



GCRIEBER

SHIPPING ASA



Interim report first half year 2017

Key events in the first half year 2017

- Fleet utilization of 81 percent in a continued challenging market
- Total loss of NOK 84.6 million, compared with a loss of NOK 547.5 million in 2016
- Contract backlog of NOK 463 million
- Continued restructuring efforts and focus on cost reductions

Events after the end of the period

- Christian W. Berg appointed as CEO. He will take on his new position 18th of August.

Key figures

Figures in NOK million	1HY 2017	1HY 2016	31.12. 2016
Operating income	132.8	117.0	205.5
EBITDA	23.0	22.2	9.7
EBIT	-60.1	-122.6	-303.9
Profit before tax	-84.5	-157.7	-357.0
Profit from continuing operations	-84.6	-157.8	-360.6
Profit from discontinued operation	0.0	-389.7	-382.3
Net profit in the period	-84.6	-547.5	-742.9
Normalised profit before tax (1)	-60.8	-89.3	-162.0
Earnings per share	-1.94	-12.54	-17.02
Equity ratio	46.9 %	35.3 %	48.0 %
Fleet capacity utilisation	81 %	45 %	48 %

(1) Profit bef. tax adjusted for unrealized currency gains/losses, profit from disposals and write-downs (continued operations)

Operational review

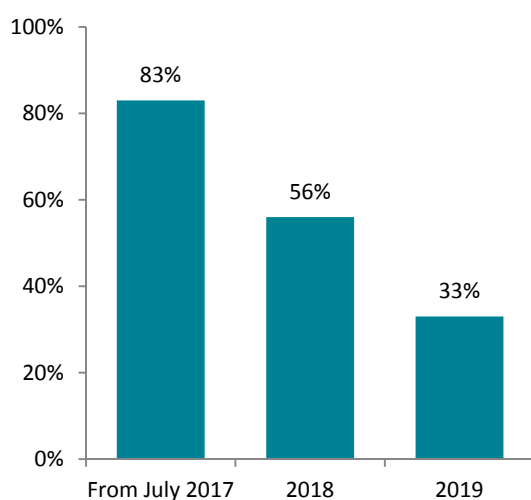
GC Rieber Shipping operates and has direct and indirect ownership in 11 vessels within the segments subsea, ice/support and marine seismic.

Capacity utilisation and contract backlog

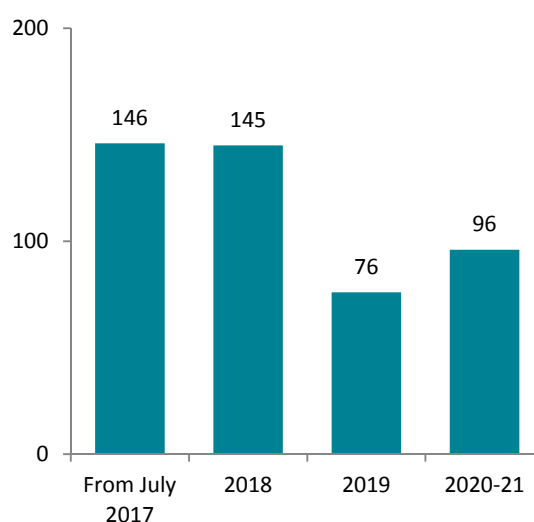
The fleet capacity utilisation of 81 percent in the first half year was higher than the corresponding period for 2016 (45 percent). «Polar King» has been operating the whole period. «Polar Onyx» and «Polar Queen» have been operating from mid-March 2017.

Per 1 July 2017, the company has a contract backlog of NOK 463 million. As shown in the table below, contract coverage for the last two quarters of 2017, year 2018 and year 2019 is 83 percent, 56 percent and 33 percent, respectively. All figures exclude charterers' extension options.

Contract coverage



Contract backlog (figures in MNOK)



Contract updates

One-year extension of bareboat charter for the «RRS Ernest Shackleton» until August 2018.

Four-month contract for the «Polar Onyx» signed in March 2017. One-month extension until the end of August 2017 was declared in July.

Restructuring efforts

The Group restructuring process was initiated during the spring 2016. The successful establishment of Shearwater GeoServices as a joint venture with Rasmussengruppen was the first milestone. The ice/support business is at a healthy position and currently all three vessels in the subsea segment are employed. Due to the continued downturn in the offshore subsea market, the company is seeking various options to strengthen its financial and capital structure. Further, GC Rieber Shipping's Lenders have agreed to certain amendments of financial covenants

GC Rieber Shipping will continue the work to establish a strategic and financial platform for the long-term operations of the company.

