

FARSTAD SHIPPING ASA  
**QUARTERLY REPORT**  
1-2016



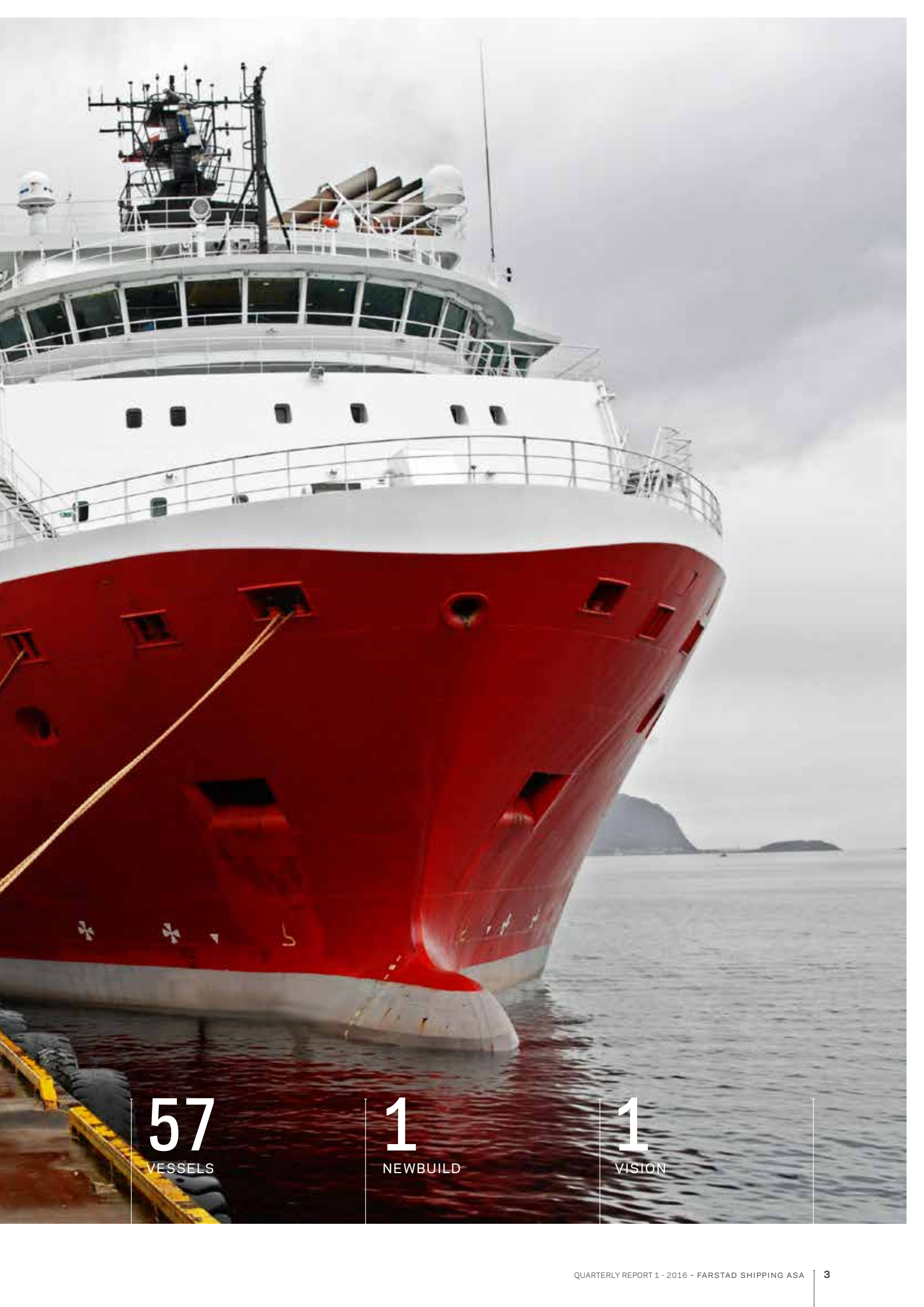


519  
MARKET VALUE

827  
OPERATING INCOME

48  
OPERATING PROFIT (EBIT)





57

VESSELS

1

NEWBUILD

1

VISION

# VALUES, VISION & GOALS

Our Values express the attitudes and the culture Farstad Shipping's employees stand for. The Values give clear guidelines for the priorities which form the basis for the further development of the company. As a leading supply shipping company we depend on having dedicated, knowledgeable and competent people to run our business safely and efficiently. A modern and competitive fleet is also a prerequisite for this.

## SAFETY CONSCIOUS

## INCLUSIVE

## VALUE PRODUCTIVE

## VISIBLE AND TRANSPARENT

## RELIABLE

### CORPORATE VISION

## BETTER BY FAR®

We intend to develop the company further by abiding our Values so that we can maintain a leading, competitive position in those markets in which we are present.

## BUSINESS CONCEPT

We shall be a leading provider of specialized offshore tonnage to the international oil and gas industry.

### OBJECTIVES

Our overall goal is to have zero injuries to people, zero harm to the environment and zero loss or damage to equipment.

The company's growth shall be based on good profitability and financial strength. Our goal is to provide our shareholders with a competitive return.

