were traded, divided between 180 transactions.

As at 31 December 2014, GC Rieber Shipping had 263 shareholders (253 as at 31 December 2013), of which 93.1 per cent was owned by the 20 largest shareholders. GC Rieber AS' stake was 70.4 per cent.

The company had 20 foreign owners holding a total of 0.3 per cent of the shares.

CORPORATE GOVERNANCE

GC Rieber Shipping aims at strengthening its leading position within development, ownership and operations of ship for the subsea, marine seismic and ice/support market by combining good financial results with verifiable and professional business operations. To achieve this, the company sets a high standard for corporate governance, in compliance with The Norwegian Code of Practice for Corporate Governance (cf. most recent edition dated 30 October 2014).

A more detailed description of the group's Corporate Governance is provided in a separate chapter in the annual report.

PAYROLL EXPENSES AND OTHER REMUNERATION TO EXECUTIVE MANAGEMENT

Please refer to note 7 in the parent company's Financial Statement for details on payroll expenses and other remuneration to executive management. The note also outlines the principles for such compensation.

GENERAL MEETING

General meeting for 2014 will be held on 9 April 2015.

OUTLOOK

In a short perspective, there is a degree of uncertainty related to GC Rieber Shipping's markets. The price of oil dropped dramatically in the second half of 2014, and in January 2015 oil price remained at a level between USD 47 and 57 per barrel. The low price of oil combined with an increased cost level has put a strain on the oil companies' profitability, making them compelled to reduce investments.

The current situation is far more dramatic than what we saw during the financial crisis in 2008. This time the industry is preparing for a lasting change, taking structural measures to increase efficiency of operations and maintain competitive force. Oil service companies have predicted considerable cost cuts in the years to come. For GC Rieber Shipping this means that the maritime expertise must be utilised to find cost efficient and flexible solutions, and the company has to contribute to re-establishing a new cost level in the industry. The need for smaller vessels that are cheaper to operate will grow, and this will govern the company's considerations in future newbuild projects.

GC Rieber Shipping expects a challenging market in the coming years, but in a long perspective, GC Rieber Shipping takes a positive market view within the segments the company operates, based on expectations of long-term growth in the global need for energy. Fewer projects on shallow waters drive oil companies to deeper waters and areas of rough weather to create value, and the projects tend to grow. In order to succeed, oil companies need to cooperate among themselves and with the most competent and experienced players.

GC Rieber Shipping is a niche player in the business of advanced and specialised vessels designed to solving the challenges of oil companies. Solid competence and vast experience puts GC Rieber Shipping in a favourable position to meet the challenges of the oil companies. GC Rieber Shipping therefore expects that we can maintain activities in the seismic and subsea segments. No major market changes are expected for ice/support and the segment will continue to be characterised by stable development.

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 31 December 2014 has been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations determined by the International Accounting Standards Board and adopted by the EU effective as at 31 December 2014, and that the information gives a true and fair view of the group's assets, liabilities, financial position and profit or loss as a whole, and a fair review of the information as stated in the Norwegian Securities Trading Act, § 5-6 fourth section. We also confirm, to the best of our knowledge, that the annual report includes a fair review of important events that have occurred in the accounting period and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the coming accounting period, and major related parties transactions.

Bergen, 12 March 2015

The Board of Directors of GC Rieber Shipping ASA

Paul-Chr. Rieber
Chairman

Hans Olav Lindal
Vice chairman

Kristin Færøvik

Georg Nygaard

Tove Lunde

Irene Waage Basili
CEO

/ FINANCIAL STATEMENTS
THE GC RIEBER SHIPPING ASA GROUP

/ PROFIT AND LOSS STATEMENT
THE GC RIEBER SHIPPING ASA GROUP

NOK 1000	Note	2014	Restated (note 24) 2013
OPERATING INCOME			
Charter income		803 031	685 846
Other shipping related operating income		78 429	59 625
Total operating income		881 460	745 470
OPERATING EXPENSES			
Vessel operating expenses		-156 453	-124 193
Crew and catering expenses	7	-208 347	-163 415
Administration expenses	7, 17, 18	-86 558	-82 464
Total operating expenses		-451 358	-370 072
Profit from jointly controlled entities		23 373	13 860
Operating profit before depreciation, write-down, gain (loss) on sale of fixed assets and disposal of subsidiary		**453 475**	**389 258**
Depreciation	10	-173 426	-132 095
Write-down		-	-10 309
Gains (losses) on sale of fixed assets	10	108	375 054
Operating profit		**280 157**	**621 908**
FINANCIAL INCOME AND EXPENSES			
Income (loss) from investing in associated company	5	-	-155 511
Write-down financial assets	5	-160 000	-
Financial income	19	21 536	13 301
Financial expenses	19	-100 142	-59 842
Changes in market value of financial current assets	12, 19	-6 981	-9 843
Realized currency gains (losses)	19	2 920	7 053
Unrealized currency gains (losses)	19	-115 948	-55 697
Profit before taxes		-78 458	361 369
Taxes	8	-1 614	9 649
PROFIT FOR THE YEAR		-80 073	371 018
Earnings and diluted earnings per share	9	-1,83	8,50
STATEMENT OF COMPREHENSIVE INCOME (NOK 1000)			
Profit for the year		-80 073	371 019
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Changes in pension estimates		-14 241	-2 977
Tax effect changes in pension estimate		3 848	833
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation subsidiaries		371 402	77 650
Comprehensive income for the year		280 936	446 525

/ STATEMENT OF FINANCIAL POSITION
THE GC RIEBER SHIPPING ASA GROUP

NOK 1000	Note	31.12.14	Restated (note 24) 31.12.13
ASSETS			
FIXED ASSETS			
Deferred tax asset	8	63 989	58 773
Total intangible fixed assets		63 989	58 773
Vessels	10	3 893 403	2 337 244
Newbuilding contracts	10	170 216	246 499
Machinery and equipment	10	261	551
Total tangible fixed assets		4 063 880	2 584 294
Investments in subsidiaries	4	135 980	88 091
Investments in associated companies	5	-	175 000
Long-term loan to associated companies	4	29 733	24 335
Other long-term receivables		8	8
Total financial fixed assets		165 720	287 433
Total fixed assets		**4 293 590**	**2 930 500**
CURRENT ASSETS			
Stores		4 768	4 784
Total stores		4 768	4 784
Trade receivables	11	108 407	138 425
Other current assets	11	34 050	43 664
Total debtors		142 457	182 089
Quoted shares	12	10 361	17 967
Quoted securities	12	5 031	-
Total investments		10 361	17 967
Cash and cash equivalents	13	491 560	673 308
Total current assets		**649 146**	**878 148**
TOTAL ASSETS		**4 942 736**	**3 808 648**

/ STATEMENT OF FINANCIAL POSITION
THE GC RIEBER SHIPPING ASA GROUP

NOK 1000	Note	31.12.14	Restated (note 24) 2013
EQUITY AND LIABILITIES			
EQUITY			
Share capital (43,812,800 shares at NOK 1.80)	14, 18	78 863	78 863
Portfolio of own shares (150,800 shares at NOK 1.80)	14	-271	-271
Share premium		16 604	16 604
Total restricted equity		**95 196**	**95 196**
Other equity		2 209 047	2 102 759
Total retained earnings		2 209 047	2 102 759
Total equity		2 197 955	1 795 092
LIABILITIES			
Pension liabilities	16	28 226	13 475
Total provisions		28 226	13 475
Liabilities to financial institutions	15	2 086 404	1 279 199
Other long term liabilities		-	-
Total other long term liabilities		2 086 404	1 279 199
Liabilities to financial institutions	15	250 565	163 550
Trade payable		40 543	69 902
Tax payable	8	-	2 501
Public duties payable		16 276	17 729
Liabilities to subsidiaries	18	2 594	-
Other current liabilities	20	218 897	64 336
Total current liabilities		528 875	318 019
Total liabilities		**2 643 505**	**1 610 693**
TOTAL EQUITY AND LIABILITIES		**4 947 748**	**3 808 648**

Bergen, 12 March 2015
The Board of Directors of GC Rieber Shipping ASA

Paul-Chr. Rieber
Chairman

Hans Olav Lindal
Vice chairman

Kristin Færøvik

Georg Nygaard

Tove Lunde

Irene Waage Basili
CEO

/ CASH FLOW STATEMENT
THE GC RIEBER SHIPPING ASA GROUP

NOK 1000	Note	2014	Restated (note 24) 2013
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxes		-78 458	361 370
Taxes paid		-2 313	-22 732
Depreciation	10	173 426	132 095
Write-downs on fixed assets	5, 10	160 000	10 309
Gains on sale of fixed assets	10	-108	-375 054
Gains on sale of disposal of subsidiary	4	-23 373	-13 860
Loss from investing in associated company		-	155 511
Changes in market value of financial current assets		-823	-1 330
Unrealized currency losses (gains)		9 910	15 789
Change in stock		16	-1 835
Change in trade receivables		36 334	56 430
Change in current liabilities		114 307	60 816
Change in other current assets and other liabilities		-10 030	-918
Interest paid		68 043	46 606
Net cash flow from operating activities		**453 913**	**433 040**
CASH FLOW FROM INVESTMENT ACTIVITIES			
Payments from investments in financial assets		16 445	121 909
Net effect for discontinued operation		-	-
Payments from sale of financial fixed assets	10	108	557 994
Net effect for discontinued operation	10	-894 160	-237 629
Payments for investments in financial fixed assets		-	-93 300
Net cash flow from investment activities		**-882 621**	**348 973**
CASH FLOW FROM FINANCING ACTIVITIES			
Payments from taking new long-term liabilities		643 719	238 203
Payment of instalments on long-term liabilities		-176 681	-455 140
Interest paid		-56 007	-46 606
Dividend payment	14	-174 648	-43 662
Net cash flow from financing activities		**236 383**	**-307 205**
Net change in bank deposits, cash and quoted financial investments		-192 325	474 808
Bank deposits, cash and quoted financial investments at 01.01.		673 308	196 711
Currency gains (losses) on cash and quoted financial investments		10 577	1 789
Bank deposits, cash and quoted financial investments at 31.12.	13	**491 560**	**673 308**

/ STATEMENT OF CHANGES IN EQUITY
THE GC RIEBER SHIPPING ASA GROUP

NOK 1000	Share capital	Own shares	Share premium	Foreign currency translation	Other equity	Total equity
Balance at 1 January 2013	78 863	-271	16 604	-201 344	1 901 240	1 795 092
Profit for the year	-	-	-	-	371 019	371 019
Other comprehensive income	-	-	-	77 650	-2 143	75 507
Total income and expense for the year	-	-	-	77 650	368 876	446 525
Dividends to the shareholders	-	-	-	-	-43 662	-43 662
Balance at 31 December 2013	**78 863**	**-271**	**16 604**	**-123 694**	**2 226 454**	**2 197 955**
Balance at 1 January 2014	78 863	-271	16 604	-123 694	2 226 454	2 197 955
Profit for the year	-	-	-	-	-80 073	-80 073
Other comprehensive income	-	-	-	371 402	-10 393	361 009
Total income and expense for the year	-	-	-	371 402	-90 466	280 936
Dividends to the shareholders	-	-	-	-	-174 648	-174 648
Balance at 31 December 2014	**78 863**	**-271**	**16 604**	**247 708**	**1 961 340**	**2 304 243**

/ NOTES
THE GC RIEBER SHIPPING ASA GROUP

NOTE 1 - CORPORATE INFORMATION
GC Rieber Shipping's business within offshore/shipping includes ownership in specialised vessels, high quality marine ship management, and project development within the segments subsea, ice/support and marine seismic. The Group has a unique competence in offshore operations in harsh environments as well as design, development and maritime operation of seismic vessels.

GC Rieber Shipping currently operates thirteen advanced special purpose vessels for defined markets within the subsea, ice/support and marine seismic segments, of which the company owns eleven.

The company has its head office in Bergen with ship management company in Yuzhno-Sakhalinsk, Russia. The company is listed on the Oslo Stock Exchange with ticker RISH. Further information is available on the company's website www.gcrieber-shipping.no.

The financial statements were authorised for issue by the Board of Directors on 12 March 2015.

NOTE 2 - ACCOUNTING POLICIES
2.1 PRINCIPAL ACCOUNTING POLICIES
The consolidated financial statements of the GC Rieber Shipping ASA Group, including comparable figures, have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations, published by the International Accounting Standards Board and adopted by the EU, effective as at 31.12.2014.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of the following assets:

- financial assets and financial liabilities (including financial derivatives) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of estimates (note 2.21). It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in notes.

2.2 CHANGES IN ACCOUNTING PRINCIPLES
New and amended standards adopted by the Group
IFRS 11 "Joint arrangements" focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. The so-called gross method or proportional consolidation of joint arrangements is no longer permitted. See note 4 for the impact of the amendment on the financial statements from 1 January 2014.

Other standards, amendments and interpretations effective for the accounting year 2014 were not expected to have a significant effect on the consolidated financial statements of the Group.

New standards and interpretations not yet adopted
A number of new standards and amendments to standards and interpretations are compulsory for future financial statements. Among those where the company has not chosen early adoption, the most significant are listed below:

IFRS 9 "Financial instruments" addresses the classification, measurement and recognition of financial assets and financial liabilities and hedge accounting. The complete version of IFRS 9 was issued in July 2014. It replaces the parts of IAS 39 that relate to similar issues. IFRS 9 requires financial assets to be classified in three measurement categories: those measured at fair value over comprehensive income, those measured at fair value over profit or loss and those measured at amortised cost. The measurement category is determined at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Investments in equity instruments are required to be measured at fair value through profit or loss. The company can choose to present the value changes over comprehensive income, but the choice is irrevocable and any profit/loss at a later sale cannot be reclassified over profit or loss.

Value loss resulting from credit risk shall now be recognised based on expected loss instead of the current model where the loss has to be incurred. For financial liabilities there are no changes of classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements to hedge accounting by connecting the hedge effectiveness closer to the management's risk management and allowing for assessment. Contemporaneous documentation is still required. The standard is effective for accounting periods beginning on or after 1 January 2018, but early adoption is permitted. The group is yet to assess IFRS 9's full impact.

IFRS 15 "Revenues from contracts with customers" deals with revenue recognition. The standard requires the customer contract to be divided into the individual performance liabilities. A performance liability can be a commodity or a service. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 "Revenue" and IAS 11 "Construction contracts" and related interpretations.

The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The group is assessing the impact of IFRS 15.

There are no other standards or interpretations that are not yet effective that would be expected to have a material impact on the group's financial statements.

2.3 FOREIGN CURRENCY TRANSLATION
Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency NOK or USD). For one of the entities of the Group the functional currency has been changed from GBP to USD in 2014.The consolidated financial statements are presented in NOK which is the parent company's functional and presentation currency.

Transactions in foreign currency
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary items are translated at the current exchange rate, non-monetary items that are measured at historical cost are translated at the rate in effect on the original transaction date, and non-monetary items that are measured at fair value are translated at the exchange rate in effect at the time when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies to year-end exchange rates are recognised in the income statement.

Group companies
The results and financial position of the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- income and expenses for each income statement are translated at average exchange rates
- exchange differences are recognised in other comprehensive income and specified separately in equity

When a foreign subsidiary is disposed of the accumulated exchange differences related to that subsidiary are recognised in the income statement.

2.4 CONSOLIDATION PRINCIPLES
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to

affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date onwhich control is tgransferred to the group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition accounting method. Companies which are acquired or sold during the period are included in the consolidated financial statements from the point in time when the parent company acquires control or until control ceases.

Jointly controlled entities are entities over which the Group has joint control through a contractual agreement between the parties. The Group has adopted IFRS 11and has assessed the nature of its joint arrangement and determined it to be joint venture. From 1 January 2014 the company applies the equity method to account for joint ventures.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost per 01.01.2014 and thereafter adjusted to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The company accounts of jointly controlled entities have been prepared for the same accounting year as the parent company and with uniform accounting policies.

Intra-Group transactions and balances, including internal profits and unrealised gains and losses, are eliminated. Unrealised gains from transactions with associated companies and jointly controlled entities are eliminated in the Group's share of the associated company/jointly controlled entity. Correspondingly, unrealised losses are eliminated, but only if there are no indications of any impairment in the value of the asset that is sold internally.

