(OFFICE TRANSLATION)

TIL AKSJEEIERE I GC RIEBER SHIPPING ASA

INNKALLING TIL ORDINÆR GENERALFORSAMLING

I

GC RIEBER SHIPPING ASA
ORG NR 987 974 532

Ordinær generalforsamling i GC Rieber Shipping ASA ("**Selskapet**") vil bli holdt mandag den 11. april 2016 kl 14:00 i Solheimsgaten 11, Bergen (auditoriet i Skipsbyggerhallen).

Til behandling foreligger:

1 ÅPNING AV GENERALFORSAMLINGEN VED STYRETS LEDER OG OPPTAK AV FORTEGNELSE OVER MØTENDE AKSJEEIERE

2 VALG AV MØTELEDER

Styret foreslår styreleder Paul-Chr. Rieber.

3 GODKJENNELSE AV INNKALLING OG DAGSORDEN

4 VALG AV ÉN PERSON TIL Å MEDUNDERTEGNE PROTOKOLLEN SAMMEN MED MØTELEDER

5 GODKJENNELSE AV ÅRSREGNSKAPET OG ÅRSBERETNINGEN FOR REGNSKAPSÅRET 2015, HERUNDER EVT. UTDELING AV UTBYTTE

TO THE SHAREHOLDERS OF GC RIEBER SHIPPING ASA

NOTICE OF ANNUAL GENERAL MEETING

OF

GC RIEBER SHIPPING ASA
REG NO 987 974 532

An annual general meeting of GC Rieber Shipping ASA (the "**Company**") will be held on Monday 11 April 2016 at 14:00 hours (CET) at the Company's offices in Solheimsgaten 11, Bergen (auditorium in Skipsbyggerhallen).

The following is on the agenda:

1 OPENING OF THE GENERAL MEETING BY THE CHAIRMAN AND RECORD OF THE SHAREHOLDERS PRESENT

2 ELECTION OF A PERSON TO CHAIR THE MEETING

The board of directors proposes chairman Paul-Chr. Rieber.

3 APPROVAL OF THE NOTICE AND AGENDA

4 ELECTION OF A PERSON TO CO-SIGN THE MINUTES TOGETHER WITH THE CHAIRPERSON

5 APPROVAL OF THE ANNUAL ACCOUNTS AND THE ANNUAL REPORT FOR THE FINANCIAL YEAR 2015, INCLUDING POSSIBLE DISTRIBUTION OF DIVIDENDS

Styret foreslår at det ikke utbetales utbytte.

The board of directors proposes that no dividends are to be distributed

6 BEHANDLING AV STYRETS ERKLÆRING OM FASTSETTELSE AV LØNN OG ANNEN GODTGJØRELSE TIL LEDENDE ANSATTE ETTER ALLMENNAKSJELOVEN § 6-16 A

I samsvar med allmennaksjeloven § 6-16 a har styret utarbeidet en erklæring om fastsettelse av lønn og annen godtgjørelse til ledende ansatte. Det skal i generalforsamlingen holdes en rådgivende avstemning om erklæringen. Erklæringen er tilgjengelig på Selskapets hjemmeside www.gcrieber-shipping.com

6 CONSIDERATION OF THE BOARD OF DIRECTORS´ STATEMENT REGARDING THE DETERMINATION OF SALARIES AND OTHER REMUNERATION TO THE MANAGEMENT PURSUANT TO SECTION 6-16 A OF THE PUBLIC LIMITED LIABILITY COMPANIES ACT

Pursuant to Section 6-16 a of the Public Limited Companies Act, the Board of Directors has prepared a statement regarding the determination of salaries and other remuneration to the management. In the General Meeting, a consultative vote over the statement will be held. The statement is available on the Company’s website www.gcrieber-shipping.com

7 FASTSETTELSE AV GODTGJØRELSE TIL STYRETS MEDLEMMER

Styret foreslår at generalforsamlingen treffer slikt vedtak:

"Styrets samlede honorar fastsettes til NOK 1 000 000".

7 DETERMINATION OF THE REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS

The board of directors proposes that the general meeting adopt the following resolution:

"The remuneration to the board of directors is NOK 1,000,000".

8 GODKJENNELSE AV REVISORS GODTGJØRELSE

Styret foreslår at generalforsamlingen treffer slikt vedtak:

"Revisors godtgjørelse på NOK 190 000 godkjennes"

8 APPROVAL OF THE REMUNERATION TO THE AUDITOR

The board of directors proposes that the general meeting adopt the following resolution:

"The remuneration to the auditor at NOK 190,000, is approved".

9 VALG AV STYREMEDLEMMER

Selskapets styre består av fem medlemmer. Paul-Chr. Rieber (styreleder) og Kristin Færøvik (styremedlem) ble valgt for en periode på to år på ordinær generalforsamling i april 2015. Hans Olav Lindal (nestleder), Georg Nygaard (styremedlem) og Tove Lunde (styremedlem) ble valgt for en periode på to år i ordinær generalforsamling i april 2014.

9 ELECTION OF MEMBERS TO THE BOARD OF DIRECTORS

The board of directors comprises five members. Paul-Chr Rieber (chairman) and Kristin Færøvik (board member) were elected for a term of two years at the annual general meeting in April 2015. Hans Olav Lindal (vice chairman), Georg Nygaard (board member) and Tove Lunde (board member) were elected for a term of two years at the annual general meeting in April 2014.

Det foreslås at Hans Olav Lindal (nestleder) og Tove Lunde (styremedlem) gjenvelges for en periode på to år, og at Trygve Bruland (styremedlem) velges for en periode på to år.

It is proposed that Hans Olav Lindal (vice chairman), and Tove Lunde (board member) are re-elected for a term of two years, and that Trygve Bruland (board member) is elected for a term of two years.

Nærmere informasjon om Trygve Bruland er inntatt som bilag 5 til innkallingen.

Further information about Trygve Bruland is attached as appendix 5 to the notice.

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Aksjeeiere som ønsker å delta i generalforsamlingen (enten selv eller ved fullmektig), bes melde fra om dette ved å sende vedlagte påmeldingsskjema til Selskapet til den postadresse, telefaks eller e-postadresse som fremgår av skjemaet innen 8. april 2016 kl 16:00.

Shareholders who wish to attend the general meeting (either in person or by proxy) are requested to give notice by sending the enclosed registration form at the postal address, fax number or email address set out in the form within 8 April 2016 at 16:00 (CET).

Aksjeeiere som ikke har anledning til selv å møte, kan møte ved fullmektig. Skjema for tildeling av fullmakt, med nærmere instruksjoner for bruken av fullmaktsskjemaet, er vedlagt. Fullmakt kan om ønskelig gis til styrets leder Paul-Chr Rieber. Utfylte fullmaktsskjemaer kan enten sendes til Selskapet per post, telefaks eller e-post innen 8. april 2016 kl 16:00 eller leveres i generalforsamlingen.

Shareholders who are prevented from attending the general meeting, may be represented by way of proxy. A proxy form, including detailed instructions for the use of the form, is enclosed. Proxy may, if desirable, be given to the Chairman of the Board Paul-Chr Rieber. Completed proxy forms may either be sent to the Company by ordinary mail, fax or email within 8 April 2016 at 16:00 (CET) or be submitted in the general meeting.

Adresse:

GC Rieber Shipping ASA, postboks 1114 Sentrum, 5809 Bergen, e-post: mette.henriksen@gcrieber.com, fax + (57) 55 60 68 05.

Address:

GC Rieber Shipping ASA, postboks 1114 Sentrum, 5809 Bergen, e-post: mette.henriksen@gcrieber.com, fax + (57) 55 60 68 05.

GC Rieber Shipping ASA er et allmennaksjeselskap underlagt allmennaksjelovens regler. Selskapet har per dagen for denne innkallingen utstedt 43 812 800 aksjer, og hver aksje har én stemme. Aksjene har også for øvrig like rettigheter. Selskapet har per dagen for denne innkallingen en beholdning på 150 800 egne aksjer det ikke kan avgis stemmer for.

GC Rieber Shipping ASA is a public limited company subject to the rules of the Norwegian Public Limited Companies Act. As of the date of this notice, the Company has issued 43,812,800 shares, each of which represents one vote. The shares have equal rights also in all other respects. As of the date of this notice, the company owns 150,800 own shares, for which votes cannot be cast.

En aksjeeier har rett til å fremsette forslag til beslutninger i saker på dagsordenen og til å kreve at styremedlemmer og daglig leder på generalforsamlingen gir tilgjengelige opplysninger om forhold som kan innvirke på bedømmelsen av (i) godkjennelsen av årsregnskapet og årsberetningen, (ii) saker som er forelagt aksjeeierne til avgjørelse, og (iii) selskapets økonomiske stilling, herunder virksomheten i andre selskaper som selskapet deltar

A shareholder has the right to table draft resolutions for items included on the agenda and to require that members of the Board of Directors and the CEO in the General Meeting provide available information about matters which may affect the assessment of: (i) the approval of the annual accounts and the annual report, (ii) items which are presented to the shareholders for decision, and (iii) the company's financial situation, including information about i, og andre saker som generalforsamlingen skal behandle, med mindre de opplysninger som kreves, ikke kan gis uten uforholdsmessig skade for Selskapet.

activities in other companies in which the company participates, and other matters to be discussed in the General Meeting, unless the requested information cannot be disclosed without causing disproportionate harm to the Company.

Denne innkallingen, øvrige dokumenter som gjelder saker som skal behandles i generalforsamlingen, herunder de dokumenter det er henvist til i denne innkallingen, forslag til beslutninger for poster på den foreslåtte dagsordenen, samt Selskapets vedtekter, er tilgjengelige på selskapets hjemmeside: www.gcrieber-shipping.com. Aksjeeiere kan kontakte Selskapet per post, telefaks, e-post eller telefon for å få tilsendt de aktuelle dokumentene.

This notice and its appendices, including draft resolutions for items on the proposed agenda, as well as the Company's Articles of Association, are also available at the Company's internet site: www.gcrieber-shipping.com. Shareholders may contact the Company by ordinary mail, fax, email or phone in order to request the documents in question on paper.

Adresse:GC Rieber Shipping ASA, postboks 1114 Sentrum, 5809 Bergen, e-post: mette.henriksen@gcrieber.com; fax + (47) 55 60 68 05, tlf + (47) 55 60 68 00.

Address: GC Rieber Shipping ASA, postboks 1114 Sentrum, 5809 Bergen, email: mette.henriksen@gcrieber.com; fax + (47) 55 60 68 05, phone + (47) 55 60 68 00.

Bergen 18. mars /18 March 2016

På vegne av styret i /
On behalf of the board of directors of

GC RIEBER SHIPPING ASA

____
Paul-Chr Rieber (sign.)

(styrets leder/chairman)

Oversikt over vedlegg til innkallingen som er tilgjengelig på selskapets internettside:

1 Påmeldings- og fullmaktsskjema til ordinær generalforsamling på norsk

2 Påmeldings- og fullmaktsskjema til ordinær generalforsamling på engelsk

3 Årsregnskap, årsberetning og revisors beretning for regnskapsåret 2015

4 Styrets erklæring om fastsettelse av lønn og annen godtgjørelse til ledende ansatte

5 CV for Trygve Bruland

Overview of appendices to the notice which are available at the Company´s internet site:

1 Registration and proxy form to the annual general meeting in Norwegian

2 Registration and proxy form to the annual general meeting in English

3 Annual accounts, annual report and auditor´s report for the financial year 2015

4 The board of director´s statement regarding the determination of salaries and other remuneration to the management

5 CV for Trygve Bruland

Vedlegg 1 / Appendix 1

PÅMELDINGS- OG FULLMAKTSSKJEMA TIL ORDINÆR GENERALFORSAMLING

PÅMELDING – ORDINÆR GENERALFORSAMLING 11. APRIL 2016 I GC RIEBER SHIPPING ASA

Melding om at De vil delta i den ordinære generalforsamlingen 11. april 2016, bes meddelt på dette påmeldingsskjemaet innen 8. april 2016 kl 16:00. **Adresse**: GC Rieber Shipping ASA v/ Mette Henriksen, Postboks 1114 Sentrum, 5809 Bergen, **e-post**: mette.henriksen@gcrieber.com. Dersom De etter påmelding skulle bli forhindret fra å møte, kan skriftlig og datert fullmakt leveres i generalforsamlingen.

Undertegnede vil møte i den ordinære generalforsamlingen i GC Rieber Shipping ASA den 11. april 2016 og (sett kryss):

☐ Avgi stemme for mine/våre aksjer
☐ Avgi stemme for aksjer i følge vedlagte fullmakt(er)

Aksjeeierens navn og adresse: ____
(vennligst bruk blokkbokstaver)

____________	__________________	__________________________________
dato	sted	aksjeeiers underskrift

FULLMAKT – ORDINÆR GENERALFORSAMLING 11. APRIL 2016 I GC RIEBER SHIPPING ASA

Hvis De selv ikke møter i den ordinære generalforsamlingen 11. april 2016, kan De møte ved fullmektig. De kan da benytte dette fullmaktskjemaet. Skriftlig og datert fullmakt kan enten sendes til Selskapet per post, telefaks eller e-post innen 8. april 2016 kl 16:00 eller leveres i generalforsamlingen. **Adresse**: GC Rieber Shipping ASA v/ Mette Henriksen, Postboks 1114 Sentrum, 5809 Bergen, **e-post**: mette.henriksen@gcrieber.com.

Undertegnede aksjeeier i GC Rieber Shipping ASA gir herved (sett kryss):

☐ Styrets leder Paul-Chr Rieber eller den han bemyndiger

☐ Adm Dir Irene Waage Basili eller den hun bemyndiger

☐ ______________________________________
Navn på fullmektig *(vennligst bruk blokkbokstaver)*

fullmakt til å møte og avgi stemme for mine/våre aksjer i den ordinære generalforsamlingen i GC Rieber Shipping ASA den 11. april 2016. Dersom det er sendt inn fullmakt uten å navngi fullmektigen, anses fullmakten gitt til administrerende direktør eller den hun bemyndiger.

Stemmegivningen skal skje i henhold til instruksjonene nedenfor. Merk at **dersom det ikke er krysset av i rubrikkene nedenfor, vil dette anses som en instruks om å stemme "for" forslagene i innkallingen**. I den grad det foreligger forslag som ikke er fremsatt av styret, eller dersom det blir fremmet forslag i tillegg til eller til erstatning for forslagene i innkallingen, avgjør fullmektigen stemmegivningen.

Sak:	For	Mot	Avstår	Full-mektigen avgjør stemme-givningen
2. Valg av Paul-Chr. Rieber til møteleder	☐	☐	☐	☐
3. Godkjennelse av innkalling og dagsorden	☐	☐	☐	☐
4. Valg av person til å medundertegne protokollen	☐	☐	☐	☐
5. Godkjennelse av årsregnskap og årsberetning, herunder utdeling av utbytte	☐	☐	☐	☐
6. Behandling av styrets erklæring om fastsettelse av lønn og annen godtgjørelse til ledende ansatte etter allmennaksjeloven § 6-16a	☐	☐	☐	☐
7. Fastsettelse av godtgjørelse til styrets medlemmer	☐	☐	☐	☐
8. Godkjennelse av revisors godtgjørelse	☐	☐	☐	☐
9. Valg av styremedlemmer				
Styremedlem Hans Olav Lindal [gjenvalg]	☐	☐	☐	☐
Styremedlem Tove Lunde [gjenvalg]	☐	☐	☐	☐
Styremedlem Trygve Bruland [nyvalg]	☐	☐	☐	☐
Andre kandidater til styret (før opp navn dersom fullmektigen skal stemme for andre kandidater enn foreslått i innkallingen):				
1.	☐	☐	☐	☐
2.	☐	☐	☐	☐

Aksjeeierens navn og adresse: ____
(vennligst bruk blokkbokstaver)

____________	________________	______________________________
dato	sted	aksjeeiers underskrift

Dersom aksjeeieren er et selskap, må gjeldende firmaattest vedlegges fullmakten.

