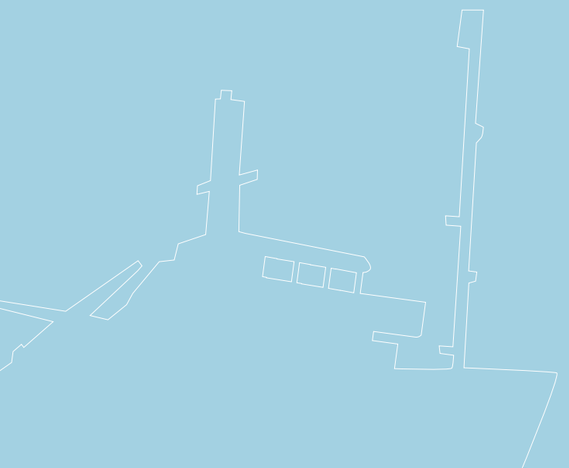
GC RIEBER SHIPPING ASA

ANNUAL REPORT 2013

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 specialized offshore vessels.
- GC Rieber Shipping currently operates 14 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 2013

/ HIGHLIGHTS 2013

SOUND OPERATION

- Full contract coverage and capacity utilisation of 96 percent
- Consolidation of operations in Bergen

FLEET RENEWAL CONTINUE

- Contracting of one high-end 3D seismic vessel at Kleven Verft to a value of approx. NOK 700 million
- Sale of the 2D seismic vessel "Polar Explorer" at book value in February
- Sale of the ice-breaker "HMS Protector" to "UK Ministry of Defence" in September. Booked value of NOK 376 million, cash effect of NOK 485 million

NEW CHARTER PARTIES SECURED

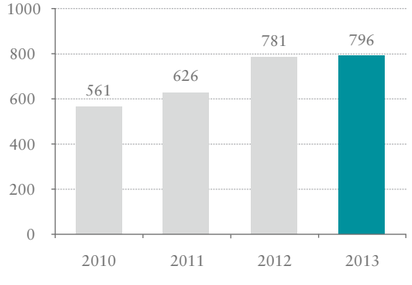
- Five years charter agreement with Dolphin Geophysical for the seismic vessel under construction, from its delivery during first quarter 2015
- Three and a half year time charter with Dolphin Geophysical for the 3D seismic vessel "Polar Marquis", starting in May 2014
- Two years extension of the charter party with Dolphin Geophysical for the seismic vessel "Polar Duchess"
- Five years charter agreement with Ceona Services Ltd (UK) for "Polar Onyx" upon its delivery in March 2014
- Nine months extension of the charter party with Reef Subsea for the subsea vessel "Polar King", until February 2015
- One year extension of the charter agreement with Boa Marine Services for the subsea vessel "Polar Queen", until April 2015
- One year extension of the charter agreement with Natural Environmental Research Council for "Ernest Shackleton"

POSITIONED FOR GROWTH

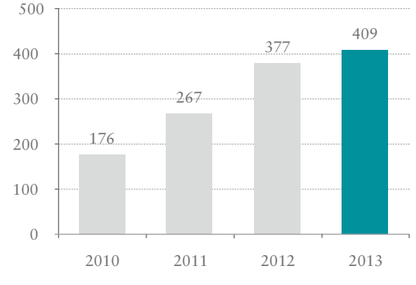
- Equity ratio of 57 percent and liquidity reserve of NOK 717 million
- Contract backlog of NOK 3.3 billion, with average contract duration of 2.7 years
- Secured long-term loan agreement of USD 43 million with Handelsbanken
- Time charter agreement with Ceona Services (UK) Limited for the high capacity subsea newbuild for a fixed period of 5 years, with options for up to five years

/ ANALYTICAL INFORMATION

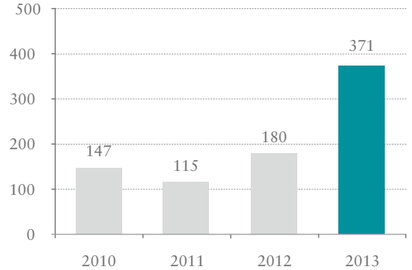
OPERATING INCOME /
NOK million



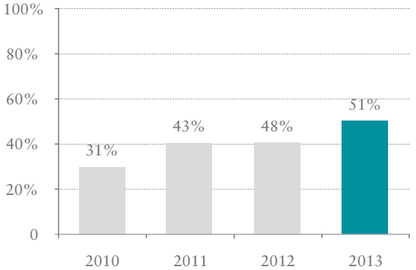
EBITDA /
NOK million



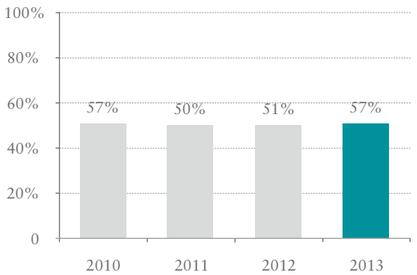
NET PROFIT /
NOK million



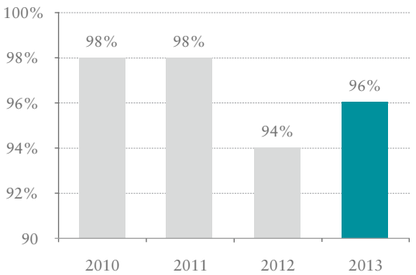
EBITDA MARGIN /
Percent (%)



EQUITY RATIO /
Percent (%)



FLEET UTILIZATION /
Percent (%)



/ KEY FINANCIAL FIGURES

The GC Rieber Shipping Group	2013	2012	2011	2010
Income Statement figures (in NOK 1000)				
CONTINUING OPERATIONS				
Operating income	795 760	781 160	625 787	561 226
Operating expenses	(386 470)	(404 423)	(358 772)	(385 301)
EBITDA	409 260	376 736	267 015	175 925
Depreciation	(145 995)	(163 203)	(147 517)	(130 417)
Write-downs	(10 309)	(18 543)	(2 571)	(92 742)
Gain (loss) on sale of subidiary	-	19 137	-	-
Gains (losses) on sale of fixed assets	375 054	-	969	293 548
EBIT	628 010	214 127	117 897	246 313
Net financial items	(266 517)	(4 567)	(8 511)	(38 153)
- whereof unrealized currency gains/losses	(55 709)	43 253	(15 014)	29 376
- whereof loss from associated companies	(155 511)	(4 139)	(17 944)	(34 938)
Profit before taxes	361 493	209 560	109 386	208 160
Net profit	371 019	179 947	114 761	146 972
PROFIT FOR THE YEAR				
Profit for the year	371 019	179 947	114 761	146 972
Minority share	-	19 227	(3 611)	1 735
Profit after minority share	371 019	199 174	111 150	148 707
Normalized profit (1)	81 800	165 650	138 882	3 728
Balance Sheet figures (in NOK 1000)				
Fixed assets	2 973 022	3 051 457	3 227 513	2 438 990
Current assets	911 064	494 049	633 405	724 225
Equity	2 197 955	1 795 092	1 913 770	1 794 292
Long-term liabilities	1 333 137	1 276 704	1 597 557	860 576
Current liabilities	352 995	473 710	349 591	508 347
Total equity and liabilities	3 884 086	3 545 505	3 860 918	3 163 214
Financial key figures				
Equity ratio (2)	57 %	51 %	50 %	57 %
Equity per share (3)	50	41	39	37
Interest bearing debt	1 514 662	1 607 950	1 727 234	1 136 518
Bank deposits and liquid assets	716 603	246 192	458 951	532 395
Number of years to repay interest bearing debt (4)	3.5	4.1	4.4	4.5
Profitability				
EBITDA margin	51.4%	48.2%	42.7%	31.3%
Return on equity (5)	18.6%	10.7%	6.0%	8.9%
Return on total assets (6)	10.0%	7.5%	4.7%	6.4%
Earnings per share (7)	8.50	4.56	2.55	3.41
Weighted average number of shares	43 662 000	43 662 000	43 662 000	43 659 432

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

/ STEADY AS SHE GOES

Strong performance in our core business in combination with a profitable vessel sale leads to a record high result and a substantial dividend to our shareholders. Our long-term focus paired with an opportunistic approach paid off in 2013.

The year 2013 was a solid and robust year for GC Rieber Shipping. We experienced strong performance in our core activities as well as some challenges, notably in Reef Subsea. The latter lead to sale of our holdings in Reef Subsea in February. Hence, GC Rieber Shipping stands out as an even more focused company than before.

A smaller, but still an important business decision was to discontinue the international maritime management office in Sevenoaks, UK. Consolidation of our operating activities to Bergen, Norway provides a number of advantages. This decision paves the way for important cost synergies and more efficient operations, which is important throughout the cycle. GC Rieber Shipping's head office is based in Bergen and through this decision, we will be able to gather and further build our specialized competence here in Bergen.

The revenue for 2013 was, NOK 796 million, which is fairly stable from the year before. EBITDA was NOK 409 million, compared with about NOK 377 million in 2012, yielding an EBITDA margin of 51 percent for 2013, compared to 48 percent in 2012.

HIGH QUALITY ASSETS

Oil companies trim back on their spending plans on upstream projects as they target a more measured approach to investment going forward. Based on our prudent financial measure of an equity ratio of 50 percent and our opportunistic market approach, GC Rieber Shipping is still ready to keep up the investment and acquisition activity as we continue to have a positive long-term outlook for high-end assets.

On that note, our new advanced subsea newbuild can serve as a good example. GC Rieber Shipping recently took delivery of the "Polar Onyx" from Ulstein Verft. The vessel is a high-end construction support vessel chartered on a five-year contract to Ceona Services (UK) Limited, who will use it for advanced deep-water operations for Petrobras in Brazil. Ceona is a new subsea client based in London and specializing in demanding operations within the SURF segment.

We will seek to develop our relationship with Ceona to support their success in their markets just as we have been developing our long-term relationships with clients like BOA and Dolphin Geophysical.

BEING PREPARED

Investments of GC Rieber Shipping are only as good as our ability to take delivery of assets and operate them to the outmost of their capacity. We have employed a consistent methodology to our operations and are continuously trying to develop a culture of safe and efficient operations throughout our organization. Our policies and routines are practiced with emphasis on continuous improvements. Some minor incidents have also shown that the system is working when needed. GC Rieber Shipping's operational excellence is reflected in high uptime, and our customer satisfaction with our people and our assets.

In January, flash floods and landslides in the Philippines left many people dead and hundreds of thousands of people homeless. For a company which has many first class maritime professionals from the Philippines, this incident has of course affected all of us.

I would like to take this opportunity to express our deepest sympathy with our Filipino colleagues that directly and indirectly has been hit by this disaster.

ARCTIC ACTIVITY

Many countries are becoming increasingly aware of the challenges and potential of the Arctic region, and GC Rieber Shipping has been positioning for increased activity in the high north for a number of years. However, the technical challenges of drilling combined with a general lack of infrastructure leaves us to believe that it will be years before explorers reap the rewards from operations in the Arctic.

The considerable cost associated with oil activity in the Arctic seas is likely to be challenged by the current cost focus for the E&P companies.

One major E&P Company has put it like this: "The Arctic is not a sprint – it is a marathon". I could not agree more.

GC Rieber Shipping is following the development in the High North closely. High costs and substantial environmental concerns require big prospects and when large discoveries are made in this region the push for development in a sound and responsible way will take place. When that happens our advanced vessels will be ready to support.

POSITIVE OUTLOOK

At the beginning of last year, the prospects for important segments like marine seismic and subsea were quite good. One year after we observe a more uncertain picture. Oil companies trim back on their spending plans, particularly on large and costly offshore upstream projects. As upstream activity is at the heart of any E&P company, this situation can of course not sustain over time and we believe their focus will be on continuing to invest but to find more cost efficient ways of doing so. Therefore, the markets which GC Rieber Shipping operates in continue to have a positive long-term outlook driven by the demand for high-specification assets that will move our business forward in a more cost efficient way.

GC Rieber Shipping expects activities in the seismic segment to continue, and for the subsea segment, we predict an even stronger upside potential. No significant market changes are expected within the ice/support segment, and development will therefore remain at a stable level.

Irene Waage Basili
CEO

Photo by Cristopher Petersen

/ THE GC RIEBER SHIPPING GROUP

/ THIS IS GC RIEBER SHIPPING

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

In 2013, GC Rieber Shipping continued its fleet renewal with the sale of two old vessels and contracting another newbuild. 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 vessel is under construction for delivery during the first quarter of 2015. GC Rieber Shipping also operates three advanced vessels for other customers.

With headquarter in Bergen, Norway, and a ship management office in Yuzhno-Sakhalinsk in Russia, GC Rieber Shipping has a simple and flexible organisation made up of about 164 employees, and in addition about 280 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 and units in the company. 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 a 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 operational performance
- 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 in all three segments

/ OUR BUSINESS AND MARKETS

/ OUR BUSINESS AND MARKETS

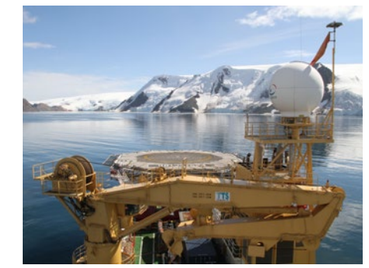
GC Rieber Shipping's core activities involves development, design, construction and maritime operation of specialised vessels within the offshore shipping business. The business and financial reporting is organised into three segments:

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 and operate four vessels
- Includes partial ownership
/ Ship management of one vessel

SUBSEA

GC Rieber Shipping has been involved in offshore exploration and development with dynamically positioned subsea vessels since the early 1980s. The company's vessels provide subsea services to the oil and gas sectors worldwide. The services include Inspection, Maintenance and Repair (IMR) of subsea installations, within harsh and deep waters up to 3,000 meters water depth. The services are provided throughout the lifecycle of the oil field, from development and production to decommissioning.

The market for subsea services has grown the last years, due to heavy investments in the oil and gas sector. However, the investment levels are leveling out, at the same time as the subsea industry has started to consolidate on the supply side. GC Rieber Shipping has experienced a relatively good subsea market in 2013, especially within the high-end market, with full contract coverage for all four of its subsea vessels. The order backlog is somewhat limited going forward, but the demand for advanced vessels is considered good.

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 including the Arctic and Antarctic areas.

The marine seismic market has been somewhat turbulent during 2013, affected by the cutbacks in the oil companies' investment budgets. As with previous cycles, the seismic segment is affected first, being at the front of the value chain. A shortage of projects in shallow waters forces the companies to explore opportunities in deeper waters with rougher weather conditions to create value. Hence, the outlook for seismic activities improved at the end of 2013, and GC Rieber Shipping expects the current activity level to continue, at least within the harsh areas.

ICE/ SUPPORT

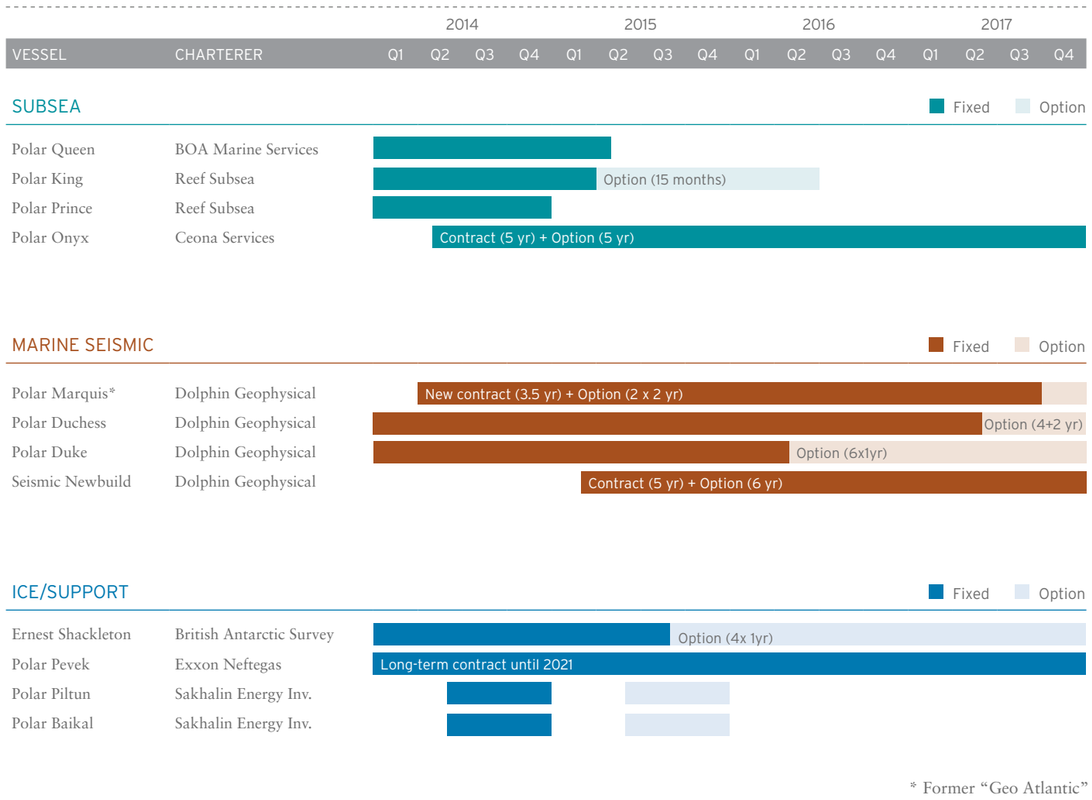
GC Rieber Shipping has a long history in the expedition market, and is one of very few that has specialised in the Arctic and Antarctic shipping business. The company offers independent and competitive services for scientific expeditions and logistics.