The consolidated financial statements have been prepared under the assumption of uniform accounting policies for equal transactions and other events under equal circumstances.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement with a corresponding adjustment to the carrying amount of the investment together with share of equity changes not recognised in the income statement. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group's share of unrealised gains on transactions between the Group and its associates is eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 CASH AND BANK DEPOSITS

Cash and cash equivalents include bank deposits, cash in hand and short-term bank deposits with an original maturity of three months or less. In some cases the Group also enters into contracts for short-term deposits with maturity exceeding three months. Per 31.12.2014 there are no deposits with maturity exceeding three months.

2.6 TRADE RECEIVABLES

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for incurred losses. A provision for loss is accounted for when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or insufficient payments (more than 30 days overdue) are considered indicators that the trade receivables are impaired. The provision is equal to the difference between the asset's carrying amount and recoverable amount, being the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the trade receivables is reduced through the use of an allowance account, and changes in the loss provision are recognised in the income statement as operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are recognised as operating expenses in the income statement.

2.7 INVENTORIES ON THE VESSELS

Inventories on vessels are valued at the lower of cost and net realisable value. Costs incurred are accounted for using the FIFO (first in-first out) method and include costs accrued in acquiring the inventories and bringing the inventories to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated sales cost.

2.8 FIXED ASSETS

Fixed assets are decomposed for depreciation purposes. Components that represent a substantial portion of the vessel's total cost price are separated for depreciation purposes, and are depreciated over their expected useful lives. The useful life is the period that the Group expects to use the vessel, and this period can thus be shorter than the economic life. If various components have approximately the same useful life and the same depreciation method as other components, the components are depreciated collectively.

For vessels, the straight line method for ordinary depreciation is applied, based on an economic life of 25 years from the vessel was new. With reference to IAS 16, Property, Plant and Equipment, the Group uses estimated recoverable amount as residual value. In special circumstances the Group will consider an alternative depreciation horizon if the circumstances so indicate, such as the purchase and/or upgrading of older vessels.

Improvements and upgrading are capitalised and depreciated over the remaining economic life of the vessel. The straight line method for ordinary depreciation based on a period of 2.5 to 5 years is applied for periodic maintenance. The straight line method for ordinary depreciation based on a life of 3 to 10 years is applied for other depreciable assets.

The depreciation period and method are assessed annually to ensure that the method and period used are in accordance with the financial realities of the fixed asset. The same applies to the scrap value. The scrap value of the vessels is calculated by multiplying the steel weight of the vessel by the prevailing market price for steel at the balance sheet date.

Fixed assets are valued at acquisition cost less any accumulated depreciation and write-downs. When assets are sold or disposed of, the acquisition cost and accumulated depreciation are reversed in the accounts and any loss or gain on the disposal is recognised in the income statement.

The write-down of assets is considered at each reporting date when there is indication of impairment in value. If the carrying amount of an asset is higher than the recoverable amount, the asset is written down over profit and loss. The recoverable amount is the higher of the net sales price and discounted cash flow from continued use. The net sales price is the amount that can be raised from sale to an independent third party less sales costs. The recoverable amount is determined separately for all assets, or if this is not possible, together with the unit that the asset belongs to.

Write-downs recorded in previous periods are reversed when there is information indicating that there is no longer any need for the write-down or the correct write-down amount has changed. However, the reversal will not be performed if the reversal entails that the recorded value will exceed the recorded value using normal depreciation periods.

The Group capitalises expenses incurred at the docking of the Group's vessels and amortises these expenses over the period until the next docking ("the capitalisation method").

Vessels under construction are classified as fixed assets and are recorded at the value of the incurred expenses related to the fixed asset. Vessels under construction are not depreciated until the vessel is placed in service.

2.9 LEASES

The Group as a lessor:

Financial leases

The Group presents leased assets as receivables equal to the net investment in the lease. The Group's finance income is based on a pattern reflecting a constant rate of return on the net investment outstanding over the lease period. Initial direct costs incurred in establishing the lease are included as part of the lease receivable.

Operational leases
The Group presents leased assets as fixed assets in the balance sheet. The rental amount is taken to revenue linearly over the lease period. Initial direct costs incurred in establishing the lease are included in the carrying amount of the leased asset and expensed during the lease period.

THE GROUP AS A LESSEE:
Financial leases
The Group presents its financial leases in the financial statements in accordance with IAS 17; Leases, as assets and liabilities, at the asset's cost, or if lower, at the present value of the minimum lease payments. When calculating the present value of the minimum lease payments, the implicit interest rate in the financial lease agreement is applied when this can be determined. If the implicit interest rate cannot be determined, the company's marginal borrowing rate in the market is used. Direct costs related to the lease agreement, are included in the asset's cost. The monthly lease payments are separated into an interest element and an instalment.

Assets that are part of a financial lease agreement are depreciated. The depreciation period is consistent for similar assets owned by the Group. If it is uncertain whether the company will take ownership of the asset at the end of the leasing period, the asset is depreciated over the shorter of the period of the agreement's rental period and the depreciation period for similar assets owned by the Group.

Operational leases
Leases in which a significant portion of the risks and rewards of ownership remain with the lessor are classified as operating leases. The lease payments are classified as operating expenses and charged to the income statement on a straight-line basis over the period of the lease.

2.10 FINANCIAL INSTRUMENTS
In accordance with IAS 39, Financial Instruments: Recognition and Measurement, financial instruments are classified in the following categories: at fair value through profit or loss (held for trading purposes), held to maturity investments, loans and receivables and ready-for-sale financial assets.

At initial recognition of financial instruments, the Group capitalises a financial instrument when, and only when, it has become a part of the instrument's contractual arrangement. The financial instrument is initially recognised in the balance sheet at fair value plus, in case that the financial instrument has not been valued at fair value over profit and loss, transaction costs directly attributable to the acquisition or issuing of the financial instrument.

All purchases and sales of financial instruments are recognised on the transaction date.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS
Financial instruments that are held for the purpose of making a gain on short-term fluctuations in prices, financially motivated investments in bonds and other securities included in a trading portfolio or derivatives which are not classified as hedge instruments or is a financial guarantee contract, are classified as held for trading. The same applies to financial instruments that qualify for, and are designated as, financial instruments recognised at fair value with value changes through profit or loss.

Financial instruments that are classified as held for trading have been recognised at fair value as observed in the market at the balance sheet date, without deduction for selling expenses. Financial instruments in the Group held for trading are classified as current assets.

Changes in the fair value of financial instruments classified as held for trading or designated as at fair value through profit or loss are recognised in the income statement and presented net as financial income/financial expense.

FAIR VALUE
The fair value of financial instruments that are actively traded in organised financial markets is quoted prices in active markets on the balance sheet date. For investments where there is no active market, fair value is determined using valuation methods. Such methods include the use of recent arm's length market transactions between well informed and willing parties, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis, and option pricing models.

HEDGING
The Group has decided not to apply hedging accounting according to IAS 39, Financial Instruments; Recognition and measurement for 2013 and 2014.

Financial derivatives that are not recorded as hedging instruments are classified as held for trading and measured at fair value through profit or loss.

2.11 PROVISIONS
Provisions are accounted for in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Provisions are recognised when, and only when, the company has an existing liability (legal or assumed) as a consequence of events which have taken place, it is probable (more likely than not) that a financial settlement will occur and the amount can be measured reliably. Provisions are reviewed at each balance sheet date and they reflect the best estimate of the respective liabilities. When the time factor is insignificant, the size of the provisions will be equal to the size of the expense required for redemption from the obligation. When the time factor is significant, the provisions will be the net present value of future payments to cover the obligation. Increase in the provision due to the time factor is presented as interest expenses.

2.12 EQUITY
LIABILITIES AND EQUITY
Financial instruments are classified as liabilities or equity, in accordance with the underlying financial reality.

Interest, dividends, gains and losses related to a financial instruments classified as a liability are presented as an expense or income. Distributions to the financial instruments holders, whose financial instruments are classified as equity, will be recorded against comprehensive income. When rights and obligations related to how distributions from financial instruments are made are dependent on certain types of uncertain events in the future that lie beyond the control of the issuer and holder, the financial instrument will be classified as a liability unless the probability that the issuer must contribute cash or other financial assets, is remote at the time of issuance. In such cases the financial instrument will be classified as equity.

OWN SHARES
The nominal value of the company's own shares is presented in the balance sheet as a negative equity element. The purchase price in excess of the nominal value is recognised in other reserves. Losses or gains originating from transactions with the company's own shares are not recorded in the income statement.

OTHER RESERVES
Reserve for translation differences
Translation differences arise in connection with currency exchange differences in the consolidation of foreign entities. Currency exchange differences with respect to monetary items (liabilities or receivables) that are in reality part of the company's net investment in a foreign unit are treated as translation differences. Upon the disposal of a foreign entity the accumulated translation difference related to that entity is reversed and recorded in the income statement in the same period that the gain or loss on the disposal is recorded.

2.13 POLICIES FOR REVENUE RECOGNITION
Revenue is recognised when it is probable that transactions will generate future economic benefits that will accrue to the company and the value of such benefits can be estimated reliably. Sales revenues are recorded less value added tax and discounts.
Income and expenses related to the vessels' journeys are accrued based on the number of days the journey lasts before and after the end of the year and such income is classified as charter income. Management fee for project management, building supervision and maritime operations of vessels for external owners is presented as other operating income.

DIVIDEND INCOME
Dividend income is recognised when the shareholders' right to receive dividends has been determined by the general meeting.

2.14 PENSIONS

The Group accounts for its pension schemes in accordance with IAS 19, Employee Benefits.

The companies within the Group have different pension schemes. In general, the pension schemes are financed through payments to insurance companies or pension funds, as determined by periodical actuarial calculations. The Group has both defined contribution plans and defined benefit plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits related to the employee service in current and prior periods.

A pension scheme that does not meet the definition of a defined contribution plan is a defined benefit plan. The Group's obligation to the employees consists of an obligation to contribute pension payments of a certain amount. The pension plan describes how the pension is calculated. The salary at or just before retirement, as well as the employee's length of service in the company are factors that will normally influence the pension.

The plan assets in defined benefit plans are measured at fair value. The pension obligation and the pension costs are determined by use of a linear contribution calculation. A linear contribution calculation distributes the contribution of future pension benefits linearly over the contribution period, and considers the earned pension rights of the employees during a period as the pension cost of the year. The introduction of a new defined benefit plan or an improvement of the existing defined benefit plan will entail changes in the pension obligation. The change is recognised immediately in the comprehensive income. The introduction of new plans or changes of existing plans which take place with retroactive effect, implying that the employees have immediately earned a paid-up policy (or a change in paid-up policy), is immediately recognised in the income statement. Gains or losses related to downsizing or the termination of pension plans are recognised in the income statement when they occur. Actuarial gains or losses are recognised in the comprehensive income.

The pension obligation is calculated based on the present value of future cash flows. The discount rate is equal to the interest rate on preference bonds. The calculations have been performed by a qualified actuary.

A defined contribution plan is a pension plan under which the Group pays premiums to publicly or privately administered insurance plans for pensions on a mandatory, contractual or voluntary basis. The Group has no obligations to pay further contributions after the premiums have been paid. The premium payments are recorded as payroll expenses as they fall due. Prepayments are recorded as an asset to the extent they can be refunded or will reduce future premium payments.

2.15 BORROWINGS

Borrowing expenses are recognised in the income statement when they incur. Borrowing expenses are capitalised if they are directly related to the purchase, construction or production of a fixed asset. The capitalisation of borrowing expenses occurs when interest expenses are incurred during the construction period of the fixed asset. Borrowing expenses are capitalised until the point in time when the fixed asset is ready for use. If the cost price exceeds the fair value of the fixed asset, an impairment loss is recognised.

Loans are recognised as the proceeds that are received, net of any transaction costs. Loans are subsequently accounted for at amortised cost through the use of the effective interest rate, where the difference between the net proceeds and redemption value is recognised in the income statement over the term of the loan.

2.16 TAXES

The tax expense consists of payable tax and change in deferred tax. Deferred tax /deferred tax assets are calculated based on the differences between the financial and tax values of assets and liabilities, with the exception of:

- deferred tax that arises as a result of goodwill depreciation that is not tax deductible
- temporary differences related to investments in subsidiaries, associated companies or joint ventures, where the Group determines when the temporary differences will be reversed and this is not assumed to occur in the foreseeable future.

Deferred tax assets are recorded in the accounts when it is probable that the company will have sufficient taxable profit to benefit from the tax asset. On each balance sheet date, the Group will review unrecognised deferred tax assets and the carrying amount of such assets. The companies recognise prior unrecognised deferred tax assets in the accounts if it becomes probable that the company can make use of the deferred tax asset. Correspondingly, the Group will reduce the deferred tax asset if the company can no longer benefit from the deferred tax asset.

Deferred tax and deferred tax assets are measured based on the tax rates and tax legislation that are adopted or principally adopted on the balance sheet date for entities in the Group where temporary differences have arisen.

Deferred tax and deferred tax assets are recognised in the accounts regardless of when the differences will be reversed. Deferred tax and deferred tax assets are recognised at their nominal value and are classified as financial fixed asset (non-current liability) in the balance sheet.

Tax payable and deferred tax relating to actuarial deviations are recognised in the statement of comprehensive income. The tax effect of particular items is presented on a separate line in the statement of comprehensive income.

Tax payable and deferred tax/deferred tax asset are measured at the tax rate which relates to earned, not distributed equity. The tax effect of dividends is considered when the company has undertaken an obligation to distribute dividends.

2.17 CLASSIFICATION OF ASSETS AND LIABILITIES IN THE BALANCE SHEET

Assets meant for permanent ownership or use and receivables which are due later than one year after the end of the accounting period are classified as fixed assets. Other assets are classified as current assets. Liabilities which are due later than one year after the end of the accounting period are classified as long-term liabilities. Other liabilities are classified as current liabilities. Next year's instalments on long-term debt are classified as current liabilities in the balance sheet.

2.18 OPERATING SEGMENTS

The Group presents accounting figures for the business segments ice/support, subsea and marine seismic. The Group's vessels can take on assignments within several of the business segments. Indirect attributable costs are allocated to the operating segments. Financial information regarding the segments is presented in note 6. Internal profit originating from transactions between the business segments is eliminated in the segment reporting.

2.19 CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities are defined as

- possible liabilities resulting from prior events where the existence of the liability depends on future events.
- liabilities which have not been recognised because it is not probable that they will lead to payments.
- liabilities which cannot be measured with an adequate degree of reliability.

Contingent liabilities are not recorded in the financial statements. Significant contingent liabilities are disclosed unless the probability of the liability occurring is low.

Contingent assets are not recorded in the financial statements; but will be disclosed if there is a certain probability that the Group will benefit from it.

2.20 EVENTS AFTER THE BALANCE SHEET DATE

New information about the Group's position at the balance sheet date has been taken into account in the financial statements. Events occurring after the balance sheet date that do not affect the Group's position at the balance sheet date, but will affect the Group's position in the future, have been disclosed if material.

2.21 USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Management has used estimates and assumptions which have affected the assets, liabilities, income and expenses, as well as the disclosures regarding potential obligations. This particularly relates to the depreciation of fixed assets, deferred tax assets (note 2.16 and note 8), provisions for liabilities, and write-downs of fixed assets when there are indications of impairment. The estimates may change as a consequence of future events. The estimates and the underlying assumptions are reassessed continuously. Changes in accounting estimates are recognised in the income statement in the period the changes occur. If the changes also relate to future periods, the effect will be distributed over the present and future periods.

The Group's depreciation profile for fixed assets is based on estimates of value in use and residual value. Value in use is estimated on the basis of expected useful lives for the vessels, estimated to 25 years for new vessels (note 2.8 and note 10). For vessels that have been acquired in the second hand market and thereafter have been subject to extensive reconstruction the expected useful life is estimated to maximum 30 years. Residual values are estimated to the recoverable amount at the end of the vessel's useful life.

The Group capitalises expenses incurred during dry docking of the Group's vessels and amortises these expenses over the period until the next dry docking.