Financial review

Accounting principles

This interim report has been prepared in accordance with IAS 34 «Interim Financial Reporting» and follows the same accounting principles as in the annual financial statement.

Operating income

GC Rieber Shipping had operating income of NOK 132.8 million in the first half year of 2017, up from NOK 117.0 million in the corresponding period 2016. The increase is due to higher utilisation for the three subsea vessels in the period.

Operating profit

EBITDA for GC Rieber Shipping amounted to NOK 23.0 million the first half year 2017. For the first half year of 2016, EBITDA was NOK 22.2 million.

Impairment

Due to further 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 25.3 million for the fleet, has been made for the period.

The company has obtained market values from three reputable brokers. Based on these valuations a fair value for each vessel has been set. In the challenging offshore market, the fair values are subject to uncertainty.

Net financial items

Net financial items were negative by NOK 24.5 million in the first half year 2017, compared with negative NOK 35.1 million in the corresponding period 2016.

The group currently does not use hedge accounting in connection with exchange rates. As a result, exchange rate variations between USD and NOK can have a relatively substantial impact on the accounts, in accordance with IAS 39. Unrealised currency gain/loss has no cash effect for the group.

Unrealised currency gain in the period was NOK 1.6 million, compared with unrealised currency loss of NOK 1.2 million in the same period in 2016.

Loss in the period

GC Rieber Shipping had a loss of NOK 84.6 million in the first half year of 2017, compared with a loss of NOK 547.5 million in the corresponding period in 2016. The negative result in 2016 includes loss from discontinued operations (seismic operation).

Cash flow

Cash flow from operational activities as of 30 June 2017 was positive by NOK 50.0 million, compared with negative NOK 120.9 million as of 30 June 2016.

Cash flow from investment was negative by NOK 24.6 million, compared with a positive cash flow of NOK 65.3 million in corresponding period in 2016.

Cash flow from financing activities was negative by NOK 76.4 million, and is related to payment of interest and instalments on the group's existing loans.

Net cash flow was negative by NOK 51.0 million, yielding a cash holding of NOK 153.9 million as of 30 June 2017, excluding restricted cash of NOK 62.9 million.

Liquidity and financing

In the first half year of 2017, the group paid NOK 58.6 million in ordinary loan instalments. The average remaining duration of the group's loan portfolio is 3.4 years. The company has received a temporary amendment of certain financial covenants as of 30 June 2017. See attached note 10 to the consolidated accounts.

Interest-bearing liabilities	YTD 2017	YTD 2016
Liabilities at end period (NOK million)	1,264.4	3,094.1
Average liabilities (NOK million)	1,319.8	3,084.6
Average interest incl. margin	3.58 %	3.44 %
Proportion of liabilities in USD	100 %	100 %

Liquid assets	30.06.2017	30.06.2016
Bank and interest-bearing securities (NOK million)	153.9	577.6

As of 30 June 2017, GC Rieber Shipping had liquid assets of NOK 153.9 million, compared with NOK 577.6 million as of 30 June 2016. Net liabilities (liquid assets minus interest-bearing liabilities) amounted to NOK 1,110.5 million, compared with net liabilities of NOK 2,516.5 million as at 30 June 2016.

Equity

GC Rieber Shipping had a booked equity of NOK 1,219.5 million as of 30 June 2017, corresponding to an equity ratio of 46.9 percent, up from 35.3 percent at the end of June 2016.

Segments

Subsea

GC Rieber Shipping owns and operates three vessels in the subsea segment. The vessels are primarily designed for inspection, maintenance and repair of subsea installations, but have also demonstrated attractive capabilities for the renewables market.

The «Polar King» is chartered to Nexans Skagerrak AS until late September 2018. The «Polar Queen» is chartered to Senvion GmbH for seven months until mid-October 2017. The «Polar Onyx» completed a four-month charter in July, and has been awarded an extension until end of August. All the foregoing contracts include options for extensions.

Key figures (in NOK million)	1HY 2017	1HY 2016
Operating income	124.3	106.9
EBITDA	1.5	3.9
EBIT	-77.0	-136.4
Capacity utilization (in %)	69 %	43 %

GC Rieber Shipping had a capacity utilisation of 69 percent for the subsea vessels, compared with 43 percent in the corresponding period 2016.

Operating income amounted to NOK 124.3 million in the first half year 2017, up from NOK 106.9 million in the corresponding period 2016. EBITDA ended at NOK 1.5 million in the first half year 2017. EBITDA was NOK 3.9 million in the first half year 2016.