### FOCUS

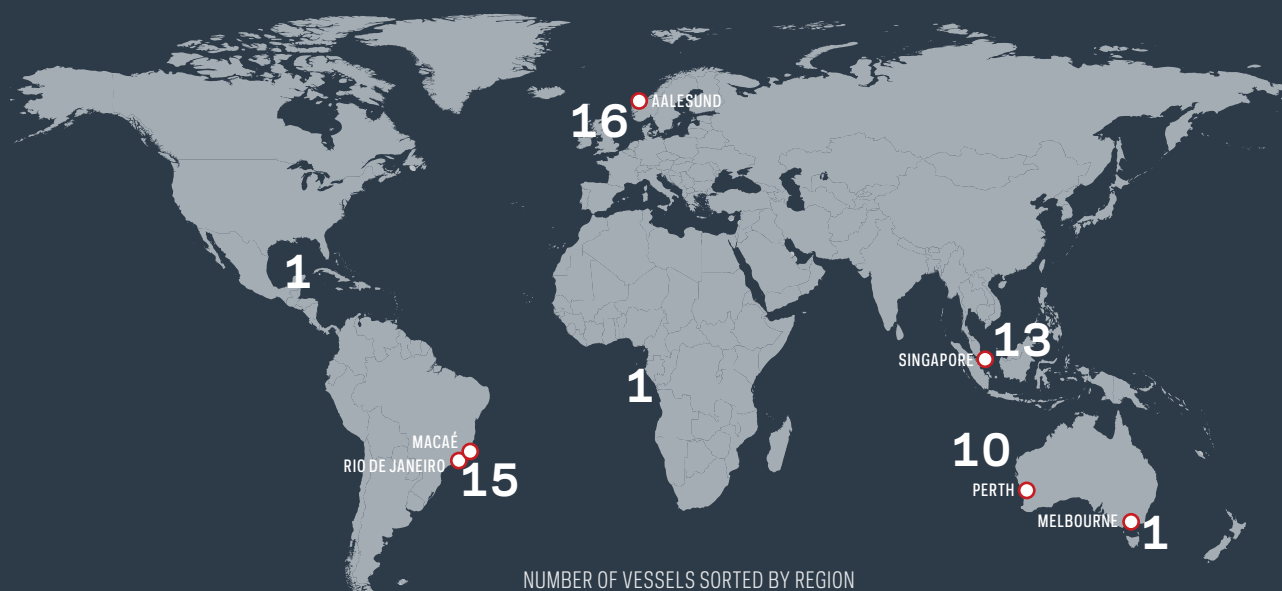
We focus on large, advanced vessels in the anchor handling, supply and subsea segments. We focus on health, safety, environment and quality. This provides the foundation for all our activities and is vital with regard to competitiveness. We focus on stimulating and further developing the competence, knowledge and awareness of our employees.

### LONG-TERM PERSPECTIVE

We are an industrial operator with a long-term perspective on our activities. Our services shall contribute to a sustainable development for our customers and their businesses, as well as form a basis for a long-term value creation which benefits shareholders, employees and society in general. We have a long-term chartering strategy.

# FARSTAD SHIPPING ASA

## GLOBAL SUMMERY



**29** AHTS



**22** PSV



**6** SUBSEA + **1** NEWBUILD

**1 885**

EMPLOYEES IN TOTAL

GENDER DISTRIBUTION



**58** OFFSHORE **1 594**



**106** ONSHORE **127**

**39%**

ASIA PACIFIC

**37%**

BRAZIL

**13%**

NORTH-WEST  
EUROPE

**11%**

OTHER

OPERATING INCOME (EXCL. GAIN/LOSS ON SALES)