Each year a calculation is made of the vessels' use value through discounting of future cash flows connected to the use of the vessels, based on long term prognoses per ship. When calculating fair value the company has based the values on the vessels' discounted future cash flows. Calculated use value exceeds the carrying value of all vessels. Further on, sensitivity analyses have been carried out through simulating change in utilization and dayrate for the vessels.

Deferred tax assets are recognised in the balance sheet when it is probable that the company will have sufficient future taxable profit to benefit from the tax asset. If sufficient taxable profit should not be achieved for the Group, deferred tax assets can not be utilitzed and carried amount has to be recognised as expense partly or in full. Dersom det imidlertid ikke oppnås tilstrekkelig skattemessig overskudd i konsernet vil ikke utsatt skattefordel kunne benyttes og balanseført beløp må helt eller delvis kostnadsføres. Deferred tax assets are recorded at nominal value in accordance with IAS 12.

2.22 CASH FLOW STATEMENT

The Group's cash flow statement shows the Group's consolidated cash flows distributed between operating activities, investment activities and financing activities. The cash flow statement shows the impact of the different activities on the Group's cash and cash equivalents. The cash flow statement is presented based on the indirect method. The Group's cash and cash equivalents include both bank deposits and securities as these financial instruments can be converted into cash immediately. 2015.

NOTE 3 - GROUP COMPANIES

The consolidated financial statements consist of GC Rieber Shipping ASA and the following subsidiaries:

Company	Business office	Parent company	Owner's share
GC Rieber Shipping AS	Norway	GC Rieber Shipping ASA	100%
Polar Ship Invest II AS	Norway	GC Rieber Shipping ASA	100%
Polar Ship Invest III AS	Norway	GC Rieber Shipping ASA	100%
Polar Ship Invest IV AS	Norway	GC Rieber Shipping ASA	100%
Polar Ship Invest V AS	Norway	GC Rieber Shipping ASA	100%
Polar Shipping AS	Norway	GC Rieber Shipping ASA	100%
Polar Explorer AS	Norway	GC Rieber Shipping ASA	100%
Polarus AS	Norway	GC Rieber Shipping ASA	100%
GC Rieber Shipping Crewing AS	Norway	GC Rieber Shipping AS	100%
Rieber Shipping AS	Norway	GC Rieber Shipping AS	100%
Polar Queen Ltd	Isle of Man	GC Rieber Shipping ASA	100%
GC Rieber Shipping Ltd	Great Britain	GC Rieber Shipping ASA	100%
Armada Seismic Invest II AS	Norway	Polar Ship Invest IV AS	100%
Sea4 II Shipping Ltd	Cyprus	GC Rieber Shipping AS	100%
Armada Seismic Invest II AS	Norway	Polar Ship Invest IV AS	100%

NOTE 4 - INVESTMENTS IN JOINT VENTURES (NOK 1000)

The Group has the following investments in joint ventures:

Joint venture	Country	Business	Owner's share
Polar Pevek Ltd	Cyprus	Ice-breaker/tug	50%
OOO Polarus	Russia	Ice-breaker/tug	50%
OOO De Kastri Tugs	Russia	Ice-breaker/tug	50%
Shipworth Shipping Company Ltd	Cyprus	Crew vessel	50%

The Group has 50 per cent owner share in the vessel "Polar Pevek" which operates as an ice-breaker/tug in Russiaon a 15 year time charter from 2006 to 2021 for Exxon Neftegas Ltd. The ownership and operation of the vessel is managed through three joint venture companies.

Furthermore, the Group has 50 per cent owner share in the crew vessels "Polar Piltun" and "Polar Baikal". The vessels are engaged as crew vessels in Russia on time charter which lasts through 2014 with Sakhalin Energy International Corporation.

With effect from 1 January 2014 investments in joint ventures are recognised in accordance with the equity method, as the so-called gross method or proportional consolidation is no longer permitted (IFRS 11).

The changes imply that net share of the result is recognised on a line under operations as result in joint venture. Share of net assets (share of assets less share of liabilities) is recognized on a line under long term receivables in the balance sheet.

There are no obligations connected to the Group's investment in joint ventures.

Below is a summary of the financial information.

The amounts in the table below show the accounts of the joint ventures (100%).

(USD 1000)	2014	2013
Condensed balance sheet		
Short-term items		
Cash and cash equivalents	10 768	8 327
Other current assets	2 445	2 498
Total current assets	13 213	10 825
Financial liabilities (ex. Trade payables)	-4 000	-10 180
Other current liabilities (incl. Trade payables)	-9 927	-9 318
Total current liabilities	-13 927	-19 498
Long-term items		
Assets	47 300	52 122
Financial liabilities	-9 084	-13 302
Other liabilities	-	-
Total non-current liabilities	-9 084	-13 302
Net assets	37 502	30 147

(USD 1000)	2014	2013
Condensed income statement		
Operating income	17 391	16 373
Operating expenses	-4 045	-5 159
Depreciation	-4 420	-4 420
Financial income	24	21
Financial expenses	-1 496	-2 056
Result before tax	7 455	4 760
Tax	-100	-42
Result	**7 355**	**4 718**

Reconciliation between the condensed accounting information above and carrying share of joint ventures

Condensed financial information (USD 1000)		
Net assets 1 January	30 147	35 929
Result for the period	7 355	4 718
Dividends paid	-	-10 500
Net assets 31 December	37 502	30 147
Current exchange rate at the balance sheet date	7.43	6.08
Net assets 31 December at the exchange rate on the balance sheet date (NOK 1000)	278 759	183 404
Owner share 50%	139 379	91 702
Group items	-3 399	-3 611
Carrying amount	135 980	88 091

NOTE 5 - FINANCIAL FIXED ASSETS (NOK 1000)

In January 2014, GC Rieber Shipping entered into a contract for the sale of the company's shares in Reef Subsea AS to HV V Invest Golf AS and HV V Invest Golf II AS, two companies owned by the private equity investor HitecVision V, LP. The reason for the sale was GC Rieber Shipping's chosen strategy to focus stronger on the company's core activity and its competence within ownership, development and operation of specialised vessels within the offshore market.

The selling price was agreed to NOK 175 million and the proceeds were to be settled through a combination of cash and trade credit. The trade credit, by which the company provided a loan to HV V Invest Golf AS and HV V Invest Golf II AS, amounted to a total of NOK 160 million. NOK 30 million had originally due date 30 November 2015, NOK 50 million had due date 31 December 2016 and NOK 80 million had due date 31 December 2018. The amounts were subject to interest payment. GC Rieber Shipping had security for the loan through mortgage of a significant part of the shares in Reef Subsea. In addition the company had provided a guarantee of NOK 20 million to Nordea Bank Norge AS.

Because the HV V Golf companies in February 2015 failed to comply with the conditions connected to the sales credit, GC Rieber Shipping sent default notice to the companies. Subsequently Reef Subsea and the HV V Golf companies have declared bankruptcy. In the financial statements for 2014 the sales credit and the guarantee incl. interest have therefore been recognised as a loss by NOK 182 million in total. The amount includes write-off of other financial fixed assets amounting to160 million, the remaining has been recognised as financial expenses.

A provision of NOK 29 million for bad debts has also been made connected to trade receivables and onerous contract in relation to the bankruptcy in Reef Subsea.

NOTE 6 - SEGMENT INFORMATION (NOK 1000)

BUSINESS SEGMENTS

GC Rieber Shipping currently operates 13 advanced special- purpose vessels for defined markets within subsea, ice/support and marine seismic, of which 11 are owned by the company. The Group displays the three operating segments subsea, ice/support and marine seismic as the primary segment information, as the three business segments are considered to have different operational and financial risk profile. Transactions between the segments are carried out at arm`s length and they are eliminated in the consolidated financial statements.

Subsea

During the year the Group has operated six vessels within the subsea segment. The vessels are primarily used for inspection, maintenance and repair of subsea installations. "Polar Queen" is chartered to the American subsea contractor BOA Marine Services Inc. until April 2018. The new construction "Polar Onyx", delivered early March 2014, is on a five year time charter to Ceona Services (UK) Limited. The contracts for "Polar Prince" and "Polar King" with Reef Subsea expired at the end of December 2014 and mid February 2015.

In Janaury 2014 GC Rieber Shipping entered into a contract for sale of the company's shares in Reef Subsea AS to HV V Invest Golf AS and HV V Invest Golf II AS, two companies owned by the private equity investor HitecVision V, LP. In this connection a sales credit was provided to the HV V Invest Golf companies. Reef Subsea and the HV V Golf companies applied for bankruptcy in February 2015. As a consequence GC Rieber Shipping has made a provision for bad debts per 31.12.2014 of NOK 211 million in total. The amount includes provided sales credit NOK 182 million including earned interest and NOK 29 million relates to outstanding trade receivables and onerous contract. Bad debts are included in the segment information below.

Information regarding Reef Subsea, see note 5.

The segment also includes maritime operation of two subsea vessels for other owners.

Ice/support

GC Rieber Shipping owns and operates two vessels within ice/support, as well as two crew vessels. The vessel "RSS Ernest Shackleton" is on a bareboat charter to the British Antarctic Survey for operations in Antarctica till August 2016. The "Polar Pevek" and the crew vessels "Polar Piltun" og "Polar Baikal" were in 2014 owned through a 50/50 joint venture with Primorsk Shipping Corporation, and are operated by the company's operating company in Yuzhno-Sakhalinsk. From February 2015 the "Polar Pevek" is owned through a 50/50 joint venture with Maas Capital Offshore. "Polar Pevek" is on a long term time charter to Exxon Neftegas until 2021, and operates from the oil terminal in DeKastri, assisting tankers that that load oil from Sakhalin I field East in Russia. De two crew vessels were on a time charter to Sakhalin Energy Investment Corporation through 2014, and operated on the Sakhalin II field.

The company has also had the operating responsibility for the vessel "HMS Protector" for the British Ministry of Defence ("MoD") to September 2014. "HMS Protector" was sold to the British Ministry of Defence ("MoD") in September 2013 after termination of a certeparti charter with MoD from April 2011.

Marine Seismic

GC Rieber Shipping has three advanced seismic vessels, in addition to a new high capacity vessel under construction at Kleven Verft. "Polar Duke", "Polar Duchess" and "Polar Marquis" are on time charter to Dolphin Geophysical to April 2016, April 2017 and October 2017, respectively. The new construction is expected to be delivered spring 2015, and will then start directly on a five year time charter to Dolphin Geophysical.

SEGMENT INFORMATION:

2014	Ice/ support	Subsea	Marine seismic	Not allocated	Total
From the income statement:					
Operating income	43 574	522 062	315 825	-	881 460
Operating profit before depreciation, write-down and gain (loss) on sale of fixed assets	39 299	254 915	159 262	-	453 475
Profit from disposal of fixed assets	-	-	-	108	108
Operating profit	33 461	165 852	80 844	-	280 157
Operating profit	456 175	90 335	81 500	-	628 010
From the balance sheet:	-				
Vessels	48 213	2 236 848	1 608 342	-	3 893 403
Newbuilding contracts	-	-	170 216	-	170 216
Debt to credit institutions	-	1 284 455	845 300	207 213	2 336 969
From the cash flow statement:					
Operating profit before depreciation, write-down, and gain (loss) on sale of fixed assets	39 299	254 915	159 262	-	453 475
Repayment of long-term loans	-	-63 643	-59 456	-53 582	-176 681
New long-term loans raised	-	560 051	83 668	-	643 719
Sale of fixed assets	-	-	-	108	108
Investments	-	-711 929	-182 231	-	-894 160
Other investing activities	-	15 000	1 445	-5 043	11 402
Interest paid	-	-26 187	-20 001	-9 819	-56 007
Other changes		-	-	-174 182	-174 182
Net change in cash and cash equivalents	-	-	-	-	-192 325

Not allocated other changes in 2014 comprise, among other factors, paid dividend in 2014 of NOK 174.6 million. Not allocated long-term debt is debt in the parent company, while not allocated repayment of debt consists of instalment long-term debt in parent company.

2013	Ice/ support	Subsea	Marine seismic	Not allocated	Total
From the income statement:					
Operating income	115 043	319 122	311 305	-	745 470
Operating profit before depreciation, write-down, and gain (loss) on sale of fixed assets	85 130	155 539	148 589	-	389 258
Write-down	-	-10 309	-	-	(10 309)
Profit from disposal of fixed assets	376 004	-	-950	-	375 054
Operating profit	450 073	90 335	81 500	-	621 908
From the balance sheet:					
Vessels	44 961	1 016 821	1 275 462	-	2 337 244
Construction contracts	-	151 298	95 201	-	246 499
Long-term debt to credit institutions	-	553 310	667 080	222 359	1 442 749
From the cash flow statement:					
Operating profit before depreciation, write-down, and gain (loss) on sale of fixed assets	85 130	155 539	148 589	-	389 258
Proceeds from sale of financial investments	-	-	119 627	-	119 627
Repayment of long-term loans	-	-41 960	-204 663	-208 517	-455 140
New long-term loans raised				238 203	238 203
Sale of fixed assets	485 865	-	72 129	-	557 994
Investments	-10 000	-70 827	-156 462	340	-237 629
Other investment activities			2 282	-	2 282
Investment in financial fixed assets	-	-93 300	-	-	-93 300
Interest paid	-	-14 537	-20 288	11 781	-46 606
Other changes	-6 194	-21 379	-1 353	29 046	120
Net change in cash and cash equivalents					474 809

Not allocated other changes in 2013 are, among other factors, dividend paid in 2013 of NOK 43.7 million, reduction in short term receivables of NOK 38.5 million and increase of short term debt by NOK 40.5 mill. Not allocated raising of devt is long term debt raised in the parent company, while not allocated repayment of debt comprises instalment long term debt in the parent company of NOK 38.5 million and repayment of the Group's credit facility NOK 170 million.

GEOGRAPHICAL SEGMENT INFORMATION:

Operating income from customers

	2014	2013
Norway	569 042	514 784
Great Britain	185 852	112 041
USA	125 234	103 885
Europe	1 331	14 760
Total operating income	**881 460**	**745 470**

The allocation of the operating income above is based on the country in which the customer is located.

Two individual customers account for 100 per cent of the operating income in Norway, of which 56 per cent is within the seismic segment and 44 per cent is within the subsea segment. The operating income registered on USA relates to one customer and the operating income is included in the subsea segment. One single customer accounts for approx. 74 per cent of the operating income in Great Britain and is included in the subsea segment. Within the ice segment two individual customers account for 55 per cent and 43 per cent of the operating income respectively, both belonging to Great Britain.

FIXED ASSETS
Book value of vessels and other equipment geographically belongs to Norway.

NOTE 7 - PAYROLL EXPENSES, NUMBER OF EMPLOYEES, OTHER REMUNERATIONS, LOANS TO EMPLOYEES, ETC. (NOK 1000)

Payroll expenses include wages to employees and hired personnel in the administration and on own vessels.

Wage costs	2014	2013
Payroll crew	138 067	111 798
Payroll office workers	38 862	45 659
Payroll tax	14 702	10 395
Pension costs	6 087	7 173
Other remunerations	4 989	4 045
Total payroll expenses	**202 707**	**179 070**

The Group has employer liability for the following number of employees		
Mariners	90	116
Office workers	46	48

The wage costs are included in the following lines in the income statement:

	2014	2013
Crew and catering expenses	153 322	121 407
Administration costs	49 385	57 663
Total wage costs	**202 707**	**179 070**

The Group reduced management from five vessels in 2013 to two vessels in 2014, at the same time as the Group has increased number of own vessels. This has implied an increase in costs for crew at the same time as number of mariners that the Group has employer responsibility for, is reduced. Figures from 2013 also include wages for office workers in UK amounting to a total of NOK 11.6 million. The office was closed down in November last year.

Remunerations to the Group management	2014	2013
Wages	5 719	5 294
Bonus, general scheme	426	548
Other remunerations	88	70
Paid pension contribution	368	311
Total Group management remunerations	**6 600**	**6 223**

Remuneration for the Board of Directors	2014	2013
Fees and remunerations for Board of Directors GC Rieber Shipping ASA	880	1 010
Total remunerations for the Board members of the Group	**880**	**1 010**

The amounts are included in the group's administration expenses.