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 2013. Even though there are no significant market changes expected in the short term, GC Rieber Shipping is certain that the market will pick up.

CONTRACT BACKLOG



* Former "Geo Atlantic"

CURRENT FLEET

SUBSEA

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

POLAR ONYX
/ Charterer

Ceona Services

POLAR KING
/ Charterer

Reef Subsea

POLAR QUEEN
/ Charterer

BOA Marine Services

POLAR PRINCE
/ Charterer

Reef Subsea

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 DUTCHESS
/ Charterer

Dolphin Geophysical

POLAR MARQUIS
/ Charterer

Dolphin Geophysical

HN 369
/ 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 OG POLAR PILTUN
/ Charterer

Sakhalin Energy Inv.

/ 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 a 25 meter beam.

The vessel was built at Ulstein Verft and was delivered 4 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, who will use it for pipe laying and advanced deep-water operations for Petrobras in Brazil.

/ 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), inspection, maintenance and repair (IMR) operations.

"Polar King" was built at Freire Shipyard in Spain, and was delivered in March 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 a Clean-Design and a Green Passport.

"Polar King" is currently on charter to Reef Subsea until February 2015, with option of extending the contract for additional 15 months.


Photo by Cristopher Petersen

/ 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), inspection, maintenance and repair (IMR) operations.

"Polar Queen" was built at Freire Shipyard in Spain, and was delivered in October 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" (Skipsteknisk ST-254L CD), 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 2015.

/ 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 duties (IMR) 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" is currently on charter to subsea contractor Reef Subsea, expiring in December 2014.

MARINE SEISMIC

/ POLAR MARQUIS

The "Polar Marquis" is a high capacity 3D/4D seismic vessel, capable of deploying 14 streamers and dual sources. The vessel was built in 2000, converted in 2006 and completed a 4 month upgrade May in 2014.

"Polar Marquis" is on a three-and-a-half years charter with Dolphin Geophysical, 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 and upgraded by GMC in 2011. 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, and upgraded by Bergen Group in 2012. 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.

/ 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 Prisco.

Sakhalin Energy Investment Company charters "Polar Piltun" until 2014, and has an option for extending the contract to 2015.

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 2015, with additional four 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/ drydock, it is chartered into commercial survey and subsea work for the northern summer.

/ 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 2014, and has an option for extending the contract to 2015.

/ 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 Primorsk Shipping Corporation (Prisco).

"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.

NEWBUILDING

/ HN 369 - AN ADVANCED SEISMIC VESSEL

HN 369 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.

HN 369 is under construction at Kleven Verft, and is expected to be delivered in the first quarter of 2015. Upon delivery, it will enter a five years 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)

/ QUALITY, HEALTH, SAFETY AND ENVIRONMENT (QHSE)

QHSE is a top priority for GC Rieber Shipping's operations, and the overall objective is to prevent damages to people and the environment, without any loss of material goods. Safety is the crucial element of our operations, and is reflected by the slogan "Safe Competent Support", which is well incorporated in the company culture.

GC Rieber Shipping works continuously to improve QHSE across the organisation. The vessels are of high standard, and shall be maintained and operated in accordance with national and international legislation and regulations. The company shall deliver operational excellence, and continuously improve performance by attracting and developing talented employees. With highly qualified employees, the highest standard of proficiency shall be demonstrated at all levels.

All vessels are certified in accordance with the Safety of Life at Sea (SOLAS), International Safety Management Code (ISM) and the International Maritime Organisation (IMO).

QUALITY

GC Rieber Shipping has an objective to operate with the highest quality, in compliance with current rules and regulations. A quality assurance system has been developed to ensure that correct specifications, standards, rules and regulations are met. Further, the company has developed key measures for QHSE in form of key performance indicators (KPI's), and are about to implement the quality system ISO 9001.

All employees carries responsibility for studying the outlined documents and carry out their work accordingly. QHSE audits have been implemented to ensure that all employees comply with the relevant policies and procedures, and measure if the outlined KPI's are met. In addition, GC Rieber Shipping has developed a training standard beyond legal requirements, to ensure that the offshore crews sustain a high level of QHSE expertise at all time.

HEALTH AND SAFETY

GC Rieber Shipping has a target of zero personal injuries, accidents and incidents affecting the employees and property. Safety is on top of the company's agenda, and GC Rieber Shipping is committed to protect its crew and vessels at sea. Great emphasis is placed on offering all employees a safe and secure working environment with minimum operational risk, including defence measures in case of pirate attacks. 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 sound workplace.

All employees have a personal responsibility to contribute to safe operations and practices, and are obliged to complete safety training courses as well as wear personal protective equipment while staying onboard. As GC Rieber Shipping operates in areas threatened by pirates, measures have been developed and crew are well trained to protect and secure the seafarers and vessels if necessary.

ENVIRONMENT

Protecting the environment is one of the main challenges for the shipping industry. GC Rieber Shipping has an objective to have zero oil spills and to minimise pollution and general negative impact, not least in the vulnerable Arctic and Antarctic area.

The company operates in accordance with international shipping standards, and has a proactive approach to comply with existing and future environmental requirements. All vessels are thus of highest possible standard, built after strict environmental requirements with all necessary certificates and flag state requirements in place. The company has invested in advanced technology, and developed practices and procedures focusing on sustainable development.

/ 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 23 October 2012. 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.com. The company follows the Code of Practice and any deviations are explained in the report.

BASIC CORPORATE VALUES, ETHICAL GUIDELINES AND SOCIAL RESPONSIBILITY

EEthical 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.no 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 2013, the company's book equity was MNOK 2,198, which is equivalent to 56.6 percent of the total assets. The board of directors considers this to be satisfactory, as the company has a policy to have around 50 percent equity at any time. 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.

A dividend of NOK 1.0 per share was paid for 2012. 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
Authorizations granted to the board of directors to increase the company's share capital shall normally be restricted to specific purposes. As at 31 December 2013, there were no such authorizations.

PURCHASE OF OWN SHARES
The general meeting may grant the board of directors a mandate to purchase up to 10 percent of own shares. As at 31 December 2013, there was no such mandate to the board of directors regarding purchase of own shares.

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 percent of the shares as at 31 December 2013. The chairman of the board, Paul-Chr. Rieber, indirectly controls 1.8 percent of the shares in the company. In addition, GC Rieber Shipping owned 50 percent of the shares in Reef Subsea AS per 31.12.2013.

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 20 in the company's 2013 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 2013 will be held on 10 April 2014.

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 2013, the general meeting was held on 12 April and 89.6 percent of the total share capital was represented. A total of 30 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 5 members, of which 2 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 percent 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 2013, 15 meetings were held, compared with 10 meetings in 2012. In 2013, attendance at the board meetings was 95 percent, compared with 96 percent in 2012.

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 an annual evaluation of its work, way of working and expertise. 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 2013, the company's board received a total remuneration of NOK 1 010 000. The remuneration to each board member in 2013 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: Tove Lunde, Hans Olav Lindal, Georg Nygaard, Kristin Færøvik, Paul-Chr. Rieber

THE BOARD OF DIRECTORS

GC RIEBER SHIPPING - BOARD OF DIRECTORS

PAUL-CHR. RIEBER
CHAIRMAN/ CEO GC RIEBER AS

Paul-Chr. 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 currently Chairman of the Board for several companies in the GC Rieber Group.

HANS OLAV LINDAL
VICE CHAIRMAN

Hans Olav Lindal is a lawyer, partner and board member of the law firm Thommessen, and has been associated with the company's Bergen office since 1987. He is working as Chairman of the Board of Viken Shipping, Chairman of the Board of the Norwegian Hull Club and holds a number of other directorships, including the Norwegian Shipowners' Association / Bergen Shipowners' Association and International Chamber of Shipping.

KRISTIN FÆRØVIK
MEMBER OF THE BOARD

Kristin Færøvik has an engineering degree in petroleum technology from the Norwegian University of Science and Technology (NTNU) and has more than 25 years of experience from the Norwegian and international oil and gas industry. She is currently CEO of Rosenberg Worley Parsons, which was divested from Bergen Group in 2013. She has previous experience as Managing Director of Marathon Petroleum's operations in Norway, after having spent 18 years with the oil company BP.

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 an underwriter for Offshore Energy & Special Risks at the Norwegian Hull Club. He has ten years of experience in maritime risk analysis, including four years with North Edge Risk Service. He is the founder and former chairman of the Young Ship organisation.

TOVE LUNDE
MEMBER OF THE BOARD

Tove Lunde has an 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 Director Global Accounts at Sharecat Solutions AS. 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 2011. Irene Waage Basili has more than 20 years of experience from industrial shipping companies within the segments of dry-bulk, tanker-business, RoRo, and oil service related shipping, both in the US and Norway. She has held senior positions in companies such as Petroleum Geo Services (PGS), Arrow Seismic and Wilh. Wilhelmsen. Ms. Basili holds a Bachelor of Business Administration from Boston University and Leadership Programs at IMD, Lausanne and AFF/ Solstrand. She is a board member at Kongsberg Gruppen ASA, Bergens Rederiforening (Bergen Shipowners' Association), Pacific Basin Shipping Limited and various subsidiaries in the GC Rieber Shipping Group.

EINAR YTREDAL
CHIEF FINANCIAL OFFICER

Mr. Ytredal joined GC Rieber Shipping in 2007, and was appointed acting CFO in September 2011. Mr. Ytredal also serves as board member 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.

TROND HERDLEVÆR
CHIEF OPERATING OFFICER

Mr. Herdlevær joined GC Rieber Shipping in September 2012. Prior to this, he worked for Mowinckels Rederi as the Director of Chartering & Operations. Mr. Herdlevær has a broad shipping background from various managerial positions within operational, technical and commercial roles with different shipping companies. Mr. Herdlevær is a qualified Master Mariner from Bergen Maritime College, has a degree in Business Administration from the Norwegian School of Economics (NHH) and technical training from the Norwegian Navy.

LIV HEDDA K. LEKNESSUND
HEAD OF HR

Ms. Leknessund has been with GC Rieber Shipping since 2008 and has been part of the company's management team since 2011. Prior to this, she worked for Odfjell Drilling, where she held various managerial positions. Ms. Leknessund holds an MBA as well as a Master of Management from the Norwegian Business School (BI).

From left: Trond Herdlevær, Irene Waage Basili, Liv Hedda K. Leknessund og Einar Ytredal

/ MANAGEMENT

/ REPORT OF THE BOARD OF DIRECTORS FOR 2013

GC Rieber Shipping continued its positive development into 2013 and reports a solid operating profit for the year. A determined focus on efficient operations combined with a superior fleet has contributed to a high capacity utilisation throughout the year. The company has also continued its fleet renewal programme and reinforced its position as an attractive supplier of advanced vessels for operations in harsh environments. With increased focus on its core activities, GC Rieber Shipping is favourably positioned for further growth in all segments.

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 and operates 3 advanced, multi-functional special purpose vessels for defined markets within the ice/support and marine seismic segments. The company also has one high-end 3D seismic vessel for delivery in the first quarter 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 2013 the company has a solid financial position with good liquidity. New opportunities for growth will be considered continuously and the outlook for the company is regarded as good.

Strategic areas of priority for 2014 include:

- Strengthen focus on core activities and operational management.
- Expand competence base with a focus on the main office in Bergen.
- Offer a fleet of leading technology, systems and necessary skills based on the clients' future needs.
- Growth ambitions within all three segments.

IMPORTANT ASPECTS OF 2013

ACQUISITION

- In February 2013 the company entered an agreement with Kleven Verft for the contracting of a new high-end 3D seismic vessel for delivery in the first quarter 2015. The agreement implies an investment of approximately NOK 700 million. The construction work is progressing on schedule.
- The subsea vessel "Polar Onyx" was delivered as scheduled at the beginning of March 2014.

DISPOSALS

- In February the 2D seismic vessel "Polar Explorer" was sold at book value, with a positive cash effect of NOK 45 million.
- In August, the ice-breaker "HMS Protector" was sold to the British Ministry of Defence, with an accounting gain of NOK 376 million. The cash effect amounted to NOK 485 million.

NEW CHARTER CONTRACTS ENTERED IN THE PERIOD:

- Five-year charter agreement with Dolphin Geophysical for the seismic vessel "HN 369" which is currently under construction, commencing upon delivery in the first quarter 2015.
- 3,5-year agreement with Dolphin Geophysical for the 3D seismic vessel "Polar Marquis" (formerly "Geo Atlantic"), commencing May 2014.
- Two-year extension of the charter contract with Dolphin Geophysical for the seismic vessel "Polar Duchess".
- Five-year charter contract with Ceona for the subsea newbuilding "Polar Onyx".
- Nine-month extension of charter contract with Reef Subsea for the subsea vessel "Polar King".
- One-year extension of charter contract with Boa Marine Services for the subsea vessel "Polar Queen".
- One-year extension of charter contract with Natural Environment Research Council for the "Ernest Shackleton".

MANAGEMENT

The management company in Sevenoaks (England) was closed at the end of 2013. By consolidating operations with the main office in Bergen, the company expects to achieve cost savings and positive operational synergies.

IMPORTANT EVENTS AFTER THE BALANCE SHEET DATE

SALE OF REEF SUBSEA

On 28 January 2014, GC Rieber Shipping entered into an agreement to sell its stake in Reef Subsea AS to the private equity fund HitecVision at NOK 175 million.

FINANCIAL REVIEW

(Figures for 2012 are given in brackets)

PROFIT AND LOSS

GC Rieber Shipping's total operating income for 2013 was NOK 795.7 million (NOK 781.2 million). EBITDA amounted to NOK 409.3 million (NOK 376.7 million), yielding an EBITDA margin of 51 percent for 2013 (48 percent). The reason for this increase is improved capacity utilisation and higher rates, as well as a gain from the termination of the charter contract for the "Ernest Shackleton".

Operating profit (EBIT) for 2013 was NOK 628 million (NOK 214.1 million). Ordinary depreciations amounted to NOK 146.0 million (NOK 163.2 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 -266.5 million (NOK -4.6 million), and is primarily due to a share in the loss and write-downs from the investment in Reef Subsea of NOK 155.5 million, as well as unrealised currency gain and financial expenses.

Tax expenses for 2013 amounted to NOK -9.5 million (NOK 29.6 million), while the group's net profit was NOK 371.0 million (NOK 179.9 million). Earnings and diluted earnings per outstanding share amounted to NOK 8.50 (NOK 4.56).

CASH FLOW

As at 31 December 2013 the group had a positive cash flow of NOK 479.7 million (NOK -229,0 million). Cash flow from operating activities in 2013 amounted to NOK 459.2 million (NOK 232.0 million). Cash flow from investment activities was positive by NOK 349.0 million (NOK -428.1 million), mainly related to the sale of the vessels "HMS Protector" and "Polar Explorer", as well as partial payments on the newbuildings. Cash flow from financing activities was negative by NOK -328.5 million (NOK -32.9 million), related to interests and instalments on the group's loans, drawing of new loans as well as down payment of revolving credit facility. Finally, dividends amounting to NOK 43.7 million were paid for 2012.