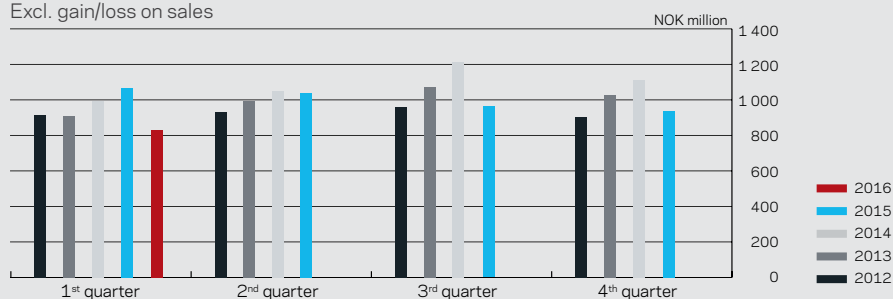
**832** NOK MILLION

# QUARTERLY REPORT

## 1-2016

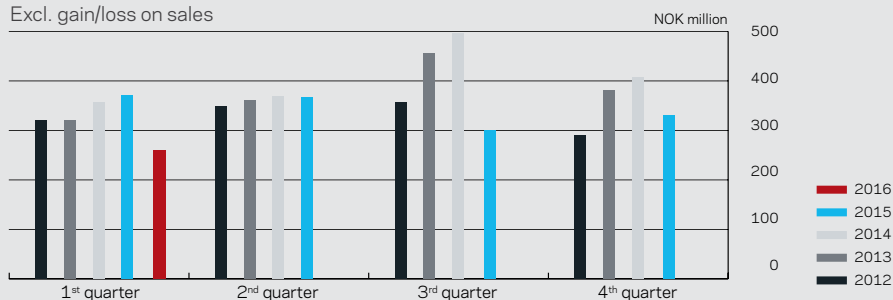
### OPERATING INCOME

Excl. gain/loss on sales



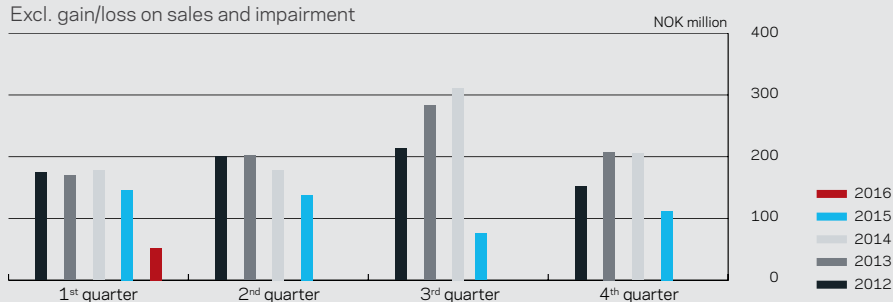
### EBITDA

Excl. gain/loss on sales

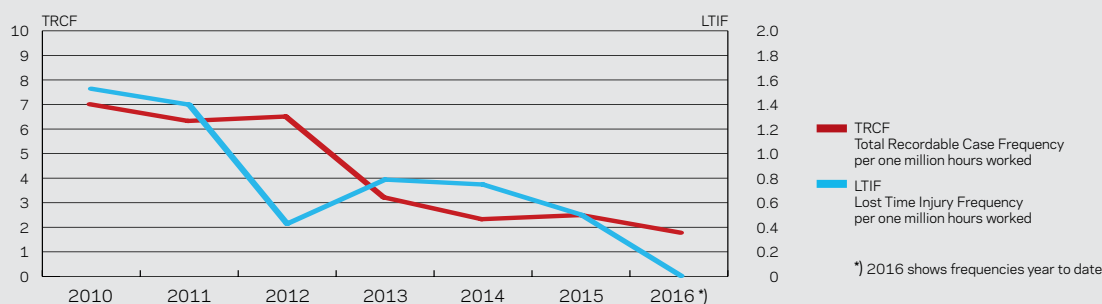


### EBIT

Excl. gain/loss on sales and impairment



### TRCF - LTIF



**Farstad Shipping achieved an operating income of NOK 827.2 million for the 1<sup>st</sup> quarter. The operating loss (EBIT) was NOK 48.1 million. Profit after taxes was NOK 94.2 million.**

#### **THIS IS FARSTAD SHIPPING**

Farstad Shipping is a leading offshore supply shipping company within our defined segment of large and more advanced offshore supply vessels. The company is value driven with focus on safety, quality and efficiency in our services. The company's fleet consists of 57 vessels: 29 AHTS, 22 PSV and 6 SUBSEA vessels. Farstad Shipping has currently one SUBSEA newbuild under construction for delivery in November 2016. The company's operations are managed from Aalesund, Melbourne, Perth, Singapore, Macaé and Rio de Janeiro with 1,885 employees engaged onshore and offshore. At present, 15 vessels are located in Brazil, 16 vessels in North-West Europe, 24 in the Asia Pacific region, one vessel in the Gulf of Mexico and one vessel in West Africa.

#### **RESULTS FOR THE 1<sup>ST</sup> QUARTER 2016**

Farstad Shipping achieved an operating income of NOK 827.2 million for the 1<sup>st</sup> quarter (NOK 1,063.1 million for the same period in 2015). The reduced operating income is a result of the challenging market situation. The operating costs for the period were NOK 569.6 million (NOK 697.0 million). The company has implemented an extensive cost saving program, and the reduction in operating costs is a result of this. 15 of the Group's vessels were in lay-up (fully or partly) during the 1<sup>st</sup> quarter. Operating profit before depreciations (EBITDA) was NOK 257.6 million (NOK 366.2 million). The operating profit (EBIT) was NOK 48.1 million (NOK 125.6 million) after depreciations of NOK 209.5 million (depreciations of NOK 225.5 million and impairments of NOK 15.0 million in 2015).

Net finance was positive NOK 57.7 million (negative

NOK 421.8 million). Currency losses of NOK 57.1 million were recognised during the quarter (loss NOK 0.3 million). An unrealised currency gain of NOK 272.8 million (loss NOK 266.5 million) was recognised due to the adjustment of the company's long-term liabilities in foreign currency. The unrealised currency gain is mainly due to a weakening of USD during the quarter. Profit after taxes was NOK 94.2 million (loss NOK 304.2 million). The Group's cash flow\*) for the period was NOK 42.5 million compared to NOK 210.8 million for the same period in 2015.

A positive change in the market value of currency and interest hedging instruments, NOK 145.1 million (negative NOK 94.5 million) was recognised against other comprehensive income and added to equity.

#### **FINANCING AND CAPITAL STRUCTURE**

In the statement of financial position at 31.03.16, interest-bearing mortgage debt totaled NOK 11,805.6 million (NOK 11,973.3 million at 31.03.15). Of the company's interest-bearing debts, 68.1% was in NOK, 24.1% in USD, 1.8% in GBP, 5.5% in AUD and 0.5% in EUR. Interest-bearing current assets at 31.03.16 were NOK 1,519.1 million (NOK 1,974.3 million).

The Group's booked equity at 31.03.16 was NOK 4,568.5 million (NOK 6,211.5 million) corresponding to NOK 117.14 (NOK 159.27) per share. Equity ratio was 25.9% (31.6%).

The company together with its financial advisors are pursuing various options in order to strengthen the company's financial position and capital structure.

\*) Cash flow is defined as pre-tax profit + depreciation, impairments and deferred maintenance +/- change on revaluation of long-term liabilities in foreign currency.

# QUARTERLY REPORT 1-2016

## CHANGES TO THE FLEET

Far Scandia (PSV 1991, UT 705, 3,100 DWT) was sold 15 January. The sale gave a book loss of NOK 8 million recognised as impairment of the vessel's book value in the 4<sup>th</sup> quarter 2015.