Vedlegg 2/Appendix 2

REGISTRATION AND PROXY FORM TO THE ANNUAL GENERAL MEETING

REGISTRATION – ANNUAL GENERAL MEETING 11 APRIL 2016 IN GC RIEBER SHIPPING ASA

Notice of your attendance in the annual general meeting on 11 April 2016 is kindly requested on this registration form within 8 April 2016 at 16:00 (CET). **Address**: GC Rieber Shipping ASA v/ Mette Henriksen, Postboks 1114 Sentrum, 5809 Bergen, **email**: mette.henriksen@gcrieber.com If you have registered but are unable to attend, a written and dated proxy may be submitted in the general meeting.

The undersigned will attend the annual general meeting of GC Rieber Shipping ASA on 11 April 2016 and *(please tick)*:

- ☐ Vote for my/our shares
- ☐ Vote for shares pursuant to the enclosed proxy(ies)

Name and address of the shareholder: ____
(please use capital letters)

____________	__________________	__________________________________
date	place	signature of the shareholder

PROXY – ANNUAL GENERAL MEETING 11 APRIL 2016 OF GC RIEBER SHIPPING ASA

If you are unable to attend the annual general meeting on 11 April 2016, you may be represented by way of proxy. This proxy form may then be used. Completed proxy forms may either be sent to the company by ordinary mail, fax or email within 8 April 2016 at 16:00 (CET) or be submitted in the general meeting. **Address**: GC Rieber Shipping ASA v/ Mette Henriksen, Postboks 1114 Sentrum, 5809 Bergen, **email**: mette.henriksen@gcrieber.com

The undersigned shareholder in GC Rieber Shipping ASA hereby grants *(please tick)*:

☐ The Chairman of the Board Paul-Chr. Rieber or the person she appoints

☐ Chief Executive Officer Irene Waage Basili or the person she appoints

☐ ____
Name of proxy *(please use capital letters)*

proxy to meet and vote for my/our shares in the annual general meeting of GC Rieber Shipping ASA on 11 April 2016. If the proxy form is submitted without stating the name of the proxy, the proxy will be deemed to have been given to the chief executive officer or the person she appoints.

The votes shall be cast in accordance with the instructions below. Please note that **if the alternatives below are not ticked off, this will be deemed to be an instruction to vote "in favour" of the proposals in the notice**. To the extent proposals are put forward by any person or entity other than the Board of Directors, or in addition to, or instead of, the proposals in the notice, the proxy determines the voting.

Item:	In favour	Against	Abstain	At the proxy's discretion
2. Election of Paul-Chr Rieber to chair the meeting	☐	☐	☐	☐
3. Approval of the notice and the agenda	☐	☐	☐	☐
4. Election on person to co-sign the minutes	☐	☐	☐	☐
5. Approval of the annual accounts and annual report for the financial year 2015, including distribution of dividends	☐	☐	☐	☐
6. Consideration of the Board of Directors' statement regarding the determination of salaries and other remuneration to the management pursuant to section 6-16 a of the public limited liability companies act	☐	☐	☐	☐
7. Determination of the remuneration to the members of the Board of Directors	☐	☐	☐	☐
8. Approval of the remuneration to the auditor	☐	☐	☐	☐
9. Election of members to the Board of Directors				
Board member Hans Olav Lindal [re-election]	☐	☐	☐	☐
Board member Tove Lunde [re-election]	☐	☐	☐	☐
Board member Trygve Bruland [new]	☐	☐	☐	☐
Other candidates to the board (please insert the name if the proxy shall vote on other candidates to the board than proposed in this notice)				
1.	☐	☐	☐	☐
2.	☐	☐	☐	☐

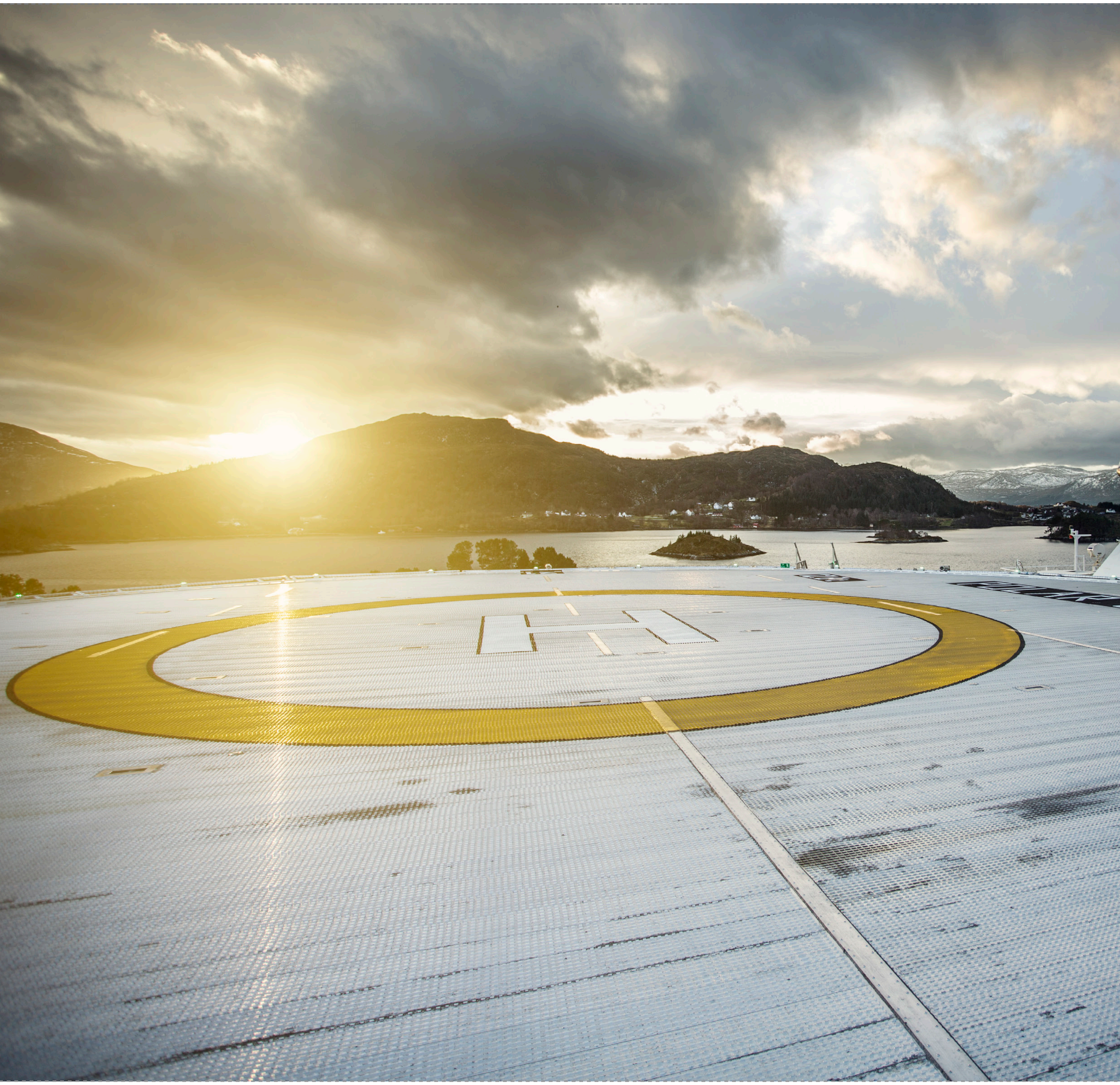
Name and address of the shareholder: ____
(please use capital letters)

____________	________________	______________________________
date	place	signature of the shareholder

If the shareholder is a company, a valid certificate of registration must be attached to the proxy form.

Vedlegg 3 / Appendix 3

GC RIEBER SHIPPING ASA



ANNUAL REPORT 2015

GC RIEBER

CONTENT

Front page photo by Marius Beck Dahle

CORPORATE GOVERNANCE

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, reducing business risk and also contributing to the most efficient and proper use of the company's resources.

1. REPORT ON CORPORATE GOVERNANCE

Complience

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

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

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

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

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

Basic corporate values, ethical guidelines and social responsibility

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

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

In addition, in 2010, GC Rieber joined the UN Global Compact, the world's largest corporate social responsibility initiative. UN Global Compact has developed ten universal principles that encourage and show how companies should pay attention to employee and human rights, protection of the environment and combating corruption. By joining the initiative, GC Rieber has committed itself to making the ten principles an integral part of its business strategy, to promote 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 2015, the company's book equity was MNOK 2,381.4, which is equivalent to 42.0 percent of the total assets. The board of directors has a policy to have around 50 percent equity at any time, but this will vary from time to time due to market circumstances. The board of directors considers the equity-share as at 31 December 2015 to be acceptable. 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 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 0.5 per share was paid for 2014 and the board of directors proposes to the general meeting that no dividend will be paid for 2015. This is based on the challenging market conditions and the need to preserve the company's equity.

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 2015, 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 2015, 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 rights.

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 2015. The chairman of the board, Paul-Chr. Rieber, indirectly controls 1.8 percent of the shares in the company.

The company 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 17 in the company's 2015 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 2015 will be held on 11 April 2016.

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 2015, the general meeting was held on 10 April and 90.3 percent of the total share capital was represented. A total of 39 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 chairman 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 70.4 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 2015, 14 meetings were held, compared with 9 meetings in 2014. In 2015, attendance at the board meetings was 93 percent, compared with 98 percent in 2014.

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 2015, the company's board received a total remuneration of NOK 1 000 000. The remuneration to each board member in 2015 is given in note 3 of the parent company's annual 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 news 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.

REPORT OF THE BOARD OF DIRECTORS FOR 2015

The year of 2015 has been a challenging year for GC Rieber Shipping due to a continuously very tough market with great uncertainty. Although the underlying operation of the vessels has been good, the result is negatively affected by the bankruptcy of two of GC Rieber Shipping's customers and the corresponding loss provisions.

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 maritime operation of offshore vessels.

GC Rieber Shipping currently owns 11 advanced special-purpose vessels for defined markets within the subsea, ice/support and marine seismic segments, and operates another two vessels. The company 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 newbuildings. 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 one of the leading and experienced players within offshore operations in harsh environments.

Strategic areas of priority for 2016 include:

- *Continued focus on adapting vessel operations and organisation to a considerably lower cost level*
- *Secure employment for all vessels*
- *Implementation of the new safety vision "Leading for Excellence"*

Important aspects of 2015

Newbuilding

The seismic vessel «Polar Empress» was delivered from Kleven owned Myklebust Verft at the end of May 2015. The vessel embarked directly on a five-year contract with Dolphin Geophysical.

Disposals

In June 2015 the CSV "Polar Prince" was sold with an accounting gain of approximately NOK 20 million.

New charter contracts entered into in the period

- *New charter agreement with DOF Subsea Norway AS for GC Rieber Shipping's CSV «Polar King» for a period of 130 days from April 2015.*

- *GC Rieber Shipping entered through its 50/50 joint venture with Prisco into a new five-year charter agreement with Sakhalin Energy Investment Company Ltd for the two crewboats "Polar Baikal" and "Polar Piltun".*
- *New charter agreement with Marine Platforms Limited for the OCV "Polar Onyx" for a fixed period of 60 days with options for up to two months additional work.*

Refinancing

GC Rieber Shipping entered into an agreement with DNB Bank ASA, DVB Bank SE and SpareBank 1 SR-Bank ASA in June 2015 to refinance existing loans for the vessels «Polar Duke», «Polar Duchess» and «Polar Marquis». Total amount for the loan is USD 135.00 million, of which USD 25.00 million is a revolving credit facility. The loan has a maturity of 6 years and a profile of 10 years.

GC Rieber Shipping further entered into an agreement with Nordea Bank Norge ASA, SpareBank 1 SR-Bank ASA and Sparebanken Vest in June 2015 to refinance existing loans for the vessels «Polar Queen» and «Polar King». The total loan amount is USD 91.25 million, of which USD 21.25 million is a revolving credit facility. The loan has a maturity of 6 years and a profile of 12 years.

Cost program

In light of the uncertain market situation, GC Rieber Shipping has a continued focus on adapting vessel operation and organisation to a considerably lower cost level in 2016. Efforts include renegotiations of agreements, more cost-efficient work processes and adjustments in the organisation. The company has scaled down both the onshore and offshore organisations due to lower activity. Total reduction of headcount onshore with effect from first half of 2016 is 25 percent. Corresponding figure among seafarers with effect from the end of 2015 is 28 percent.

Important events after the balance sheet date

In January 2016, British Antarctic Survey (BAS) declared its third option for a one-year extension of the bareboat charter for RRS Ernest Shackleton. The option will be effective from August 2016.

The Group's subsidiary Armada Seismic Invest II AS ("Armada") received in 2012 a claim from Arrow Seismic Invest II Limited (now: PGS Geophysical (UK) Limited) amounting to approximately EUR 9 million. After various delays due to procedural issues, the dispute has now been adjudicated in the Bergen district court, which rendered its decision 2 March 2016. The claim against Armada has been dismissed, and Armada has been awarded full legal fees in the amount of NOK 3.4 million. The decision may be appealed.

Financial review

(Figures for 2014 are given in brackets)

Income Statement

GC Rieber Shipping's total operating income for 2015 was NOK 980.2 million (NOK 881.5 million). EBITDA amounted to NOK 398.2 million (NOK 453.5 million), yielding an EBITDA margin of 41 percent for 2015 (51 percent). The reduction in EBITDA margin is affected by the loss of provision of outstanding receivables following the bankruptcy of Dolphin Geophysical.

Net operating income (EBIT) for 2015 was negative with NOK - 96.0 million (NOK 280.2 million). Ordinary depreciations amounted to NOK 261.8 million (NOK 173.4 million). The negative result in 2015 is due to loss on accounts receivables relating to the bankruptcies in Reef Subsea and Dolphin Geophysical amounting to a total of NOK 204.0 million, as well as impairment of the fleet amounting to NOK 251.6 million.

Net financial items were NOK -150.9 million (NOK -358.6 million). A weakening of NOK against USD resulted in unrealised currency loss of NOK 14.8 million in 2015.

Tax expenses for 2015 amounted to NOK 60.9 million (NOK 1.6 million), including expensing of previously capitalized tax assets of NOK 64 million. The group's net profit was NOK -307.7 million (NOK -80.1 million). Earnings and diluted earnings per share amounted to NOK -7.05 (NOK -1.83).

Cash flow

As at 31 December 2015 the group had a positive cash flow of NOK 134.1 million (negative NOK - 181.7 million). Cash flow from operating activities was positive by NOK 191.1 million (NOK 453.9 million). Cash flow from investment activities was negative by NOK 367.0 million (negative NOK 882.6 million), mainly related to investments in connection with delivery of the seismic vessel ”Polar Empress”. Cash flow from financing activities was positive by NOK 298.4 million (NOK 236.4 million), related to drawing of new loans as well as payment of interest and instalments on the group's existing loans. Finally, dividends amounting to NOK 21.8 million were paid in 2015.

As at 31 December 2015 the company's holding of liquid assets was NOK 625.6 million (NOK 491.6 million).