As at 31 December 2013 the company's holding of liquid assets was NOK 698.6 million (NOK 217.2 million).

BALANCE SHEET

The group's total assets as at 31 December 2013 amounted to NOK 3,884.1 million (NOK 3,545.5 million), while total assets in GC Rieber Shipping ASA amounted to NOK 1,026.3 million (NOK 1,180.9 million).

At the end of 2013, the booked value of the company's vessels was estimated at NOK 2,491.5 million (NOK 2,520.1 million). In addition, the booked value of vessels under construction was NOK 246.5 million (NOK 80.1 million), due to payments made to ship yard for the group's two newbuildings.

The group's booked equity as at 31 December 2013 was 2,198.0 million (NOK 1,795.1 million), corresponding to an equity ratio of 56.6 percent (50.6 percent). Booked equity for GC Rieber Shipping ASA was NOK 512.3 million (NOK 719.3 million).

FINANCING

I 2013 the group's average interest-bearing liabilities amounted to NOK 1,635.6 million (NOK 1,663.8 million), with an average remaining duration of 2.9 years. Average interest rate on the loan portfolio dropped to 3.80 percent including margin (4.16 percent). 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 the year 2013 in total, the group has paid NOK 184 million (NOK 189 million) in ordinary loan instalments, in addition to NOK 170 million on the company's existing revolving credit facility. The company has also paid NOK 119.7 million on outstanding debts from the financing of streamers. The group's liquid assets in terms of bank deposits and interest-bearing securities as at 31 December 2013 amounted to NOK 698.6 million (NOK 217.2 million). In addition the group had NOK 250.0 million (NOK 80.0 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 816.0 million (NOK 1.363.0

million). At the same time the parent company, GC Rieber Shipping ASA, had net interest-bearing liabilities of NOK 141.2 million (NOK 112.4 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 percent, 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 2013 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 2013 the group's portfolio of hedging instruments had a negative development of NOK 53.0 million (NOK 23.6 million).

The GC Rieber Shipping group uses the Norwegian krone (NOK) as its presentation currency. Several of the subsidiaries have USD as their functional currency and one company has GBP as functional currency, and 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 or GBP 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 or GBP as functional currency and hold liquid assets in NOK. These holdings are translated into USD and GBP 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 2013 the group's equity had increased by NOK 77.7 million (NOK -87.6 million), due to translation differences in companies with USD and GBP as functional currency.

The group has secured parts of its net currency risk exposure next year at satisfactory forward rates for 2014.

Net financial items for 2013 include NOK 55.7 million in unrealised currency loss (NOK 43.3 million n unrealised currency gain).

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 development in oil prices is the most important driver for exploration and extraction budgets and for activities offshore. Oil price is consequently the most important single factor for the group's development, in addition to securing balance in its fleet capacity.

During 2013 the price of oil has remained at a relatively high and stable level between USD 100 and 110 per barrel. Despite the high price of oil, a rapidly increasing cost level on the part of oil companies has put a considerable strain on profitability, leading to a more moderate development in investment levels. This has lead to more uncertainty in GC Rieber Shipping's market segments, particularly for seismic activities. At the same time this contributes to a greater demand for cost efficient and predictable solutions to increase extraction levels, especially for operations on deep waters and areas of limited accessibility. As a niche player within advanced and specialised vessels for operations in harsh environments, this will have a positive effect for GC Rieber Shipping.

SUBSEA

The group owns and operates four subsea vessels. These are primarily used for inspection, maintenance and repair of subsea installations. The "Polar Prince" and the "Polar King" are chartered to Reef Subsea until December 2014 and February 2015, respectively. The "Polar Queen" is chartered to BOA Marine Services until April 2015. GC Rieber Shipping also took delivery of one high-end subsea newbuilding at the beginning of March 2014. This vessel embarked directly on a five-year charter contract with Ceona Services (UK).

The group had full contract coverage for its subsea fleet in 2013, with a total capacity utilisation of 96 percent (91 percent). Operating income amounted to NOK 319.1 million (NOK 297.6 million) and EBITDA amounted to NOK 155.5 million (NOK 142.3 million), corresponding to an EBITDA margin of 48.7 percent (47.8 percent). The increase in EBITDA is mainly due to improved capacity utilisation and higher rates.

The market for subsea vessels has generally been good throughout the year, and at the same time the industry has been characterised by fragmentation in terms of supply and demand. The order backlog is currently limited, but the impression is that demand for advanced vessels is good.

MARINE SEISMIC

GC Rieber Shipping has three advanced seismic vessels, in addition to one new high-end vessel under construction. The "Polar Duke" and the "Polar Duchess" are on time charters with Dolphin Geophysical until May 2016 and April 2017 respectively. The "Polar Marquis" is currently undergoing modification work and will upon completion in April 2014 embark on a 3.5-year time charter with Dolphin Geophysical. The newbuilding is scheduled for delivery in the first quarter 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 2013, with a total capacity utilisation of 94 percent (94 percent). The segment had operating income of NOK 311.3 million (NOK 330.2 million), a reduction which is primarily due to the rebuilding of the "Polar Marquis" as from October 2013. EBITDA ended at NOK 148.6 million (NOK 119.7 million), yielding an EBTIDA margin of 47.7 percent (36.3 percent). The increase in EBITDA and EBITDA margin is primarily due to increased rates, lower level of costs, loss of negative results from Octio and the fact that the "Polar Duchess" was in operation throughout 2013, as opposed to nine months in 2012.

2013 has been a year of some turbulence for the seismic market, but conditions improved towards the end of the year. Seismic activities are dependent on that part of the oil companies' investment budgets that relate to exploration, and the segment is therefore naturally more exposed to greater fluctuations compared to budgets for operations and maintenance. GC Rieber Shipping takes the view that investment in high-quality seismic tonnage will make the company more robust, and the company's solid and long-term relations with strong players in the market support the faith in a stable development.

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 2015 for operations in Antarctica. The "Polar Pevek" and the crew vessels "Polar Piltun" and "Polar Baikal" are owned through a 50/50 joint venture with Primorsk Shipping Corporation, and are operated by the group's ship management company in Yuzhno-Sakhalinsk. 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 are chartered to the Sakhalin Energy Investment Corporation until 2014 and are employed in the Sakhalin II field.

All the vessels in the ice/support segment were on contracts throughout 2013, with a total capacity utilisation of 96 percent (97 percent). Operating income for 2013 amounted to NOK 165.3 million (NOK 153.4 million), while EBITDA was NOK 105.1 million (NOK 114.7 million). EBITDA margin was 63.6 percent (74.8 percent). The decrease in EBITDA and EBITDA margin is primarily due to a lack of income from the "HMS Protector" following the sale in September 2013. The vessel operated on very good margins.

The ice/support segment is characterised by good and stable developments with no major changes during 2013. GC Rieber Shipping is favourably positioned for increased petroleum activities in the north as well as increased activities within expeditions in the Arctic and Antarctica.

ASSOCIATED COMPANIES

Reef Subsea

Reef Subsea was established in 2010 as a 50/50 joint venture between GC Rieber Shipping and the private equity company HitecVision. Since the establishment Reef Subsea has been in a build-up phase where several companies have been acquired. Due to low capacity utilisation of the company's vessels, profit development in the company has been low.

At the end of January 2014, GC Rieber Shipping entered into an agreement to sell its stake in Reef Subsea to HitecVision. The sale of the stake in Reef Subsea is a consequence of GC Rieber Shipping's strategic decision to focus on its core business activities. The transaction was completed in February 2014.

Adjusted for the share of the loss from Reef Subsea in 2013, the negative effect from the investment amounts to NOK 155.5 million.

The share of the loss in Reef Subsea is reported as financial item according to the equity method.

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 2013 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 32.3 million in 2013 (profit of NOK 20.9 million). The parent company's equity as at 31 December 2013 amounted to NOK 512.3 million (NOK 719.3 million).

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 (NOK 1.00). In total, this amounts to NOK 174.6 million.

The profit for the year is proposed allocated as follows:

Allocated for dividends:	NOK 174,648,000
Transferred from other equity:	NOK 206,991,000
Total allocated:	NOK 32,343,000

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. Due to the fact that 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 2014, the company's contracts have an average duration of 2,7 years. Contract coverage for 2014, 2015 and 2016 is 97 percent, 62 percent and 48 percent respectively.

FINANCIAL RISK

For a detailed account of the group's financial risk, please refer to note 21.

Currency risk

As a major part of the group's income is in USD and GBP, and operational and administration costs are held in NOK, the group is greatly exposed to fluctuations in exchange rates. To reduce the exchange rate 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, GBP and other relevant currencies.

Interest risk

The group is constantly assessing 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. Consequently, interest rate hedging agreements for parts of its interest-bearing liabilities have been entered into until 2022. At the end of 2013, 48 percent 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 percent in 2013, which is an improvement from the year before. (94 percent in 2012)

SOCIAL RESPONSIBILITY

GUIDELINES

GC Rieber Shipping's vision is to be a corporation that takes social responsibility, with a 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 GC Rieber 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 www.gcrieber.no/page/2210/Samfunnsansvar.

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 2013, 1.7 percent (0.9 percent) among the marine crew and 44 percent (46 percent) of the land organization are women. Two of the four members of the corporate management are women, while the board of directors has a 40 percent female representation.

ORGANISATION AND EMPLOYEES

In 2013, 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. A new round of the programme was launched in the autumn of 2013.

At the end of 2013, the GC Rieber Shipping had a total of 164 employees (167), divided between 48 (57) in the land organisations and 116 (110) marine crew. In addition, 279 persons were hired temporarily offshore (325). Out of the permanently employed in the land organisation, 42 are employed at the main office in Bergen (Norway) and 6 are employed in the management company in Yuzhno-Sakhalinsk (Russia).

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. This is reflected in the slogan "Safe Competent Support". The group works actively to increase awareness of its core values Creativity, Diligence and Responsibility. QHSE activities are defined as important parts of GC Rieber Shipping's operations, where everyone in the organisation has a responsibility. Standards defined by the oil industry are implemented continuously and are measured and monitored through fixed KPIs – Key Performance Indicators. KPIs have been defined for QHSE on a corporate level as well as 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).

Health and safety

GC Rieber Shipping has taken a number of preventive measures to create a positive and safe working environment. Safety on board vessels has a very high priority and every year 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 treats to crew, equipment and the environment. Furthermore, internal training in the management system for safety is carried out continuously at both at the company's main office in Bergen and in Manila, in addition to regular exercises on board the vessels. Comprehensive risk assessment is carried out for all vessels prior to operations in hazardous areas.

Sick leave in 2013 was 4.6 percent (5.0 percent) among marine crew and 5.1 percent (2.8 percent) in the land organisations. 7 Lost Workday Cases were registered (2), of which two incidents were serious. None of the incidents were related to the company's operations.

A tragic incident resulting in one fatality took place on board the management vessel "Geo Pacific" in 2013. The incident was not related to the vessel's operations, but a subsequent internal investigation was carried out in accordance with established safety procedure. The investigation did not find any indications that the company could have prevented the incident.

The group immediately registers, deals with and follows up on any incident that occurs. A separate team has been established and is trained especially to identify and handle this. 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 in order to reduce the loss of income and minimise damage to personnel and equipment. At the end of 2012, incentive schemes were introduced in the form of a competition among vessels for the best QHSE performance, with awarding of best vessel as well as individual rewarding of best employee. This will be carried out in 2014 as a trial arrangement and become permanent if it proves to have a positive effect on QHSE work.

Environment

GC Rieber Shipping operates in compliance with international shipping standards for emission into the sea and air and has a proactive attitude to existing and new environmental regulations. In 2012 the group was certified according to the ISO-14001 standard, which has been followed up by environmental training in 2013. Annual inspections are carried out by DNV (Det norske veritas). New vessels are built in compliance with strict environmental requirements and most vessels in the fleet have achieved the "Clean design" status. Additional essential certificates and flag state requirements are in place, while the implementation of ISO 9001 will take place at the beginning of 2014. Concrete plans to minimise emissions have been outlined and the group will follow up on adverse impacts on the environment through defined KPIs.

The group's policy reflects the Norwegian Shipowners' Association's vision of zero emission of polluted material into the sea and air. A new environmental programme has been developed to monitor emission into the air. The group's new vessels are built in compliance with strict environmental regulations, including fitting of SCR technology (Selective catalytic reduction) designed to reduce NOx emissions.

Quality

The group has developed a corporate standard for periodic maintenance processes to ensure that all 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 2013 was 96 percent.

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 in this respect can be found in the group's annual report and websites.

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 has a policy of zero tolerance for corruption and has introduced a number of anti-corruption measures. The group has enforced thorough processes for the selection of partners, and is dedicated to training and raising awareness among employees as to the appropriate conduct in such situations, particularly as a preventive measure for vessels entering areas with a reputation for corruption.

In 2013 the group has been working on new procedures and training designed to reduce the risk of corruption in connection with port calls. 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. On a corporate level, training of the company's captains in the applicable standards for ethics and social responsibility, has continued. This issue is addressed at all internal audits on board as well as in the annual appraisal interview for captains. Finally, courses on the handling of corruption attempts and facilitation payments will take place at upcoming shipping conferences.

SHAREHOLDER INFORMATION

In 2013 the group's shares have been traded between NOK 35.00 kroner and NOK 47.50 kroner per share. A total of 238,277 shares were traded, divided between 188 transactions.

As at 31 December 2013, GC Rieber Shipping had 253 shareholders (262 as at 31 December 2012), of which 93.7 percent was owned by the 20 largest shareholders. GC Rieber AS' stake was 70.4 percent.

The company had 16 foreign owners holding a total of 0.3 percent 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 23 October 2012).

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 2013 will be held on 10 April 2014.

OUTLOOK

The world economy continued to improve in the fourth quarter, despite greater uncertainty in terms of the prospect of growth in emerging economies. Oil prices have remained stable over the past three years, and fluctuated in the fourth quarter between USD 105 and 110 per barrel.

Normally this means good and stable conditions for the oil companies' willingness to invest. Rapidly increasing costs however have put pressure on the oil companies' profitability, and at the same time shareholders are demanding higher dividends. A number of oil companies have therefore been compelled to reduce investments in order to increase its free cash flow.

In a normal cycle it is usually exploration activities that are affected by cutbacks in the oil companies' investment budgets. This is what a large part of the oil service industry experienced towards the end of 2013 and into 2014. As with previous cycles, the seismic segment is hit first, as this segment is at the front end of the value chain. However, the outlook for the seismic segment for the upcoming quarters has improved at the end of the fourth quarter compared to the end of the previous quarter.

A shortage of projects in shallow waters forces oil companies to explore opportunities in deeper waters with rougher weather conditions in order to create value, and projects have a tendency to grow bigger. Oil companies therefore have to cooperate between themselves and with the market players that have the most experience and expertise. GC Rieber Shipping is a niche company in the business of advanced and specialized vessels designed to help oil companies resolve their challenges. With its solid expertise and vast experience we believe GC Rieber Shipping is favourably positioned to meet the challenges that oil companies are faced with. GC Rieber Shipping therefore expects activities in the seismic segment to continue, and for the subsea segment we predict an even stronger upside potential. No significant market changes are expected within the ice/support segment, and development will therefore remain at a stable level.