Lady Grace (PSV 2001, UT 755, 2,936 DWT) was sold 21 January. The sale resulted in a book loss of NOK 49 million in the 4<sup>th</sup> quarter 2015 recognized as impairment of the vessel's book value.

Lady Grete (PSV 2002, UT 755 L, 3,264 DWT) was sold 29 February. The sale gave a book loss of NOK 63 million, whereof NOK 60 million was booked as impairment in the 4<sup>th</sup> quarter 2015.

Far Sea (AHTS 1991, ME303 II, 13,219 BHP) was sold 3 March. The sale gave a book loss of NOK 32 million, whereof NOK 30 million was booked as impairment in the 4<sup>th</sup> quarter 2015.

## NEW CONTRACTS

Petrobras awarded the PSV Far Strider a four year contract.

Petrobras also awarded the AHTS BOS Turquesa a one year contract with a further one year option.

Woodside Energy Ltd. awarded the AHTS Far Senator a 17 month contract plus options.

## CONTRACT COVERAGE

The contract coverage of the Farstad fleet is approx. 50% for the remaining part of 2016 (43% excl. options), and approx. 43% for 2017 (27% excl. options). Total backlog exclusive options is approx. NOK 5.2 billion.

## HEALTH, SAFETY AND ENVIRONMENT

Farstad Shipping's goal is to operate without injury to people, harm to the environment and damage to assets. The Company works actively to make employees aware of this goal.

An important part of the HSE management is recording, reporting and assessment of various HSE data. A number of measurement indicators have been established for this purpose. Further, this will document quantitative development over time, as well as strengthen the decision indicators for systematic improvements. Two of the measurement indicators the company utilises are the lost time injury frequency (LTIF) and total recordable case frequency (TRCF). The company measures this as the number of injuries per one million hours worked, measured 24 hours a day so that recreational injuries are also included. The lost time injury frequency was 0 (0 injuries) by the end of the 1<sup>st</sup> quarter. Hence, the lost time injury frequency has improved compared to 2015 (0.5). The total recordable case frequency was 1.8 by the end of the 1<sup>st</sup> quarter, this is also an improvement compared to 2015 (2.5).

## THE MARKET

Even though we have experienced a recovery of the oil price during 1<sup>st</sup> quarter, there has been no improvement in the fundamentals for the offshore oil services industry. The market conditions are still challenged by the continued declining activity, and the ongoing cost reduction programs within the oil companies. All regions and markets are characterised by unsustainable rate levels resulting in an increasing number of offshore service vessels being laid up.

There is still considerable uncertainty as to how long it will take before the offshore activity recovers. And when it recovers, the supply vessel owners will face the challenge of tonnage oversupply. Despite the fact that the contracting activity of new vessels has stopped, there is still a significant number of offshore vessels on order.

Aalesund 12 May 2016  
Board of Directors





## INCOME STATEMENT

	1 <sup>st</sup> quarter 2016	1 <sup>st</sup> quarter 2015	1.1-31.12 2015	1.1-31.12 2014
Freight income and other income	831 850	1 067 688	4 015 695	4 368 938
Gain (loss) on sale of fixed assets	(4 636)	(4 581)	(4 581)	15 015
<b>Total operating income</b>	<b>827 214</b>	<b>1 063 107</b>	<b>4 011 114</b>	<b>4 383 953</b>
Operating expenses vessels	(492 410)	(618 962)	(2 357 732)	(2 477 323)
Administration	(77 206)	(77 992)	(290 325)	(265 167)
<b>Total operating expenses</b>	<b>(569 616)</b>	<b>(696 954)</b>	<b>(2 648 057)</b>	<b>(2 742 490)</b>
<b>Operating profit before depreciation and impairment (EBITDA)</b>	<b>257 598</b>	<b>366 153</b>	<b>1 363 057</b>	<b>1 641 463</b>
Ordinary depreciation	(209 494)	(225 506)	(897 262)	(754 348)
Impairment	-	(15 000)	(1 279 560)	(101 795)
<b>Operating profit (loss) (EBIT)</b>	<b>48 104</b>	<b>125 647</b>	<b>(813 765)</b>	<b>785 320</b>
Financial income	3 811	9 157	32 616	35 243
Financial expenses	(161 804)	(164 193)	(670 187)	(617 505)
Agio/(disagio), realised	(57 118)	(282)	(86 401)	71 123
Agio/(disagio), unrealised	272 820	(266 467)	(548 586)	(281 179)
<b>Net financial expenses</b>	<b>57 709</b>	<b>(421 785)</b>	<b>(1 272 558)</b>	<b>(792 318)</b>
<b>Profit (loss) before tax</b>	<b>105 813</b>	<b>(296 138)</b>	<b>(2 086 323)</b>	<b>(6 998)</b>
Taxes	(11 610)	(8 085)	(83 638)	(1 343)
<b>Profit (loss)</b>	<b>94 203</b>	<b>(304 223)</b>	<b>(2 169 961)</b>	<b>(8 341)</b>
Profit (loss) / diluted profit per share (NOK)	2.42	(7.80)	(55.64)	(0.21)
Cash flow per share (NOK)	1.09	5.41	16.39	28.98
Average number of outstanding shares	39 000 000	39 000 000	39 000 000	39 000 000