The Group's CEO is not employed in the company GC Rieber Shipping ASA, but has been contracted from the subsidiary GC Rieber Shipping AS. A contract has been entered into with the CEO, which entitles the CEO to one year's severance pay if the company should terminate the employment contract before the CEO has reached the stipulated pension age. No agreements have been entered into with the chairman of the board with regard to special payments upon the termination or change of the board position. Further, no agreements exist that grant employees or representatives entitlement to subscribe for or purchase or sell shares in the company.

Auditor's fees (excl. VAT)	2014	2013
Audit fee	693	726
Other certification services	24	46
Tax consulting	142	302
Other services	-	46
Total auditor's fees	860	1 120

Of total auditor's fees in 2013 NOK 88,647 relates to audit fee for subsidiaries audited by other audit firms than the auditor of the parent company.

NOTE 8 - TAXES (NOK 1000)

INCOME TAX EXPENSE:

Taxes in the profit and loss statement:	2014	2013
Tax payable in Norway	12 568	2 622
Change in tax from previous periods	0	-2 811
Change in deferred tax	-10 953	-9 460
Income tax expense (income)	**1 614**	**-9 649**

Reconcilation of income tax expense for the year:	2014	2013
Result before tax	-18 028	361 370
Estimated tax based on nominal rate 27% (2013: 28%)	-21 184	101 184
Effect of tonnage tax regime/tax payable outside Norway	-26 081	-122 612
Deferred tax asset not recognised in the balance sheet	42 861	23 958
Permanent differences (include write-down of shares outside EEA)	4 518	-8 215
Effect of estmiate deviation deferred tax from 28% to 27% not recognised	-	-899
Other/correction of tax payable in previous periods	1 499	-3 065
Income tax expense (income)	**1 614**	**-9 649**

DEFERRED TAX:

Deferred tax liabilities/assets:	2014	2013
Profit and loss	53	66
Other differences	-24 665	-546
Financial instruments	-124 871	-26 863
Net financial items for companies in the tonnage tax regime	-31 546	-14 225
Pension liabilities	-28 226	-13 475
Write-down loan (HitechVision - Reef)	-181 582	-
Tax losses carried forward	-295 274	-296 591
Basis for calculation of deferred tax	-686 112	-351 634
Tax rate	27%	27%
Calculated deferred tax liabilities/assets in the balance sheet	-185 250	-94 940
Deferred tax assets not recognised in the balance sheet	121 262	36 167
Deferred tax liabilities/assets in the balance sheet	**-63 989**	**-58 773**
Directly capitalised deferred tax assets which are not included in change in temporary differences:		
Estimate deviations for pensions recognised directly in comprehensive income	14 251	3 087
Of which directly capitalised deferred tax assets (27%)	-3 848	833

At 31.12.2014 deferred tax assets not recognised amount to NOK 121.2 million whereof NOK 79.0 million relate to companies that are not subject to the tonnage tax regime.

By end of 2014 the Group had tax losses carried forward of NOK 295.3 million in Norway, whereof NOK 185.3 million is basis for capitalisation. Based on budgets, the Group expects to be able to utilise the deferred tax assets through future taxable profits.

NOTE 9 - EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit for the year attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the accounting period.

The company has no convertible loans or equity instruments and the diluted earnings per share is thus equal to earnings per share.

	2014	2013
Result for the year (basis, NOK 1000)	-80 073	371 019
Time weighted average number of shares applied in the calculation of earnings per share	43 662 000	43 662 000
Number of outstanding shares as at 31.12.	43 662 000	43 662 000
Earnings and diluted earnings per share (NOK)	-1,83	8,50

NOTE 10 - TANGIBLE FIXED ASSETS (NOK 1000)

VESSELS AND MARINE EQUIPMENT:

	2014	2013
Acquisition cost as at 01.01	3 357 120	3 336 332
+ Additions during the year	121 951	88 250
+ Additions during the year for periodic maintenance	33 339	7 924
+ Additions during the year transferred from vessel under construction	827 953	-
- Disposals during the year	-	-255 082
+ Changes in translation differences during the year	746 052	179 696
= Acquisition cost as at 31.12.	5 086 415	3 357 120
Accumulated depreciation and write-downs at 01.01.	1 019 876	970 837
+ Depreciation for the year	157 559	121 035
+ Depreciation of periodic maintenance for the year	15 577	9 954
- Disposals during the year	-	-81 950
= Accumulated depreciation and write-downs at 31.12.	1 193 013	1 019 876
Carrying amount as at 31.12.	3 893 4039	2 337 244
= Accumulated depreciation and write-downs at 31.12.	749 683	3 631

All vessels have carrying amounts in USD which are converted to NOK by using the exchange rate on the balance sheet date in the consolidated financial statements. In 2013 one ship was carried in GBP in the consolidated financial statements. Changes in the exchange rate USD/NOK and GBP/NOK result in translation differences which are recognised in the comprehensive income. Accumulated exchange translations are included in the amounts above.

Depreciation rates of 4 to 12.5 per cent have been applied for vessels and 6.67 to 33.33 per cent have been applied for marine equipment. Capitalised periodic maintenance per 31.12.2014 amounts to NOK 57.0 million. (2013: NOK 30.7 million).

The Group took delivery of the subsea new construction “Polar Onyx” in March 2014. Reconstruction of the 3D seismic vessel ”Polar Marquis” aiming at extending the streamer capacity, was completed in May

The Group sold two vessels in 2013. “Polar Explorer” was sold in February at a price of NOK 68.1 million and resulted in a profit of NOK 4.6 million. “HMS Protector” was sold in September at a price of NOK 485.8 million, resulting in a profit of NOK 376 million.

GC Rieber Shipping applies IAS 36, Impairment of Assets, when assessing the impairment criteria for tangible fixed assets. Calculations of the vessels’ value in use have been performed by discounting future expected cash flows from the activities of the vessels. Liquidity prognoses based on long term prognoses per vessel have been used as a starting point. When estimating fair value, the company has discounted the future estimated cash flows. Calculated value in use exceeds the carrying value for all vessels. Furthermore, sensitivity analyses have been carried out by simulating changes in utilisation rates and day rates for the vessels. Based on the vessels’ value in use there are no indications of impairment of the fleet per 31.12.2014.

NEWBUILDING CONTRACTS:

	2014	2013
Acquisition cost at 01.01.	246 499	80 124
+ Additions during the year	751 669	166 375
- Transferred to vessels	-827 953	-
= Acquisition cost as at 31.12.	170 216	246 499
Accumulated write-downs at 01.01.	-	-
+Write-down for the year	-	-
= Accumulated write-downs as at 31.12.	-	-
Carrying amount as at 31.12.	**170 216**	**246 499**

The Group took delivery of one high-capacity subsea construction at Ulstein Shipyard on 4 March 2014. Per 31.12.2014 the Group has one high-capacity 3D seismic vessel under construction at Kleven Shipyard with expected delivery spring 2015.

MACHINERY, INVENTORY AND EQUIPMENT:

	2014	2013
Acquisition cost 01.01.	5 036	120 749
+ Additions during the year	-	340
- Disposals during the year	-	-115 953
+ Translation differences	-	-100
= Acquisition cost as at 31.12	5 036	5 036
Accumulated depreciation as at 01.01.	4 485	73 630
+ Depreciation for the year	290	2 018
+ Write-down during the year	-	13 315
- Reversal of write-downs from previous periods	-	-3 006
- Disposals during the year	-	-81 472
= Accumulated depreciation and write down as at 31.12.	4 775	4 485
Carrying value as at 31.12.	**261**	**551**

In 2013 a judgement valuation was made of equipment not taken into use. Based on this judgement the equipment was written down to 0. Net write-down recognised as expense in 2013 was NOK 10.3 million. The write-down was made in the segment subsea.

The Group sold seismic equipment connected to "Polar Explorer" in April 2013. The equipment was sold at NOK 4.1 million and involved a loss for the Group of NOK 5.6 million in the same year.

NOTE 11 - TRADE RECEIVABLES AND OTHER CURRENT RECEIVABLES (NOK 1000)

Trade receivables and other receivables:	2014	2013
Receivables, not due	84 699	71 654
Receivables, due by 1-30 days	71 567	61 710
Receivables, due by 30-60 days	3 723	20 890
Receivables, due by 60-90 days	2 142	9 684
Receivables, due by >90 days	5 954	18 151
Gross receivables	**168 085**	**182 089**
Provision for bad debts 01.01.	-	-
Provision loss Reef Subsea (cf. note 5)	-25 628	-
Total receivables	**142 457**	**182 089**

Loss on trade receivables have been classified as operating expenses vessels in the income statement. There is no loss on trade receivables in 2014.

NOTE 12 - QUOTED FINANCIAL INVESTMENTS (NOK 1000)

SHARES AND SECURITIES:

	2014	2013
Acquistition cost	13 770	9 382
Carrying amount	15 374	17 967
Fair value	15 374	17 967

Investments in quoted shares are recorded at fair value at the balance sheet date, without deduction for sales costs.

Changes in fair value are recognised in the income statement and presented net as financial income/financial expense.

NOTE 13 - CASH AND CASH EQUIVALENTS (NOK 1000)

BANK DEPOSITS AND CASH:

	2014	2013
Bank deposits and cash	354 323	194 472
Tax withholdings	7 237	7 046
Short-term bank deposits	130 000	471 790
Bank deposits and cash	**491 560**	**673 308**

Bank deposits generate interest income based on the banks' prevailing terms at any given time. Short-term bank deposits are made for varying periods; from one day to six months, depending on the company's need for liquidity. In some cases the Group also enters into contracts on short-term deposits with terms exceeding three months. Per 31.12.2014 there are no deposits with terms exceeding three months. These deposits generate interest income based on the banks' terms related to short-term deposits.

NOTE 14 - EQUITY (NOK 1000)

ORDINARY SHARES

Ordinary shares:	2014	2013
Par value per share	1.80	1.80
Number of shares	43 812 800	43 812 800
Share capital	78 863	78 863

OWN SHARES
The company owns 150,800 own shares per 31.12.2014, constituting 0.34 per cent of total number of shares.

DIVIDENDS:

Dividends paid:	2014	2013
NOK per share (2014: NOK 4.00 and 2013: NOK 1.00)	174 648	43 662
Dividend proposed by the Board after the balance sheet date 31.12.:	21 831	174 648

NOTE 15 - DEBT TO CREDIT INSTITUTIONS (NOK 1000)

The Group's long-term liabilities, including first year's instalments, are summarised as follows at year-end 2014:

Long-term debt		Average interest rate 2014	Average duration	Balance 2014	Balance 2013
Mortgage debt with floating interest	Secured	USD LIBOR + 2.65%	2.8 år	940 300	777 195
Mortgage debt with fixed interest	Secured	USD CIRR 2.43% + 1.6%	5.3 år	670 997	-
Mortgage debt with rental swap agreement	Secured	3.25%	1.7 år	737 869	665 555
Overdraft facility (NOK 250 mill.)	Unsecured	NIBOR + 2.75%		-	-
Amortization effect, mortgage debt				-12 197	-
Total				**2 336 969**	**1 442 750**

The Group's vessels are pledged as collateral for the loans by a total of 3 845 million.

The repayment schedule for the Group's long-term liabilities, including first year's instalments, at year-end 2014:

Due in 2015	250 565
Due in 2016	1 235 835
Due in 2017	147 367
Due in 2018	99 423
Due in 2019	176 357
Later maturity	439 619
Total interest bearing debt	**2 349 165**

In addition, interest on the principal amount falls due. The mortgage loan on Polar Onyx is a fixed rate loan and in 2012 rental swap agreements were entered into in connection with three other loans. The remaining loan financing has floating interest rates, and the interest payments vary with the market interest rate level.

First year's instalments on long-term liabilities are classified as current liabilities in the balance sheet. The Group's long-term liabilities are exclusively denominated in USD and have been converted to NOK using the exchange rate at the balance sheet date. The average interest rate for the Group's interest-bearing debt in 2014 was 3.60 per cent (2013: 3.80 per cent).

According to the Group's loan agreements, shall:

- the Group's equity ratio be minimum 30 per cent.
- the Group's working capital as a minimum equal one year's ordinary instalments, but not less than NOK 50 million/NOK 60 million.

NOTE 16 - PENSION COSTS AND PENSION OBLIGATIONS (NOK 1000)

In March 2012, the company closed its defined-benefit scheme for land employees. Employees at this time could choose whether to switch to a defined-contribution plan or continue with the defined-benefit plan. New employees hired after March 2012 are included in the company's defined-contribution plan. As it appears from the actuarial assumptions, the number of employees included in the defined-benefit plan is reduced also in 2014, as a result of retirement.

DEFINED-BENEFIT PLAN
The Group has a company pension scheme with tax deductions for its employees in a life insurance company. The pension scheme entitles future defined benefits. The benefits depend on the number of contribution years, the wage level at retirement and the size of the benefits from the National Insurance. Full retirement pension constitutes about 63 per cent of the pension base (limited to 12G) and the pension scheme also includes disability and children's pensions. The retirement age is 67 years. The Group has the right to undertake changes in the pension scheme. These pension schemes are funded obligations.

The Group has also an early retirement pension agreement with certain employees, through which the company pays 63 per cent of the pension base between 65 and 67 years of age, as well as pension obligations related to employees with salaries exceeding 12G. These are non-funded obligations.

Mariners have a separate contractual pension scheme. The retirement pension from age 60 to 67 amounts to 60 per cent of the pension-qualifying income in the case of full contribution (360 months of sea duty), including the Pension Insurance for Seamen. These are funded and tax deductible obligations.

All pension schemes have been treated in accordance with IAS 19. Changes in the pension obligations due to changes in actuarial assumptions are recognised in the comprehensive income.

The discount rate is equal to the interest rate on covered bonds (OMF). If the discount rate is reduced by 1%, it will normally result in an increase in the gross pension obligation of 15 to 20 per cent.

The pension cost is based on the actuarial assumptions as at 01.01, whereas the pension obligations are based on the actuarial assumptions at 31.12.

	2014	2013
Discount rate	2,30%	4,00%
Inflation/Increase of National Insurance Basic Amount (G)	2,50%	3,50%
Rate of salary increase	2,75%	3,75%
Rate of pension increase	0,00%	0,60%
Number of employees	99	103
Number of pensioners	26	19
Mortality list	K-2013	K-2013

Specification of the Group's net pension cost	2014	2013
Current service cost	4 934	5 210
Interest expenses on benefit obligations	2 051	1 748
Estimated return on plan assets	-1 728	-1 530
Administration costs	89	83
Net pension cost	**5 345**	**5 511**
Payroll tax	741	765
Pension cost in the income statement	**6 087**	**6 276**

Estimated pension cost 2015	
Current service cost	6 214
Interest expenses on benefit obligations	1 570
Estimated return on plan assets	-1 057
Administration cost	89
Net pension cost	**6 816**
Payroll tax	949
Pension cost in the income statement	**7 764**

Specification of the Group's net pension obligations	31.12.14	31.12.13
Gross obligations, secured	-58 384	-44 068
Gross obligations, unsecured	-10 808	-8 034
Fair value of plan assets	44 454	40 293
Payroll tax	-3 488	-1 665
Book value of net pension obligations	**-28 226**	**-13 475**

Carrying value 01.01.	-13 475	-12 556
Disposal of subsidiary		-
Cost in income statement	6 087	6 276
Contributions during the year	-6 526	-9 597
Recognised net actuarial (loss) / gain	15 191	4 240
Carrying value 31.12.	**-28 226**	**-13 475**

	31.12.14	31.12.13
Gross pension obligation	-69 192	-52 102
Fair value of plan assets	44 454	40 293
Payroll tax	-3 488	-1 665
Net obligation	-28 226	-13 475

Actual return on plan assets per 31.12.2014 was 5.4 percent.

DEFINED CONTRIBUTION PLANS

In addition to the defined benefit plans as described above, one of the Group's subsidiaries have made contributions to local pension plans in 2014. The contributions have been provided to pension plans covering 25 employees. The pension premium is recognised as an expense the year that it falls due and amounts to NOK 1.2 million in 2014.

NOTE 17 - LEASING (NOK 1000)

THE GROUP AS A LESSOR

Operational leasing:

The Group charters its owned vessels under charter parties of varying duration to different charterers.