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 2013 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 2013, 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 2014
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	2013	2012
OPERATING INCOME			
Charter income		733 153	721 589
Other shipping related operating income		62 578	59 571
Total operating income		**795 730**	**781 160**
OPERATING EXPENSES			
Vessel operating expenses		-129 219	-121 611
Crew and catering expenses	7	-169 322	-177 367
Administration expenses	7, 19, 20	-87 929	-105 446
Total operating expenses		**-386 470**	**-404 423**
Operating profit before depreciation, write-down, gain (loss) on sale of fixed assets and disposal of subsidiary		409 260	376 736
Depreciation	10	-145 995	-163 203
Write-down	10, 11	-10 309	-18 543
Gains (losses) on disposal of subsidiary		0	19 137
Gains (losses) on sale of fixed assets	10	375 054	0
Operating profit		**628 010**	**214 127**
FINANCIAL INCOME AND EXPENSES			
Income (loss) from investing in associated company	5	-155 511	-4 139
Financial income	21	13 308	24 446
Financial expenses	21	-65 870	-77 865
Changes in market value of financial current assets	14, 21	-9 843	13 808
Realized currency gains (losses)	21	7 107	-4 070
Unrealized currency gains (losses)	21	-55 709	43 253
Net financial income and expenses		**-266 517**	**-4 567**
Profit before taxes		361 493	209 559
Taxes	8	9 526	-29 613
PROFIT FOR THE YEAR		371 019	179 946
Non-controlling interests		0	19 227
Profit after non-controlling interests		371 019	199 174
Earnings and diluted earnings per share	9	8,50	4,56
STATEMENT OF COMPREHENSIVE INCOME (NOK 1000)			
Profit for the year		371 019	179 947
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Changes in pension estimates		-2 977	16 486
Tax effect changes in pension estimate		833	-4 616
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation subsidiaries		77 650	-87 645
Adjustment to associated company		0	-6 262
Comprehensive income for the year		446 525	97 910
Non-controlling interests		0	19 227
Comprehensive income for the year after non-controlling share		**446 525**	**117 137**

/ STATEMENT OF FINANCIAL POSITION
THE GC RIEBER SHIPPING ASA GROUP

NOK 1000	Note	31.12.13	31.12.12
ASSETS			
FIXED ASSETS			
Deferred tax asset	8	59 140	49 112
Total intangible fixed assets		**59 140**	**49 112**
Vessels	10	2 491 538	2 520 088
Newbuilding contracts	10	246 499	80 124
Machinery and equipment	10	838	47 439
Total tangible fixed assets		2 738 875	2 647 651
Investments in associated companies	5	175 000	205 661
Long-term loan to associated companies	5	0	31 550
Other long-term receivables	19	8	117 483
Total financial fixed assets		**175 008**	**354 694**
Total fixed assets		2 973 022	3 051 457
CURRENT ASSETS			
Inventories	12	5 195	3 164
Total Inventories		**5 195**	**3 164**
Accounts receivables	13	144 879	123 088
Other current assets	13	44 386	121 605
Total debtors		**189 264**	**244 693**
Quoted financial investments	14	17 967	29 018
Total investments		**17 967**	**29 018**
Cash and cash equivalents	15	698 636	217 174
Total current assets		**911 064**	**494 049**
TOTAL ASSETS		**3 884 086**	**3 545 505**

/ STATEMENT OF FINANCIAL POSITION
THE GC RIEBER SHIPPING ASA GROUP

NOK 1000	Note	31.12.13	31.12.12
EQUITY AND LIABILITIES			
EQUITY			
Share capital (43,812,800 shares at NOK 1.80)	16, 20	78 863	78 863
Portfolio of own shares (150,800 shares at NOK 1.80)	16	-271	-271
Share premium		16 604	16 604
Total restricted equity		**95 196**	**95 196**
Other equity		2 102 759	1 699 896
Total retained earnings		**2 102 759**	**1 699 896**
Total equity		2 197 955	1 795 092
LIABILITIES			
Pension liabilities	18	13 475	12 556
Total provisions		**13 475**	**12 556**
Liabilities to financial institutions	17	1 319 662	1 262 530
Other long term liabilities		0	1 618
Total other long term liabilities		**1 319 662**	**1 264 148**
Liabilities to financial institutions	17	194 517	343 802
Accounts payable		71 007	29 990
Tax payable	8	2 501	31 502
Public duties payable		20 609	20 656
Liabilities to subsidiaries	20	0	2 793
Other current liabilities		64 360	44 966
Total current liabilities		**352 995**	**473 710**
Total liabilities		**1 686 131**	**1 750 414**
TOTAL EQUITY AND LIABILITIES		3 884 086	3 545 505

Bergen, 12 March 2014
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

/ STATEMENT OF CASH FLOW
THE GC RIEBER SHIPPING ASA GROUP

NOK 1000	Note	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxes		361 493	209 560
Taxes paid		-22 732	-22 029
Depreciation	10	145 995	163 203
Write-downs on fixed assets	10	10 309	18 543
Gains on sale of fixed assets	10	-375 054	0
Gains on sale of disposal of subsidiary		0	-19 137
Loss from investing in associated company	5	155 511	4 139
Changes in market value of financial current assets		-1 330	-8 316
Unrealized currency losses (gains)		15 789	-27 407
Change in stock		-2 032	4 459
Change in accounts receivables		55 429	-69 861
Change in current liabilities		57 571	-45 703
Change in other current assets and other liabilities		-918	-13 979
Interest paid		49 363	42 530
Net cash flow from operating activities		**459 237**	**232 028**
CASH FLOW FROM INVESTMENT ACTIVITIES			
Payments from investments in financial assets		121 909	17 741
Net effect for discontinued operation		0	-2 055
Payments from sale of financial fixed assets	10	557 994	0
Net effect for discontinued operation	10	-237 629	-169 738
Payments for investments in financial fixed assets		-93 300	-274 073
Net cash flow from investment activities		**348 973**	**-428 126**
CASH FLOW FROM FINANCING ACTIVITIES			
Payments from taking new long-term liabilities		238 203	220 000
Payment of instalments on long-term liabilities		-473 714	-188 561
Interest paid		-49 363	-42 530
Dividend payment	16	-43 662	-21 831
Net cash flow from financing activities		**-328 536**	**-32 922**
Net change in bank deposits, cash and quoted financial investments		479 674	-229 020
Bank deposits, cash and quoted financial investments at 01.01.		217 174	433 908
Currency gains (losses) on cash and quoted financial investments		1 789	12 286
Bank deposits, cash and quoted financial investments at 31.12.		**698 636**	**217 174**

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

NOK 1000	Share capital	Own shares	Share premium	Foreign currency translation	Other equity	Non-controlling interests	Total equity
Balance at 1 January 2012	78 863	-271	16 604	-120 776	1 736 074	203 277	1 913 770
Profit for the year	0	0	0	0	199 174	-19 227	179 947
Other comprehensive income	0	0	0	-80 568	5 608	-7 076	-82 036
Total income and expense for the year	*0*	*0*	*0*	*-80 568*	*204 782*	*-26 303*	*97 911*
Non-controlling interests:							
- Changes in minority Octio AS	0	0	0	0	9 619	-9 619	0
- Non controlling interest buy-out	0	0	0	0	-35 168	-167 355	-202 523
Other changes	0	0	0	0	7 764	0	7 764
Dividends to the shareholders	0	0	0	0	-21 831	0	-21 831
Balance at 31 December 2012	*78 863*	*-271*	*16 604*	*-201 344*	*1 901 240*	*0*	*1 795 091*
Balance at 1 January 2013	78 863	-271	16 604	-201 344	1 901 240	0	1 795 092
Profit for the year	0	0	0	0	371 019	0	371 019
Other comprehensive income	0	0	0	77 650	-2 143	0	75 507
Total income and expense for the year	*0*	*0*	*0*	*77 650*	*368 876*	*0*	*446 525*
Dividends to the shareholders	0	0	0	0	-43 662	0	-43 662
Balance at 31 December 2013	**78 863**	**-271**	**16 604**	**-123 694**	**2 226 454**	**0**	**2 197 955**

/ 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 fourteen advanced special purpose vessels for defined markets within the subsea, ice/support and marine seismic segments, of which eleven are owned by the company.

The company has its registered office and is headquartered 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.com.

The financial statements were authorised for issue by the Board of Directors on 12 March 2014.

NOTE 2 - ACCOUNTING PRINCIPLES

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 31.12.2013.

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 2.24). 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 consolidatged financial statements are disclosed in notes.

2.2 CHANGES IN ACCOUNTING PRINCIPLES

New and amended standards adopted by the Group

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2013 which are not expected to have a significant effect on the consolidated financial statements of the Group:

Amendment to IAS 1"Financial statement presentation" regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to Group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

IAS 19 "Employee Benefits" was revised in June 2011. The changes involve to recognise all actuarial gains and losses in other comprehensive income as they occur (no corridor), to immediately recognise all past service costs and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The change had no significant effect on the Group's financial statements at the time of implementation.

IFRS 13 "Fair value measurement" aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The standard does not extend the use of fair value accounting but provides guidqance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The change had no significant effect on the Group's financial statements at the time of implementation.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013 and have not been applied in preparing these consolidated financial statements.

IFRS 9 "Financial instruments" addresses the classification, measurement and recognition of financial assets and financial liabilities and hedge accounting. IFRS 9 was issued in November 2009, October 2010 and November 2013. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made 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. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. IFRS implies a number of changes and simplifications which involves an increase in the possibilities for use of hedge accounting. The Group is yet to assess IFRS 9's full impact. The Group will also consider the impact of remaining phases of IFRS 9 when completed by the Board. Effective date for IFRS 9 has not yet been determined, but will be no earlier than 1 January 2017.

IFRS 10 "Consolidated financial statements" builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The change is not expected to have any significant effect on the consolidated financial statements at the time of implementation.

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 adoption on the financial statements from 1 January 2014.

IFRS 12 "Disclosures of interests in other entities" includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The change is not expected to have any significant effect on the consolidated financial statements at the time of implementation.

IFRIC 21 "Levies" sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. The Group is not currently subjected to significant levies so the impact on the Group is immaterial.

Amendments to IAS 36, "Impairment of assets" on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. The amendment is not expected to have any significant effect on the consolidated financial statements at the time of implementation.

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). 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.

Foreign entities

The majority of the consolidated foreign subsidiaries are deemed to be independent entities since they are financially, economically and organisationally independent. Non-independent entities are regarded as foreign operations. The functional currency of foreign entities is normally the local currency. The balance sheet is translated at the rate in effect at the balance sheet date, while the income statement is translated at the average exchange rate for the accounting period.

Exchange differences arising as a result of this are included in the statement of comprehensive income. Upon the disposal of foreign subsidiaries the accumulated currency exchange rate differences related to the subsidiary are recognised in the income statement.

2.4 CONSOLIDATION PRINCIPLES

The consolidated financial statements for the Group include GC Rieber Shipping ASA and the companies over which GC Rieber Shipping ASA has control. Normally the Group controls an entity when the Group owns, directly or indirectly, more than 50 percent of the shares in the company and the Group is able to exercise control over the company. Non-controlling interests are included in the Group's equity. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

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 consolidated financial statements include jointly controlled entities using the gross method (proportionate consolidation) from the date the joint control arises until the date the joint control ceases. The Group includes its proportionate share of assets, liabilities, revenues and costs in the jointly controlled entity, line by line, in the consolidated financial statements. The financial statements for the jointly controlled entity are prepared for the same reporting year as the parent company, using consistent 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.

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. 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 six months or less.

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 impairment. A provision for impairment of trade receivables 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 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 market price in effect 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 will be 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. The reversal is recorded as income or an increase in other

reserves. 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 which 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 and loss (held for trading purposes), held to maturity investments, loans and receivables.

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 which qualify for, and are designated as, financial instruments recognised at fair value 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.

Held-to-maturity investments

Financial instruments which carry fixed or determinable payments and fixed maturities and the Group has the positive intention and ability to hold to maturity, have been classified as held-to-maturity investments except for instruments classified at fair value through profit or loss, or available for sale or included in the category loan and receivables.

Held-to-maturity investments are measured at amortised cost using the effective interest method. The effective interest method is used to calculate the amortised cost and to allocate interest income or interest cost over a relevant period. Profit or loss are recognised in the income statement through the amortisation process or when the financial instrument (a) is derecognised, (b) is impaired, or (c) increases in book value through reversing of previous impairments.

Financial instruments which are held to maturity are included in financial fixed assets unless the maturity date is less than 12 months after the balance sheet date.

Loans and receivables

Financial assets with fixed or determinable cash flows which are not quoted in an active market are classified as loans and receivables, except for instruments classified as financial assets at fair value through profit or loss or available for sale.

Loans and receivables are measured at amortised cost and are classified as current assets.

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.

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

2.11 INTANGIBLE ASSETS

Goodwill

Goodwill is the difference between the acquisition cost and the fair value of the net identifiable assets on the date of the acquisition. For investments in associated companies, goodwill is included in the recorded carrying amount of the investment.

Goodwill is recognised in the balance sheet at acquisition cost, less any accumulated write-downs. Goodwill is not amortised, but tested annually for impairment at the balance sheet date.

For the purpose of impairment testing, goodwill acquired through business combinations from the acquisition date, shall be allocated to each of the acquirer's cash generating units ("CGUs") or Groups of cash generating units, that are expected to benefit from synergies following the combination, regardless of whether any of the acquired company's assets or liabilities have been allocated to any of these units or Groups of units. Each unit or Group of units to which goodwill is allocated, shall:

- represent the lowest level within the Group where goodwill is monitored for internal management purposes
- not be larger than a segment based on the Group's primary or secondary reporting, presented in accordance with IFRS 8, Segment Reporting.

A CGU to which goodwill is allocated shall be tested for impairment on an annual basis or when there are indications of impairment, by comparing the unit's capitalised value, including goodwill, with the unit's net recoverable amount. If the unit's capitalised value exceeds the unit's net recoverable amount, the Group shall record the impairment loss. Loss from impairment in previous periods shall not be reversed in subsequent periods. The Group performs its impairment tests per 31 December.

Negative goodwill which arises through business combinations is recognised in the income statement at the date of the acquisition.

2.12 RESEARCH AND DEVELOPMENT

Expenses related to research are recognised in the income statement as they incur. Expenses related to development are recognised in the income statement when they are incurred unless the following criteria are met in full:

- the product or process is clearly defined and the cost elements can be reliably identified and measured;
- the technical solution for the product has been demonstrated;
- the product or process will be sold or used in the operations;
- the asset will generate future financial benefits; and
- there are adequate technical, financial and other resources to complete the project.

When all the above criteria have been met, the capitalisation of expenses related to development is commenced. Expenses which have been charged to the income statement in previous accounting periods are not capitalised. Expenses which are capitalised include costs of material, direct wages and a share of directly attributable joint expenses. Capitalised development costs are recognised at acquisition cost less accumulated depreciation and impairment.

Capitalised development costs are depreciated on a straight line basis over the estimated useful life of the asset.

2.13 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 will be presented as interest expenses.

2.14 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 financial instruments classified as liabilities are presented as an expense or income. Distributions to the financial instruments holders, whose financial instruments are classified as equity, will be recorded directly against equity. 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.

Convertible bonds which contain both a liability and an equity element are divided into two components upon issue based on the net present value of the bond's cash flow, and each of these elements is accounted for separately as a liability and 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 equity. Losses or gains originating from transactions with the company's own shares are not recorded in the income statement.

Other equity

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 are reversed and recorded in the income statement in the same period that the gain or loss on the disposal is recorded.

2.15 NON-CONTROLLING INTERESTS

Non-controlling interests in subsidiaries are included in the Group's equity as a separate line item. Non-controlling interests consist of non-controlling interests at the date of the original formation of the Group (net fair value of assets, debt and liabilities, with the exception of goodwill) and non-controlling interests' share of changes in equity since the date of the formation of the Group. Increases in non-controlling interests as a result of capital contributions in subsidiaries or purchase of shares from controlling interests, are recorded at fair value as non-controlling interests. Differences between fair value and carrying amount are allocated to non-controlling interests and amortised/written down through allocation to the non-controlling interests' share of income.

2.16 REVENUE RECOGNITION

Revenue is recognised when it is probable that the transaction 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 fees for project management, building supervision and maritime operations of vessels for external owners are presented as other operating income.

Dividend income

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

2.17 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 which does not meet the definition of a defined contribution plan is defined as 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 which 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 an 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.

2.18 LOANS

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 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.

2.19 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.