Balance sheet

The group's total assets as at 31 December 2015 amounted to NOK 5,671.7 million (NOK 4,947.7 million), while total assets in GC Rieber Shipping ASA amounted to NOK 777.8 million (NOK 733.8 million).

At the end of 2015 the booked value of the company's vessels was estimated at NOK 4,777.4 million (NOK 3,893.4 million). Due to reduction in market values for the fleet in the highly challenging offshore market as well as uncertainty related to the vessels future earnings, impairments totalling NOK 251.6 million for the fleet, has been made for 2015.

The group's booked equity as at 31 December 2015 was NOK 2,381.4 million (NOK 2,304.2 million), corresponding to an equity ratio of 42.0 percent (46.6 percent). Booked equity for GC Rieber Shipping ASA was NOK 326.1 million (NOK 337.2 million).

Financing

I 2015 the group's average interest-bearing liabilities amounted to NOK 2,777.6 million (NOK 2,052.1 million), with an average remaining duration of 5.0 years. Average interest rate on the loan portfolio dropped to 3.45 percent including margin (3.60 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.

In 2015 GC Rieber Shipping entered into two new loan agreements, please see description under important aspects in 2015.

As part of the refinancing, the group terminated its revolving credit facility of NOK 250 million with Handelsbanken.

Due to refinancing of the fleet as well as ordinary loan installments, the group has paid NOK 2,159.1 million in 2015(NOK 176.7 million). The group's liquid assets in terms of bank deposits and interest-bearing securities as at 31 December 2015 amounted to NOK 625.6 million (NOK 491.6 million). In addition the group had NOK 142.0 million (NOK 250.0 million) available under a credit facility. The group's liquid assets are primarily held in NOK and USD.

The group had net interest-bearing liabilities (interest-bearing liabilities minus liquid assets) of NOK 2,569.2 million (NOK 1,830.0 million) as at 31 December 2015. At the same time the parent company, GC Rieber Shipping ASA, had net interest-bearing assets of NOK 379.8 million (net interest-bearing liabilities NOK 13.9 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 2015 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 2015, the group's portfolio of hedging instruments had a positive development of NOK 103.6 million (NOK - 97.5 million).

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

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

As at 31 December 2015 the group's equity had increased by NOK 397.1 million (NOK 371.4 million) due to translation differences in companies with USD as functional currency.

The group has secured parts of its net currency risk exposure at satisfactory forward rates for 2016.

Net financial items for 2015 include NOK 14.8 million in unrealised currency loss (NOK 115.9 million in unrealised currency loss).

Market development and segments

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

The dramatic drop in oil prices that started in summer 2014 has resulted in a reduction in the price of oil from USD 115 per barrel, down to below USD 30 per barrel early 2016. The reason for this reduction is complex, and important factors include the shale oil revolution in the US and the subsequent increase in the country's oil production, in addition to OPEC being reluctant to reduce production capacity. Because of this, there is a surplus of oil in the market. The surplus of oil has not been absorbed in the market, even though there is an increase in oil consumption.

Oil companies have experienced a highly increased cost level and a considerable pressure on profitability for a long time. As a result of the drop in oil price, oil companies have been forced to moderate investments and implement cost reduction programmes. Exploration budgets are cut, and development projects and maintenance are postponed or cancelled. This has led to more uncertainty in GC Rieber Shipping's market segments.

In a longer perspective, GC Rieber Shipping takes a positive market view within the segments that the company operates, based on expectations for a long-term growth in the global demand for energy. As a niche player with an attractive and modern fleet, GC Rieber Shipping is favourably positioned in a challenging market.

Subsea

One of the subsea vessels, "Polar Prince" was sold in June and now the group owns and operates three subsea vessels, of which two operate within the construction and IMR segment (Inspection, Maintenance and Repair). In the beginning of September, the charter agreement for "Polar Onyx" with Ceona Chartering Ltd (Ceona) was terminated by reason of Ceona's default. Ceona later went into administration and as part of a full and final settlement with the Administrators of Ceona, GC Rieber Shipping took ownership of the VLS (Vertical Lay System) tower. This investment strengthens the company's position in the SURF market and «Polar Onyx» is now chartered to Marine Platforms Limited (MPL) for 60 days until April 2016. «Polar Queen» is chartered to BOA Marine Services until April 2018. The charter contract for "Polar King" with DOF Subsea Norway expired in October 2015 and the vessel has had various short projects during the winter 2015.

GC Rieber Shipping had a capacity utilisation of 72 percent for the subsea vessels in 2015, compared to 100 percent in 2014. Operating income ended at NOK 463.0 million (NOK 522.1 million). EBITDA ended at NOK 212.5 million (NOK 254.9 million), representing an EBITDA margin of 45.9 percent (48.8 percent).

Overall, the subsea market is very challenging and the company experiences pressure on prices and delayed decision-making processes in the work to secure contracts.

Marine seismic

GC Rieber Shipping took delivery of the high-capacity seismic vessel "Polar Empress" from Kleven/Myklebust Verft in May 2015, and now owns and operates four 3D seismic vessels. All seismic vessels were on contracts with Dolphin Geophysical in 2015. GC Rieber Shipping took early redelivery of "Polar Duke" in October as part of an overall restructuring agreement with Dolphin Geophysical. The remaining three charterparties were terminated when Dolphin Geophysical filed for bankruptcy in December.

In late December 2015, GC Rieber Shipping acquired the shares in the UK based company Dolphin Geophysical Ltd in order to be able to secure and complete seismic contracts with international oil companies. GC Rieber Shipping is currently working on different alternatives to secure backlog for the seismic fleet.

GC Rieber Shipping had a capacity utilisation of 85 percent for the seismic vessels in 2015, compared to 87 percent in 2014. The segment had operating income of NOK 505.7 million (NOK 315.8 million). EBITDA ended at NOK 138.1 million (NOK 159.3 million), yielding an EBTIDA margin of 27.3 percent (50.4 percent).

As mentioned, the offshore market is characterised by uncertainty and cuts in new investments due to increased cost focus and a drop in oil prices. This is reflected in the level of activity in the seismic industry, and 2015 has been a challenging year. The seismic companies report weaker results and backlogs.

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 2017 for operations in Antarctica. The «Polar Pevek» is owned through a 50/50 joint venture with Maas Capital Offshore and is 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 crewboats 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 crewboats are on charter parties with Sakhalin Energy Investment Corporation until 2019 operating in the Sea of Okhotsk in Russia.

GC Rieber Shipping's 50 percent stake is reported on a separate line in the income statement under "profit from jointly controlled entities", effective 1 January 2014 and is included in the company's EBITDA and EBIT.

All the vessels in the ice/support segment were on contracts throughout 2015, and the segment had full capacity utilisation in 2015 (100 percent). Operating income for 2015 amounted to NOK 11.6 million (NOK 43.6 million), while EBITDA ended at NOK 47.5 million (NOK 39.3 million).

The ice/support market is stable and the company expects the activity to stay unchanged. Based on GC Rieber Shipping's established competitive advantage, ice/support is regarded as an interesting priority area for the future.

Going concern

Based on the above report of profit and loss for the GC Rieber Shipping group, the Board of Directors confirms that the financial statements for 2015 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 net income

The parent company GC Rieber Shipping ASA had a loss of NOK - 11.1 million in 2015 (NOK -153.2 million). The parent company's equity as at 31 December 2015 amounted to NOK 326.1 million (NOK 337.2 million).

The Board of Directors proposes no dividend payment for 2015 (NOK 0.5 per share).

The loss for the year is proposed allocated as follows:

Transferred from other equity:	NOK 11,088,000
Total allocated:	NOK 11,088,000

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 and the development in the markets for petroleum products. 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. Operational 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.

The Company emphasizes that the information included in this annual report contains certain forward-looking statements that address activities or developments that the Company expects, believes or anticipates will or may occur in the future. The statements are based on assumptions and estimates, and some of them are beyond the company's control and therefore subject to risks and uncertainties.

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. The dramatic drop in oil prices that started in the second half of 2014 has resulted in a reduction in the price of oil from USD 115 per barrel in periods down to below USD 30 per barrel early 2016. The development in prices is characterised by great uncertainty. As a result of the falling prices, oil companies have introduced extensive programmes to reduce costs and limit exploration for new deposits, which is evident from the level of activities for sectors such as seismic and subsea.

In light of the uncertainty in the market, GC Rieber Shipping will in 2016 continue to work actively to adapt operations of vessels and the organisation to a lower cost level in order to maintain the company's competitiveness.

Financial risk

Currency risk

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

Interest risk

The group continuously assesses how large a share of its exposure to the interest level should be secured by hedging agreements, and is using different types of interest rate derivatives as a protection against fluctuations in the interest level. Interest rate hedging agreements for parts of its interest-bearing liabilities have been entered into until 2022. At the end of 2015, 73 percent of the company's liabilities have been secured through interest rate hedging.

Credit/Counterparty risk

Three of the company's customers of the company filed for bankruptcy in 2015, resulting in a loss of accounts of receivables of total NOK 204.0 million. As at 31.12.2015 the contract backlog amounted to NOK 0.8 billion compared to NOK 3.4 billion at the end of 2014. Due to a challenging subsea and seismic market, the counterparty risk within these segments have increased significantly. GC Rieber Shipping is monitoring the risk closely and is working towards strengthening its costumer portfolio.

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. Deposits 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.

Social responsibility

Guidelines

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

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

In addition the GC Rieber group is a member of the UN Global Compact, and GC Rieber Shipping 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.

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

Equal opportunity and diversity

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

The group operates a policy of complete equality between male and female workers at 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 2015, 1.3 percent (1.1 percent) among the marine crew and 49 percent (48 percent) of the land organization are women. One of the four members of the Management group is a woman, while the Board of Directors has a 40 percent female representation.

Organisation and employees

In 2015, 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.

At the end of 2015, GC Rieber Shipping had a total of 125 employees (136), divided between 45 (46) in the land organisations and 80 (90) marine crew. 207 (317) persons were hired temporarily offshore. In addition, the management company in the joint venture in Yuzhno-Sakhalinsk (Russia) had five employees.

Quality, Health, Safety and Environment (QHSE)

The objective for GC Rieber Shipping's operations is to prevent personal injuries, environmental spills and property damages. Further, to achieve client satisfaction above expectations. QHSE activities therefore lie at the heart of our work both internally and with clients.

GC Rieber Shipping is holding certification according to the International Safety Management (ISM) Code, ISO 9001 standard (quality management) and ISO 14001 standard (environmental management).

Health and safety

GC Rieber Shipping works diligently to ensure a reliable safety culture by continuously pushing the standards to a higher level. Safety is fully integrated in everything the company does and the practices are constantly evaluated to seize improvement opportunities.

The company is guided by its deep insight, creativity and ambition to positively influence, intervene and take on responsibility for our own and others' safety. Strong leadership and constant exploration of new and better safety performance is an evident part of the company's culture.

There was no lost time injuries registered on board the vessels in 2015. Sick leave in 2015 was 4,1 percent among marine crew and 3,7 percent in the shore organisations.

The company expects to see even better performance in the future by implementation of new safety behaviour principles. This means:

- *Take responsibility by obtaining insight through seeking and sharing relevant knowledge related to safe work*
- *Use creativity and dare to question "truths" in the pursuit for improvement opportunities and innovation*
- *Create a trusting work atmosphere and instil confidence in all employees to support intervention*
- *Engage in work with personal leadership by being a positive influence and contributor to a strong safety culture*
- *Act diligently to ensure integration of safety in everything we do*

Environment

GC Rieber Shipping has an objective of zero uncontrolled releases of harmful substances to the natural environment. Targets are established and monitored in order to minimize the environmental footprint of our operations. This is followed-up through processes defined in our environmental management system.

The company operates in accordance with international shipping standards, and has a proactive approach to comply with existing and future environmental requirements. GC Rieber Shipping therefore builds and develops vessels in accordance with environmental standards like for instance clean design. The company took delivery of the seismic vessel "Polar Empress" built according to clean design notation in May 2015. Installation of new and advanced technology on board the vessels such as Selective Catalytic Reduction (SCR) is reducing NOx emission to the air.

Through our environmental management system the company is further ensuring continuous improvement within this important field.

Quality

The quality objective for GC Rieber Shipping is client satisfaction above expectations. In order to achieve this the company work closely with and for the clients from project planning, through execution until evaluation. These processes are governed by procedures in the quality management system.

The company's quality objective requires that the vessels are operational and available for the client at all times. GC Rieber Shipping has through the newbuilding and renewal programme obtained a modern fleet with a high technical quality. During 2015 operations were accomplished with limited technical downtime.

Catering service and crane operations are among the most important deliveries. In order to obtain high quality within these fields the company introduced a Catering Superintendent and Crane Support Manager in the shore organisation in 2015. This initiative has proven to be effective, and it demonstrates the company's focus and desire to deliver the best quality to the clients.

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 the GC Rieber Group. More information on the GC Rieber group's work on these issues can be found in the group's annual report and on the website.

Corruption

The shipping industry is generally exposed to potential risks relating to corruption and facilitation payments, particularly when it comes to the use of agents and for port calls.

GC Rieber Shipping is committed to fight against corruption and has introduced a number of anti-corruption measures.

A corruption risk assessment was conducted early in 2015. Several areas of improvement were identified, and GC Rieber Shipping took the initiative to an Anti-Corruption Program. A new anti-corruption policy and a third party integrity assessment form will be implemented. The GC Rieber Group has also developed an anti-corruption e-learning program for its employees, which shall be implemented in 2016. The goal is to present the new policy and to raise awareness about corruption and provide guidelines on how to handle threats of corruption.

Shareholder information

In 2015 the company's shares have been traded between NOK 5.62 kroner and NOK 37.00 kroner per share. A total of 600,441 shares were traded, divided between 476 transactions.

As at 31 December 2015, GC Rieber Shipping had 304 shareholders (263 as at 31 December 2014), of which 92.9 percent was owned by the 20 largest shareholders. GC Rieber AS' stake was 70.4 percent.

The company had 21 foreign owners holding a total of 0.2 percent of the shares.

Corporate governance

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

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

Payroll expenses and remuneration to the executive management

Please refer to note 3 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 2015 will be held on 11 April 2016.

Outlook

There is high uncertainty related to GC Rieber Shipping's markets. The dramatic drop in oil prices that started in the second half of 2014 has resulted in a reduction in the price of oil from USD 115 per barrel in periods down to below USD 30 per barrel. The low price of oil combined with an increased cost level has put a strain on the oil companies' profitability, making them compelled to reduce investments.

The current situation is far more dramatic than what we saw during the financial crisis in 2008. This time the industry is preparing for a prolonged downturn, taking structural measures to increase efficiency of operations and maintain competitive force. Oil service companies have predicted considerable cost cuts in the years to come. For GC Rieber Shipping this means that the maritime expertise must be utilised to find cost efficient and flexible solutions, and the company has to contribute to re-establishing a new cost level in the industry.

We expects a challenging market in the coming years, but in a long perspective, GC Rieber Shipping takes a positive market view within the segments the company operates in, based on expectations of long-term growth and the global need for energy. Fewer projects in shallow waters drive oil companies to deeper waters and areas of rough weather to create value, and the projects tend to grow. In order to succeed, oil companies need to cooperate among themselves and with the most competent and experienced players. GC Rieber Shipping is a niche player in the business of advanced and specialised vessels designed to meet the challenges of the oil industry. Solid competence and vast experience puts GC Rieber Shipping in a favourable position to meet such challenges.