Ice/Support

The «Ernest Shackleton» is on a bareboat charter to the British Antarctic Survey, for operations in Antarctica. After receiving contract extension early January 2017, the vessel charter runs until August 2018.

Key figures (in NOK million)	1HY 2017	1HY2016
Operating income	8.5	10.1
EBITDA	8.4	9.6
EBIT	3.9	5.1
Capacity utilisation (in %)	100 %	100 %

The vessel had full capacity utilisation the first half year of 2017, yielding operating income of NOK 8.5 million. EBITDA ended at NOK 8.4 million. In comparison, the segment had operating income of NOK 10.1 million and an EBITDA of NOK 9.6 million in the first half year of 2016.

Joint Ventures

Ice/Support - Polar Pevek

The ice-breaker «Polar Pevek» is owned through a 50/50 joint venture with Maas Capital Offshore. The crew boats «Polar Piltun» and «Polar Baikal» are operated through a 50/50 joint venture with Primorsk Shipping Corporation. GC Rieber Shipping's 50 percent stake is reported on a separate line in the profit and loss statement under «profit from joint venture».

The «Polar Pevek» is chartered to Exxon Neftegas until 2021 and operates out of the DeKastri oil terminal, assisting tankers carrying oil from the Sakhalin I offshore field outside eastern Russia. The two crew boats are chartered to the Sakhalin Energy Investment Corporation until the end of 2019, operating on the Sakhalin II field.

The group's share in the profit for the first half year 2017 amounted to NOK 10.6 million, compared with NOK 8.7 million in 2016.

Marine Seismic - Shearwater GeoServices

In December 2016, GC Rieber Shipping and Rasmussengruppen AS established Shearwater GeoServices («Shearwater») as a 50/50 owned marine geophysical company.

Shearwater is an integrated provider of marine geophysical services to oil & gas and multi-client companies worldwide. With a fleet of four modern, high capacity seismic vessels as well as in-house software, data processing and R&D capabilities, Shearwater's core strategy is to provide high quality marine geophysical services while capitalizing on the company's highly competitive cost base. Following its establishment, Shearwater has been successful in securing contracts, achieving a fleet utilization of 83% for first half year of 2017 while retaining its cash through what is still to be considered a very challenging market.

GC Rieber Shipping's share of profit for the first half year 2017 amounted to NOK 2.4 million.

Shareholder information

The company's shares are listed on Oslo Børs with the ticker RISH. The company's holding of own shares is 150,800, i.e. 0.34 percent of the shares in the company.

In the first half year 2017, the group's shares have been traded between NOK 9.00 and NOK 15.00. The last price recorded in June 2017 was NOK 11.70, which on the basis of a total of 43,662,000 outstanding shares values the group's equity at approximately NOK 510 million. At the end of June 2017, the company had 366 shareholders. 92.8 percent of the shares were owned by the 20 largest shareholders. Please refer to note 7 for a list of the 20 largest shareholders in the company as of 30 June 2017.

Risks and uncertainties

As described in GC Rieber Shipping's annual report for 2016, GC Rieber Shipping is exposed to a number of risks due to the fact that the company operates in a global market. The board of directors of GC Rieber Shipping therefore focuses on efforts to identify and manage risk, and routines have been established with the aim of limiting and reducing the total risk exposure to an acceptable level. Risk factors are categorised into the areas of market risks, financial risks and operational risks.

It is referred to the company's annual report for 2016 for a more detailed description of the company's risk management and the most principal risk and uncertainty factors. Two of the segments, subsea and marine seismic, are particularly exposed to the negative development in the oil market.

GC Rieber Shipping ASA is currently evaluating alternative financial and strategic models in order to strengthen its business going forward.

Outlook

GC Rieber Shipping's operations are exposed to the development in the markets for oil and gas exploration and -production. During the first half of 2017, the oil price has averaged just above USD 50 per barrel, as compared to about USD 45 per barrel during the last half 2016, and which is considerably up from the low point of just below USD 30 per barrel at the beginning of 2016. The prevailing market sentiment is that the oil price will likely remain at current levels or moderately increase. However, the strong recovery in US onshore shale drilling and -production constitutes a certain downward risk for the oil price.

As the oil price has stabilised around the USD 50 per barrel mark, many oil and gas companies are again yielding positive cash flows – and a certain investment appetite has returned. The most notable effect on vessel markets thus far is that certain advance vessel commitments are made or contemplated. However, whereas utilisation shows signs of increasing, there is as of yet limited or no pick-up in rates.