## STATEMENT OF COMPREHENSIVE INCOME

	1 <sup>st</sup> quarter 2016	1 <sup>st</sup> quarter 2015	1.1-31.12 2015	1.1-31.12 2014
<b>Profit (loss)</b>	<b>94 203</b>	<b>(304 223)</b>	<b>(2 169 961)</b>	<b>(8 341)</b>
<b>Items not to be reclassified to income statement in subsequent periods</b>				
Actuarial gains and losses pensions	-	-	27 180	(29 025)
Change in deferred tax pensions	-	-	(1 455)	661
<b>Items to be reclassified to income statement in subsequent periods</b>				
Change in foreign exchange contracts and interest swaps	145 073	(94 502)	(33 067)	(233 604)
Change in deferred tax	(4 281)	405	2 507	835
Translation effects foreign operations	(10 546)	(14 895)	11 115	133 258
<b>Total other comprehensive income</b>	<b>130 246</b>	<b>(108 992)</b>	<b>6 280</b>	<b>(127 875)</b>
<b>Comprehensive income for the period</b>	<b>224 449</b>	<b>(413 215)</b>	<b>(2 163 681)</b>	<b>(136 216)</b>

## STATEMENT OF FINANCIAL POSITION

	31.03.2016	31.03.2015	31.12.2015
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Goodwill	59 525	94 849	57 793
Vessels etc.	15 225 356	16 527 720	15 383 886
Contracts newbuilds	33 177	41 066	18 336
Deferred tax asset	51 060	83 550	55 106
Other long-term receivables	2 813	16 398	2 716
Currency and interest swap derivatives	5 950	1 325	-
Shares	4 935	5 060	4 936
<b>Total non-current assets</b>	<b>15 382 816</b>	<b>16 769 968</b>	<b>15 522 773</b>
<b>Current assets:</b>			
Account receivables, freight income	474 085	692 930	517 627
Other short-term receivables	247 932	302 871	294 405
Currency and interest swap derivatives	5 245	2 579	2 790
Liquid assets	1 467 684	1 920 712	1 636 937
<b>Total current assets</b>	<b>2 194 946</b>	<b>2 919 092</b>	<b>2 451 759</b>
Assets classified as held for sale	32 795	-	151 438
<b>Total assets</b>	<b>17 610 557</b>	<b>19 689 060</b>	<b>18 125 970</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
Paid-in capital	237 396	237 396	237 396
Retained earnings	4 331 130	5 974 147	4 106 681
<b>Total equity</b>	<b>4 568 526</b>	<b>6 211 543</b>	<b>4 344 077</b>
<b>Liabilities:</b>			
<b>Non-current liabilities:</b>			
Provision for liabilities	54 742	97 043	55 324
Deferred tax	39 018	40 329	43 140
Currency and interest swap derivatives	187 318	309 618	290 618
Interest-bearing debt and leasing obligations	10 218 509	10 732 916	11 287 530
<b>Total non-current liabilities</b>	<b>10 499 587</b>	<b>11 179 906</b>	<b>11 676 612</b>
<b>Current liabilities:</b>			
Accounts payable	184 099	199 554	199 127
Currency and interest swap derivatives	149 535	223 993	234 400
Taxes payable	39 200	36 801	38 271
Other current liabilities	582 532	596 892	597 150
Current portion of interest-bearing debt	1 587 078	1 240 371	1 036 333
<b>Total current liabilities</b>	<b>2 542 444</b>	<b>2 297 611</b>	<b>2 105 281</b>
<b>Total liabilities</b>	<b>13 042 031</b>	<b>13 477 517</b>	<b>13 781 893</b>
<b>Total equity and liabilities</b>	<b>17 610 557</b>	<b>19 689 060</b>	<b>18 125 970</b>

## STATEMENT OF CASH FLOW

	1 <sup>st</sup> quarter 2016	1 <sup>st</sup> quarter 2015	1.1-31.12 2015	1.1-31.12 2014
Cash flow from operating activity	169 026	263 182	1 246 483	1 752 821
Sale of fixed assets	105 920	39 909	93 437	20 790
Investment in fixed assets and contracts newbuilds	(55 392)	(905 366)	(1 834 882)	(2 112 935)
Other investments activity	6 277	8 495	61 825	40 465
Cash flow from investment activity	56 805	(856 962)	(1 679 620)	(2 051 680)
New long-term debt	19 583	984 020	2 181 100	2 982 998
Repayment of debt	(268 836)	(541 464)	(1 629 885)	(1 620 941)
Dividend paid	-	-	(117 000)	(117 000)
Interest costs	(121 148)	(134 146)	(560 935)	(600 719)
Cash flow from finance activity	(370 401)	308 410	(126 720)	644 338
Net changes in liquidity in the period	(144 570)	(285 370)	(559 857)	345 479
Net currency exchange differences subsidiaries	(22 121)	10 623	17 400	(25 070)
Cash and cash equivalents at the beginning of the period *)	1 578 619	2 121 076	2 121 076	1 800 667
Cash and cash equivalents at the end of the period *)	1 411 928	1 846 329	1 578 619	2 121 076

\*) Ex. shares, equity certificates and bonds

## CHANGE IN EQUITY

	1 <sup>st</sup> quarter 2016	1 <sup>st</sup> quarter 2015	1.1-31.12 2015	1.1-31.12 2014
Equity at the beginning of the period	4 344 077	6 624 758	6 624 758	6 877 974
Comprehensive income	224 449	(413 215)	(2 163 681)	(136 216)
Dividend payment	-	-	(117 000)	(117 000)
Equity at the end of the period	4 568 526	6 211 543	4 344 077	6 624 758



# NOTES TO THE INTERIM REPORT (NOK 1000)

# GROUP

## NOTE 1 - ACCOUNTING PRINCIPLES / ESTIMATES

The interim report has been prepared in accordance with today's International Financial Reporting Standards (IFRS) and interpretations, and the IAS 34 standard for interim reporting. All accounting principles used are in accordance with principles used in the last annual report. The financial statements for the first quarter of 2016 are unaudited.