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 2015 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 2015, 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, 14 March 2016

Paul-Chr. Rieber
Chairman

Hans Olav Lindal
Vice chairman

Kristin Færøvik

Georg Nygaard

Tove Lunde

Irene Waage Basili
CEO

INCOME STATEMENT

THE GC RIEBER SHIPPING ASA GROUP

(NOK 1 000)	NOTE	2015	2014
OPERATING INCOME			
Charter income		932 846	803 031
Other shipping related operating income		47 401	78 429
Total operating income	5	980 247	881 460
OPERATING EXPENSES			
Vessel operating expenses		-322 804	-156 453
Crew and catering expenses	6	-218 314	-208 347
Administration expenses	6, 16, 17	-77 012	-86 558
Total operating expenses		-618 130	-451 358
Profit from jointly controlled entities	4	36 088	23 373
Net operating income before depreciation, write-down, gain (loss) on sale of fixed assets and disposal of subsidiary		398 204	453 475
Depreciation	9	-261 771	-173 426
Write-down	9	-251 587	0
Gains (losses) on sale of fixed assets	9	19 173	108
Net operating income		-95 980	280 157
FINANCIAL INCOME AND EXPENSES			
Write-down financial assets		0	-160 000
Financial income	18	4 990	21 536
Financial expenses	18	-106 896	-100 142
Changes in market value of financial current assets	12, 18	-8 016	-6 981
Realised currency gains (losses)	18	-26 134	2 920
Unrealised currency gains (losses)	18	-14 818	-115 948
Net income before taxes		-246 854	-78 458
Taxes	7	-60 861	-1 614
NET INCOME FOR THE YEAR		-307 715	-80 073
Basic and diluted earnings per share	8	-7,05	-1,83
STATEMENT OF COMPREHENSIVE INCOME			
Net income for the year		-307 715	-80 073
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Changes in pension estimates		12 788	-14 241
Tax effect changes in pension estimate		-3 197	3 848
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation subsidiaries		397 140	371 402
Comprehensive income for the year		99 016	280 936

The accompanying notes are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

THE GC RIEBER SHIPPING ASA GROUP

NOK (1 000)	NOTE	31.12.2015	31.12.2014
ASSETS			
FIXED ASSETS			
Deferred tax asset	7	0	63 989
Total intangible fixed assets		0	63 989
Vessels	9	4 777 351	3 893 403
Newbuilding contracts	9	0	170 216
Machinery and equipment	9	15 610	261
Total tangible fixed assets		4 792 961	4 063 880
Investments in joint ventures	4	179 160	135 980
Long-term loan to joint ventures	4	22 023	29 733
Other long-term receivables		8	8
Total financial fixed assets		201 190	165 720
Total fixed assets		4 994 152	4 293 590
CURRENT ASSETS			
Stores		6 966	4 768
Total stores		6 966	4 768
Accounts receivables	10	13 974	108 407
Other current receivables	10	25 998	34 050
Total receivables		39 972	142 457
Quoted shares	11	0	10 361
Quoted securities	11	5 013	5 013
Total investments		5 013	15 374
Cash and cash equivalents	12	625 625	491 560
Total current assets		677 575	654 159
TOTAL ASSETS		5 671 726	4 947 748

The accompanying notes are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

THE GC RIEBER SHIPPING ASA GROUP

NOK (1 000)	NOTE	31.12.2015	31.12.2014
EQUITY AND LIABILITIES			
EQUITY			
Share capital (43,812,800 shares at NOK 1.80)	13, 17	78 863	78 863
Portfolio of own shares (150,800 shares at NOK 1.80)	13	-271	-271
Share premium		16 604	16 604
Paid in capital		95 196	95 196
Other equity		2 286 233	2 209 047
Total retained earnings		2 286 233	2 209 047
Total equity		2 381 429	2 304 243
LIABILITIES			
Pension liabilities	15	17 619	28 226
Total provisions		17 619	28 226
Long-term debt	14	2 864 439	2 086 404
Total long-term debt		2 864 439	2 086 404
Current portion of long-term debt	14	289 160	250 565
Trade payables		34 157	40 543
Tax payable	7	0	0
Public duties payable		14 820	16 276
Liabilities to group companies	17	3 649	2 594
Other current liabilities	19	66 455	218 897
Total current liabilities		408 240	528 875
Total liabilities		3 290 298	2 643 505
TOTAL EQUITY AND LIABILITIES		5 671 726	4 947 748

Bergen, 14 March 2016

Paul-Chr. Rieber
Chairman

Hans Olav Lindal
Vice chairman

Kristin Færøvik

Georg Nygaard

Tove Lunde

Irene Waage Basili
CEO

CASH FLOW STATEMENT

THE GC RIEBER SHIPPING ASA GROUP

NOK (1 000)	NOTE	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES			
Net income before taxes		-246 854	-78 458
Taxes paid		-71	-2 313
Depreciation	9	261 771	173 426
Write-downs on fixed assets	9	251 587	160 000
Gains on sale of fixed assets	9	-19 173	-108
Profit from jointly controlled entities	4	-36 088	-23 373
Changes in market value of financial current assets		8 016	6 981
Gains on sale of shares		0	-823
Unrealised currency losses (gains)		-37 850	9 910
Change in stores		-2 198	16
Change in short term receivables		102 485	36 334
Change in current liabilities		-160 167	114 307
Change in other current assets and other liabilities		-28 608	-10 030
Interest expense		98 292	68 043
Net cash flow from operating activities		191 141	453 913
CASH FLOW FROM INVESTMENT ACTIVITIES			
Payments from investments in financial assets		32 499	16 445
Payments from sale of fixed assets	9	215 148	108
Payments for investments in fixed assets	9	-614 622	-894 160
Payments from investments in financial leasing		0	-5 013
Net cash flow from investment activities		-366 976	-882 621
CASH FLOW FROM FINANCING ACTIVITIES			
Cash from new long-term debts		2 576 633	643 719
Repayment of long-term debts		-2 159 086	-176 681
Interest paid		-97 355	-56 007
Dividend payment	13	-21 831	-174 648
Net cash flow from financing activities		298 361	236 383
Net change cash and cash equivalents		122 527	-192 325
Cash and cash equivalents at 01.01.		491 560	673 308
Currency gains (losses) on cash and cash equivalents		11 538	10 577
Cash and cash equivalents at 31.12.	12	625 625	491 560

The accompanying notes are an integral part of these financial statements

STATMENT OF CHANGES IN EQUITY

THE GC RIEBER SHIPPING ASA GROUP

NOK (1 000)	SHARE CAPITAL	OWN SHARES	SHARE PREMIUM	FOREIGN CURRENCY TRANSLATION	OTHER EQUITY	TOTAL EQUITY
Balance at 1 January 2014	78 863	-271	16 604	-123 694	2 226 454	2 197 955
Net income for the year	0	0	0	0	-80 073	-80 073
Other comprehensive income	0	0	0	371 402	-10 393	361 009
Total income and expense for the year	0	0	0	371 402	-90 466	280 936
Dividends to the shareholders	0	0	0	0	-174 648	-174 648
Balance at 31 December 2014	78 863	-271	16 604	247 708	1 961 340	2 304 243
Balance at 1 January 2015	78 863	-271	16 604	247 708	1 961 340	2 304 243
Net income for the year	0	0	0	0	-307 715	-307 715
Other comprehensive income	0	0	0	397 140	9 591	406 731
Total income and expense for the year	0	0	0	397 140	-298 124	99 016
Dividends to the shareholders	0	0	0	0	-21 831	-21 831
Balance at 31 December 2015	78 863	-271	16 604	644 848	1 641 385	2 381 429

The accompanying notes are an integral part of these financial statements

NOTE 1 – CORPORATE INFORMATION

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

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

The company has it's headquarter and a ship management office in Bergen, and an additional ship management company in Yuzhno-Sakhalinsk (Russia). The company is listed on Oslo Børs with ticker RISH.

The financial statements were authorised for issue by the Board of Directors on 14 March 2016.

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 31.12.2015.

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

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

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

2.2 Changes in accounting policies

New and amended standards adopted by the Group

New standards, amendments and interpretations effective for the accounting year 2015 were not expected to have a significant effect on the consolidated financial statements of the Group.

New standards and interpretations not yet adopted

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

IFRS 9 "Financial instruments" addresses the classification, measurement and recognition of financial assets and financial liabilities and hedge accounting. The complete version of IFRS 9 was issued in July 2014. It replaces the parts of IAS 39 that relate to similar issues. IFRS 9 requires financial assets to be classified in three measurement categories: those measured at fair value over comprehensive income, those measured at fair value over profit or loss and those measured at amortised cost. The measurement category is determined at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Investments in equity instruments are required to be measured at fair value through profit or loss. The company can choose to present the value changes over comprehensive income, but the choice is irrevocable and any profit/loss at a later sale cannot be reclassified over profit or loss. Value loss resulting from credit risk shall now be recognized based on expected loss instead of the current model where the loss has to be incurred. For financial liabilities there are no changes of classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements to hedge accounting by connecting the hedge effectiveness closer to the management's risk management and allowing for assessment. Contemporaneous documentation is still required. The standard is effective for accounting periods beginning on or after 1 January 2018, but early adoption is permitted. The group is yet to assess IFRS 9's full impact.

IFRS 15 «Revenues from contracts with customers» deals with revenue recognition. The standard requires the customer contract to be divided into the individual performance liabilities. A performance liability can be a commodity or a service. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 "Revenue" and IAS 11 "Construction contracts" and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The group is assessing the impact of IFRS 15.

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

2.3 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency NOK or USD). The consolidated financial statements are presented in NOK, which is the parent company's functional and presentation currency.

Transactions in foreign currency

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

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

Group companies

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

a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.

b) income and expenses for each income statement are translated at average exchange rates

c) exchange differences are recognized in other comprehensive income and specified separately in equity

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

2.4 Consolidation principles

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

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

Jointly controlled entities are entities over which the Group has joint control through a contractual agreement between the parties.

When the Group's share of losses in a joint venture exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

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

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

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

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

The Group's share of unrealised gains on transactions between the Group and its associates is eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounts of the associates has been changed if necessary to align the accounting policies with those of the policies in the Group.

2.5 Cash and cash equivalents

Cash and cash equivalents include bank deposits, cash in hand and short-term bank deposits with an original maturity of three months or less. In some cases, the Group also enters into contracts for short-term deposits with maturity exceeding three months. Per 31.12.2015 there are no deposits with maturity exceeding three months.

2.6 Trade receivables

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

2.7 Stores on the vessels

Stores 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 stores and bringing the stores to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated sales cost.

2.8 Fixed assets

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

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

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

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

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

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

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

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

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

2.9 Leases

The Group as a lessor:

Financial leases

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

Operating leases

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

The Group as a lessee:

Financial leases

The Group presents its financial leases in the financial statements in accordance with IAS 17; Leases, as assets and liabilities, at the asset's cost, or if lower, at the present value of the minimum lease payments. When calculating the present value of the minimum lease payments, the implicit interest rate in the financial lease agreement is applied when this can be determined. If the implicit interest rate cannot be determined, the company's marginal borrowing rate in the market is used. Direct costs related to the lease agreement, are included in the asset's cost. The monthly lease payments are separated into an interest element and an instalment. Assets that are part of a financial lease agreement are depreciated. The depreciation period is consistent for similar assets owned by the Group. If it is uncertain whether the company will take ownership of the asset at the end of the leasing period, the asset is depreciated over the shorter of the period of the agreement's rental period and the depreciation period for similar assets owned by the Group.

Operating leases

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

2.10 Financial instruments

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

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

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

Financial assets at fair value through profit or loss

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

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

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

Fair value

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

Hedging

The Group has decided not to apply hedging accounting according to IAS 39, Financial Instruments; Recognition and measurement for 2014 and 2015. Financial derivatives that are not recorded as hedging instruments are classified as held for trading and measured at fair value through profit or loss.

2.11 Provisions

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

2.12 Equity

Liabilities and Equity

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

Own shares

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

Other reserves

Reserve for translation differences

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

2.13 Policies for revenue recognition

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

Dividend income

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

2.14 Pensions

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

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

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

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

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

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

2.15 Borrowings

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

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

2.16 Taxes

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

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

Deferred tax assets are recorded in the accounts when it is probable that the company will have sufficient taxable profit to benefit from the tax asset. On each balance sheet date, the Group will review unrecognised deferred tax assets and the carrying amount of such assets. The companies recognise prior unrecognised deferred tax assets in the accounts if it becomes probable that the company can make use of the deferred tax asset. Correspondingly, the Group will reduce the deferred tax asset if the company can no longer benefit from the deferred tax asset. Deferred tax and deferred tax assets are measured based on the tax rates and tax legislation that are adopted or principally adopted on the balance sheet date for entities in the Group where temporary differences have arisen. Deferred tax and deferred tax assets are recognised in the accounts regardless of when the differences will be reversed. Deferred tax and deferred tax assets are recognised at their nominal value and are classified as financial fixed asset (non-current liability) in the balance sheet.

Tax payable and deferred tax relating to actuarial deviations are recognised in the statement of comprehensive income. The tax effect of particular items is presented on a separate line in the statement of comprehensive income. Tax payable and deferred tax/deferred tax asset are measured at the tax rate which relates to earned, not distributed equity. The tax effect of dividends is considered when the company has undertaken an obligation to distribute dividends.

2.17 Classification of assets and liabilities in the balance sheet

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

2.18 Operating segments

The Group presents accounting figures for the business segments ice/support, subsea and marine seismic. The Group's vessels can take on assignments within several of the business segments. Indirect attributable costs are allocated to the operating segments. Financial information regarding the segments is presented in note 5. Internal profit originating from transactions between the business segments is eliminated in the segment reporting.

2.19 Contingent liabilities and assets

Contingent liabilities are defined as

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

Contingent liabilities are not recorded in the financial statements.

Significant contingent liabilities are disclosed unless the probability of the liability occurring is low. A contingent assets is not recorded in the financial statements; but will be disclosed if there is a certain probability that the Group will benefit from it.

2.20 Events after the balance sheet date

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

2.21 Use of estimates, judgements and assumptions in the preparation of the financial statements

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

The Group's depreciation profile for fixed assets is based on estimates of period of use and residual value. Period of use is estimated based on expected useful lives for the vessels, estimated to 25 years for new vessels (note 2.8 and note 9). For vessels that have been acquired in the second hand market and thereafter have been subject to extensive reconstruction the expected useful life is estimated to maximum 30 years. Residual values are estimated to the recoverable amount at the end of the vessel's useful life. The Group capitalises expenses incurred during dry-docking of the Group's vessels and amortises these expenses over the period until the next dry-docking.

The recoverable amount is tested against each vessel's book value. When the calculated recoverable amount is lower than book value of the vessel, the vessel is written down to reflect recoverable amount. In accordance with IAS 36 the recoverable amount is defined as the highest of the assumed fair value less cost of disposal (net sales value) and value in use. The company obtains market values from two/three reputable brokers. Based on average of these valuations with a reduction of sales commission, a fair value for each vessel is set. For vessels with long-term charter contracts, a calculation is made of the vessel's value in use through discounting the vessel's future cash flows based on long-term prognosis. Further, sensitivity analyses have been carried out through simulating change in utilization and day rate for the vessels.

Deferred tax assets are recognised in the balance sheet when it is probable that the company will have sufficient future taxable profit to benefit from the tax asset. If sufficient taxable profit should not be achieved for the Group, deferred tax assets cannot be utilized and carried amount has to be recognized as expense partly or in full. Deferred tax assets are recorded at nominal value in accordance with IAS 12. In 2015 previously capitalized deferred tax assets of NOK 64.0 million has been expensed.