GC Rieber Shipping has been successful in securing a high fleet utilisation for the subsea fleet during the first half of 2017. Whereas the charter for the "Polar King" has been extended until September 2018, the firm period for the "Polar Onyx" and "Polar Queen" runs to end of August and October respectively. Efforts are ongoing to secure new employment for these vessels.

With respect to the seismic fleet, GC Rieber Shipping performs technical management for four vessels in this segment on behalf of Shearwater GeoServices AS, ensuring continuity and quality in the marine operation of Shearwater's high-end fleet. Shearwater has been successful securing several contracts and has booked 100% of its active fleet capacity for the third quarter 2017. Based on booked backlog, Shearwater will have a utilisation of 90% through the first three quarters of 2017. There is limited visibility for the fourth quarter 2017 and first quarter of 2018 throughout the industry, however, Shearwater experience increasing tender activity and is actively working to further increase its backlog for the winter season.

The ice/support segment is stable and activities unchanged, and the company expects this to continue going forward.

In light of the uncertainty in the market, GC Rieber Shipping has continued to work actively to adapt operations of vessels and the organisation to a lower cost level. The company's cost reducing programme contributes to maintain competitiveness in a highly challenging market.

About GC Rieber Shipping

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 and has direct and indirect ownership in 11 advanced special purpose vessels for defined markets within the subsea, ice/support and marine seismic segments.

The company has its headquarter and ship management company in Bergen (Norway), with an additional ship management company in Yuzhno-Sakhalinsk (Russia). The company is listed on Oslo Stock Exchange with the ticker RISH. Further information is available on the company's website www.gcrieber-shipping.com.

Responsibility statement

We confirm, to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2017 has been prepared in accordance with the IAS 34 – Interim Financial Reporting, 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. We also confirm, to the best of our knowledge, that the interim report includes a fair review of important events that have occurred in the accounting period and their impact on the financial statements, a description of the principal risks and uncertainties for the coming accounting period, and major related parties’ transactions. For further details on risks and uncertainties that the company is exposed to, shareholders are advised to refer to the company’s annual report for 2016.

Bergen, 17 August 2017

The Board of Directors and Chief Executive Officer in GC Rieber Shipping ASA

Paul-Chr. Rieber, chairman
Hans Olav Lindal, vice chairman
Trygve Bruland, member
Tove Lunde, member
Bodil Valland Steinhaug, member

Einar Ytredal, CEO (act.)

GC RIEBER SHIPPING ASA

30.06.2017

Consolidated accounts
(Unaudited)

Profit & Loss Account (NOK 1000)	30.06.2017	30.06.2016	31.12.2016
Charter income	117 886	107 579	178 247
Other operating income	14 901	9 422	27 258
Total income	132 787	117 001	205 505
Operating expenses	-122 848	-103 488	-222 600
Profit from joint venture	13 054	8 693	26 784
Operating profit before depreciation, write-downs and gains (losses) on sale of fixed assets	22 993	22 206	9 688
Depreciation	-57 711	-77 615	-121 191
Write-downs	-25 339	-67 230	-192 403
Operating profit	-60 057	-122 639	-303 906
Financial income	1 013	1 209	5 409
Financial expenses	-25 679	-36 250	-61 747
Realized currency gains (losses)	-1 401	1 152	5 837
Unrealized currency gains (losses)	1 594	-1 199	-2 591
Net financial income and expenses	-24 472	-35 087	-53 092
Profit before taxes	-84 529	-157 726	-356 998
Taxes	-41	-39	-3 611
Profit from continuing operations	-84 570	-157 765	-360 609
Profit from discontinued operations	0	-389 717	-382 334
Profit for the period	-84 570	-547 482	-742 943
Earnings and diluted earnings per share	-1,94	-12,54	-17,02
Statement of Comprehensive Income (NOK 1000)	30.06.2017	30.06.2016	31.12.2016
Profit for the period	-84 570	-547 482	-742 943
Other comprehensive income:			
Foreign currency translation subsidiaries continuing operations	-22 583	-56 970	-28 441
Foreign currency translation subsidiaries discontinuing operations	0	-51 950	-285 502
Changes in pension estimates	0	0	2 105
Comprehensive income for the period	-107 153	-656 402	-1 054 781

GC RIEBER SHIPPING ASA

30.06.2017

Consolidated accounts
(Unaudited)