After the changes in the shipping tax regime with effect from 01.01.2000, foreign exchange rate gains and losses are included in taxable financial income, and long term liabilities in USD were converted using the exchange rate as at 31.12.1999 when calculating the value upon entry. At the same time, companies subject to the shipping tax regime were allowed to carry forward negative taxable financial losses against positive financial income in future years. From 01.01.2010 onwards, realisations of financial instruments, for which the agreement is settled after 01.01.2010, are subject to taxation with a proportion equal to the proportion of financial instruments in the underlying company, compared to 100 percent taxation in the past. Temporary differences regarding financial items are offset when calculating the deferred assets/liabilities, amounting to 28 percent of the temporary differences. The accounting treatment follows the general principles for capitalisation.

2.20 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.

2.21 OPERATING SEGMENTS

The Group presents accounting figures for the following 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.

2.22 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 ch 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.

2.23 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.

2.24 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, the estimation of pension obligations, the capitalisation of deferred tax assets (note 2.19 and note 8), assessment of goodwill and R&D (note 2.12 and note 11), 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. from which they apply. If the changes also relate to future periods, the effect will be distributed over the present and future periods.

The Group's pension costs and pension liabilities are calculated by an actuary and are based on actuarial assumptions. Changes in these assumptions will result in altered pension estimates. Estimated discount rate and expected future wage adjustments have the greatest impact on the pension estimates for the Group. Pension costs, pension liabilities and specific actuarial assumptions are presented in note 18.

Goodwill is tested annually for impairment, cf. note 11. Recoverable amount from cash generating units is based on calculations of the Group's value in use. Value in use calculations are based on discounted cash flows before tax, which requires use of estimates.

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 which 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.

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. Deferred tax assets are recorded at nominal value in accordance with IAS 12.

2.25 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 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.

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 %
GC Rieber Offshore Asia 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 Asia Pte Ltd	Singapore	GC Rieber Shipping ASA	100 %
GC Rieber Shipping Ltd	Great Britain	GC Rieber Shipping ASA	100 %
Sea4 I Shipping Ltd	Cyprus	GC Rieber Shipping 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 percent owner share in the vessel "Polar Pevek" which operates as an ice-breaker/tug for Exxon Neftegas Ltd. in Russia on a 15-year time charter, from 2006 to 2021 to The ownership and operation of the vessel is managed through three joint venture companies.

Furthermore, the Group has 50 percent 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, Ownership and operation of the two vessels are carried out through two joint venture companies.

The Group's total share of assets, liabilities, income and expenses related to the investments in joint ventures, which are incurred together with the other participants, are as follows:

	2013	2012
Assets		
Current assets	32 927	26 864
Fixed assets	158 547	158 820
Liabilities		
Current liabilities	59 310	21 185
Non-current liabilities	40 462	64 501
Net assets (share of equity)	91 702	99 997
Operating income	50 260	47 534
Operating expenses	-30 298	-27 517
Net financial items	-5 979	-7 084
Net profit before tax	13 983	12 933

With effect from 1 January 2014 investments in joint ventures will be 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 result will be recognised on a line under operations as result in joint venture. Share of net assets (share of assets less share of liabilities) will be recognised on a line under financial fixed assets in the balance sheet.

NOTE 5 - FINANCIAL FIXED ASSETS (NOK 1000)

INVESTMENT IN ASSOCIATED COMPANY:

In January 2010, GC Rieber Shipping and the private equity investor HitecVision established the subsea service providing company Reef Subsea AS. GC Rieber Shipping controlled 50 percent of Reef Subsea AS. GC Rieber Shipping has contributed in total NOK 398 million as equity in the period 2010 – 2013.

GC Rieber Shipping entered into a contract in February 2014 for the sale of the shares in Reef Subsea to the private equity investor HitecVision. The reason for the sale is 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 is agreed to NOK 175 million and the proceeds will be settled through a combination of cash and sellers credit. The trade credit, by which the company provides a loan to HV V Invest Golf AS and HV V Invest Golf II AS, amounts

to a total of NOK 160 million. NOK 30 million has due date 30 November 2015, NOK 50 million has due date 31 December 2016 and NOK 80 million has due date 31 December 2018.The sellers credit is due in full in the event of a sale of Reef Subsea. The amounts are charged with interest. GC Rieber Shipping has security for the loan through mortgage of a significant share of the shares in Reef Subsea. The transaction was completed at the end of February 2014 subsequent to approval from the Norwegian Competition Authority.

Accumulated for 2013 the investment has a negative impact on the income statement of NOK 155.5 million in total.

Per 31.12.2013 GC Rieber Shipping has provided a guarantee of NOK 20 million to Nordea Bank AS as security for the credit facility to Reef Subsea.

	2013	2012
Interest in associated company		
Carrying amount as at 01.01.	205 661	176 062
+ Capital increases	124 850	40 000
+ Acquisitions (disposals) during the year according to the equity method 1	-145 511	-10 401
- Write-downs during the year	-10 000	-
Carrying amount as at 31.12.	**175 000**	**205 661**

[1]Profit share for 2013 is based on non-audited figures.

NOTE 6 - SEGMENT INFORMATION (NOK 1000)

BUSINESS SEGMENTS

GC Rieber Shipping currently operates 14 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 statement.

Subsea

In 2013 the Group has operated five vessels within the subsea segment. The vessels are primarily used for inspection, maintenance and repair of subsea installations. The "Polar Prince" is chartered to Reef Subsea until December 2014. The "Polar King" is chartered to Reef Subsea until February 2015. "Polar Queen" is chartered to the American subsea contractor BOA Marine Services Inc. until April 2015. In addition the Group has a new high-capacity subsea vessel which was delivered early March 2014. The new construction started a 5 year charter to Ceona Services (UK) Limited on delivery.

In 2013 GC Rieber Shipping also has controlled 50 percent of the shares in the subsea service providing company Reef Subsea AS. GC Rieber Shipping's share of profit (loss) from Reef Subsea is accounted for using the equity method, and is not included in the segment information below. The Group entered into a contract on sale of its shares in Reef Subsea AS in February 2014. For information regarding Reef Subsea, see note 5. The segment also includes ship management of two subsea vessels for other owners.

Ice/support

The Group owns two and has during 2013 operated three vessels within ice/support, as well as two crew vessels. The "Ernest Shackleton" is on a bareboat charter to the British Antarctic Survey for operations in Antarctica until 2014. The "Polar Pevek" and the crew vessels "Polar Piltun" and "Polar Baikal" are owned through a 50/50 joint venture with Primorsk Shipping Corporation, and are operated by a joint venture in Yuzhno-Sakhalinsk, see note 4. HMS "Protector" was sold to the British Ministry of Defence ("MoD") in September 2013, having been on a charter contract with MoD since April 2011.

Marine Seismic

This segment includes the 3D vessels "Polar Duke", "Polar Duchess" and "Polar Marquis". "Polar Marquis" was on charter to Fugro/CGG till October 2013 and is subject to an upgrade before starting a new charter to Dolphin Geophysical in May 2014.

The "Polar Duke" and "Polar Duchess" are both on charter contracts with Dolphin Geophysical until May 2016 and April 2017, respectively. The "Polar Explorer" was chartered to the same client until January 2013 and has since been sold out of the Group. The Group has a high-capacity 3D seismic vessel under construction at Kleven Verft for delivery first quarter of 2015. The new construction will then start a five year charter to Dolphin Geophysical. The segment also includes ship management of offshore vessels for other owners.

SEGMENT INFORMATION:

2013	Ice/ support	Subsea	Marine seismic	Not allocated	Total
From the income statement:					
Operating income	165 303	319 122	311 305		795 730
Operating profit before depreciation, write-down, and gain (loss) on sale of fixed assets	105 133	155 539	148 589		409 260
Write-down		-10 309			-10 309
Profit from sale of fixed assets	376 004		-950		375 054
Operating profit	456 175	90 335	81 500		628 010
From the balance sheet:					
Vessels	199 255	1 016 821	1 275 462		2 491 538
Newbuilding contracts	-	151 298	95 201		246 499
Non-current liabilities to financial institutions	40 462	509 915	599 244	170 039	1 319 662
From the cash flow statement:					
Operating profit before depreciation, write-down, and gain (loss) on sale of fixed assets	105 133	155 539	148 589		409 261
Repayment of long-term loans	-18 574	-41 960	-204 663	-208 517	-473 714
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 investing activities			121 909		121 909
Payments for investments in financial fixed assets		-93 300			
Interest paid	-2 756	-14 537	-20 288	-11 781	-49 363
Other changes		-21 379	-1 353	29 046	6 314
Net change in bank deposits, cash and quoted financial investments					*479 674*

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

Please refer to note 10 and 11 for information regarding write-downs for the various segments.

2012	Ice/ support	Subsea	Marine seismic	Not allocated	Total
From the income statement:					
Operating income	133 223	254 703	237 862		625 787
Operating profit before depreciation, write-down, and gain (loss) on sale of fixed assets	83 381	89 701	93 934		267 015
Write-down	59 817	54 504	3 577		117 897
Disposal of subsidiary		-1 409	3 980		2 571
Operating profit					
From the balance sheet:	353 643	1 077 429	1 303 185		2 734 257
Vessels	86 911	582 440	870 589		1 539 941
Newbuilding contracts					
Non-current liabilities to financial institutions					
	83 381	89 701	93 934		267 015
From the cash flow statement:	-74 130	-76 251	-59 522	-200 000	-409 902
Operating profit before depreciation, write-down, and gain (loss) on sale of fixed assets	9 699	432 407	547 041		989 147
Repayment of long-term loans	-5 869	-301 027	-685 654		-992 551
New long-term loans raised		89 798			89 798
Investments				-16 951	-16 951
Other investing activities					-73 444
Payments for investments in financial fixed assets		89 798			89 798
Other changes				-16 951	-16 951
Net change in bank deposits, cash and quoted financial investments					*-73 444*

Not allocated other changes in 2012 are, among other factors, related to the payment of dividend in 2012 of NOK 21.8 million, disposal subsidiary NOK 10.5 million, increase in other current receivables NOK 69.8 million and reduction of short-term debt by NOK 45.7 million. Not allocated raising and part payment of long-term debt are related to the Group's credit facility.

GEOGRAPHICAL SEGMENT INFORMATION:

OPERATING INCOME FROM CUSTOMERS

	2013	2012
Norway	514 784	513 495
Great Britain	112 041	111 694
Europe	65 020	56 838
United States	103 885	28 871
Asia	-	1 701
Central America	-	68 562
Total operating income	**795 730**	**781 160**

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

Two individual customers account for approximately 83 percent of the operating income in Norway, of which 43 percent is within the seismic segment and 40 percent is within the subsea segment. The operating income registered in the US relates to one customer and is within the subsea segment. Two individual customers account for 51 and 49 percent respectively of the operating profit in Great Brittain and both are within the ice segment. One individual customer accounts for approximately 78 percent of the operating income in Europe, and is within the ice segment.

FIXED ASSETS

With regard to vessels, NOK 154 million of the book value is located in Europe, whereas the remaining vessels and other equipment geographically belong in Norway.

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

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

WAGE COSTS	2013	2012
Payroll crew	116 674	124 738
Payroll administration	46 499	57 711
Payroll tax	10 454	11 485
Pension costs	7 414	1 879
Other remunerations	4 197	2 741
Total payroll expenses	**185 238**	**198 554**

The Group has employer liability for the following number of employees (man-labour years):		
Mariners	116	143
Office clerks	48	57

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

	2013	2012
Crew and catering expenses	126 283	131 709
Administration costs	58 955	66 845
Total wage costs	**185 238**	**198 554**

Change in wage costs office clerks is mainly due to the impact of the sale of the subsidiary Octio AS in December 2012. Reduced wage costs crew are mainly due to retirement mariners during the year.

Remunerations to the Group management	2013	2012
Wages	5 294	4 314
Bonus, general scheme	548	616
Other remunerations	70	109
Paid pension contribution	311	582
Total Group management remunerations	**6 223**	**5 620**

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

Remuneration for the Board of Directors	2013	2012
Fees and remunerations for Board of Directors GC Rieber Shipping ASA	1 010	791
Total remunerations for the Board members of the Group	**1 010**	**791**

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 regards to special payments upon the termination or change of the position. Further, there exist no agreements which grant employees or representatives entitlement to subscribe for or purchase or sell shares in the company.

Auditor's fees (excl. VAT)	2013	2012
Audit fee	726	1 068
Other assurance services	46	151
Tax consulting	302	649
Other services	46	67
Total auditor's fees	1 120	1 936

Of the total auditor's fees in 2013, NOK 88,647 relates to audit fee (2012: NOK 150,523) and NOK 0 to other services (2012: NOK 0) for subsidiaries audited by other audit firms than the parent company.

NOTE 8 - TAXES (NOK 1000)

INCOME TAX EXPENSE:

Taxes in the profit and loss statement:	2013	2012
Tax payable in Norway	2 622	3 118
Tax payable outside Norway	-	11 283
Tax payable due to the transition to new tonnage tax regime	-	1 304
Change in tax from earlier periods	-2 811	174
Change in deferred tax	-9 337	13 734
Income tax expense (income)	**-9 526**	**29 613**

Reconcilation of income tax expense for the year:		
Profit before tax	361 493	209 560
Estimated tax based on nominal rate (28 %)	101 218	58 677
Effect of tonnage tax regime/tax payable outside Norway	-123 511	-56 594
Tax payable due to the transition to new tonnage tax regime	-	-1 304
Deferred tax asset not recognised in the balance sheet	23 958	14 543
Permanent differences (includes write-down of shares outside EEA)	-7 228	14 290
Effect of estmiate deviation deferred tax from 28% to 27% not recognised	-899	-
Other/correction of tax payable in previous periods	-3 065	-
Income tax expense (income)	**-9 526**	**29 613**

DEFERRED TAX:

Deferred tax liabilities/assets:	2013	2012
Profit and loss	66	82
Other differences	-1 905	-32 941
Financial instruments	-26 863	28 187
Net financial items for companies in the tonnage tax regime	-14 225	23 785
Pension liabilities	-13 475	-12 556
Tax losses carried forward	-296 591	-233 898
Not recognised tax losses carried forward	133 953	51 940
Basis for calculation of deferred tax	-219 040	-175 401
Tax rate	27 %	28 %
Deferred tax liabilities/assets in the balance sheet:	**-59 140**	**-49 112**
Directly capitalised deferred tax assets which are not included in the change in temporary differences:		
Estimate deviations for pensions, recognised directly in comprehensive income	3 087	16 486
Of which directly capitalised deferred tax assets (27% - 28%)	833	4 616

Not recognised deferred tax assets in the Group at 31.12.2013 amounts to NOK 26.2 million and relates to entities subject to ordinary taxation regime.

At year-end 2013, the Group had tax losses carried forward of NOK 297 million in Norway, of which NOK 162 million is basis for capitalisation. Based on budgets, the Group expects to be able to utilise the deferred tax assets through future taxable profits.

In connection with the transition from former to new tonnage tax regime, the Group chose to enter into a voluntary settlement scheme for its tonnage tax companies in 2010. This implied a final taxation of the liabilities of Group's tonnage tax companies by a total of NOK 52 million. The last instalment was paid in 2013.

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.

	2013	2012
Net profit for the year (basis, NOK 1000)	371 019	199 174
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)	8,50	4,56

NOTE 10 - TANGIBLE FIXED ASSETS (NOK 1000)
VESSELS AND MARINE EQUIPMENT:

	2013	2012
Acquisition cost as at 01.01	3 557 929	3 625 468
+ Additions during the year	88 250	82 082
+ Additions during the year for periodic maintenance	7 924	9 155
- Disposals during the year	-255 082	-
+ Changes in translation differences during the year	192 385	-158 776
= Acquisition cost as at 31.12.	3 591 406	3 557 929
Accumulated depreciation and write-downs at 01.01.	1 037 841	891 211
+ Correction prior periods	-	432
+ Depreciation for the year	134 022	134 801
+ Depreciation of periodic maintenance for the year	9 954	11 396
- Disposals during the year	-81 950	-
= Accumulated depreciation and write-downs at 31.12.	1 099 867	1 037 841
Carrying amount as at 31.12.	2 491 539	2 520 088
Accumulated translation differences at 31.12.	3 631	-188 754

All vessels, except one, whose carrying value is in GBP, 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. Changes in the exchange rate USD/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 percent have been applied for vessels and 6.67 to 33.33 percent have been applied for marine equipment. Capitalised periodic maintenance amounts to NOK 30.7 million per 31.12.2013.