2.22 Cash flow statement

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

NOTE 3 – GROUP COMPANIES

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

	BUSINESS OFFICE	PARENT COMPANY	OWNER'S SHARE
GC Rieber Shipping AS	Norway	GC Rieber Shipping ASA	100 %
Polar Ship Invest II AS	Norway	GC Rieber Shipping ASA	100 %
Polar Ship Invest III AS	Norway	GC Rieber Shipping ASA	100 %
Polar Ship Invest IV AS	Norway	GC Rieber Shipping ASA	100 %
Polar Ship Invest V AS	Norway	GC Rieber Shipping ASA	100 %
Polar Shipping AS	Norway	GC Rieber Shipping ASA	100 %
Polar Explorer AS	Norway	GC Rieber Shipping ASA	100 %
Polarus AS	Norway	GC Rieber Shipping ASA	100 %
GC Rieber Shipping Crewing AS	Norway	GC Rieber Shipping AS	100 %
Rieber Shipping AS	Norway	GC Rieber Shipping AS	100 %
Polar Queen Ltd	Isle of Man	GC Rieber Shipping ASA	100 %
Armada Seismic Invest II AS	Norway	Polar Ship Invest IV AS	100 %

The Group invested in shares in Dolphin Geophysical Ltd end of December 2015. As the Group can not be regarded as having controlling interests in the company, Dolphin Geophysical Ltd has not been consolidated in the financial statement.

NOTE 4 – INVESTMENTS IN JOINT VENTURES (NOK 1000)

The Group has the following investments in joint ventures:

	COUNTRY	BUSINESS	OWNER'S SHARE
Polar Pevek Ltd	Cyprus	Ice-breaker/tug	50 %
OOO Polarus	Russia	Ice-breaker/tug	50 %
OOO De Kastri Tugs	Russia	Ice-breaker/tug	50 %
Shipworth Shipping Company Ltd	Cyprus	Crew vessel	50 %

The Group has 50 per cent owner share in the vessel "Polar Pevek" which operates as an ice-breaker/tug in Russia on a 15 year time charter from 2006 to 2021 for Exxon Neftegas Ltd. The ownership and operation of the vessel is managed through three joint venture companies. Furthermore, the Group has 50 per cent owner share in the crew vessels "Polar Piltun" and "Polar Baikal". The vessels are engaged as crew vessels in Russia on time charter, which lasts through 2019 with Sakhalin Energy International Corporation. There are no obligations connected to the Group's investment in joint ventures.

Below is a summary of the financial information. The amounts in the table below show the accounts of the joint ventures (100 percent).

(USD 1000)	2015	2014
CONDENSED BALANCE SHEET		
SHORT-TERM ITEMS		
Cash and cash equivalents	9 592	10 768
Other current assets	3 572	2 445
Total current assets	13 164	13 213
Financial liabilities (ex. Trade payables)	-4 000	-4 000
Other current liabilities (incl. Trade payables)	-6 636	-9 927
Total current liabilities	-10 636	-13 927
LONG-TERM ITEMS		
Long-term items		
Assets	44 143	47 300
Financial liabilities	-5 239	-9 084
Other liabilities	-29	0
Total non-current liabilities	-5 268	-9 084
Net assets	41 403	37 502
CONDENSED INCOME STATEMENT		
Operating income	17 122	17 391
Operating expenses	-3 339	-4 045
Depreciation	-3 687	-4 420
Financial income	356	24
Financial expenses	-944	-1 496
Result before tax	9 508	7 455
Tax	-606	-100
Result	8 901	7 355

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

(USD 1000)	2015	2014
CONDENSED FINANCIAL INFORMATION		
Net assets 1 January	37 502	30 147
Result for the period	8 901	7 355
Dividends paid	-5 000	0
Net assets 31 December	41 403	37 502
Current exchange rate at the balance sheet date	8,81	7,43
Net assets 31 December at the exchange rate on the balance sheet date (NOK 1000)	364 718	278 759
Owner share 50%	182 359	139 379
Group items	-3 199	-3 399
Carrying amount	179 160	135 980

NOTE 5 – SEGMENT INFORMATION (NOK 1000)

Operating segments:

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

Subsea

During the year, the Group has operated six vessels within the subsea segment. The vessels are primarily used for inspection, maintenance and repair of subsea installations. ”Polar Queen” is chartered to the subsea contractor BOA Marine Services Inc. until April 2018.”Polar Onyx” was on a five-year time charter to Ceona Services (UK) Limited until September 2015 when GC Rieber Shipping terminated the contract by reason of Ceonas default and following bankruptcy. From January 2016, “Polar Onyx” is chartered on a 60 days contract with Marine Platforms Limited. The charter contract with Reef Subsea for the “Polar King” was terminated in February 2015 due to bankruptcy of Reef Subsea. The vessel was chartered to Dof Subsea Norway until October 2015. The charter contract with Reef Subsea for the “Polar Prince” ended in December 2014, and in June 2015 the vessel was sold. The segment also includes maritime operation of two subsea vessels for other owners.

Marine Seismic

In May 2015, the company took delivery of the new seismic vessel “Polar Empress” from Kleven Verft. GC Rieber Shipping has four high-end seismic vessels, «Polar Duke», «Polar Duchess», «Polar Marquis» and “Polar Empress”. In third quarter 2015 the “Polar Duke” was returned from Dolphin Geophysical and the vessel was cold stacked. The remaining vessels were on time charter to Dolphin Geophysical until Dolphin filed for bankruptcy in December 2015.

Ice/support

GC Rieber Shipping owns and operates two vessels within ice/support, as well as two crew vessels. The vessel «RSS Ernest Shackleton» is on a bareboat charter to the British Antarctic Survey for operations in Antarctica until August 2017. The «Polar Pevek» and the crew vessels «Polar Piltun» and «Polar Baikal» were in 2014 owned through a 50/50 joint venture with Primorsk Shipping Corporation, and operated by the company’s operating company in Yuzhno-Sakhalinsk. From February 2015, the «Polar Pevek» is owned through a 50/50 joint venture with Maas Capital Offshore. «Polar Pevek» is on a long-term time charter to Exxon Neftegas until 2021, and operates from the oil terminal in DeKastri, assisting tankers that load oil from Sakhalin I field East in Russia. The two crew vessels are on a time charter to Sakhalin Energy Investment Corporation through 2019, and operate on the Sakhalin II field.

Segment information:

	ICE/ SUPPORT	SUBSEA	MARINE SEISMIC	NOT ALLOCATED	TOTAL
2015					
FROM THE INCOME STATEMENT:					
Operating income	11 559	462 981	505 706	0	980 246
Operating profit before depreciation, write-down and gain (loss) on sale of fixed assets	47 549	212 517	138 138	0	398 204
Depreciation	-8 119	-123 248	-130 404	0	-261 771
Write downs	0	-112 872	-138 715	0	-251 588
Profit from disposal of fixed assets	0	19 173	0	0	19 173
Operating profit	39 430	-4 430	-130 981	0	-95 981
FROM THE BALANCE SHEET:					
Vessels	47 745	2 193 257	2 536 349	0	4 777 351
Debt to credit institutions	0	1 437 765	1 715 835	0	3 153 599
FROM THE CASH FLOW STATEMENT:					
Operating profit before depreciation, write-down, and gain (loss) on sale of fixed assets	47 549	212 517	138 138	0	398 204
Repayment of long-term loans	0	-826 656	-1 114 338	-218 091	-2 159 085
New long-term loans raised	0	748 765	1 827 868	0	2 576 633
Sale of fixed assets	0	215 148	0	0	215 148
Investments	0	-51 279	-563 343	0	-614 622
Other investing activities	32 499	0	0	0	32 499
Interest paid	0	-48 355	-43 807	-5 193	-97 355
Other changes	-35 394	0	0	-193 501	-228 895
Net change in cash and cash equivalents	0	0	0	0	122 527

	ICE/ SUPPORT	SUBSEA	MARINE SEISMIC	NOT ALLOCATED	TOTAL
2014					
FROM THE INCOME STATEMENT:					
Operating income	43 574	522 062	315 825	0	881 460
Operating profit before depreciation, write-down and gain (loss) on sale of fixed assets	39 299	254 915	159 262	0	453 475
Depreciation	-5 838	-89 063	-78 418	-108	-173 426
Profit from disposal of fixed assets	0	0	0	108	108
Operating profit	33 461	165 852	80 844	0	280 157
FROM THE BALANCE SHEET:					
Vessels	48 213	2 236 848	1 608 342	0	3 893 403
Newbuilding contracts	0	0	170 216	0	170 216
Debt to credit institutions	0	1 284 455	845 300	207 213	2 336 969
FROM THE CASH FLOW STATEMENT:					
Operating profit before depreciation, write-down, and gain (loss) on sale of fixed assets	39 299	254 915	159 262	0	453 475
Repayment of long-term loans	0	-63 643	-59 456	-53 582	-176 681
New long-term loans raised	0	560 051	83 668	0	643 719
Sale of fixed assets	0	0	0	108	108
Investments	0	-711 929	-182 231	0	-894 160
Other investing activities	0	15 000	1 445	-5 043	11 402
Interest paid	0	-26 187	-20 001	-9 819	-56 007
Other changes	0	0	0	-174 182	-174 182
Net change in cash and cash equivalents	0	0	0	0	-192 325

Not allocated other changes in 2015 comprise of, among other factors, paid dividend in 2015 of NOK 21.8 million and change in short term debt of NOK 159.2 million. Not allocated repayment of long-term debt consists of final repayment of long-term debt in parent company. Not allocated other changes in 2014 comprise, among other factors, paid dividend in 2014 of NOK 174.6 million. Not allocated long-term debt is debt in the parent company, while not allocated repayment of debt consists of instalment long-term debt in parent company.

Geographical information:

Operating income from external customers

	2015	2014
Norway	589 846	569 042
Great Britain	246 229	185 852
USA	143 297	125 234
Europe	875	1 331
Total operating income	980 247	881 460

The allocation of the operating income above is based on the country in which the customer is located. Two individual customers account for 99 per cent of the operating income in Norway, of which 87 per cent is within the seismic segment and 12 per cent is within the subsea segment. The operating income registered on USA relates to one customer and the operating income is included in the subsea segment. One single customer accounts for approx. 91 per cent of the operating income in Great Britain and is included in the subsea segment. Within the ice segment one individual customer account for 93 per cent of the operating income, the income is registered to Great Britain.

FIXED ASSETS

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

NOTE 6 – PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATIONS, LOANS TO EMPLOYEES, ETC. (NOK 1000)

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

	2015	2014
WAGE COSTS		
Payroll crew	152 573	138 067
Payroll office workers	37 992	38 862
Payroll tax	13 672	14 702
Pension costs	9 063	6 087
Other remunerations	2 658	4 989
Total payroll expenses	215 958	202 707

The group has employer liability for the following number of employees:

	2015	2014
Mariners	80	90
Office workers	45	46

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

	2015	2014
Crew and catering expenses	166 600	153 322
Administration expenses	49 358	49 385
Total wage expenses	215 958	202 707

The Group has during the year reduced the number of mariners it has employer responsibility for. As such a reduction in payroll for crew would be expected. However, as payroll for hired crew personnel is in USD the low USD/NOK rate influence the Group's figures negatively. Despite a net reduction in the USD payroll for hired crew, the cost of wages in NOK increases compared to last year.

	2015	2014
REMUNERATIONS TO THE GROUP MANAGEMENT		
Wages	6 622	5 719
Bonus, general scheme	0	426
Other remunerations	92	88
Paid pension contribution	517	368
Total Group management remunerations	7 231	6 601
REMUNERATION FOR THE BOARD OF DIRECTORS		
Fees and remunerations for Board of Directors GC Rieber Shipping ASA	1 000	880
Total remunerations for the Board members of the Group	1 000	880

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 chairperson of the board with regard to special payments upon the termination or change of the board position. Further, no agreements exist that grant employees or representatives entitlement to subscribe for or purchase or sell shares in the company.

	2015	2014
AUDITOR'S FEE (EXCL. VAT)		
Audit fee	558	693
Other certification services	14	24
Tax consulting	1 421	142
Other services	81	0
Total auditor's fees	2 073	860

NOTE 7 - TAXES (NOK 1000)

	2015	2014
INCOME TAX EXPENSE:		
TAXES IN THE INCOME STATEMENT:		
Tax payable in Norway	0	12 568
Change in tax from previous periods	68	0
Change in deferred tax	60 792	-10 953
Income tax expense (income)	60 861	1 614
RECONCILIATION OF INCOME TAX EXPENSE FOR THE YEAR:		
Net income before taxes	-246 854	-78 458
Estimated tax based on nominal rate 27%	-66 651	-21 184
Effect of tonnage tax regime/tax payable outside Norway	31 446	-26 081
Deferred tax asset not recognised in the balance sheet	77 200	42 861
Permanent differences	138	4 518
Effect of estimate deviation deferred tax from 27% to 25% not recognised	13 722	0
Effect of tax payable 27% against deferred tax rate 25%	4 937	0
Other/correction of tax payable in previous periods	68	1 499
Income tax expense (income)	60 861	1 614
DEFERRED TAX:		
DEFERRED TAX LIABILITIES/ASSETS:		
Profit and loss	42	53
Other differences	7 153	-24 665
Financial instruments	-24 473	-124 871
Net financial items for companies in the tonnage tax regime	-80 356	-31 546
Pension liabilities	-17 619	-28 226
Write-down loan (HitechVision - Reef)	0	-181 582
Tax losses carried forward	-678 595	-295 274
Basis for calculation of deferred tax	-793 848	-686 112
Tax rate	25 %	27 %
Calculated deferred tax liabilities/assets in the balance sheet	-198 462	-185 250
Deferred tax assets not recognised in the balance sheet	198 462	121 262
Deferred tax liabilities/assets in the balance sheet	0	-63 989
Directly capitalised deferred tax assets which are not included in change in temporary differences:		
Estimate deviations for pensions recognised directly in comprehensive income	-12 788	14 251
Of which directly capitalised deferred tax assets 25% (2014: 27%)	3 197	-3 848

At 31.12.2015, deferred tax assets not recognised amount to NOK 198.5 million whereof NOK 172.2 million relate to companies that are not subject to the tonnage tax regime.

By end of 2015 the Group had tax losses carried forward of NOK 678.6 million in Norway, whereof none is basis for capitalization. The disclosure of deferred tax benefits on net tax reducing differences and carry forward losses, is based on estimated future earnings. Based on budgets taking into account the Group's existing market, the Group does not expect to be able to utilise the deferred tax assets through taxable profits in the near future.

NOTE 8 – EARNINGS PER SHARE

Earnings per share is calculated by dividing the net income 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 are thus equal to earnings per share.

	2015	2014
Net income for the year (NOK 1000)	-307 715	-80 073
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
Basic and diluted earnings per share (NOK)	-7,05	-1,83

NOTE 9 – TANGIBLE FIXED ASSETS (NOK 1000)

	2015	2014
VESSEL AND MARINE EQUIPMENT		
Acquisition cost as at 01.01	5 086 415	3 357 120
+ Additions during the year	30 816	121 951
+ Additions during the year for periodic maintenance	12 152	33 339
+ Additions during the year transferred from vessel under construction	727 422	827 953
- Disposals during the year	-386 702	0
+ Changes in translation differences during the year	856 460	746 052
= Acquisition cost as at 31.12.	6 326 564	5 086 415
Accumulated depreciation and write-downs at 01.01.	1 193 013	1 019 876
+ Depreciation for the year	230 868	157 559
+ Depreciation of periodic maintenance for the year	25 491	15 577
+ Write-downs during the year	251 588	0
- Disposals during the year	-151 746	0
= Accumulated depreciation and write-downs at 31.12.	1 549 214	1 193 013
Carrying amount as at 31.12.	4 777 351	3 893 403
= Accumulated depreciation and write-downs at 31.12.	1 593 454	749 683

All vessels have carrying amounts in USD, which are converted to NOK by using the exchange rate on the balance sheet date in the consolidated financial statements. 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 per cent have been applied for vessels and 6.67 to 33.33 per cent have been applied for marine equipment. Capitalised periodic maintenance per 31.12.2015 amounts to NOK 46.3 million. (2014: NOK 57.0 million).