There has been no changes in estimates that could materially influence the interim result or balance sheet. Reference is made to the Annual Report 2015 for further information.

## NOTE 2 - SEGMENT INFORMATION

OPERATING INCOME *)	1 <sup>st</sup> quarter 2016	1 <sup>st</sup> quarter 2015	1.1-31.12 2015	1.1-31.12 2014
AHTS	432 321	587 787	2 186 808	2 526 448
PSV	194 978	371 078	1 261 624	1 549 894
SUBSEA	200 034	105 576	549 915	275 698
Other income	4 517	3 247	17 348	16 898
<b>Total</b>	<b>831 850</b>	<b>1 067 688</b>	<b>4 015 695</b>	<b>4 368 938</b>
North-West Europe	109 294	135 350	516 674	894 570
Brazil	304 560	381 170	1 407 327	1 407 695
Asia Pacific	323 902	530 283	1 901 600	1 902 408
Other segments	89 577	17 638	172 746	147 367
Others	4 517	3 247	17 348	16 898
<b>Total</b>	<b>831 850</b>	<b>1 067 688</b>	<b>4 015 695</b>	<b>4 368 938</b>

\*) excl. sale of vessels

OPERATING PROFIT (EBIT) *)	1 <sup>st</sup> quarter 2016	1 <sup>st</sup> quarter 2015	1.1-31.12 2015	1.1-31.12 2014
AHTS	1 945	87 186	48 286	574 116
PSV	(37 729)	12 864	(987 182)	188 245
SUBSEA	89 769	32 032	172 924	26 606
Other income	(1 245)	(1 854)	(43 212)	(18 662)
<b>Total</b>	<b>52 740</b>	<b>130 228</b>	<b>(809 184)</b>	<b>770 305</b>
North-West Europe	(39 860)	(65 994)	(661 245)	194 426
Brazil	71 073	104 623	329 640	285 868
Asia Pacific	(27 684)	89 978	(442 589)	322 194
Other segments	50 456	3 474	8 211	(13 521)
Others	(1 245)	(1 854)	(43 201)	(18 662)
<b>Total</b>	<b>52 740</b>	<b>130 228</b>	<b>(809 184)</b>	<b>770 305</b>

\*) excl. sale of vessels

## NOTE 3 - KEY FIGURES

	1.1-31.03 2016	1.1-31.03 2015	1.1-31.12 2015
EBITDA-margin excl. sale of fixed assets	31.5 %	34.7 %	34.1 %
EBIT-margin excl. sale of fixed assets	6.3 %	12.2 %	(20.2 %)
EBIT-margin excl. sale of fixed assets and impairment	6.3 %	13.6 %	11.7 %
	31.03.2016	31.03.2015	31.12.2015
Equity ratio	25.9 %	31.5 %	24.0 %
Booked equity per share, NOK	117.14	159.27	111.39
Working capital	(314 703)	621 481	497 916

**NOTE 4 - SHARES, SHAREHOLDERS AND DIVIDEND**

The company's shares have been traded between NOK 15.80 and NOK 12.40 during the quarter, and the share price was NOK 13.30 at the end of the quarter. The share price at 31.03.16 values the company to approx. NOK 0.5 billion.

**THE COMPANY'S 20 LARGEST SHAREHOLDERS**

AT 09.05.16

	Number of shares	Owner's share in %
Tyrholm & Farstad AS	15 796 199	40.50
FLPS - Princ All Sec	2 878 400	7.38
Pareto Aksje Norge	2 318 149	5.94
Folketrygdfondet	1 822 416	4.67
Jan Henry Farstad	1 050 000	2.69
Sverre Andreas Farstad	1 000 000	2.56
Pershing LLC	424 267	1.09
Forsvarets Personellservice	421 600	1.08
Pareto AS	368 000	0.94
Fidelity GR TST	316 200	0.81
Swedbank Norge	300 000	0.77
Wenaas Kapital AS	259 029	0.66
Hans Eiendom AS	232 000	0.59
Nordnet Bank AB	214 473	0.55
BKK Pensjonskasse	182 000	0.47
Ulsmo Finans AS	175 329	0.45
MP Pensjon	172 039	0.44
Citibank	169 103	0.43
J.P. Morgan Bank Luxemburg	160 000	0.41
Nortura Konsernpensjonskasse	150 000	0.38
<b>Total 20 largest shareholders</b>	<b>28 409 204</b>	<b>72.81</b>
Other shareholders	10 590 796	27.19
<b>Total number of shares</b>	<b>39 000 000</b>	<b>100.00</b>

**ANNUAL GENERAL MEETING MAY 12<sup>TH</sup> 2016**

The Annual General Meeting will be held at the company's premises on Tuesday 12 May. The Board of Directors has decided to propose no dividend for the fiscal year 2015 (NOK 3.00 per share for 2014).

**NOTE 5 - RELATED PARTIES**

The company's largest shareholder is Tyrholm & Farstad AS in Aalesund with a holding of 40.5% and is defined as a related party. Farstad Shipping ASA had a lease agreement for the old main office premises in Aalesund with Tyrholm & Farstad AS and this agreement expired 29.02.16. The company's head office is relocated to new office premises at Skansekaia 4A, and were moved into 08.02.16. The lessor is Skansekaia Utvikling AS, where Tyrholm & Farstad AS holds 33.3%. Annual cost for the new premises is NOK 15 347, of which NOK 1 277 is subleased from 1 April 2016 and NOK 1 063 is subleased from 1 September 2016. In addition Farstad Shipping ASA has purchased cargo freight and customs clearance services from Tyrholm & Farstad AS.