The Group has sold two vessels in 2013. “Polar Explorer” was sold in February at a price of NOK 67.1 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.

The 3D seismic vessel “Polar Marquis” is subject to an upgrade to expand the streamer capacity. The upgrade was started in Q4 2013 and the vessel is expected to be ready for operations in Q2 2014.

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. When estimating fair value, the company has discounted the future estimated cash flows. 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 31.12.2013. Valuations obtained from independent brokers justify the carrying values.

NEWBUILDING CONTRACTS:

	2013	2012
Acquisition cost at 01.01	80 124	-
+ Additions during the year	166 375	80 124
= Acquisition cost as at 31.12	246 499	80 124
Accumulated write downs as at 01.01	-	-
+ Write-down for the year	-	-
- Reversal of disposal	-	-
= Accumulated write-downs as at 31.12.	-	-
Carrying amount as at 31.12.	**246 499**	**80 124**

The Group had one high-capacity subsea construction vessel under construction at Ulstein Shipyard as at 31.12.2013, which was delivered 4 March 2014. The Group has also one high-capacity 3D seismic vessel under construction at Kleven Shipyard as at 31.12.2013 with expected delivery in Q1 2015.

MACHINERY, INVENTORY AND EQUIPMENT:

	2013	2012
Acquisition cost as at 01.01.	121 069	124 726
+ Additions during the year	340	588
- Disposals during the year	-115 953	-652
- Disposals during the year (exit subsidiary)	-	-3 571
+ Translation differences	-133	-22
= Acquisition cost as at 31.12	5 323	121 069
Accumulated depreciation as at 01.01.	73 629	60 810
+ Depreciation for the year	2 018	10 270
+ Write-down during the year	13 315	6 158
- Reversal of write-downs from previous periods	-3 006	-
- Disposals during the year	-81 472	-987
- Disposals during the year (exist subsidiary)	-	-2 622
= Accumulated depreciation and write down as at 31.12.	4 484	73 629
Carrying value as at 31.12.	**838**	**47 439**

Per 31.12.2013 the Group has made a judgement valuation of equipment not taken into use. Based on findings, the equipment has been written down to 0. Net write-down recognised as expense in 2013 amounts to NOK 10.3 million. The write-down was made in the segment subsea.

In April 2013 the Group sold seismic equipment on “Polar Explorer”. The equipment was sold at NOK 4.1 million, with a loss of NOK 5.6 million.

NOTE 11 - INTANGIBLE FIXED ASSETS (NOK 1000)

GOODWILL

Cost price	2013	2012
Acquisition cost as at 01.01.	-	40 327
- Disposals during the year (exit subsidiary)	-	-22 269
+ Changes in exchange differences during the year	-	-949
= Acquisition cost as at 31.12.	-	**17 109**
Accumulated depreciation and write-downs as at 01.01.	-	26 993
+ Write-downs for the year	-	12 385
- Disposal subsidiary	-	-22 269
= Accumulated depreciation and write-downs at 31.12	-	**17 109**
Carrying amount at 31.12	-	-
Depreciation	0 %	0 %
Economic life	Perpetual	Perpetual
Depreciation method	None	None

There is no goodwill in the Group in 2013. Remaining goodwill in GC Rieber Shipping Ltd. was written down in 2012.

OTHER INTANGIBLE ASSETS

Cost price	2013	2012
Acquisition cost at 01.01	-	105 090
+ Disposal subsidiary	-	-105 090
= Acquisition cost at 31.12	-	-
Accumulated depreciation and write-downs as at 01.01.	-	98 355
+ Depreciation for the year	-	6 736
+ Write-downs for the year	-	-
- Disposal subsidiary	-	-105 091
= Accumulated depreciation and write-downs as at 31.12.	-	-
Carrying amount at 31.12	-	-
Depreciation	20 %	20 %
Economic life	5 years	5 years
Depreciation method	Linear	Linear

Other intangible assets related to patents/licenses and capitalised expenses were eliminated through the sale of the shares in Octio AS in 2012.

NOTE 12 - INVENTORIES (NOK 1000)

	2013	2012
Supplies	3 508	3 164
Inventory (components / other equipement)	1 688	-
Total inventories	**5 196**	**3 164**

No write-downs have been made to inventories in 2013.

NOTE 13 - ACCOUNTS RECEIVABLE AND OTHER CURRENT RECEIVABLES (NOK 1000)

	2013	2012
Accounts receivable and other current receivables:		
Receivables, not due	75 572	222 370
Receivables, due by 1-30 days	62 281	10 330
Receivables, due by 30-60 days	22 109	5 363
Receivables, due by 60-90 days	10 124	3 916
Receivables, due by >90 days	19 178	2 715
Gross receivables	**189 264**	**244 693**

Loss on trade receivables have been classified as operating expenses vessels in the income statement. There is no loss on trade receivables in 2013.

NOTE 14 - QUOTED FINANCIAL INVESTMENTS (NOK 1000)

INVESTMENT IN SHARES:

	2013	2012
Acquistition cost	9 382	10 590
Carrying amount	17 967	29 018
Fair value	17 967	29 018

Investments in quoted shares are recorded at fair value at the balance sheet date, with no deduction for sale costs.

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

NOTE 15 - CASH AND CASH EQUIVALENTS (NOK 1000)

BANK DEPOSITS AND CASH:

	2013	2012
Bank deposits and cash	219 800	136 641
Tax withholdings	7 046	8 338
Short-term bank deposits	471 790	72 195
Cash and bank deposits	**698 636**	**217 174**

Bank deposits generate interest income based on the banks' prevailing terms at any given time. Short-term bank deposits are carried out for varying periods; from one day to six months, depending on the company's need for liquidity. These deposits generate interest income based on the banks' terms related to short term deposits.

NOTE 16 - EQUITY (NOK 1000)

ORDINARY SHARES

Ordinary shares:	2013	2012
Par value	1,80	1,80
Number of shares	43 812 800	43 812 800
Share capital	78 863	78 863

OWN SHARES

The company possesses 150.800 of own shares at 31.12.13, constituting 0.34 percent of the total number of shares.

DIVIDENDS:

Paid dividend:	2013	2012
NOK per share (2013: NOK 1.00 and 2012: NOK 0.50)	43 662	21 831
Dividend proposed by the Board after the balance sheet date 31.12.:	174 648	43 662

NOTE 17 - DEBT TO CREDIT INSTITUTIONS (NOK 1000)

The Group's long term liabilities, including first year's instalments, are summarized as follows at year –end 2013:

Long-term debt		Average interest rate 2013	Average duration	Balance 2013	Balance 2012
Mortgage debt with floating interest	Secured	USD LIBOR + 2,79 %	2.6 years	783 824	701 395
Mortgage debt with fixed interest	Secured	USD CIRR 4,04 % + 1,75 %	4.5 years	66 921	72 363
Mortgage debt with rental swap agreement	Secured	USD LIBOR + 3,25 %	2.4 years	665 555	665 371
Overdraft facility (NOK 250 mill.)	Not secured	NIBOR + 2,75 %		-	170 000
Amortization effect, mortgage debt				-2 121	-2 797
Total				**1 514 179**	**1 606 332**

The Group's vessels are pledged as collateral for the loans by a total of NOK 2,447 million.

The repayment schedule for the Group's long-term liabilities, including first year's instalments, at year-end 2013:

Due in 2014	194 517
Due in 2015	282 791
Due in 2016	857 698
Due in 2017	162 131
Due in 2018	17 043
Total interest bearing debt	**1 514 179**

Additionally, interest on the principal amounts is due on the instalment dates. The mortgage loan on "Polar Pevek" is a fixed rate loan, and in 2012 rental swap agreements were entered into in connection with three other loans. The remaining loans are based on floating interest rates and the interest payments vary with the market interest rate level. The fixed interest loan mentioned above is recorded at amortised cost in the financial statements. The fair value of the loan is NOK 2 million higher than the recorded value, based on CIRR interest for loans with five years remaining term.

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 2013 was 3.80 percent (2012: 4.16 percent).

According to the Group's loan agreements:

- the Group's equity ratio shall be a minimum of 30 percent.
- the Group's working capital shall as a minimum equal one year's ordinary instalments, but no less than NOK 50 million / NOK 60 million.

NOTE 18 - PENSION COSTS AND 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 significantly reduced also in 2013, 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 percent. of the pension base (limited to 12G) and the pension scheme also includes disability, spouse 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 also has an early retirement pension agreement with certain employees, through which the company pays 63 percent. 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 percent. 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 and deviations between actual and expected return on pension assets 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 percent., it will normally result in an increase in the gross pension obligation of 15 to 20 percent.

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.

	2013	2012
Discount rate	4,00 %	3,90 %
Estimated return on plan assets	4,00 %	4,00 %
Increase of National Insurance Basic Amount (G)	3,50 %	3,25 %
Rate of salary increase	3,75 %	3,50 %
Rate of pension increase	0,60 %	0,20 %
Number of employees	103	111
Number of pensioners	19	18
Mortality list	K-2013	K-2005

Specification of the Group's net pension cost	2013	2012
Current service cost	5 210	8 098
Interest expenses on benefit obligations	1 748	1 741
Estimated return on plan assets	-1 530	-1 698
Administration costs	83	223
Amortization	-	-8 885
Net pension cost	**5 511**	**-521**
Social Security Tax	765	1 148
Pension cost in the profit and loss statement	**6 276**	**627**

Estimated pension cost 2014	
Current service cost	4 854
Interest expenses on benefit obligations	2 049
Estimated return on plan assets	-1 674
Administration costs	86
Net pension cost	**5 315**
Social Security Tax	737
Pension cost in the profit and loss statement	**6 051**

Specification of the Group's net pension obligations	31.12.13	31.12.12
Gross obligations, secured	-44 068	-38 256
Gross obligations, non-secured	-8 034	-7 625
Fair value of plan assets	40 293	34 877
Social Security Tax	-1 665	-1 552
Net pension obligations	**-13 475**	**-12 556**
Carrying value 1.1.	-12 556	-35 748
Cost in financial statement	6 276	627
Contributions / benefits during the year	-9 597	-7 333
Recognized net actuarial (loss) / gain	4 240	-16 486
Carrying value 31.12	**-13 475**	**-58 940**

	31.12.13	31.12.11
Gross pension obligation	-52 102	-45 881
Fair value of pension assets	40 293	34 877
Social Security Tax	-1 665	-1 552
Net obligation	-13 475	-12 556

Actual return on plan assets per 31.12.2013 was 5.3 percent.

DEFINED CONTRIBUTION PLANS

In addition to the defined benefit plans as described above, two of the Group's subsidiaries have made contributions to local pension plans in 2013. The contributions have been provided to pension plans covering 41 employees. The pension premium is recognised as an expense when it falls due and amounts to NOK 2.1 million in 2013.

NOTE 19 - LEASING (NOK 1000)

THE GROUP AS A LESSOR

Financial leases:

One of the Group's subsidiaries had a lease agreement in Great Britain (UK Tax Lease) related to the vessel "Ernest Shackleton". Generally, the terms in these agreements imply that the Group transfers the vessel to a financial institution in Great Britain and rents it back on a long-term lease agreement. In Q3 2013 the company entered into an agreement on early termination of the lease. This resulted in a positive effect on the income statement and an income recognition of NOK 22.7 million in the period.

Two of the Group's subsidiaries entered into lease agreements in Spain (Spanish Tax Lease) with a Spanish financial institution for the vessels "Polar Queen" and "Polar Duchess". The tax lease periods expired in 2013 and the vessels are now formally owned by the subsidiaries.

One of the Group's subsidiaries had a lease agreement related to streamers. The streamers were treated as sold in the accounts and remaining lease payments were recorded as a long-term receivable in the balance sheet. The lease agreement was terminated in Q1 2013 and the transaction had no cash or profit/loss effect for the Group.

(USD 1000)	2013	2012
Gross investment	54 000	54 000
Prepaid lease payment	-21 500	-21 500
Ordinary lease payments	-17 063	-11 375
Termination of the lease agreement	-15 438	-
Outstanding lease payments as at 31.12	**-**	**21 125**
Outstanding lease payments maturing:		
Within 1 year	-	6 500
In 1 to 5 years	-	14 625
	-	**21 1254**

Operating leases

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

THE GROUP AS A LESSEE:

Operating leases

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:

	2013	2012
Ordinary lease payments	10 235	9 668
	10 235	9 668

Future minimum lease payments related to lease agreements that cannot be cancelled are due as follows:

Within 1 year	4 031	5 479
1 to 5 years	13 353	7 121
Later than 5 years	-	-
	17 384	12 600

NOTE 20 - OVERVIEW OF SHAREHOLDERS 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's share
GC RIEBER AS	30 861 735	70.4 %
AS ODIN II	5 003 555	11.4 %
LEIF HILMAR SØRENSEN	909 000	2.1 %
PARETO AKSJE NORGE	661 640	1.5 %
JOHANNE MARIE MARTENS	400 000	0.9 %
DELTA A/S	359 000	0.8 %
BENEDICTE MARTENS NES	356 250	0.8 %
STORKLEIVEN AS	342 954	0.8 %
TANNLEGE RANDI ARNESEN AS	297 600	0.7 %
PARETO AKTIV	279 120	0.6 %
RANDI JEBSEN ARNESEN	243 051	0.6 %
DAG FREDRIK JEBSEN ARNESEN	206 000	0.5 %
TORHILD MARIE RONG	161 500	0.4 %
GC RIEBER SHIPPING ASA	150 800	0.3 %
BERGEN RÅVAREBØRS II AS	148 950	0.3 %
TIGO AS	141 359	0.3 %
TRIOFA 2 AS	141 359	0.3 %
PARETO VERDI	130 170	0.3 %
PAUL (PAAL) RIEBERS FOND	130 000	0.3 %
MARIUS NØST ARNESEN	128 000	0.3 %
OTHER SHAREHOLDERS	2 760 757	6.3 %
OUTSTANDING SHARES	**43 812 800**	**100.0 %**

Board member Georg Nygaard owns 5 000 shares as at 31 December 2013. No other board members nor the CEO own shares in the Company. The Chairman of the Board, Paul-Chr. Rieber indirectly controls 1.8 percent which equals 802 405 shares in the Company.

At 31.12.2013, GC Rieber AS owns 30,861,735 shares in GC Rieber Shipping ASA. This constitutes 70.4 percent of the outstanding shares in the company. GC Rieber Shipping ASA owns 150,800 of its own shares, representing 0.34 percent of share capital.

TRANSACTIONS WITH THE PARENT COMPANY:

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.

	2013	2012
ICT and administration expenses	6 479	5 624
Lease payments	3 756	4 044

The balance sheet as at 31.12.2013 does not include short-term debt to the parent company compared to NOK 2.8 million in short-term debt to the parent company per 31.12.2012.

TRANSACTIONS WITH JOINT VENTURES (PROPORTIONATE CONSOLIDATION):

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 transactions are as follows:

	2013	2012
Income	591	578
Expenses	-	-
Total	**591**	**578**

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

	2013	2012
Accounts receivable	600	361
Equity interest	24 335	-
Total (net)	**24 935**	**361**

TRANSACTIONS WITH ASSOCIATED COMPANIES (RECOGNISED ACCORDING TO THE EQUITY METHOD):

The Group has carried out various transactions with associated companies. All transactions have been carried out as part of the ordinary operations and at arm's length prices. The transactions are as follows:

	2013	2012
C/P revenue*	202 510	178 302
Management revenue	5 273	6 543
Total	**207 783**	**184 845**

* C/P revenue in 2013 relates to a time charter contract for "Polar Prince" which is in force until December 2014 and a time charter contract for "Polar King" which is in force until May 2015, both with the subsidiary Reef Subsea AS.

The balance sheet includes the following amounts as a consequence of transaction with associated companies:

	2013	2012
Trade receivables	34 043	19 626
Ownership according to the equity method	175 000	205 661
Loans (other long-term receivables)	-	31 550
Total (net)	**209 043**	**256 837**

NOTE 21 - CAPITAL STRUCTURE AND FINANCIAL INSTRUMENTS (NOK 1000)

1. CAPITAL STRUCTURE

The Group has a capital intensive business model in which the 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.