Balance Sheet (NOK 1000)	30.06.2017	30.06.2016	31.12.2016
ASSETS			
FIXED ASSETS			
Vessels	1 777 645	4 094 782	1 899 580
Machinery and equipment	37 413	12 150	15 079
Financial fixed assets	505 736	95 071	495 370
Long term receivables	62 910	16 763	68 968
<i>Total fixed assets</i>	2 383 704	4 218 767	2 478 997
CURRENT ASSETS			
Inventories	3 638	6 635	5 319
Receivables	60 775	84 653	69 648
Quoted financial investments	0	5 013	5 013
Cash and bank deposits	153 920	572 601	203 199
<i>Total current assets</i>	218 334	668 901	283 180
Total assets	2 602 038	4 887 667	2 762 176
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity	95 196	95 196	95 196
Retained earnings	1 124 300	1 629 830	1 231 453
<i>Total equity</i>	1 219 496	1 725 027	1 326 649
LIABILITIES			
Provision for liabilities	11 499	17 619	11 499
Other long-term liabilities	1 137 030	2 727 328	1 226 285
First year instalments	115 955	331 548	119 176
Other current liabilities	118 057	86 146	78 567
<i>Total liabilities</i>	1 382 542	3 162 641	1 435 527
Total equity and liabilities	2 602 038	4 887 667	2 762 176

GC RIEBER SHIPPING ASA

Noter 30.06.2017

Consolidated accounts

(Unaudited)

Cash Flow Statement (NOK 1000)	30.06.2017	30.06.2016	2016
EBITDA	22 993	-31 456	16 688
Change in net current assets	27 028	-89 488	-111 553
Net cash from operating activities	50 021	-120 944	-94 865
Acquisition of tangible fixed assets	-33 893	-16 715	-24 489
Sale of tangible fixed assets	0	0	0
Other investing activities	9 290	82 028	-40 271
Net cash from investment activities	-24 603	65 313	-64 760
New loans and repayments	-58 566	54 030	-93 808
Dividend payment	0	0	0
Net interest paid	-17 879	-51 423	-104 343
Net cash from financing activities	-76 445	2 607	-198 151
Net change in liquidity	-51 027	-53 024	-357 776
Liquidity at beginning of period	267 849	625 625	625 625
Restricted cash	-62 903	0	-64 650
Liquidity at end of period	153 920	572 601	203 199

Equity statement (NOK 1000)	Share premium reserve	Other equity	Total equity
Balance at 01.01.2016	16 604	2 286 233	2 381 430
Profit for the year		-1 054 782	-1 054 782
Changes non-controlling interests			
Dividends to shareholders			0
Balance at 31.12.2016	16 604	1 231 451	1 326 649
Balance at 01.01.2017	16 604	1 231 451	1 326 649
Profit for the year		-107 153	-107 153
Dividends to shareholders		0	0
Balance at 30.06.2017	16 604	1 124 298	1 219 496

Segment Reporting (NOK 1000)	30.06.2017	30.06.2016	31.12.2016
Ice/support	8 516	10 128	18 307
Subsea	124 271	106 872	187 196
Operating income from continuing operations	132 787	117 001	205 505
Operating income from discontinuing operations	0	19 162	83 402
Operating income	132 787	136 163	288 906
Ice/support	8 410	9 600	17 637
Subsea	1 529	3 913	-34 732
JV	13 054	8 693	26 784
EBITDA from continuing operations	22 993	22 206	9 688
EBITDA from discontinuing operations	0	-53 662	-45 678
Operating profit before depreciation, write-downs and gains (losses) on sale of fixed assets	22 993	-31 456	-35 990
Ice/support	3 890	5 094	9 180
Subsea	-77 001	-136 426	-339 871
JV	13 054	8 693	26 784
Operating income from continuing operations	-60 057	-122 639	-303 906
Operating income from discontinuing operations	0	-376 619	-303 577
Operating profit	-60 057	-499 258	-607 483

GC RIEBER SHIPPING ASA
First half year 2017
Group
(Unaudited)

Note 1 Foreign currency

GC Rieber Shipping Group uses the Norwegian krone (NOK) as its presentation currency. Some subsidiaries have US Dollar (USD) as their functional currency. Consequently, accounting standard IAS 21 will apply. A fluctuation in the USD/NOK exchange rate affects the company's equity and result, as the Group's debt are mainly in USD and most of the vessels are recorded in the accounts in and converted to USD/NOK exchange rate on the balance sheet date. For subsidiaries with USD as functional currency, the translation differences on vessels and liabilities are recognized directly in equity. Translation differences also arise in respect of subsidiaries that have the USD as their functional currency, and hold liquid assets in NOK. Here the value of the liquid reserves in NOK translated to USD will be determined by the exchange rate on the balance sheet date and the translation difference will be recognised in profit and loss as unrealised gain/loss.