THE GROUP AS A LESSEE

Operational leasing:

The Group has entered into several operating lease agreements regarding office premises, ICT equipment and services as well as certain administrative services. The lease agreements do not include any restrictions regarding the company's dividend policy or financing possibilities.

The lease costs relating to office premises, ICT services and certain administrative services consist of the following:

	2014	2013
Ordinary lease payments	10 563	9 862
	10 563	9 862

Future minimum lease payments related to non-cancellable lease agreements are due as follows:

Within 1 year	2 556	4 031
1 to 5 years	7 667	13 353
Later than 5 years	-	-
	10 223	17 384

NOTE 18 - SHAREHOLDERS' INFORMATION AND TRANSACTIONS WITH RELATED PARTIES

THE 20 LARGEST SHAREHOLDERS IN GC RIEBER SHIPPING ASA AS AT 31 DECEMBER 2013 (OUTSTANDING SHARES):

Name	Number of shares	Owner share
GC Rieber AS	30 861 735	70.4%
AS Javipa	3 056 222	7.0%
GC Rieber AS Understøttelsesfond	1 539 102	3.5%
Leif Hilmar Sørensen	909 000	2.1%
Pareto Aksje Norge	671 640	1.5%
Johanne Marie Martens	400 000	0.9%
Storkleiven AS	371 687	0.8%
Delta A/S	360 000	0.8%
Benedicte Martens Nes	356 250	0.8%
Pelicahn AS	348 396	0.8%
Tannlege Randi Arnesen AS	300 000	0.7%
Pareto Aktiv	281 120	0.6%
Randi Jebsen Arnesen	250 000	0.6%
Dag Fredrik Jebsen Arnesen	208 000	0.5%
Torhild Marie Rong	161 500	0.4%
GC Rieber Shipping ASA	150 800	0.3%
Bergen Råvarebørs II AS	148 668	0.3%
Tigo AS	141 359	0.3%
Triofa 2 AS	141 359	0.3%
Pareto Verdi	133 970	0.3%
Other shareholders	3 021 992	6.9%
Outstanding shares	43 812 800	100.0%

Board member Georg Nygaard owns 5 000 shares as at 31 December 2014. No other board members nor the CEO own shares in the Company. The Chairman of the Board, Paul-Chr. Rieber indirectly controls 1.8 per cent which equals 802 405 shares in the Company.

At 31.12.2014, GC Rieber AS owns 30,861,735 shares in GC Rieber Shipping ASA. This constitutes 70.4 per cent of the outstanding shares in the company. Own shares in GC Rieber Shipping ASA are 150,800, representing 0.34 per cent of the share capital.

TRANSACTIONS WITH THE PARENT COMPANY:

One of the Group's subsidiaries has entered into a 5.5 year lease agreement for office premises with a subsidiary of GC Rieber AS. The agreement expires at 31.12.2018 and has been entered into on an arm's length basis. The same subsidiary has entered into an agreement with GC Rieber AS concerning the purchase/hiring of ICT services and equipment as well as purchase of certain administrative services. The agreements have been entered into on an arm's length basis.

	2014	2013
ICT and administration expenses	7 091	6 479
Lease payments	3 631	3 756

The balance sheet includes current liabilities to the parent company per 31.12.2014 of NOK 2.6 million. Per. 31.12.2013 there were no current liabilities to the parent company.

TRANSACTIONS WITH JOINT VENTURES (THE EQUITY METHOD):

The Group has had several transactions with joint ventures. All transactions have been carried out as part of the ordinary operations and at arm's length prices. The most important transactions are as follows:

	2014	2013
Management income	637	591
Expenses	-	-
Total	**637**	**591**

The balance sheet includes the following amounts originating from transactions with joint ventures:

	2014	2013
Trade receivables	789	600
Owner share in accordance with the equity methhod	135 980	88 091
Loans (Other long-term receivable)	29 733	24 335
Total (net)	166 502	113 026

TRANSACTIONS WITH ASSOCIATED COMPANIES (THE EQUITY METHOD):

The Group carried out various transactions with associated companies in 2013. All transactions were carried out as part of the ordinary operations and at arm's length prices. The significant transactions were as follows:

	2014	2013
C/P revenue	-	202 510
Management revenue	-	5 273
Expenses	-	-
Total	**-**	**207 783**

The balance sheet includes the following amounts due to transactions with associated companies:

	2014	2013
Trade receivables	-	34 043
Owner share according to the equity method	-	175 000
Total (net)	**-**	**209 043**

NOTE 19 - CAPITAL STRUCTURE AND FINANCIAL RISK MANAGEMENT (NOK 1 000)

1. CAPITAL STRUCTURE

The Group runs a capital-intensive business where the ongoing capital requirement mainly relates to investments in new vessels, reconstruction/conversion of vessels, repayment of debt and possible acquisitions of companies. The Group aims at securing a long-term financing of new investments from acknowledged financial institutions that are acquainted with the Group's business. The terms of such financing will normally reflect the different investments' equity ratio, which in turn is normally influenced by the risk profile of the investments. Furthermore, the public listing of GC Rieber Shipping ensures that the Group has sufficient access to equity markets if and when a need for such recapitalisation should arise.

The Group's superior strategy is to have a capital structure involving satisfactory solidity and liquidity that ensures favourable terms on long term financing and gives the Group the opportunity to have a stable dividend policy, combined with freedom of action and flexibility with regards to responding to new investment possibilities. Interest and instalments on the long-term financing will normally be repaid with the operating cash flows from the related investments, mainly from cash flows from operation of vessels.

Debt ratio

The debt ratio is calculated by dividing net interest-bearing debt on adjusted total capital. Net interest-bearing debt includes all debt on which interest is accrued as recorded in the balance sheet less cash and cash equivalents. Adjusted total capital is the equity recorded in the balance sheet, plus net interest-bearing debt.

The debt ratio per 31.12.2014 and 31.12.2013 is calculated as follows:

	2014	2013
Total loan	2 336 969	1 440 628
Cash	-491 560	-673 308
Net loan	1 845 409	767 320
Total equity	2 304 243	2 197 955
Total capital (adjusted)	4 149 652	2 965 275
Debt ratio	**44%**	**26%**

The increase in debt ratio during 2014 is mainly due to raising of new loan in connection with delivery of the new construction "Polar Onyx" in March.

2. BALANCE SHEET INFORMATION

The Group's financial assets and liabilities are included in the balance sheet as follows:

per 31.12.2014	Receivables	Financial instruments at fair value over profit or loss	Total
Assets			
Loan to joint venture	29 733		29 733
Financial assets	-	15 374	15 374
Receivables	142 457	-	142 457
Bank deposits and cash	491 560	-	491 560
Total financial assets	**663 750**	**15 374**	**679 124**

	Financial instruments at fair value over profit or loss	Financial liabilities measured at amortised cost	Total
Liabilities			
Interest bearing long-term liabilities	-	2 086 405	2 086 405
Interest bearing short-term liabilities	-	250 564	250 564
Financial hedging instruments	133 833	-	133 833
Trade payables and other short-term liabilities	-	73 420	73 420
Corporate debt	-	2 594	2 594
Total financial liabilities	**133 833**	**2 412 983**	**2 546 816**

Per 31.12.2013	Receivables	Financial instruments at fair value over profit or loss	Total
Assets			
Loan to joint venture	24 335	-	24 335
Financial assets	-	17 967	17 967
Receivables	182 089	-	182 089
Bank deposits ancd cash	673 308	-	673 308
Total financial assets	**879 732**	**17 967**	**897 699**

	Financial instruments at fair value over profit or loss	Financial liabilities measured at amortised cost	Total
Liabilities			
Interest-bearing long-term debt	-	1 279 199	1 279 199
Interest-bearing short-term debt	-	163 550	163 550
Financial hedging instruments	36 184	-	36 184
Trade payables and other short-term liabilities	-	82 754	82 754
Total financial liabilities	**36 184**	**1 525 503**	**1 561 687**

The carrying values of financial assets and liabilities are assumed to be their fair values.

Security for capitalised assets

- Security has not been provided for any of the Group's trade payables.
- The parent company has provided guarantee of NOK 2.141million of interest-bearing debt NOK 2,349 million.
- Parts of outstanding trade receivables have been secured through deposit

The Group has not made use of derivatives in order to manage credit risk. The Group aims at a situation where the charterers provide parent company guarantees for their liabilities in connection with the lease agreements when this seems reasonable and commercially achievable.

The Group has not provided guarantees for any third party liabilities, except in the case of agreements relating to joint ventures and the previously associated company Reef Subsea. The Group's share of the contingent liabilities in joint ventures is disclosed in note 4.

The maximum risk exposure is represented by the carrying amount of the financial assets, including derivatives, in the balance sheet. As the counterparty in derivative transactions normally is a financial institution, the credit risk related to derivatives is considered to be limited. The Group therefore regards its maximum risk exposure to be equal to the carrying amount of trade receivables (note 11) and other current assets.

3. INCOME STATEMENT INFORMATION

The Group's profit and loss related to financial assets and financial liabilities are presented below:

At 31.12.2014	Financial instruments at fair value over profit or loss	Financial receivables and liabilities measured at amortised cost	TOTAL
Assets			
Change in fair value of quoted financial instruments	-6 981	-	-6 981
Realised currency gains/losses on bank deposits and cash	-	2 920	2 920
Unrealised gains/losses receivables	-	4 722	4 722
Unrealised currency gains/losses onbank deposits and cash	-	10 577	10 577
Interest income on bank deposits and cash	21 536	-	21 536
Total financial income in the income statement	**14 555**	**18 219**	**32 774**
Liabilities			
Interest on interest-bearing debt	-	-100 142	-100 142
Unrealised change in fair value of financial hedging instruments	-97 649	-	-97 649
Unrealised currency gains/losses interest-bearing debt	-	-33 599	-33 599
Total financial losses in the income statement	-97 649	-133 741	-231 390
Total financial losses in the income statement	**-**	**-79 987**	**-79 987**

At 31.12.2013	Financial instruments at fair value over profit or loss	Financial receivables and liabilities measured at amortised cost	TOTAL
Assets			
Change in fair value of quoted financial instruments	-9 843	-	-9 843
Unrealised change in fair value of financial hedging instruments	-43 381	-	-43 381
Realised currency gains/losses on bank deposits and cash	-	7 107	7 107
Unrealised currency gains/losses onbank deposits and cash	-	1 789	1 789
Interest income on bank deposits and cash	13 308	-	13 308
Total financial income in the income statement	**-39 916**	**8 896**	**-31 020**
Liabilities			
Interest expenses on interest bearing debt	-	-65 870	-65 870
Realised loss on quoted financial instruments		-	-
Realised currency gains/losses on interest-bearing debt	-	-	-
Unrealised currency gains/losses on interest-bearing debt	-	-14 117	-14 117
Total financial losses in the income statement	**-**	**-79 987**	**-79 987**

The financial instruments have not been subject to hedge accounting and the company has in accordance with IAS 39 recorded the change in fair value ("Market-to-market") of financial instruments in the income statement.

4. HEDGING

As the Group's income is denominated in USD and NOK, whereas the operating expenses mainly are in NOK and USD, the Group performs a continuous assessment of the need for cash flow hedging of future expected net cash flows in USD and other relevant currencies against NOK. Such cash flow hedging is mainly performed by entering into forward contracts and option structures regarding the sale of USD against NOK. Realised gains/losses and changes in fair value are recognised in the income statement. The Group does not make use of hedge accounting according to IAS 39.

The Group has entered into three USD/NOK put/call structures; buying USD/NOK put options financed through the sale of USD/NOK call options for the double amount so that the total option premium upon entering into the option structures is zero. The put/call structure expires on average with 1/12 every month through 2015 and with 1/6 every month from January 2016 till June 2016.

The company has also entered into agreement on USD/NOK hedging of future USD loans in connection with the delivery of new vessel spring 2015.

The Group's interest bearing debt is denominated in USD and NOK and has according to the prevailing loan agreements a floating interest rate that varies with the development in the money market rates. In order to increase the predictability of the Group's future interest expenses related to the interest bearing debt, a continuous assessment is made regarding the hedging of future interest payments. Such hedging is mainly carried out through entering into forward interest rate swap contracts. Realised gains/losses and changes in fair value are recognised in the income statement. The company also has a fixed rate loan related to "Polar Onyx".

The Group's portfolio of financial hedging instruments at the balance sheet date:

pr. 31.12.2014	Currency	Amount (1000)	Maturity	Hedge rate	Fair value (1000)
USD/NOK put option	USD	1 500	2015	6.43	-2 922
USD/NOK call option	USD	3 000	2015	6.43	
USD/NOK put option	USD	1 500	2015	6.46	-2 847
USD/NOK call option	USD	3 000	2015	6.46	
USD/NOK put option	USD	3 000	2016	6.64	-4 879
USD/NOKcall option	USD	6 000	2016	6.64	
USD/NOK put option	USD	6 000	2016	7.41	-10
USD/NOK Forward for hedging of future loan (total)	USD	82 488	2015	6.00	-120 045
Total financial hedging instruments					**-130 703**

	Currency	Amount (1000)	Maturity	Interest rate swap	Fair value (1000)
Interest rate swap	USD	31 500	2016	0.92%	-329
Interrest rate swap	USD	41 017	2016	1.1%	-2 398
Interest rate swap	USD	26 750	2022	1.59%	-403
Total financial hedging instruments					**-3 129**

At 31.12.2013	Currency	Amount (1000)	Maturity	Hedge rate	Fair value (1000)
GBP/NOK put option	GBP	2 400	2014	9.21	-4 280
GBP/NOK call option	GBP	4 800	2014	9.21	
GBP/NOK put option	GBP	2 400	2014	9.34	-3 687
GBP/NOK call option	GBP	4 800	2014	9.34	
USD/NOK put option	USD	3 000	2015	6.43	377
USD/NOK call option	USD	6 000	2015	6.43	
USD/NOK put option	USD	3 000	2015	6.46	473
USD/NOK call option	USD	6 000	2015	6.46	
USD/NOK Futures for hedging of future loans (total)	USD	175 871	2015	5.97	-26 653
Total financial hedging instruments					**-33 771**

	Currency	Amount (1000)	Maturity	Interest rate swap	Fair value (1000)
Interest rate swap	USD	34 500	2016	0.92%	-646
Interest rate swap	USD	44 583	2016	1.10%	-3 058
Interest rate swap	USD	30 317	2022	1.59%	1 291
Total financial hedging instruments					**-2 413**

5. FINANCIAL RISK FACTORS

Risk management

As the Group operates its business internationally, it is exposed to various risks: market risk, liquidity risk (including currency risk, interest risk and price risk), credit risk and liquidity risk. The Group's primary risk management plan focuses on minimalising the potential negative effects that unpredictable changes in the capital markets may have on the Group's financial results.

The Group uses derivatives to reduce risk, in accordance with a strategy for hedging of interest rate and currency exposure adopted by the Board. The operative risk management is performed by the finance department and is regularly reported to the Board.

Market risk

Interest rate risk

The group's interest rate risk is related to long-term loans. The Group assesses on a continuous basis how much of its exposure to interest rate fluctuations that shall be hedged. Several types of interest rate derivatives are used, primarily interest rate swaps to hedge against the profit and loss impact of changes in the interest rate. Based on the financial instruments and the interest rate swap contracts existing at year-end, a general increase in the interest rate of 1 per centage points will improve the result by NOK 13.0 million in 2014, and correspondingly, a general decrease in the interest rate level of 1 per centage points will have a negative impact on the result by NOK 13.0 million.

For an overview of interest rate swap contracts at year end, see section 4 above.

The table below presents an overview of the carrying amount at maturity for the Group's financial instruments that are subject to interest rate risk, excluding interest rate swap, which is stated separately:

At 31.12.2014	Remaining period					
	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years	Total
Fixed interest rate						
Liabilities:						
Bank loans - hedged	119 159	706 382	43 836	43 836	483 455	1 396 668
Floating interest rate						
Assets:						
Cash	491 560					491 560
Liabilities:						
Bank loans - unhedged	128 966	527 014	101 092	53 147	130 081	940 300

At 31.12.2013	Remaining period					
	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years	Total
Fixed interest rate						
Liabilities:						
Bank loans - hedged	61 648	61 648	542 258	-	-	665 554
Floating interest rate						
Assets:						
Cash	673 308					673 308
Liabilities:						
Bank loans - unhedged	101 902	208 975	303 274	149 963	13 080	777 194

See note 15 for further information on long-term liabilities.