# NOTES TO THE INTERIM REPORT (NOK 1000)

# GROUP

## NOTE 6 - VESSELS, OTHER FIXED ASSETS AND NEWBUILDS

	Other fixed assets	Vessels	Total vessels etc.	Contracts newbuilds	Total fixed assets
<b>Acquisition cost</b>					
1 January 2016	266 604	19 701 244	19 967 848	18 336	19 986 184
Additions	10 909	12 307	23 216	14 841	38 057
Disposals	(10 077)	-	(10 077)	-	(10 077)
Translations differences	(1 446)	3 970	2 524	-	2 524
31 March 2016	265 990	19 717 521	19 983 511	33 177	20 016 688
<b>Accumulated depreciation</b>					
1 January 2016	135 664	4 689 816	4 825 480	-	4 825 480
Depreciation for the year	6 141	151 689	157 830	-	157 830
Disposals	(10 077)	-	(10 077)	-	(10 077)
31 March 2016	131 728	4 841 505	4 973 233	-	4 973 233
Recognized value deferred maintenance	-	215 078	215 078	-	215 078
<b>Recognized value</b>	<b>134 262</b>	<b>15 091 094</b>	<b>15 225 356</b>	<b>33 177</b>	<b>15 258 533</b>

At 31.03.16 the vessel PSV Far Service was classified as assets held for sale. Net book value included deferred maintenance for assets classified as held for sale was NOK 32.8 million.

## NOTE 7 - MORTGAGES AND OTHER LONG TERM LIABILITIES

The Group's loan agreements contain financial covenants related to equity ratio, liquid assets and working capital. All companies within the Group have fulfilled their financial covenants in the 1<sup>st</sup> quarter of 2016.

Repayments of debt amounted to NOK 268.9 million in the 1<sup>st</sup> quarter (NOK 541.5 million in 1<sup>st</sup> quarter 2015). Net new long term debt raised was NOK 19.6 million during the quarter (NOK 984.0 million during 1<sup>st</sup> quarter 2015).

Net interest bearing debt as per	31.03.2016	31.03.2015	31.12.2015
Interest bearing debt and leasing obligations	11 805 587	11 973 287	12 323 863
Interest bearing current assets	(1 519 074)	(1 974 322)	(1 693 915)
<b>Net interest bearing debt and leasing obligations</b>	<b>10 286 513</b>	<b>9 998 965</b>	<b>10 629 948</b>

Long-term liabilities as per 31 March 2016 were distributed as follows: 68.1% in NOK (71.0% as per 31.03.15), 24.1% (20.5%) in USD, 1.8% (2.0%) in GBP, 5.5% (6.0%) in AUD and 0.5% (0.5%) in EUR.

## NOTE 8 - EVENTS AFTER THE BALANCE SHEET DATE

There have not been any events after the balance sheet date that would have affected the financial statements significantly.

## AHTS FLEET GALLERY\*)



Far Sirius



Far Sigma



Far Statesman



Far Senator



Far Saracen



Far Shogun



Far Sagaris



Far Scorpion



Far Scimitar



Far Sabre



Far Sapphire



Far Sound



BOS Turquesa



Far Strait



Far Stream



Far Sword



BOS Turmalina



BOS Topàzio



Lady Astrid



Lady Caroline



Far Saltire



Far Scout



Far Santana



Far Sovereign



Far Senior



Lady Sandra



Far Sailor



Far Fosna



Far Grip

\*) For more information about each vessel visit: [WWW.FARSTAD.COM/FLEET/AHTS](http://WWW.FARSTAD.COM/FLEET/AHTS)