The Group took delivery of the new seismic vessel «Polar Empress» in May 2015.

"Polar Prince" was sold in June with a profit of NOK 19.2 million.

Impairment loss

As a result of the recent development in the offshore market and the following impairment indicators, impairment testing has been performed in order to calculate the recoverable amount for the Group's fleet. Each vessel constitutes a separate cash-generating unit, which is tested separately for impairment.

The recoverable amount is tested against each vessel's book value. When the calculated recoverable amount is lower than book value of the vessel, the vessel is written down to its recoverable amount.

In accordance with IAS 36 the recoverable amount is defined as the highest of the assumed fair value less cost of disposal (net sales value) and value in use. Based on discharge of long-term contract for the majority of the vessels, the Group has in general assumed that net sales value based on independent broker estimates is the best estimate of the recoverable amount. The company has obtained market values from two/three reputable brokers. Based on average of these valuations with a reduction of sales commission, a fair value for each vessel has been set. In the challenging offshore market the fair values are subject to great uncertainty. Hence, the Group has sought to substantiate the broker valuations, inter alia with value in use calculations or tests of reasonableness of implicit rates derived from the valuations.

The impairment tests have resulted in impairment loss of vessels and equipment totalling NOK 252 million. The impairment losses are spread on five vessels.

	2015	2014
NEWBUILDING CONTRACTS:		
Acquisition cost at 01.01.	170 216	246 499
+ Additions during the year	557 206	751 669
- Transferred to vessels	-727 422	-827 953
= Acquisition cost as at 31.12	0	170 216
Accumulated write-downs at 01.01.	0	0
+Write-down for the year	0	0
= Accumulated write-downs as at 31.12.	0	0
Carrying amount as at 31.12.	0	170 216

The Group took delivery of one high-capacity seismic construction at Kleven Verft in May 2015.

	2015	2014
MACHINERY, INVENTORY AND EQUIPMENT:		
Acquisition cost 01.01.	5 036	5 036
+ Additions during the year	20 761	0
= Acquisition cost as at 31.12	25 797	5 036
Accumulated depreciation as at 01.01.	4 775	4 485
+ Depreciation for the year	5 412	290
= Accumulated depreciation and write down as at 31.12.	10 187	4 775
Carrying value as at 31.12.	15 610	261

The Group has invested in two ROV's on "Polar King" in 2015.

NOTE 10 – TRADE RECEIVABLES AND OTHER CURRENT RECEIVABLES (NOK 1000)

	2015	2014
TRADE RECEIVABLES AND OTHER RECEIVABLES:		
Receivables, not due	76 327	84 699
Receivables, due by 1-30 days	33 372	71 567
Receivables, due by 30-60 days	45 313	3 723
Receivables, due by 60-90 days	51 149	2 142
Receivables, due by >90 days	23 506	5 954
Gross receivables	229 666	168 085
Provision for bad debts 01.01.	-25 628	0
Provision loss Reef Subsea	0	-25 628
Provision loss Dolphin Geophysical bankruptcy	-189 694	0
Actual losses	25 628	0
Provisions	-189 694	-25 628
Total receivables	39 972	142 457

In December 2015, the company's customer Dolphin Geophysical filed for bankruptcy. GC Rieber Shipping had three vessels on long-term contract to Dolphin at the date of the bankruptcy. GC Rieber Shipping's total loss on accounts receivables relating to the bankruptcy amounted to a total of NOK 189.7 million. GC Rieber Shipping will seek to recover outstanding and future claims and losses from the Estate, but it is uncertain to which extent demands will result in significant coverage.

Loss on trade receivables have been classified as vessel operating expenses in the income statement.

NOTE 11 – QUOTED FINANCIAL INVESTMENTS (NOK 1000)

	2015	2014
SHARES AND SECURITIES:		
Acquistition cost	13 770	13 770
Carrying amount	5 013	15 374
Fair value	5 013	15 374

Investments in quoted shares are recorded at fair value at the balance sheet date, without deduction for sales costs. Changes in fair value are recognised in the income statement and presented net as financial income/financial expense. In December 2015 Dolphin Geophysical filed for bankruptcy and GC Rieber Shipping has written down the investement to zero.

NOTE 12 – CASH AND CASH EQUIVALENTS (NOK 1000)

	2015	2014
Bank deposits and cash	566 500	354 323
Tax withholdings	7 837	7 237
Short-term bank deposits	51 288	130 000
Bank deposits and cash	625 625	491 560

Bank deposits generate interest income based on the banks' prevailing terms at any given time. Short-term bank deposits are made for varying periods; from one day to three months, depending on the company's need for liquidity. In some cases, the Group also enters into contracts on short-term deposits with terms exceeding three months. Per 31.12.2015, there are no deposits with terms exceeding three months. These deposits generate interest income based on the banks' terms related to short-term deposits.

NOTE 13 – EQUITY (NOK 1000)

	2015	2014
ORDINARY SHARES		
Par value per share	1,80	1,80
Number of shares	43 812 800	43 812 800
Share capital	78 863	78 863

OWN SHARES:

At 31.12.2015 the company owns 150,800 own shares, representing 0.34 per cent of the total number of shares.

	2015	2014
DIVIDENDS PAID:		
NOK per share (2015: NOK 0.50 and 2014: NOK 4.00)	21 831	174 648
Dividend proposed by the Board after the balance sheet date 31.12.:	0	21 831

NOTE 14 – DEBT TO CREDIT INSTITUTIONS (NOK 1000)

The Group's long-term liabilities, including first year's instalments, are summarised as follows at year-end 2015:

		AVERAGE INTEREST RATE 2015	AVERAGE MATURITY	BALANCE SHEET 2015	BALANCE SHEET 2014
LONG-TERM DEBT					
Mortgage debt with floating interest	Secured	USD LIBOR + 1.92 %	5.5 years	1 756 955	940 300
Mortgage debt with fixed interest	Secured	USD CIRR 2.36% + 1.65%	4.4 years	1 442 868	670 997
Mortgage debt with rental swap agreement	Secured	3.25 %		0	737 869
Amortization effect, mortgage debt				-46 223	-12 197
Total				3 153 600	2 336 969

The Group's vessels are pledged as collateral for the loans by a total of NOK 4,730 million.

The repayment schedule for the Group's long-term liabilities, including first year's instalments, at year-end 2015:

Due in 2016	289 160
Due in 2017	289 160
Due in 2018	289 160
Due in 2019	289 160
Due in 2020	1 215 576
Later maturity	827 606
Total interest bearing debt	3 199 822

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

First year's instalments on long-term liabilities are classified as current liabilities in the balance sheet. The Group's long-term liabilities are exclusively denominated in USD and have been converted to NOK using the exchange rate at the balance sheet date. The average interest rate for the Group's interest-bearing debt in 2015 was 3.45 percent (2014: 3.60 per cent).

According to the Group's loan agreements, shall:

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

NOTE 15 – PENSION COSTS AND PENSION OBLIGATIONS (NOK 1000)

In March 2012, the company closed its defined-benefit scheme for shore 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.

Defined-benefit plan

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

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

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

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

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

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

	2015	2014
Discount rate	2,7 %	2,3 %
Estimated return on plan assets	2,7 %	2,3 %
Inflation/Increase of National Insurance Basic Amount (G)	2,25 %	2,5 %
Rate of salary increase	2,5 %	2,75 %

	2015	2014
Rate of pension increase	0 %	0 %
Number of employees	99	99
Number of pensioners	19	26
Mortality table	K-2013	K-2013

	2015	2014
SPECIFICATION OF THE GROUP'S NET PENSION COST		
Current service cost	6 040	4 934
Interest expenses on benefit obligations	1 552	2 051
Estimated return on plan assets	-1 099	-1 728
Administration costs	88	89
Amortisering	0	0
Net pension cost	6 581	5 345
Payroll tax	916	741
Pension cost in the income statement	7 496	6 087

	2016
ESTIMATED PENSION COST	
Current service cost	5 459
Interest expenses on benefit obligations	1 749
Estimated return on plan assets	-1 401
Administration cost	101
Net pension cost	5 907
Payroll tax	819
Pension cost in the income statement	6 726

	31.12.2015	31.12.2014
SPECIFICATION OF THE GROUP'S NET PENSION OBLIGATIONS		
Gross obligations, secured	-56 160	-58 384
Gross obligations, unsecured	-9 495	-10 808
Fair value of plan assets	50 213	44 454
Payroll tax	-2 177	-3 488
Book value of net pension obligations	-17 619	-28 226
Carrying value 01.01.	-28 226	-13 475
Cost in income statement	7 496	6 087
Contributions during the year	-6 066	-6 526
Recognised net actuarial (loss) / gain	12 038	-15 191
Carrying value 31.12.	-17 619	-28 226

	31.12.2015	31.12.2014
Gross pension obligations	-65 655	-69 192
Fair value of plan assets	50 213	44 454
Payroll tax	-2 177	-3 488
Book value of net pension obligations	-17 619	-28 226

Actual return on plan assets per 31.12.2015 was 4.5 per cent.

Defined contribution plan

In addition to the defined benefit plans as described above, one of the Group's subsidiaries has made contributions to local pension plans in 2015. The contributions have been provided to pension plans covering 30 employees. The pension premium is recognised as an expense the year that it falls due and amounts to NOK 1.4 million in 2015 compared to NOK 1.2 million in 2014.

NOTE 16 – LEASING (NOK 1000)

The Group as a lessor

Operational leasing

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

The Group as a lessee

Operational leasing

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

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

	2015	2014
Ordinary lease payments	9 894	10 563
	9 894	10 563

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

	2015	2014
Within 1 year	3 431	2 556
1 to 5 years	5 757	7 667
Later than 5 years	0	0
Total	9 188	10 223

NOTE 17 – SHAREHOLDERS' INFORMATION AND TRANSACTIONS WITH RELATED PARTIES

The 20 largest shareholders in GC Rieber Shipping ASA as at 31 December 2015 (outstanding shares):

	NUMBER OF SHARES	OWNER SHARE
GC Rieber AS	30 861 735	70,4 %
AS Javipa	3 056 222	7,0 %
GC Rieber AS Understøttelsesfond	1 444 487	3,3 %
Trioship Invest AS	909 000	2,1 %
Pareto Aksje Norge	827 901	1,9 %
Johanne Marie Martens	400 000	0,9 %
Storkleiven AS	371 687	0,8 %
Delta A/S	361 600	0,8 %
Benedicte Martens Nes	356 250	0,8 %
Pelicahn AS	348 396	0,8 %
Tannlege Randi Arnesen AS	305 000	0,7 %
Randi Jebsen Arnesen	255 000	0,6 %
Dag Fredrik Jebsen Arnesen	211 000	0,5 %
Torhild Marie Rong	161 500	0,4 %
GC Rieber Shipping ASA	150 800	0,3 %
Bergen Råvarebørs II AS	148 668	0,3 %
Tigo AS	141 359	0,3 %
Triofa 2 AS	141 359	0,3 %
Arild Nøst Arnesen	134 902	0,3 %
Marius Nøst Arnesen	133 223	0,3 %
Other shareholders	3 092 711	7,1 %
Outstanding shares	43 812 800	100 %
Outstanding shares (reduced by own shares)	43 662 000	

Board member Georg Nygaard owns 5,000 shares as at 31 December 2015. No other board members nor the CEO own shares in the Company. The Chairman of the Board, Paul-Chr. Rieber indirectly controls 1.8 per cent which equals 802 405 shares in the Company.

At 31.12.2015, GC Rieber AS owns 30,861,735 shares in GC Rieber Shipping ASA. This constitutes 70.4 per cent of the outstanding shares in the company. Own shares in GC Rieber Shipping ASA are 150,800, representing 0.34 per cent of the share capital.

Transactions with the group parent company:

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

	2015	2014
ICT and administration expenses	6 312	7 091
Lease payments	3 349	3 631

The balance sheet includes current liabilities to the group parent company per 31.12.2015 of NOK 3.7 million. (NOK 2.6 million per. 31.12.2014)

Transactions with joint ventures (the equity method):

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

	2015	2014
Management income	812	637
Expenses	0	0
Total	812	637

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

	2015	2014
Trade receivables	490	789
Owner share in accordance with the equity methhod	179 160	135 980
Loans (Other long-term receivable)	22 023	29 733
Total (net)	201 673	166 502

NOTE 18 – CAPITAL STRUCTURE AND FINANCIAL RISK MANAGEMENT (NOK 1 000)

1. CAPITAL STRUCTURE

The Group runs a capital-intensive business where the ongoing capital requirement mainly relates to investments in new vessels, reconstruction/conversion of vessels, and 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 recapitalization should arise.

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

Debt ratio

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

The debt ratio per 31.12.2015 and 31.12.2014 is calculated as follows:

	2015	2014
Total loan	3 153 600	2 336 969
Cash	-625 625	-491 560
Net loan	2 527 975	1 845 409
Total equity	2 381 429	2 304 243
Total capital (adjusted)	4 909 404	4 149 652
Debt ratio	51 %	44 %

The increase in debt ratio during 2015 is mainly due to raising of new loan in connection with delivery of the newbuilding «Polar Empress» in May 2015.

2. BALANCE SHEET INFORMATION

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

	RECEIVABLES	FINANCIAL INSTRUMENTS AT FAIR VALUE OVER PROFIT OR LOSS	TOTAL
AT 31.12.2015			
ASSETS			
Long-term loan to joint ventures	22 023	0	22 023
Quoted securities	0	5 013	5 013
Receivables	39 972	0	39 972
Cash and cash equivalents	625 625	0	625 625
Total financial assets	687 619	5 013	692 632
	RECEIVABLES	FINANCIAL INSTRUMENTS AT FAIR VALUE OVER PROFIT OR LOSS	TOTAL
LIABILITIES			
Interest bearing long-term debt	0	2 864 439	2 864 439
Interest bearing short-term debt	0	289 160	289 160
Financial hedging instruments	30 217	0	30 217
Trade payables	0	34 157	34 157
Liabilities to group companies	0	3 649	3 649
Other current liabilities	0	21 449	21 449
Total financial liabilities	30 217	3 212 854	3 243 071
AT 31.12.2014			
	RECEIVABLES	FINANCIAL INSTRUMENTS AT FAIR VALUE OVER PROFIT OR LOSS	TOTAL
ASSETS			
Long-term loan to joint ventures	29 733	0	29 733
Quoted securities	0	15 374	15 374
Receivables	142 457	0	142 457
Cash and cash equivalents	491 560	0	491 560
Total financial assets	663 750	15 374	679 124
	RECEIVABLES	FINANCIAL INSTRUMENTS AT FAIR VALUE OVER PROFIT OR LOSS	TOTAL
LIABILITIES			
Interest bearing long-term debt	0	2 086 405	2 086 405
Interest bearing short-term debt	0	250 564	250 564
Financial hedging instruments	133 833	0	133 833
Trade payables	0	40 543	40 543
Liabilities to group companies	0	2 594	2 594
Other current liabilities		32 877	32 877
Total financial liabilities	133 833	2 380 106	2 513 939

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

Security for capitalised assets

- *Security has not been provided for any of the Group's trade payables.*
- *The parent company has provided guarantee of NOK 3,154 million of interest-bearing debt.*
- *Parts of outstanding trade receivables have been secured through deposit*

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

The Group's share of the contingent liabilities in joint ventures is disclosed in note 4.