Currency risk

The Group operates internationally and is exposed to currency risk in several currencies. The Group's income is in USD, GBP and NOK, operating expenses are mainly in NOK, USD and GBP, operating expenses are mainly in NOK and partly in GBP and USD. In order to reduce the Group's risk in connection with foreign currency exposure, the Group's debt is mainly in USD. A continuous assessment is made regarding hedging of the expected future net cash flow in USD, GBP and other relevant currencies. Hedging of the cash flow is primarily made by entering into forward contracts and option contracts for sale of USD against NOK and GBP against NOK.

Based on the composition of the Group's operating income and operating expenses, liabilities in USD and forward contracts entered into at 31.12.2014, a change in the exchange rate of USD and GBP against NOK will affect the Group's result for the coming year as follows:

- An increase in the USD/NOK exchange rate by 1.00, increases the result by NOK 76.3 million
- An increase GBP/NOK exchange rate by 1.00, increases the result by NOK 1.6 million

In addition an increase in USD and GBP against NOK by 1.00 involves an increase in the equity through the comprehensive income by NOK 258 million.

Price risk - Bunkers

As a main principle the Group is not exposed to any change in bunkers prices for vessels as this risk stays with the charterer. Consequently, the Group has not entered into any forward contracts to hedge the risk of changes in prices of bunkers.

Credit risk

The Group's credit risk is considered to be moderate on an overall basis, trading with Norwegian and international oil and offshore related companies who historically have been solvent and capable of paying. The Group has a diversified contract portfolio within the segments subsea and ice/support, while all vessels within the seismic segment have been contracted by a counterparty.

The Group endeavours to ensure that vessel contracts are only entered into with customers who have good payment ability and payment history, and the development in the market is closely monitored. In particular this applies for contracts beyond certain duration. The Group seeks to ensure that charterers provide parent company guarantees for their obligations under the contracts, when commercially achievable.

The Group has not guaranteed for any third party liabilities, except for agreements relating to joint ventures. The Group's share of contingent liabilities that have arisen together with the other joint venture participants is mentioned in note 4. In connection with the sale of the owner share in Reef Subsea the Group provided a guarantee to Nordea Bank AS as security for the overdraft facility of Reef Subsea.

The maximum risk exposure is represented by the carrying amount of the financial assets, including derivatives, in the balance sheet. As the counterparty in derivative transactions normally is a financial institution, the credit risk related to derivatives is considered to be minor. Therefore, the Group regards its maximum credit risk exposure to be equal to the carrying amount of trade receivables (note 13) and other current assets. The credit quality of outstanding trade receivables is considered to be good.

In connection with the bankruptcy in Reef Subsea in February 2015 a provision for bad debts of in total NOK 29 million has been made related to trade receivables and onerous contract The credit quality of the remaining outstanding trade receivables is considered to be good.

LIQUIDITY RISK

The Group's credit risk is considered to be moderate on an overall basis, trading with Norwegian and international oil and offshore r The Group has a stable and long-term financing structure. The lenders are acknowledged Norwegian and international shipping banks. The Group's strategy is to have sufficient liquidity in the form of bank deposits, interest-bearing securities and credit facilities to ensure that the Group at all times can finance the operations and ongoing investments of a moderate size. The cash management policy of the Group includes investing liquidity in financial institutions with high credit worthiness and interest bearing securities with high liquidity and low credit risk.

The maturity of the Group's financial assets and financial liabilities is presented below:

At 31.12.2014	Remaining period			
	0-12 months	1-5 years	More than 5 years	Total
Assets				
Loan to joint venture	11 150	18 583		29 733
Financial investments	15 374	-	-	15 374
Trade receivables and other receivables	142 457	-	-	142 457
Bank deposits and cash	491 560	-	-	491 560
Total financial assets	**660 541**	**18 583**	**-**	**679 124**
Liabilities				
Interest-bearing long-term liabilities	309 949	1 810 058	448 573	2 568 580
Financial hedging instruments	128 521	4 909	403	133 833
Trade payables and other short-term liabilities	259 440	-	-	259 440
Total financial liabilities	**697 910**	**1 814 967**	**448 976**	**2 961 853**

At 31.12.2013	Remaining period			
	0-12 months	1-5 years	More than 5 years	Total
Assets				
Loan to joint venture	-	24 335		24 335
Financial investments	17 967	-	-	17 967
Trade receivables and other receivables	182 089	-	-	244 693
Bank deposits and cash	673 308	-	-	673 308
Total financial assets	**873 364**	**24 335**	**-**	**960 303**
Liabilities				
Interest-bearing long-term liabilities	195 232	1 405 456	-	1 600 688
Financial hedging instruments	16 294	21 181	-1 291	36 184
Trade payables and other short-term liabilities	134 238	-	-	134 238
Total financial liabilities	**345 764**	**1 426 637**	**(1 291)**	**1 771 110**

Per 31.12.2014 the Group has a new construction program comprising one vessel:

- Through the wholly owned subsidiary Polar Ship Invest IV AS the company has a vessel for delivery in 2015.

Agreed payment plan in NOK million:

Vessel (TBA)	Delivery	Committed investment	Paid	Payments 2015
HN 369	2015	700.0	172.8	527.2
Total		**700.0**	**172.8**	**527.2**

For new construction 369 a long-term financing has been secured through a USD USD 82.5 million borrowing facility.

6. FAIR VALUE ASSESSMENT

The table below shows financial instruments at fair value according to valuation method. The different levels are defined as follows:

- Quoted price in an active market for an identical asset or liability (level 1)
- Valuation based on other observable factors than quoted price (used at level 1) either directly (price) or indirectly (derived from prices) for the asset or the liability (level 2)

The following table presents the Group's assets and liabilities measured at fair value at 31 December 2014.

Assets	Level 1	Level 2	Total
Financial assets at fair value over profit or loss			
Securities	15 374		15 374
Hedging derivatives			
Interest derivatives			
Currency derivatives			
Total assets	**15 374**	**-**	**15 374**

Liabilities	Level 1	Level 2	Total
Financial liabilities at fair value over profit or loss			
Interest rate instruments		3 129	3 129
Currency instruments		130 703	130 703
Total liabilities	**-**	**133 832**	**133 832**

The following table presents the Group's assets and liabilities measured at fair value at 31 December 2013.

Assets	Level 1	Level 2	Total
Financial assets at fair value over profit or loss			
Securities	17 967		17 967
Hedging derivatives			
Interest derivatives			
Currency derivatives			
Total assets	**17 967**	**-**	**17 967**

Liabilities	Level 1	Level 2	Total
Financial liabilities at fair value over profit or loss			
Interest rate instruments		2 413	2 413
Currency instruments		33 771	33 771
Total liabilities	**-**	**36 184**	**36 184**

(a) Financial instruments at level 1
Fair value of financial instruments that are traded in active markets is market price at the balance sheet date. A market is active if the market rate is easily and regularly available from a stock exchange, broker, industrial classification, pricing service or regulatory authorities and these prices represent actual and regularly occurring transactions at the arm's length principle.

Market price used for financial assets is current bid price. These instruments are included at level 1. Instruments at level 1 comprise primarily quoted equity instruments classified as held for trading or available for sale.

(b) Financial instruments at level 2
Fair value of financial instruments that are not traded in an active market (for instance some OTC-derivatives) is determined by use of valuation methods. These valuation methods maximize the use of observable data when available and are to the smallest extent possible based on the Group's own estimates. If all material data required to determine fair value of an instrument, are observable data, the instrument is included at level 2. If one or several material data are not based on observable market data, the instrument is included at level 3.

Special valuation methods used to appreciate financial instruments include:

- Quoted market price or offered price for corresponding instruments.
- Fair value of interest rate swaps is calculated as the present value of estimated future cash flow based on observable yield curve.
- Fair value of forward contracts in foreign currency is determined by the present value of the difference between agreed forward exchange rate and the forward exchange rate of the currency at the balance sheet date multiplied with the volume of the contract in foreign currency.

NOTE 20 - OTHER SHORT-TERM LIABILITIES

	2014	2013
Financial hedging instruments	133 833	36 184
Prepaid charter income	36 387	15 300
Accrued interest	19 067	7 862
Provisions related to bankruptcy Reef	15 800	-
Other	13 810	4 988
Total other short-term liabilities	**218 897**	**64 335**

NOTE 21 - FOREIGN EXCHANGE RATES

EXCHANGE RATES AGAINST NOK:

At the balance sheet date:	31.12.14	31.12.13
US dollar	7.43	6.08
Euro	9.04	8.38
Pound Sterling	11.57	10.05

Monthly average exchange rates:	2014	2013
US dollar	6.30	5.88
Euro	8.35	7.81
Pound Sterling	10.37	9.19

NOTE 22 - EVENTS AFTER THE BALANCE SHEET DATE

In February 2014 GC Rieber Shipping entered into an agreement on sale of the company's shares in Reef Subsea AS to HV V Invest Golf AS and HV V Invest Golf II AS, two companies owned by the private equity-fund HitecVision V, LP. In this connection a sales credit was provided, including provided guarantees, of NOK 180 million to the two HV V Golf companies. An interest of approx. NOK 10 million has accrued on the sales credit. At the same time two of Rieber Shipping's subsea vessels. "Polar Prince" and "Polar King", have been chartered to Reef Subsea AS on contracts expiring at the turn of the year and mid February 2015 respectively.

In February 2015 it became known that the HV V Golf companies have not fulfilled the conditions connected to the sales credit, at the same time as Reef Subsea has petitioned for bankruptcy. In the wake of this the HV V Golf companies were declared bankrupt. Breach of the sales credit and the subsequent bankruptcy in the HV V Golf companies therefore involve a provision for bad debts for GC Rieber Shipping of in total NOK 182 million including interest. Further on, the bankruptcy in Reef Subsea involves a provision for loss on trade receivables and provision for onerous contracts of in total NOK 29 million.

NOTE 23 - CONTINGENCIES

APPLICATION FOR CONCILIATION

The Group's subsidiary Armada Seismic Invest II AS received in 2012 an application for conciliation from Arrow Seismic Invest II Ltd (Arrow). Arrow claims that the company acted negligently when taking delivery of building no. 533 in October 2011 and claims approx. 9 million Euros in damages.

Arrow, at the time of delivery having an unenforceable second priority mortgage in the yard's claim, maintains that the company paid to the wrong party when paying to first priority mortgagee.

Armada Seismic Invest II AS paid in good faith based on thorough documentation and in accordance with general mortgage laws and considers Arrow's claim for damages as unjustified.

EARN-OUT

In December 2012 GC Rieber Shipping sold a total of 3 217 697 shares in Octio to Statoil Venture. The remaining owner share of 8 per cent was sold in 2013.

In addition to the selling price an earn-out has been agreed for the event of Statoil Venture selling shares or parts of Octio's assets. The earn-out amount will make 8 per cent of a possible selling price before 31 December 2015 with gradual step down to 5 per cent for sale by 31 December 2022.

NOTE 24 - CHANGE OF ACCOUNTING POLICY

The Group has changed accounting policy for recognition of joint ventures from gross method to the equity method from 1.1.2014 (Note 4). The impact of change of accounting principle is illustrated below.

Impact of change in accounting principle for consolidated balance sheet:

NOK 1000	31.12.13 before change of principle	Impact of change of principle	31.12.13 after change of principle	01.01.13 before change of principle	Impact of change of principle	01.01.13 after change of principle
ASSETS						
FIXED ASSETS						
Deferred tax asset	59 140	-367	58 773	49 112	-862	48 250
Vessels	2 491 538	-154 294	2 337 244	2 520 088	-154 028	2 366 060
Newbuilding contracts	246 499	-	246 499	80 124	-	80 124
Machinery and equipment	838	-287	551	47 439	-320	47 119
Investments in associated companies	-	88 091	88 091	-	96 386	96 386
Investments in subsidiaries	175 000	-	175 000	205 661	-	205 661
Long-term loan to associated companies	-	24 335	24 335	31 550	-	31 550
Other long-term receivables	8	-	8	117 483	-	117 483
Total fixed assets	**2 973 022**	**-42 522**	**2 930 501**	**3 051 457**	**-58 824**	**2 992 633**
CURRENT ASSETS						
Stores	5 195	-411	4 784	3 164	-215	2 949
Accounts receivables	144 879	-6 454	138 425	123 088	-5 293	117 796
Other current assets	44 386	-722	43 664	121 605	-893	120 712
Quoted shares	17 967	-	17 967	29 018	-	29 018
Cash and cash equivalents	698 636	-25 328	673 308	217 174	-20 463	196 711
Total current assets	**911 064**	**-32 915**	**878 148**	**494 049**	**-26 864**	**467 185**
TOTAL ASSETS	**3 884 086**	**-75 437**	**3 808 648**	**3 545 505**	**-85 687**	**3 459 818**

NOK 1000	31.12.13 before change of principle	Impact of change of principle	31.12.13 after change of principle	01.01.13 before change of principle	Impact of change of principle	01.01.13 after change of principle
EQUITY AND LIABILITIES						
EQUITY						
Share capital (43,812,800 shares at NOK 1.80)	78 863	-	78 863	78 863	-	78 863
Portfolio of own shares (150,800 shares at NOK 1.80)	-271	-	-271	-271	-	-271
Share premium	16 604	-	16 604	16 604	-	16 604
Other equity	2 102 759	-	2 102 759	1 699 896	-	1 699 896
Total equity	**2 197 955**	**-**	**2 197 955**	**1 795 092**	**-**	**1 795 092**
LIABILITIES						
Pension liabilities	13 475		13 475	12 556		12 556
Liabilities to financial institutions	1 319 662	-40 463	1 279 199	1 262 530	-64 501	1 198 028
Other long term liabilities	-			1 618		1 618
Liabilities to financial institutions	194 517	-30 967	163 550	343 802	-17 201	326 601
Accounts payable	71 007	-1 105	69 902	29 990	-1 535	28 454
Tax payable	2 501		2 501	31 502		31 502
Public duties payable	20 609	-2 880	17 729	20 656	-2 100	18 556
Liabilities to subsidiaries	-		-	2 793		2 793
Other current liabilities	64 360	-24	64 336	44 966	-349	44 617
Total liabilities	**1 686 131**	**-75 439**	**1 610 692**	**1 750 414**	**-85 687**	**1 664 727**
TOTAL EQUITY AND LIABILITIES	**3 884 086**	**-75 439**	**3 808 647**	**3 545 505**	**-85 687**	**3 459 819**

Impact of change in accounting policy for the consolidated income statement:

NOK 1000	Annual result for 2013 before change of principle	Impact of change of principle	Annual result for 2013 after change of principle
Charter income	733 153	-47 307	685 846
Other shipping related operating income	62 578	-2 953	59 625
Ovessel operating expenses	-129 219	5 026	-124 193
Crew and catering expenses	-169 322	5 906	-163 415
Administration expenses	-87 929	5 465	-82 464
Profit from jointly controlled entities		13 860	13 860
Operating result before depreciation, write-down, gain (loss) on sale of fixed assets and disposal of subsidiary	**409 260**	**-20 002**	**389 258**
Depreciation	-145 995	13 900	-132 095
Write-down	-10 309	-	-10 309
Gains (loss) on sale of fixed assets	375 054	-	375 054
Operating result	**628 010**	**-6 102**	**621 908**
Income (loss) from investing in associated company	-155 511	-	-155 511
Financial income	13 308	-7	13 301
Financial expenses	-65 870	6 028	-59 842
Changes in market value of financial current assets	-9 843	-	-9 843
Realised currency gains (losses)	7 107	-54	7 053
Unrealised currency gains (losses)	-55 709	12	-55 697
Result before tax expense	**361 493**	**-123**	**361 370**
Tax expense	9 526	123	9 649
Result for the year	**371 019**	**-**	**371 019**
STATEMENT OF COMPREHENSIVE INCOME			
Result for the year	371 019	-	371 019
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in pension estimates	-2 977	-	-2 977
Tax effect changes in pension estimate	833	-	833
Items that may be subsequently reclassified to profit or loss			
Translation differences	77 650	-	77 650
Comprehensive income for the year	**446 525**	**-**	**446 525**