2. BALANCE SHEET INFORMATION

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

At 31.12.2013	Deposits and receivables	Financial instruments at fair value over profit or loss	Financial liabilities measured at amortised cost	Total
Assets				
Financial investments	-	17 967	-	17 967
Accounts receivable	189 264	-	-	189 264
Cash and bank deposits	698 636	-	-	698 636
Total financial assets	**887 900**	**17 967**	**-**	905 867
Liabilities				
Interest bearing long-term liabilities	-	-	1 319 662	1 319 662
Interest bearing short-term liabilities	-	-	194 517	194 517
Financial hedging instruments	-	36 184	-	36 184
Trade payables and other short-term liabilities	-	-	71 007	71 007
Total financial liabilities	**-**	**36 184**	**1 585 186**	1 621 370

At 31.12.2012	Deposits and receivables	Financial instruments at fair value over profit or loss	Financial liabilities measured at amortised cost	Total
Assets				
Financial investments	-	29 018	-	29 018
Financial hedging instruments	-	16 887		16 887
Accounts receivable	227 806	-	-	227 806
Cash and bank deposits	217 174	-	-	217 174
Total financial assets	**444 980**	**45 905**	**-**	490 885
Liabilities				
Interest bearing long-term liabilities		-	1 262 530	1 262 530
Interest bearing short-term liabilities		-	343 802	343 802
Trade payables and other short-term liabilities		-	29 900	29 900
Total financial liabilities		**-**	**1 636 232**	1 636 232

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

SECURITY/GUARANTEES FOR VALUES IN THE BALANCE SHEET:

- No security has been provided for the Group's accounts payable.
- The parent company has provided guarantee of NOK 1,280 million of the interest bearing liabilities of NOK 1,514 million.
- Security in the form of parent company guarantees has been received for part of the outstanding trade receivables.

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 associated company Reef Subsea. The Group's share of the contingent liabilities in joint ventures is disclosed in note 4. For provision of guarantee in Reef Subsea, see note 5.

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 13) and other current assets.

3. PROFIT AND LOSS INFORMATION

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

At 31.12.2013	Financial instruments at fair value over profit or loss	Financial 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
Unrealised currency gains/losses on interest bearing debt	-	-14 117	-14 117
Total financial losses in the income statement	**-**	**-79 987**	**-79 987**

At 31.12.2012	Financial instruments at fair value over profit or loss	Financial liabilities measured at amortised cost	TOTAL
Assets			
Change in fair value of quoted financial instruments	13 808	-	13 808
Unrealised change in fair value of financial hedging instruments	-14 180	-	-14 180
Realised currency gains/losses on bank deposits and cash	-	-4 070	-4 070
Unrealised currency gains/losses on bank deposits and cash	-	16 060	16 060
Interest income on bank deposits and cash	24 446	-	24 446
Total financial income in the income statement	**24 074**	**11 990**	**36 064**
Liabilities			
Interest expenses on interest bearing debt	-	-77 865	-77 865
Unrealised currency gains/losses on interest bearing debt	-	41 373	41 373
Total financial losses recognised in the income statement	**-**	**-36 492**	**-36 492**

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

GBP, the Group performs a continuous assessment of the need for cash flow hedging of future expected net cash flows in USD, GBP 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 and GBP 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 two GBP/NOK put/call structures; buying GBP/NOK put options financed through the sale of GBP/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 with 1/12 every month through 2014.

Furthermore, the Group has entered into two USD/NOK put/call structures; buying USD/NOK put options financed through 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 with 1/12 every month from June 2014 till June 2015.

The company has also entered into agreements on USD/NOK hedging of future USD loans in connection with the delivery of new vessels, in February 2014 and Q1 2015, respectively.

The Group's portfolio of financial derivatives used for hedging as at the balance sheet date was as follows:

Per 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 Forward for hedging of future loan (total)	USD	175 871	2015	5,97	-26 653
Total financial hedging instruments					**- 33 771**

Per 31.12.2012	Currency	Amount (1000)	Maturity	Hedge rate	Fair value (1000)
GBP/NOK put option	GBP	3 000	2013	9,80	2 034
GBP/NOK call option	GBP	6 000	2013	9,80	
USD/NOK Futures for hedging of future loans (total)	USD	93 383	2014	6,00	29 591
Total financial hedging instruments					**31 625**
Total financial hedging instruments					**31 625**

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 with a built-in derivative for "Polar Pevek" which is classified as "held to maturity".

	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. OTHER INFORMATION

RISK MANAGEMENT

As the Group operates its business internationally, it is exposed to various risks, such as credit risk, liquidity risk, interest rate risk, bunkers price risk and currency risk. The Group makes use of derivatives to reduce risk, in accordance with a strategy for hedging of interest rate and currency risk adopted by the Board. The operative risk management is performed by the finance department and regularly reported to the Board.

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. In particular this applies for contracts beyond certain duration.. The Group seeks to ensure, to the greatest extent possible, that charterers provide parent company guarantees for their obligations under the contracts, when this is commercially achievable.

The Group has not guaranteed for any third party liabilities, except for agreements relating to joint ventures and associated company. The Group's share of contingent liabilities which have arisen together with the other joint venture participants is mentioned in note 4, and guarantee provided for associated company is disclosed in note 5.

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. Therefore, the Group regards its maximum credit risk exposure to be equal to the carrying amount of trade receivables (note 14) and other current assets. The credit quality of outstanding trade receivables is considered to be good.

LIQUIDITY RISK

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 liabilities are presented below:

Remaining period At 31.12.2013	0-12 months	1-5 years	More than 5 years	TOTAL
Assets				
Financial investments	17 967	-	-	17 967
Accounts receivable and other receivables	189 636	-	-	189 636
Cash and bank deposits	698 636	-	-	698 636
Total financial assets	**906 239**	**-**	**-**	**906 239**
Liabilities				
Interest bearing long-term liabilities	229 863	1 453 587	-	1 683 450
Financial hedging instruments	36 184	-	-	36 184
Trade payables	71 007	-	-	71 007
Total financial liabilities	**337 054**	**1 453 587**	**-**	**1 790 641**

Remaining period At 31.12.2012	0-12 months	1-5 years	More than 5 years	TOTAL
Assets				
Financial investments	29 018	-	-	29 018
Financial hedging instruments	16 887	-	-	16 887
Trade receivables and other receivables	244 693	-	-	244 693
Cash and bank deposits	217 174	-	-	217 174
Total financial assets	**507 772**	**-**	**-**	**507 772**
Liabilities				
Interest bearing long-term liabilities	380 492	1 566 350	-	1 946 842
Trade payables	29 990	-	-	29 990
Total financial liabilities	**410 482**	**1 566 350**	**-**	**1 976 832**

Per 31.12.2013 the Group had a new construction program comprising two vessels through the wholly owned subsidiaries Polar Ship Invest II AS and Polar Ship Invest IV AS. The first vessel was delivered early March 2014 and the other has expected delivery in Q1 2015.

Agreed payment plan in NOK million:

Vessel (TBA)	Delivery	Committed investment	Paid	Payments 2014	Payments 2015
HN 300	2014	800,0	174,6	625,4	0,0
HN 369	2015	700,0	65,9	65,9	568,2
Total		**1 500,0**	**240,5**	**691,3**	**568,2**

FINANCIAL MARKET RISK

Interest rate

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 considered in this regard, 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 percentage points will improve the result by NOK 7.2 million in 2013, and correspondingly, a general decrease in the interest rate level of 1 percentage points will have a negative impact on the result by NOK 7.2 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 which are subject to interest rate risk, excluding in the case of interest rate swap, which is stated separately:

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	85 983	73 816	554 426	12 167	3 963	730 355
Floating interest rate						
Assets:						
Cash and bank deposits	698 636					698 636
Liabilities:						
Bank loans - unhedged	108 534	208 975	303 272	149 963	13 080	783 824

At 31.12.2012	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	73 607	73 607	67 539	507 285	25 035	747 073
Floating interest rate						
Assets:						
Cash and bank deposits	217 174					217 174
Liabilities:						
Bank loans - unhedged	270 195	81 548	179 516	328 000		859 259

See note 17 for further information on long-term liabilities.

Foreign currency

The Group's income is in USD, GBP and NOK, operating expenses are mainly in NOK, USD and GBP and administrative 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 achieved primarily 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 31.12.2013, 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 44.0 million
- An increase GBP/NOK exchange rate by 1.00, increases the result by NOK 4.1 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 547 million.

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. Hence, the Group has not entered into any forward contracts to hedge the risk of changes in bunker prices.

NOTE 22 - FOREIGN EXCHANGE RATES

EXCHANGE RATES AGAINST NOK:

At the balance sheet date:	31.12.13	31.12.12
US dollar	6,08	5,57
Euro	8,38	7,34
Pound Sterling	10,05	9,00

Monthly average exchange rates:	2013	2012
US dollar	5,88	5,82
Euro	7,81	7,55
Pound Sterling	9,19	9,14

NOTE 23 - EVENTS AFTER THE BALANCE SHEET DATE

In February 2014 GC Rieber Shipping entered into an agreement on sale of the shares in Reef Subsea to the private equity fund HitecVision. See note 5 and the annual report for further information.

Early March 2014 GC Rieber Shipping took delivery of its new, advanced subsea vessel "Polar Onyx" from Ulstein Verft. The vessel is chartered on a five year contract to Ceona Services (UK) Limited, for use in the advanced deep-water operations for Petrobas in Brazil.

NOTE 24 - CONTINGENCIES

APPLICATION FOR CONCILIATION

The Group's subsidiary Armada Seismic Invest II AS ("Armada") received a claim from Arrow Seismic Invest II Ltd. ("Arrow"). Arrow alleges that Armada acted negligently when the company took delivery of hull 533 in October 2011 and claims about 9 million Euro in damages.

Arrow, which at the time of delivery had a pending second priority attachment over the shipyard's claim for payment, asserts that Armada's payment was made to the wrong party when the first priority mortgagee was paid.

Armada made the payment in good faith on basis of thorough documentation and in accordance with ordinary security law and considers Arrow's claim for damages to be without merit.

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 percent 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 percent of a possible selling price before 31 December 2015 with gradual step down to 5 percent for sale by 31 December 2022.

/ FINANCIAL STATEMENTS
GC RIEBER SHIPPING ASA

/ PROFIT AND LOSS STATEMENT
GC RIEBER SHIPPING ASA

NOK 1000	Note	2013	2012
OPERATING EXPENSES			
Administration expenses	3, 4	-18 150	-11 866
Total operating expenses		-18 150	-11 866
Operating profit before depreciation, write-down and gain (loss) on sale of fixed assets		**-18 150**	**-11 866**
Write-down	5	-10 309	-6 158
Operating profit		**-28 459**	**-18 024**
FINANCIAL INCOME AND EXPENSES			
Income from subsidiaries	14	270 000	70 000
Write-down investment in subsidiary	6	-5 823	-2 868
Write-down/reversal of write-down long term receivables subsidiary	14	-33 460	5 035
Sale of shares and receivables subsidiary	13	0	-40 378
Write-down investment in associated company	6	-222 885	0
Financial income		13 578	18 836
Financial expenses		-13 691	-11 231
Realized currency gains (losses)		439	832
Unrealized currency gains (losses)		-10 502	-1 300
Net financial income and expenses		-2 344	38 927
Profit before taxes		**-30 803**	**20 903**
Taxes	9	-1 540	0
NET PROFIT	8	**-32 343**	**20 903**
ALLOCATION OF NET PROFIT			
Dividend	7	-174 648	-43 662
Transferred from Other Equity	7	206 991	22 759
Total allocation		32 343	-20 903

/ STATEMENT OF FINANCIAL POSITION
GC RIEBER SHIPPING ASA

NOK 1000	Note	31.12.13	31.12.12
ASSETS			
FIXED ASSETS			
Deferred tax asset	9	41 470	43 010
Total intangible fixed assets		41 470	43 010
Vessel equipment	5	0	35 178
Total tangible fixed assets		0	35 178
Investments in subsidiaries	6	302 096	307 919
Investments in associated companies	6	175 000	273 035
Loan to associated company	6	0	31 550
Other long-term receivables subsidiaries	14	0	30 615
Total financial fixed assets		477 096	643 119
Total fixed assets		518 566	721 307
CURRENT ASSETS			
Receivables from subsidiaries		423 226	399 675
Other current assets	14	3 406	2 323
Total debtors		426 632	401 998
Cash and bank deposits		81 131	57 610
Total current assets	11	507 762	459 608
TOTAL ASSETS		1 026 328	1 180 915

/ STATEMENT OF FINANCIAL POSITION
GC RIEBER SHIPPING ASA

NOK 1000	Note	31.12.13	31.12.12
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		16 604	16 604
Total restricted equity		95 196	95 196
Other equity		417 095	624 086
Total retained earnings		417 095	624 086
Total equity	0	512 291	719 282
LIABILITIES			
Liabilities to financial institutions	10	222 359	0
Total other long term liabilities		222 359	0
Liabilities to financial institutions	10, 11	0	170 000
Accounts payable		221	630
Dividends	7	174 648	43 662
Liabilities to subsidiaries	14	110 089	246 336
Other current liabilities	14	6 719	1 005
Total current liabilities		291 677	461 633
Total liabilities		514 037	461 633
TOTAL EQUITY AND LIABILITIES		1 026 328	1 180 915

Bergen, 12 March 2014
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	Notes	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxes	6	-30 803	20 903
Write-downs investments in associate company	6	222 885	0
Write-downs investments in subsidiary	5	5 823	2 868
Write-downs on fixed assets	14	10 309	6 158
Write-downs loans to subidiary		33 460	0
Exchange differences		10 407	-1 971
Loss on sale of shares in subsidiary		0	20 177
Change in accounts payable		-409	38
Change in receivables from subsidiaries		-159 797	116 370
Change in other current assets and other liabilities		4 331	-2 342
Net paid interests		11 781	0
Net cash flow from operating activities		**107 988**	**162 200**
CASH FLOW FROM INVESTMENT ACTIVITIES			
Payments for purchase of fixed assets	5	24 869	240
Payments for investments in financial fixed assets		-93 300	-187 905
Net cash flow from investment activities		**-68 431**	**-187 665**
CASH FLOW FROM FINANCING ACTIVITIES			
Payments from new long term liabilities to financial institutions	10	238 203	0
Repayment of long term liabilities to financial institutions	10	-38 517	0
Payments from new current liabilities to financial institutions	10	0	220 000
Repayment of current liabilities to financial institutions	10	-170 000	-117 866
Dividend payment	7	-43 662	-21 831
Net paid interests		-11 781	0
Net cash flow from financing activities		**-25 757**	**80 303**
Net change in cash and cash equivalents		13 799	54 838
Cash and cash equivalents at 01.01.		57 610	802
Exchange gain/loss on cash and cash equivalents		9 722	1 971
Bank deposits, cash and quoted financial investments at 31.12.		**81 131**	**57 610**

/ 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 2014.

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.

BALANCE SHEET CLASSIFICATION

Fixed assets consist of assets intended for permanent ownership or use and receivables due later than one year after the balance sheet date. 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 profit and loss 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 towards the profit and loss statement.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCY

Receivables and liabilities in a foreign currency are translated into NOK using the exchange rate applicable on 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 manner 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 at cost. If fair value is lower than cost, and the fall in value is not considered temporarily, the investment will be valued at fair value.