The maximum risk exposure is represented by the carrying amount of the financial assets, including derivatives, in the balance sheet. As the counterparty in derivative transactions normally is a financial institution, the credit risk related to derivatives is considered to be limited. The Group therefore regards its maximum risk exposure to be equal to the carrying amount of trade receivables (note 10) and other current assets.

3. INCOME STATEMENT INFORMATION

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

	FINANCIAL INSTRUMENTS AT FAIR VALUE OVER PROFIT OR LOSS	FINANCIAL RECEIVABLES AND LIABILITIES MEASURED AT AMORTISED COST	TOTAL
AT 31.12.2015			
ASSETS			
Change in fair value of quoted financial instruments	-8 016	0	-8 016
Realised currency gains/losses on bank deposits and cash	0	-25 376	-25 376
Realised currency gains/losses receivables	0	10 901	10 901
Unrealised currency gains/losses onbank deposits and cash	0	11 538	11 538
Unrealised gains/losses receivables	0	958	958
Interest income on bank deposits and cash	4 990	0	4 990
Total financial income in the income statement	-3 026	-1 979	-5 005
LIABILITIES			
Interest on interest-bearing debt	0	-106 896	-106 896
Unrealised change in fair value of financial hedging instruments	-27 315	0	-27 315
Realised currency gains/losses interest-bearing debt	0	-11 659	-11 659
Total financial losses in the income statement	-27 315	-118 555	-145 870

	FINANCIAL INSTRUMENTS AT FAIR VALUE OVER PROFIT OR LOSS	FINANCIAL RECEIVABLES AND LIABILITIES MEASURED AT AMORTISED COST	TOTAL
AT 31.12.2014			
ASSETS			
Change in fair value of quoted financial instruments	-6 981	0	-6 981
Realised currency gains/losses on bank deposits and cash	0	2 920	2 920
Unrealised gains/losses receivables	0	4 722	4 722
Unrealised currency gains/losses onbank deposits and cash	0	10 577	10 577
Interest income on bank deposits and cash	21 536	0	21 536
Total financial income in the income statement	14 555	18 219	32 774
LIABILITIES			
Interest on interest-bearing debt	0	-100 142	-100 142
Unrealised change in fair value of financial hedging instruments	-97 649	0	-97 649
Unrealised currency gains/losses interest-bearing debt	0	-33 599	-33 599
Total financial losses in the income statement	-97 649	-133 741	-231 390

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. FINANCIAL RISK FACTORS

RISK MANAGEMENT

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

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

MARKET RISK

Interest rate risk

The group's interest rate risk is related to long-term loans. The Group assesses on a continuous basis how much of its exposure to interest rate fluctuations that shall be hedged. Several types of interest rate derivatives are used, primarily interest rate swaps to hedge against the profit and loss impact of changes in the interest rate. Based on the financial instruments and the interest rate swap contracts existing at year-end, a general increase in the interest rate of 1 percentage points will improve the result by NOK 16.4 million in 2015, and correspondingly, a general decrease in the interest rate level of 1 percentage points will have a negative impact on the result by NOK 16.4 million.

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

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

	REMAINING PERIOD					
	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years	Total
AT 31.12.2015						
FIXED INTEREST RATE						
Liabilities:						
Bank loans - hedged	97 124	97 124	97 124	97 124	1 026 624	1 415 120
FLOATING INTEREST RATE						
Assets:						
Cash	625 625					625 625
Liabilities:						
Bank loans - unhedged	182 510	182 510	182 510	182 510	1 008 436	1 738 476

	REMAINING PERIOD					
	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years	Total
AT 31.12.2014						
FIXED INTEREST RATE						
Liabilities:						
Bank loans - hedged	119 159	706 382	43 836	43 836	483 455	1 396 668
FLOATING INTEREST RATE						
Assets:						
Cash	491 560					491 560
Liabilities:						
Bank loans - unhedged	128 966	527 014	101 092	53 147	130 081	940 300

See note 14 for further information on long-term liabilities.

Price risk - Bunkers

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

Currency risk

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

Based on the composition of the Group's operating income and operating expenses, liabilities in USD and forward contracts entered into at 31.12.2015, a change in the exchange rate of USD 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, indecreases the result by NOK 49.0 million

In addition an increase in USD against NOK by 1.00 involves an increase in the equity through the comprehensive income by NOK 506 million.

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 had a diversified contract portfolio within the segments subsea and ice/support, while all vessels within the seismic segment have been contracted by one counterparty.

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

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

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

In connection with the bankruptcy in Reef Subsea in February 2015 and the bankruptcy in Dolphin Geophysical in December 2015 a provision for bad debts of in total NOK 189.7 million has been made related to trade receivables and onerous contract. The credit quality of the remaining outstanding trade receivables is considered satisfactory.

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 financial liabilities is presented below:

	REMAINING PERIOD			
	0-12 months	1-5 years	More than 5 years	TOTAL
AT 31.12.2015				
ASSETS				
Loan to joint venture	11 012	11 012	0	22 023
Financial investments	5 013	0	0	5 013
Trade receivables and other receivables	39 972	0	0	39 972
Bank deposits and cash	625 625	0	0	625 625
Total financial assets	681 622	11 012	0	692 633
LIABILITIES				
Interest-bearing long-term liabilities	378 388	2 757 656	447 664	3 583 708
Financial hedging instruments	27 169	2 945	103	30 217
Trade payables and other short-term liabilities	91 911	0	0	91 911
Total financial liabilities	497 468	2 760 601	447 767	3 705 836
AT 31.12.2014				
ASSETS				
Loan to joint venture	11 150	18 583	0	29 733
Financial investments	15 374	0	0	15 374
Trade receivables and other receivables	142 457	0	0	142 457
Bank deposits and cash	491 560	0	0	491 560
Total financial assets	660 541	18 583	0	679 124
LIABILITIES				
Interest-bearing long-term liabilities	309 949	1 810 058	448 573	2 568 580
Financial hedging instruments	128 521	4 909	403	133 833
Trade payables and other short-term liabilities	259 440	0	0	259 440
Total financial liabilities	697 910	1 814 967	448 976	2 961 853

5. HEDGING

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

The Group has entered into three USD/NOK put/call structures; buying USD/NOK put options financed through the sale of USD/NOK call options for the double amount so that the total option premium upon entering into the option structures is zero. The put/call structure expires on average with 1/12 every month through 2016 and with 1/6 every month from January 2017 until June 2017.

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

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

	CURRENCY	AMOUNT (1000)	MATURITY	HEDGE RATE	FAIR VALUE (NOK 1 000)
AT 31.12.2015					
USD/NOK put option	USD	1 500	2016	6,35	-6 487
USD/NOK call option	USD	3 000	2016	6,35	
USD/NOK put option	USD	4 500	2016-2017	8,84	-4 217
USD/NOK call option	USD	9 000	2016-2017	8,84	
USD/NOK put option	USD	18 000	2016-2017	7,69	-18 432
Total financial hedging instruments					-29 136

	CURRENCY	AMOUNT (1000)	MATURITY	HEDGE RATE	FAIR VALUE (NOK 1 000)
AT 31.12.2015					
Interest rate swap	USD	28 500	2016	0,92 %	-202
Interrest rate swap	USD	36 558	2016	1,1 %	-787
Interest rate swap	USD	22 292	2022	1,59 %	-92
Total financial hedging instruments					-1 081

	CURRENCY	AMOUNT (1000)	MATURITY	HEDGE RATE	FAIR VALUE (NOK 1 000)
AT 31.12.2014					
USD/NOK put option	USD	1 500	2015	6,43	-2 922
USD/NOK call option	USD	3 000	2015	6,43	
USD/NOK put option	USD	1 500	2015	6,46	-2 847
USD/NOK call option	USD	3 000	2015	6,46	
USD/NOK put option	USD	3 000	2016	6,64	-4 879
USD/NOKcall option	USD	6 000	2016	6,64	
USD/NOK put option	USD	6 000	2016	7,41	-10
USD/NOK Forward for hedging of future loan (total)	USD	82 488	2015	6,00	-120 045
Total financial hedging instruments					-130 703

	CURRENCY	AMOUNT (1000)	MATURITY	HEDGE RATE	FAIR VALUE (NOK 1 000)
AT 31.12.2014					
Interest rate swap	USD	31 500	2016	0.92%	-329
Interrest rate swap	USD	41 017	2016	1.1%	-2 398
Interest rate swap	USD	26 750	2022	1.59%	-403
Total financial hedging instruments					-3 129

6. Fair value assessment

The table below shows financial instruments at fair value 31 December according to valuation method. The different levels are defined as follows:

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

	LEVEL 1	LEVEL 2	TOTAL
2015			
ASSETS			
Financial assets at fair value over profit or loss:			
Securities	5 013	0	5 013
Hedging derivatives:			
Interest derivatives	0	0	0
Currency derivatives	0	0	0
Total assets	5 013	0	5 013
LIABILITIES			
Financial liabilities at fair value over profit or loss:			
Interest rate instruments	0	1 081	1 081
Currency instruments	0	29 136	29 136
Total liabilities	0	30 217	30 217
2014			
ASSETS			
Financial assets at fair value over profit or loss:			
Securities	15 374	0	15 374
Hedging derivatives:			
Interest derivatives	0	0	0
Currency derivatives	0	0	0
Total assets	15 374	0	15 374
LIABILITIES			
Financial liabilities at fair value over profit or loss:			
Interest rate instruments	0	3 129	3 129
Currency instruments	0	130 703	130 703
Total liabilities	0	133 832	133 832

(a) Financial instruments at level 1

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

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

(b) Financial instruments at level 2

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

Special valuation methods used to appreciate financial instruments include:

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

NOTE 19 – OTHER SHORT-TERM LIABILITIES NOK (1 000)

	2015	2014
Financial hedging instruments	30 217	133 833
Prepaid charter income	14 789	36 387
Accrued interest	14 170	19 067
Provisions related to bankruptcy Reef	0	15 800
Other	7 279	13 810
Total other short-term liabilities	66 455	218 897

Of the provision regarding Reef bankruptcy in 2014, an amount of NOK 2.8 million was reversed in 2015.

NOTE 20 – FOREIGN EXCHANGE RATES

	31.12.2015	31.12.2014
EXCHANGE RATES AGAINST NOK:		
AT THE BALANCE SHEET DATE:		
US dollar	8,81	7,43
Euro	9,62	9,04
Pound Sterling	13,07	11,57

	2015	2014
MONTHLY AVERAGE EXCHANGE RATES:		
US dollar	8,06	6,30
Euro	8,95	8,35
Pound Sterling	12,34	10,37

NOTE 21 – EVENTS AFTER THE BALANCE SHEET DATE

The Group's subsidiary Armada Seismic Invest II AS ("Armada") received in 2012 a claim from Arrow Seismic Invest II Limited (now: PGS Geophysical (UK) Limited) amounting to approximately EUR 9 million.

After various delays due to procedural issues, the dispute has now been adjudicated in the Bergen district court, which rendered its decision 2 March 2016. The claim against Armada has been dismissed, and Armada has been awarded full legal fees in the amount of NOK 3.4 million. The decision may be appealed.

NOTE 22 – CONTINGENCIES

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 8percent of a possible selling price before 31 December 2015 with gradual step down to 5percent for sale by 31 December 2022.

FINANCIAL STATEMENT

GC RIEBER

SHIPPING ASA

INCOME STATEMENT

GC RIEBER SHIPPING ASA

NOK (1 000)	NOTE	2015	2014
OPERATING EXPENSES			
Administration expenses	3,4	-12 746	-20 219
Total operating expenses		-12 746	-20 219
Net operating income before depreciation, write-down and gain (loss) on sale of fixed assets		-12 746	-20 219
Gains on sale of fixed assets		0	108
Net operating income		-12 746	-20 111
FINANCIAL INCOME AND EXPENSE			
Income from subsidiaries		161 000	75 000
Write-down investment in subsidiary	5	-118 479	0
Write-down receivables in associated company		0	-160 000
Financial income		13 725	18 100
Financial expenses		-4 773	-32 065
Realized currency gains (losses)		-10 336	-571
Unrealized currency gains (losses)		1 990	-33 595
Net financial income and expenses		43 128	-133 131
Net income before taxes		30 382	-153 243
Taxes	8	-41 470	0
NET INCOME FOR THE YEAR	7	-11 088	-153 243
ALLOCATION OF NET LOSS/PROFIT			
Allocation of Net Loss/Profit			
Dividend	6	0	-21 831
Transferred from Other Equity	6	11 088	175 074
Total allocation		11 088	153 243

The accompanying notes are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

GC Rieber Shipping ASA

NOK (1 000)	NOTE	31.12.2015	31.12.2014
ASSETS			
FIXED ASSETS			
Deferred tax asset	8	0	41 470
Total intangible fixed assets		0	41 470
Investments in subsidiaries	5	185 247	303 726
Investments in associated companies	6, 13	0	0
Total financial fixed assets		185 247	303 726
FIXED ASSETS			
Total fixed assets		185 247	345 196
CURRENT ASSETS			
Receivables from subsidiaries	12	211 728	192 765
Other current assets		1 076	1 962
Total receivables		212 804	194 727
CURRENT ASSETS			
Cash and cash equivalents	10	379 759	193 833
Total current assets		592 563	388 560
TOTAL ASSETS		777 810	733 755

The accompanying notes are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

GC Rieber Shipping ASA

NOK (1 000)	NOTE	31.12.2015	31.12.2014
EQUITY AND LIABILITIES			
EQUITY			
Share capital (43,812,800 shares at NOK 1.80)	6, 11	78 863	78 863
Portfolio of own shares (150,800 shares at NOK 1.80)	6	-271	-271
Share premium	6	16 604	16 604
Paid in capital		95 196	95 196
EQUITY			
Other equity	6	230 933	242 022
Total retained earnings		230 933	242 022
EQUITY			
Total equity		326 129	337 218
LIABILITIES			
Long-term debt	9	0	207 758
Total long-term debt		0	207 758
Trade payables		276	329
Public duties payable		0	401
Dividends	6	0	21 831
Liabilities to subsidiaries	12	449 063	150 514
Other current liabilities		2 342	15 704
Total current liabilities		451 681	188 780
Total liabilities		451 681	396 538
TOTAL EQUITY AND LIABILITIES		777 810	733 755

Bergen, 14 March 2016

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 (1 000)	NOTE	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES			
Net income before taxes		30 382	-153 243
Write-downs investments in subsidiary	5	118 479	0
Write-downs on receivables		0	160 000
Exchange differences		8 345	34 166
Loss on sale of shares in subsidiary		0	-108
Change in accounts payable		-54	108
Change in receivables from subsidiaries		279 586	269 286
Change in other current assets and other liabilities		-12 880	10 789
Net paid interests		3 514	9 819
Net cash flow from operating activities		427 372	330 817
CASH FLOW FROM INVESTMENT ACTIVITIES			
Payments from sale of financial fixed assets		0	15 000
Payments for purchase of fixed assets		0	108
Payments for investments in financial fixed assets		0	-30
Net cash flow from investment activities		0	15 078
CASH FLOW FROM FINANCING ACTIVITES			
Repayment of long term debt	9	-218 091	-53 582
Dividend payment	6	-21 831	-174 648
Net paid interests		-3 514	-9 819
Net cash flow from financing activities		-243 437	-238 049
Net change in cash and cash equivalents		183 935	107 847
Cash and cash equivalents at 01.01.		193 834	81 131
Exchange gain/loss on cash and cash equivalents		1 990	4 856
Bank deposits, cash and quoted financial investments at 31.12.		379 759	193 834

The accompanying notes are an integral part of these financial statements

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 14 March 2016.