Impact of change in accounting policy for the consolidated cash flows:

NOK 1000	Cash flow for 2013 before change of policy	Impact of change of policy	Cash flow for 2013 after change of policy
CASH FLOW FROM OPERATING ACTIVITIES			
Result before tax expense	361 493	-123	361 370
Taxes paid in the period	-22 732	-	-22 732
Depreciation	145 995	-13 900	132 095
Write-down fixed assets	10 309	-	10 309
Gain from sale of fixed assets	-375 054	-	-375 054
Result from jointly controlled entities	-	-13 860	-13 860
Result from investing in associated company	155 511	-	155 511
Gains from sale of shares	-1 330	-	-1 330
Value change securities	9 842	-	9 842
Impact of currency exchange changes	15 789	-	15 789
Change in stock	-2 032	197	-1 835
Change in short-time receivables	55 429	1 001	56 430
Change in current liabilities	57 571	3 245	60 816
Change in other current assets and other liabilities	-918	-	-918
Interest paid	49 363	-2 757	46 606
Net cash flow from operating activities	**459 237**	**-26 196**	**433 040**
CASH FLOW FROM INVESTMENT ACTIVITIES			
Proceeds from sale of financial investments	121 909	-	121 909
Proceeds from sale of fixed assets	557 994	-	557 994
Purchase of fixed assets	-237 629	-	-237 629
Investment in financial fixed assets	-93 300	-	-93 300
Netto kontantstrøm fra investeringsaktiviteter	**348 973**	**-**	**348 973**
CASH FLOW FROM FINANCIAL ACTIVITIES:			
Payments from long term liabilities	238 203	-	238 203
Repayment of long term liabilities	-473 714	18 574	-455 140
Net paid interest	-49 363	2 757	-46 606
Dividend payment	-43 662	-	-43 662
Net cash flow from investment activities	**-328 536**	**21 331**	**-307 205**
Net change in cash and cash equivalents	479 674	-4 865	474 808
Cash and cash equivalents at 01.01.	217 174	-20 463	196 711
Gain/loss on cash and cash equivalents	1 789	-	1 789
Cash and cash equivalents at 31.12.	**698 636**	**-25 328**	**673 308**

/ FINANCIAL STATEMENTS
GC RIEBER SHIPPING ASA

/ PROFIT AND LOSS STATEMENT
GC RIEBER SHIPPING ASA

NOK 1000	Note	2014	2013
OPERATING EXPENSES			
Administration expenses	3, 4	-20 219	-18 150
Total operating expenses		-20 219	-18 150
Operating profit before depreciation, write-down and gain (loss) on sale of fixed assets		**-20 219**	**-18 150**
Write-down	5	-	-10 309
Gains on sale of fixed assets		108	-
Operating profit		**-20 111**	**-28 459**
FINANCIAL INCOME AND EXPENSES			
Income from subsidiaries	14	75 000	270 000
Write-down investment in subsidiary	6	-	-5 823
Write-down/reversal of write-down long term receivables subsidiary	14	-	-33 460
Sale of shares and receivables subsidiary	13	-160 000	-
Write-down investment in associated company	6	-	-222 885
Financial income		18 100	13 578
Financial expenses		-32 065	-13 691
Realized currency gains (losses)		-571	439
Unrealized currency gains (losses)		-33 595	-10 502
Net financial income and expenses		-133 131	-2 344
Profit before taxes		**-153 243**	**-30 803**
Taxes	9	-	-1 540
NET PROFIT	8	**-153 243**	**-32 343**
ALLOCATION OF NET LOSS/PROFIT			
Dividend	7	-21 831	-174 648
Transferred from Other Equity	7	175 074	206 991
Total allocation		153 243	32 343

/ STATEMENT OF FINANCIAL POSITION
GC RIEBER SHIPPING ASA

NOK 1000	Note	31.12.14	31.12.13
ASSETS			
FIXED ASSETS			
Deferred tax asset	9	41 470	41 470
Total intangible fixed assets		41 470	41 470
Investments in subsidiaries	6	303 726	302 096
Investments in associated companies	6, 13	-	175 000
Total financial fixed assets		303 726	477 096
Total fixed assets		345 196	518 566
CURRENT ASSETS			
Receivables from subsidiaries		192 765	423 226
Other current assets	14	1 962	3 406
Total debtors		194 727	426 632
Cash and bank deposits	11	193 833	81 131
Total current assets		388 560	507 762
TOTAL ASSETS		733 755	1 026 328

/ STATEMENT OF FINANCIAL POSITION
GC RIEBER SHIPPING ASA

NOK 1000	Note	31.12.14	31.12.13
EQUITY AND LIABILITIES			
EQUITY			
Share capital (43,812,800 shares at NOK 1.80)	7, 12	78 863	78 863
Portfolio of own shares (150,800 shares at NOK 1.80)	7	-271	-271
Share premium	7	16 604	16 604
Total restricted equity		95 196	95 196
Other equity	7	242 022	417 095
Total retained earnings		242 022	417 095
Total equity		337 218	512 291
LIABILITIES			
Liabilities to financial institutions	10	207 758	222 359
Total other long term liabilities		207 758	222 359
Accounts payable		329	221
Public duties payable		401	-
Dividends	7	21 831	174 648
Liabilities to subsidiaries	14	150 514	110 089
Other current liabilities	14	15 704	6 719
Total current liabilities		188 780	291 677
Total liabilities		396 538	514 037
TOTAL EQUITY AND LIABILITIES		733 755	1 026 328

Bergen, 12 March 2015
The Board of Directors of GC Rieber Shipping ASA

Paul-Chr. Rieber
Chairman

Hans Olav Lindal
Vice chairman

Kristin Færøvik

Georg Nygaard

Tove Lunde

Irene Waage Basili
CEO

/ CASH FLOW STATEMENT
GC RIEBER SHIPPING ASA

NOK 1000	Note	2014	2013
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxes		-153 243	-30 803
Write-downs investments in associate company	6	-	222 885
Write-downs investments in subsidiary	6	-	5 823
Write-downs on fixed assets	5	-	10 309
Write-downs loans to subidiary	14	-	33 460
Write-downs on receivables	13	160 000	-
Exchange differences		34 166	10 407
Loss on sale of shares in subsidiary		-108	-
Change in accounts payable		108	-409
Change in receivables from subsidiaries		269 286	-159 797
Change in other current assets and other liabilities		10 789	4 331
Net paid interests		9 819	11 781
Net cash flow from operating activities		**330 817**	**107 988**
CASH FLOW FROM INVESTMENT ACTIVITIES			
Payments from sale of financial fixed assets	13	15 000	-
Payments for purchase of fixed assets	5	108	24 869
Payments for investments in financial fixed assets		-30	-93 300
Net cash flow from investment activities		**15 078**	**-68 431**
CASH FLOW FROM FINANCING ACTIVITIES			
Payments from new long term liabilities to financial institutions	10	-	238 203
Repayment of long term liabilities to financial institutions	10	-53 582	-38 517
Repayment of current liabilities to financial institutions	10	-	-170 000
Dividend payment	7	-174 648	-43 662
Net paid interests		-9 819	-11 781
Net cash flow from financing activities		**-238 049**	**-25 757**
Net change in cash and cash equivalents		107 847	13 799
Cash and cash equivalents at 01.01.		81 131	57 610
Exchange gain/loss on cash and cash equivalents		4 856	9 722
Bank deposits, cash and quoted financial investments at 31.12.		**193 833**	**81 131**

/ NOTES
GC RIEBER SHIPPING ASA

NOTE 1 - CORPORATE INFORMATION

GC Rieber Shipping ASA is a listed public limited company registered in Norway. The corporate head office is located at Solheimsgaten 15, 5058 Bergen, Norway.

The financial statements were authorised for issue by the board of directors on 12 March 2015.

NOTE 2 - ACCOUNTING PRINCIPLES

The financial statements are prepared in accordance with the Norwegian Generally Accepted Accounting Principles (NGAAP) as set out in the Norwegian Accounting Act of 1998. The accounting principles are described below.

CLASSIFICATION OF ASSETS AND LIABILITIES IN THE BALANCE SHEET

Assets intended for permanent ownership or use and receivables due later than one year after the balance sheet date are classified as fixed assets. Other assets are classified as current assets. Liabilities due later than one year after the balance sheet date are classified as long-term debt. Other liabilities are classified as short-term debt. The first year's installments on long-term debt are classified as part of long-term debt, but are specified in accompanying notes.

FIXED ASSETS

Tangible fixed assets are valued at historical cost less any accumulated depreciation and write-downs. When assets are sold or disposed of, the historical cost and accumulated depreciation are reversed in the accounts and any loss or gain on the disposal will be recognised in the income statement.

Vessel equipment is classified as fixed assets and is recorded at the value of the incurred expenses related to the fixed asset. Vessel equipment is not depreciated until the equipment is placed in service.

The write-down of assets will be considered when there is indication of impairment in value. If the carrying amount of an asset is higher than the recoverable amount the asset will be written down over profit or loss.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCY

Receivables and liabilities in a foreign currency are translated into NOK using the exchange rate at the balance sheet date. Realised and unrealised gains and losses are classified as financial items.

FINANCIAL INSTRUMENTS

Financial instruments are recognised in accordance with the substance of the relevant contracts. At the inception, the contracts are defined as either hedging or commercial transactions. When defined as hedging, the income and costs are recognised and classified in the same way as the underlying balance sheet items.

BORROWING COSTS

Borrowing costs are capitalised in the balance sheet and charged against income linearly over the loan's term to maturity.

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

Investments in subsidiaries and associated companies are valued in accordance with the cost method. If fair value is lower than cost, and the fall in value is not considered to be temporary, the investment will be valued at fair value.

RECEIVABLES

Receivables are valued at the lower of their nominal value and fair value.

SHARES AND OTHER SECURITIES

Financial investments in shares, bonds, and other securities that are held for trading, are classified as current assets and are recorded at fair value at the balance sheet date.

Shares classified as fixed assets that are not investments in associated companies, are strategic investments where the Group does not have a significant influence. These shares are valued at cost or at fair value if the impairment in value are not considered to be temporary.

CASH AND BANK DEPOSITS
Cash and bank deposits, etc. include bank deposits, cash in hand and short-term bank deposits with an original maturity of three months or less.

CONTINGENCIES
Contingent losses are recognised as expense if they are probable and can be reliably measured. Contingent gains that are probable and contingent losses that are less probable, are not recognised but disclosed in the annual report or in the accompanying notes.

TAXES
Tax expenses are related to profit before tax and are expensed for when they incur. The tax expense consists of tax payable (tax on taxable income for the year) and change in net deferred tax. The tax expense is allocated to ordinary profit and extra-ordinary profit in accordance with the basis for the taxes. Deferred tax liability and deferred tax assets are presented net in the balance sheet.

CASH FLOW STATEMENT
The company's cash flow statement shows the company's consolidated cash flows distributed between operating activities, investment activities and financing activities. The statement shows the impact of the different activities on the company's cash and cash equivalents. The cash flow statement is presented based on the indirect method.

NOTE 3 - PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATIONS TO BOARD AND AUDITOR (NOK 1 000)

The company has no employees, but CEO is contracted from the subsidiary GC Rieber Shipping AS. The CEO has not received any remuneration from GC Rieber Shipping ASA as her salary has been provided from the subsidiary GC Rieber Shipping AS. The company has entered into an agreement with the CEO to pay one year's severance if the company terminates the contract of employment before the CEO has reached retirement age. No agreement has been entered into with the chairman of the board with regards to special payments upon the termination or change of his employment. There exist no agreements that give employees or representatives entitlement to subscribe for or purchase or sell shares in the company.

The board of directors presents the following statement to the general meeting for consultative voting:
"The purpose of this statement is to provide superior guidelines for the company's adoption of salary and other remunerations to management, cf. the Public Limited Company Act §6-16 a. Management shall be offered competitive conditions such that the company is ensured continuity in management and the possibility to recruit qualified personnel to leading positions. By competitive conditions is meant conditions on the same level as offered by comparable companies. The remuneration shall be designed such that it promotes added value in the company. Bonus arrangements shall depend on collective or individual performance measures. The remuneration shall not be of such character or size that it can damage the company's reputation. The remuneration can consist both of a fixed salary and other supplementary benefits, including, but not limited to, payment in kind, bonus, severance pay and retirement and insurance schemes, company car, car allowance, telephone and broadband service. New senior executives will be included in the company's defined contribution pension plan. The fixed salary will normally constitute the main part of the remuneration. The company does not have options programs or other schemes as mentioned in the Public Limited Company Act § 6-16 a, 1st paragraph number 3. There are no specific limits for the different categories of remunerations or the total level of remuneration to management."

Management remuneration 2014:	Salary	Bonus	Other benefits	Paid pension premium	Total remun-eration
Irene Waage Basili, CEO	2 626	203	45	189	3 063
Trond Herdlevær, COO (till 9/14)	1 257	105	17	52	1 430
Atle Sommer, COO from 10/14)	370	-	4	16	390
Einar Ytredal, CFO	1 466	118	22	111	1 717
Total management remuneration	**5 719**	**426**	**88**	**368**	**6 600**
Management remuneration 2013:					
Irene Waage Basili, CEO	2 416	298	35	155	2 903
Trond Herdlevær, COO	1 438	72	17	68	1 595
Einar Ytredal, CFO	1 441	179	18	88	1 725
Total managment remuneration	**5 294**	**548**	**70**	**311**	**6 223**

Board remuneration:	Directors' fees 2014	Total remun-eration 2014	Directors' fees 2013	Total remun-eration 2013
Paul-Chr. Rieber, chairman	250	250	250	250
Hans Olav Lindal, vice-chairman	175	175	200	200
Kristin Færøvik	135	135	170	170
Tove Lunde	135	135	170	170
Georg Nygaard, audit committee	185	185	220	220

Auditor's fees	2014	2013
Audit services	278	143
Tax consulting	62	83
Other services	-	81
Total auditor's fees	**340**	**307**

NOTE 4 - SPECIFICATION OF OPERATING EXPENSES BY CATEGORY (NOK 1 000)

	2014	2013
Board remuneration incl. Social security tax	1 004	1 152
Auditor's fees	340	307
Management fee to GC Rieber Shipping AS	6 000	6 000
Legal fee	2 258	1 550
Consultancy fee	4 118	2 041
Restructuring costs UK	1 642	4 428
Other administration expenses	4 857	2 671
Total operating expenses	**20 219**	**18 150**

NOTE 5 - FIXED ASSETS (NOK 1000)

VESSEL EQUIPMENT:

	2014	2013
Acquisition cost as at 01.01	-	78 626
- Disposals during the year	-	-78 626
= Acquisition cost as at 31.12	-	0
Accumulated depreciation and write-downs as at 01.01.	-	43 448
+ Årets reversering av tidligere nedskrivninger	-	-3 006
+ Write-downs for the year	-	13 315
- Disposals during the year	-	-53 757
Accumulated depreciation and write-downs as at 31.12	-	-
Carrying amount 31.12.	-	-

In 2013 the company sold parts of vessel equipment to subsidiary with vessel under construction. Remaining equipment that is not taken into use under the new construction programs has been written down to zero. Disposal of written-down equipment made NOK 0.1 million in 2014.

NOTE 6 - INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANY (NOK 1 000)

SUBSIDIARY:

Company	Business office	Voting and owner's share	Carrying amount 31.12.14	Result 2014	Equity 31.12.2014
Polar Ship Invest II AS	Bergen	100%	26 979	-85 480	388 591
GC Rieber Shipping AS	Bergen	100%	39 006	-12 169	51 884
Polar Explorer AS	Bergen	100%	150 492	26 370	193 106
Polar Ship Invest III AS	Bergen	100%	108	-64 813	150 098
Polar Ship Invest IV AS	Bergen	100%	35 401	-122 399	777 618
Polar Ship Invest V AS	Bergen	100%	30	-	30
Polarus AS	Bergen	100%	50 000	3 771	84 098
Polar Shipping AS	Bergen	100%	1 710	-79	4 769
GC Rieber Shipping Ltd	Storbritannia	100%	-	-1 348	-
Polar Queen Ltd.	Isle of Man	100%	-	-	-
Total			**303 726**	**-256 147**	**1 650 193**

The investment in GC Rieber Shipping Ltd has been written down in its entirety at NOK 5.8 million in 2013 as a consequence of the decision to close down the company's operations.