RECEIVABLES

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

INVESTMENTS IN 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 and 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 is 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 six 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 1000)

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. Management joining the company after March 2012 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 2013:	Salary	Bonus	Other benefits	Paid pension premium	Total remun-eration
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**
Management remuneration 2012:					
Irene Waage Basili, CEO	2 055	283	26	139	2 503
Trond Herdlevær, COO (from 9/2012)	487	-	5	22	514
Johnny Ytreland, acting COO (until 9/2012)	663	112	33	227	1 035
Einar Ytredal, CFO	1 109	221	45	193	1 568
Total managment remuneration	**4 314**	**616**	**109**	**581**	**5 620**

Board remuneration:	Board remun-eration 2013	Total remun-eration 2013	Board remun-eration 2012	Total remun-eration 2012
Paul-Chr. Rieber, chairman	250	250	200	200
Hans Olav Lindal, vice-chairman (from 4/2012)	200	200	100	100
Kristin Færøvik (from 4/2012)	170	170	80	80
Tove Lunde (from 4/2012)	170	170	80	80
Georg Nygaard (incl remuneration from audit committee from 4/2012)	220	220	113	113
Trygve Arnesen, vice-chairman until (4/2012)	-	-	54	56
Jan Erik Clausen (until 4/2012)	-	-	44	49
Cecilie Astrup (until 4/2012)	-	-	44	49
Inga Lise Moldestad (incl. remuneration from audit committee 2009-2011) (until 4/2012)	-	-	61	66
Total board remuneration	**1 010**	**1 010**	**776**	**791**

Auditor's fees (excl. VAT):	2013	2012
Audit	143	217
Tax consulting	83	93
Other services	81	212
Total auditor's fees	**307**	**522**

NOTE 4 - SPECIFICATION OF EXPENSES BY CATEGORY (NOK 1000)

	2013	2012
Board remuneration incl. Social security tax	1 152	819
Auditor's fees	307	522
Management fee to GC Rieber Shipping AS	6 000	6 000
Legal fee	1 550	1 447
Consultancy fee	2 041	1 210
Restructuring costs UK	4 428	-
Other administration expenses	2 671	1 868
Total operating expenses	**18 150**	**11 866**

NOTE 5 - FIXED ASSETS (NOK 1000)

Vessel equipment:

	2013	2012
Acquisition cost as at 01.01	78 626	78 866
+ Additions during the year	-	-
- Disposals during the year	-78 626	-240
= Acquisition cost as at 31.12	-	78 626
Accumulated depreciation and write-downs as at 01.01.	43 448	37 290
- Reversal of previous write-downs	-3 006	-
+ Write-downs for the year	13 315	6 158
- Disposals during the year	-53 757	-
Accumulated depreciation and write-downs as at 31.12	-	43 448
Carrying amount as at 31.12.	**-**	**35 178**

In 2013 the company has 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.

NOTE 6 - INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES (NOK 1000)

Company	Business office	Voting- and owner's share	Carrying amount 31.12.13	Profit 2013	Equity 31.12.2013
Polar Ship Invest II AS	Bergen	100 %	26 979	194 181	524 070
GC Rieber Shipping AS	Bergen	100 %	37 406	-6 794	45 846
Polar Explorer AS	Bergen	100 %	150 492	6 375	191 246
Polar Ship Invest III AS	Bergen	100 %	108	112 186	214 911
Polar Ship Invest IV AS	Bergen	100 %	35 401	10 540	925 016
Polarus AS	Bergen	100 %	50 000	24 391	80 326
GC Rieber Offshore Asia AS	Bergen	100 %	1 710	-91	4 318
GC Rieber Shipping Asia Pte Ltd	Singapore	100 %	-	-	-
GC Rieber Shipping Ltd	Storbritannia	100 %	-	-3 994	-17 430
Polar Queen Ltd.	Isle of Man	100 %	-	-	-
Total			**302 096**	**336 795**	**1 968 304**

Associated company	Business office	Owner's share	Carrying amount 31.12.13	Profit 2013	Equity 31.12.13
Reef Subsea Group	Bergen	50 %	175 000	-252 873	582 010

(Preliminiary figures for associated company 100 %)

The investment in GC Rieber Shipping Ltd. was written down in full by NOK 5.8 million in 2013 as a result of the decision to close down the operations of the company.

The investment in GC Rieber Shipping Asia Pte Ltd was written down in full in 2012 by NOK 2.8 million.

The company has increased its investment in Reef Subsea Group by a total of NOK 124.9 million during the year through conversion of loan and receivables. The company sold the shares in February 2014 and has written down the value of the shares in Reef Subsea Group by NOK 222.9 million per 31 December 2013.

The selling price has been agreed to NOK 175 million and the proceeds will be settled through a combination of cash and sellers credit. The sellers credit, where the company renders a loan to HV V Invest Golf AS and HV V Invest Golf II AS, amounts to a total of NOK 160 million. NOK 30 million has due date 30 November 2015, NOK 50 million has due date 31 December 2016 and NOK 80 million has due date 31 December 2018. The sellers credit becomes due in full in the event of a possible sale of Reef Subsea. The amounts are charged with interest. GC Rieber Shipping has security for the loan through mortgage in a significant part of the shares in Reef Subsea. The transaction was completed at the end of February 2014 subsequent to approval from the Norwegian Competition Authority.

NOTE 7 - EQUITY

STATEMENT OF CHANGES IN EQUITY (NOK 1000):

			Restricted equity	Other equity	
	Share capital	Portfolio of owvn shares	Share premium reserve	Other equity	Total
Equity 01.01	78 863	-271	16 604	624 086	719 282
Profit of the year				-32 343	-32 343
Dividends				-174 648	-174 648
Equity 31.12	**78 863**	**-271**	**16 604**	**417 095**	**512 291**

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 percent of the total number of shares.

DIVIDEND (NOK 1000):

Paid dividend:	2013	2012
NOK per share (2013; NOK 1,00 and 2012; NOK 0.50)	43 662	21 831
Proposed dividend:		
The following dividend was proposed by the board to be paid after balance sheet date	174 648	43 662

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.

	2013	2012
Profit for the year (NOK 1000)	32 343	20 903
Time weighted average number of shares applied in the calculation of earnings per share	43 662 000	43 662 000
Number of ordinary shares outstanding as at 31.12.	43 662 000	43 662 000
Earnings per share (NOK)	-0,74	0,48
Diluted earnings per share (NOK)	-0,74	0,48

NOTE 9 - TAXES (NOK 1000)

INCOME TAX EXPENSE:	2013	2012
Profit before taxes	-30 803	20 903
Permanent differences		
Other non tax deductable costs	-	23
Write-down investment in subsidiary	39 283	29 459
Loss on sale of share	-	9 520
Write-down investment in associated company	222 885	-
Group contribution	-270 000	-70 000
Temporary differences		
Change gain and loss account	16	21
Change in other temporary differences	-25 243	6 158
Tax base for the financial year	**-63 861**	**-3 916**
Payable income tax expense (28%)	**-**	**-**

Taxes in profit and loss statement:

Change in deferred tax opening balance estimate change from 28 % to 27 %	1 540	-
Taxes (tax income)	**1 540**	**-**

Reconciliation of current year's taxes:

Profit before taxes	-30 803	20 903
Calculated tax using nominal tax rate (28 %)	-8 625	5 853
Effect of not recognised estimate change deferred tax from 28 % to 27 %	386	
Deferred tax asset not recognised in balance sheet	10 431	2 827
Permanent differences	-2 193	-8 679
Taxes (tax income)	**-**	**-**

DEFERRED TAX LIABILITIES/ASSETS		
Gain and loss account	66	82
Temporary differences fixed assets	-	-29 391
Tax losses carried forward	-200 784	-132 166
Unrecognized tax loss carry forward	47 125	7 867
Basis for calculation of deferred tax	-153 593	-153 608
Tax rate	27 %	28%
Deferred tax liabilities/assets on the balance sheet	**-41 470**	**-43 010**

NOTE 10 - LONG TERM LIABILITIES TO FINANCIAL INSTITUTIONS (NOK 1000)

In 2013 the company entered into an agreement on extending the credit facility of NOK 250 million with a credit institution till 30.11.2015. The company has not made use of the credit facility per 31.12.2013. At the end of 2012 the credit facility was used by NOK 170 million and presented as short term debt in the financial statements

The company has the following mortgage debt (currency) per 31.12.2013:

	USD	NOK
Mortgage debt	36 550	222 359

The company's mortgage debt is recognised at the exchange rate on the balance sheet date, 6.08. 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 52.3 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 1000)

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/bank deposits in financial institutions included the group account system as at 31.12.consist of:

	2013	2012
Cash at banks and on hand	81 131	57 610
Total cash and bank deposits	**81 131**	**57 610**
Credit facility	-	-170 000
Bank accounts related to the group account system	-	-
Total short term liabilities to financial institutions	**-**	**-170 000**

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 or other drawing rights.

NOTE 12 - OVERVIEW OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

The 20 largest shareholders in GC Rieber Shipping ASA as at 31 December 2013 (outstanding shares):

Name	Shares	% of shares
GC RIEBER AS	30 861 735	70.4 %
AS ODIN II	5 003 555	11.4 %
LEIF HILMAR SØRENSEN	909 000	2.1 %
PARETO AKSJE NORGE	661 640	1.5 %
JOHANNE MARIE MARTENS	400 000	0.9 %
DELTA A/S	359 000	0.8 %
BENEDICTE MARTENS NES	356 250	0.8 %
STORKLEIVEN AS	342 954	0.8 %
TANNLEGE RANDI ARNESEN AS	297 600	0.7 %
PARETO AKTIV	279 120	0.6 %
RANDI JEBSEN ARNESEN	243 051	0.6 %
DAG FREDRIK JEBSEN ARNESEN	206 000	0.5 %
TORHILD MARIE RONG	161 500	0.4 %
GC RIEBER SHIPPING ASA	150 800	0.3 %
BERGEN RÅVAREBØRS II AS	148 950	0.3 %
TIGO AS	141 359	0.3 %
TRIOFA 2 AS	141 359	0.3 %
PARETO VERDI	130 170	0.3 %
PAUL (PAAL) RIEBERS FOND	130 000	0.3 %
MARIUS NØST ARNESEN	128 000	0.3 %
OTHER SHAREHOLDERS	2 760 757	6.3 %
TOTAL SHARES	**43 812 800**	**100.0 %**

The Board member Georg Nygaard owns 5 000 shares as at 31.12.2013. 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 percent, of the share capital in the company.

As at 31.12.2013, GC Rieber AS owns 30.861.735 shares in GC Rieber Shipping ASA. This constitutes 70.7 percent of the outstanding shares in the company. Own shares in GC Rieber Shipping ASA constitutes 150,800 shares, representing 0.34 percent of the share capital.

NOTE 13 - REALISATION OF SHARES AND RECEIVABLES IN SUBSIDIARY (NOK 1000)

At 27.12.2012 the company sold a total of 3,217,697 shares in Octio AS to Statoil Venture AS at NOK 1, and outstanding receivables to OctioAS at NOK 0.75 million After the sales the company owns 8 percent of Octio AS which is written down to NOK 1 at the end of 2012. The transaction resulted in a loss on shares of NOK 20.2 million and a loss of receivables of NOK 20.2 million

In 2013 the remaining owner share in Octio AS was sold to Statoil Venture AS at NOK 1. In addition to the selling price an earn-out has been agreed for the event that Statoil Venture sells shares or parts of Octio's assets. The earn-out amount will make 8 percent of a possible selling price before 31 December 2015 with gradual reduction to 5 percent by a sale by 31. December 2022.

NOTE 14 - RECEIVABLES/LIABILITIES (NOK 1000)

	2013	2012
Intercompany transactions		
Long term receivables group	33 460	30 615
Write down long term receivables group	-33 460	-
Receivables group account system	152 977	212 202
Short term receivables group	270 248	187 474
Total receivables group	423 226	430 291
Liabilities group account system	107 535	245 617
Short term liability group	2 554	719
Total liability group	110 089	246 336

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

The main short term group receivables in 2013 consist of group contribution without tax effect from Polar Ship Invest II AS and Polar Ship Invest IV AS, NOK 250 million (in 2012 NOK 50 million) and NOK 20 million (in 2012 NOK 20 million), respectively, both group contributions given in 2013. In 2012 loan to subsidiary Polar Ship Invest IV AS made NOK 92 million included calculated interest 6.5 million.

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

Short term debt to the group of NOK 2.6 million is ordinary trade payables to subsidiary.

Increase in other short term liabilities from NOK 1.0 million to NOK 6.7 million is mainly due to provisions for restructuring expenses related to closing down of GC Rieber Shipping Ltd.

NOTE 15 - MORTGAGE AND GUARANTEES

The company has provided guarantees for companies in the group totaling NOK 1,280 million. In the underlying companies, these are collateralised debt obligations. NOK 20 million has been provided as guarantee to associated company.

/ 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 2013, and the income statement 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 2013, income statement, statement of comprehensive income, 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.

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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 2013, 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 present fairly, in all material respects, the financial position of the group GC Rieber Shipping ASA as at 31 December 2013, 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 statement on Corporate Governance

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 statement on Corporate Governance 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

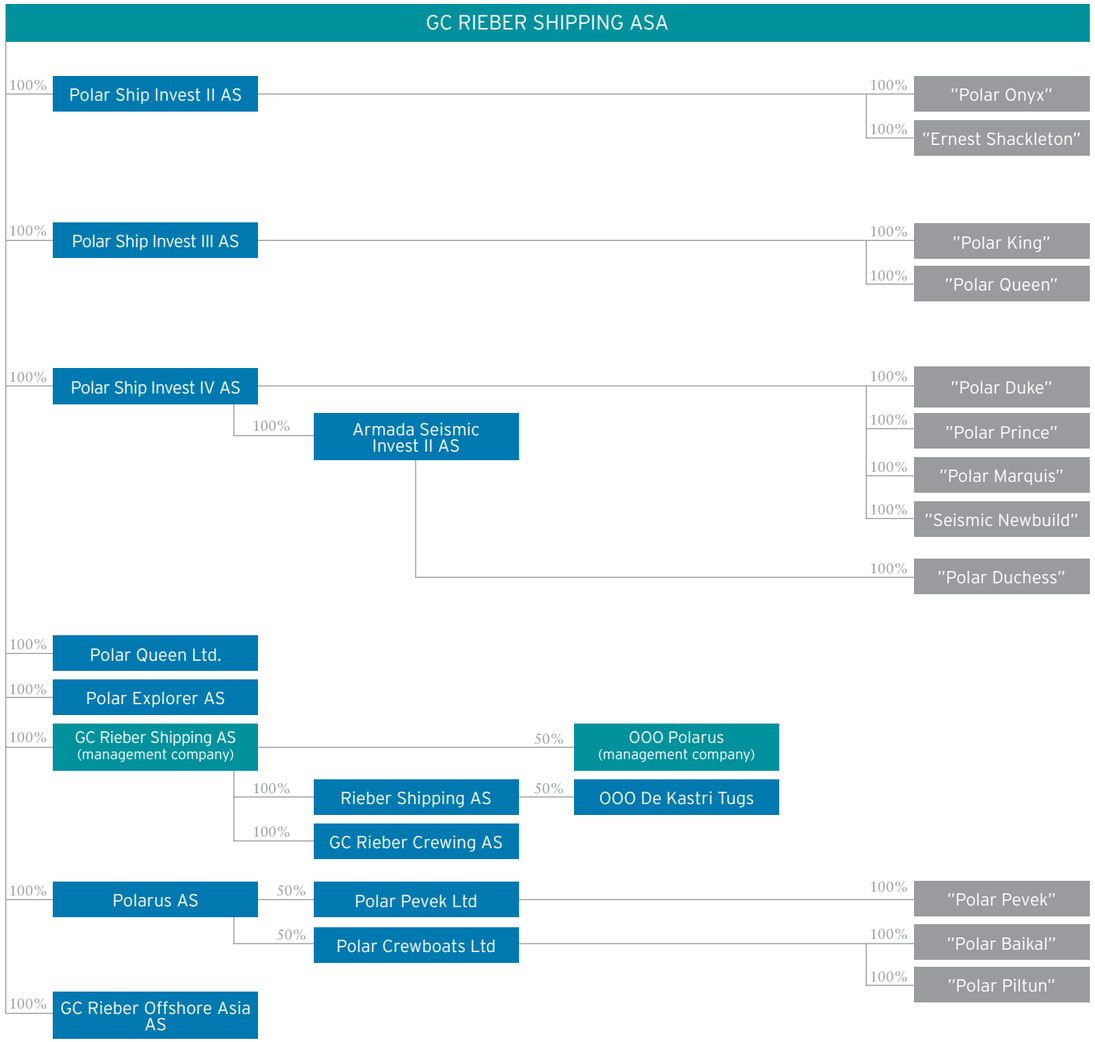
Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion 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 2014
PricewaterhouseCoopers AS

Jon Haugervåg
State Authorised Public Accountant (Norway)

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

/ CORPORATE STRUCTURE PER MARCH 2014



/ 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 of NOK 1.6 billion

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

design by colours.no

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