NOTE 2 - ACCOUNTING PRINCIPLES

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

Classification of assets and liabilities in the balance sheet

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

Investments in subsidiaries and associated companies

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

Receivables and liabilities in foreign currency

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

Borrowing costs

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

Receivables

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

Cash and bank deposits

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

Contingencies

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

Taxes

Tax expenses are related to net income 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. The disclosure of deferred tax benefits on net tax reducing differences and carryforward losses, is based on estimated future earnings.

Cash flow statement

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

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

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

The board of directors presents the following statement to the general meeting for consultative voting:

”The purpose of this statement is to provide superior guidelines for the Company's determination of salaries and other remuneration to the management pursuant to Section 6-16a of the Public Limited Liability Companies Act. The management shall be offered competitive remuneration such that the Company is ensured continuity in management and the possibility to recruit qualified personnel to leading positions. By competitive remuneration is meant remuneration on the same level as offered by comparable companies. The remuneration shall be designed such that it promotes added value in the Company. Bonus arrangements shall depend on collective or individual performance measures. The remuneration shall not be of such character or size that it can damage the Company's reputation.

The remuneration can consist both of a fixed salary and other supplementary benefits, including, but not limited to, payment in kind, bonus, severance pay and retirement and insurance schemes, company car, car allowance, telephone and broadband service. New senior executives will be included in the Company's defined contribution pension plan. The fixed salary will normally constitute the main part of the remuneration.

The company does not have options programme or other schemes as mentioned in Section 6-16a of the Public Limited Liability Companies Act 1st paragraph number 3.

There are no specific limits for the different categories of remunerations or the total level of remuneration to management."

	SALARY	BONUS	OTHER BENEFITS	PAID PENSION PREMIUM	TOTAL REMUNE-RATION
MANAGEMENT REMUNERATION 2015:					
Irene Waage Basili, CEO	2 337	0	35	195	2 567
Atle Sommer, COO	1 536	0	21	66	1 623
Bjørn Valberg, Technical Director	1 229	0	14	141	1 384
Einar Ytredal, CFO	1 520	0	21	115	1 657
Total management remuneration	6 622	0	92	517	7 231
MANAGEMENT REMUNERATION 2014:					
Irene Waage Basili, CEO	2 423	203	32	189	2 847
Trond Herdlevær, COO (till 9/14)	1 158	140	19	52	1 369
Atle Sommer, (COO from 10/14)	370	0	4	16	390
Einar Ytredal, CFO	1 347	118	21	111	1 597
Total management remuneration	5 298	462	75	368	6 204

	DIRECTORS' FEES 2015	DIRECTORS' FEES 2014
BOARD REMUNERATION:		
Paul-Chr. Rieber, chairman	300	250
Hans Olav Lindal, vice-chairman	200	175
Kristin Færøvik	150	135
Tove Lunde	150	135
Georg Nygaard, audit committee	200	185

	2015	2014
AUDITOR'S FEES		
Audit services	190	278
Tax consulting	102	62
Other services	93	0
Total auditor's fees	385	340

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

	2015	2014
Board remuneration incl. social security tax	1 141	1 004
Auditor's fees	190	340
Management fee to GC Rieber Shipping AS	6 000	6 000
Legal fee	2 029	2 258
Consultancy fee	951	4 118
Restructuring costs UK	0	1 642
Other administration expenses	2 435	4 857
Total operating expenses	12 746	20 219

NOTE 5 – INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANY (NOK 1 000)

Subsidiary:

COMPANY	BUSINESS OFFICE	VOTING AND OWNER SHARE	CARRYING AMOUNT 31.12.2015	RESULT 2015	EQUITY 31.12.2015
GC Rieber Shipping AS	Bergen	100 %	30 770	-30 895	30 770
Polar Explorer AS	Bergen	100 %	40 248	-152 858	40 248
Polar Ship Invest II AS	Bergen	100 %	26 979	-70 616	651 441
Polar Ship Invest III AS	Bergen	100 %	108	-50 359	355 104
Polar Ship Invest IV AS	Bergen	100 %	35 401	-127 984	936 020
Polar Ship Invest V AS	Bergen	100 %	30	0	30
Polarus AS	Bergen	100 %	50 000	25 219	104 391
Polar Shipping AS	Bergen	100 %	1 710	-620	4 769
Polar Queen Ltd.	Isle of Man	100 %	0	0	0
Total			185 247	-408 113	2 122 773

The investments in GC Rieber Shipping AS and Polar Explorer AS were written down with NOK 8.2 million and NOK 110.2 million respectively. For the subsidiaries with functional value in USD, an exchange rate of USD/NOK 8.0637 has been used to convert the result for the year and a rate of USD/NOK 8.809 has been used to convert equity as of 31.12.15.

NOTE 6 – EQUITY

STATEMENT OF CHANGES IN EQUITY:	SHARE CAPITAL	PORTFOLIO OF OWN SHARES	SHARE PREMIUM RESERVE	OTHER EQUITY	TOTAL
Equity as at 01.01.	78 863	-271	16 604	242 021	337 217
Net income for the year		0	0	-11 088	-11 088
Allocated to dividend		0	0	0	0
Equity as at 31.12.	78 863	-271	16 604	230 933	326 129

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 31.12.2015 the company owns 150,800 own shares, representing 0.34 per cent of the total number of shares.

DIVIDEND:	2015	2014
PAID DIVIDEND:		
NOK per share (2015; NOK 0.50 and 2014; NOK 4.00)	21 831	174 648
PROPOSED DIVIDEND:		
The following dividend was proposed by the Board to be paid after the balance sheet date		
Ordinary dividend	0	21 831

NOTE 7 – EARNINGS PER SHARE

Earnings per share is calculated by dividing the net income 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.

	2015	2014
Net income for the year (NOK 1 000)	-11 088	-153 243
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
Result per share (NOK)	-0,25	-3,51
Diluted earnings per share (NOK)	-0,25	-3,51

NOTE 8 - TAXES (NOK 1 000)

	2015	2014
INCOME TAX EXPENSE:		
Net income before taxes	30 382	-153 243
Permanent differences:		
Other non-deductable costs	49	358
Write-down receivable and investment in subsidiary	118 479	0
Other non-taxable income	-673	0
Dividend/Group contribution from subsidiary	-161 000	-75 000
Temporary differences:		
Change profit and loss account	11	13
Change other temporary differences	-181 582	177 451
Basis for taxes for the year	-194 335	-50 421
Payable income tax (27%)	0	0
TAXES INCOME STATEMENT:		
Change in deferred tax	-41 470	0
Tax expense/-income	-41 470	0
RECONCILIATION OF TAX EXPENSE FOR THE YEAR:		
Net income before taxes	30 382	-153 243
Calculated tax, nominal rate 27 %	8 203	-41 376
Effect of not recognised estimate change deferred tax from 27% to 25%	3 325	0
Deferred tax asset not recognised in balance sheet	41 591	61 529
Permanent differences	-11 649	-20 153
Tax expense/-income	41 470	0
DEFERRED TAX/DEFERRED TAX ASSETS		
Profit and loss accont	42	53
Temporary differences receivables	0	-181 582
Carry forward loss for tax purposes	-441 568	-247 233
Basis for calculation of deferred tax	-441 526	-428 763
Tax rate	25 %	27 %
Calculated deferred tax/deferred tax asset	-110 381	-115 766
Deferred tax asset not recognised in the balance sheet	110 381	74 296
Deferred tax/deferred tax asset in the balance sheet	0	-41 470
The company received dividend / group contribution from subsidiary without tax effect.	161 000	75 000

NOTE 9 – LONG-TERM DEBT TO CREDIT INSTITUTIONS (NOK 1 000)

The company had a mortgage debt (foreign exchange loan) in USD. The loan was paid off in June 2015.

	31.12.2015	31.12.2014
Mortgage debt	0	207 758

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

NOTE 10 – BANK DEPOSITS/SHORT-TERM LIABILITIES TO FINANCIAL INSTITUTIONS (NOK 1 000)

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

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

	2015	2014
Cash at banks and on hand	379 759	193 833
Tax withholdings	0	0
Total bank deposits and cash	379 759	193 833

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

The company does not have cash credit.

NOTE 11 – SHAREHOLDERS' INFORMATION AND TRANSACTIONS WITH RELATED PARTIES

The 20 largest shareholders in GC Rieber Shipping ASA as at 31 December 2015 (outstanding shares):

	NUMBER OF SHARES	OWNER SHARE
GC Rieber AS	30 861 735	70,4 %
AS Javipa	3 056 222	7,0 %
GC Rieber AS Understøttelsesfond	1 444 487	3,3 %
Trioship Invest AS	909 000	2,1 %
Pareto Aksje Norge	827 901	1,9 %
Johanne Marie Martens	400 000	0,9 %
Storkleiven AS	371 687	0,8 %
Delta A/S	361 600	0,8 %
Benedicte Martens Nes	356 250	0,8 %
Pelicahn AS	348 396	0,8 %
Tannlege Randi Arnesen AS	305 000	0,7 %
Randi Jebsen Arnesen	255 000	0,6 %
Dag Fredrik Jebsen Arnesen	211 000	0,5 %
Torhild Marie Rong	161 500	0,4 %
GC Rieber Shipping ASA	150 800	0,3 %
Bergen Råvarebørs II AS	148 668	0,3 %
Tigo AS	141 359	0,3 %
Triofa 2 AS	141 359	0,3 %
Arild Nøst Arnesen	134 902	0,3 %
Marius Nøst Arnesen	133 223	0,3 %
Other shareholders	3 092 711	7,1 %
Outstanding shares	43 812 800	100 %
Outstanding shares (reduced by own shares)	43 662 000	

The Board member Georg Nygaard owns 5 000 shares as at 31.12.2015. 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 31.12.2015, GC Rieber AS owns 30 861 735 shares in GC Rieber Shipping ASA. This constitutes 70.4 per cent of the outstanding shares in the company. Own shares in GC Rieber Shipping ASA constitutes 150 800 shares, representing 0.34 per cent of the share capital.

Transactions with subsidiaries:

The Company has entered into an agreement with GC Rieber Shipping AS to purchase administrative services. Yearly management fee is NOK 6 million. Reference is made to note 12 for other transactions with subsidiaries.

NOTE 12 RECEIVABLES/LIABILITIES (NOK 1 000)

	2015	2014
INTERCOMPANY TRANSACTIONS		
Loan group account scheme	211 654	117 764
Short-term group receivables	74	75 000
Total group receivables	211 728	192 765
Deposit group account scheme	448 710	144 812
Short-term liabilities group	353	5 702
Total group liabilities	449 063	150 514

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

Of the main group receivables for 2015 loan group account scheme amount to NOK 211.7 million. In 2014 the main short-term group receivables was group contribution without tax effect from Polar Ship Invest II AS and Polar Ship Invest IV AS, NOK 50 million and NOK 25 million respectively. Both group contributions were given in 2014.

Short-term liabilities to the Group of NOK 0.4 million (in 2014 NOK 5.7 million) are ordinary trade payables to group company. In 2014 a group contribution without tax effect of NOK 1.6 million to GC Rieber Crewing AS is included.

NOTE 13 – MORTGAGE AND GUARANTEES

The company has provided guarantees for companies in the group amounting to a total of NOK 3,153.6 million. These are mortgaged liabilities in the underlying companies.

NOTE 14 – CONTINGENCIES

Earn-out

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

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

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 2015, 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 2015, 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.

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 2015, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the group GC Rieber Shipping ASA as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposal for coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

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

Bergen, 14 March 2016
PricewaterhouseCoopers AS

Jon Haugervåg
State Authorised Public Accountant (Norway)

Design by: ALFGUNDERSEN

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Vedlegg 4 / Appendix 4

Styrets erklæring om fastsettelse av lønn og annen godtgjørelse til ledende ansatte

Styret fremlegger for generalforsamlingen følgende erklæring til rådgivende avstemming:

Formålet med denne erklæringen er å angi de overordnede retningslinjer for Selskapets fastsettelse av lønn og annen godtgjørelse til ledende ansatte jfr. allmennaksjeloven § 6-16 a.

Ledende ansatte skal tilbys konkurransedyktige betingelser slik at Selskapet sikres kontinuitet i ledelsen og gis mulighet for å rekruttere kvalifisert personell til ledende stillinger. Med konkurransedyktige betingelser menes betingelser på samme nivå som sammenlignbare virksomheter tilbyr. Godtgjørelsen bør utformes slik at den fremmer verdiskapning i Selskapet. Bonusordninger skal knyttes opp mot kollektive eller individuelle resultatmål. Godtgjørelsen bør ikke være av en slik art eller omfang at den kan skade Selskapets renommé.

Godtgjørelsen kan bestå både av basislønn og andre tilleggsytelser, herunder men ikke begrenset til naturalytelser, bonus, etterlønn og pensjons- og forsikringsordninger, firmabil, bilgodtgjørelse, telefon og bredbåndstilknytning. Nye ledende ansatte vil inngå i selskapets innskuddsbaserte pensjonsordning. Fast basislønn utgjør normalt hoveddelen av godtgjørelsen.

Selskapet har ikke opsjonsprogrammer eller andre ordninger som nevnt i allmennaksjeloven § 6-16 a, 1. ledd nr. 3.

Det gjelder ingen særskilte rammer for de forskjellige kategorier ytelser eller det samlede nivået for godtgjørelse til ledende ansatte.

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The board of directors´ statement regarding the determination of salaries and other remuneration to the management

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 determination of salaries and other remuneration to the management pursuant to Section 6-16a of the Public Limited Liability Companies Act. The management shall be offered competitive remuneration such that the Company is ensured continuity in management and the possibility to recruit qualified personnel to leading positions. By competitive remuneration is meant remuneration 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.

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The remuneration can consist both of a fixed salary and other supplementary benefits, including, but not limited to, payment in kind, bonus, severance pay and retirement and insurance schemes, company car, car allowance, telephone and broadband service. New senior executives will be included in the Company's defined contribution pension plan. The fixed salary will normally constitute the main part of the remuneration.

The company does not have options programme or other schemes as mentioned in Section 6-16a of the Public Limited Liability Companies Act 1st paragraph number 3.

There are no specific limits for the different categories of remunerations or the total level of remuneration to management."

Vedlegg 5 / Appendix 5

Trygve Bruland har en mastergrad fra Norges Handelshøyskole I tillegg til MBA fra INSEAS i Fontainebleau i Frankrike. Han har mer enn 20 års erfaring fra finansielle selskaper og konsulentselskaper som Boston Consulting Group, McKinsey & Co., Orkla Finans, SEB Enskilda og Pareto Securities. Han er administrerende direktør i investeringsselskapet Cosimo AS. I tillegg er han styreleder i Cosimo AS og styremedlem i Betonmast AS.

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Trygve Bruland holds an MSc from Norwegian School of Economics (NHH) and an MBA from INSEAD in Fontainebleau, France. He has more than 20 years of experience from financial and consulting institutions like the Boston Consulting Group, McKinsey & Co., Orkla Finans, SEB Enskilda and Pareto Securities. He is currently Managing Director of the investment firm Cosimo AS. He is also Chairman of the Board of Cosimo AS and a Director of the Board of Betonmast AS.

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