The company sold the shares in the associated comany Reef Subsea Group in February 2014, see note 13.

NOTE 7 - EQUITY

STATEMENT OF CHANGES IN EQUITY (NOK 1000):

	Share capital	Portfolio of owvn shares	Share premium reserve	Other equity	Total
Equity as at 01.01.	78 863	-271	16 604	417 095	512 291
Result for the year				-153 243	-153 243
Allocated to dividend				-21 831	-21 831
Equity as at 31.12.	**78 863**	**-271**	**16 604**	**242 022**	**337 218**

ORDINARY SHARES:

	Number of shares	Par value	Carrying amount
Share capital	43 812 800	1.80	78 863 040
Own shares	150 800	1.80	-271 440

OWN SHARES:

At 31.12.2013 the company owns 150,800 own shares, representing 0.34 per cent of the total number of shares.

DIVIDEND (NOK 1000):

Paid dividend:	2014	2013
NOK per share (2014; NOK 4,00 and 2013; NOK 1.00)	174 648	43 662

Proposed dividend:

The following dividend was proposed by the Board to be paid after the balance sheet date:

Ordinary dividend	21 831	174 648

NOTE 8 - EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

The company has no convertible loans or equity instruments and the diluted earnings per share are thus equal to earnings per share.

	2014	2013
Result for the year basis, NOK 1 000)	-153 243	-32 343
Time weighted average number of shares applied in the calculation of earnings per share	43 662 000	43 662 000
Antall utestående aksjer pr. 31.12.	43 662 000	43 662 000
Result per share (NOK)	-3.51	-0.74
Diluted earnings per share (NOK)	-3.51	-0.74

NOTE 9 - TAXES (NOK 1000)

INCOME TAX EXPENSE:	2014	2013
Result before taxes	-153 243	-30 803
Permanent differences:		
Other non-deductable costs	358	-
Write-down receivable and investment in subsidiary	-	39 283
Write-down of investment in associate	-	222 885
Group contribution from subsidiary	-75 000	-270 000
Temporary differences:		
Change profit and loss account	13	16
Change other temporary differences	177 451	-25 243
Basis for taxes for the year	**-50 421**	**-63 861**
Payable income tax (27%)	**-**	**-**

Taxes income statement:

Change in deferred tax opening balance estimate change from 28% to 27%	-	1 540
Tax expense/-income	**-**	**1 540**

Reconciliation of tax expense for the year:

Result before taxes	-153 243	-30 803
Calculated tax, nominal rate (27% / 28% in 2013)	-41 376	-8 625
Effect of not recognised estimate change deferred tax from 28% to 27%	-	386
Deferred tax asset not recognised in balance sheet	61 529	10 431
Permanent differences	-20 153	-2 193
Tax expense/-income	**-**	**-**

DEFERRED TAX/DEFERRED TAX ASSETS		
Profit and loss accont	53	66
Temporary differences receivables	-181 582	-
Other temporary differences	-	-4 131
Carry forward loss for tax purposes	-247 233	-196 812
Basis for calculation of deferred tax	-428 763	-200 878
Tax rate	27%	27%
Calculated deferred tax/deferred tax asset	-115 766	-54 237
Deferred tax asset not recognised in the balance sheet	74 296	12 767
Deferred tax/deferred tax asset in the balance sheet	**-41 470**	**-41 470**
The company received group contribution from subsidiary without tax effect.	75 000	270 000

NOTE 10 - LONG-TERM DEBT TO CREDIT INSTITUTIONS (NOK 1 000)

In 2013 the company entered into an agreement on extending the credit facility of NOK 250 million till 30.11.2015 with a credit institution. The company has not made use of the credit facility per 31.12.2014.

The company has the following mortgage debt (foreign exchange loan)

	USD	NOK
Mortgage debt	27 950	207 758

The company's mortgage debt is recognised at the exchange rate on the balance sheet date, 7.4332. All mortgage debt falls due within 5 years from the end of the accounting year. First year's installments amounts to a total of NOK 63.9 million of the capitalised mortgage debt.

The company has provided security for the loan and the credit facility in the subsidiary Polar Ship Invest IV AS.

NOTE 11 - BANK DEPOSITS/SHORT-TERM LIABILITIES TO FINANCIAL INSTITUTIONS (NOK 1 000)

The company is a part of the GC Rieber Shipping group's multi-currency cash pool system without credit. This implies that the net total of deposits and amounts drawn on the bank deposits related to all the companies in the group account system is positive.

The company's drawn amounts/ deposits in credit institutions including the group account system as at 31.12.consist of:

	2014	2013
Cash at banks and on hand	193 833	81 131
Tax withholdings	-	-
Total bank deposits and cash	**193 833**	**81 131**

Bank deposits earn interest income based on the banks' prevailing terms at all times. Short-term bank deposits are placed for varying periods from one day to six months depending on the company's need for liquidity. These deposits earn interest income based on the banks' terms related to short-term deposits.

The company does not have cash credit.

NOTE 12 - SHAREHOLDERS' INFORMATION AND TRANSACTIONS WITH RELATED PARTIES

The 20 largest shareholders in GC Rieber Shipping ASA as at 31 December 2014 (outstanding shares):

Name	Number of shares	Owner share
GC Rieber AS	30 861 735	70.4%
AS Javipa	3 056 222	7.0%
GC Rieber AS Understøttelsesfond	1 539 102	3.5%
Leif Hilmar Sørensen	909 000	2.1%
Pareto Aksje Norge	671 640	1.5%
Johanne Marie Martens	400 000	0.9%
Storkleiven AS	371 687	0.8%
Delta A/S	360 000	0.8%
Benedicte Martens Nes	356 250	0.8%
Pelicahn AS	348 396	0.8%
Tannlege Randi Arnesen AS	300 000	0.7%
Pareto Aktiv	281 120	0.6%
Randi Jebsen Arnesen	250 000	0.6%
Dag Fredrik Jebsen Arnesen	208 000	0.5%
Torhild Marie Rong	161 500	0.4%
GC Rieber Shipping ASA	150 800	0.3%
Bergen Råvarebørs II AS	148 668	0.3%
Tigo AS	141 359	0.3%
Triofa 2 AS	141 359	0.3%
Pareto Verdi	133 970	0.3%
Other shareholders	3 021 992	6.9%
Outstanding shares	**43 812 800**	**100.0%**
Outstanding shares (reduced by own shares)	43 662 000	

The Board member Georg Nygaard owns 5 000 shares as at 31.12.2014. No other members of the board nor the CEO own shares in the company. The Chairman of the board, Paul-Chr. Rieber controls indirectly 802 405 shares equal to 1.8 per cent, of the share capital in the company.

As at 31.12.2014, GC Rieber AS owns 30 861 735 shares in GC Rieber Shipping ASA. This constitutes 70.7 per cent of the outstanding shares in the company. Own shares in GC Rieber Shipping ASA constitutes 150 800 shares, representing 0.34 per cent of the share capital.

Transactions with subsidiaries:
The Company has entered into an agreement with GC Rieber Shipping AS to purchase administrative services. Yearly management fee is NOK 6 million. Reference is made to note 14 for other transactions with subsidiaries.

NOTE 13 - FINANCIAL FIXED ASSETS (NOK 1 000)

In February 2014 GC Rieber Shipping entered into an agreement on sale of its shares in Reef Subsea to the private equity-fund HitecVision. The background for the sale is GC Rieber Shipping's strategic choice to focus on its core activity and competence within ownership, development and operation of special purpose vessels within the offshore market.

The agreed selling price was NOK 175 million., and the consideration should be settled through a combination of cash and sales credit. The seller guarantee, where the company rendered a loan to HV V Invest Golf AS and HV V Invest Golf II AS, was NOK 160 million in total. NOK 30 mill. had due date 30 November 2015, NOK 50 million had due date 31 December 2016 and NOK 80 million had due date 31 December 2018. The amounts were charged with interest. In addition the company had provided a guarantee of NOK 20 milion to Nordea Bank Norge AS. When the HV V Golf companies in February 2015 did not fulfil the conditions connected to the seller credit, GC Rieber Shipping sent a default notice to the companies. Subsequently, Reef Subsea and the HV V Golf companies have delivered a bankruptcy petition. The seller credit and the guarantee including interest, in total NOK 181.6 million, have therefore been recognised as loss in its entirety in the financial statements for 2014. shares.

NOTE 14 - RECEIVABLES/LIABILITIES (NOK 1 000)

	2014	2013
Intercompany transactions		
Long-term group receivable	-	33 460
Write-down long-term group receivable	-	-33 460
Loan group account scheme	117 764	152 977
Short-term group receivables	75 000	270 248
Total group receivables	192 765	423 226
Deposit group account scheme	144 812	107 535
Short-term liabilities group	5 702	2 554
Total group liabilities	150 514	110 089

None of the short-term receivables or liabilities to the group have maturity later than one year.

Of the main short-term group receivables for 2014 are group contribution without tax effect from Polar Ship Invest II AS and Polar Ship Invest IV AS, NOK 50 million (in 2013 NOK 250 million) and NOK 25 million (in 2013 NOK 20 million) respectively, both group contributions given in 2014.

Loan to GC Rieber Shipping Ltd of NOK 33.5 million was written down in full in 2013.

Short-term liabilities to the Group of NOK 5.7 million (in 2013 NOK 2.6 million) are ordinary trade payables to group company and group contribution without tax effect of NOK 1.6 million to GC Rieber Crewing AS.

NOTE 15 - MORTGAGE AND GUARANTEES

The company has provided guarantees for companies in the group amounting to a total of NOK 2,141 million. These are mortgaged liabilities in the underlying companies. Further on, guarantees of NOK 20 million were provided to Nordea Bank Norge AS related to the sale of shares in Reef Subsea. Subsequent to the bankruptcy of the HV companies in February the guarantees have been drawn on and provision has been made (cf. note 13).

NOTE 16 - CONTINGENCIES

Earn-out
In December 2012 GC Rieber Shipping ASA sold in total 3 217 697 shares in Octio to Statoil Venture. Remaining owner share of 8 per cent was sold in 2013.

In addition to the sales price an earn-out has been agreed if Statoil Venture sells shares or parts of Octio's assets. The earn-out amount will make 8 per cent of a possible sales price before 31 December 2015 with gradual reduction to 5 per cent by a sale within 31 December 2022.

/ AUDITOR'S REPORT

To the Annual Shareholders' Meeting of GC Rieber Shipping ASA

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of GC Rieber Shipping ASA, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2014, and the income statement, statement of changes in equity and cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet at 31 December 2014, income statement, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors and the 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position for GC Rieber Shipping ASA as at 31 December 2014, and its financial performance and its 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 are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the group GC Rieber Shipping ASA as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and 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 Board of Directors report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposal for coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

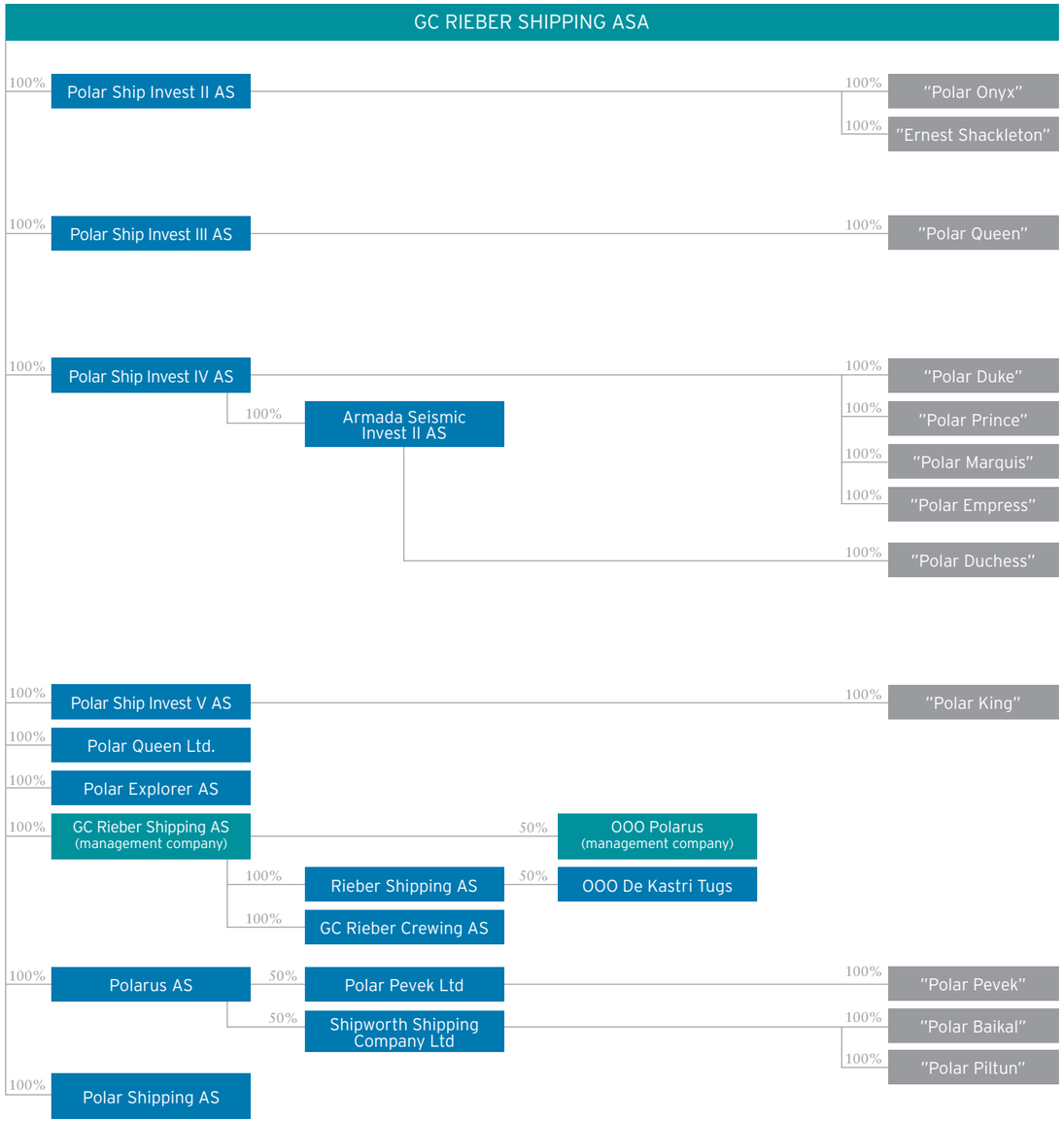
Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Bergen, 12 March 2015
PricewaterhouseCoopers AS

Jon Haguervåg
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

/ CORPORATE STRUCTURE 2015



/ HISTORIC TIMELINE

1930s: Shipping activities started

1950s: Ice and polar research deployment

1960s: Seismic deployment

1970s: Arctic seismic exploration

1980s: Deployment of offshore subsea support and in-house vessel design

1995: Ship management services initiated

1998: Demerger from GC Rieber, IPO and listing on Oslo Stock Exchange

2005: Demerger and listing of seismic activities through Exploration Resources ASA

2008: Value chain expansion within subsea
Establishment of Ship Management activities in Singapore

2009: Fleet renewal initiated
Re-establishment in seismic

2010: Reef Subsea established
Armada Seismic established

2011: Completion of Fleet Renewal Program
Ship Management office in Singapore closed down

2012: Acquisition of remaining share in Armada Seismic
Contracting of new 3D high capacity subsea vessel

2013: Contracting of new 3D high capacity seismic vessel
Ship Management office in UK closed down

2014: Disposal of shares in Reef Subsea

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GC RIEBER SHIPPING ASA
SOLHEIMSGATEN 15 / P.O. BOX 1114 SENTRUM / N-5809 BERGEN / NORWAY
TEL +47 55 60 68 00 / FAX +47 55 60 68 05 / WWW.GCRIEBER-SHIPPING.NO