# AHTS FLEET EMPLOYMENT

## CONTRACT OVERVIEW AT 09.05.16

Vessel name	Design	Year built	BHP	Employment *) at 09.05.16	2016	2017	2018	2019	2020
FAR SIRIUS	UT 731 CD	2014	24400	Aug. 16 + opt.	<div><div></div><div></div></div>	<div><div></div><div></div></div>			
FAR SIGMA	UT 731 CD	2014	24400	Lay up	<div><div></div><div></div></div>				
FAR STATESMAN	UT 731 CD	2013	24000	Lay up	<div><div></div><div></div></div>				
FAR SENATOR	UT 731 CD	2013	24400	Oct. 17 + opt.	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
FAR SARACEN	UT 731 CD	2010	24400	May 17	<div><div></div><div></div></div>	<div><div></div><div></div></div>			
FAR SHOGUN	UT 731 CD	2010	24400	May 17	<div><div></div><div></div></div>	<div><div></div><div></div></div>			
FAR SAGARIS	UT 731 CD	2009	23700	April 18 + opt.	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
FAR SCORPION	UT 731 CD	2009	23700	Spot	<div><div></div><div></div></div>				
FAR SCIMITAR	UT 712 L	2008	14700	Spot	<div><div></div><div></div></div>				
FAR SABRE	UT 712 L	2008	14700	May 16 + opt.	<div><div></div><div></div></div>	<div><div></div><div></div></div>			
FAR SAPPHIRE	UT 732 CD	2007	27500	Spot	<div><div></div><div></div></div>				
FAR SOUND	UT 712 L	2007	14700	Spot	<div><div></div><div></div></div>				
BOS TURQUESA	UT 722 L	2007	18000	Dec. 16 + opt.	<div><div></div><div></div></div>	<div><div></div><div></div></div>			
FAR STRAIT	UT 712 L	2006	14700	May 16 + opt.	<div><div></div><div></div></div>	<div><div></div><div></div></div>			
FAR STREAM	UT 712 L	2006	14700	March 18 + opt.	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
FAR SWORD	UT 712 L	2006	14700	March 18 + opt.	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
BOS TURMALINA	UT 722 L	2006	14500	July 16 + opt.	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
BOS TOPÀZIO	UT 728 L	2005	12240	Aug. 18 + opt.	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
LADY ASTRID	UT 712	2003	12240	Spot	<div><div></div><div></div></div>				
LADY CAROLINE	UT 712	2003	12240	Spot	<div><div></div><div></div></div>				
FAR SALTIRE	UT 728 L	2002	16300	Spot	<div><div></div><div></div></div>				
FAR SCOUT	UT 722 L	2001	16825	Spot	<div><div></div><div></div></div>				
FAR SANTANA	UT 730	2000	19200	July 18 + opt.	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
FAR SOVEREIGN	UT 741	1999	25200	Lay up	<div><div></div><div></div></div>				
FAR SENIOR	UT 722 L	1998	16800	Spot	<div><div></div><div></div></div>				
LADY SANDRA	KMAR 404	1998	16800	Lay up	<div><div></div><div></div></div>				
FAR SAILOR	UT 722	1997	16800	Nov. 17	<div><div></div><div></div></div>	<div><div></div><div></div></div>			
FAR FOSNA	UT 722	1993	14400	Lay up	<div><div></div><div></div></div>				
FAR GRIP	UT 722	1993	14400	Lay up	<div><div></div><div></div></div>				

\*) Certain freight contracts contain clauses which give the charterer the right to cancel the contract.

Contract  
 Charterer's option

## PSV/SUBSEA FLEET GALLERY\*)



Far Sygna



Far Sun



Far Starling



Far Sitella



Far Spica



Far Solitaire



Far Skimmer



Far Scotsman



Far Server



Far Serenade



Far Searcher



Far Seeker



Far Spirit



Far Swan



Far Splendour



Far Symphony



Lady Melinda



Far Star



Far Supplier



Far Strider



Far Supporter



Far Service



Far Superior tbn



Far Sentinel



Far Sleipner



Far Samson



Far Swift



Far Saga



Far Scotia

\*) For more information about each vessel visit: [WWW.FARSTAD.COM/FLEET/PSV](http://WWW.FARSTAD.COM/FLEET/PSV) and [WWW.FARSTAD.COM/FLEET/SUBSEA](http://WWW.FARSTAD.COM/FLEET/SUBSEA)

## PSV/SUBSEA FLEET EMPLOYMENT

### CONTRACT OVERVIEW AT 09.05.16

Vessel name	Design	Year built	DWT	Employment *) at 09.05.16	2016	2017	2018	2019	2020
FAR SYGNA	VARD 1 07	2014	5700	Sept. 20 + opt.					
FAR SUN	VARD 1 07	2014	5635	July 20 + opt.					
FAR STARLING	PSV 08 CD	2013	4000	Lay up					
FAR SITELLA	PSV 08 CD	2013	4000	Spot					
FAR SPICA	PSV 08 CD	2013	4000	Oct. 16 + opt.					
FAR SOLITAIRE	UT 754 WP	2012	6336	Dec. 16 + opt.					
FAR SKIMMER	PSV 08 CD	2012	4000	Lay up					
FAR SCOTSMAN	PSV 08 CD	2012	4000	Spot					
FAR SERVER	HY 832 CD	2010	4000	Spot					
FAR SERENADE	UT 751 CD	2009	5944	Lay up					
FAR SEARCHER	UT 751 E	2008	5127	Lay up					
FAR SEEKER	UT 751 E	2008	4905	Aug. 16 + opt.					
FAR SPIRIT	VS 470 Mk II	2007	3624	Lay up					
FAR SWAN	VS 470 Mk II	2006	3628	Spot					
FAR SPLENDOUR	P 106	2003	3503	Oct. 16 + opt.					
FAR SYMPHONY	P 105	2003	4929	April 17 + opt.					
LADY MELINDA	UT 755	2003	2777	Lay up					
FAR STAR	UT 745	1999	4403	Aug. 17 + opt.					
FAR SUPPLIER	VS 483	1999	4709	May 19					
FAR STRIDER	VS 483	1999	4709	April 20 + opt.					
FAR SUPPORTER	UT 750	1996	4680	Spot					
FAR SERVICE	UT 745	1995	4680	Lay up					

### CONTRACT OVERVIEW AT 09.05.16

Vessel name	Design	Year built	BHP	Employment *) at 09.05.16	2016	2017	2018	2019	2020
FAR SUPERIOR tbn	VARD 3 17	2016	-	March 22 + opt.					
FAR SENTINEL	VARD 3 07	2015	22800	Nov. 18 + opt.					
FAR SLEIPNER	VARD 3 07	2015	22800	June 16 + opt.					
FAR SAMSON	UT 761 CD	2009	47600	Oct. 17 + opt.					
FAR SWIFT	UT 755 L	2003	5450	Oct. 16 + opt.					
FAR SAGA	UT 745 L	2001	10900	May 20 + opt.					
FAR SCOTIA	UT 755	2001	5450	Nov. 16 + opt.					

\*) Certain freight contracts contain clauses which give the charterer the right to cancel the contract.

Contract
 Framework Agreement
 Charterer's option
 Under construction



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