Note 2 General information

GC Rieber Shipping ASA is registered and domiciled in Norway, with its head office in Bergen. The consolidated interim accounts for the Group include GC Rieber Shipping ASA with its subsidiaries and the Group's investment in associated companies. The Group accounts for fiscal year 2016 were approved by the Board of Directors on 27 March 2017. The consolidated financial statement for the year ended 31 December 2016 with notes and auditor's report are available on our website at www.gcrieber-shipping.com.

Note 3 Accounting principles

The Group's financial reporting is in accordance with International Financial Reporting Standards (IFRS). The consolidated interim accounts at 30 June 2017 have been prepared in accordance with IAS 34 Interim financial reporting. The interim financial statements are unaudited and do not include all the information required in full annual financial statements, and therefore should be read in conjunction with the 2016 Group accounts. The condensed, consolidated quarterly financial statements were approved by the Board of Directors on 17 August 2017.

Note 4 Estimates

Preparation of interim financial statements requires use of assessments, estimates and assumptions that affect accounting principles and reported amounts for equity and liabilities, income and costs. The statements are based on assumptions and estimates, and some of them are beyond the company's control and therefore subject to risks and uncertainty. The actual result may differ from these estimates. When preparing this consolidated interim financial statement, the management has used the same critical assessments related to application of accounting principles as were used for the group financial statements for the financial year that ended on 31 December 2016 and the most important sources of estimate uncertainty are the same as for preparation of the 2016 Group financial statements.

Note 5 Related parties

The Group makes purchase and sales transactions with related parties as part of the normal business operations. Note 17 of the 2016 annual report describe transactions with related parties. There have

been no material changes or transactions in connection with related parties that make a material impact on the Group's position or profit for the period.

Note 6 Financial risk management

GC Rieber Shipping makes a continuous and thorough assessment of operational and financial risk factors. The Group's objectives and principles for financial risk management are in accordance with what has been stated in the Group financial statements for 2016.

Note 7 Overview of shareholders

The 20 largest shareholders in GC Rieber Shipping ASA as of 30 June 2017 (outstanding shares):

Name	Number of shares	Owner's share
GC Rieber AS	30 861 735	70,4 %
AS Javipa	3 056 222	7,0 %
GC Rieber AS Understøttelsesfond	1 379 616	3,1 %
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	363 000	0,8 %
Benedicte Martens Nes	356 250	0,8 %
Pelicahn AS	348 396	0,8 %
Tannlege Randi Arnesen AS	307 000	0,7 %
Randi Jebsen Arnesen	255 000	0,6 %
Dag Fredrik Jebsen Arnesen	212 750	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 %
Middelboe AS	135 225	0,3 %
Arild Nøst Arnesen	134 902	0,3 %
Other Shareholders	3 150 430	7,2 %
Outstanding Shares	43 812 800	100,0 %

Note 8 Discontinuing operations

In December 2016, GC Rieber Shipping and Rasmussengruppen AS established Shearwater GeoServices ("Shearwater") as a 50/50 owned marine geophysical company.

Shearwater GeoServices is an integrated provider of marine geophysical services to oil and gas and multi-client companies worldwide. With a fleet of four modern, high capacity seismic vessels, Shearwater's core strategy is to provide high quality marine geophysical services and utilize the company's position as the most cost-efficient company in the industry.

Shearwater took over GC Rieber Shipping's four seismic vessels; "Polar Empress", "Polar Duke", "Polar Duchess", "Polar Marquis", and the corresponding vessel loans was transferred from GC Rieber Shipping to Shearwater.

GC Rieber Shipping uses the equity method of accounting. The Company's former seismic segment is reported as discontinued operation for 2016.

Note 9 Restricted cash

A total of USD 7.5 million is restricted cash as of 30th of June 2017 and presented as long term receivables in the balance sheet.

Note 10 Temporary amendment of certain financial covenants

The company has received a temporary amendment of certain financial covenants:

As of 30 June 2017:

- Consolidated working capital (excluding short term part of long term debt) to cover 50 percent of short term part of long term debt. Reduced from 100 percent of long term debt.

From 1 July 2017 until 31 August 2017:

- Consolidated working capital (excluding short term part of long term debt) to be positive.